OPTIMIZING LABOR ALLOCATION IN MULTI-PROJECT MANAGEMENT USING CRITICAL PATH METHOD AND SENSITIVITY ANALYSIS (Case Study of CV Madya Karya Yogyakarta)

THESIS

Submitted as Partial Fulfill of the Requirements To Obtain the Bachelor of International Industrial Engineering Degree

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YOGYAKARTA
2011
STATEMENT OF WORK'S ORIGINALITY

I honestly declare that this thesis which I wrote does not contain the works or parts of the works of other people, except those cited in the quotations and bibliography, as a scientific paper should.

Yogyakarta, May 30th 2011

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FOREWORD

Thank to Jesus Christ, my dearest lord, for the love, blessings, strength, and guidance so that the writer could finally finish this thesis report, entitled “Optimizing Labor Allocation in Multi-Project Management Using Critical Path Method and Sensitivity Analysis (A Case Study in “CV Madya Karya”, Yogyakarta). The thesis is made to fulfill one of the requirements to reach bachelor degree of Industrial Engineering from University of Atma Jaya Yogyakarta.

The writer has been blessed to have so many people who have given their time, assistance, patience, and guidance. Therefore, on this opportunity the writer would sincerely thank to:

1. Mr. Ir. B. Kristyanto, M.Eng., Ph.D. as the Dean of Industrial Technology Faculty UAJY;
2. Mr. The Jin Ai, S.T., M.T., D.Eng., as the Chief of Industrial Engineering Study Program FTI UAJY;
3. Mrs. Ririn Diar Astiti, S.T., M.T., D.Eng., as the Chief of International Industrial Engineering Study Program FTI UAJY;
4. All the lectures of Industrial engineering program for giving knowledge to the writer during the study;
5. Mrs. Yosephine Suharyanti, S.T., M.T., as adviser for the critical supports and suggestions during this
thesis process enabled the writer to accomplish this thesis;
6. Mrs. L. Bening Prawitasukci, S.Pd., M.Hum., as co-
adviser, for the guidance during the report constructing so that this report can be completed;
7. Mr. Dr. Ir. Benyamin Suhega, M.Kes., as the owner of CV Madya Karya and also my father for accepting and letting the writer to do a research in the company for the past six months;
8. Mr. Emanuel Budiman Suhega, as the director of CV Madya Karya and also my brother for giving all of the data needed;
9. All of the workers in CV Madya Karya, most notably the field workers who have given time for interview;
10. Ella, my twin sister for the accompany in making the thesis;
11. Axle, my loyal dog for always following me everywhere and accompanying me all night long in making the thesis;
12. Timodh, my best friend for the assistance and accompany in accomplishing this thesis;
13. Other parties who have helped the writer in doing the research and report constructing, but unfortunately cannot be mentioned one by one.
At last, the writer hopes that this report could bring many advantages and new knowledge for the readers.

The writer
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Date of Exam : June 14th 2011

ABSTRACT

Engineering and construction contractors are typical project-based companies in which project management is the core business competency. However, in fact the contractor organizations do not always perform multi-project management satisfactorily. The objective of this research is to optimize the resource allocation in multi-project management.

The methods used are Critical Path Method (CPM) and Sensitivity Analysis. CPM is chosen to optimize the labor allocation and Sensitivity Analysis is used to find the post-optimum solution among alternatives. The object of the research is CV Madya Karya; a small project-based company that provides building construction service.

Some conclusions have been inferred: (1) The critical resource is labor; (2) The optimal solution for Project III is third solution; (3) There are five broad steps to optimize labor allocation in multi-project management. A flowchart of general steps has been developed also to solve similar problem.

Keywords: Multi-project management, critical path method, sensitivity analysis, labor allocation

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