Human & Social Sciences Journal

Volume 08, Issue 02, June 2022, P.P. 813-825.

Controlling hidden costs indicators and their importance in reducing the total costs of the enterprise - Case study "Tchin Milk" company in Béjaia

التحكم في مؤشرات التكاليف الخفية وأهميتها في تخفيض التكاليف الكلية للمؤسسة– دراسة حالة شركة "تشين حليب" ببجاية

La Maîtrise des indicateurs de coûts cachés et leur importance dans la réduction des coûts totaux de l'entreprise - Etude de cas de l'entreprise «Chin Lait» de Bejaia-

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Date of submission 04 /03 /2021 - Date of acceptation 14 /06 /2021 - Date of edition : 01 /06 /2022

ملخص: يهدف هذا البحث إلى إبراز أهمية التحكم في مؤشرات التكاليف الخفية في تخفيض التكاليف الكلية للمؤسسة، وذلك بالتطبيق على شركة "تشين حليب" ببجاية من خلال المؤشرات الخمسة وبالاعتماد فقط على المقياس المالي من نموذج (SOF)، لقد اعتمدنا في هذه الدراسة على المنهج الوصفي ومنهج دراسة الحالة، ولقد توصل هذا البحث إلى أنّ الشركة محل الدراسة تحمّلت تكلفة خفية جدّ معتبرة سنة 2018 وأنّ 97,71% من هذه التكاليف ناتجة عن مؤشر التغيّب لكون معدله جدّ مرتفعا بها والذي بلغ 16,29%.

الكلمات المفتاحية: التكلفة الخفية؛ مؤشرات التكاليف الخفية؛ تخفيض التكلفة؛ التكلفة الكلية؛ تشين حليب.

Abstract : This research aims to highlight the extent of the contribution of controlling hidden cost indicators in reducing the total costs of the enterprise, by applying to the "Chin Milk" company in Bejaia through the five indicators and by relying only on the financial scale of the (SOF) model, we have relied in this study on the descriptive approach and the case study method, this research has found that the company under study incurred a very significant hidden cost in 2018 and that 97.71% of these costs are a result of the absenteeism index, as its rate is very high, which reached 16.29%.

Keywords : Hidden cost; hidden cost indicators; cost reduction; total cost; Chin Milk.

Résumé: Cette recherche vise à mettre en évidence l'importance de la maîtrise des indicateurs de coûts cachés dans la réduction des coûts totaux de l'ientreprise, en s'appliquant à la société «Chin Lait» de Bejaia à travers Cette recherche vise à mettre en évidence l'importance de la maîtrise des indicateurs de coûts cachés dans la réduction des coûts totaux de l'ientreprise, en s'appliquant à la société «Chin Lait» de Bejaia à travers les cinq indicateurs et en ne s'appuyant que sur le module financier du modèle (SOF) . Nous sommes04 appuyés dans cette étude sur l'approche descriptive et L'étude de cas. Cette recherche a montré que l'entreprise étudiée a supporté un coût caché très important en 2018 et que 97,71% de ces coûts résultent de l'indice d'absentéisme, car son taux est très élevé, qui atteint 16,29%.

Mots clés : Coût caché; indicateurs de coûts cachés; réduction des coûts; coût total; Chin Lait

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Introduction :

The trend of economic enterprises to reduce costs to their minimum limits while maintaining the required levels of quality, is one of the basic strategic goals that they have to put in the first place of their future interests and plan them well both in the short and long term, the enterprise is required to provide the necessary quantities to its customers At Reasonable Prices and Work on continuous cost reduction.

No matter how small their value is so that no area can be underestimated or overlooked as the reduction of costs should be present for all cost elements this reduction of the small value of its costs because the repeated and continuous reduction of some small costs may ultimately save large amounts, what is important in this area is to follow the proper policy to reduce costs, which As it is said: the apparent cost is thrown out the door... Coming back from the window is convincing in hidden costs.

