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# ENHANCING PRODUCTION EFFICIENCY IN A HOME-BASED TEMPE CHIPS INDUSTRY

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#### Abstract

Management is the process of coordinating the resources owned by a company to achieve goals. Management has five functions, namely, planning, organizing, actuating, and controlling. Home industry is a company whose family members are directly involved in the ownership and position or function. Home Industry is characterized by the ownership or other involvement of two or more family members in the same role in the life and functioning of the business. This research was conducted to determine the application of production management for the tempe chips home industry, including: planning, organizing, actuating, and controlling, as well as the impact of the application of production management on the development of the tempe chips home industry. Based on the research results, the implementation of production management in the home industry has been running optimally as evidenced by the implementation of the four planning, management functions namely organizing, actuating/implementing and controlling. The impact of implementing production management on the development of this home industry is increasing profits, increasing orders, achieving production targets that can meet market needs, as well as the addition of networks that work together with the Berkah Jaya Tempe Chips Home Industry.

Keywords: Home Industry; Management; Production

#### Abstrak

Manajemen merupakan proses pengkoordinasian sumber daya yang dimiliki oleh sebuah prusahaan untuk mencapai tujuan. Manajemen mempunyai lima fungsi yaitu, planning, organizing, actuating ,dan controlling. Home industry adalah sebuah perusahaan yang anggota keluarganya secara langsung terlibat di dalam kepemilikan dan jabatan atau fungsi. Home Industry merupakan karakteristik dengan kepemilikan atau keterlibatan lainnya dari dua peran atau lebih anggota keluarga yang sama dalam kehidupan dan fungsi bisnisnya. Penelitian ini dilakukan untuk mengetahui penerapan manajemen produksi home industry keripik tempe berkah jaya meliputi: planning, organizing, actuating, dan controlling, serta dampak dari penerapan manajemen produksi terhadap perkembangan home industry keripik tempe berkah jaya. Berdasarkan hasil penelitian, penerapan manajemen produksi pada home industry sudah berjalan secara optimal dibuktikan dengan adanya penerapan empat fungsi manajemen yaitu perencanaan. pengorganisasian, penggerakan/pelaksanaan dan pengendalian. Dampak dari penerapan manajemen produksi terhadap perkembangan home industry ini adalah meningkatnya keuntungan yang diperoleh, meningkatnya pesanan, tercapainya target produksi yang dapat memenuhi kebutuhan pasar, serta adanya penambahan jaringan yang bekerja sama dengan home industry Keripik Tempe Berkah Jaya.

Katakunci: Home Industry; Manajemen; Produksi

#### A. INTRODUCTION

With the rapid advancement of science and technology, the modern economic world has developed very quickly. This has led to a high level of competition among companies to meet the needs of society as consumers for the goods produced by the companies. In this case, humans make various efforts to meet those needs. In order for a business to survive, a strategy is needed to maintain competitive advantage and increase revenue. by developing its products and improving quality for each customer. Therefore, Home Industry must provide a guarantee of production quality. This is a step that every company must take, especially in the type of Home Industry business. (Teguh, 2010).

The process of organizing the resources owned by a company to achieve specific goals is known as management. The functions of management itself are four, namely Planning, Organizing, Actuating, and Controlling.In a company, there is a product function to create types of products. Starting with the arrival of raw materials, then transformed into finished products using equipment, expertise, time, management, and so on. (Marselina dan Rokamah, 2022). Production activities are usually carried out by every industry. One example of an industry that engages in such activities is the home industry of tempeh chips called Berkah Jaya, located in Bangunrejo Village, Sukorejo District, Ponorogo Regency, where the production activity of this business is the production of tempeh chips.

The process of decision-making by the company to produce products efficiently and effectively is known as production management. Products with added value can be created through the production process. Finished goods, semi-finished goods, and services are the products produced. Productivity is usually described as the ratio of output to input, or the ratio of the production results obtained to the resources used, and is a key measure of production management performance. Productivity is defined as a measure of how resources are organized and used to achieve the desired results. (Herjanto, 1999).

