

IMPLEMENTATION OF PRODUCTION MANAGEMENT IN AN EFFORT TO INCREASE MSME INCOME (NASHA PRODUCT BALIKPAPAN)

Mahfudnurnajamuddin ^{1*}, Nur Alam ¹, Andi Muhammad Adib Asharil ¹

¹Muslim University of Indonesia

Article Info

Article history:

Received February 2 , 2026

Revised February 8 , 2026

Accepted February 8 , 2026

Keywords:

Production Management, MSMEs, Business Income, Production Efficiency, Productivity, Business Performance

ABSTRACT

Production management is the process of making decisions efficiently and effectively. The purpose of this study is to examine the implementation of four management functions in the Nasha Product MSME, which has significant potential for continued growth. Data collection techniques were conducted through direct interviews with the business owner and observations through social media. The analysis technique used was descriptive analysis. The results of the study indicate that the four management functions of planning, organizing, directing, and controlling have been implemented by the Nasha Product MSME, however, the organizing and controlling functions have not been implemented optimally.

This is an open access article under the [CC BY-SA](#) license.

Corresponding Author:

Mahfudnurnajamuddin | Muslim University of Indonesia

Email: mahfud.nurnajamuddin@umi.ac.id

1. INTRODUCTION

Government Regulation (PP) Number 7 of 2021 explains that Micro, Small, and Medium Enterprises (MSMEs) are productive businesses established and owned by individuals and/or sole proprietorships. Businesses established and owned by individuals are better able to absorb labor even in remote areas. This significantly helps people earn income without having to migrate to large cities. Furthermore, MSMEs are better able to adapt to the environment in which their products are produced. Therefore, MSMEs can support economic progress in Indonesia. However, MSMEs face challenges such as production quality and budget efficiency, which determine their competitiveness with larger companies and even imported products. Therefore, the lack of sound production management can hinder the development of MSMEs.

Good production management occurs when management functions are implemented effectively. According to Karyoto (2021), there are four management functions: 1) planning; 2) organizing; 3) directing; and 4) controlling. These four functions are interrelated and can support the development of MSMEs. Therefore, this study was conducted to examine the application of production management at the Nasya Produk Balikpapan MSME, a privately owned business supported by the Ministry of Industry.

Nasya Produk Balikpapan MSME is an individually owned business founded in 2020. To date, the MSME has produced bakery products and ready-to-eat foods such as onion sticks, onion chips, onion chili sauce, salted fish chili sauce, and anchovy and peanut sambal. These products have official legality in the form of NIB, P-IRT, and halal certification. This MSME has a great opportunity to continue growing with support from the DKUMKMP office and Rumah BUMN Pertamina Balikpapan as its fostered MSME.



This research is in line with the research conducted by Patmarina et al. (2023) who analyzed the implementation of " *Home Industry Production Management in an Effort to Maintain the Existence of Efrata Cheese Stick Products* ". The study revealed that the implementation of the four management functions had been carried out, but there were two functions that were not optimal, namely the directing function and the controlling function. This certainly impacted the production results of Efrata Cheese Stick products. The research by Patmarina et al. (2023) differs from this research. This research focuses on businesses established and owned by individuals in the Balikpapan area. The research is expected to be able to analyze the overall management functions so that it can provide an overview for business actors in making effective and efficient decisions and policies to support the development of the business itself.

2. LIBRARY REVIEW

MSMEs

Government Regulation (PP) number 7 of 2021 classifies micro, small, and macro businesses. Micro Businesses are productive businesses owned by individuals and/or individual business entities that meet the criteria for Micro Businesses as regulated in this Government Regulation. Then, Small Businesses are independent productive economic enterprises, carried out by individuals or business entities that are not subsidiaries or branches of companies owned, controlled, or are part of either directly or indirectly a Medium Business or large business that meets the criteria for Small Businesses as referred to in the government regulation. Meanwhile, Medium Businesses are independent productive economic enterprises, carried out by individuals or business entities that are not subsidiaries or branches of companies owned, controlled, or are part of either directly or indirectly a Small Business or large business that meets the criteria for Medium Businesses as regulated in this government regulation.

