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ASSESSING THE EFFECTIVENESS OF JOB ORDER COSTING IN TRACKING PROJECT PROFITABILITY: A CASE OF LONGDEN STEEL.

BY

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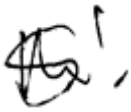
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ABSTRACT

The study focused on the effectiveness of Job Order Costing in tracking project profitability. It was conducted at Longden Steel which is a steel contracting firm operating in the Zimbabwean volatile economic environment. The research was motivated by challenges associated with tracking deviations between estimated and actual project costs. The main aim was to evaluate the effectiveness of JOC in tracking profitability. It also aimed at examining the extent of use of JOC and identifying challenges that affect its application. A qualitative case study was applied with the use of semi-structured interviews to collect data from the sampled employees from different departments of Longden Steel. Interview responses confirmed JOC as the main cost management system which is effective in tracking costs and profitability of projects. Conversely, the effectiveness of JOC is hindered by difficulties in the allocation of overheads, data capturing delays and unstable economic conditions. It was concluded that JOC is suitable for steel contracting operations but for it to be effective, there is a need for strong operational controls, staff competency and improved integration of the system. The research then recommends the introduction of regular training programs for the employees to get fully acquainted with the system. It also recommended digitizing the costing system and limiting the use of paper in the recording of project cost information.

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ACRONYMS

JOC - Job Order Costing

FM - Finance Manager

FE - Finance Executive

PO - Procurement Officer

PM - Procurement Manager

WS - Workshop Supervisor

SM - Stores Manager

SO - Stores Officer

HRM - Human Resources Manager

SE- Site Engineer

OM - Operations Manager

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CHAPTER I

INTRODUCTION

1.0 Introduction

This chapter provides a background on the effectiveness of Job Order Costing in tracking project profitability among steel contractors. It outlines the research problem arising from the challenges of accurately measuring project profitability in volatile economic environments. It goes on to present the study objectives, and research questions. It gives a highlight on the importance and delimitation of the research. The chapter also showcases the assumptions and limitations of the investigation. Core terminology used throughout this study is also clarified. A brief summary and a transition to the literature review in Chapter Two are provided.

1.1 Background to the Study

The construction industry represents a large component of the global economy. However, it faces challenges such as intense competition, fluctuating material costs and budget overruns (Atkinson et al., 2012). In project based industries where products and services are customized, each project generates unique cost structures and revenue outcomes. Contractors then require reliable costing systems that can accurately track specific project costs and profitability. Industries producing unique customized products or services use Job Order Costing because it accumulates costs separately for each job (Drury, 2018; Horngren et al., 2021).

Profitability is sensitive to the complexity of allocating overhead costs between fabrication workshops and construction sites (Ajator et al., 2015). Tracking costs for individual projects is important for the determination of gross profit margins and making pricing and bidding decisions (Garrison et al., 2018). Regardless, the effectiveness of Job Order Costing is limited in unstable economic environments because it depends on predetermined overhead rates and historical cost information (Drury, 2018).

In Africa, factors such as split supply chains, reliance on imports and limited access to finance affect cost estimation and project profitability (Adebayo et al., 2019). Fluctuations in steel prices and procurement lead times influence direct material costs hence affecting overall project profitability (Adeniyi et al., 2020; Mbuyane & Ncube, 2022). Material prices often change between quotation and execution creating variations between budgeted and actual costs resulting in cost overruns. According to Muhammed et al. (2022), fluctuation in material costs and inaccurate estimation of costs are major causes of declining project profitability.

The Zimbabwean economic environment is characterized by inflation, currency instability and foreign exchange constraints. The unstable economic conditions manipulate cost information and make the measurement of project profitability complicated (Chikodzi, 2017). The use of historical cost based systems like JOC in a volatile environment is difficult due to the quick distortion of costs recorded in prior projects.

Longden Steel is a family-owned structural steel engineering contractor operating in Zimbabwe (HazelBase, 2023). The company specializes in the fabrication, supply and installation of customized steel components for construction projects. Given the project-specific nature of its operations, the company relies on JOC to estimate and monitor project costs. However, the effectiveness of this system is influenced by the method used to allocate overhead costs between production facilities and project sites (Drury, 2018; Horngren et al., 2021). In a volatile economic environment, these costing challenges compromise the

accuracy of project profitability reporting. This makes Longden Steel an appropriate case for assessing the effectiveness of Job Order Costing in tracking project profitability.

1.2 Statement of the Problem

The effectiveness of JOC in accurately tracking project profitability remains uncertain within Zimbabwe's steel contracting sector. JOC assumes that cost estimates for materials, labour and overheads are approximate to actual costs incurred (Horngren et al., 2020). However, Zimbabwe's volatile economic environment characterized by inflation, currency instability and fluctuating input prices goes against the assumption. Inflation, unstable exchange rates and fluctuating prices distort cost estimates and reduce the reliability of job cost information used in profitability analysis (Musarat et al., 2021).

1.3 Aim and Objectives of the Study

1. To assess the effectiveness of JOC in tracking project profitability.
2. To examine the extent to which JOC is used in tracking project costs and profitability.
3. To evaluate the accuracy of cost allocation and cost estimation information produced by the JOC System.
4. To identify the challenges faced by steel contractors in the application of JOC.

1.4 Research Questions

1. How effective is JOC in tracking project profitability?
2. To what extent is the JOC system used in tracking project profitability?
3. How accurate is the cost allocation and cost estimation information generated from the JOC System?
4. What challenges are faced by steel contractors in implementing JOC?

1.5 Significance of the Study

1.5.1 Student

It assists the researcher in meeting the requirements for the completion of the Bachelors of Accountancy Degree that is being pursued.

1.5.2 Bindura University of Science Education

It can be used as a reference by students who wish to research on the same area in the future.

1.5.3 Longden Steel

It offers recommendations to improve costing accuracy, cost estimation and analysis of project profitability.

1.6 Assumptions

i. The business and operational conditions during research represent the normal conditions that Longden Steel operates in.

1.7 Delimitation

- This study is only concerned with assessing the effectiveness of JOC in tracking project profitability. It focuses on one cost management system without looking into other costing systems such as process costing and activity-based costing.
- It is limited to Zimbabwe using Longden Steel as the case study organization. Findings are based only on one steel contracting firm in Zimbabwe. They are also confined to employees at Longden Steel without considering external parties like suppliers.

1.8 Research Limitations

1. **Financial constraints**

   Financial resources for mobile data and transport to Longden Steel were limited. This limitation was addressed by the careful planning of data collection activities and prioritization of key respondents.

2. **Response bias**

   There was a possibility of biased and inaccurate information from some respondents, as employees and management could have provided socially desirable answers.

1.9 Definition of Key Terms

1. **Costs**

   Costs refer to resources sacrificed or forgone to achieve a specific objective such as producing goods or providing services (Drury, 2018).

2. **Direct Material Cost**

   Direct material cost refers to the cost of raw materials that can be directly traced to the production process (Horngren et al., 2021).

3. **Gross Profit Margin**

   Gross profit margin refers to the percentage of revenue remaining after deducting cost of goods sold, used in measuring the profitability of business activities (Atrill & McLaney, 2019).

4. **Inflation**

   Inflation refers to the rate at which the aggregate prices of goods and services rise thereby eroding the purchasing power of a currency over time (Mankiw, 2021).

5. **Job Order Costing**

   Job Order Costing refers to a costing system in which costs are accumulated and assigned to their particular jobs or batches that produce unique products and services (Horngren et al., 2021).

1.10 Chapter Summary

This chapter provided the foundation for the study by presenting the background to the research and highlighting the context within which JOC is applied at Longden Steel. It provided an outline on the statement of the problem and presented the objectives of the study and the research questions that guide the investigation. It also discussed the significance of the study to various stakeholders. It further outlined the assumptions, delimitation and limitations of the study as well as definitions of key terms used in the research. The next chapter reviews relevant academic literature on JOC and project profitability in order to provide a theoretical and empirical framework for the study.

CHAPTER II

LITERATURE REVIEW

2.0 Introduction

A literature review goes beyond mere description by critically analyzing prior studies and integrating findings in order to identify gaps within the body of knowledge (Chigbu et al., 2023). It critically reviews existing research related to Job Order Costing, project profitability, cost estimation and accuracy, cost overruns and cost control within construction environments particularly in developing countries. It focuses on the theoretical and empirical foundations necessary to assess the effectiveness of Job Order Costing in tracking project profitability. It ends by recognizing inconsistencies and gaps in existing studies.

2.1 Theoretical Framework

It is focused on cost accounting principles with specific focus on JOC as a system used in the accumulation and assignment of costs to specific projects. It provides a basis for understanding how costs are tracked, allocated and used in determining project profitability especially in project based industries such as steel contracting.