Home Industry is defined as a company where family members are directly involved in ownership, positions, or functions. Men, Home industry is when two or more family members are involved in the activities and life of the business. Home industry is now starting to develop rapidly. Home industry encompasses all economic activities carried out by entrepreneurs from the lower economic class or small businesses such as home industries and crafts, and is also conducted by the community. (Handoko, 2012). The term home industry emphasizes its meaning with the word industry, which refers to the home, because everything related to economic activities is centered at home. According to its type, industry is divided into primary, secondary, and tertiary industries. (Emiliasari dan Kosmajadi, 2020). Home industry businesses indirectly create job opportunities for relatives or neighbors. Thus, this small business supports the government's program to reduce unemployment, which will automatically decrease the number of poor residents gradually. Local industries that usually start as family businesses, then are transferred and subsequently expanded, can benefit village residents as a source of livelihood. (Zuhri, 2013).

Production and operations management is one of the most important factors in improving a country's economy. Because good production control supports the sustainability of a business. (Chairuni, Makmur, dan Iskandar, 2022). Production management is very necessary for home industries to run smoothly. Production management plays a very important role because it organizes the process of transforming raw materials into finished products so that the products can be sold with a focus on quality. According to (Aziz, 2012), Management includes the coordination and supervision of work so that tasks can be carried out more effectively and efficiently. There are several things that need to be considered when carrying out the production process. One of them is preparing and cleaning the equipment that will be used during the production process. Until the production process is complete, prepare the raw materials as needed. Starting from peeling, frying, to packaging, all production processes are done manually. The home industry of tempeh chips, Berkah Jaya, maintains the quality of raw materials and cleanliness during the production process, ensuring that the products made are not hazardous, halal, and safe for consumption. The

Berkah Jaya home industry has several employees, who are neighbors living around the production site.

Production management and the growth of the home industry are interconnected or related to each other. A business is considered to be developing if it meets several criteria, such as increased profits, increased productivity, competitiveness, and good business ethics. This research aims to understand the application of production management in the home industry within the Keripik Tempe Berkah Jaya business. It includes planning, organizing, controlling, and controlling, as well as how the application of production management impacts the development of the Berkah Jaya home industry business.

#### B. METHOD

The type of method used in this research is qualitative research, which is a research procedure that produces descriptive data in the form of writings and behaviors that can be observed by the researcher. This qualitative approach is expected to produce an in-depth description of the speech, writing, and behavior that can be observed from an individual, group, society, or organization within a specific setting, studied from a holistic, comprehensive, and complete perspective. (Ruslan, 2010). The research approach used by the researcher in this study falls into the category of qualitative descriptive research, which aims to gather information about the status of an existing phenomenon, namely the condition of the phenomenon based on the reality at the time the research is conducted. (Suharsimi Arikunto, 2016). This research was conducted at the Home Industry Keripik Tempe Berkah Jaya located in Bangunrejo Village, Sukorejo District, Ponorogo Regency.

The data in this study consists of the implementation of production management in the Keripik Tempe Berkah Jaya home industry and the impact of production management implementation on the development of the home industry. Data sources are places, people, or objects where researchers observe, ask questions, or read about matters related to the research. First, primary sources are research data obtained directly from the source in the form of interviews and observations of an event in the field. The data produced in this research comes from interviews and observations with informants, namely the owner of the home industry Keripik Tempe Berkah Jaya and its employees. Second, secondary sources are data or information that can be obtained indirectly or through intermediaries. Secondary data is data obtained by researchers in the form of notes, documents, archives, books, and so on. The books and journals used to obtain the necessary data are books and journals that explain production management.(Nasution, 1996).