• The problem of the search

Despite the developments within the organization, it still suffers from the incompatibility of actual performance with the planned, and here comes the role of oversight in revealing the areas of good performance and poor performance, to be discovered later that there is another type of invisible costs that fall outside the control limits and which the accounting information systems have not been able to.

Proceeding from the above, this research seeks to answer the following main question:

How much does controlling hidden cost indicators contribute to reducing the overall costs of "chain milk" company in Béjaia ?

And to answer the question the former president can put the following main premise:

Controlling hidden cost indicators contributes to reducing the overall costs of chain Milk Company in bajaya.

• Importance of research:

This research derives its importance from the importance of the variables it deals with.hidden costs do not have a specific name, there are no appropriate tools to measure them, and they are not subject to periodic control because most of the operators of enterprises are unaware of their existence. therefore, detecting the existence of hidden costs, identifying and identifying the reasons that lead to the emergence of such costs, as well as trying to control their indicators, would save significant amounts that were not taken into account by the accounting information systems, thus contributing effectively to reducing the total costs borne by the enterprise.

• Research objectives:

The study aims to achieve the following:

- Identify hidden costs and indicators ;
- Highlight the importance of controlling hidden cost indicators to reduce the overall costs of an economic enterprise;
-Attempt to detect the existence of hidden costs with "Chi milk" been through five indicators for this type of costs and determine the extent of the contribution of the control in reducing the overall costs of the company ;

• Study curriculum:

In this research, we relied on the descriptive approach through Studies, Research and books related to the research topic, in addition to adopting a case study approach where the theoretical part

is dropped on the reality of "Chin Milk" Company in bajaya during fiscal year 2018, in addition to adopting the analytical approach to reach conclusions and recommendations.

1-Theoretical framework for hidden cost indicators

Hidden costs have been defined as those elements of costs that the Accounting Information System of an enterprise does not show, such as financial accounting, analytical accounting, dashboard,... Despite its existence and burden (SAVALL & ZARDET, 2015, p. 125).That is, the costs that have no milestone or explanation in the Accounting Information System of the enterprise and that are not highlighted in any of the documents of this system, they are costs that have not been detected and not specifically identified although their presence is known in enterprises even to varying degrees, and they are called hidden because they can not be observed in the enterprise information systems,it is pervasive in all jobs and it is in line with normal activity.

Henri SAVALL attributed the reason for hidden costs within an enterprise to five key indicators that each form a "dysfunctional family": absenteeism, turnover, work accidents, quality and direct productivity differences.

1-2 Indicator of absenteeism:

Absenteeism is one of the most important indicators of hidden costs as it is the main cause of dysfunction, it is predominantly social as it represents deviant behavior with direct and indirect motives and causes, and has a clear impact on the overall performance of the enterprise.

The term absenteeism refers to a situation that arises from a person not attending work even though he or she is on the work schedule, and the fact that he or she is on official Leave or vacation is not considered absenteeism (Muhammad Saeed , 2003, p. 104). Absenteeism is, therefore, the failure of the worker to attend work at the time he or she is expected to attend according to the programme of work, with the exception of holidays and official feasts.

It is measured by the absenteeism rate, which is calculated by the following relation (SAVALL & ZARDET, 2015, p. 149)

$$\text{Absenteeism rate} = \frac{\text{Number of hours or days absent}}{\textit{Number of hours or Days}\ \text{waiting}\ \textit{work}\ (\textit{Normal})} \times 100$$

Holidays should be excluded and paid leave from the number of hours or days of work waiting.

This indicator reflects the level of satisfaction of workers over a specific period as well as the extent to which the manager controls this phenomenon, and it can also be used for many purposes, including:

- Predicting the number of days of absence during the coming period, which helps to predict the number of workers required to face possible absenteeism.
- Knowing the extent of low morale among workers, the higher the rate of absenteeism, the more it is indicative of a decrease in job satisfaction and their morale and vice versa.

