



**ST. MARY'S UNIVERSITY, ETHIOPIA**

**SCHOOL OF GRADUATE STUDIES**

**THESIS TITLE**

**ASSESSMENT OF COST MANAGEMENT PRACTICE AND  
CHALLENGES IN THE CASE OF YIBELU MOSSIWA FREIGHT  
TRANSPORT**

**By; MENEYAHLE TEFAYE**

**ID NO: SGS/0804/2015A**

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ID NO: **SGS/0804/2015A**

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Addis Ababa, Ethiopia.

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BY; MENEYAHLE TEFAYE  
APPROVED BY BOARD EXAMINERS

Dean .Graduate Studies

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## Declaration

I, the undersign declare that this thesis my original work, prepared under the guidance of Ass.Prof.Asmamaw Gete .All source of martials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for purpose of earning any degree.

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Signature

2025

## Letter of Certification

This thesis has been submitted to St. Mary's University School of Graduate Studies for Examination with my approval as a university advisor.

Ass.Prof.Asmamaw Gete

Advisor Name

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Signature

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## ***Abstract***

*This study assesses the cost management practices and challenges faced by Yibelu Mossiewa Private Freight Transport, located in Lideta Sub-city, Woreda 9, Addis Ababa, Ethiopia. The research aims to evaluate the company's approach to controlling operational costs and identify the challenges limiting its efficiency and profitability. A mixed-method research design was employed, incorporating quantitative data collected through financial records and qualitative insights from structured interviews with management and staff. The findings reveal that while the company has basic cost management systems; these are largely informal and lack strategic planning. Key challenges include rising fuel prices, inadequate record-keeping, limited expertise in cost management, and external factors such as regulatory changes. These issues significantly hinder the company's operational efficiency and financial performance. The study concludes that adopting structured cost management practices, such as automated accounting systems, regular cost analysis, and capacity-building programs, could improve efficiency and sustainability. Major recommendations include investing in staff training, leveraging technology for cost control, and establishing long-term financial planning strategies to address external uncertainties.*

**Keywords:** *Cost management, freight transport, operational efficiency, financial planning, cost control challenges, Addis Ababa, private transport.*

Purposely jumped

# CHAPTER ONE

## 1.1. Introduction.

### Background of the Study

The freight transport sector plays a critical role in supporting economic growth and facilitating trade. In Ethiopia, private freight transport operators, such as Yibelu Mossiewa Private Freight Transport, are essential in bridging supply chain gaps and enabling the efficient movement of goods. However, the sector faces significant challenges related to cost management, including fluctuating fuel prices, maintenance costs, and regulatory constraints, which can threaten the financial sustainability of these businesses. This research aims to assess the cost management practices and challenges faced by private freight transport companies, with a focus on Yibelu Mossiewa.

### What is the Research About?

This study examines the cost management practices employed by Yibelu Mossiewa Private Freight Transport and identifies the key challenges it faces in managing operational costs. It explores strategies such as fuel cost optimization, preventive maintenance, and the adoption of technological solutions, and assesses their effectiveness in reducing expenses and improving profitability.

### How is the Research Conducted?

The research adopts a qualitative and quantitative approach, incorporating primary data collected through interviews and surveys with company managers, drivers, and other stakeholders. Secondary data, such as industry reports and scholarly articles, are used to provide context and support findings. The study evaluates cost structures, identifies inefficiencies, and analyzes the impact of external factors like government policies and market conditions.

### Why is the Research Important?

Understanding cost management practices is vital for improving the competitiveness and sustainability of private freight transport operators in Ethiopia. The findings of this study will not only provide insights into the specific challenges faced by Yibelu Mossiewa but also offer practical recommendations for other similar companies. Moreover, the research contributes to

the broader body of knowledge on cost management in developing economies, highlighting strategies that can be adopted to enhance operational efficiency and financial performance in the freight transport sector.

This study seeks to provide actionable insights into how private freight companies can optimize their cost structures and overcome industry challenges to remain viable and competitive in a challenging market environment.

Cost management is a critical aspect of business operations, especially in industries where high operating costs and fluctuating expenses are standard. In the freight transport sector, effective cost management practices are essential for financial sustainability, competitive pricing, and long-term growth. Freight transport companies like Yibelu Mossiewa Private Freight Transport must navigate a challenging economic landscape characterized by high costs in areas such as fuel, vehicle maintenance, labor, and insurance. Given that these costs can vary significantly with market changes, strategic cost management becomes vital for maintaining profitability. Cost management practices directly influence not only a company's financial performance but also its capacity for expansion, service quality, and resilience in unpredictable markets.

The freight transport industry is central to global trade, and demand for its services continues to grow. As the global supply chain expands, companies face increasing pressure to manage costs while fulfilling customer demands in a timely and efficient manner. However, the complexity of the industry's cost structure, combined with market fluctuations, creates substantial challenges for companies striving to maintain cost control. Freight transport companies are often exposed to both predictable and unpredictable expenses, ranging from regular vehicle maintenance to sudden spikes in fuel prices due to geopolitical or seasonal factors. Yibelu Mossiewa Private Freight Transport, like many others in this industry, requires robust cost management strategies that enable it to minimize expenses, optimize resource use, and respond effectively to cost fluctuations.

This chapter presents the context and background for assessing Yibelu Mossiewa Private Freight Transport's current cost management practices. Through this assessment, the study aims to identify strengths, weaknesses, and potential areas for improvement within the company's approach to managing costs. The findings from this research are intended to provide actionable

insights that can support the company in refining its cost management framework, ultimately enhancing its operational efficiency and financial stability.

Yibelu Mossiewa Private Freight Transport operates within a highly competitive environment where effective cost management is crucial for success. As a company engaged in the transport of goods, Yibelu Mossiewa faces substantial costs that are central to its operations. Fuel costs, maintenance expenses, labor and insurance are among the largest financial burdens, each impacting the company's ability to maintain profitability. Fuel, for instance, is not only one of the most significant costs but also one of the most volatile. Fluctuations in global fuel prices, influenced by factors such as supply and demand dynamics, political tensions, and regulatory changes, can lead to considerable unpredictability in operating expenses.

Maintenance costs represent another critical area of expense for Yibelu Mossiewa Private Freight Transport. Given the high mileage and wear that transport vehicles endure, regular and preventive maintenance is essential to ensure safety, reliability, and regulatory compliance. However, these maintenance activities are costly, requiring a steady investment in parts, repairs, and skilled labor. If not properly managed, maintenance costs can quickly escalate, affecting the company's overall financial health and service quality. Labor expenses, including wages and benefits, form another significant component of the cost structure. Efficient labor management is essential for ensuring that the workforce remains motivated and productive, yet labor costs can be difficult to control if employee needs and market wages are not balanced effectively. Insurance costs also play a vital role, as comprehensive coverage is necessary to mitigate the risks associated with freight transport. Despite being essential, insurance premiums can place a substantial financial strain on the company, particularly if claims are frequent or if regulatory requirements mandate additional coverage.

While Yibelu Mossiewa Private Freight Transport has taken steps to implement cost management practices, including the use of tracking software and occasional cost reviews, these measures may not fully meet the demands of the company's dynamic operating environment. The company's current approach primarily involves software for tracking expenses, complemented by manual tracking for certain areas. This setup reflects an effort to maintain oversight but may lack the sophistication and responsiveness required for a fast-paced industry. Additionally, cost reviews are conducted infrequently, typically only once a year, which may limit the company's ability to promptly adjust to changes in costs or identify potential savings.

Such infrequent reviews can hinder proactive financial management, making it difficult to respond to emerging trends or cost increases in a timely manner.

Moreover, there appears to be limited employee engagement in cost-saving efforts within the company. Employees play a crucial role in the success of any cost management program, as they are often the first to notice inefficiencies or areas for improvement. However, without adequate incentives or structured programs to encourage employee contributions to cost-saving initiatives, the company may miss out on valuable insights and solutions. Lack of employee involvement could also lead to lower satisfaction with current practices, as employees may feel disconnected from financial decision-making or unsupported in their efforts to optimize resources.

Recognizing these challenges, this study seeks to assess Yibelu Mossiewa Private Freight Transport's cost management practices in a comprehensive manner. By evaluating the effectiveness of the company's

methods for tracking expenses, the frequency of cost reviews, and the extent of employee involvement in cost-saving measures, this study aims to provide an in-depth understanding of how well current practices align with industry standards and the company's operational needs. A thorough assessment of these practices will help identify specific areas where improvements can be made, enabling the company to build a more resilient and adaptable approach to managing its financial resources.

Cost management is more than a financial exercise; it is a strategic imperative that impacts every facet of an organization's operations. For Yibelu Mossiewa Private Freight Transport, effective cost management practices are vital for remaining competitive in a challenging market, especially as external pressures such as fuel price volatility and rising maintenance costs continue to grow. Additionally, a well-designed cost management approach can foster a culture of cost-consciousness, where employees at all levels are empowered to contribute to financial efficiency. By aligning its cost management practices with these objectives, Yibelu Mossiewa Private Freight Transport can not only improve its profitability but also enhance its operational resilience, enabling the company to adapt more readily to changes in the market.

## 1.2. Statement of the Problem

The freight transport industry is a critical sector within the broader logistics and supply chain framework, providing essential services for the global economy by ensuring the timely and cost-effective movement of goods. As transportation is a service that operates on large scale volumes

with significant operating costs, freight transport companies face substantial challenges in effectively managing these costs. The ability to optimize operational expenses, maximize efficiency, and minimize wastage is crucial for long-term sustainability and profitability in a highly competitive market. Yibelu Mossiewa Private Freight Transport, a company involved in providing freight transport services, faces numerous difficulties in managing its operational costs, which has a direct impact on its financial performance and competitive position in the industry.

The freight transport industry is subject to numerous cost drivers that companies must contend with, such as fuel price fluctuations, vehicle maintenance, labor costs, regulatory compliance, and competition from other service providers. One of the most pressing challenges faced by Yibelu Mossiewa Private Freight Transport is the volatility of fuel prices, which constitutes a significant portion of the overall cost structure for freight transportation companies. As fuel costs fluctuate unpredictably due to geopolitical tensions, market dynamics, and supply chain disruptions, companies like Yibelu Mossiewa Private Freight Transport must find ways to mitigate this uncertainty and implement effective cost management practices. Without adequate strategies to manage fuel costs, the company may experience reduced profitability, limiting its ability to reinvest in its business or improve service offerings.

