
TRANSITIONAL STUDY OF SUSTAINABLE BEHAVIOUR IN REDUCING IMAGINARY COSTS / ARTICLE REVIEW

Nabeel Farhan Hamdan

Imam Al -Kazim College (P) University Sciences /
Baghdad Branch / Business Administration Department
bmlecbg5@alkadhum-col.edu.iq

Abstract

Today's business environment is witnessing a great competition between economic organizations or units, as obtaining customer satisfaction and their loyalty and achieving sustainability requirements has become a preoccupation of all successful economic units that seek to sustain and ensure their success successfully in the business environment, so these units have taken it upon themselves to apply many technologies and means That has information about what customers 'requirements and desires are, and these means are technologies that have received great attention in the application aspect according to the concept of new sustainability. Among these technologies or tools is the tool of spreading the sustainable quality function and the targeted cost of sustainability that transforms the requirements of customers and their desires according to the technology of our time, Where the research shows the concept of sustainability, its dimensions and the goals of its application, as well as the determinants facing the application of sustainability, and sustainability technologies as well as addressing the reduction of costs in terms of concept, definition and discount mechanism.

Keywords: sustainability, cost reduction, sustainable quality function technology, Sustainable quality house , sustainable balanced score card.

Introduction

Achieving sustainability today has become an essential agenda for many societies around the world. We are currently witnessing a sudden stagnation in progress towards achieving this goal, as global discussions in recent years have become focused around the concept of sustainability, and non-development institutions are considered to have negative impacts on our planet. And our societies, and on this basis, sustainability has become the standard that societies strive to achieve . (Duvnjak, Kohont, 2021: 1)

First: The concept and definition of sustainability

She indicated Research and literature have indicated that the concept of sustainability has received great attention from economic units, because these units have a desire to achieve competitive advantage from several aspects, the most important of which is reducing their costs and improving operational efficiency, and also to gain wide fame, as many researchers believe that if investment is made in initiatives Sustainability will make these institutions

competitive and profitable in the long term, as well as seeking societal legitimacy in the sense that the institutions will respond to the environmental, social and economic needs of stakeholder groups. (Geerdink, 2016: 4)

The concept of sustainability has become widespread and is being circulated in various fields, and its application and adoption varies from one society to another and from one economic unit to another, because each of them has its own standards that it adopts in application, and the term sustainability takes on various and different concepts depending on the entity used, given that Sustainability attempts to achieve development in its environmental, social and economic dimensions (kaldirim, et al, 2020: 12).

Sustainability has been defined in many literatures, and its first definition was issued in 1987 by the World Commission on Sustainable Development, as it was defined as “meeting the needs of the present without leading to the destruction of the ability of future generations to meet their needs.” private”. (Zhong et al, 2021: 1)

(Gazzola & Querci, 2017: 364) defined sustainability as “an interpretation of environmental economics in which environmental and ecological variables and issues are fundamental and part of a multidimensional perspective, which is an integration of social, cultural, health and financial aspects.” As for (Elgazzar and El-Gazzar, 2017:251), they defined sustainability as “a model for thinking about the future, where environmental, social, and economic factors are balanced in the pursuit of improving the quality of life.”

Second: Dimensions of Sustainability

Sustainability meets the needs of the present without compromising the ability of future generations to meet their own needs. A healthy economic system requires healthy people in a just society and a healthy environment to support humanity. A sustainable society or nation is economically viable, environmentally sound, and socially responsible. Therefore, the Sustainable Society Index consists of three Dimensions (economic, social, environmental), as these dimensions differ in terms of their dimensions and contents and are also greatly interconnected with each other, so it is not possible to focus on one dimension without the other (Larson, 2021: 4). We can explain the most important dimensions of sustainability, which are as follows:

- 1- The social dimension: - When sustainability was first considered, the focus was on the environmental and economic dimensions, but today, especially in the context of the sustainability of economic units, the social dimension has been accepted as one of the dimensions of sustainability, as it is concerned with meeting individuals' material needs and providing them with them, and developing and improving their efforts. As the social dimension of sustainability relates to the effects of the economic unit on the social systems through which it operates, as well as its relationship with stakeholders (Mies, Gold, 2021: 3-4), and aspects of the social dimension include (equality within the unit, international justice, and internal social improvements , and external social improvements) (Wijethilake, 2017: 571)
- 2- The economic dimension: The economic dimension has a very important role in business. Responsible economic units are expected to create public value, including long-term sustainable profits. The economic dimension includes financial results, market presence, and interactions with other economic units and partners. This dimension goes deeper to clarify the

concept of sustainability, as it focuses on reaping benefits with optimal use of resources, as well as preserving their diversity and using them in ways that do not lead to reducing real income in the future (Armino et al, 2019: 3).

3- The environmental dimension: - Explain (Henri et al, 2016: 274). The environmental dimension is the means and way to organize human activities so that members of society and society itself are able to meet their requirements and needs without compromising the biological and natural system. The International Standards Organization has confirmed that the environment is “The surrounding environment in which an economic unit operates, including water, air, land, natural resources, animals, plants, and humans, and their mutual relationships”.

The environmental dimension helps to meet the requirements of community members without compromising the ability of future generations to meet their requirements, by reducing the factors affecting production activities on the environment, as well as good consumption and preservation of non-renewable resources, and also working to recycle waste, and develop the use of non-renewable resources. Renewable energy to reduce the effects of global warming (Durnjak&kohont,2021:105)

Third: Sustainability Objectives

Sustainability Objectives are a plan to achieve and provide a good future for all members of society, and these goals will address the global challenges facing them. It is necessary that each of these Objectives be achieved by the year (2030). The sustainability Objectives can be clarified and are as follows : (Dale,2014:28)

- 1- Achieving the best life for individuals: - Sustainability seeks to improve and develop the quality of life of community members psychologically, socially and economically, by implementing development policies and planning processes, as well as focusing fairly and acceptably on qualitative aspects and not just quantity.
- 2- Exploiting resources rationally: Sustainability is keen to deal with resources as rare and limited resources, so it works to encourage their rational exploitation without wasting, wasting or destroying them.
- 3- Enhancing individuals' awareness of environmental problems: This enhancement is done by developing their sense of responsibility towards the environment and encouraging them to participate actively in finding appropriate solutions to confront the problems.
- 4- Linking the Objectives of society with modern technology: - Sustainability attempts to use modern technology in ways that serve the goals of society by increasing individuals' awareness of the importance of different and modern technologies in the field of development.
- 5- Innovation and continuous and appropriate change in the requirements of society: - This change takes place according to patterns that suit the capabilities of society, as it helps to achieve a balance through which economic development can be stimulated, all environmental problems can be confronted, and appropriate solutions can be found.

Fourth: Determinants of implementing sustainability

Many researchers consider the application of sustainability principles to be an essential factor for economic growth as well as social and environmental growth. Any country that has

sustainable institutions is usually linked to an increase in its national income and is also linked to moral societal growth. Reaching this level of growth faces many challenges, and these challenges may be Exceeding the capabilities to achieve a high level of sustainability, the most important challenges facing and hindering the process of implementing sustainability: (Jain, et al, 2019: 16)

- 1- Increased population growth and significant migration from rural to urban areas.
- 2- Increase in desert lands as a result of increased land desertification and the phenomenon of drought.
- 3- Pollution of water resources, the severe shortage of them, the lack of arable land, and the shortage of renewable energies.
- 4-The emergence of cases of corruption that hinder efforts that attempt to achieve sustainability.
- 5- The abundance and accumulation of waste, and air and atmosphere pollution.
- 6- Lack of experienced workforce in the field of sustainability.
- 7- Low demand for sustainable product.
- 8-The lack of a specific mechanism for external financing operations.
- 9-There are no laws or regulations that require institutions to achieve and implement sustainability.
10. There are no actual solutions to address problems related to sustainability, and there is also no infrastructure or technology

