



**International Journal of Education, Social Studies,
And Management (IJESSM)**

e-ISSN : 2775-4154

Volume 5, Issue 1, February 2025

The International Journal of Education, Social Studies, and Management (IJESSM) is published 3 times a year (**February, Juny, November**).

Focus : Education, Social, Economy, Management, and Culture.

LINK : <http://lppipublishing.com/index.php/ijessm>

Operational Management for Business Production Processes

Hotbona Novandi Tambunan¹, Rio Haribowo², Akbar³, Musran Munizu⁴,
Saut Maruli Tua Pandiangan⁵

¹Politeknik Unggulan Cipta Mandiri, Indonesia

²Universitas Mulawarman, Indonesia

³Universitas Indonesia Timur, Indonesia

⁴Universitas Hasanuddin, Indonesia

⁵Politeknik Unggulan Cipta Mandiri, Indonesia

ABSTRACT

The purpose of this study is to provide an explanation of the theory of operational management related to the production process in a company. To achieve this goal, the research method used is a literature study approach and a theory development approach based on the work of Richar L. Darft on operational management and Jay Heizer and Barry Render on production. The data collection method uses documentation research. Data processing methods involve reducing, presenting, and drawing conclusions. The method for ensuring the validity of data uses source triangulation. The results of the study indicate that operational management is the process of managing and utilizing resources for the benefit of the company's work services, production is the process of producing goods and services desired by people who work in the company and operational production management is a way of utilizing resources owned to make products that are valuable to the company. This includes planning the production process, which means planning materials and the process of making products, organizing the production process, which means dividing equipment, materials, and labor, directing the production process, which means creating standard operating procedures and product quality, and controlling the production process, which means evaluating work and product results.

Operational Management, Production, Production Process.

ARTICLE INFO

Article history:
Received
10 November 2024
Revised
26 Desember 2024
Accepted
25 January 2024



Keywords
Corresponding
Author :

bonatbn911@gmail.com

INTRODUCTION

A company is a whole action carried out continuously to obtain income through trade, delivery of goods, or business agreements (Kurdhi et al., 2023; Sudirman et al., 2024). In addition, a company can be defined as a business entity that carries out operations in the economic field (finance, industry, and trade), which are carried out regularly or continuously, openly, and with the

aim of obtaining profit or gain (Mariani et al., 2023; Pandiangan et al., 2023; Tambunan et al., 2024).

The company operates to produce goods or services that are useful for the company and others. A product is anything that can be sold in the market to be purchased, used, or consumed in a way that can satisfy desires or needs (Ratnawita et al., 2023; Pandiangan et al., 2024; Pandiangan et al., 2025). The company is also responsible for meeting the needs of the community with the products it sells. Production is the process of making goods, both finished goods, semi-finished goods, industrial materials, spare parts, and components. In order to produce products that are needed by consumers, things related to the production process must be determined and needed. Therefore, when a company uses its resources to produce a product, the company must consider the quality of the production process as a whole.

The production process is considered quality if it meets the standards of the production process or product manufacturing operations. Production management is a series of processes for managing company resources needed to produce goods or services that will be offered to consumers (Gultom et al., 2024). Operational management functions include selecting products, processes, and equipment, selecting production units, planning tasks and jobs to be done by workers, and deciding what workers should do (Pandiangan, 2022; Pandiangan, 2023).

Operations management helps businesses understand how to manage operations with a contemporary approach, which will facilitate system analysis and improvement (Rusdiana, 2014). The production process running in the company can show good production and operational functions. Companies that can maximize this process can increase the demand for high-quality raw materials that are ready to be marketed, considering the quality and quality of raw materials for the future (Sudiro, 2013). The products produced have an impact if operational management runs well. All manufacturers now realize how important product quality is to meet customer expectations and increase customer satisfaction because product quality builds customer trust.

Based on the description above, the purpose of this study is to provide an explanation and description of the role of operational management in the production activities of a company's business. What distinguishes this study from others is that this study discusses the functions of operational management related to the production process in a company's business.

Operational Management

According to Richar L. Darft, operational management is a management activity that focuses on the production of goods and the use of special tools and