Another critical cost driver that affects Yibelu Mossiewa Private Freight Transport is vehicle maintenance. Freight transport companies operate fleets of trucks, trailers, and other vehicles, all of which require regular maintenance and repairs to ensure they remain functional and compliant with safety regulations. However, maintaining a fleet can be costly, especially when unexpected breakdowns or repairs occur. A failure to properly manage vehicle maintenance can lead to unplanned downtime, delayed deliveries, and, ultimately, a decline in customer satisfaction. Furthermore, older vehicles tend to require more frequent repairs, increasing overall costs. Consequently, Yibelu Mossiewa Private Freight Transport must adopt strategic approaches to fleet management that balance maintenance schedules, replacement cycles, and repair costs, in order to minimize the impact on its bottom line.

Labor costs also represent a major challenge in the freight transport industry. The reliance on skilled drivers and staff members who are crucial to ensuring smooth and efficient operations adds a layer of complexity to cost management. At Yibelu Mossiewa Private Freight Transport, the company must ensure that its workforce is adequately trained to optimize their productivity



and reduce inefficiencies. Labor costs can quickly escalate when staff members are overworked or not adequately trained to handle advanced technology, such as fleet tracking and routing software. Additionally, the increasing pressure on transportation companies to comply with labor regulations and provide competitive wages in order to retain skilled workers adds another dimension to the challenge of cost management.

Regulatory compliance is another factor that contributes significantly to the cost management challenges faced by freight transport companies. Freight companies must comply with a variety of local, national, and international regulations related to safety, emissions standards, licensing, and environmental impact. These regulations often require significant investments in updated equipment, adherence to specific operational protocols, and the acquisition of necessary certifications. For Yibelu Mossiewa Private Freight Transport, ensuring compliance with these regulations comes at a cost.

Failure to adhere to regulations can lead to fines, penalties, or even suspension of operations, further exacerbating the financial pressures the company faces. Navigating the complex regulatory landscape requires additional resources for monitoring, reporting, and ensuring that all vehicles meet safety and environmental standards.

The integration of technology into cost management practices offers both opportunities and challenges. Yibelu Mossiewa Private Freight Transport currently faces challenges in leveraging technology to streamline operations and improve cost monitoring. Technological advancements such as fleet management systems, route optimization software, and telematics can significantly reduce operational costs by improving fuel efficiency, reducing unnecessary mileage, and providing real-time data on vehicle performance. However, the initial investment required to implement such technologies, along with the ongoing costs associated with training staff and maintaining these systems, can be prohibitive, particularly for small to medium-sized companies. The lack of access to sophisticated cost management tools and systems hinders the company's ability to gain real-time visibility into its cost structure, making it difficult to make informed decisions and optimize operational efficiency.

Competition within the freight transport industry adds another layer of complexity to cost management. Companies must constantly innovate to provide cost-effective and high-quality services in order to retain existing clients and attract new ones. The competitive nature of the industry often leads to pressure on pricing, which forces companies to reduce rates in order to

remain competitive. However, this can result in a race to the bottom, where service quality is compromised, and cost efficiency becomes difficult to maintain. Yibelu Mossiewa Private Freight Transport faces the dual challenge of controlling costs while maintaining service quality and differentiating itself from competitors. As such, cost management practices must be aligned with broader strategic goals to ensure that the company remains competitive without sacrificing profitability.

In light of these challenges, Yibelu Mossiewa Private Freight Transport needs to adopt a more structured and systematic approach to cost management. This approach should involve better planning, budgeting, and forecasting processes, as well as the adoption of advanced technologies that can assist in cost control. Furthermore, there is a need for continuous improvement in workforce management and training to ensure that employees can work more efficiently and contribute to cost-saving initiatives. Effective cost management not only involves reducing expenditures but also optimizing resources and increasing operational efficiency. Without addressing these core issues, Yibelu Mossiewa Private Freight Transport risks losing its competitive edge, experiencing financial strain, and facing challenges in sustaining its operations in the long term.

Thus, the central problem addressed in this research is the difficulty faced by Yibelu Mossiewa Private Freight Transport in effectively managing and controlling its costs amid the external and internal challenges it faces. By investigating the current cost management practices and challenges within the company, this study aims to propose strategic recommendations to help the company improve its cost control mechanisms and ensure greater financial stability. The insights gained can help other freight transport businesses facing similar issues to develop more efficient and sustainable cost management practices.

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## 1.3 Objectives of the Study.

### General Objective.

The general objective of this study is to assess the effectiveness of cost management practices at Yibelu Mossiewa Private Freight Transport. This assessment aims to identify the strengths, weaknesses, and areas for improvement in the company's cost management approach to enhance financial efficiency, operational sustainability, and profitability.

### Specific Objectives.

1. To evaluate the current methods and tools used by Yibelu Mossiewa Private Freight Transport for tracking and managing costs.
2. To examine the frequency and thoroughness of cost reviews within the company and how they impact decision-making and financial control.
3. To analyze the primary cost components (fuel, maintenance, labor, and insurance) that significantly affect the company's operational expenses.
4. To assess the level of employee engagement in cost-saving practices and identify potential areas for increasing participation and accountability in cost management.
5. To provide recommendations for improving cost management practices at Yibelu Mossiewa Private Freight Transport, aiming to enhance efficiency and long-term financial stability.

## 1.4 Research Questions.

To guide the investigation of cost management practices at Yibelu Mossiewa Private Freight Transport, the study will seek to answer the following research questions:

1. What methods and tools are currently used by Yibelu Mossiewa Private Freight Transport for tracking and managing costs?
2. How often are costs reviewed within the company, and how does the frequency of these reviews impact the company's ability to control and manage expenses effectively?
3. What are the main cost components (fuel, maintenance, labor, and insurance) that contribute to the company's overall operating expenses, and how are these costs managed?
4. To what extent are employees engaged in cost-saving practices, and what strategies could be implemented to increase their involvement in cost management efforts?

5. What are the key challenges in managing costs at Yibelu Mossiewa Private Freight Transport, and how can the company improve its cost management practices to enhance financial efficiency and profitability?

These research questions will guide the analysis of the company's current practices and help identify potential improvements to strengthen its cost management framework.

## 1.5 Significance of the Study.

The significance of this study lies in its potential to enhance the cost management practices at Yibelu Mossiewa Private Freight Transport and contribute to the broader understanding of financial efficiency within the freight transport sector. This research holds relevance for various stakeholders within the company, the transport industry at large, and academics engaged in the study of business operations and cost control.

### 1. Contribution to Yibelu Mossiewa Private Freight Transport's Growth and Efficiency:

The study will provide Yibelu Mossiewa Private Freight Transport with valuable insights into its current cost management practices. By identifying gaps and areas for improvement, the research will enable the company to optimize its cost control strategies, enhance financial efficiency, and ensure sustainability in an increasingly competitive and volatile market. Improving cost management practices can help the company mitigate risks associated with fluctuating fuel prices, maintenance costs, labor expenses, and insurance premiums, ultimately leading to improved profitability and long-term viability.

### 2. Support for Decision-Making and Strategic Planning:

The findings from this study will serve as a foundation for informed decision-making at the management level. With a clearer understanding of cost tracking tools, review processes, and employee engagement, the management team can make better strategic decisions regarding resource allocation, cost-saving measures, and overall financial planning. This can further guide the company in making more timely and effective responses to both predictable and unforeseen financial challenges.

### 3. Enhancement of Employee Involvement and Organizational Culture:

By evaluating the level of employee engagement in cost management practices, the study highlights opportunities to foster a culture of cost-consciousness within the company. Engaging employees in cost-saving initiatives can not only improve operational efficiency but also boost morale, job satisfaction, and a sense of shared responsibility. This research will offer practical

recommendations for implementing incentive programs or employee-driven initiatives that can align individual actions with broader organizational goals.

#### 4. Impact on the Freight Transport Sector:

The findings of this research will contribute to the broader freight transport sector by providing insights into how companies can better manage their costs in an environment of rising fuel prices, labor costs, and regulatory challenges. As the transport industry continues to play a pivotal role in global trade and economic growth, improving cost management at the individual company level can have a cumulative effect on the sector's overall financial health and competitiveness.

#### 5. Academic Contribution and Further Research:

From an academic perspective, this study will contribute to the body of knowledge on cost management in the freight transport industry. It will provide a case study that can be used by researchers, scholars, and students interested in the fields of financial management, operations management, and business strategy. The study may also serve as a basis for further research, particularly regarding the effectiveness of specific cost-saving measures, employee participation in financial management, or the comparison of cost management practices across different transport companies.

#### 6. Practical Insights for Other Freight Transport Companies:

While the primary focus of the study is Yibelu Mossiewa Private Freight Transport, the findings could also offer practical lessons for other freight companies operating in similar contexts. The insights from this research on cost tracking tools, cost review frequency, and employee involvement can be applied to other organizations within the transport sector, especially small to medium-sized enterprises looking to improve their financial management practices.

In summary, this study is significant because it will directly benefit Yibelu Mossiewa Private Freight Transport by improving its cost management practices, thus enhancing its financial stability and operational efficiency. The broader impact of this research extends to the transport industry, employees, academic researchers, and other freight companies seeking to optimize their cost control strategies in the face of financial challenges.

## 1.6. Scope and Limitations of the Study

### 1.6.1. Scope of the Study.

This study is specifically focused on assessing the cost management practices at Yibelu Mossiewa Private Freight Transport, a company located in Addis Ababa, Ethiopia. The research will concentrate on the company's operations within the Lideta Sub-City, Woreda 9. This geographical scope is chosen because the company's headquarters and core operational activities are situated within this area, allowing for a detailed and focused analysis of the cost management practices employed by the organization.

The study will evaluate various aspects of cost management, including methods used for tracking and controlling costs, the frequency and impact of cost reviews, employee engagement in cost-saving initiatives, and the financial challenges faced by the company. Additionally, it will explore the company's primary cost components, such as fuel, maintenance, labor, and insurance, within the context of its operations in this specific location.

Although the study will be geographically limited to the Addis Ababa area, its findings are expected to have broader implications for other freight transport companies operating in Ethiopia, particularly in urban centers where similar cost management challenges may exist. The results may also provide insights relevant to companies with operations in regions facing similar logistical, financial, and operational constraints.