Fifth: Sustainability technologies

The most important technologies that are characterized by the sustainability approach are:

- 1- Sustainable Quality Function Technology: Defined by (Bubicz et al, 2017: 5) as a comprehensive method to deploy the functions of products and services in an intelligent approach to achieve the highest performance in sustainability indicators and to create value for society's capital in the life cycle of current and new products, services and projects.
- 2- Sustainable Quality House: The Quality House is viewed as a major tool that provides a way to match the product design with the customer's opinion or requirements. Once the sustainable voice of customers is determined, preparation for the Sustainable Quality House begins in the manner of four matrices: the first matrix (sustainability requirements and customer needs), the matrix The second matrix (sustainability planning), the third matrix (designs, solutions, and procedures), the fourth matrix (interrelationships), the fifth matrix (correlation), the sixth matrix (sustainable design goals). (Dehariya, Verma, 2015: 148) (Al-Aomar, 2019: 3)
- 3- The Sustainable Balanced Score Card: The Sustainable Balanced Score Card is characterized by five basic, complementary pillars or perspectives that interact with each other and mutually through the objectives and measures it contains that aim to achieve and implement the strategy of the organized unit in a balanced manner and based on financial and non-financial indicators to ensure tracking and evaluation. Strategic performance on the right track. It also allows managers to look at work through five perspectives: the financial perspective, the customer perspective, the internal operations perspective, the learning and growth perspective, and the societal environment perspective. (Kaplan & Norton, 1992:72).

Sixth: Reducing costs is a concept and important

There are many means and methods that help organizations achieve and increase profitability, including increasing the selling prices of products, or increasing the quantity of sales through the use of a differentiation strategy, which aims to improve the quality of the products provided by the organization and distinguish them from similar products in other organizations, or changing the proportions of the commodity mix to determine The best selection of products that contribute to achieving the greatest possible profit, or the elimination of products and activities that do not achieve the desired profits. However, organizations may not be able to control the previous methods and tools due to the conditions of supply and demand for products, and therefore the philosophy of cost reduction is the best way forward. Organizations to improve profitability and strengthen their competitive position. Costs are considered the basic foundation for achieving competitive advantages for business organizations, and an important basis for the survival and continuation of organizations in light of the current business environment, which is characterized by rapid change and development and intense competition. Customers' needs and desires for the required goods and services have become many and varied, including obtaining products with multiple characteristics and high quality at a price. Low, and since achieving a low price requires reducing costs from the perspective of customers, reducing costs has become one of the most important goals that organizations seek to achieve while not violating product specifications and maintaining the level of quality required by customers. (James, 2006:9)

Many researchers have gained interest in cost reduction, as (Brimson, J. & Antos, 1999: 238) defined it as the philosophy of cost reduction as the process of achieving savings in the costs of activities by reducing the time and effort required to complete them, or by eliminating some overlapping activities. Which does not add any value to the products, provided that its exclusion does not affect the quality and characteristics of the product. Based on what was previously presented, the philosophy of cost reduction focuses primarily on achieving optimal use of available resources in a way that reduces areas of waste and misuse and directs the cost to the necessary activities that add real value to the product, while achieving customer satisfaction by providing the product with quality and distinctive specifications at the lowest price. Possible compared to competitors' prices. From this standpoint, cost reduction should take a dynamic form instead of the static situation that has been relied upon. The matter is not about achieving a specific low level of cost as in traditional control systems where the required standards represent the targeted cost reduction. What is required is continuous cost reduction as long as that there is an opportunity that can be seized to break through the target cost and reach a better level.

