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COST-CUTTING TACTICS AND EXPANSION OF NIGERIA LISTED MANUFACTURING COMPANIES

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ABSTRACT

Examining the impact of cost-cutting tactics on the expansion of Nigerian manufacturing firms that are listed between 2014 and 2023 is the aim of this research. The specific goals are to ascertain the impact of changes in material costs on the turnover of Nigerian listed manufacturing companies, analyse the effect of changes in administrative costs on the turnover of Nigerian listed manufacturing companies, and ascertain the impact of changes in distribution costs on the turnover of Nigerian listed manufacturing companies. An ex post facto research design was used in the study. The study's population comprises of Nigerian industrial firms. The study's sample size comprises ten (10) manufacturing enterprises that were chosen at random from the general population. A random sample technique is used to select the sample size. The study revealed there is no significant effect of change in administration cost on turnover of listed manufacturing firms in Nigeria. The researcher therefore recommended in order to enhance the organization's growth, management should make a deliberate effort to control cost components individually.

Keywords: Change in Material Cost, Change in Distribution Cost, Administrative Cost and Turnover

1.0 INTRODUCTION

The financial standing of a business entity is partly based on cost and profit in business endeavors. Given that management is focused on profitability—a metric that measures the success of a business—in particular, in the manufacturing sector, greater sales is bound to be required. This will allow for the expansion of production capacity, which will ultimately result in increased costs (Lockyer, 2020). Companies should keep an eye on expenses; profits will come from there. It is implied that controlling costs is better to pursuing unscientific cost cutting measures that could result in a decrease in product quality. Instead of cutting costs, management is typically compelled to implement an array of approaches and strategies in order to regulate (control).

Costs rise as different production activities are undertaken, and good cost control is essential since production standards will be set and real production will be made, resulting in deviations that can only be reduced or avoided. According to Sikka (2017), cost reduction strategies are made up of techniques and policies aimed at controlling an undertaking's operating costs and guarantee that costs don't exceed a predetermined threshold. Any firm that wants to succeed must, among other things, be profitable. To that end, management have to make sure that resources are used carefully and efficiently in order to meet the established goals. Setting standards and upholding performance in fulfillment of them are the foundation of cost reduction strategies because, as management strives to boost productivity for more profit, costs will rise and must be collected from each area of responsibility.

Properly managed profit-making companies will endure in a fast-paced commercial landscape. Every company's primary goal is to maximize shareholder wealth through profit maximization and cost minimization through effective cost management (Christian, 2019). Over the previous few decades, there has been a noticeable disparate development in the manufacturing industry. This had unintentionally created a threat to the global industry. The majority of manufacturing enterprises' financial capacity has been negatively impacted by the ailing economy; in order to attain a sustainable financial performance, maximizing profit must be pursued.

Financial strength is demonstrated by an organization's profitability measures, which include return on capital employed (ROCE), net profit margin (NPM), and earnings per share (EPS). Metrics for growth, in the opinion of Okegbe, Ofurum, and Darlington (2019), are crucial to economic units because they facilitate decision-making. Financial performance is one of the most important performance metrics for economic units as return on capital employed (ROCE) measures a company's net operational profit as a proportion of capital employed. A company's profitability is demonstrated by presenting its operational profit as a proportion of its capital employed. (Irfanullah, 2019).

Without a doubt, businesses need a talented and competitive staff in order to grow and succeed. Organisations engaged in manufacturing, in particular, must improve their ability to reallocate resources from underperforming industries to those with the highest development potential. Success depends on the quality and value of a company's resources and the effectiveness of its cost-cutting efforts, regardless of size. Henrich, Little, Martinez, Shah, and Sichel (2019). The purpose of this study is to look into cost-cutting strategies and the growth of manufacturing companies in Nigeria.

1.1 Statement of the Problem

The expansion of consumer goods companies and cost-cutting measures remain in line. While cost-cutting measures are frequently taken with the intention of enhancing financial performance, a more comprehensive strategy is required, one that explicitly links cost-cutting initiatives to the company's overarching growth goals. Reducing overhead costs or renegotiating supplier contracts are two examples of short-term cost-cutting tactics that are frequently the main emphasis of cost reduction plans. While these strategies can result in short-term savings, they could not always support long-term, steady growth (Ramljak & Rogosic, 2022).