### 1.6.2 Limitations of the Study.

While this study aims to provide valuable insights into the cost management practices of Yibelu Mossiewa Private Freight Transport, it faces several limitations that could affect the scope and generalizability of the findings.

#### 1. Geographical Limitation:

The study is confined to the operations of Yibelu Mossiewa Private Freight Transport within Addis Ababa, specifically in the Lideta Sub-City, Woreda 9. As a result, the findings may not fully represent the cost management practices of freight transport companies operating in other regions of Ethiopia or internationally. Differences in market conditions, regulatory environments, and operational challenges across locations may limit the ability to generalize the findings to a broader context.

## 2. Sample Size:

The research will be based on data collected from a relatively small sample size—20 respondents—within the company. While the study provides an in-depth analysis of these individuals' perspectives on cost management practices, the sample size may not fully capture the diversity of opinions across the entire workforce. A larger and more diverse sample could provide a broader understanding of the issues and challenges faced by different departments or levels within the organization.

## 3. Data Availability and Access:

Access to detailed financial data, internal reports, or proprietary cost management systems may be limited due to company confidentiality and privacy concerns. The study will rely on information shared by key personnel, including management and employees, which may not provide a comprehensive view of all financial operations. Limited access to specific financial data could restrict the depth of analysis on certain cost management processes.

## 4. Potential Bias in Respondent Perspectives:

The study will depend on the responses of company employees and managers who may have a vested interest in presenting the company's practices in a positive light or may be limited by their knowledge of broader cost management frameworks. While efforts will be made to ensure that data is gathered from a range of perspectives within the company, there is the possibility of bias in how cost management practices are perceived and reported by respondents.

## 5. Scope of Cost Management Practices:

The study will focus primarily on key cost components such as fuel, maintenance, labor, and insurance, as well as tracking tools and cost review practices. However, there may be other factors affecting cost management—such as supply chain issues, external economic pressures, or technological limitations—that are not fully explored within the scope of this study. These factors could further influence the company's cost management practices but may fall outside the scope of this research.

## 6. Time Constraints:

The study will be conducted over a limited period, which may restrict the ability to observe long-term changes in cost management practices or to track the effectiveness of any recommended improvements. Additionally, the time constraints limit the opportunity to gather in-depth

qualitative data through long-term observation or follow-up interviews, which could provide a more comprehensive understanding of the issues over time.

#### 7. Focus on Cost Management Without Financial Performance Measurement:

This study focuses primarily on the cost management practices of the company without directly assessing the impact of these practices on the company's overall financial performance, such as profitability, return on investment, or long-term financial sustainability. While the study will explore the relationship between cost management practices and operational efficiency, a more direct analysis of financial outcomes could provide a clearer picture of the effectiveness of these practices.

Despite these limitations, the study will offer valuable insights into the cost management practices at Yibelu Mossiewa Private Freight Transport, providing a foundation for future research and practical improvements within the company.

#### 1.7. Operational Definitions of Terms.

For the purpose of this study, the following terms are defined as follows:

##### 1. Cost Management:

Refers to the process of planning and controlling the budget of the company, including tracking, analyzing, and minimizing operational costs to ensure profitability and financial efficiency. In this study, it specifically relates to the methods and tools Yibelu Mossiewa Private Freight Transport uses to manage its expenses, including fuel, maintenance, labor, and insurance.

##### 2. Cost Tracking:

The method or system used to monitor and record costs incurred in the day-to-day operations of the company. This can involve manual methods (e.g., spreadsheets) or automated software solutions to keep track of expenses and monitor spending trends.

##### 3. Cost Review:

The process of evaluating and analyzing the company's expenses over a given period (e.g., monthly, quarterly, or annually) to assess whether spending aligns with budgetary goals and to identify areas for potential cost reduction or improvement.

##### 4. Fuel Costs:



Refers to the expenditure associated with the fuel used for operating the transport vehicles in the company's fleet. Fuel costs are typically one of the highest variable expenses in the freight transport industry and can fluctuate based on external factors such as global oil prices.

#### 5. Maintenance Costs:

The expenses incurred for the upkeep, repair, and servicing of the company's vehicles and equipment. This includes both routine maintenance and unexpected repair costs necessary to ensure the continued operation and safety of the fleet.

#### 6. Labor Costs:

The total expenses associated with employee compensation, including wages, salaries, benefits, and other related costs such as training and development. In the context of this study, labor costs relate to the expenses for drivers, mechanics, and other employees directly involved in the operation of the company.

#### 7. Insurance Costs:

The premiums paid for insurance coverage related to the company's vehicles, employees, and operational risks. These may include vehicle insurance, liability insurance, and other related coverage necessary to protect the company from financial risks.

#### 8. Employee Engagement in Cost-Saving Practices:

Refers to the involvement of employees in identifying, suggesting, and implementing strategies to reduce costs or improve efficiency within the company. This includes active participation in programs or incentives designed to foster a cost-conscious organizational culture.

#### 9. Cost-Saving Measures:

Strategies or actions taken to reduce costs, improve efficiency, and optimize the use of resources within the company. These measures could include changes in operational processes, adoption of new technologies, or renegotiating contracts with suppliers.

#### 10. Software-Based Cost Tracking:

The use of digital tools or software applications designed to track and manage costs in a more automated and efficient manner compared to manual systems. Software-based tracking allows for real-time data collection, easier analysis, and improved accuracy in tracking expenses.

#### 11. Manual Cost Tracking:

A traditional method of recording and monitoring costs using spreadsheets, paper-based records, or other non-automated processes. This approach can be time-consuming, prone to human error, and less efficient than digital systems.

#### 12. Profitability:

The ability of the company to generate a profit from its operations. It is measured by subtracting total costs from revenue and is used to assess the company's financial health and the effectiveness of its cost management practices.

#### 13. Cost Efficiency:

Refers to the ability to achieve the desired operational outcomes (such as delivering freight) while minimizing costs. It is a key measure of how well the company is managing its resources to deliver services at the lowest possible cost without compromising quality or safety.

#### 14. Operational Challenges:

Issues or obstacles that affect the smooth functioning of the company's daily operations. These may include fluctuations in fuel prices, rising labor costs, vehicle breakdowns, and external economic factors that impact the cost structure.

These definitions provide a clear understanding of the key terms used in this study, ensuring consistency in the interpretation of concepts related to cost management within Yibelu Mossiewa Private Freight Transport.

## 1.8. Organization of the Study

This study is organized into five chapters, each focusing on different aspects of the research process and findings. The organization of the study is as follows:

#### Chapter 1: Introduction.

This chapter provides an overview of the study, including the background of the research, statement of the problem, objectives, research questions, significance, scope, limitations, and operational definitions of terms. It sets the stage for understanding the context and rationale behind the assessment of cost management practices at Yibelu Mossiewa Private Freight Transport.

#### Chapter 2: Literature Review.

In this chapter, a comprehensive review of relevant literature on cost management practices in the freight transport industry is presented. The chapter explores theoretical frameworks, previous studies, and key concepts related to cost tracking, cost control, and financial management. It also

discusses industry-specific challenges and best practices, providing a foundation for analyzing the cost management practices at Yibelu Mossiewa.

#### Chapter 3: Research Methodology.

This chapter outlines the research design and methodology used to conduct the study. It details the research approach, population and sample size, data collection methods (including surveys, interviews, and document analysis), and the data analysis techniques. This section also highlights the ethical considerations and limitations of the study's methodology.

#### Chapter 4: Results and Discussion.

Chapter 4 presents the findings from the data collected during the research.

It provides a detailed analysis of the company's cost management practices, including the methods and tools used for cost tracking, the frequency of cost reviews, employee involvement in cost-saving initiatives, and the challenges faced by the company. The findings are discussed in relation to the research questions and objectives, drawing comparisons with relevant literature and industry standards.

#### Chapter 5: Summary, Conclusions, and Recommendations.

The final chapter summarizes the key findings of the study and provides conclusions based on the analysis. It offers practical recommendations for improving cost management practices at Yibelu Mossiewa Private Freight Transport, aimed at enhancing financial efficiency and profitability. The chapter also discusses the implications of the findings for the company, the freight transport sector, and future research.

Each chapter builds upon the previous one to create a coherent narrative, providing a clear understanding of the current state of cost management practices at Yibelu Mossiewa Private Freight Transport and suggesting actionable strategies for improvement.

## CHAPTER TWO:

### 2. Literature Review.

#### Literature Review: Assessment of Cost Management Practices and Challenges in Private Freight Transport

##### 2.1. Introduction to Cost Management in Freight Transport

Cost management in the freight transport sector is critical to ensuring efficiency, competitiveness, and profitability. It involves strategic planning and operational control to reduce expenses without compromising service quality. The freight industry, particularly in developing countries like Ethiopia, is characterized by high operational costs, regulatory hurdles, and limited access to modern technologies.

According to Rodrigue and Notteboom (2020), freight costs in low-income economies are disproportionately higher due to inefficiencies in logistics and transport systems. This challenge underscores the importance of implementing effective cost management practices in private freight businesses, such as Yibelu Mossiewa Private Freight Transport, operating in Addis Ababa.

##### 2.2. Cost Structures in Freight Transport

Freight transport costs can be categorized into fixed and variable costs. Fixed costs include vehicle acquisition, insurance, and administrative expenses, while variable costs include fuel, driver wages, and vehicle maintenance. In a study by Korinek and Sourdin (2011), variable costs were found to constitute over 60% of the total costs for freight operators in Sub-Saharan Africa, with fuel prices being the largest contributor.

Ethiopia's unique challenges, such as high tariffs on imported vehicles and spare parts (World Bank, 2019), further strain private operators. These factors necessitate effective cost management approaches tailored to local conditions, including innovative financing mechanisms and resource optimization strategies.

##### 2.3. Challenges in Cost Management for Freight Transport Companies.

Private freight transport operators in Ethiopia face several challenges that complicate cost management efforts: Freight transport companies face a variety of external and internal

challenges in managing costs. Externally, fluctuations in fuel prices are one of the most significant challenges. The global nature of fuel markets means that freight companies are vulnerable to external price shocks, which can have a direct impact on their bottom line. A study by Chen et al. (2017) found that small to medium-sized transport companies are particularly vulnerable to these price fluctuations, as they may not have the financial buffer to absorb sudden increases in fuel costs.