Production Management

Management is the decision-making process related to planning, coordination, and control carried out to achieve company goals (Handoko, 2017). Management is essential in any business, whether individual or industrial. Production management is a process carried out by business actors to achieve company goals accurately and within predetermined targets, such as on-time delivery, good product quality, and accurate cost calculations based on management science (Aladin et al., 2020).

Then, Karyoto (2021; 9-12), said that there are 4 management functions:

1. Planning

Planning is applied to determine the goals to be achieved and the activities to be undertaken to achieve them. A company with a good plan can achieve its goals effectively and efficiently.

2. Organizing (*Organizing*)

Organizing is applied to group work into various activities. By grouping tasks, workers can clearly understand the tasks they must complete.

3. Actuating

Actuating or directing is applied to influence workers so that they are enthusiastic about working, so that they can provide good results and in accordance with the company's expectations.

4. Controlling

Controlling is implemented as an effort to prevent or prevent errors in work that negatively impact results. Management can exercise control by overseeing all company activities to inform decision-making.

3. RESEARCH METHODS

This study used a qualitative method that produced descriptive data in the form of writing and behavior that could be observed by the researcher. The researcher acted as the primary instrument in qualitative research, combined data collection techniques, and qualitative research results emphasized meaning (Sugiyono, 2021; 18). The variables measured included planning, organizing, directing, and controlling. This research was conducted at the Nasha Product Balikpapan MSME, Jl. Brantas 9 No. 148 RT. 36, Batu Ampar, North Balikpapan.

The data in this study comprises the implementation of four management functions at the Nasha Product Balikpapan MSME and the impact of production management implementation on its development. The data source comes from the MSME owner, Rahmaniar, and was obtained through interviews and observations of MSME advertisements on social media.

4. DISCUSSION RESULTS

Nasha Product was founded in 2020 and strives to grow into a larger MSME. Nasha Products offers several products, including onion sticks, onion chili sauce, and brow chips. All products have a NIB (National Business Registration Certificate), P-IRT (Property Identification Number), and halal certification.

Planning

Nasha Product's first step in planning is analyzing market demand and predicting production needs. Nasha Product's planning includes analyzing market demand, setting production goals, planning raw materials, scheduling production, and then monitoring production.

- 1) Market demand analysis is carried out by analyzing sales in the previous month, then looking at market trends and production competition.
- 2) Production targets are determined based on market demand analysis. Nasha Product sets monthly production targets, including production volume, product type, and delivery date.
- 3) Raw material planning is done by ordering the required raw materials including onions, chilies and other ingredients.
- 4) Production scheduling is done by creating a detailed schedule, including production date, production time, and production quantity.
- 5) Product monitoring is carried out to ensure that the products produced meet high quality standards.

Example of Nasha product's monthly production planning for chili sauce: 1) January; production of 200 bottles of chili sauce, with a sales target of 160 bottles; 2) February; production of 250 bottles of chili sauce, with a sales target of 200 bottles; 3) and, March: production of 300 bottles of chili sauce with a sales target of 240 bottles. Then, Nasha product also regularly monitors the stock of finished products and raw materials to ensure that they still have stock to meet market demand. However, production planning can change depending on the market situation and conditions. And they are always ready to make adjustments to production planning if necessary.

Organizing (*Organizing*)

The Nasha Product MSME organizes its production process by involving several people. However, these people are not permanent employees. Only the owner and her husband are permanent employees of the MSME. Furthermore, everything is determined by the owner, such as the availability of raw materials, which are purchased directly from the seller in a production-ready state, eliminating the need for additional personnel to prepare them. This applies to the procurement process for raw materials such as onions and chilies, which are purchased ready to be processed. Furthermore, in the packaging section, the owner usually involves local women for this process, but only on a *freelance* basis and not on a permanent basis. Seeing this, it can be concluded that the organizational process at the Nasha Product MSME has been carried out but is not optimal because it is not permanent, so the owner, Mrs. Rahmaniar, still has to be directly involved in managing production, etc.