The gap is caused by the lack of a thorough framework that takes into account how measures to reduce expenses affect important growth drivers including innovation, market expansion, client acquisition, and product development. Furthermore, it's common to lack efficient tracking and measuring methods to evaluate how cost-cutting measures affect business expansion. Although financial measurements like lower operating costs or higher profit margins can be used to quantify cost reduction, it's not always apparent how these metrics relate to growth indicators like increased revenue or market share.

Businesses must assess cost-cutting measures for their potential influence on long-term growth drivers and make sure that the money saved is wisely reinvested to support innovation, market expansion, and customer engagement. Thus, putting in place effective tracking and measuring systems is essential to assessing how well cost-cutting measures help to business expansion. This entails creating suitable measurements that record growth outcomes in addition to financial performance, enabling businesses to evaluate the total effect and make data-driven choices. By gaining a deeper comprehension of the connection between growth and cost reduction tactics, businesses may maximize their efforts in managing costs and promote profitable, long-term growth.

1.2 Objectives of the study

The study's main goal is to find out how cost-cutting tactics affect the expansion of Nigeria's listed manufacturing companies. Other particular goals are to:

1. ascertain the effect of Change in Material Cost on Turnover of listed manufacturing companies in Nigeria.
2. determine the effect of Change in Distribution Cost on Turnover of listed manufacturing companies in Nigeria.
3. examine the effect of Change in Administrative Cost on Turnover of listed manufacturing companies in Nigeria.

1.5 Research Questions

1. What is the effect of Change in Material Cost on Turnover of listed manufacturing companies in Nigeria?

2. How does Change in Distribution Cost affect Turnover of listed manufacturing companies in Nigeria?
3. To what extent does Change in Administrative Cost affect Turnover of listed manufacturing companies in Nigeria?

LITERATURE REVIEW

2.1 Conceptual Review

2.1.1 Concept of Cost Reduction

Cost control seeks to decrease the actual to the objectives, whereas cost reduction seeks to lower the targets themselves. Stated differently, the objective of cost reduction is to ascertain whether there exists a possibility of curtailing the sum of money allocated towards labour, materials, overhead, and so on. In the 2019 Terminology of Cost Accountancy published by the Institute of Cost and Management Accountants London, cost reduction is defined as achieving a real and sustainable drop in the unit costs of manufactured goods without compromising their appropriateness for their intended purpose. Consequently, the term "cost reduction" describes real or genuine savings in manufacturing, selling, and distribution costs as a result of eliminating pointless and ineffective elements from the product's design as well as from the processes and procedures that go along with it. Cost reduction becomes important when the profit margin has to be increased without boosting sales turnover, or when expenses need to be reduced for the same amount of revenue.

Since cost-cutting is currently one of the main strategies used by companies to compete in the global market, organisation managers need to be thinking about it all the time (McWatters, Morse, & Zimmerman, 2021). Reducing costs is a purposeful approach to spending less. Through a continuous process of critical analysis of all cost components and business elements, the objective is to enhance corporate efficiency. Cost cutting is one remedial action. Cost reduction is the practice of cutting expenditures that a business incurs in order to make a profit. It starts at the end of cost control and takes into account the reality that no cost is operating at maximum efficiency. Adeniyi (2021) states that the first step in cost reduction is to assume that current or predicted cost levels are too high, even in the face of potential strong cost management and high levels of organisational efficiency.

2.1.2 Concept of Cost Control

According to Anthony (2015), cost control encompasses a wide variety of cost accounting practices and management strategies that are intended to enhance corporate cost effectiveness by cost reduction or, at the very least, slowing the pace of increase in costs. Anthony (2015) defined cost control as managing or controlling costs. Businesses employ cost control approaches to monitor, evaluate, and ultimately enhance the performance of certain departments, divisions, or product lines within their operations. One way to assess if expenses are as predicted in a business activity is to compare the actual cost to the initial cost. Another name for this procedure is cost containment.

