

# **CHAPTER I**

## **INTRODUCTION**

### **A. Background**

The increasingly fierce business competition at this time, especially after the country experienced a prolonged economic crisis, many companies continue to strive to continue to exist in their business fields, both in products and services. The thing that needs to be considered by the company is to strive to improve the quality of goods/services or find new goods/services.

There are at least three basic things that greatly affect the level of success of a product or service in the market, namely price, availability, and quality. Consumers as an important part of the company's survival must always be satisfied and fulfilled their expectations before, they move on to other competitors.

The company will be successful and able to compete in the market if the level of customer satisfaction with the use of its products and services is high enough. The price and availability factors are only transient features, meaning that the effect does not last long after the transaction occurs. It is different from quality, which has quite a long influence and implications because the quality of a product is determined by the level of success of using the product during its use (Rudy & Pd, 2012).

To maintain product quality, companies need to carry out supervision/control on product quality which is one part that cannot be separated from production supervision. In this case, the company will continue to improve the monitoring process. Quality control in question is a process to measure output relative to a standard and take corrective action if there is an output that does not meet the

standard. If the control results are acceptable, then no further action is required. Meanwhile, if the results are not acceptable, then corrective action must be taken. All of these actions are taken to provide quality assurance for the output produced from the process (Assauri, 2016). The quality control process does not only take place on the final product but also begins when the raw materials enter the warehouse, from the production process to the final product.

When the company does quality control, the cause of defective products can be tracked and more transparent. It is in line with the previous study done by Devani, V., & Wahyuni in 2017. The research aims to analyze paper product defects and the causes of defects using statistical process control. The result of this research shows that the main factors causing defects in products are: unscheduled maintenance, new operators who do not understand the machine, operators who enter data incorrectly, lack of training from the company, not yet optimal implementation of Standard Operating Procedures (SOP), and cold room temperatures so that the workspace becomes moist. The other study that explains quality control is the study of Elmas in 2017. The study aims to determine the Statistical Quality Control (SQC) method with engineering control charts and causal diagrams applied by the Barokah Bakery company in quality control to minimize product failure. The result of this study shows that the cause of product failure in Baroka Company is Human Error.

A product is made through a processing process from raw materials into semi-finished goods based on the quality created. The production process occurs because of the interaction between various production factors such as inputs (raw materials, labor, machines) that work together to create goods that have added value and higher use values that consumers need.

The concept of producing goods by default must be completely abandoned. If not, it will result in the goods produced not selling. As it is known that today's consumers are better in their level of life, so they will prefer goods with the best quality. To produce a good quality product, a supporting production process is needed. In ensuring the quality level of the products produced, it is necessary to carry out effective quality management and control activities.

With quality control, it will be able to build a successful differentiation strategy, low-cost strategy, and responsive strategy. Quality improvement will be able to help companies to increase sales and reduce costs, thereby increasing profitability. Increased sales often occur when a company speeds up to respond, increases or decreases selling prices, and enhances the company's reputation for the quality of its products. Lack of quality will affect the whole organization from supplier to customer. Quality also influences product design to maintenance (Assauri, 2016).

If the output does not meet the standard, corrective measures should be taken. If the control results are acceptable, no further measures are required. At the same time, if the results are unacceptable, corrective actions must be taken. All these measures are taken to provide quality assurance for the output produced by the process. The quality control (quality control) process is carried out not only in the final result but also when the raw materials enter the warehouse, the production process, and the final production process. Products are made by processing raw materials into semi-finished products according to the created quality. The production process occurs due to the interaction between various production factors, such as inputs (raw materials, labor, machines) to jointly create goods with added value and higher use-value that consumers need. The concept of producing

goods in a primitive, finished way must be completely abandoned. Otherwise, it will result in unsold goods.

As we all know, today's consumers have a higher standard of living, so they prefer the best quality products. To produce high-quality products, auxiliary production processes are required. To ensure the quality level of the products produced, effective quality management and control activities are required. Through quality control, it will be able to establish a successful differentiation strategy, low-cost strategy, and quick response strategy. Improved quality will help companies increase sales and reduce costs, thereby increasing profits. Sales growth often occurs when the company speeds up its response, raises or lowers sales prices, and improves the company's reputation for product quality. Lack of quality affects the entire organization from supplier to customer.

From product design to maintenance, quality will also be affected. To achieve the company's goals when controlling raw materials, production processes, and finished products, of course, this is inseparable from the existence of product quality control, which is very useful for creating high-quality and high-quality company products. The company must have a quality control team whose responsibility is to carefully control when the raw materials come from the supplier during the production process of all production units or parts until the product is finished and ready to go on the market.

To achieve the company's goals when controlling raw materials, production processes, and finished products, of course, it cannot be separated from the existence of product quality control which is very useful to create company products with good quality and quality.

ED Biru Aluminum Yogyakarta is a factory engaged in manufacturing, more specifically the production of kitchen utensils. ED Biru Aluminum has its address at Sorosutan UH 6/859 RT 15/ RW04 Umbulharjo Yogyakarta 55162 tel. 0819 0372 0150. ED Biru Aluminum was established in 2016 and is still actively producing kitchen utensils. Every year ED Biru Aluminum experiences a relatively rapid development, where in previous years it was only produced to be marketed in the Special Region of Yogyakarta and Central Java. Currently the product marketing area is increasing by marketing its products throughout Java and East Nusa Tenggara.

The purpose of checking or screening on the arrival of raw materials is to obtain raw materials of good quality and according to company standards before the production process is carried out. Furthermore, the purpose of doing quality control during the production process is to produce quality cookware products and avoid production errors and keep the production process running smoothly. Then at the final stage and product export aims to re-filter products that have gone through the production process, so that product quality is guaranteed and feasible to be marketed to consumers. For ED Biru Aluminum itself, if the production process from the beginning has good quality control, then for the next process it will produce good quality products.

## **B. Research Question**

1. How is quality control in ED Biru Alumunium?
2. How is quality control in the selection of raw materials at ED Biru Alumunium?

3. Does the implementation of quality control in production of ED Biru Alumunium and the selection of raw materials improve the quality of the product?

### **C. Research Purposes**

From the cases above, if a business in ED Biru Alumunium that has some factors and something that may be wrong. The researcher has some research purpose that is:

1. To analyze and understand the quality control programs in ED Biru Alumunium.
2. To analyze and understand the quality control of the selection of raw materials in ED Biru Alumunium.
3. To analyze the influences of quality control programs and quality control of the selection of raw materials to improve the quality of a product.

### **D. Research Benefit**

Based on the research goal, the researcher's perspective will give more profit and knowledge towards doing business. This is the goal of research benefits:

#### **1. Academic Benefit**

##### **a) Helping in Understanding the Problem**

It highlights issues that have not yet been revealed. This gives people the opportunity to address issues and answer questions that society doesn't respond to.

##### **b) Raising Awareness**

This type of research goes beyond data collection and consists of real stories that create awareness.

c) Introducing New Ideas

By conducting this research, it is hoped that many points of view will be explored. It encourages one to introduce new ideas and review multiple perspectives of people. It can even change your mind about a concept or two.

**2. Practical Benefit**

a) Researcher

To understand and understand more, not only and understand the factors that may affect the manufactured product, but we should know performance, and learn from it how to improve product quality, how many situations there are and how to solve problems we encountered obstacles to improving the product. Because of this research, the researchers able to increase labor potential and face obstacles in manufacturing.

b) Instance

This research can be information, or it can be a connection with companies and research institutes. This can have a positive impact on all tools because, on another site, it can help workers and governments increase their income, and it can also repair the economy in cities, especially for workers in rural areas.