Actuating

Mrs. Rahmaniar, the owner of Nasha Product, is directly involved in handling production. Although Mrs. Rahmaniar and her husband are still permanent employees at the SME, the owner still ensures and provides direction to her husband and third parties if there are any differences in the raw material stock process from the standard. In addition to direct supervision, the owner provides direct feedback to her husband and third parties, so that any problems can be resolved quickly and if work and production targets are achieved,

they can provide proper appreciation. Thus, the implementation of the direction function at the Nasha Product SME is carried out optimally by the owner herself.

Controlling

Control is carried out by Mrs. Rahmaniar in several parts; 1) employee control; 2) raw material control; 3) product quality control; First, the owner can control herself and her husband in the production process. Then, the owner often involves mothers around her house in the packaging process. However, this is *freelance* and not included in the category of permanent employees. Second, the owner controls raw materials by monitoring quality, testing raw materials, storing raw materials properly, and monitoring stock. The owner may experience difficulties in the raw material control stage. These difficulties are in the form of quite large risks by involving third parties (chili and onion sellers) who provide raw materials. This occurs because the owner cannot immediately provide input if there is a difference in the quality of raw materials. Finally, third, production quality control is carried out by monitoring the production process, product testing, product delivery, and product quality control.

Owner Ms. Rahmaniar continues to maintain effective control. However, the risk of raw material control is still limited because third parties (chili and onion sellers) are not permanent employees. Therefore, the owner cannot yet exert comprehensive control.

Conclusion

The owner of the Nasha Product MSME has implemented all four production management functions. However, the organization and control of raw materials are not yet optimal due to the lack of permanent employees in their respective fields.

Suggestion

Nasha Product is an MSME fostered by the Department of Cooperatives and SMEs (DKUMKMP) and the state-owned enterprise Pertamina Balikpapan. Therefore, this business has significant potential for future growth. The author offers the following advice to MSME owners:

1. Organize by recruiting employees and assigning them to their respective fields. Organization can help ensure a more focused production process.
2. Recruiting permanent employees to provide raw materials can make the owner more capable of controlling the quality of incoming raw materials.
3. Maintaining the implementation of other management functions that have been carried out in the form of planning and directing management.

5. REFERENCES

- Aladin, A., Modding, B., Syarief, T., & Wiyani, L. (2020). Production Management and Marketing of Tofu Kuring Products in the Makassar Tofu Kuring Home Industry. *Journal of Community Service Dynamics (JDP)*, 6 (1), 141–149.
- Handoko, TH (2017a). *Management*. Bpfee-Yogyakarta.

- Hepiana Patmarina(1)*, Nuris Sanida(1), Moh Oktaviannur (2). (2023). Analysis of Home Industry Production Management in an Effort to Maintain the Existence of Efrata Cheese Stick Products. *Journal of Financial Economics and Business*. Vol. 8. No. 2
- Karyoto. (2021). *Fundamentals of Business Management* . Publisher Deepublish.
- Maulana, R., Muliadi, & Lidiana. (2022). Smart Training for Educating Children Amidst the Government's Independent Student Learning Program Due to the Pandemic in Sukajaya Muara Tiga Pidie Aceh. *Janaka Journal of Community Service*, 4(2), 80–86. Retrieved from <https://ejournal.staidapondokkrempyang.ac.id/index.php/janaka/article/view/203>
- Government Regulation of the Republic of Indonesia Number 7 of 2021
- Riyan Maulana, & Fedri Rasulul Iman. (2022). WEB-BASED DESIGN OF NEW STUDENT ADMISSION INFORMATION SYSTEM AT PUNGKIE STATE ELEMENTARY SCHOOL, KAWAI XVI DISTRICT, WEST ACEH. *Journal of Informatic, Education and Management (JIEM)*, 4(2), 1-8. <https://doi.org/10.61992/jiem.v4i2.48>
- Sugiyono. (2021). *Quantitative, Qualitative, and R&D Research Methods* . Alfabeta Publisher.
- Ulfah Irani Z, Riyan Maulana, Syarifuddin, Rizaldi Akbar, & Rita Zahara. (2022). Teaching Factory as Part of Edupreneurship: Vocational School Revitalization Strategy Through Technopark. *Progressive Research Journal*, 1(1), 67-78. <https://doi.org/10.61992/jpp.v1i1.52>