According to Sikka (2016), the first step in cost management is establishing the target to be accomplished, or the aim or objectives to be realised. At that point, the corporation is assisted by the cost control system. For this reason, real expenses and performance may be assessed using budgets or standards as the baseline. In the event that it is ever seen that spending is trending away from the objective, leading to a departure from the target, the cost management system helps to regulate this trend and eliminate variations. The CEO who sets the rules and regulations is also the one who has the financial responsibility.

2.1.3 Differences between Cost Reduction and Cost Control

Remaining within a given range of costs is known as cost control. Strict adherence to the agreed standard and ensuring that the costs remain within the designated standard budget are the main priorities. Cost reduction, however, is an active and deliberate endeavour that aims to cut expenses, independent of the level to which they belong (Akintoye, 2020). Every procedure is analysed in detail, every strategy is evaluated, and the cost of each component is noted in order to show how to reduce expenses. Cost reduction and cost control are not the same things in terms of approach.

According to Lockey (2017), cost control works best when expenses are evaluated separately for each cost centre and the budget is established ahead of time to avoid rewarding positive differences versus negative

ones. Effective cost reduction, on the other hand, happens when costs are kept to a minimum and considered holistically for the entire company. At the stage of minimisation, it can add up to a sizable sum when calculated at the corporate level. Moreover, cutting costs doesn't need a one-time effort. It is related to philosophy, structure, and mindset. The real reason cost minimisation is achievable is because cost consciousness is a function of those involved. Therefore, the main strategy for fostering cost consciousness is to cut costs at all levels while emphasizing each employee's role and responsibilities across the entire firm.

2.1.4 Cost Reduction Strategies

Tools or Techniques available for cost reduction in organizations which include the following:

2.1.4.1. Kaizen Costing

Kaizen costing is a method used to continually lower costs while a product is in the production stage. The method of continuous improvement provides for consistent cost reductions and fixes the standard (Adeniji, 2021). This is a cost-cutting strategy that emphasises the creation process and accomplishes this by significantly raising the productivity of the generation process (Asaolu & Nassar, 2017). The terms "change" (KAI) and "for better" (ZEN) are the roots of the phrase "kaizen" (Rof, 2012). "Kaizen" is a Japanese phrase that describes incremental process improvement as opposed to major breakthroughs. Kaizen's gradual approach is regarded as appropriate since it is difficult to make significant adjustments to reduce costs when items are already in the manufacturing process.

2.1.4.2. Value Analysis

One important strategy for cost-cutting is value analysis. It is a thorough procedure that entails dissecting the roles played by each component of the product to identify and eliminate unnecessary costs associated with a particular products or service. It is a virtually typical approach for analysing currently existing goods and services given by production enterprises, with the basic goal of giving value for the lowest or ideal production costs (Leber, Bastic, Marvic, & Ivanisevic, 2016). It is an improvement strategy that concentrates on increasing the value of a process or product by understanding its components and expenses. It is a meticulous examination of every production-related cost. Finding and removing any features from products or services that contribute to production or service delivery costs without adding any real value for the customer or the product is the main objective of VA (Leber et al, 2016).

Value analysis is a scientific way to reduce expenses by increasing the product's value. Value analysis, which is often referred to as value engineering, is the scientific examination and assessment of procedures and roles within an organization's several departments in order to find opportunities for improving performance and increasing the value of a certain item or service. This makes obtaining the most value for your money possible. Accordingly, value analysis is the process of examining every facet of a product or service that is already available to ascertain the lowest cost required to meet a particular functional requirement (Sikka, 2016).

2.1.4.3. Budgetary Control

The practice of comparing anticipated spending with actual performance and identifying variances is known as budgetary control. It talks about how managers keep an eye on and control costs within a given time range by using budgets. Assaolu and Nassar (2017) state that budgetary management makes sure the objectives of the budgetary plans are accomplished. Budgetary control systems include all aspect of a company, including sales, manufacturing, administration, and finance. They also serve as a benchmark for comparison (Collier, 2015). The cost-reduction strategy disengages problems by concentrating on those deviations that serve as alerts to management. It does this by limiting the total amount of money that different department heads are permitted to spend; as a consequence, it is expected that spending will remain below predetermined levels. The goal of budgetary control is to maximize profits by maximising the use of available resources, legitimately controlling capital and income consumption, and appropriately coordinating different capacities (Preetabh, 2020).