techniques to solve production problems (Rusdiana, 2014). Operational management can be applied to various industries such as factories, hospitals, universities, and others that work to produce goods and services. Organizing or helping businesses to make improvements that can improve customer service and reduce costs is known as operations management. Operations management can be defined as a series of production actions that involve making various products or services, from selecting raw materials to making finished products that are successfully delivered to customers. In addition, operations management can also be defined as the activity of organizing and coordinating the use of various resources effectively and efficiently in an effort to make products or increase their usefulness. This activity includes selecting and designing products, processes, and equipment, selecting the location of the company and its production units, designing layouts, designing tasks and jobs, and developing production strategies and selecting capacities (Efendi et al., 2019). Operations management is the process by which a company uses resources and processes them to produce finished goods or services. Managers must be responsible for this process to ensure that there are no problems that interfere with the operational process. So, based on several definitions, operations management is the way a company uses all its resources to carry out operational activities to achieve good company performance during the product manufacturing process. With its emergence in the 1970s, operations management aims to improve economic efficiency in the production of goods and services, ensure high-quality products, fast distribution processes, and enable production equipment to be used immediately to produce other products. In today's era of globalization, operations management helps speed up and effectively produce, improve physical quality and design, reduce lead times, and increase production capacity to meet demand. In its application, operations management has five responsibilities. The first is the responsibility to ensure the physical production process, which includes selecting the type of process, selecting technology, analyzing process flow, determining the location and layout of facilities, and handling materials. The second is the responsibility for long-term, medium-term, and short-term capacity, as well as the capacity for long-term, medium-term, and short-term operations. The third is responsible for inventory, which means he is responsible for the logistics system from purchasing to storing raw materials, work in process, and finished products. The fourth is responsible for labor, which means he must design and manage operations ranging from labor design and allocation, labor measurement, increasing productivity, paying compensation, and creating a

safe work environment. Fifth, be responsible for quality, especially regarding the quality of goods and services produced.

Production

According to Heizer and Render, production is the process of making, making, and making a product by utilizing several inputs or inputs to produce the value of goods or services by changing inputs into outputs (Putri, 2022). Production is the process of making goods and increasing their usefulness by utilizing available production factors. Increasing the usefulness of an item is the goal of the production process. This can be achieved by adding benefits to the goods, either by adding completely new benefits or by improving existing benefits. Based on the results, it can be concluded that production is the process of producing goods or services by a company by processing materials. The function of production is to directly show the relationship between production factors and production results. It can also identify the relationship between the variables described and the explanatory variables. The purpose of production is to achieve maximum profit, self-sufficiency and family life, not relying on others to work, protecting property and developing it, exploring economic resources and preparing them for use, and liberation from the shackles of economic dependence. Production must be in accordance with religious, social, and state laws, must meet needs; must consider justice, social, zakat, alms, infak, and waqf; must manage natural resources optimally, not wastefully, not excessively, and not damaging the environment. In addition, profits must be distributed fairly between owners, managers, management, and employees. Availability of natural resources, human resource performance, availability of capital, organizational bureaucracy, technology, and raw materials are some of the factors that influence the production process.

RESEARCH METHOD

Qualitative research is a method used to explain research results in detail and clearly in short, concise, and easy-to-understand texts or words. Richard L. Darft's theory of operational management and Jay Heizer and Barry Render's theory of production became the inspiration for the qualitative approach of this research, namely literature study, which means collecting several facts or concepts (Lumbanraja et al., 2024; Yoppy et al., 2023). The main source of this research is literature, such as books, articles, journals, and others (Pandiangan, 2024; Pandiangan et al., 2024; Sihombing et al., 2024; Wijaya et al., 2023). In this study, the data collection method is documentation, which means collecting a number of written documents, especially articles, books, journals, or websites that discuss operational management in the company's production process.

The data processing method used in this study is as follows:

1. Data is reduced by collecting focused readings on operational and production management theory.
2. Data is presented in the form of short, straightforward, and clear writing.
3. Drawing conclusions. After the data is reduced and presented in written form, the next step is to conclude the results of the research data processing as actual data. To obtain valid data, this literature study research uses source triangulation techniques, which means comparing research results from various sources to obtain valid data.

RESULT AND DISCUSSION

Based on the previous definition of operational and production management, operational management in the production process can be defined as a series of management activities carried out by the company by using all the resources it has to produce certain products, either goods or services, which are valuable and valuable for the company's survival in the future. According to Richard L. Darft, the following are operational management activities in the production process:

Production Process Planning

The company can plan the materials to be produced and plan the processing process through the production process planning process. Production planning is the process of determining the level of manufacturing output to meet the desired sales and inventory levels and so that the production process is in accordance with market demand and production capacity. Forecasting demand and potential increases or decreases in sales can be overcome with proper production planning. Production planning is the same as planning. Production planning is carried out to meet market demand and control product stock in order to reduce production costs. This is also done to optimize the production process to reduce costs. The production manager is responsible for deciding and setting the scheduling and choosing the right, optimal, and economical work paths and sequences of operations. The main purpose of production planning is to determine the most economical sequence of operations. Production planning has several objectives, including achieving a certain level of profit, mastering a certain market, ensuring that the company can operate efficiently, ensuring that existing jobs and employment opportunities remain and grow, and effectively using existing facilities in the company.