#### C. RESULT AND DISCUSION

#### Application of Production Management in the Home Industry of Keripik Tempe Berkah

The application of production management in the home industry of Keripik Tempe Berkah snacks is revealed through the implementation of production management functions. The functions of management in this study are planning, organizing, directing, and controlling. Here are the results from the interviews and observations conducted in the research:

### 1. Planning

The initial planning carried out by the home industry of tempeh chips, Berkah, begins with planning the products to be produced each month. Planning in terms of production targets is related to the use of raw materials that will be utilized. Thus, this will ensure that the raw material needs are met and can anticipate any potential shortages in the future. In this case, the product planning carried out by this home industry aims to be prepared in case there is an order for chips that comes in at any time.

Raw materials are the materials that form a part of the entire finished product. Raw materials processed in manufacturing companies can be obtained through local purchases, imports, or in-house processing. (Mulyadi, 2012). The main ingredient used is soybeans. The tempeh chips that will be produced will have many flavor variations such as original, balado, and spicy sambal. The procurement of raw materials is obtained not far from the production site. The raw materials used by this home industry for tempeh chips are obtained from the local community who sell their harvest, from the market, and from collectors.

Next, prepare the equipment that will be used in the tempeh chip production process. Production equipment is the medium used to process raw materials in the production process to become a product. (Zulyanti, 2016). Based on the interviews and observations conducted, the production equipment used in the tempeh chips production process consists of knives, trays, slicing tools, fire stoves, frying pans, frying equipment, and packaging plastic. The packaged tempeh chips will then be directly distributed according to orders, and the remaining ones will be stored as stock. The storage of these tempeh chips is carried out properly to ensure the quality of the tempeh chips is maintained.

## 2. Organizing

Organizing is a process in structuring an organization in accordance with the goals of the established organization, such as its resources and the surrounding environment. (Handoko, 2003). The organization of the home industry for tempeh chips currently does not have a written organizational structure and is still relatively simple, as Ms. Ismi directly leads the business herself. As for the organizational structure of this home industry, it is as follows:

| Owner                 | : Bu Ismi                              |  |
|-----------------------|--|--|
| Production department | : three people (Sulis, Marti & Partin) |  |
| Packaging department  | : two people (Yuntari & Lela)          |  |
| Delivery department   | : one person (Marwan)                  |  |

The relationship between the owner and the employees is very good and close. Additionally, the employees of this tempeh chips home industry live around Bu Ismi's production site. The organization of human resources is carried out according to the needs of the tempeh chips home industry, which consists of the production section, packaging section, and shipping section. The production process of this home industry starts from 08:00 AM to 03:00 PM WIB.

| No | Name    | Task       |
|----|---------|------------|
| 1  | Sulis   | Production |
| 2  | Marti   | Production |
| 3  | Partin  | Production |
| 4  | Yuntari | Packaging  |
| 5  | Lela    | Packaging  |
| 6  | Marwan  | Packaging  |

# Tabel 1. List of employees of the home industry tempeh chipsBerkah Jaya

A fair division of labor will enable this tempeh chip home industry to meet its daily production targets. Next is the distribution of employees, in this case, even though employees already have their own tasks, they can also perform the tasks of other employees if there is a vacancy, such as when an employee is absent or on leave. So that it does not cause a vacancy in the section and the production process can run smoothly and well.

Next, the authority that connects everyone in the organization and to whom a person is responsible for their work. In the home industry of tempeh chips Berkah Jaya, all employees are accountable to the leader, Mrs. Ismi. The organizing function carried out by the home industry of tempeh chips Berkah Jaya aligns with management function theory, as this home industry already has an organizational structure and has delegated tasks to its employees in the production process. Therefore, it can be said that the home industry of tempeh chips Berkah Jaya has effectively implemented the management function, specifically the organizing function.