2.1.5 Concept of Growth

According to the 2016 Webster dictionary, growth is the act of rising, growing, developing, and growing. Growth is a positive rise in size over time. Growth is the progressive development of maturity, age, size, weight, or height. When compared across time, growth in the context of economics is defined as a rise in

an economy's capacity to generate goods and services. According to Amadeo (2017), an economy is said to be growing if its output surpasses that of the previous time frame. Growth is defined by economists as an economy's ability to produce more over time and more while making full use of its finite resources. According to the Business Dictionary (2018), business growth is the process of improving a company's performance indicators. It depicts the steady growth of a company, demonstrated by either expansion or increase in size. As per Pitch Partner Growth, the term "business growth" lacks a standard definition due to its ability to include a wide range of ideas, such as rises in revenue, market share, and firm worth. Many techniques can be used to measure business growth: comparing your company's performance to that of your competitors; estimating business growth using the industry average; tracking employee growth; analysing gross margin increase; analysing net margin expansion; and analysing market share growth (Arthur, 2016). Guha and Krishnaswami (2016) claim that boosting sales, creating value, and expanding the company's volume are characteristics of growth. Growth may also be measured using qualitative traits like customer loyalty, market position, and product quality. When a business records increased product sales, which translate into higher revenue creation, that business is often perceived as expanding (Arthur, 2016). Nowadays, all business owners aim for expansion for a variety of reasons, including as satisfying customer demand, increasing profitability, and stabilising their company. This is so that, as their business expands, they may benefit from economies of scale, bulk discounts, and advantageous supplier credit terms, all of which drive down costs and increase profits.

2.2 Theoretical Framework

2.2.1 Portfolio Theory

The idea of portfolio management describes the risk and return that occur from combining different assets. Among the theory's primary objectives is to identify efficient asset pairings. Efficiency in this sense refers to the highest expected rate of return on an investment with a given level of risk. This essentially indicates that they won't take a portfolio into consideration unless it has a greater expected rate of return. The majority of current portfolio theory was established by Markowitz's (1952) work, which was released as a collection of articles in the late 1950s. Over the ensuing decades, Tobin (1941) refined and extended this hypothesis.

Through the use of portfolio theory, the process of efficiently creating a portfolio is linked with the price of individual assets. It demonstrates how some of the risks associated with owning certain assets can be mitigated by having the appropriate mix of assets. Before Markowitz's research, investors built their portfolios by evaluating the risks and rewards of individual stocks. Choosing assets with the highest potential for return at the lowest risk and assembling a portfolio from them was the generally acknowledged approach to investing. Rather of merely compiling a portfolio of stocks with attractive risk-reward ratios on their own, Markowitz has explained the mathematics of diversification and suggested that investors concentrate in choosing portfolios based on their overall risk-reward characteristics (Mamidu & Akinola, 2019).

2.2.2 Resource Based View Theory

Pearce and Robinson (2021) define the resource-based view (RBV) as a strategy to evaluating and identifying a company's strategic advantages based on examining its distinct combination of organisational assets, capabilities, and intangibles. This idea holds that characteristics particular to a particular organisation have an effect on performance. Grant (1991) claims that the company consists of a number of resources that, when combined, provide organisational abilities that enable it to produce profitability that is greater than average. These tools aid companies in developing their skills, which, when fully realised, provide the firm a competitive advantage. Penrose (2019) provides an elucidation of the importance of resources, which comprise organisational protocols, assets, competencies, data, and expertise within the purview of the enterprise. These resources increase efficacy and efficiency, which raises a business's profit margin. The scientific community has debated the objective of knowing how a firm's features impact its financial performance. There is a debate over the influence of industry structural

elements on a company's financial success vs firm-specific resources. There has been a recent shift in focus from industry-level traits to firm-level features, as these attributes form the basis of corporate competitiveness. Since cost reduction strategies are a component of a firm's structural characteristics, they will be the primary focus of this study.

