

# CHAPTER I

## INTRODUCTION

### 1.1 Background

The development of the manufacturing industry in Indonesia requires industry players to continue to improve the quality of services and products in order to be able to compete with others. At this time consumers are very selective in choosing the product they need, in terms of benefits and costs. Quality products at low prices and punctuality in accordance with the time of demand absolutely must be met when the company wants to survive in market competition. A production system must be supported by the right production strategy so that the company's performance runs optimally and efficiently. For this reason, the company needs to conduct a special evaluation of the production process this it is sustainable. In manufacturing companies, non-value-added or wasteful activities will result in higher use of resources ranging from energy, human resources, and time. Waste is all work activities that do not provide added value in the process of transforming inputs into outputs along the product flow (Gasperz, 2011)

Through quality control, it is hoped that the company can improve the effectiveness of control in preventing the occurrence of defective products so that it can reduce the occurrence of waste in terms of material and labor which can ultimately increase productivity. Quality problems have led to the point and strategy of the company as a whole in order to be competitive and survive against global competition with other companies' products (La Hatani, 2007). Quality can be interpreted as the level or measure of the suitability of a product with its users, in a narrow sense quality is defined as the level of conformity of the product with the standards that have been set. (Juita Alisjahbana, 2005). Quality will result from a good process and in accordance with predetermined quality standards based on market needs.

Quality control of the production process is an activity of planning and supervising the production process, starting from raw materials that have not been processed at all, until these materials are turned into finished products that comply with the standards set has been set by the company. If the product produced by the company is not in accordance with the standards that have been set, then the product is included in the group of defective products. The defective product will later be analyzed by the company for the causes of the defect, and later the results of the analysis will be used as a guide as well as learning so that the company will not make the same mistake and avoid these mistakes as much as possible so that the production process runs better and of course with higher quality. Minimizing defects is an effort that must be carried out continuously in terms of improving the quality of a product (Rachman, 2017).

To maintain the quality of a product, the company must pay more, which is called the cost of quality. Quality costs according to (Hansen and Mowen, 2009) are costs that arise because there may or have been products of poor quality. PT. Panca Eka Bina Plywood Industri (PT. PEBPI) Factory Unit is a company engaged in processing forest products in the form of plywood. There are 2 consumer bases served by this company covering the domestic market and export markets including Korea, Singapore, Malaysia, the Netherlands, India and so on. It can be said that the production of PT. Panca Eka Bina Plywood Industry (PT. PEBPI) depends on its customers.

Although the company has tried to control product quality, some problems in the production process have not been optimally resolved, for example, there are some products that are defective or do not meet the company's quality standards. If the defective product is not handled properly then in the future this will be bad for the company. Therefore, it is necessary to have more detailed quality control efforts in each Plywood production process at PT. Panca Eka Bina Plywood.

## **1.2 Formulation of the Problem**

With the background and description of the problem, the formulation of the problem in this study is "How to control product quality in the production process carried out at PT. Panca Eka Bina Plywood?"

## **1.3 Purpose of the Study**

From the formulation of the problem above, the research wants to do this research with the aim of:

1. To analyze product quality control in the production process that carried out at PT. Panca Eka Bina Plywood.
2. To find the barriers to product quality control at PT. Panca Eka Bina Plywood.
3. To find out if there are deviations from product quality standards at PT. Panca Eka Bina Plywood.
4. To find solutions to problems faced in quality control product

## **1.4 Significance of the Study**

The benefits to be achieved in the research entitled “Product Quality Control in the Plywood Production Process in PT. Panca Eka Bina Plywood Industry”, these are as follows:

### **1.4.1. Researcher**

The benefits obtained in this final project research include:

1. To obtain a direct picture of the implementation of production process control and product quality control is carried out in real terms by the company.
2. To add and apply the knowledge gained, especially in the field of production management and operations regarding product quality control.

### **1.4.2 Company**

It is expected to be information and can be taken into consideration for company decision making as well as provide solutions to solve problems faced by the company.

### **1.5 Research Limitations**

Limitations the research in this study, limited the problem so that the discussion is carried out efficiently and the results obtained are effective according to the objectives. The following are the problem boundaries defined: The design that will be made is regarding product quality control in the production process so that things outside the production system are not taken into account, for example financing analysis and information technology.

### **1.6 Writing System**

In order for the writing of this thesis report to be systematic and neatly structures, a systematic report writing is required. The following is the systematic of thesis report writing:

#### **CHAPTER 1 : INTRODUCTION**

In this chapter explains the background of the problem, the formulation of the problem, the study objectives, the benefits of the study, the scope of the study and the limitations of the problem as well as the systematic writing of reports.

#### **CHAPTER 2 : LITERATURE REVIEW**

In this chapter describes the literature review and the basis of the previous theory that will be used in the completion of the study.

#### **CHAPTER 3 : METHODOLOGY OF RESEARCH**

In this chapter will explain the implementation plan, starting from the location, time and object of study, types

and sources of data, data analysis methods, types of study, study schedule and budget.

**CHAPTER 4 : RESULTS AND DISCUSSION**

In this chapter will explain the results and discussion of study

**CHAPTER 5 : CONCLUSIONS AND SUGGESTIONS**

In this chapter will explain the conclusions and suggestions of the study carried out

**REFERENCES**

**APPENDICES**