Regulatory changes also affect cost management in the transport sector. For instance, regulations related to emissions and fuel efficiency standards can require companies to invest in newer, more fuel-efficient vehicles, which can initially increase capital costs. However, over time, these investments may lead to long-term cost savings through reduced fuel consumption and fewer maintenance needs.

**Fuel Price Volatility:** Fuel is a significant cost driver in the freight industry. According to Jaiswal et al. (2019), fluctuating global oil prices and inefficient fuel consumption practices increase operational costs for freight companies.

**Infrastructure Limitations:** Poor road infrastructure, traffic congestion, and inadequate logistics facilities increase transit times and vehicle wear and tear (UNCTAD, 2022).

**Regulatory and Tax Burdens:** High customs duties and multiple layers of taxation are common in Ethiopia, creating financial pressures on private operators (World Bank, 2020).

**Maintenance Challenges:** A lack of skilled technicians and quality spare parts leads to frequent vehicle breakdowns, reducing operational efficiency (Ethiopian Logistics and Supply Chain Society, 2023).

**Limited Technology Use:** Most private freight operators lack access to advanced technologies like GPS tracking, fleet management systems, and analytics tools, which are essential for cost optimization (AfDB, 2021).

## 2.4. Best Practices in Cost Management

Best practices in cost management can mitigate the above challenges and enhance operational efficiency in freight transport.

**Technology Adoption:** Studies by Rodrigues et al. (2017) highlight the benefits of GPS systems, route optimization software, and real-time tracking for reducing fuel consumption and transit times.

**Preventive Maintenance:** Regular maintenance reduces the risk of breakdowns and lowers long-term costs (OECD, 2018).

**Driver Training Programs:** Fuel-efficient driving techniques and safety protocols can significantly cut costs while improving productivity (Jaiswal et al., 2019).

**Collaborative Networks:** Partnerships with other freight operators and logistics providers help achieve economies of scale and reduce overhead costs (UNCTAD, 2022).

**Alternative Energy Sources:** The African Development Bank (AfDB) (2021) suggests exploring electric or biodiesel-powered vehicles as long-term cost-saving solutions, though initial investments may be high.

To address the challenges in cost management, companies in the freight transport sector have adopted several best practices that focus on improving efficiency, reducing costs, and enhancing profitability.

#### 1. Cost Tracking Systems:

Modern cost tracking systems, including Enterprise Resource Planning (ERP) software, are widely used in the freight transport industry to provide real-time data on expenses. These systems allow for better tracking of fuel consumption, maintenance costs, and labor expenditures, providing a more accurate picture of financial performance. According to Harrison and Lajunen (2014), companies that adopt integrated software systems for cost tracking have a better ability to manage and control their expenses.

#### 2. Regular Cost Reviews:

Frequent reviews of costs—whether monthly, quarterly, or annually—enable companies to identify trends, forecast future costs, and adjust their budgetary plans accordingly. McKinnon et al. (2010) argue that companies that conduct regular cost reviews are better equipped to react to changes in the market and avoid unnecessary expenditures.

#### 3. Employee Involvement in Cost Management:

Engaging employees in cost-saving initiatives is another effective practice. Companies that foster a culture of cost consciousness, where employees are encouraged to contribute to identifying efficiencies, typically see better results in terms of cost reduction. Incentive programs, where employees are rewarded for suggesting and implementing cost-saving measures, have proven to be effective in the transport sector (Bontis et al., 2002).

#### 4. Fuel Management Strategies:

Fuel management is critical in the freight transport industry due to the high cost of fuel. Best practices include route optimization, driver training to promote fuel-efficient driving, and investment in fuel-efficient or alternative-fuel vehicles. A study by McKinnon et al. (2010) found that companies that adopted comprehensive fuel management strategies experienced significant cost savings.

## 2.5. Cost Management in the Ethiopian Context

Ethiopia's freight transport sector faces unique structural and economic challenges. The Ethiopian Ministry of Transport (2020) emphasizes the importance of cost management for enhancing the competitiveness of local operators amidst rising operational expenses. The country's Logistics Sector Master Plan outlines strategies for improving road infrastructure, streamlining regulatory processes, and encouraging the adoption of modern logistics technologies (Ministry of Transport, 2020).

Despite these efforts, private companies like Yibelu Mossiewa face barriers such as limited access to financing and insufficient training programs. A case study by Bekele (2022) on Addis Ababa's private freight sector revealed that operators with structured cost management practices, such as fuel monitoring and preventive maintenance schedules, were more resilient to economic shocks.

## 2.6. Research Gaps and Future Directions

There is limited literature on cost management practices specific to Ethiopia's private freight sector. Key areas for future research include:

The impact of government policies on cost reduction strategies.

The role of digital technologies in optimizing freight operations in Ethiopia.

Comparative studies on cost management practices in similar African economies.

## 2.7. Conclusion

This chapter has reviewed relevant literature on cost management practices in the freight transport industry, highlighting the key areas of cost control, including fuel, maintenance, labor, and insurance. Theoretical frameworks such as Activity-Based Costing and Lean Management have been identified as useful tools for improving cost efficiency in transport companies. The review also discussed various challenges faced by companies in managing costs, including fuel price volatility, maintenance expenses, labor costs, and regulatory changes. Finally, best

practices such as adopting cost tracking systems, conducting regular cost reviews, engaging employees in cost-saving efforts, and implementing fuel management strategies were identified as effective methods for improving cost management in the freight transport sector.

Effective cost management is essential for the sustainability of private freight transport businesses in Ethiopia. While challenges such as fuel price volatility, regulatory hurdles, and infrastructure constraints persist, adopting best practices like technology integration and driver training can significantly improve efficiency. For companies like Yibelu Mossiewa, addressing these challenges requires a combination of internal initiatives and external support from policy reforms and financial institutions.

These insights provide a valuable foundation for the assessment of cost management practices at Yibelu Mossiewa Private Freight Transport in the following chapters of this study.



## CHAPTER THREE

### 3. Research Methodology.

#### 3.1. Description of the Study Area.

The study area for this research is Yibelu Mossiewa Private Freight Transport, located in Addis Ababa, Ethiopia, specifically within the Lideta sub-city, Woreda 9. Addis Ababa, the capital city of Ethiopia, is a major hub for transportation, commerce, and logistics within the country, making it an important center for freight transport activities. Lideta is one of the most significant sub-cities in Addis Ababa, known for its central location and proximity to key transportation routes. This area is home to a high concentration of commercial and industrial activities, making it a strategic location for freight transport operations.

Yibelu Mossiewa Private Freight Transport operates in this highly competitive and busy urban environment, serving both local and regional transportation needs. The company is involved in the movement of goods, utilizing a fleet of vehicles for road transport, which is essential to the logistics and distribution networks of various industries in the region. Given the strategic importance of Lideta, businesses in the area, including Yibelu Mossiewa, must navigate challenges such as congestion, regulatory compliance, and fluctuating fuel prices, all of which have direct implications for their cost management practices.

Lideta sub-city is also a focal point for several transport-related activities, including cargo distribution centers, warehouses, and service providers. The area is well-connected to major roads leading to different parts of Ethiopia, facilitating the efficient movement of goods across the country and beyond. However, due to its central location, the sub-city also experiences challenges like traffic congestion and limited parking, which can affect the efficiency of transport operations. This context underscores the importance of effective cost management practices, as companies like Yibelu Mossiewa Private Freight Transport must contend with these logistical constraints while trying to maintain competitive pricing and operational efficiency.

In summary, the study area, Addis Ababa's Lideta sub-city, Woreda 9, offers a dynamic setting for examining cost management practices within a freight transport company. The area's infrastructure, commercial activity, and unique challenges make it an ideal case study for

understanding the real-world application of cost control strategies in the Ethiopian freight transport sector.

### 3.2. Research Design.

This study employs a descriptive and analytical research design to assess the cost management practices at Yibelu Mossiewa Private Freight Transport. The research design is selected based on the need to gather detailed insights into the current cost management practices employed by the company, as well as to analyze the effectiveness of these practices in controlling operational costs. A descriptive research design allows for a comprehensive examination of the company's cost management systems, employee perspectives, and the factors that influence their ability to track and control costs effectively.

In this research, both qualitative and quantitative methods are utilized. The quantitative approach involves the use of structured questionnaires, which are distributed to employees at various levels within the company to collect numerical data on their understanding of the company's cost management practices. This data will help quantify responses related to the frequency of cost reviews, the methods used for tracking costs, and employee satisfaction with the existing cost control measures. The qualitative approach, on the other hand, involves conducting interviews with key management personnel to obtain in-depth insights into the strategic and operational aspects of cost management. This will provide a deeper understanding of the challenges faced by the company and the underlying factors affecting the implementation of cost control measures.

The study is designed to assess cost management across several key dimensions, including cost tracking, cost reduction strategies, cost challenges, and employee engagement in cost management practices. By utilizing both qualitative and quantitative data, the research design allows for a holistic analysis of the company's cost management processes, providing both statistical evidence and detailed contextual information.

In terms of data collection, a sample of employees from different departments, including drivers, mechanics, finance, and operations, will be selected to ensure that the data collected is representative of the company's overall cost management approach. Additionally, secondary data, such as financial reports and company records, will be reviewed to validate the findings and provide a comprehensive view of the company's financial performance in relation to cost management.

Overall, the research design is structured to offer a balanced, multi-dimensional view of the cost management practices at Yibelu Mossiewa Private Freight Transport, which will be used to draw conclusions and make recommendations for improvement.

### 3.3. Population or Universe.

The population for this study consists of employees at Yibelu Mossiewa Private Freight Transport, a company based in Addis Ababa, Ethiopia, engaged in the freight transport industry. The company employs a diverse group of individuals across various departments, including drivers, mechanics, finance personnel, operations officers, and other support staff. These employees are directly involved in the daily operations of the company, and their roles are integral to the implementation and effectiveness of the company's cost management practices. The population includes employees who participate in cost-related decision-making, as well as those responsible for tracking, controlling, and reducing costs associated with freight transport activities.

The target population for this study comprises 20 employees from different levels within the company, selected to represent a broad cross-section of perspectives on cost management. These employees include both senior management and lower-level staff who are directly involved in the operational aspects of the company. The breakdown of the population includes key groups such as drivers (the largest group), mechanics, finance and cost accounting division staff, and operations officers, who collectively contribute to the day-to-day activities and overall financial management of the company.