2.3 Empirical Review

Egbide and Adegbola (2019) looked at cost-cutting strategies and the growth of particular manufacturing companies in Nigeria. This study examines the link between cost-cutting strategies and the growth of manufacturing businesses in Nigeria using data from the annual reports of 40 manufacturing companies that were listed on the Nigeria Stock Exchange between 2012 and 2016. A purposefully chosen sample of forty manufacturing companies was employed for this study. While changes in turnover was regarded as a growth variable, changes in labour costs, material costs, and administrative overhead were included as factors for cost reduction approaches in the research. Regression analysis was used to determine how cost-cutting measures affected manufacturing businesses' growth, and correlation analysis was used to determine how cost-cutting measures and growth were related. The results showed that cost-cutting strategies were favourably connected with the growth of manufacturing businesses in Nigeria.

Ezekiel, Arinola, and Olubunmi (2020) studied the link between strategic cost management techniques and organisational performance in Nigerian industrial organisations. Conventional cost management methods, such standard costing and fixed overhead allocation, have been demonstrated to be ineffective for cost management, product costing, and decision-making in the Nigerian manufacturing industry. The employment of more sophisticated Strategic Cost Management product costing techniques has become essential as a result of these adjustments. Among the methods employed in strategic cost management are target costing, life cycle costing, activity-based costing, balance scorecard, and overall quality management. Using the Strategic Cost Management system has improved decision-making and analysis related to product costs, manufacturing efficiency, and performance, as well as corporate performance and competitiveness in the market. This study looks into how strategic cost management approaches affect the organisational performance of Nigeria's manufacturing sector. Survey research is utilised to collect primary data, and Partial Least Squares Structural Equation Modelling (PLS-SEM) is the analytical technique employed. The results of the study demonstrate how using strategic cost management techniques enhances an organization's performance. Therefore, industrial companies that stick with traditional costing methods are urged to consider applying Strategic Cost Management strategies in order to boost performance and competitiveness.

Lawal (2017) performed research on the effects of control and cost-reduction strategies on organisational performance. The research aims to critically analyse and assess how cost management and reduction are applied to organisational performance, as well as to investigate the budget as a helpful instrument for these purposes. A descriptive survey approach was employed in the investigation. Fifty questionnaires in all were used and delivered for the study. The collected data was analysed using appropriate statistical methods. Regression analysis was used with SPSS to assess the hypothesis. The findings demonstrated that cost containment and management style both positively impacted an organization's success.

The Nyabuto of 2016 In order to assess the effect of a cost-cutting strategy on the strategic procurement performance of a public company in Kenya, Power Company LTD employed a sample of 55 out of 110 employees. Purposeful sampling was used to choose the main sample. Additionally, the study's findings demonstrated that strategic procurement lowers costs while simultaneously raising the calibre of goods and services offered by public companies. Public corporations face a number of obstacles when implementing strategic procurement, including technological advancements, talent gaps in the workforce, management reluctance to strategic planning, and a lack of legislation and procedures. Corruption and a lack of cooperation and coordination during the implementation process are two other major challenges.

