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Operation manager and its role in the enterprise

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Abstract

Presented paper concentrate on problems connected with the role of operation manager within industrial company. Operation management concentrate many activities in today's industrial corporation and because of that the role of it's manager is very important. He should to have many skills described in this paper. We analysed responsibilities of the operation manager, his basic operational skills and also give some examples of duties and responsibilities of good operation manager on the example of food industry. This example can give some remarks about practical skills needed in operation management in particular enterprise.

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1. Introduction

The operation management is very important part of management nowadays especially in industrial enterprise (Knod et al., 2000; Rodionova et al., 2008). Operation is a part of a business organization that is responsible for producing goods and services in the company (Gupta, et al., 2008). Goods have physical form and we can include in it: raw materials, parts, subassemblies and final products which are bought by final customers. Services are activities that provide some combinations of time, location, form or psychological value (Szczycka-Lasota et al., 2018; Skotnicka-Zasadzień et al., 2017).

The person who is doing operation within the company take a name operation manager. He is the key figure of the system, has the ultimate responsibility for the creation of goods or provision of services. The aim of the paper it to analyze on the basis on international literature the role of the operation manager within the company.

2. Operation management – basic activities

Operation management concentrates on the conversion of inputs into outputs using various types of resources (Pacana et al., 2014). Under mentioned function of operation management we can also distinguish eight activities of operation management as follows (Fig. 1) (Kumar et al., 2009):

- location of facilities,
- plant layouts and material handling,

- product design,
- production and planning control,
- quality control,
- material management,
- maintenance management.

The function describes the purpose of a system. When the transformation system is a production system the function is for example to transform raw material into components or complete products. In the table 1 there is a description of five fundamentally different transformations.

To deliver value for customers in the operation management process it is essential for the firm to do the following activities (Stevenson, 2009):

- Identify the customer needs and convert that into a specific product or service (numbers of products required for specific period of time).
- Based on product requirement do back-ward working to identify raw material requirements.
- Engage internal and external vendors to create supply chain for raw material and finished goods between vendor → production facility → customers.

A number of features differentiate operations systems especially we can distinguish three main features of the differentiation of it (Stevenson, 2009):

- degree of standardization,
- type of operation,
- production versus service operation.



Fig. 1. Scope of operation management

Source: (KUMAR et al., 2009).

Table 1. Five fundamentally different transformations

Transformation	Description
Separating	Essentially one item that is the source of several items from the production system, e.g. production of petrol and paraffin oil from crude oil.
Putting together	Several items as input and one item as output, e.g. production of machines.
Detaching	Change of form of an item through removal of material, e.g. production from shaft turning.
Forming	Change of form of an item through reshape, e.g. rolling of ingot into steel profiles
Quality adaptation	Change of qualities of an item without changing its form, e.g. surface treatment.

Source: (BELLGRAN et al., 2009)

Nowadays the operation systems are highly standardized and customized. Standardization means that there is a high degree of uniformity in goods and services. Many products in corporations and firms are standardized because this kind of product is better from customer, logistic and production point of view (Wolniak et al., 2014; Gembalska-Kwiecień et al., 2018; Skotnicka-Zasadzień, et al., 2017; Wolniak et al., 2017). Generally, standardization is defined as an activity in determining regulations for general and multiple use, with regard to real or potential problems, as to obtain optimal arrangement level in the given context (Galvin, 2003). Standardized product design further enables mechanized mass production which will be described in the next chapter.

Standardization includes both the sequential routine and the context of operations (Johnston, 1994). By standardizing the work, the execution of tasks becomes both controllable and efficient, which is promoted by peer surveillance and social control inasmuch it facilitates compliance with standards. Consequently, standardization is necessary both to support just-in-time operation and to control the work process. Thus,

standardization is unavoidable condition of organizational efficiency. Applying this principle to social service organization quality system management implies consideration of the degree of conformity of both processes and practices (Domingues et al., 2017; Kristić et al., 2015).