2.1.1 The Fundamental Principles of Job Order Costing

Job Order Costing is based on the principle that costs should be accrued and assigned to specific jobs. It is most suitable in environments where projects are unique and customized. JOC is suitable for sectors such as construction, printing and private projects because it allows firms to separately collect raw materials, direct labour and factory overhead for each

order while it also provides a basis for pricing and profitability analysis (Zahrani et al., 2025). The application of Job Order Costing in calculating production costs is crucial because it helps in separating costs according to specific orders (Putri and Gunawan, 2021; Mahendra et al., 2023). According to Rizaldi et al. (2024), Job Order Costing improves efficiency in project management by reducing repetitive calculations, helping in the estimation of budgeted costs and making it easier to compare profitability across projects.

2.1.2 Theoretical Perspective on Project Profitability

Project profitability is a crucial concept in management accounting and project based industries since it reflects a firm's ability to generate financial return from individual projects after accounting for all associated costs. Lismayanti et al. (2025) highlight accurate cost determination using JOC improves pricing decisions and ultimately enhances profitability. In project based industries, profitability varies across projects depending on cost structures, project size and operational efficiency.

2.1.3 Cost Allocation and Overhead Theory

In Job Order Costing, direct materials and direct labour can usually be traced to their specific jobs but overheads cannot be traced. One of the major problems in cost allocation is that companies often only include cash overhead expenses and ignore other important overhead elements (Suryani and Putiharjo, 2023). They also stated that inaccurate overhead allocation leads to inaccurate production cost thereby reducing the reliability of profitability analysis. Overheads such as rent and utilities cannot be directly traced to individual jobs so they are allocated using predetermined overhead rates based on appropriate allocation bases like labour hours or machine hours (Garrison et al., 2018).

2.1.4 Historical Cost Concept

Job Order Costing is underpinned by the historical cost concept which requires costs to be recorded at the actual amounts incurred at the time of the transaction (Weygandt et al., 2020). The historical cost concept enhances the reliability and objectivity of cost information as it is based on verifiable data rather than estimates. In Zimbabwe, this concept

does not hold due to the volatile economic environment. Fluctuations in inflation, exchange rates and material costs result in the out dating of historical costs making them irrelevant for decision making (Mankiw, 2021). Historical cost information is unreliable in JOC as it leads to inaccurate cost estimation and unreliable project profitability assessments in unstable economic conditions.

2.1.5 Cost Estimation Theory

Cost estimation is concerned with the prediction of the expected cost of a job before and during execution. The reliability of estimated cost depends on factors such as level of detail in project information, the competence of estimators and the quality of input data (Rashidi et al., 2024). Xie et al. (2022) also identify inaccurate cost estimation as a critical factor that influences cost overruns in construction projects. They found that many cost overrun factors are linked to project management and core stakeholder weaknesses including estimation inaccuracies and poor cost management.

2.1.6 Cost Control and Cost Overruns Theory

Cost control refers to the processes and techniques used to monitor, regulate and reduce project costs to ensure that they remain within acceptable limits. Effective cost control systems improve project performance and enhance profitability (Alu and Ogedengbe, 2023). Tembo (2023) found that construction tender prices are significantly influenced by variables such as exchange rates, interest rates, inflation and government debt and emphasized the need for better management controls and monitoring systems. Price volatility makes cost estimation difficult and undermines effective project cost control (Muhammed et al., 2022).

A cost overrun happens when the final cost of a project is beyond the budgeted cost. Obianyo et al. (2022) identify cost overruns as a widespread issue particularly in construction industries within developing countries. According to Nyoni (2019), the major causes of cost overruns are inflation, exchange rate fluctuations and poor management practices. Inaccurate cost estimation is the most frequent cause of cost overruns as

unrealistic budgets create a gap between expected and actual costs (Ekung et al., 2021). Cost overruns also occur as a result of wastage, delays and productivity issues because they increase project costs beyond planned levels (Alvarez-Pozo et al., 2024; Shah et al., 2023).

2.1.7 Theory on Economic Volatility

Construction tender prices in Zambia are significantly associated with inflation rates, foreign exchange rates, commercial interest rates, foreign direct investment and government debt stock (Tembo, 2023). Inflation affects material prices making cost estimation quickly outdated and increasing the difference between estimated and actual costs, reducing the reliability of information generated by the system (Musarat et al., 2021). Predetermined overhead allocation rates are calculated using estimated annual costs. However, fluctuations in costs result in significant deviations between budgeted and actual costs leading to over and under absorption of overheads which affect job costs and profitability analysis (Karmana and Rosmiati, 2024).

2.2 Empirical Review

2.2.1 Effectiveness of Job Order Costing In Tracking Project Profitability

Alfarisi and Boediono (2021) found the use of Job Order Costing had improved the quality of production cost computations which then enhanced pricing decision. Rasul et al. (2024) demonstrated that firms applying Job Order Costing were able to track costs at a detailed level, allowing for better evaluation of project profitability. This shows that Job Order Costing provides a strategic approach to measure profitability by linking costs directly to revenue generating activities. Profitability differs significantly with projects due to project attributes implying that generalized costing systems are not enough (Bilal et al., 2019) . Elserougy et al. (2024) and Eliasson (2025) emphasize the importance of data integration and digital tools in improving cost tracking and suggest that modernized Job Order Costing systems supported by technology can enhance profitability analysis.

However, errors in overhead allocation can result in distorted project costs which affect profitability reports (Sari et al., 2022). Inconsistencies in recording costs reduce the reliability of job cost information especially where there are weak internal controls (Putri et al., 2023). In developing economies, cost tracking systems are often inconsistent and limit the Job Order Costing effectiveness (Chivige and Sheefeni 2023).

2.2.2 Extent of Use of Job Order Costing In Tracking Project Costs and Profitability

The extent to which Job Order Costing is used differs across organizations and industries. Firms in customized production based industries rely on job based costing systems to track project specific costs and evaluate profitability (Rasul et al., 2024). Some firms use the system partially, focusing on direct costs and not taking overhead allocation into account and others still rely on simplified costing systems that only focus on direct costs (Aundri, 2021). According to Karmana and Rosmiati (2024), partially implementing Job Order Costing system often results in incomplete cost information hence limiting the usefulness of the system in decision making. Alhammadi et al. (2024) and Abdelalim et al. (2025) show that firms in the construction industry prioritize project execution over structured costing systems causing weak adoption of Job Order Costing. Small and medium enterprises often lack the technical capacity to fully implement Job Order Costing leading to partial and inconsistent usage (Ismail et al., 2021). Putri et al. (2023) points out that lack of skilled personnel and inadequate infrastructure reduce the ability of firms to fully implement costing system. As a result, most organization rely on simplified costing approaches that do not fully capture cost of projects.

2.2.3 Accuracy of Cost Allocation and Cost Estimation in Job Order Costing System

The use of wrong allocation basis is a common problem in the construction sector which distorts project cost information (Kurniawan et al., 2025). According to Sari et al. (2022), predetermined overhead rates create variations between allocated and actual costs making cost information unreliable.

Accurate cost estimation influences the processes of budgeting, pricing and overall project profitability (Ibrahim and Elshwadfy, 2021). According to Fazil et al. (2021), inaccurate

cost estimates contribute to cost overruns as estimated costs end up varying from actual project costs. Cost overruns reduce profitability by increasing actual project costs beyond budgeted costs (Dong et al., 2025; Ahmed et al., 2023). The use of advanced estimation techniques can improve accuracy although such methods are rarely applied by many firms (Rashidi et al., 2024). According to Musarat et al. (2021), inflation affects the prices of materials making it difficult to rely on historical data for cost estimation.

2.2.4 Challenges in Implementing Job Order Costing In Relation To Cost Allocation and Data Accuracy

The implementation of JOC system is associated with a number of practical challenges especially in developing countries. Dewi et al. (2024) reports that inconsistencies in the recording of information reduce the reliability of costing systems and affect decision making. Selecting appropriate overhead allocation bases is difficult in complex project industries where multiple activities and shared resources exist (Karmana and Rosmiati, 2024). According to Makore and Chikutuma (2025), exchange rate fluctuations affect the cost of imported materials making cost estimation difficult. Inflation increases uncertainty in cost estimation due to sudden and irregular changes in prices of materials (Matsvai, 2025). Little to no access to digital accounting systems also causes challenges in the processing and breaking down of cost information efficiently (Sofinda and Santoso 2025).

2.3 Previous Studies

2.3.1 “Analysis of Production Cost Analysis Using Job Order Costing Method at Pt Secma Energy Cell” (Abbas & Fadilah, 2024)

Abbas and Fadilah (2024) showed that Job Order Costing improved cost accuracy by capturing direct materials, labour and overheads more precisely. However, it was a single case designed study and lacked quantitative validation so it cannot be applied broadly. It also assumes stable economic conditions which limits its applicability to Zimbabwe.

2.3.2 "Evaluation of the Implementation of the Job Order Costing Method in the Traditional Gamelan Craft of Mustika Lara" (Rizka et al., 2026)

Rizka et al. (2026) assessed whether Job Order Costing effectively supports cost calculation and profit planning. The application of JOC improved the accuracy of production cost determination and enhanced profit planning by allowing better cost control and making of financial decisions. There were limitations on the type of business since it was conducted in a small scale traditional craft setting. Dynamic cost structures that involve substantial overhead allocation challenges are disregarded.

