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Effect of Cost Control and Cost Reduction Techniques in Organizational Performance

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Abstract : In any organization, the primary aim is to maximize profit, but the major challenges facing them is the increase in cost of operation because of this there is increase in cost of production that could lead to inevitable cost control and cost reduction scheme which make it difficult for most organizations to operate at the cost efficient frontier. The study aims to critically examine and evaluate the application of cost control and cost reduction in organization performance and also to review budget as an effective tool of cost control and cost reduction. A descriptive survey research was adopted. A total number of 40 respondent retrieved were used for the study. The analysis of data collected was undertaken by applying appropriate statistical tools. Regression analysis was used to test the hypothesis with the use of SPSS. Based on the findings; it was evident that cost control has a positive impact on organizational performance and also the style of management has a positive impact on organizational performance.

Keywords : organization, cost reduction, cost control, performance, budget, profit
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