2-2 indicator of work accidents

An accident at work means any sudden, unexpected or planned emergency that occurs during work or as a result of related work, including any excessive exposure to physical, chemical or biological factors or severe stress, which may result in death, physical injury or severe illness (Al-aqayla, 2002, p. 124). a work accident is considered to be any accident that occurs to an employee in the course of work or outside of a job in accordance with the instructions of the employer, resulting

in physical injuries caused by a sudden cause, or during the distance traveled by the worker to and from work.

The occurrence of work accidents is inevitable and a risk that cannot be entirely avoided, especially in some work, so that if institutions cannot prevent their occurrence, they at least try to minimize them.in order to achieve this, they must first diagnose the current situation by measuring work accidents. one of the most important measures used in this is the frequency and severity of accidents (ROMELEAR, 1993, p. 260) :

Accident frequency: this rate measures the frequency of work accidents that result in a work stoppage compared to the number of actual working hours over a given period of time according to the following equation:

$$\text{recurring rate of Accidents} = \frac{\text{The number of accilents with stops during a period of time}}{\text{Total actual work time during the same period}} \text{ x } 10^6$$

It represents the repetition of work accidents per million hours worked.

- Severity rate Work accidents: This rate expresses the severity of accidents By number of hours lost, and is calculated by the following relationship:

$$\text{Severity rate Work accidents} = \frac{\text{The number of work days lost due to accidents during a period of time}}{\text{Total actual work time during the same period}} \text{ x } 10^6$$

Express lost time per million man-hours

2-3 Working turnover indicator

Labour turnover is an important phenomenon associated with many indicators of organizational work.labour turnover refers to the cessation of membership of individuals belonging to certain institutions, specifically those individuals who receive a material return from those institutions for their membership, or it is a voluntary movement of the worker outside the boundaries of the institution in which he or she works, giving up his or her membership. labour turnover refers to the number of individuals who leave work in the institution as a result of transfer, retirement, dismissal, promotion, death,... During a certain time and others are assigned their place. (Saleh , 2004, p. 79).

Turnover is measured by a rate that shows the relationship between the ratio of commutes over a given period of time to the average number of personnel in the workforce of the enterprise and is calculated according to the following relationship (ARMSTRONG, 2006, p. 377):

$$\text{the work turnover rate} = \frac{\text{The number of individuale who have been hired+number of Individuals leaving work during a period of time}}{\text{Average number of employees during the same period}} \times 100$$

2-4 indicator of lack of quality (or Not quality)

Means been the lack of conformity of the product with the specifications that were determined when designing it, the reason for the lack of conformity to abuse both in terms of energy and materials consumed or the hand of time exploited (TARONDEAU, 1998, p. 11), quality can be in several forms

and images including: design error, production process error, difficulty of use, poor after-sales service.

The following relation can be inferred to see whether the quality element is good or not, as this relation represents the comparison of defective production with total production:

$$\text{Defective production rate} = \frac{\text{The number of defective units within a certin period of time}}{\text{The number of units produced during the same period}} \times 100$$

2.5 Index of direct productivity differences

Productivity is defined as the ratio of final resulting to the elements included in its composition, that is, the ratio of the quantity or value of products to the resources used in them, whether manpower, machinery and equipment or raw materials (Shanwani, 1999, p. 32) . Hence the relationship between the resources used in the production process and the outcome of that process, it is considered a measure of the economical operation of available energy. Viz

$$\text{Productivity} = \frac{The\ Outputs}{The\ inputs}$$

To measure productivity in any institution, two basic indicators can be relied on: total productivity and partial productivity:

- **Total productivity** : it is intended to measure the extent to which all production elements (inputs) contribute to achieving production (outputs), as it is measured according to the following relationship (Al-Quraishi, 2001, p. 24):

$$\text{Total productivity} = \frac{\boldsymbol{Total\ value\ of\ output}}{\boldsymbol{Total\ valur\ of\ inpute}}$$