2.4 Conceptual Model

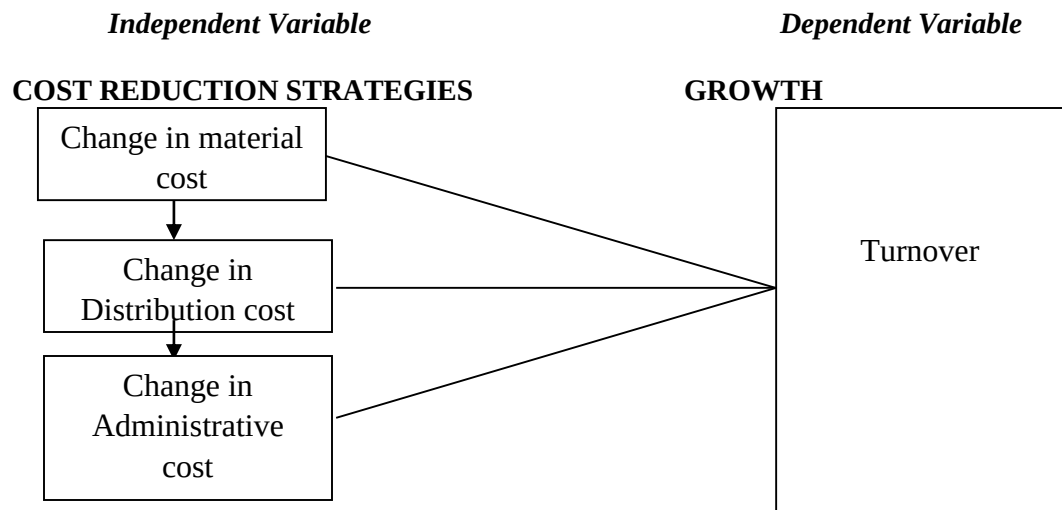


FIGURE 2.1

3.0 METHODOLOGY

The following subheadings in this chapter addressed the methods used to carry out the study: research design, study population, data collection sources, sample method and sampling techniques, model specification, and data analysis method.

3.1 Research Design

This study used an ex-post facto research design. Ex-post facto research design is defined by Creswell (2016) as a quasi-experimental study that examines the impact of independent factors on a dependent that existed before to the study's execution. A technique compares groups on a dependent variable that have prior features. A quasi-experimental research does not employ random assignment of participants.

3.2 Population of the Study

Every aspect in which the researcher is concerned is represented in the population. It includes every conceivable element, subject, or observation that may be counted or seen in person in relation to a certain phenomena that the researcher is interested in. The study's target demography consists of manufacturing enterprises that are listed with the Nigerian Stock Exchange.

3.3 Sample and Sampling Techniques

A sample is a group of data selected and/or collected from a statistical population following a predetermined methodology. For this study, information from the publicly available financial statements was gathered during a ten-year period (2013–2022). Among the ten (10) manufacturing companies in Nigeria that were tested are the National Salt Company of Nigeria, Livestock Feeds Plc, Dangote Cement Plc, Bua Cement Plc, Ardova Plc, Lafarge Africa Plc, Meyer Paint Plc, Berger Paint Plc, Portland Paint Plc, and Premier Paint.

Intentional, straightforward random, and judgemental sampling techniques were applied for the investigation.

3.4 Data Description and Model Specification

Changes in material costs, distribution costs, and administrative expenses were included in the study as independent factors, while turnover was utilised as the dependent variable to show how Nigeria's listed manufacturing businesses have expanded.

The model that will be regressed in this study is shown in the relational representation below.

$$TO = f(CMC, CDC, CAC) \quad \text{Where :}$$

TO= Turnover (proxy of growth)

CMC= Change in material cost

CDC= Change in distribution cost

CAC= Change in administrative cost

With the linear expression of the model being

$$TO = \beta_0 + \beta_1 CMC + \beta_2 CDC + \beta_3 CAC + \mu \quad \text{Where :}$$

β_0 = constant

β_1 - β_3 is parameters to be estimated

3.7 A Prior Expectation/ Likely Findings

In mathematical terms;

The likely finding of the model is that change in material cost, change in distribution cost and change in administrative cost are expected to have positive relationship with turnover.

Therefore; β_1, β_2 and $\beta_3 > 0$

4.0 RESULTS AND DISCUSSION

4.1 Presentation of Results

Table 4.1.1: Descriptive Stats

	LTO	CMC	CDC	CAC
Mean	16.35356	0.562269	0.302010	0.133308
Median	16.30965	0.087135	0.059945	0.082933
Maximum	20.61925	17.39234	9.203650	2.719824
Minimum	11.08794	-0.905317	-2.388214	-0.842667
Std. Dev.	2.430795	2.355521	1.412071	0.415316
Skewness	-0.193813	5.856788	5.102903	3.533135
Kurtosis	2.092890	39.20473	30.83391	22.26625
Jarque-Bera	4.054593	6033.294	3662.020	1754.668
Probability	0.131691	0.000000	0.000000	0.000000
Sum	1635.356	56.22695	30.20101	13.33084
Sum Sq. Dev.	584.9676	549.2997	197.4006	17.07627
Observations	100	100	100	100

Source: Eview output, (2023)

According to table 4.1.1's descriptive data, the listed manufacturing businesses' turnover average was 16.35, with maximum and minimum values of 20.61 and 11.08, respectively. The variance in material cost had a mean of 0.56 and a maximum and minimum of 17.39 and -0.90, correspondingly. 13.97 was the normative deviation for the variation in material cost. The distribution cost change had a mean of 0.30 and a maximum

and minimum of 9.20 and -2.38, respectively. The distribution of the cost change's standard deviation was 0.96. The administration cost change had a mean of 9.92 and a highest and minimum of 140.00 and 0.00, respectively. The administrative cost change's standard deviation was 0.96.