Organizing the Production Process

The process of grouping the resources needed during the production process, such as dividing the equipment to be used, the materials needed, and the workforce, is known as organizing the production process. This organizing process is characterized by the existence of an organizational structure in the production division that has been clearly created by the company so that the allocation of existing resources can be carried out smoothly, and the division of labor. Production organization must be carried out openly and directly in the company so that employees know directly what they have to do and what must be completed in one day. In this way, employees can know directly what they have to do and who has to do it. This activity is characterized by efforts to increase output through the division of labor, or the division of labor, so that production can be carried out more efficiently and effectively, which allows for better levels and quality of production. With good management, work that was originally concentrated on one party can be distributed to be handled by another party, so that the work can be completed quickly and on time. Organizing is the process of collecting and arranging all the necessary resources, including production workers, so that the desired work can be carried out successfully. By organizing, people are united in carrying out interrelated tasks. For the production process, organizing must have an organizational structure and determine the division of employee labor.

Production Process Direction

The process of instructing employees to work according to the specified standards to produce the expected product is the third direction of the production process. This can be achieved by creating standard operating procedures and quality standards for the products to be produced. To organize activities in a coordinated manner, a company must establish standard operating procedures and work instructions that explain in detail what the production division must do. These standard operating procedures must be given to all workers through daily meetings, or briefings, before they start work. The direction is carried out to find out employee performance to find out any errors in production implementation that may occur, both from employees and from production equipment. The leader will reprimand employees who make mistakes. The purpose of the production process direction is to find ways to produce goods and services that can meet customer needs and product specifications in the context of cost constraints and other management limitations. This direction process will have a long-term impact on production efficiency, cost flexibility, and the quality produced. Direction is the process of influencing employees to carry out their responsibilities with full awareness

and high productivity which is carried out to integrate the efforts of group members so that through their tasks, personal and group goals can be met. According to the director, a subordinate will be motivated to do something if: he feels confident that he will be able to do it, he believes that the work will benefit him, he is not burdened with personal problems or other more important tasks, and he has a positive relationship with each other.

Production Process Control

Production process control is an activity to ensure that the production process runs well and produces good products, which can be achieved by always reviewing performance and production results. Standard operating procedures that have been created by the company can be used to find out how efficient its production performance is, which can be seen from the standard working hours set by the company or even its own production standards by utilizing production machines. The process carried out to ensure that the entire series of activities that have been planned are organized and implemented can run according to the expected target even though there are changes in the business environment faced is known as control. The purpose of production process control is to find out how far the order processing process has progressed, to find out how much capacity has not been used, to find out how much material is used, and to find out how much material is available. The production manager in production control must monitor and control production by checking the plans that will be carried out and the plans that are not carried out. They must also compare actual production with the plan and find any deviations in order to correct problems in the production process such as material handling and assembly, from the initial stage to the final stage. If sedimentation occurs, production control will be ineffective.

CONCLUSION

Production management must be applied appropriately and measurably in a company that produces products. The goal is to ensure that the quality of the process of producing the product itself is guaranteed, both in terms of the work process and the product. Therefore, this theoretical study aims to provide an explanation of operational management as part of the production process of goods and services carried out by the company. Production is the process of converting materials into products that are useful for others, while operational management is the process of utilizing all company resources to produce products. However, operational management of production is an approach used by companies to utilize the various resources they have to produce or produce goods or services that are useful for others or society. To do this, the

company first plans the production process, namely planning the materials to be used and the production process to be carried out, and both organize the production process by familiarizing themselves with the materials to be used.

Suggestions that can be given are for other researchers, especially theoretical researchers, to conduct field research similar to this study. The purpose of doing this is to show how this operational management theory is applied in business. This will allow researchers to evaluate the relevance of the current research.