2.3.3 "The Economic Crisis (2008-2019) and Health Care in Zimbabwe: A Structured Literature Review" (Mangundu et al., 2023)

Mangundu et al. (2023) analysed the impact of Zimbabwe's economic crisis on resource availability and system performance. The study shows that economic instability resulted in reduced financial resources, shortages of materials and weakened operational systems. Despite proving that Zimbabwe a volatile economic environment, it does not give insight on how such an economic environment affect cost tracking systems like Job Order Costing.

2.4 Research Gap

A number of studies confirm that Job Order Costing is theoretically effective in tracking project costs and profitability. However there is limited empirical research on how Job Order Costing performs in unstable economic environments. Existing research also explored the use of JOC across various industries leaving insufficient evidence on the extent to which the system is fully applied in construction and steel contracting firms. There is need to conduct an extensive assessment on the effectiveness of Job Order Costing in tracking project profitability in steel contracting firms operating in a volatile economic environment.

2.5 Conceptual Framework

The Conceptual Framework shows how Job Order Costing influences project profitability in its role of tracking costs and reporting. In this particular study, the independent variable is the effectiveness of JOC and the dependent variable is project profitability.

2.5.1 Independent Variable: Effectiveness of Job Order Costing

It is the extent to which Job Order Costing accurately captures and assigns project costs. The effectiveness of Job Order Costing covers the following elements:

2.5.2 Dependent Variable: Project Profitability

Project profitability is the project financial performance of individual projects measured as the variation between gross project revenue and gross project costs. Its accurate calculation is highly dependent on the correctness of cost information generated by the costing system.

2.5.3 Conceptual Framework Diagram

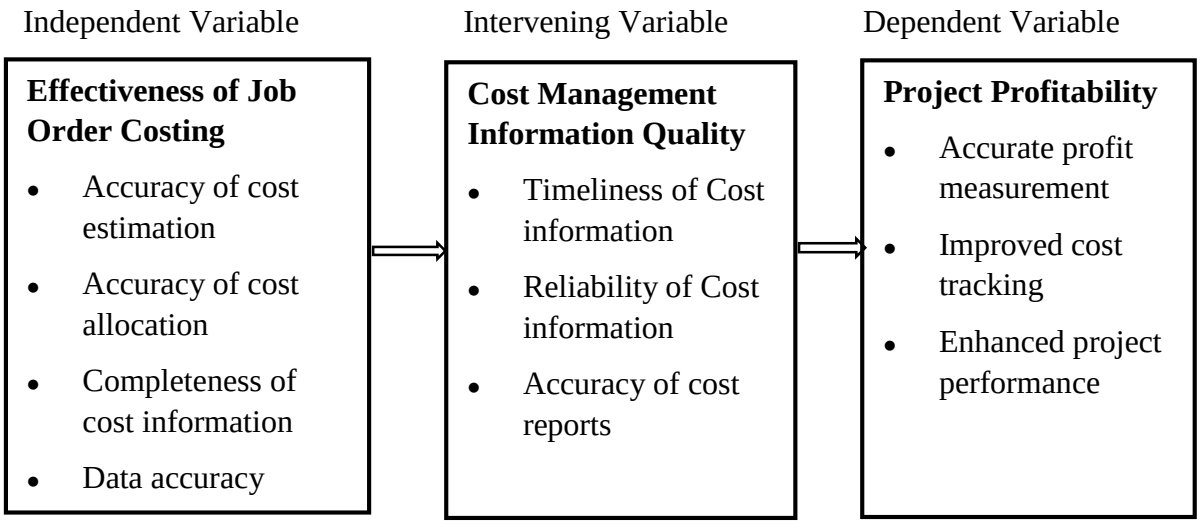


Figure 2.1 The Conceptual Framework

2.6 Chapter Summary

The section established that Job Order Costing provides a structured approach for cost accumulation and project level analysis but its effectiveness is often influenced by accuracy of cost information, appropriateness of cost allocation methods, prevailing economic conditions and application consistency. It also indicated research gap that shows the need for further investigation in regards to the effectiveness of JOC in tracking project

profitability particularly in steel contracting firms. The next chapter presents the research methodology adopted to collect data.

CHAPTER III

RESEARCH METHODOLOGY

3.0 Introduction

Research methodology shows the chosen methods and ensures that the research findings are valid, reliable and relevant to the study (Mertens, 2020). The chapter presents the overall approach adopted in this research. This section discusses the procedures used to obtain information, how participants were selected, instruments used to gather data and how reliability and validity of the research outcomes were maintained. This chapter also explains how collected data was presented and analysed.

3.1 Research Design

Research design is the overall strategy which guides the collection and analysis of data collected in order to address research objectives (Creswell and Creswell, 2018). This study used a qualitative descriptive case study to assess the effectiveness of JOC in tracking project profitability at Longden Steel. The qualitative approach provided insights into cost allocation, cost tracking procedures and challenges experienced within the organization. The descriptive design was used in describing how JOC is applied in practice without manipulating variables. The case study design enabled a detailed and contextual analysis of a single organization as it allowed access to managerial views essential for the evaluation of costing systems.

3.1.1 Descriptive Study Approach

A descriptive research approach is a method used to systematically describe the characteristics of a situation without influencing variables (Creswell and Creswell, 2018). It provides an accurate representation of processes, behaviors and relationships within a certain context. In this study, the descriptive approach was applied in examining how JOC is applied in tracking project costs and profitability at Longden Steel. It helped the researcher to describe cost allocation, cost recording procedures and challenges associated with implementing the costing system.

3.1.2 Qualitative Research

It is an approach that focuses on understanding meanings, experiences and views of individuals within a specific context (Creswell and Creswell, 2018). It involves the collection of non-numerical data such as words, opinions and observations to provide insights into a particular case. A qualitative approach was adopted in capturing the perspectives and experiences of employees involved in JOC application at Longden Steel. It was used as a basis for exploring how participants interpret costing processes. It also provided flexibility for checking and clarification during data collection.

3.1.3 Case Study

A case study is a research design that involves a deep investigation of a single entity in its real life environment (Yin, 2018). In this study, Longden Steel was selected as the case study organization to assess how JOC is applied in tracking project profitability in a real operational setting. The case study design made it easy to focus on one organization and obtain detailed information as per research objectives. The case study design was helpful because it gave access to internal views of key managerial personnel.

3.2 Target Population

It refers to the whole group of certain individuals relevant to a research study from which data is collected (Mertens, 2020). In this case, the target population comprised managerial and administrative personnel at Longden Steel who are directly linked with Job Order Costing, project execution and financial reporting. Their roles provide necessary appreciation into how Job Order Costing is used and how it influences profitability.

3.3 Sampling

Sampling is the selection of a subset of individuals from a target population in order to obtain relevant information for a study (Mertens, 2020). It enables efficient gathering of data within limited time and resource constraints while maintaining the quality of the findings. The sample was selected from the target population of employees. Selection was

based on accessibility and relevance of participants to research objectives. A relatively high proportion of the population was selected to ensure reliable data collection.

Table 3.1 Sampled Population

Department	**Population**	**Sample Size**	**Representation**
Finance and Administration	4	2	50%
Procurement and Supply Chain	4	2	50%
Operations	5	4	80%
Human Resources	2	1	50%
Stores	3	2	66.67%
Total	**18**	**11**	**61%**

Table 3.1 shows the distribution of the sampled population across different departments of Longden Steel. A total of 11 respondents were selected from a target population of 18 representing a 61% sample.

3.3.1 Sampling Technique

Sampling techniques are classified into probability and non-probability sampling. Probability sampling involves random selection whereas non-probability sampling is the selection of participants according to certain characteristics relevant to a research (Creswell and Creswell, 2018).This study employed purposive sampling, a non-probability sampling technique in which participants are deliberately selected based on their knowledge and area of expertise (Palinkas et al., 2015).

3.4 Research Instruments

These are tools that are used in collecting data which is relevant to a research's objectives (Mertens, 2020). It is important to select appropriate research instruments to ensure that

accurate and reliable data is obtained. Information was collected through semi-structured interviews. The interviews allowed for in-depth gathering of information from key participants on Job Order Costing practices, cost allocation procedures and challenges experienced in tracking profitability.

3.4.1 Semi-Structured Interviews

They are a qualitative technique used in data collection which makes use of open ended questions to obtain views and information on experiences from participants in detail (Creswell and Poth, 2018). They were conducted with the selected participants whose knowledge and experience align with the research. The interviews focused on understanding the application of Job Order Costing in real practice, the extent to which it is used in tracking project costs and profitability and the challenges experienced in applying it.

3.4.2 Primary Data

It is original data collected directly by the researcher for the specific purpose of a study (Mertens, 2020). Primary data was collected from employees at Longden Steel through semi-structured interviews. First hand data provided insights into how Job Order Costing is applied in practice. It ensured that information collected was relevant, current and directly aligned with research objectives.