- **Partial productivity**: Fractional Productivity: It depends on measuring the efficiency of one element Of the elements the input, in order to explain the change that occurs in the total measurement of productivity, the partial measurement of productivity is resorted to according to several measures, including (Al-Kholani, 2007, p. 50):

$$\text{Material productivity} = \frac{The\ quantity\ or\ valur\ of\ the\ output}{The\ quantity\ or\ value\ of\ the\ input\ of\ the\ materials}$$

$$\text{Machine productivity} = \frac{The\ quantity\ or\ valur\ of\ the\ output}{The\ number\ of\ automatic\ operating\ hours}$$

$$\text{Work element productivity} = \frac{The\ quantity\ or\ valur\ of\ the\ output}{The\ number\ of\ working\ hours\ used}$$

I SAVALL indicator of labor productivity for ease of calculation and comparison among institutions on the one hand, the importance of the human element in the production process, on the other hand, where a low level of labor productivity Indicator shows the bearing of the institution to be hidden costs are supported, and the input of labour represents a large part of the total costs of the products, but cannot and do not mean to ignore the productivity of other factors like machines, raw

materials, because the production process is the integration between the various factors which, if missed, one would not necessarily stop the process as a whole.

2- Case study of "Chin Milk" Company in bajaya

2-1 Introduction of "Chin Milk" Company :

It is a company specialized in the manufacture of ultra-high temperature sterilized milk (UHT) established on 17 ut 1999,located in the urban fabric of the city of bejaya in the industrial zone (Bir Salam) and operating under the brand of the French company "Candia", a joint-stock company with a social capital of 2.757.140.000, 00 DA.

The company has three production plants: bejaya plant, Setif plant and Algiers plant (Baraki), and two subsidiaries: "TCHIN AGRO" in bouarrij tower and "TCHIN LOGISTIQUE" in bad non bejaya, and the total production capacity of the company is 415 million liters per year of all kinds of products (non-scented sterilized milk, sterile flavored milk) of which More than 300 million litres of sterile milk per year are produced in different sizes: 1 litre cans; ½ litre cans ; 200ml cans; 125 ml cans.

2-2 calculation of hidden costs resulting from "Chin milk's company" absenteeism index

While other departments such as management and catering are also affected by absences but to a lesser extent, the company can find a suitable solution at the lowest cost and thus reduce the impact of these absences on these departments

The absenteeism rate of production department workers can be determined by preparing the following table:

Table -1-: Absenteeism rate in "Chin Milk" Company's production division for the year 2018

the year	Number of Workers	Days of theoretical work	Number of absences	Actual work days	Absenteeism rate
2018	264	63.888	10.406	53.482	%16,29

Source: prepared by researchers based on company documents

It should be noted that the workers of "Chen Milk" company work 22 days a month in normal cases, excluding weekends, and considering that every worker has the right to a full month of annual legal vacation, they work 11 months a year, thus, the theoretical working days of the production department are calculated as follows:

Theoretical working days = 22 days x 11 months x number of production workshop workers

We note from the above table that the absenteeism rate is very high, which makes the company bear hidden costs represented in the cost of compensating the absentee worker, as well as the costs of subscribing to social security for the compensated worker, the following table shows the hidden costs resulting from the absenteeism index for 2018:

Table -2-: Hidden Costs of Company "Chin Milk's" Absenteeism Index for 2018

Cost elements	**Amounts** (DA)
The remuneration of the compensated worker (extra hours)	**62 156 579**
extra hours at a price of 150%	41 490 709
extra hours at a price of 175%	9 644 073
extra hours at a price of 200%	11 021 797
Paid subscriptions to social bodies	**16 160 710**
The cost of compensating the absentee worker	**78 317 289**

Source: prepared by researchers based on company documents

- ***Clarifications:** to prepare this table the following steps are followed:

- The number of hours of absenteeism is determined by multiplying the number of days of absenteeism x 8 hours (which the worker must do per day);
- The share of users of the production Department of the base wage is determined by dividing the company's annual base wage by the total number of workers x the number of workers of the production department;
- The normal one-hour fare is determined by dividing the share of the users of the production department from the base wage by the number of actual working hours;
- The price of the extra hour changes depending on the day, the price of the extra hour on Saturday 175%, on Friday 200%, and the price for the rest of the week 150%;
- The Social Security contribution rate (Company share) is 26%;

In the above table, we note that the company incurs a total hidden cost in 2018 estimated at 78.317.289 DA as a result of the absence of the workers of the production department only in the company, not counting the hidden costs resulting from the same indicator for the rest of the other departments.