REFERENCES

- Efendi, S., Pratiknyo, D., & Sugiono, E. (2019). *Manajemen Operasional*. Jakarta: LPUUNAS.
- Fransisco, F., Prasetyo, K., Surya, S., Hutahean, T. F., & Pandiangan, S. M. T. (2024). Faktor-Faktor Fundamental Terhadap Earning Per Share Pada Perusahaan Perbankan BUMN. *Journal of Economic, Bussines and Accounting (COSTING)*, 7(3), 5837-5844.
- Gultom, J. A., Sinurat, W., Silitonga, M., & Harahap, E. F. (2024). EFFECT OF PROBLEM-BASED LEARNING MODEL ON LEARNING MOTIVATION IN QUALITY CONTROL COURSE. *EDUMASPUL: JURNAL PENDIDIKAN*, 8(1), 1817-1824.
- Gultom, J. A., Pandiangan, S. M. T., Silitonga, M., Sinurat, W., & Naibaho, R. (2024). PENGARUH PELATIHAN KERJA KARYAWAN TERHADAP PENINGKATAN KUALITAS PRODUK. *ATDS SAINTECH JOURNAL OF ENGINEERING*, 5(1), 14-18.
- Kurdhi, N. A., Sunarta, D. A., SH, M., Nur, N., Jenita, S. E., Hatta, I. H. R., ... & Rahman, A. (2023). *Statistika Ekonomi*. Cendikia Mulia Mandiri.
- Lumbanraja, P. C., Lumbanraja, P. L., & Pandiangan, S. M. T. (2024). Covid-19 Pandemic: Is there any impact on the Agribusiness Index?. *Research of Finance and Banking*, 2(2), 87-96.
- Mariani Alimuddin, S. E., Jana Sandra, S. E., Sarce Babra Awom, S. E., Pandiangan, S. M. T., Solehudin, M. M., Ahmad, S. E., ... & SE, M. (2023). *Pengantar Ekonomika*. Cendikia Mulia Mandiri.
- Pandiangan, S. M. T. (2024). Effect of Income and Expenditure on Foreign Visitors at Indonesian Commercial Tourist Attractions. *Journal of Social Responsibility, Tourism, and Hospitality (JSRTH)*, 4(2), 1-7.
- Pandiangan, S. M. T., Gultom, J. A., Ariani, D., Dharmawan, D., & Butar-Butar, R. S. (2023). Effect of Problem-Based Learning Model on Learning Outcomes in Microeconomic Course. *Edumaspul: Jurnal Pendidikan*, 7(2), 5572-5575.

- Putri, V. K. M. (2022). 6 Definisi Manajemen Produksi Menurut Para Ahli. [kompas.com.https://www.kompas.com/skola/read/2022/12/06/090000069/6definisimanajemen-produksi-menurut-para-ahli?page=all](https://www.kompas.com/skola/read/2022/12/06/090000069/6definisimanajemen-produksi-menurut-para-ahli?page=all).
- Ratnawita, P., Tua, S. M., Pratomo, A. B., Saputra, E. K., & Nuryanto, U. W. (2023). Analysis of the Experience of Teachers on Student Achievement in Economics at Private High School. *Edumaspul. Jurnal Pendidikan*, 7(1), 522-526.
- Rusdiana. (2014). *Manajemen Operasi*. Bandung: CV. Pustaka Setia.
- Sihombing, R. S. Z., Tutik, D. W., Nathalie, N., Hutahean, T. F., & Pandiangan, S. M. T. (2024). Analisis Rasio Likuiditas, Solvabilitas, Aktivitas, Pertumbuhan Dan Profitabilitas Terhadap Earning Per Share Terhadap PT. Bank BRI Tbk Pada Tahun 2018-2021. *Journal of Economic, Bussines and Accounting (COSTING)*, 7(4), 8085-8093.
- Sudirman, S., Taryana, T., Suprihartini, Y., Maulida, E., & Pandiangan, S. M. T. (2023). Effect of Lecturer Service Quality and Infrastructure Quality on Student Satisfaction. *Journal of Innovation Research and Knowledge*, 2(9), 3577-3582.
- Sudiro, R. C. (2013). Manajemen dan Pengembangan Fungsi Produksi dan Operasional pada Usaha Pengolahan Bahan Kimia PT. X di Gresik. *Agora*, 1(1), 1-10.
- Tambunan, H. N., Pandiangan, S. M. T., & Candra, S. Mei Veronika Sri Endang, & Hendarti, Ricca.(2024). Upaya Peningkatan Perekonomian dengan Memanfaatkan Potensi Ibu Rumah Tangga di Era Digital pada Kelurahan Durian, Kecamatan Medan Timur. *E-Amal: Jurnal Pengabdian kepada Masyarakat*, 4 (1), 1-6.
- Tambunan, H. N., & Pandiangan, S. M. T. (2024). Pengaruh Kegunaan Manajemen Sumber Daya Manusia (MSDM) dalam Meningkatkan Kinerja Organisasi. *AKADEMIK: Jurnal Mahasiswa Humanis*, 4(2), 650-658.
- Wijaya, A., Hutahean, T. F., & Pandiangan, S. M. T. (2024). PENGARUH FEE AUDIT, AUDIT TENURE, REPUTASI AUDITOR, KOMITE AUDIT, DAN ROTASI AUDIT TERHADAP KUALITAS AUDIT PADA PERUSAHAAN MANUFAKTUR YANG TERDAFTAR DI BURSA EFEK INDONESIA PERIODE 2019-2022. *Journal of Economic, Bussines and Accounting (COSTING)*, 7(5), 4426-4438.
- Yoppy, I., Hartono, I. A., Hutahaeen, T. F., & Pandiangan, S. M. T. (2023). Influence Profitability, Policy debt, Policy Dividend, Investment Decision, And Firm Size to Company Value Manufacture Sub Sector Food And Drink Which Registered In the Indonesian Stock Exchange. *International Journal of Economics Social and Technology*, 2(3), 175-183.