Given the relatively small size of the organization, all employees are considered part of the population, and therefore, a full census of the employees will be conducted for the purpose of this study. A convenience sampling method will be applied to ensure that data is collected from those individuals whose roles are most directly related to cost management, with particular attention paid to capturing a diverse set of experiences and perspectives from different job functions.

This approach ensures that the study provides a comprehensive understanding of the current cost management practices at Yibelu Mossiewa Private Freight Transport by capturing input from individuals who are directly engaged in both the operational and financial aspects of the company's cost management processes. The findings from this sample will provide insights into

the challenges, strengths, and opportunities related to cost control within the company and the freight transport sector as a whole.

### 3.4. Sampling.

The sampling method used in this study is a combination of census sampling and convenience sampling, given the relatively small size of the population at Yibelu Mossiewa Private Freight Transport. Since the company has a total of 20 employees, all individuals within the organization are considered part of the population, and a census approach will be used to gather data from every employee involved in the cost management processes. This approach ensures that the study is comprehensive, as it allows for the inclusion of all relevant perspectives within the company.

To gather a diverse range of insights, the study will focus on employees from various departments, including drivers, mechanics, finance staff, operations officers, and the cost accounting division. These departments are directly involved in cost management, either through the tracking, analysis, or implementation of cost control measures. The selection of participants will ensure that the perspectives captured reflect both the operational and financial aspects of the company's cost management practices.

Although the full population will be sampled, a convenience sampling method is applied in terms of how the participants are approached and surveyed. Convenience sampling involves selecting individuals who are readily available and willing to participate in the study. Given that all employees are directly involved in the daily operations of the company, they are accessible, and data collection will take place during regular work hours. This method ensures that the study is efficient and that responses are gathered quickly, with minimal disruption to the company's operations.

In addition to the employee survey, interviews will be conducted with key personnel, such as senior management or department heads, who have a deeper understanding of the strategic cost management decisions within the company. These interviews will provide further qualitative insights into the cost management practices and challenges faced by Yibelu Mossiewa Private Freight Transport.

Overall, the sampling strategy ensures that data is collected from all relevant employees and key stakeholders in the company, providing a comprehensive and diverse set of responses that reflect the overall cost management practices at Yibelu Mossiewa. This inclusive approach enables a

detailed analysis of the company's cost management systems and their effectiveness in reducing and controlling costs.

### 3.5. Sampling Methods.

The sampling method employed in this study combines both census sampling and convenience sampling, tailored to the specific context of Yibelu Mossiewa Private Freight Transport. Given that the company has a relatively small workforce of 20 employees, all employees involved in cost management practices will be included in the study. This approach aligns with census sampling, where every individual in the population is selected to participate in the research. The aim is to capture comprehensive insights from all relevant employees, ensuring that no perspectives related to cost management are omitted. This method is particularly suitable for small populations, as it allows for the inclusion of all employees involved in key processes like cost tracking, cost control, and operational decision-making.

Within this population, employees from various departments—such as drivers, mechanics, finance, cost accounting, and operations—will be surveyed to ensure that diverse perspectives are represented. These departments are crucial to understanding the breadth of cost management practices across the company, as each department handles different aspects of cost-related operations. The inclusion of all relevant employees ensures that the study captures a holistic view of the company's cost management strategies and challenges.

Additionally, convenience sampling is applied in terms of how the participants are approached and how data collection occurs. Given the small size of the organization, convenience sampling allows for practical and efficient access to participants, as the study can be conducted during normal work hours without disrupting the company's operations. Employees will be selected based on their availability and willingness to participate, which minimizes logistical challenges and maximizes the feasibility of the research process.

For qualitative data, purposive sampling will be applied to select key management personnel and department heads for in-depth interviews. These individuals are likely to have greater insights into the strategic decisions behind cost management practices, making them valuable sources of information. Purposive sampling allows the researcher to deliberately target individuals who have specialized knowledge or decision-making authority regarding cost-related issues, ensuring the collection of high-quality qualitative data.

Overall, the combination of census and convenience sampling ensures that the study is both inclusive and practical. The method provides a comprehensive representation of employee perspectives on cost management while ensuring efficiency in data collection, making it well-suited for the context of Yibelu Mossiewa Private Freight Transport.

### 3.6. Data Collection Tools / Instruments.

For this study, a combination of structured questionnaires and semi-structured interviews will be used as the primary data collection tools to gather both quantitative and qualitative information on the cost management practices at Yibelu Mossiewa Private Freight Transport. These tools are selected to ensure a comprehensive understanding of the cost management systems in place, the challenges faced, and the perceptions of employees regarding the effectiveness of these practices.

1. **Structured Questionnaires:** A set of structured questionnaires will be administered to all employees involved in cost management, including drivers, mechanics, finance staff, operations officers, and the cost accounting division. The questionnaires will consist of both closed-ended and Likert-scale questions, designed to capture quantitative data on various aspects of cost management. Key topics will include methods of cost tracking (manual vs. software), frequency of cost reviews, common cost-related challenges (e.g., fuel prices, maintenance), and employee satisfaction with the current cost management practices. The use of structured questionnaires will facilitate easy analysis of the data and allow for comparison across different employee groups within the company. This tool is appropriate because it allows for consistent data collection from all respondents, ensuring that all employees are asked the same questions, which supports the reliability of the findings.

2. **Semi-Structured Interviews:** In addition to the questionnaires, semi-structured interviews will be conducted with senior management and key department heads, such as the operations manager, finance manager, and fleet manager. These interviews will allow for a deeper exploration of the strategic decisions behind the company's cost management practices. The semi-structured format of the interviews allows for flexibility, enabling the interviewer to ask follow-up questions and probe for more detailed responses. This method is particularly useful for gathering qualitative insights into the internal factors influencing cost management decisions, such as company policies, leadership styles, and employee engagement with cost-saving initiatives. The interviews will provide context to the quantitative data gathered from the questionnaires and offer a more nuanced understanding of the challenges and opportunities related to cost control in the company.

3. **Secondary Data:** In addition to primary data collection, secondary data will be reviewed to complement the findings from the questionnaires and interviews. This may include financial reports, historical cost data, maintenance records, and other company documents that track the company's expenses. The use of secondary data will help validate the primary data and provide a clearer picture of how cost management practices have evolved over time within the company.

The combination of structured questionnaires, semi-structured interviews, and secondary data ensures that this study captures both broad quantitative trends and in-depth qualitative insights. These data collection tools are carefully chosen to align with the research objectives and provide a comprehensive analysis of cost management practices at Yibelu Mossiewa Private Freight Transport.

### 3.7. Data Analysis.

Data analysis in this study will involve both quantitative and qualitative techniques to provide a comprehensive understanding of the cost management practices at Yibelu Mossiewa Private Freight Transport. The approach to data analysis will be structured to align with the research objectives, enabling the researcher to draw meaningful conclusions from the data collected through questionnaires, interviews, and secondary sources.

1. Quantitative Data Analysis: The quantitative data obtained from the structured questionnaires will be analyzed using descriptive statistical techniques. This will involve calculating frequencies, percentages, and averages to summarize the responses and identify patterns or trends in the data. For example, the data on methods of cost tracking, frequency of cost reviews, and satisfaction levels with cost management practices will be presented in tables and charts for easy interpretation. This analysis will help to quantify the level of adoption of various cost management strategies, highlight common challenges faced by the company, and assess employee satisfaction with the current systems. The use of statistical software, such as SPSS or Excel, will facilitate the processing and presentation of the data in a clear and organized manner. The results will be interpreted to provide insights into how different departments and employees view the company's cost management practices.

2. Qualitative Data Analysis: The qualitative data gathered from semi-structured interviews will be analyzed using thematic analysis. This approach involves identifying and analyzing recurring themes or patterns in the responses of the interviewees. Thematic analysis allows for a detailed examination of the factors that influence the implementation and effectiveness of cost management practices at Yibelu Mossiewa, such as managerial decisions, operational challenges, and employee engagement with cost-saving initiatives. The interviews will be transcribed, and key themes will be coded and categorized to identify relationships between different responses. By analyzing the qualitative data in this way, the researcher will gain deeper insights into the

underlying reasons behind the quantitative findings and provide more context to the cost management practices and challenges identified through the questionnaires.

3. Integration of Quantitative and Qualitative Data: The final stage of data analysis will involve integrating the quantitative and qualitative data to draw comprehensive conclusions about the company's cost management practices. The quantitative findings will provide a broad overview of employee perspectives on cost control, while the qualitative insights will help to explain the reasons behind these views and provide a deeper understanding of the challenges and opportunities faced by the company. This integrated analysis will allow for a richer interpretation of the data and help to provide actionable recommendations for improving cost management practices at Yibelu Mossiewa Private Freight Transport.

By using a combination of statistical and thematic analysis, the study aims to provide a well-rounded and evidence-based assessment of the cost management practices at Yibelu Mossiewa, offering both numerical trends and in-depth qualitative insights into the company's cost control processes.

### 3.8. Reliability and Validity.

Ensuring the reliability and validity of the data collected is essential to the credibility and rigor of this study. Reliability refers to the consistency and dependability of the research instruments, while validity relates to the accuracy and relevance of the instruments in measuring what they are intended to measure. In this study, both these aspects will be carefully addressed to ensure the robustness of the findings.

1. Reliability: To ensure the reliability of the data collection instruments, pre-testing or pilot testing of the questionnaires and interview guides will be conducted before the actual data collection. A small sample of employees, not part of the main study, will be asked to complete the questionnaire and participate in interviews. This pilot phase will allow the researcher to assess whether the questions are clear, relevant, and easy to understand, and whether they effectively capture the information needed to address the research questions. Based on the feedback, any ambiguities or issues with the wording or structure of the instruments will be addressed to ensure consistency during the full data collection process. Furthermore, the use of standardized questionnaires and a structured interview format will also contribute to the



reliability of the study by ensuring that all participants are asked the same questions in a consistent manner, which minimizes the risk of interviewer bias and variability in responses.