2-3 calculation of hidden costs resulting from "Chin milk's company" work accident index:

Chin milk company seeks to minimize work accidents and take all the allergenic measures that would not disrupt production, represented in:

- Ensuring the provision of appropriate working conditions of means of work and protection;
- Training of new workers;
- Forming a specialized squad to preview the machines before using them;

The company also takes several actions in the event of work accidents to address their effects on workers and machines, and to ensure the proper functioning of the production process, represented in:

- Transporting the injured worker to the nearest Polyclinic or hospital to provide the necessary aid, and he is transported by company car usually accompanied by the team leader;
- Compensation of workers who were injured as a result of the accident to multi-task workers, until their recovery is complete and they return to work again;
- Programming additional working hours only when necessary, to cover production shortages caused by the absence of the injured worker;

Chin Milk Company has witnessed during the year of work accidents recorded in its various departments, we are limited here to those related to the production department which we can explain by preparing the following table

Table -3-: Work accidents at "Chen Milk" Company for the year 2018

the year	The number of work accidents		Extra days	Eextra hours
	simple	Dangerous		
2018	59	-	524	4.192

Source : prepared by researchers based on company documents

- ***Clarifications**: the table above has been prepared by following the following steps:

- The number of work accidents in the production department is determined by dividing the number of total work accidents by the number of workers of the company and then multiplying it by x the number of workers of the production department;
- The number of additional days is determined by dividing the number of total additional days by the number of total work accidents and then multiplying by x the number of work accidents in the production department;
- The number of extra hours is determined by multiplying the number of extra days x 8 hours;

As a result of work accidents, the company incurs many costs, such as the costs of compensating the injured worker as a result of the suspension of work for a certain period of up to several days, the cost of ambulance and treatment of injured workers, and the costs of Social Security. Making the company incur hidden costs can be summarized by preparing the following table:

Table -4-: Hidden Costs of "Chen Milk" Company's Work Accident Index 2018

the Statement	Amounts(DA)
The remuneration of the compensated worker (hours)	**2 834 147**
Extra hours at a price of 150%	1 811 517
Extra hours at a price of 175%	477 228
Extra hours at a price of 200%	545 403
Paid subscriptions to social bodies	**736 878**
Expenses for transportation and Ambulance of the injured worker	531 000
Accidents administration expenses	26 550
The cost of compensation for the injured worker	**4 128 576**
By subtracting what was calculated in the absenteeism index	**(3 571 026)**
The hidden cost of the Work Accident Index	**557 550**

Source : prepared by researchers based on company documents

From the above table we note that the company incurs a total hidden cost in 2018 estimated at: 557.550 DA. as a result of work accidents caused by workers of the production department only in the company, without accounting for hidden costs resulting from the same indicator for the rest of the other departments, subtracting what was calculated in the absentee index of the compensation worker's wages and contributions paid to social bodies, in order to avoid duplication in calculating costs because the worker with a work accident is counted among the absentees.

2-4 calculation of hidden costs resulting from the work turnover index in"Chin milk company"

The turnover rate of Chin milk during 2018 can be calculated by preparing the following table:

Table -5-: the work turnover rate at "Chen Milk" Company for the year 2018

The year	Number of Workers	Exiting		Enter the	Turnover rate
2018	537	retirement	1	48	8.94%
		resignation	4		
		dismissal	-		
		death	-		
		Expiration of the contract	43		
		Annulment of contract	-		
		Total	48		

Source : prepared by researchers based on company documents

From the above table we note that the turnover rate of the company in 2018 was 8.94%. This rate is calculated by dividing the total number of departing workers by the total number of workers for the year. The company recorded the exit of 48 workers during this year and the entry of 48 new workers during the same period. the thing that causes the company to incur hidden costs resulting from turnover, which are those costs associated with employment (various costs of the stages of employment such as advertising, reception, testing, negotiation, contracting, etc...) the costs of the formation and rehabilitation of new workers, in addition to other costs such as effectiveness difference and the costs associated with the low degree of efficiency of the new worker, such as low production and productivity, the high rate of defective production, as well as the high number of injuries and accidents at work.