Table 4.1.2: Correlation Analysis

	LTO	CMC	CDC	CAC
LTO	1.000000	0.171967	-0.338543	0.174211
CMC	0.171967	1.000000	0.100014	0.999972
CDC	-0.338543	0.100014	1.000000	0.098893
CAC	0.174211	0.999972	0.098893	1.000000

Source: Eview Output, (2023)

According to Table 4.1.2, there was a negative correlation (-0.339) between LTO and CDC and a weak positive link (CMC and CAC) with LTO. The correlation coefficient value (r) is regarded as poor when it falls between 0.10 and 0.29, medium when it falls between 0.30 and 0.49, and strong when it falls between 0.50 and 1.0.

Table 4.1.3: Fixed Effect Model

Dependent Variable: LTO

Method: Panel Least Squares

Date: 11/21/23 Time: 12:34

Sample: 2013 2022

Periods included: 10

Cross-sections included: 10

Total panel (balanced) observations: 100

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	16.35137	0.068848	237.5008	0.0000
CMC	-0.003269	0.029977	-0.109062	0.9134
CDC	-0.070873	0.049693	-1.426223	0.1574
CAC	0.190774	0.171911	1.109724	0.2702
Effects Specification				
Cross-section fixed (dummy variables)				
R-squared	0.941149	Mean dependent var		16.35356
Adjusted R-squared	0.933032	S.D. dependent var		2.430795
S.E. of regression	0.629045	Akaike info criterion		2.031509
Sum squared resid	34.42566	Schwarz criterion		2.370181
Log likelihood	-88.57546	Hannan-Quinn criter.		2.168576
F-statistic	115.9434	Durbin-Watson stat		0.531457
Prob(F-statistic)	0.000000			

Hypotheses Testing

The following hypotheses are formulated to guide this study;

Research Hypothesis One

Ho1: There is no significant effect of change in material cost on turnover of listed manufacturing firms in Nigeria;

Decision Rule: The p value of change in material cost shows 0.8943 which is statistically insignificant. This means that we accept the null hypothesis and then conclude that there is no significant effect of change in material cost on turnover of listed manufacturing firms in Nigeria;

Research Hypothesis Two

Ho2: There is no significant effect of change in distribution cost cost on turnover of listed manufacturing firms in Nigeria;

Decision Rule: The p value of change in distribution cost shows 0.1546 which is statistically insignificant. This means that we accept the null hypothesis and then conclude that there is no significant effect of change in distribution cost on turnover of listed manufacturing firms in Nigeria;

Research Hypothesis Three

Ho3: There is no significant effect of change in administration cost on turnover of listed manufacturing firms in Nigeria;

Decision Rule: The p value of change in administration cost shows 0.2597 which is statistically insignificant. This means that we accept null hypothesis and then conclude that there is no significant effect of change in material cost on turnover of listed manufacturing firms in Nigeria;

5.0 CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

Some reasonable inferences were drawn from the research work's analytical and empirical data. The turnover of listed manufacturing enterprises in Nigeria was found to be significantly affected by cost reduction techniques, namely those that alter the cost of materials, distribution, and administration. This was shown using inferential statistics, where the p-value was less than 0.05 percent significant level and assessed the general behavior of the explanatory factors.

5.2 Recommendations

In light of the findings and recommendations from the data analysis, the report suggests the following:

- i. In order to enhance the organization's growth, management should make a deliberate effort to control cost components individually.
- ii. In order to define a realistic profit maximization, the company's management should focus its efforts on performing an analytical cost assessment while taking into account the burden related to each cost component.
- iii. In an organization, cost control should be applied in every department, but particularly in the production department, to ensure accurate accounting of the amount of finished goods generated.
- iv. Appropriate data collecting, analysis, and control administration should be possessed by the production managers.

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