2. Validity: The validity of the instruments will be ensured through content validity, which ensures that the questions in the questionnaires and interview guides adequately cover all aspects of cost management practices relevant to the study. The researcher will draw upon the existing literature on cost management in freight transport to ensure that the questions are comprehensive and aligned with established theories and practices. In addition, expert input will be sought from professionals in the field of logistics and cost management to review the instruments for relevance and comprehensiveness. This will help ensure that the questions are accurately measuring the key constructs related to cost tracking, cost control, cost-saving measures, and employee satisfaction.

For construct validity, the researcher will ensure that the variables and concepts being measured, such as cost management practices and employee satisfaction, are adequately represented by the questions asked. The responses from both the quantitative questionnaires and the qualitative interviews will be analyzed to see if they converge and provide consistent findings, further supporting the construct validity of the study.

Finally, the use of triangulation, which involves comparing data from multiple sources (questionnaires, interviews, and secondary data), will enhance the validity of the study. By cross-checking information from different data sources, the researcher can confirm the consistency of the findings, increasing the overall validity and reliability of the study's conclusions.

In conclusion, the study will employ rigorous procedures to ensure both the reliability and validity of the data collection instruments. This will help to ensure that the findings are both consistent and accurate, providing a strong foundation for the conclusions and recommendations on cost management practices at Yibelu Mossiewa Private Freight Transport.

### 3.8. Ethical Considerations.

Ethical considerations are fundamental to ensuring the integrity and credibility of this research, as well as to safeguarding the rights and well-being of the participants involved. In this study, a number of ethical guidelines will be followed to maintain high standards of research practice,

particularly regarding confidentiality, informed consent, voluntary participation, and avoiding harm.

1. **Informed Consent:** Before participating in the study, all respondents will be provided with clear and detailed information about the research purpose, objectives, procedures, and their role in the study. This information will be communicated through an informed consent form that outlines the participants' right to refuse participation or withdraw from the study at any point without any negative consequences. Participants will be informed that their involvement is voluntary and that they can choose not to answer specific questions if they feel uncomfortable.

2. **Confidentiality and Anonymity:** To protect the privacy of the participants, all data collected will be kept confidential. Participants will be assured that their personal information, including their identities and responses, will remain anonymous and will not be shared with any third parties. Data will be stored securely, with access limited only to the researcher and authorized personnel involved in data analysis. Any reports or publications resulting from the study will aggregate the data to avoid any identification of individual participants.

3. **Voluntary Participation:** Participation in the study will be entirely voluntary, and participants will have the right to decline participation or withdraw from the study at any stage without facing any penalty or negative repercussions. This principle ensures that no one feels coerced or pressured into taking part in the study, preserving their autonomy and freedom of choice.

4. **Avoiding Harm:** The researcher will take care to ensure that the study does not cause any harm to the participants, whether physical, emotional, or psychological. The questions in the questionnaires and interviews will be designed to avoid sensitive topics that could cause distress, and participants will be informed in advance that they have the right to skip any questions they do not wish to answer. The researcher will also be mindful of potential power imbalances, particularly between management and staff, and will ensure that responses are treated with respect and fairness.

5. **Integrity and Honesty:** Throughout the research process, the researcher will adhere to principles of honesty and transparency. This includes ensuring that the findings are reported accurately, avoiding any manipulation of data, and acknowledging any limitations or biases in the research. The researcher will also ensure that the research complies with any relevant institutional or organizational ethical guidelines and obtain approval from the relevant ethical review board, if applicable.

By adhering to these ethical principles, the study will respect the rights of all participants and ensure that the research process is conducted with integrity, transparency, and accountability. This will not only enhance the quality and credibility of the research but also ensure that the findings are used responsibly to improve cost management practices at Yibelu Mossiewa Private Freight Transport.

## CHAPTER FOUR

### 4: Data Presentation, Analysis, and Interpretation

#### 4.1 Introduction

This chapter presents the findings of the study conducted to assess the cost management practices at Yibelu Mossiewa Private Freight Transport, a company specializing in freight transportation services. The primary objective of this chapter is to analyze how the company manages and controls its costs, identifying areas of strength and potential improvement. The data was gathered through a combination of financial reports, interviews with key stakeholders, and surveys, aiming to provide a holistic view of the company's approach to cost management.

The chapter is divided into three main sections:

1. **Presentation of Data:** An overview of the financial data and operational metrics collected, including summaries and descriptive statistics that provide a detailed view of the company's cost structure.
2. **Analysis of Cost Management Practices:** A critical examination of specific cost components such as fuel, labor, maintenance, and administrative expenses, assessing the cost-control measures in place and their effectiveness in optimizing expenditures.
3. **Interpretation of Findings:** This section interprets the analyzed data in relation to established cost management theories and industry benchmarks. It evaluates how Yibelu Mossiewa Private Freight Transport's practices align with industry standards and suggests factors that may influence the sustainability of its cost management strategies.

The insights derived from this chapter aim to answer the research questions and highlight opportunities for enhancing cost efficiency at Yibelu Mossiewa Private Freight Transport, ultimately guiding the recommendations that will follow in the final chapter.

#### 4.2. General characteristics of the Respondent

##### 4.2.1. Age

Table 1 Respondent Age

Age	No. of Respondent	Respondent in percent (%)
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Below 25 years	-	-
26 – 35 years	3	15%
36- 45 years	10	50%
Above 45 years	7	35%
Total	20	100%

Source; Study result, 2025

The data in this table provides insight into the age distribution of respondents in a sample size of 20 people.

The data in the table reveals the age distribution of 20 respondents. The largest portion of respondents, 50%, falls within the 36–45 age group, indicating that middle-aged individuals are the most represented. This could suggest that the survey topic or its context may resonate more with this age group, or that they are more accessible and willing to participate. Following this, 35% of respondents are above 45 years, adding a significant proportion of older adults to the sample. Meanwhile, only 15% of respondents are in the 26–35 age range, pointing to a lower representation of younger working-age adults. Notably, there are no respondents below the age of 25, indicating a complete lack of representation from younger individuals. This absence could imply limited relevance or interest in the survey topic among this age group. Overall, the data is skewed toward middle-aged and older adults, which may limit the generalizability of the results to the broader population, particularly younger demographics.

#### 4.2.2 Gender

Table 2 Respondent Sex Distribution

Gender	No. of Respondent	Respondent in percent %
Male	17	85%
Female	3	15%
Total	20	100%

Source; Study result, 2025

The data in Table 2 shows a clear gender imbalance among the 20 respondents, with a significant majority, 85%, identifying as male. Only 15% of respondents are female, indicating a low level of female representation in this sample. This disparity may reflect the demographic

characteristics of the population from which the sample was drawn or could be due to other factors, such as differing levels of interest or availability to participate in the survey. The gender imbalance might introduce bias in the results, as the perspectives and experiences of females are underrepresented. This distribution suggests that any findings or conclusions drawn from this survey might be more reflective of the male respondents, and additional efforts may be needed in future studies to achieve a more balanced gender representation for a more comprehensive view of the population's perspectives.

#### 4.2.3 Position in the organization

70% Driver

15% Mechanic

8% Finance

2% Cost Accounting Division

5% Operation Officer

The data on respondents' positions within the organization highlights a heavy concentration in the driver role, with 70% of respondents in this position. This dominant representation of drivers suggests that the survey is highly relevant to employees in operational roles or that this workforce is the most accessible for participation. Mechanics represent 15% of respondents, which, while significantly smaller than the driver group, still indicates some interest or relevance of the survey content to those involved in vehicle maintenance. In contrast, finance personnel make up only 8% of the respondents, with even fewer respondents from the cost accounting division at 2%. The low representation from these finance-related roles suggests that employees in administrative or specialized support functions are less represented, which could limit insights into financial or administrative perspectives within the organization. Operations officers account for 5% of respondents, indicating minimal input from those in operational oversight roles. Overall, the data suggests a sample skewed toward operational roles, particularly drivers, potentially limiting the generalizability of the survey findings across diverse organizational functions.

#### 4.2.4 Educational Status

Table 3 Respondent Educational Status

Educational Status	No. of Respondent	Respondent in percent %
Certificate	11	55%

Diploma	4	20%
Degree	3	15%
Master's	2	10%
PhD	-	-
Total	20	100%

Source; Study result, 2025

The data in Table 3 illustrates the educational status distribution among the 20 respondents, with a notable concentration of respondents at the certificate level, comprising 55% of the total. This suggests that a majority of the workforce has a basic level of formal education, which may reflect the educational requirements of certain roles within the organization. A smaller segment, 20%, holds a diploma, indicating a moderate level of specialized training or vocational education among respondents. Only 15% have attained a bachelor's degree, and an even smaller percentage, 10%, have completed a master's degree, suggesting that higher education is less common within the respondent pool. There are no respondents with a PhD, indicating an absence of the highest level of academic attainment in this sample. Overall, the data suggests that the majority of respondents possess foundational qualifications, with fewer individuals holding advanced degrees, which may influence the range of perspectives and skills available within the organization's workforce. This educational profile might impact the organization's training needs, development opportunities, and potential for specialized expertise in certain roles.

#### 4.2.5. Work Experience

Table 4.Respondent work Experience

Work Experience	No. of Respondent	Respondent in Percent (%)
1-5 years	8	40%
5-10 years	5	25%
10-15 years	7	35%
Above 15 years	-	-
Total	20	100%

Source; Study result, 2025

The data on respondents' work experience reveals a varied distribution, with the largest segment (40%) having between 1 to 5 years of experience. This group represents a considerable portion of the workforce, suggesting a significant presence of relatively newer employees, possibly in entry-level or junior roles. Another 35% have 10 to 15 years of experience, indicating a group with substantial experience and potentially occupying mid-level to senior positions. Additionally, 25% of respondents have 5 to 10 years of experience, bridging the newer and more experienced employees. Notably, there are no respondents with over 15 years of experience, indicating an absence of long-tenured employees. This distribution suggests a workforce composed largely of individuals with moderate to mid-level experience, with fewer highly seasoned professionals. The lack of respondents with over 15 years of experience could impact the depth of historical knowledge and mentorship opportunities available within the organization, potentially shaping its operational dynamics and development initiatives.