Seventh: Measurement methods to reduce costs

The current business environment is characterized by global competition affecting all organizations, whether small or large, and is therefore the main objective of all organizations under the current circumstances to significantly reduce costs by carefully examining each aspect of the cost structure by excluding additional and unnecessary costs while maintaining appropriate quality and client satisfaction. (James, 2006: 8)

Thus, organizations have to strengthen their competitiveness and build their strategies by seeking out all methods that help to reduce costs. Many cost-cutting methods and methods have emerged from academics and professionals, and one of the initial attempts to reduce costs by Toyota was in a system during the use of instant production methodology, followed by the emergence of modern cost approaches to identify and control costs accurately and to reduce them while maintaining the desired level of quality by clients to maintain the competitive position of the organizations, and to track and extrapolate accounting thinking. Through previous studies, the researcher considers that most accounting studies have focused on the use of many methods and methods of cost management, activity-based measurement systems, measurement on the basis of specifications and the targeted cost in reducing the costs of products and

Eighth: Reducing imaginary or non-real costs

The unrealistic reduction of the costs means these procedures or activities that are poured into maximization of profits with the aim of reducing the cost of one unit, in other words, the economic unit resorted to distributing the total fixed burdens or expenses during the period to a large number of products without prejudice to the size of these expenses. (Horngren, 2009: 220)

There are two basic images of the imaginary reduction:

- 1- Increased production.
- 2- Increase the price of the spring

These pictures can be clarified with: (Brimson & Antos, 1999: 233)

A. Increased production leads to reducing the share of one unit of fixed costs only, that is, distributing these costs to the largest number of products without prejudice to the changing costs that make up the largest part of the product costs.

B. The economic unit sometimes resort to increasing its profits by increasing the prices of selling its products by reducing the cost of one unit, and that this increase in the prices of selling products leads to an unrealistic reduction in the cost of the product.

Ninth: Criticism of research published in the field of reduction

The research aims to display and analyze modern sustainable cost systems in reducing costs to reach the effectiveness of these methods in reducing costs, and criticism is taken on research published as follows:

- 1- Research entitled (a critical study of the cost methods used to reduce costs in industrial organizations) for the year 2020.
- 2- Research entitled (Reducing costs as a mechanism for sustaining the competitive advantage. A case study of the Bassu Faroui Foundation- Biskra) for the year 2021.
- 3 - The Role Of Target Costing In Costs Reduction And Products Development-A Field Study On The Industrial Enterprises In The City Of Jeddah

Criticism is directed at methods or tools to reduce costs

- 1-The method of costs on the basis of activity: ABC is known as a way to measure the cost, the performance of activities, and the costs of cost, as it devotes the cost to activities that

depend on their use of their use of the costs, and the cost is devoted to the costs that depend on their use of these activities, If Causing for costs to activities.(James, 2006: 3)

The researcher believes that the method of costs on the basis of activity is one of the methods that is considered a fake reduction, due to the process of distributing the costs that are fairly distributed to the costs of costs, reducing the costs of a product and increasing the costs of another product in the same economic unit, therefore in the end the same amount cost distributed in the way the cost method is on The basis of activity (ABC).

2-The method of costs on the basis of specifications is defined as the system that is based on understanding the extent of the impact of differences and modifications in the specifications and characteristics of the distinctive products and services on the production process and successively leads the accuracy in the allocation of costs .(BRIMSONSON & Antos, 1999: 233)

The researcher believes that this method focuses in his work on the method of costs on the basis of activity (ABC) in improving the products of the product by studying the parts of the product and starting from the designs process according to manufacturing options in terms of cost activities and thus we conclude that the reduction is fake for the products of economic unity.

3-The targeted cost method method as a system to support the cost reduction process through the process of developing and designing the product, introducing a new product, changing the model of the product in full, or making a partial change on it .(Monden, 2000: 3)

The researcher believes that this method of reducing costs once is considered an imaginary reduction and again is a real reduction because the application of the target cost method is a solution to compete with the products of economic unity with other more profitable units products, and after that the focus is on improving the products of products in the early stages in the design side and this costs the unit Economic is large sums compared to the profits that have been planned for the new product, given that the targeted cost depends on the requests of customers. The reduction in the long term may be real . This research should be focused on developing products using real reduction methods.

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