3.5 Data Reliability and Validity

3.5.1 Data Reliability

It is the uniformity and dependability of research findings over time (Mertens, 2020). In qualitative research, reliability is mainly concerned with whether the study would produce similar results if repeated under similar conditions. Data Reliability was ensured by use of consistent interview guides for all participants. Detailed notes were also maintained during data collection to ensure accuracy and uniformity.

3.5.2 Data Validity

It is the extent to which a research accurately measures what it is intended to measure (Cohen et al., 2017). Validity was ensured by triangulation where data was collected from different types of participants and cross checked. Interview questions were designed corresponding to the study objectives to ensure relevance. Data was collected from knowledgeable participants who are directly involved in Job Order Costing processing to enhance credibility of the findings.

3.6 Data Collection Procedures

These are systematic steps followed in gathering necessary information from Longden Steel. Formal permission was obtained from Longden Steel through a written request outlining the purpose of the research, data requirements and assurance of confidentiality. Appointments were scheduled with selected participants at mutually convenient times. Semi-structured interviews were conducted face to face with the selected respondents at the company premises. Predetermined questions were used to guide the discussions and responses were recorded through detailed note taking.

3.7 Data Presentation and Analysis

Data collected was analyzed using thematic analysis which involves the identification, analysis and interpretation of patterns within qualitative data. Thematic analysis is appropriate in examining participant's responses and understanding important issues related to Job Order Costing and project profitability. Interview responses were critically reviewed and organized into certain categories. ATLAS.ti was used to code responses, group similar ideas, identify patterns, generate themes and support thematic analysis. The analyzed data was then presented using tables and narrative descriptions to foster understanding and clarity.

3.8 Ethical Considerations

Ethics were observed throughout the study to ensure confidentially and protection of rights and privacy participants and Longden Steel. The information collected was used strictly for academic purposes only.

3.9 Chapter Summary

This chapter discussed the research design, target population, sampling techniques and research instruments used in collecting data. It also explained the procedures followed in data collection and the methods used to manage data validity and reliability. A qualitative descriptive case study approach was used supported by purposive sampling. Interviews were applied in the collection of data. Data was then analysed using thematic analysis to ensure that the findings are aligned with the research objectives. Chapter 4 presents and analyses data obtained from Longden Steel focusing on the effectiveness of JOC in tracking project profitability.

CHAPTER IV

DATA PRESENTATION, ANALYSIS AND DISCUSSION

4.0 Introduction

This chapter presents, analyses and discusses the data collected. It focuses on data collected from respondents across relevant departments involved in project costing, financial management and operational processes. The chapter interprets the findings and relates them to the study objectives hence providing a clear understanding of how JOC is implemented at Longden Steel.

4.1 Response Rate

A total of 11 respondents were targeted from key departments at Longden Steel which are finance, procurement, operations, stores and human resources.

Table 4.1 Response Rate

Targeted Interviews	Interviews conducted	Response Rate
11	11	100%

The table above shows that all 11 sampled respondents were interviewed resulting in a response rate of 100%. Full participation strengthened the reliability and comprehensiveness of the findings since perspectives were attained from all intended respondents.

4.2 Demographic Profile of Respondents

4.2.1 Departmental Distribution of Respondents

Respondents were drawn from various departments at Longden Steel to capture diverse perspectives on Job Order Costing, project costing and profitability tracking.

Table 4.2 Departmental Distribution of Respondents

Department	**Frequency**	**Percentage**
Finance and Administration	2	18.18%
Procurement and Supply Chain	2	18.18%
Operations	4	36.36%
Stores	2	18.18%
Human Resources	1	9.09%
Total	**11**	**100%**

Table 4.2 illustrates the departmental distribution of respondents. Finance, Procurement, Operations and Stores departments each constituted the largest proportion of respondents. This reflects their crucial involvement in project costing, procurement and operations. Human Resources accounted for 9.09% of the total respondents.

4.2.2. Position of Respondents

Respondents occupied different positions across finance, procurement, production, stores, human resources, site operations and management. The diversity in positions allowed for the collection of information from personnel with different responsibilities and levels of authority.

Table 4.3 Position of Respondents

Position	**Frequency**	**Percentage**
Finance Manager	1	9.09%
Finance Executive	1	9.09%
Procurement Officer	1	9.09%

Procurement Manager	1	9.09%
Workshop Supervisors	2	18.18%
Stores Manager	1	9.09%
Stores Officer	1	9.09%
Human Resources Manager	1	9.09%
Site Engineer	1	9.09%
Operations Manager	1	9.09%
Total	**11**	**100%**

Table 4.3 shows that respondents held different positions across core functional areas at Longden Steel. Workshop Supervisors had the largest representation while all other positions accounted for 9.09% each. This was to allow balanced input from both operational and managerial personnel relevant to Job Order Costing.

4.2.3 Length of Service of Respondents

It was considered in assessing how familiar the respondents were with Job Order Costing practices and profitability tracking at Longden Steel.

Table 4.4 Length of Service

Length of service	Frequency	Percentage
5 - 7 years	4	36.36%
8 - 10 years	4	36.36%
Above 10 years	3	27.27%
Total	**11**	**100%**

The table above shows that the majority of respondents had substantial work experience at Longden Steel. Respondents had enough experience and knowledge to give information on the use of JOC at Longden Steel.

4.3 Presentation and Discussion of Findings

4.3.1 Word Frequency Cloud



Figure 4.1: Word Frequency Cloud

Source: ATLAS.ti 25 (2026)

Figure 4.1 is a word frequency cloud produced from the interviews data collected. It shows that the most mentioned words were job, project, costing and project. The larger the words, the more frequently they appeared in the interview responses. These results were interpreted in thematic analysis.

4.3.1 Code Document Analysis

ATLAS.ti analysis was used to generate multiple recurring codes from respondent interviews. The grounding of each code shows how frequently specific issues emerged across participants and provided a basis for thematic interpretation of the findings.

Table 4.5: Code Document Table

	A	B	C	D	E	F	G	H	I	J	K	L	M
1		P1 FM Gr=14	P2 FE Gr=20	P3 PM Gr=8	P4 PO Gr=8	P5 OM Gr=18	P6 SO Gr=4	P7 SM Gr=5	P8 WS1 Gr=7	P9 WS2 Gr=7	P10 HRM Gr=1	P11 SE Gr=4	Totals
2	CO1_JOC_PrimaryMethod Gr=4	1	1	0	0	1	0	1	0	0	0	0	4
3	CO10_Data_Lag_Delays Gr=9	1	1	0	0	0	2	1	1	1	0	2	9
4	CO11_Labour_Tracking_Weakness Gr=1	0	0	0	0	1	0	0	0	0	0	0	1
5	CO12_Paper_Based_Issues Gr=3	0	1	0	0	0	0	2	0	0	0	0	3
6	CO13_Training_Gap Gr=5	1	1	0	0	2	0	0	0	0	1	0	5
7	CO14_Economic_Volatility Gr=6	1	1	1	2	1	0	0	0	0	0	0	6
8	CO15_Material_Price_Changes Gr=5	1	1	1	1	1	0	0	0	0	0	0	5
9	CO16_Scope_Creep_Changes Gr=6	1	1	1	1	1	0	0	0	1	0	0	6
10	CO17_Improve_Not_Switch Gr=7	2	2	1	0	2	0	0	0	0	0	0	7
11	CO18_Digital_RealTime_Solution Gr=5	1	1	1	1	1	0	0	0	0	0	0	5
12	CO19_Training_Recommendation Gr=2	0	0	0	0	2	0	0	0	0	0	0	2
13	CO2_Job_Coding_System Gr=9	1	1	1	1	0	2	1	1	1	0	0	9
14	CO3_Cost_Components Gr=15	1	3	1	2	3	0	0	3	1	0	1	15
15	CO4_Effective_Profitability Gr=3	1	2	0	0	0	0	0	0	0	0	0	3
16	CO5_Effectiveness_Rating Gr=1	0	1	0	0	0	0	0	0	0	0	0	1
17	CO6_Accuracy_Conditional Gr=3	1	1	0	0	1	0	0	0	0	0	0	3
18	CO7_Overhead_Allocation_Difficulty Gr=7	1	1	1	0	1	0	0	1	1	0	1	7
19	CO8_Shared_Resources Gr=3	0	1	0	0	1	0	0	0	1	0	0	3
20	CO9_Rework_Cost_Allocation Gr=2	0	0	0	0	0	0	0	1	1	0	0	2

Source: ATLAS.ti 25 (2026)

Figure 4.5 shows that Cost Components recorded the highest frequency emphasizing direct materials, labour and overheads as the core cost elements in steel contracting projects. CO2 and CO10 were also highly recurring demonstrating that even though job specific coding is central to the implementation of JOC, delayed capturing of costs remains a major operational challenge. Overhead Allocation Difficulty and Improve Not Switch then emerged prominently suggesting that respondents acknowledged weaknesses in the current system but still greatly supported strengthening it instead of replacing it. The analysis shows that JOC at Longden Steel is affected by inefficiencies in operations and adverse economic conditions.

4.3.2 Major Code Themes

Related codes were grouped into themes based on conceptual similarity. The codes themes give a clear understanding of the common areas arising from the data.