It should be noted that no financial impact was recorded on the turnover during the period considered, as the formation of new workers is carried out by the company's experienced workers, as well as their participation in the various courses and periodic forums organized for the benefit of all the company's workers, in addition to the composition guaranteed by the licensed company "CANDIA" As for the other costs that could result from work turnover, such as those associated with recruitment, effectiveness difference or low efficiency of the new worker, we were unable to to measure it as we did not find any effect or basis for evaluating it..according to the company's financial and accounting director , such costs fall within the normal and routine functions of the company, especially since the majority of the supervisors in the recruitment process are administrators and not from the production department, so this process does not actually lead to disruption or shortage of production, but it remains to be seen that the company must take into account this kind of hidden costs, which can increase its costs, especially when turnover is high.

2-5 Calculation of hidden costs resulting from the quality index lack at Chen Milk company

"Chen Milk" company took care of the quality and received the ISO 9001 and ISO 22000 certification in recognition of the quality of its products and the good reputation of customers in terms of price, shape ... In particular, it has chosen to obtain a license from the French company "CANDIA" for the use of its brand, which ranks among the first in the production and distribution of milk in Europe due to its long experience (more than 50 years) and the leader in the production, processing and packaging of milk. Therefore, in order to maintain this good reputation, we take several measures, including

- Intensify and activate the role of the quality control cell to avoid recurrence of manufacturing defects in the future;
- Work on the need to discover the defective products at the beginning of the production process;
- Continuous training and training of workers and technicians;
- Quest and to provide good working conditions;

However, despite all of the above, the company incurs hidden costs such as internal failure costs, which are those costs that occur before the delivery or shipment of the product to the customer and which are borne by the organization as a result of its product not conforming to the specified quality specifications, such as rejected unit costs, the costs of finding the causes of defects, and reboot costs, these costs can be illustrated by preparing the following table:

Table -6-: the hidden costs resulting from the quality index lack at Chen Milk company for the year 2018

The Statement	Amounts(DA)
Produced units	170 215 355
Defective units	39 834
Defective production rate	0,02 %
Average unit selling price	75
The value of defective production	2 971 561
Units sold	170 751 771
Defective production rate from units sold	0,02 %
Value of production sold	12 737 967 067
Profit margin	10 %
Internal failure costs (missed opportunity)	**297 156**

Source : prepared by researchers based on company documents

- ***Clarifications:** the table has been prepared by following the following steps:

- Defective production rate is determined by dividing defective production by the number of units produced;
- The value of defective production is determined by multiplying the defective units x the average unitary selling price;
- The defective production rate of units sold is determined by dividing the defective production by the number of units sold;
- Internal failure costs (missed opportunity) are determined by multiplying the value of defective production x profit margin;

From the above table we note that the company has a total hidden cost in 2018 estimated at: 297 156 DA. It consists in internal failure costs as a result of the considered number of defective units.

3-6 Calculation of hidden costs resulting from the lack of productivity at Chin milk company

In order to maintain normal production volume and avoid productivity shortages,chin milk company has taken several measures, including increasing additional hours when needed, periodic maintenance, dividing tasks and determining responsibilities accurately, improving the physical climate of the work (ventilation, lighting, noise reduction....).

But despite all this, the company has not reached the production of everything expected during 2018, so we find it incurring hidden costs that can be summarized by preparing the following table:

Table -7-: Hidden Costs of an Index Lack of productivity in "Chin Milk" Company of 2018

The Statement	Amounts (DA)
Total actual production	170 215 355
Total expected production	180 000 000
Investigation ratio	94,56 %
Profit margin	10%
Difference (lost opportunity value)	**978 465**

Source : prepared by researchers based on company documents

Through the above table, we note that the company bears a total hidden cost in 2018, estimated at: 978,465 DA. it represents the lost opportunity cost of not achieving the entire expected production (lack of actual production compared to expected production).