## 3. Actuating

Movement is an activity directed at all group members to achieve goals in accordance with management planning and organizational efforts. In other words, actuating means moving people to work independently with their own awareness to achieve the desired goals. (Niswah dan Setiawan, 2021). In this case, Mrs. Ismi, as the head of the home industry, supervises and motivates employees to always carry out their tasks and work effectively and efficiently so that the goals of the business can be achieved. In addition, the leader also assigns tasks and provides explanations regarding the work that employees need to do, so that the employees know what they have to work on.In this case, the leader supervises and motivates employees to always perform their tasks well during the production process.

### 4. Controlling

Control is an activity that consists of observing everything done by subordinates to see if it aligns with the plans, orders, and principles established by the leadership. (Pratama, 2020). First is the control of raw materials. Raw materials are important in the production process because achieving the predetermined targets requires sufficient raw materials. In the production process of home industry tempeh chips, raw materials are obtained from the surrounding community, from the market, and from collectors. To prevent a shortage of raw materials, if there are excess raw materials during the production process, they are stored and can be processed to become stock.

Second is the control of waste from the production process. The waste produced is in the form of soybean husks. These soybean husks can be used as feed for livestock such as goats and cows. Coincidentally, the employees working in this home industry have goats at home, so they can take the soybean husks home.

Thirdly, there is product quality control, which is very important in a business, as well as for the people involved in an organization. Similarly, the home industry Keripik Tempe Berkah Jaya also pays great attention to the quality of its products, both in terms of taste, texture, and appropriate selling price.

The control functions implemented by the home industry Keripik Tempe Berkah Jaya are in accordance with the theory of production management functions, as this home industry has already performed well in controlling its production process, which includes raw material control, waste control from the production process, and product quality control.

# The Impact of Production Management Implementation on the Development of Home Industry

The implementation of production management has an impact on the development of every business, including the home industry Keripik Tempe Berkah Jaya. Based on the interview conducted with Mrs. Ismi, production management provides a significant contribution or change to the development of her business, from the production process to the distribution of the product to consumers. The existence of production targets that have been set to optimize raw materials so that the home industry can anticipate any potential shortage of raw materials in the future.

The products produced by the home industry Keripik Tempe Berkah Jaya already meet market needs. The products are distributed to nearby stores, especially in the Sukorejo District, traditional markets, and also receive orders from people organizing large events or celebrations. To anticipate sudden chip orders, the home industry Keripik Tempe Berkah Jaya conducts storage and stock preparation. The quality of this chip product is also highly regarded, aiming to determine whether the marketed product meets consumer tastes and needs.

Another impact of the implementation of production management is the increase in profits obtained by the home industry Keripik Tempe Berkah Jaya. This can be caused by the fulfillment of market demand, which can expand the network and be utilized for collaboration with the home industry Keripik Tempe Berkah Jaya. The distribution of this home industry product is still within the Ponorogo area, but even though the distribution coverage of this home industry product is limited to the Ponorogo region, the implementation of production management has resulted in an increasing number of orders received. It can be said that the implementation of production management role in the development of the Keripik Tempe Berkah Jaya home industry, as evidenced by the increase in networks and profits obtained. The application of production management in the home industry Keripik Tempe Berkah Jaya has already had a positive impact, as evidenced by the implementation of the four management functions: planning, organizing, directing/executing, and controlling.

## D. CONCLUSION

Based on the research results above, it can be concluded that the implementation of production management in the home industry Keripik Tempe Berkah Jaya has already applied the four management functions according to theory, namely planning, organizing, directing, and controlling. The impact of the implementation of production management on the development of the Keripik Tempe Berkah Jaya home industry is an increase in the profits obtained, an increase in orders, the achievement of production targets that can meet market needs, and the addition of networks that collaborate with the Keripik Tempe Berkah Jaya home industry. The Keripik Tempe Berkah Jaya home industry to boost production volume and prevent production bottlenecks if the raw material inventory is insufficient due to crop failures or other reasons, considering that raw materials are a very important factor that influences production volume. To achieve this, the home industry can add more soybean suppliers.

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