Table 4.6: Co-occurrence Table

	A	B	C	D	E	F	G	H	I	J	K	L	M
1		P1 FM Gr=14	P2 FE Gr=20	P3 PM Gr=8	P4 PO Gr=8	P5 OM Gr=18	P6 SO Gr=4	P7 SM Gr=5	P8 WS1 Gr=7	P9 WS2 Gr=7	P10 HRM Gr=1	P11 SE Gr=4	Totals
2	Cost allocation challenges Gr=12; GS=3	1	2	1	0	2	0	0	2	3	0	1	12
3	Data and operational challenges Gr=18; GS=4	2	3	0	0	3	2	3	1	1	1	2	18
4	Economic & market instability Gr=17; GS=3	3	3	3	4	3	0	0	0	1	0	0	17
5	Improvement recommendations Gr=14; GS=3	3	3	2	1	5	0	0	0	0	0	0	14
6	JOC implementation Gr=28; GS=3	3	5	2	3	4	2	2	4	2	0	1	28
7	Perceived effectiveness Gr=7; GS=3	2	4	0	0	1	0	0	0	0	0	0	7
8	Totals	14	20	8	8	18	4	5	7	7	1	4	96
9													
10													

Source: ATLAS.ti 25 (2026)

Table 4.6 shows that JOC Implementation and Usage recorded the highest overall frequency showing that respondents focused on how Job Order Costing is applied in daily project costing processes. Data and Operational Challenges were also prominent indicating that overhead allocation difficulties, delayed cost capture, labour tracking weaknesses and paper based systems are major barriers to cost accuracy. Code themes provide a thematic bridge between code frequency analysis and deeper discussion of findings by research objective.

4.4 Thematic Analysis: Presentation and Discussion of Findings

4.4.1 Theme 1: Perceived Effectiveness of Job Order Costing In Tracking Project Profitability (Objective 1)

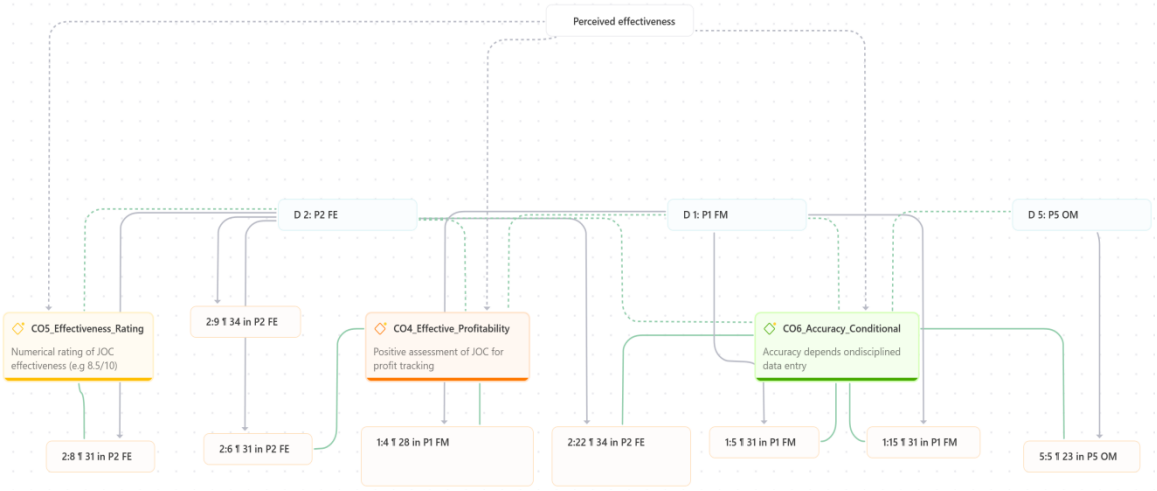


Figure 4.2: Semantic Network of interviews on Perceived effectiveness of JOC

Source: ATLAS.ti 25 (2026)

The semantic network illustrates how Job Order Costing was perceived as an effective system for monitoring project profitability at Longden Steel. The findings revealed that the system used was widely regarded as valuable in identifying projects making profit or loss and supporting pricing and budgeting decisions.

A. Profitability Tracking Effectiveness

P1 interviewed shared *"The system is highly effective because our projects are distinct. The manager went further to state that "This system is the best approach to pinpoint which specific contract is generating money while diminishing our margins."* On the other hand, P2 shared that, *"JOC is very effective, I would rate it 8.5/10. It provides the company with an early warning on overruns and links costs directly to revenue."* These responses from the study indicate that Job Order Costing effectively supports the tracking of project profitability in allowing the early identification of cost overruns and assessment of contract level financial performance.

B. Conditional Accuracy and Reliability

Participants noted that its reliability depends on the quality of data captured despite Job Order Costing being extensively perceived as effective. P1 interviewed shared, *"The*

accuracy of JOC depends entirely on diligent recording of hours and materials to correct job numbers." In addition, P5 shared that *"The JOC is potentially accurate but rarely perfect. The challenge is on labour tracking."* The findings from the study show that while Job Order Costing is conceptually effective, it has a weakness in labour tracking, delayed data capture and inconsistent operational discipline that reduce the reliability of profitability information.

Furthermore, findings indicated that Job Order Costing is perceived as an effective system for tracking project profitability at Longden Steel. JOC supports monitoring of profitability, strengthening of pricing and strategic decision making and enhancement of project cost visibility. Practically, the reliability of this system is dependent on accurate job coding, disciplined cost recording and strong operational compliance. The findings concur with Horngren et al. (2021) who argued that Job Order Costing is most effective when accurate cost accumulation and disciplined cost assignment procedures are maintained to support reliable profitability analysis.

4.4.2 Theme 2: Job Implementation and Usage of Job Order Costing In Tracking Project Costs and Profitability (Objective 2)

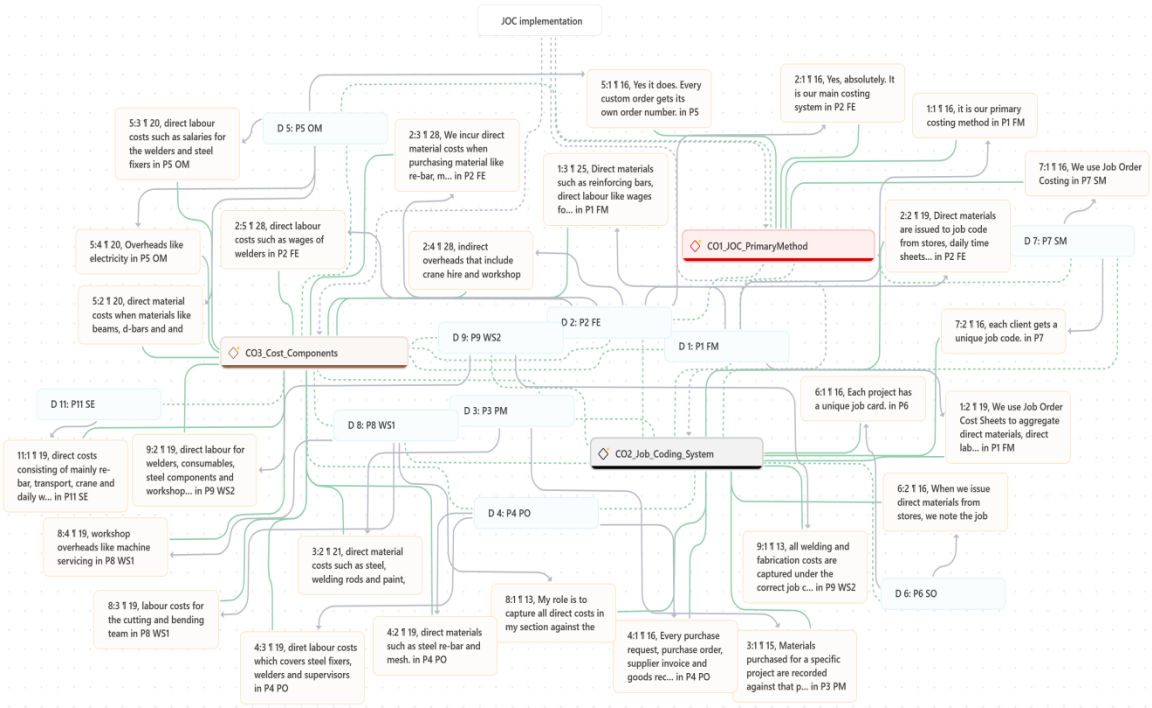


Figure 4.3: Semantic Network of interviews on Job Implementation and Usage

Source: ATLAS.ti 25 (2026)

Figure 4.4 indicates that Job Order Costing is extensively applied at Longden Steel and serves as the primary costing framework for managing project specific activities. On the theme of Job Implementation and Usage participants repeatedly shared that Job Order Costing is deeply integrated into key departments. The incorporation is done using unique job codes, structured cost recording systems and comprehensive tracking of major project cost components.