Through all of the above, in order to further clarify the total hidden costs Which Borne by a company by "Chen Milk" in 2018, we prepare the following summary table:

Table -8-:Total hidden costs in "Chen Milk" Company of 2018

The Statement	Amounts (DA)
Total hidden costs resulting from absenteeism index	78 317 289
Total hidden costs resulting from the work accident index	557.550
Total hidden costs generated by the work turnover index	-
hidden costs resulting the work turnover index	978 465
hidden costs resulting from lack of productivity	297 156
hidden costs resulting from Allajodh Index	**80 150 460**

Source : Prepared by researchers

From the above table we note that the company bears a very subtle cost of 80 150 460 DA in 2018, as well as that the Absenteeism index has the most impact on total hidden costs at an estimated 97.71%.

Through the above, it can be argued that if the company were able to control the hidden cost indicators and, in particular, the absenteeism index, it would lead to a very significant amount economy, estimated at: In only one year, 80 150 460 DA affect the overall costs they bear, and from it control of hidden cost indicators thus effectively contributes to reducing the total costs of the company under study, which means accepting the main hypothesis of the research.

Conclusion

Most enterprises today face many types of competition among themselves, which has led them to seek ways and means to cope with that competition, impose themselves and remain in the market. these institutions have found that one of the most important to help them to achieve this is the process of customer satisfaction, through the production of products that meet their needs and desires and are at an acceptable level of quality, sophistication and costs. In order to control the latter and put pressure on them to reduce them to their minimum limits while maintaining the required levels of quality, the organization must look for ways and mechanisms that enable it to achieve this, so that it must not be

limited to only visible costs but also include even the invisible (hidden) costs that the accounting information systems have not been able to Prices and controlled is a source of value creation for the enterprise.

Through what has been dealt with in the theoretical and applied research was reached a number of results, the most important of which are the following:

- Hidden costs relate to corrections and adjustments for misoperation or imbalances, and these adjustments consume additional resources to reach the strategic goals of the enterprise;
- Hidden costs have no specific name, no proper tools to measure them, and are not subject to periodic control because most enterprise administrators are unaware of their existence;
- Some hidden costs are included in the apparent costs, such as absenteeism, the cost of which appears to be included in the calculation of user expenses if the absent workers are compensated by temporary workers;
- Discovering hidden costs helps in the search for solutions to achieve greater effectiveness;
- The calculation of hidden costs helps to determine the level of effectiveness of the organization, its identification means that there are differences between what is planned and what is actually realized;
- The hidden costs resulting from the absentee index represent 97.71% of the total hidden costs borne by the company in question, since its absenteeism rate is very high, which amounted to 16.29%, which made the company bear hidden costs in the cost of compensating the absentee worker as well as the social security costs of the Compensated worker;

In the light of the findings, some proposals could be included as follows:

- The need for attention to providing working conditions appropriate to the net work being a help to achieve better performance, higher productivity, raise morale of individuals, reduce work accidents, reduced absenteeism and reduced the proportion of defective products,... and other advantages that lead to reduced costs, especially Hidden Ones associated severe negative behaviors of individuals within the institution resulting from their dissatisfaction with the working conditions;
- The need to optimize the use of information that is the base of communication at various levels in order not to lead to a malfunction in the functionality and thus the emergence of hidden costs؛.
- The need for Algerian industrial enterprises to manage time in a scientific manner so that they achieve their goals on time؛
- The need to pay attention to training programs in order to increase the skill of workers and thus increase productivity on the one hand, and decrease work accidents and turnover in the enterprise on the other hand؛
- The company in question must use several methods, including training supervisors, physical or moral punishment, granting material or moral rewards in order to reduce its high rate of absenteeism.

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