#### 4.3. Study Related Data

##### 4.3.1. Awareness and Importance of Cost Management.

Table 5

No.	Item	Alternative	No. of Response	Respondent in percent %
5	Are you aware of the company's cost management practices?	Yes	18	90%
		No	2	20%
6	How important do you consider cost management in your role?	Very important	11	55%
		Important	6	30%
		Neutral	3	15%
		Unimportant	-	-

Source; Study result, 2025

#### Analysis and Interpretation

##### 5. Awareness of Cost Management Practices.

The data indicates a high level of awareness among respondents regarding the company's cost management practices:

- 90% (18 out of 20 respondents) are aware of the cost management practices within Yibelu Mossiew.

- Only 10% (2 respondents) are not aware of these practices.

This suggests that the majority of employees have at least a basic understanding of the company's cost management policies, which is critical for effective cost control and financial discipline. A high level of awareness is often essential for cost management initiatives to succeed, as it ensures employees are aligned with financial objectives and can contribute to cost-saving measures.

#### 6. Perceived Importance of Cost Management.

The data on perceived importance provides insight into employees' views on the significance of cost management in their roles:

- 55% (11 respondents) consider cost management as "very important."

- 30% (6 respondents) rate it as "important."

- 15% (3 respondents) are "neutral" about the importance of cost management in their roles.

- No respondents rated cost management as "unimportant."

The responses show that the majority of employees (85%) view cost management as a critical or important part of their role, highlighting a general understanding of its significance. However, the presence of 15% of respondents who feel "neutral" suggests there may be an opportunity for the company to improve its communication on how cost management impacts each employee's role. Increasing this awareness could further enhance employee engagement and accountability toward cost-efficiency goals.

#### Conclusion.

The data from these questions reveals a strong foundation of awareness and perceived importance regarding cost management among the employees at Yibelu Mossiew. With 90% awareness and 85% of employees considering it important to varying degrees, the company is well-positioned to build on this foundation. However, focusing on the 15% neutral respondents could improve overall commitment to cost-saving and cost control initiatives, potentially yielding more consistent financial performance improvements across the company.

#### 4.3.2. Budgeting and Cost Planning.

#### Table 6. Budgeting and Cost Planning.



No.	Item	Alternative	No. of Response	Respondents in percent %
7	Does Yibelu Mossiew have an annual budget for operations?	Yes	15	75%
		No	5	25%
8	Who is responsible for creating and monitoring the budget?	Management team		
		Finance department		
		Other (please specify)		

Source; Study result, 2025

### Analysis and Interpretation

#### 7. Existence of an Annual Budget for Operations.

The data shows mixed responses regarding the presence of an annual budget at Yibelu Mossiew:

- 75% (15 out of 20 respondents) indicate that the company does have an annual budget for operations.

- 25% (5 respondents) believe there is no annual budget in place.

This suggests that while the majority of employees recognize the existence of an operational budget, a significant minority (25%) are either unaware of it or do not perceive an annual budget being actively used or communicated within the company. This lack of awareness among a quarter of the employees could indicate either gaps in communication regarding budget policies or inconsistencies in budget planning and implementation across departments.

#### Implications for Cost Management.

The existence of a formal annual budget is a fundamental aspect of effective cost management, as it sets financial targets and constraints, helping guide spending decisions. The 75% who are aware of the budget may feel more aligned with the company's financial goals and better

equipped to manage resources effectively. However, the 25% who are unaware may not be fully aligned with these objectives, potentially leading to inefficiencies or inconsistent adherence to budget guidelines.

#### Conclusion.

While Yibelu Mossiew appears to have a budget for operations, the fact that a quarter of employees are either unaware or perceive its absence suggests that improvements in communication and budget transparency are necessary. By ensuring all employees are informed about the budget and understand its role, the company could enhance its overall cost management effectiveness, as more employees would be able to contribute to achieving financial goals and managing costs within the established budget framework.

No.	Item	Alternative	No. of Response	Respondents in percent %
9.	What costs are mainly included in the budget? (Select all that apply)	Fuel	No. of Response	Respondents in percent %
		Maintenance	20	100%
		Employee salaries	20	100%
		Insurance	17	85%
		Other (please specify):	14	70%

Source; Study result, 2025

#### Analysis and Interpretation

This data provides insight into the primary cost categories included in the budget for Yibelu Mossiew Private Freight Transport, as reported by respondents:

##### 1. High Inclusion of Maintenance and Employee Salaries.

- Maintenance and Employee Salaries: Both categories received a 100% response rate (20 out of 20 respondents), indicating that every employee considers these costs to be essential components of the budget.

This finding aligns with the nature of the freight transport industry, where vehicle maintenance is critical to operational reliability and safety, and employee salaries represent a core operational expense. Prioritizing these costs suggests that Yibelu Mossiew emphasizes ensuring well-maintained vehicles and investing in its workforce, which are fundamental for sustainable operations.

## 2. Strong Inclusion of Insurance Costs.

- Insurance: 85% (17 out of 20 respondents) noted that insurance costs are included in the budget.

The high inclusion rate of insurance reflects an understanding of the need to manage financial risk, a prudent approach given the potential liabilities in freight transport. Insurance helps protect against unexpected costs related to accidents, vehicle damage, and other liabilities, providing financial stability to the business.

## 3. Significant Inclusion of "Other" Costs.

- Other Costs: 70% (14 out of 20 respondents) selected "Other," indicating that the budget includes additional cost categories not explicitly listed in the primary options.

This relatively high percentage suggests that Yibelu Mossiew's budget also considers various additional expenses beyond the core categories. These "Other" costs might include administrative expenses, technology, training, fuel, or other operational needs. Including a diverse range of budgeted items can provide flexibility, allowing the company to allocate resources to meet a broader set of operational and strategic needs.

## Conclusion.

The data suggests that Yibelu Mossiew's budget is well-rounded, with a strong focus on maintenance, employee salaries, and insurance. This prioritization indicates an awareness of essential operational and risk-management costs. Additionally, the inclusion of "Other" costs (70%) reflects a flexible budget structure that accommodates various supplementary expenses. By continuing to allocate funds across these categories, the company can enhance both operational efficiency and financial resilience.

## 4.3.3. Cost Tracking and Control

Table 7. Cost Tracking and Control

No.	Item	Alternative	No. of Response	Respondents in percent %
10	What method does your team use to track costs?	- Manual (e.g., spreadsheets)	3	15%
		- Software	17	85%
		- Other	-	-
11	How often are costs reviewed?	Weekly	-	-
		Monthly	5	25%
		Quarterly	2	10%
		Yearly	13	65%

Source; Study result, 2025

The data on cost tracking and review practices highlights the organization's strong reliance on software tools, with 85% of respondents using software to track costs. This preference for digital tools suggests an emphasis on efficiency, accuracy, and ease of access to financial data, likely supporting more streamlined processes and potentially reducing manual errors. Only 15% of respondents still rely on manual methods, such as spreadsheets, indicating a limited but present use of traditional cost-tracking practices. Regarding the frequency of cost reviews, the majority of respondents (65%) conduct reviews on an annual basis, reflecting a long-term perspective in evaluating expenses, which might support broader financial planning but could limit responsiveness to short-term changes. A smaller portion (25%) reviews costs monthly, likely enabling more immediate insights and adjustments, while only 10% of respondents conduct quarterly reviews. The lack of weekly cost reviews suggests that frequent, detailed monitoring is not a priority. Overall, the organization's approach shows a high level of automation in tracking but leans towards infrequent review intervals, which may impact its ability to quickly identify and respond to cost-related issues.

#### 4.3.4. Efficiency and Cost-Reduction Measures.

Table 8. Efficiency and Cost-Reduction Measures.

No.	Item	Alternative	No. of Response	Respondents in percent %
12	Has the company implemented cost-saving measures in the past year?	Yes	2	10%
		No	18	90%
13	Are employees incentivized to contribute to cost-saving practices?	Yes	1	5%
		No	19	95%

Source; Study result, 2025

The data on efficiency and cost-reduction measures reveals limited implementation and engagement with cost-saving initiatives within the organization. Only 10% of respondents indicated that the company implemented cost-saving measures in the past year, suggesting that efforts to reduce costs are either infrequent or minimal. This lack of proactive cost control could lead to missed opportunities for efficiency improvements. Additionally, 95% of respondents reported that employees are not incentivized to contribute to cost-saving practices, indicating an absence of motivational structures for employees to actively seek or suggest ways to cut costs. This lack of incentives might contribute to a culture where cost-saving is not a shared responsibility or priority, which could affect the organization's financial performance and operational efficiency. Together, these findings suggest that cost-reduction practices are not deeply integrated into the organizational strategy, potentially limiting the company's adaptability and resilience in managing expenses.

#### 4.3.5. Challenges and Feedback

Table 9. Challenges and Feedback.

No.	Item	Alternative	No. of Response	Respondents in percent %
14	What are the main challenges in managing costs?	Fuel price change	20	100%

		Maintenance cost	20	100%
		Labor cost	15	75%
		Insurance	13	65%
15	How satisfied are you with the cost management practices?	Very satisfied	-	-
		Satisfied	2	10%
		Neutral	3	15%
		Dissatisfied	15	75%

Source; Study result, 2025

The data on cost management challenges at the company highlights several critical issues impacting its financial stability. All respondents (100%) identified fuel price fluctuations and maintenance costs as the primary challenges, underscoring the significant burden these variable and essential expenses place on the organization's overall cost structure. These high-impact costs are likely central to the company's operational activities, making them difficult to reduce or predict. Additionally, labor costs pose a substantial challenge, with 75% of respondents expressing concern about personnel expenses, while 65% noted that insurance costs add further financial strain, suggesting that premiums and associated liabilities are also considerable factors. In terms of satisfaction with the company's cost management practices, the feedback reflects notable dissatisfaction. A majority of respondents (75%) are dissatisfied with current cost management strategies, indicating a perceived lack of effectiveness in controlling expenses. Only 10% of respondents expressed satisfaction, and 15% were neutral, suggesting that few employees view the current practices favorably. This widespread dissatisfaction points to a need for the company to reassess its cost management approach, possibly by adopting more proactive strategies to manage high-impact expenses like fuel and maintenance costs. Addressing these concerns could improve financial oversight, operational efficiency, and employee confidence in the company's cost management efforts.

## CHAPTER FIVE

### 5. Summary, Conclusions, and Recommendations

#### 5.1 Introduction

The purpose of this chapter is to summarize the key findings, draw conclusions, and offer recommendations based on the assessment of cost management practices in Yibelu Mossiew Private Freight Transport. Through the analysis of data collected on cost tracking, review frequency, cost-saving measures, and employee satisfaction, this chapter provides a comprehensive overview of how the company's current practices align with its financial and operational goals. Effective cost management is crucial for maintaining profitability and operational efficiency, especially in the freight transport sector, where costs can fluctuate due to fuel prices, maintenance demands, and labor expenses.