A. Job Order Costing As the Primary and Most Suitable Costing System

Respondents explained that Job Order Costing is the dominant project costing system implemented at Longden Steel because of the customized and project based nature of steel contracting. P1 stated, *"Yes, it is our primary costing method. Since our steel projects are unique, we must track them individually."* P2 also noted, *"It is 100% embedded. Every project runs through Job Order Costing. All materials, labour and overheads are coded to a job."* These responses show that Job Order Costing is used persistently and is the basis of project costing at Longden Steel.

B. Job Coding and Cross Departmental Integration

It was disclosed that the implementation of Job Order Costing is conducted through job order numbers used across departments. Procurement and supply chain, stores, operations and finance rely on job codes to accurately allocate costs to their particular projects. P4 noted, *"Each job gets a unique job order number. With each and every purchase request, sales order, supplier invoice and goods receipt is coded with that number."* P6 who was also interviewed also stated that, *"Each project has a unique job card. When the company issues direct materials from stores, the stores department notes the job number, quantity and unit cost."* Generally these findings show that Job Order Costing is embedded thoroughly across the operational and financial systems of Longden Steel. This shows that JOC is used to a large extent in tracking project costs and profitability making it a central component of the project management and financial framework of Longden Steel.

These findings are in line with Drury (2018) pointing out that Job Order Costing is particularly suitable for organizations that produce unique products where distinct identification of jobs and systematic cost tracking are necessary.

4.4.3 Theme 3: The Cost Allocation and Operational Challenges Affecting the Accuracy of Job Order Costing (Objective 3 and 4)

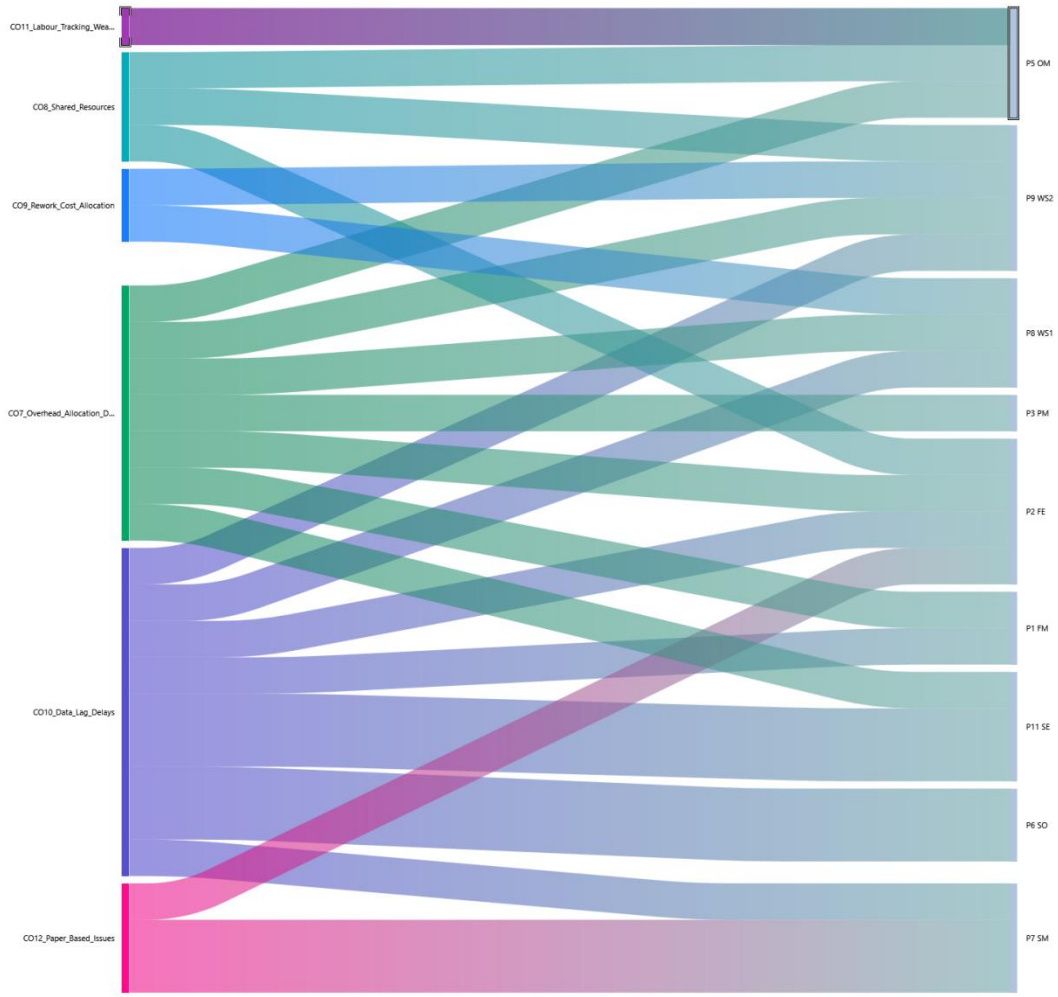


Figure 4.4: Sankey diagram of Cost allocation and operational challenges

Source: ATLAS.ti 25 (2026)

Figure 4.5 highlights that respondents acknowledged that even though Job Order Costing provides an organized basis for tracking project costs at Longden Steel, its accuracy in practice is weakened by several cost allocation and operational challenges. The thicker the lines, the greater the frequency of code occurrence. The major challenges included delays in operational data capture, overhead allocation difficulties and training gaps and shared resource complexities.

A. Overhead Allocation Difficulties

The shared overheads included electricity, fuel, machinery depreciation and transport commonly serve multiple jobs simultaneously causing challenges in assigning costs. P1 shared that, *"Without an accurate allocation base, results in project unfairly subsidizes the overheads of another."* P3 shared that *"Diesel, workshop utilities and transport often serve several jobs at once, this makes it difficult to assign exact usage."* The sentiments shared above mean that inaccurate overhead allocation can distort project cost structures hence reducing the reliability of assessments of profitability.

B. Shared Resource Allocation Complexities

With usage of same equipment for several jobs within a short period of time, it poses a challenge in determining the precise project specific usage. P9 interviewed explained, *"Machines have the potential to operate on several jobs in one day, the challenge is on splitting time correctly"* P11 also shared that *"The sharing of transport and equipment between workshop and site do really complicate exact cost assignment."* These findings show that sharing of resource usage creates uncertainty in the allocation of costs hence compromising costing precision where robust allocation mechanisms are not available.

C. Data Lag, Labour Tracking Weakness and Paper Based Systems

The study established the operational inefficiencies as a significant source of costing inaccuracy. The majority of participants described delayed submission of time sheets, incomplete requisition documentation and dependence on manual paperwork as barriers to timely and accurate cost recording.

P5 shared, *"These systems have the potential of providing accurate information but in very few instances. The setback of these systems lies on labour tracking."* P6 also shared, *"In some cases paperwork is issued late and this delays proper cost posting."* The delays due to operations reduce the timeliness of project cost updates and increase the possibility of inaccurate job costing information.

These responses are a testament that Job Order Costing offers a useful framework for project cost control but its accuracy at Longden Steel is constrained by overhead allocation challenges. Furthermore, the sharing of resources complicates and delays operational reporting. The challenges reduce the precision of cost estimation and profitability measurement. These findings move in tandem with Bilal et al. (2019) who shared that weak cost allocation systems and delayed data integration undermine project cost accuracy especially in project based industries.

4.4.4 Theme 4: Human Capital Challenges Affecting the Effectiveness of Job Order Costing (Objective 4)

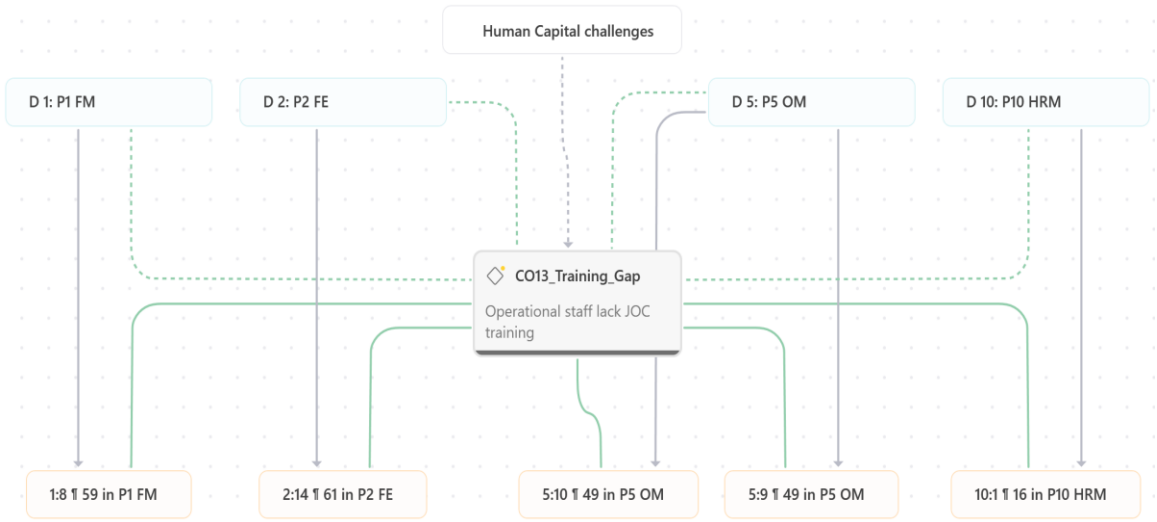


Figure 4.5: Semantic Network of interviews on Human capital challenges

Source: ATLAS.ti 25 (2026)

Figure 4.6 is highlighting that human capital limitations significantly affect the implementation of Job Order Costing at Longden Steel. Issues raised centred mostly on training gap, inconsistent staff competency and limited operational discipline in cost capture processes.