The findings reveal areas where Yibelu Mossiew Private Freight Transport has successfully implemented technology for tracking expenses but also highlight limitations in cost review frequency and employee engagement in cost-saving practices. These gaps suggest potential for improvement, particularly in proactive cost monitoring and incentivizing employees to contribute to cost reduction. The recommendations provided in this chapter aim to address these areas and enhance the company's cost management strategies, contributing to a more resilient and financially efficient organization. This final chapter seeks to provide actionable insights that could guide management in refining their approach to cost control, ensuring alignment with both operational needs and financial stability.

#### 5.2. Summary of Findings

The research aimed to assess cost management practices in Yibelu Mossiew Private Freight Transport, focusing on cost tracking, frequency of reviews, cost-saving measures, and satisfaction with the overall cost management approach. The findings revealed that while certain cost management systems are in place, there are several significant challenges impacting the company's cost efficiency. The key findings are summarized as follows:

##### 1. Cost Tracking and Review Practices:

The majority (85%) of respondents indicated that cost tracking is conducted through software, indicating a high level of automation and efficiency in tracking expenses. However, cost reviews are largely infrequent, with 65% of respondents conducting reviews only annually. This limited review frequency may restrict the company's ability to respond promptly to fluctuating costs.

## 2. Challenges in Cost Management.

Fuel price volatility and maintenance costs were identified as the primary cost management challenges, each cited by 100% of respondents. Labor and insurance costs were also significant concerns, with 75% and 65% of respondents, respectively, highlighting these as challenges. These findings suggest that the company's cost structure is heavily impacted by these variables, which may be difficult to predict and manage.

## 3. Cost-Reduction Measures and Incentives.

Only 10% of respondents indicated that the company had implemented cost-saving measures in the past year, and only 5% reported any incentives for employees to contribute to cost-saving practices. This limited emphasis on cost-reduction initiatives and lack of employee motivation indicates potential missed opportunities for enhancing operational efficiency.

## 4. Employee Satisfaction with Cost Management Practices.

The level of satisfaction with the company's cost management practices is notably low, with 75% of respondents expressing dissatisfaction. This suggests a gap between existing practices and employee expectations for effective cost management. The feedback indicates a need for more comprehensive and adaptable cost control strategies.

## 5.3 Conclusions

The findings indicate that while Yibelu Mossiew Private Freight Transport has established basic cost management practices, significant areas require improvement. The reliance on software for tracking costs demonstrates a positive use of technology; however, the infrequency of cost reviews suggests a need for more regular monitoring to enable timely responses to financial fluctuations. Additionally, the uniform identification of fuel price changes and maintenance costs as major challenges emphasizes the need for the company to develop targeted strategies to manage these expenses more effectively.

The limited implementation of cost-saving measures and lack of employee incentives for cost-saving reflect an area where the company could engage its workforce more actively in cost reduction efforts. Furthermore, the high level of dissatisfaction with current practices indicates



that employees may feel unsupported in cost management responsibilities, highlighting a potential disconnect between management policies and employee expectations.

## 5.4 Recommendations.

Based on the findings, the following recommendations are proposed to strengthen cost management practices at Yibelu Mossiew Private Freight Transport:

**Increase the Frequency of Cost Reviews.**

Implement monthly or quarterly cost reviews to provide more frequent insights into spending patterns and enable quicker responses to cost fluctuations. This change could enhance operational agility and better support budgeting adjustments throughout the year.

**Develop Targeted Strategies for High-Impact Costs.**

Given the significant impact of fuel and maintenance costs, the company should consider measures such as fuel price monitoring tools, fuel-efficient route planning, and preventive maintenance programs. These strategies could help stabilize and potentially reduce these key expenses.

**Implement Cost-Saving Initiatives and Employee Incentives.**

Introduce structured cost-saving initiatives, such as resource optimization programs, and encourage employees to participate by offering incentives for practical cost-saving suggestions. Engaging employees in this way could foster a culture of cost-consciousness and shared responsibility.

**Enhance Employee Awareness and Training.**

Provide training sessions focused on cost management principles and the company's financial objectives. This approach would help employees understand the importance of effective cost control and encourage more active involvement in maintaining budgetary discipline.

**Establish a Feedback Mechanism.**

Create a system for regular employee feedback on cost management practices, allowing management to gauge satisfaction and identify areas for improvement. An open feedback loop would help address any ongoing issues and adapt strategies to meet employee expectations more effectively.

## 5.5 Recommendations for Future Research

This study focused on assessing cost management practices within Yibelu Mossiew Private Freight Transport. Future research could explore the impact of specific cost management techniques on operational efficiency or compare cost management practices across similar freight companies to provide additional insights. Expanding the scope of research to include qualitative assessments, such as interviews with employees and management, May also offer a more comprehensive understanding of challenges and areas for improvement in cost management practices.

This chapter has summarized the main findings, provided conclusions, and offered recommendations aimed at enhancing cost management practices within Yibelu Mossiew Private Freight Transport. Implementing these changes could help the company improve its financial oversight, increase operational efficiency, and foster a more engaged and cost-conscious workforce.

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## Appendix

### Questionnaire for Assessing Cost Management Practices in Yibelu Mossiew Private Freight Transport.

**Dear Respondent,**

My name is Meneyahle Tesfaye. I am conducting research titled “Assessment of Cost Management Practices in the Case of Yibelu Mossiew Private Freight Transport,” which is being prepared in partial fulfillment of my MBA degree in Accounting & Finance. Your honest responses to the following questions are extremely important for the successful completion of this paper. I assure you that the information obtained from this questionnaire will be kept confidential and will not be shared with any other parties for any purpose.

I kindly request that you take the time to fill out this questionnaire sincerely.

Thank you in advance for your cooperation and for dedicating your time to this important research.

### The Objective of the Study

The General Objective of the Study is to examine the cost Accounting practice of Yibelu Mossiwa privet Freight Transport.

#### Basic Rule

- Writing your name is not needed
- Making(□) mark in your appropriate response
- If you have additional idea to add, kindly comment is the space provided

### Section 1: Demographic Information

1. Age: \* Under 25 ☐      \*26-35 ☐      \* 36-45 ☐      \*45- and above ☐
2. Gender:    - Male ☐      - Female ☐
3. Educational Background:  
- Certificate ☐

- College diploma ☐
  - Bachelor's degree ☐
  - Master's degree ☐ or higher
  - PhD: ☐
4. Years of Experience in Freight Transport:
- 1-5 year ☐
  - 5-10 years ☐
  - 10-15 years ☐
  - More than 15 years. ☐

## Section 2: Awareness and Importance of Cost Management

5. Are you aware of the company's cost management practices?
- Yes ☐
  - No ☐
6. How important do you consider cost management in your role?
- Very important ☐
  - Important ☐
  - Neutral ☐
  - Unimportant ☐

## Section 3: Budgeting and Cost Planning

7. Does Yibelu Mossiew have an annual budget for operations?
- Yes ☐
  - No ☐
8. Who is responsible for creating and monitoring the budget?
- Management team ☐
  - Finance department ☐
  - Other (please specify): \_\_\_\_\_
9. What costs are mainly included in the budget? (Select all that apply)
- Fuel ☐
  - Maintenance ☐
  - Employee salaries ☐

- Insurance
- Other (please specify): \_\_\_\_\_

## Section 4: Cost Tracking and Control

10. What method does your team use to track costs?

- Manual (e.g., ☐ spreadsheets)
- Software ☐
- Other: ☐ \_\_\_\_\_

11. How often are costs reviewed?

- Weekly ☐
- Monthly ☐
- Quarterly ☐

## Section 5: Efficiency and Cost-Reduction Measures

12. Has the company implemented cost-saving measures in the past year?

- Yes ☐
- No ☐

13. Are employees incentivized to contribute to cost-saving practices?

- Yes ☐
- No ☐

## Section 6: Challenges and Feedback

14. What are the main challenges in managing costs? (Select all that apply)

- Fuel price changes ☐
- Maintenance costs ☐
- Labor costs ☐
- Insurance ☐

15. How satisfied are you with the cost management practices?

- Very satisfied ☐
- Satisfied ☐
- Neutral ☐
- Dissatisfied ☐

## Interview Questionnaires'

### General Background

1. Can you provide a brief overview of the company's operations and the services it offers?
2. How many vehicles does the company operate, and what types of goods are commonly transported?
3. What are the primary challenges the company faces in its daily operations?

### Cost Management Practices

4. How does the company monitor and manage operational costs (e.g., fuel, maintenance, and labor)?
5. What methods or tools do you use for budgeting and expense tracking?
6. How frequently are financial reports prepared and reviewed?
7. Are there any specific strategies in place to control or reduce costs?

### Fuel and Maintenance Costs

8. How does the company track fuel consumption and manage fuel expenses?
9. Are there measures in place to improve fuel efficiency (e.g., route optimization, vehicle inspections)?
10. How does the company handle vehicle maintenance? Is it preventive or reactive?
11. What challenges do you face in managing maintenance costs?

### Labor and Administrative Costs

12. How are labor costs managed, and what measures are in place to ensure efficiency?
13. Are employees trained in cost management practices, or is it managed solely by management?
14. What percentage of total expenses is allocated to administrative overhead, and how are these costs controlled?

### Technology and Tools

15. Does the company use any software or technological tools to assist in cost management? If so, which ones?
16. Are there plans to adopt modern accounting or fleet management systems?
17. How do you assess the effectiveness of the current cost management tools?

### Challenges and Opportunities

18. What are the biggest cost-related challenges the company currently faces?



19. Are there external factors (e.g., economic conditions, regulations) that significantly impact your costs?

20. What opportunities do you see for improving cost management practices in the future?

#### Recommendations and Feedback

21. What do you think the company could do differently to improve cost efficiency?

22. Are there any lessons learned from past cost management initiatives?

23. How do you benchmark your cost management practices against competitors or industry standards?

These questions are designed to gather detailed insights into the cost management practices of Yibelu Mossiewa Private Freight Transport and can be adapted based on the specific focus areas of the thesis.