A. Training Gaps in Job Order Costing Application

The topical concerns were on that not all employees involved in costing processes had the same level of understanding and technical competence regarding Job Costing procedures. The participants describe that while managerial personnel understands costing requirement, some employees require stronger training in accurate job coding, time sheet recording and cost documentation.

P10 shared that *"Not all of the staff understand the system well as others, especially new and temporary workers require more structured costing training."* P2 also shared that *"The errors are often arising from staff not fully appreciating the importance of precise job coding and timely cost capture."* The sentiments shared above suggest that training deficiencies reduce stability in Job Order Costing implementation and can contribute costing inaccuracies.

B. Weak Operational Compliance and Cost Discipline

The study also disclosed that the effectiveness of Job Order Costing is dependent on staff commitment to disciplined recording practices. The lack or shortfall of compliance in labour hour recording, delayed paper work and incomplete documentation were associated not only with the systems issues but also with human behavioral factors.

P5 shared that *"A delay in time for provision of time sheets or job cards by supervisors impacts the accurate reflection of reality."* P8 concurred with operations manager *"The production teams sometimes put much focus on finishing the job than on paper accuracy."* This shows that the discipline in operations is vital in maintaining Job Order Costing reliability and weak compliance can compromise cost accuracy even where systems are soundly structured.

In addition, the responses also show that human capital management in particular training gaps, weak operational discipline and inconsistent staff competency substantially affect the effectiveness of Job Order Costing at Longden Steel. Despite costing systems being technically appropriate, insufficient employee understanding and compliance weakens the

quality of implementation. According to Adeniyi et al. (2021), organizational performance in costing systems is strongly influenced by staff capability, training and operational accountability.

4.4.5 Theme 5: Economic and External Challenges Affecting Job Order Costing Accuracy and Project Profitability (Objective 4)

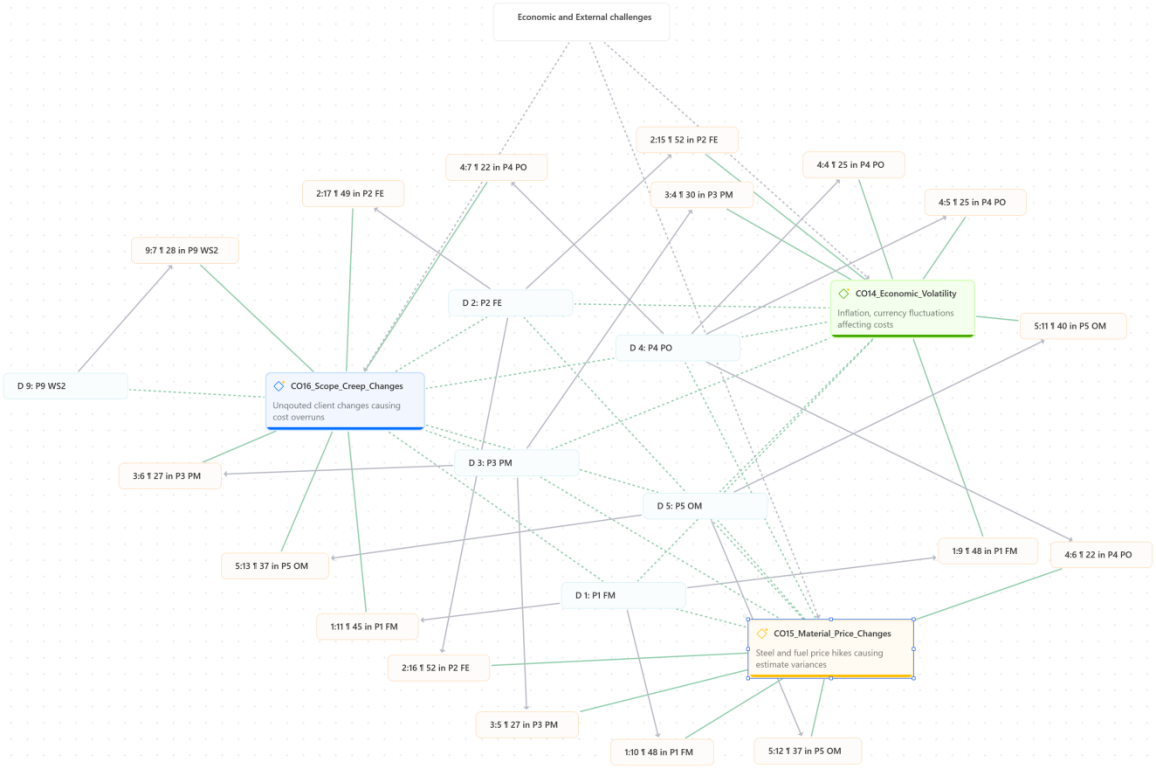


Figure 4.6: Semantic Network on Economic and External challenges

Source: ATLAS.ti 25 (2026)

The figure above further highlighted external economic pressures on the reliability of JOC at Longden Steel. The issues raised focused on economic volatility, material price fluctuations and scope creep resulting from client driven project modifications.

A. Economic Volatility and Inflationary Pressures

Fluctuations in exchange rates, inflation and fuel price instability were identified as major factors that instantly render original cost estimates unreliable. P1 shared that *"The department estimates can become outdated within weeks because exchange rates and supplier prices move rapidly."* P2 went on to share that *"The unsettling of the USD/ZWG, fuel hikes and supplier changes make original budgets unstable."* These sentiments forming findings suggested that even if Job Order Costing systems are properly structured, economic instability significantly distort project budgets and profitability forecasts.

B. Material Price Changes and Supplier Cost Instability

The changes in prices of steel, supplier quotations and transport costs were external challenges. The participants explained changes in steel, welding consumables and logistics costs without notice usually create variances between estimated and actual project costs. It makes it difficult for the company to maintain accurate budgets throughout project executions.

The Procurement Manager interviewed stated, *"The changes in steel and fuel prices before project completion directly affect profitability."* The Finance Executive also weighed in by sharing that *"The price shift from suppliers and inflation can make quotations outdated before the project is even halfway."* These show that instability of supplier cost affect the predictive reliability of Job Order Costing by creating uncertainty in procurement and increasing the probability of cost overruns.

C. Scope Creep and Client Driven Changes

The study further pointed that client modifications, redesigns and changing project specifications are critical threats to profitability. This is the case when a client requests design changes after commencement of the project, additional labour, material and operational costs are often captured late. P5 shared, *"Changes from clients when projects are at mid-point often increase costs beyond original plans."* P11 shared, *"The adjustments in design on site affects labour, material use and completion timelines."* The findings on

scope creep introduces notable uncertainty into project costing and reduces profitability if not proactively corrected and managed.

In summary, the study findings revealed that external economic and project related pressures reduce the practical reliability of Job Order Costing at Longden Steel. The volatile economic front, material price fluctuations and client driven scope changes cause original cost estimates to quickly lose relevance hence weakening profitability forecasting. Supported by Ncube and Chikodzi (2021), Zimbabwe's economic instability disrupts business cost planning and operational forecasting.

4.4.6 Theme 6: Improvement and Strategic Recommendations for Enhancing Job Order Costing

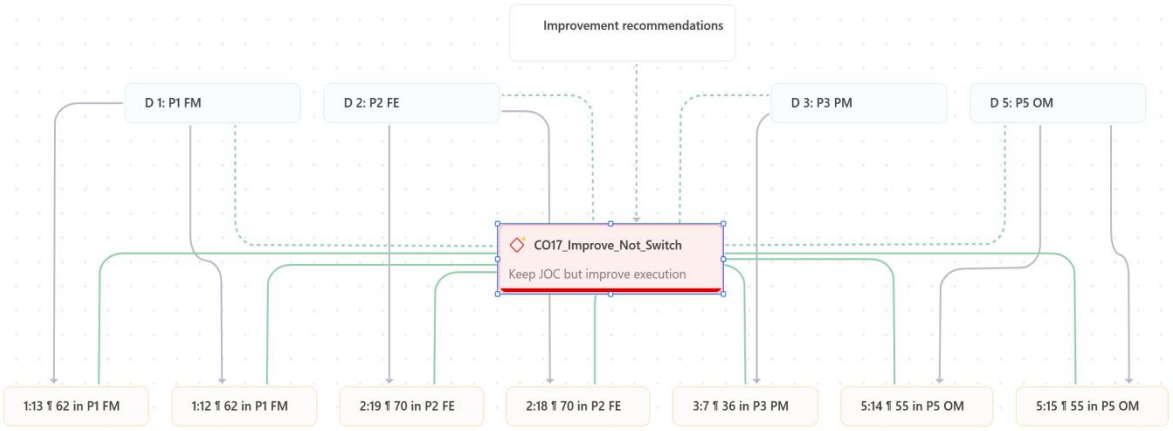


Figure 4.7: Semantic Network of interviews on Improvements and strategic recommendations

Source: ATLAS.ti 25 (2026)

Figure 4.8 shows respondents were in consensus that Job Order Costing remains the most appropriate costing framework for Longden Steel due to its customized nature of steel contracting projects. They expressed the need to improve the current weaknesses. One interviewed participant who is the P1 shared, *"JOC is the correct and rightful system for our type of business however the real issue is improving execution and discipline."* P5 also chipped in saying, *"The changing or switching of systems creates more confusion. There is only need to fix allocation, tracking and reporting first."* These sentiments from

managers show that in this organization Job Order Costing is viewed as fundamentally appropriate. It was noted that there is only need to address improving priorities on implementation quality rather than system replacement. The findings from study explain that strategic improvements should focus on upgrading Longden Steel's existing JOC framework. All of participants agreed against the idea of not replacing the system but rather the idea of improving its operational efficiency and data reliability.

4.5 Chapter Summary

A presentation, analysis and discussion was done in this chapter focusing on the effectiveness of JOC at Longden Steel. The findings indicated that Job Order system remains the primary costing system widely used across core departments for tracking project profitability and costs. The results further showed that JOC is effective but its accuracy is affected by overhead allocation challenges, shared resource complexities, delays in capturing data and training gaps. External factors include economic volatility, material price fluctuations and scope changes also reduce cost estimation accuracy and cause cost overruns. The next chapter presents the summary of major findings, conclusions and recommendations of the research.

CHAPTER V

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter gives a summary on the effectiveness of Job Order Costing in tracking project profitability for steel contractors. It summarizes major findings and provides a conclusion and recommendations to Longden Steel. It also includes areas that need to be studied further.

5.1 Summary

The investigation was conducted on the assessment of the effectiveness of Job Order Costing in tracking project profitability at Longden Steel. JOC is used as the dominant costing system at Longden Steel because it produces unique products customized as per customer specifications.

5.1.2 Major Findings

Job Order Costing was found moderately effective in tracking project profitability at Longden Steel. The responses revealed that costs are accumulated according to their specific projects. Longden Steel profits are calculated separately for each project making it easy for management to analyse profitability. The system also helps management in making budget decisions. This agrees with Rasul et al. (2024) who said that firms that use JOC can easily evaluate project profitability because they can track project costs in detail. However, its effectiveness depends on the completeness, timeliness and accuracy of the cost data captured. Profitability is misrepresented if job coding, labour records and overhead allocations are not consistent.

The investigation showed that JOC is used by key departments of Longden Steel such as finance, operations, stores and procurement. They use unique job codes to track costs of particular projects from one department to another. Even though JOC is structurally embedded, communication and coordination between departments is a challenge. The findings disagree with Aundri (2021) who concluded that some organizations only implement JOC partially by mainly focusing on direct costs.

Findings revealed that assigning direct materials and direct labour to specific projects is easier than assigning indirect costs. It was found challenging to allocate overheads such as fuel and supervision that are absorbed by several projects at the same time. Project cost estimation is affected by the instability of the Zimbabwean economic environment. This is in agreement with Musarat et al. (2021) who reported that inflation makes historical information unreliable for cost estimation. Inflation, unstable exchange rates and material price fluctuations undermine the reliability of initial cost estimates. Actual costs often surpass budgeted costs resulting in project cost overruns.

In relation to Objective 4, several challenges to the effective implementation of Job Order Costing were identified by the respondents. These are training gaps, inconsistent staff competency, weak operational discipline, economic volatility, material price fluctuations and scope creep. Both internal and external pressures were indicated to have significant effect on the practical effectiveness of Job Order Costing. Makore and Chikutuma (2025) were in agreement with the findings in that they said that exchange rate fluctuations complicate cost estimation Dewi et al. (2024) who said that inconsistencies in recording cost information reduce the reliability of costing systems.

5.2 Conclusion

Job Order Costing remains a suitable and effective costing system for Longden Steel because it supports project specific cost tracking, budgeting and profitability analysis. However, the effectiveness of Job Order Costing is constrained by operational inefficiencies such as overhead allocation challenges, delayed capturing of data, paper

based systems and poor labour tracking. Training gaps, inconsistent staff competency and economic instability further reduce costing accuracy. Therefore, the system is suitable but improving implementation, digital integration and staff training is essential for the enhancement of its effectiveness in tracking project profitability.

5.3 Recommendations

- Longden Steel should adopt an integrated digital costing system that links procurement, stores, finance and labour functions in real time.
- Management should develop overhead allocation bases specifically for resources that are used by multiple projects at the same time like crane.
- Longden Steel must offer training for all employees to improve their knowledge on Job Order Costing.

5.4 Suggestions for Further Research

This research mainly focused on one entity that is Longden Steel. There is need for further research in the steel contracting industry as a whole considering as many firms as possible in the industry. There is also need to research on the effectiveness of JOC across different manufacturing firms.

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APPENDICES

Appendix 1: Interview Guide

Study Title

An assessment of the effectiveness of Job Order Costing in tracking project profitability: A Case of Longden Steel.

A. Demographic Information

	Question	**Best Respondent**
1.	Which company department do you work in?	ALL
2.	What is your current position at Longden Steel?	ALL
3.	How long have you been working at Longden Steel?	ALL
4.	What role do you play in project costing and financial management?	ALL

B. Extent of JOC Use

	Question	**Best Respondent**
5.	Does the organization make use of Job Order Costing System?	FM, FE, OM
6.	How are costs for each job accounted for?	FM, FE, PM, PO, SM, SO
7.	How frequent are project costs updated?	FE, WS, SO, SE
8.	To what extent is Job Order Costing used in tracking project costs and profitability?	FM, FE

C. Effectiveness of JOC

	Question	Best Respondent
9.	What type of costs are often incurred in steel contracting projects?	FM,FE,PM,PO,WS,SE
10.	In your own opinion, how effective is Job Order Costing in tracking project profitability?	FM, FE
11.	Does Job Order Costing provide accurate information?	FM, FE, OM
12.	In what ways does Job Order Costing support pricing, budgeting and decision making?	FM, FE, PM, OM
13.	Can the system be relied on to evaluate project performance? Explain.	FM, FE, OM

D. Cost Allocation Accuracy

	Question	Best Respondent
14.	How are indirect costs and overheads allocated between workshop activities and site operations?	FM, FE, OM, WS, SE
15.	What challenges are experienced in allocating indirect costs?	FM, FE, WS, OM
16.	How often do actual project costs differ from estimated costs and what are the causes?	FM, FE, PM, PO, OM
17.	How has economic instability affected cost estimation accuracy?	FM, FE, PM, PO, OM
18.	What measures are you using to improve cost allocation and estimation accuracy?	FM, FE, OM

E. Challenges in Implementing JOC

	Question	Best Respondent
19.	What major challenges have been encountered in the application of Job Order Costing at Longden Steel?	FM, FE, PO, PM, OM
20.	Are the employees fully trained and experienced to use the Job Order Costing system effectively?	HRM, FM, FE, OM
21.	Are there any delays in capturing project cost information? If yes, what causes them?	SO, WS, SE, FE, SM
22.	How do these challenges affect overall project profitability reporting?	FM, FE, OM

F. Improvement Strategies and Recommendations

	Question	Best Respondent
23.	Would you recommend improving the system or switching to any alternative costing system? Please explain.	FM, FE, PM, OM
24.	What measures and recommendations would you propose to improve Job Order Costing and project profitability tracking?	FM, FE, PM, OM

Appendix 2: Letter to request for data collection

BINDURA UNIVERSITY OF SCIENCE EDUCATION

FACULTY OF COMMERCE

CHAIRPERSON, ACCOUNTANCY DEPARTMENT

Private Bag 1020
BINDURA, Zimbabwe
Tel: 0271 – 7531-6, 7615
O.Manyani:0772357174

04 June 2026

RE: REQUEST FOR DATA COLLECTION.

PERMISSION TO CARRY OUT RESEARCH- Melissa Chigora B224028B

The department of Accountancy at Bindura University of Science Education we acknowledge receipt for **Melissa Chigora B224028B** to carry out academic research in fulfilment of her studies. Her research topic is **"Assessing the effectiveness of Job Order Costing in tracking project profitability. A case study of Longden Steel."**

We undertake to assist her in every way possible. Through our assistance all information provided shall be used solely for purposes of academic research. Should you require any clarification please do not hesitate to contact the undersigned?

Yours faithfully

.....
O. Manyani (Mr), Chairperson

BINDURA UNIVERSITY OF SCIENCE EDUCATION
DEPARTMENT OF ACCOUNTANCY
CHAIRPERSON
04 JUN 2026
FACULTY OF COMMERCE
PRIVATE BAG 1020, BINDURA, ZIMBABWE

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