Customization means that the product or service is designated for a specific case of individual. Systems with standardized output can generally take advantage of standardized methods, less-skilled workers, materials and mechanization (Peinado et al., 2018). All this contribute to higher volumes and lower unit costs. In custom systems, on the other hand, each job is sufficiently different so that workers must be more skilled, the work moves slower, and the work is less susceptible to mechanization. Customization means that product realization is done according to specific customer demands. In contrast to traditionally standardized production, where producer impose their standard products to customer, customized production is flexible, the products are adapted to the very customer’s demand. Customer product can be perceived as a product modified according to customer’s needs (Wilson, 2018; Fiorentino, 2018). Customization generates higher product differentiation, which furtherly leads to product diversity increase, and starts with negotiations with the customer on the details of the order, which continue in the course of design, production and sale of the product.

3. The responsibilities and function of operation manager

Operation managers usually perform his task by:

- preparing program budget,
- facilitating programs around the company,
- controlling the inventory,
- handling logistics,
- interviewing candidates and supervising employees.

Table 2. Responsibilities of operation managers

Area	Activities
Planning	<ul style="list-style-type: none"> • Capacity • Location • Product and services • Make or buy • Layout • Projects • Scheduling
Controlling	<ul style="list-style-type: none"> • Inventory control • Quality control
Organizing	<ul style="list-style-type: none"> • Degree of centralization • Subcontracting
Staffing	<ul style="list-style-type: none"> • Hiring . laying off • Use of overtime
Directing	<ul style="list-style-type: none"> • Incentive plans • Issuance of work orders • Job assignments

Source: On basis: (Stevenson, 2002).

The job that operations manager oversee vary according to type organization largely because of the different product or service involved. In every case, the operation manager must coordinate the use of resources through the management process of planning, organizing, staffing, directing and controlling. In the table 2 there is a list of responsibilities of operation management in his everyday activity.

Operation managers are responsible for allocating departments resources for the whole company to be profitable and to function efficiently. The position of operation manager is difficult one by definition because it is very responsible to manage innovation as an integrated business process and to make receptacle. To be successful operation manager particular person needs some skills like: planning, common sense, communication and to be cool under pressure. The description of those skills from operation manager point of view has been done in the table 3.

Table 3. Operation managers' skills

Skill	Description
Great planner	In order to organize project, operation managers must be able to break down the tasks in parts and put them into a plan. Moreover, operation managers have to put the plan into effect, forecast problems, and find workable solutions along the way. This requires an analytical mind and a great eye for details as well as the ability to predict future outcomes.
Common Sense	Operations Managers are often valued for their creativity in coming up with new ideas and problem solving. However, this creativity always lies on a basis of common sense. The Operations Manager will be able to look at all aspects of the company with objection and calculate whether plans are actually feasible or not. One must also have the basic sense to put any knowledge into practice.
Effective communicator	People are the backbone of a company. The job of an Operations Manager involves translating complicated ideas and instructions to teams of people, investors, and other department heads. Since the OM may interact with a wide variety of people from different backgrounds, operation manager have to be a good communicator.
Cool under pressure	The job of an Operations Manager is incredibly stressful because the success of the company or department his/her responsibility, which usually implies working long hours and weekends. Operations Managers need to be able to remain calm no matter what problems occur on the short and long term.

Source: On basis: (Operation Manger Definition, 2018)

The behavior of operation manager is a part of their role within the system (Kumar et al., 2009):

Operation managers are concerned with how their efforts to plan, organize, and control affect human behavior.

They also want to know how the behavior of subordinates can affect management's planning, organizing, and controlling actions.

Their interest lies in decision-making behavior.

As operation managers plan, organize, and control the conversion process, they encounter many problems and must make many decisions.

They can simplify their difficulties using models like aggregate planning models for examining how best to use existing capacity in short-term, break even analysis to identify break even volumes, linear programming and computer simulation for capacity utilization, decision tree analysis for long-term capacity problem of facility expansion, simple median model for determining best locations of facilities etc.

In the table 4 there is the example of duties and responsibilities in the case of company from food production industry. reading this you can see for what this person can be responsible and what are his duties and obligation within the company.

Table 4. Duties and responsibilities of operation manager on the example of the company from food industry

Monitoring daily operation schedules for all departments for accuracy and ensuring daily operational goals are realized
Ensure maintenance PM schedule meets equipment guidelines and coincides with operations schedules
Track key performance indicators of operations including quality, service, safety and cost. Share operation's goals and guidelines for achieving the goals with facility leadership
Lead operations and maintenance managers to develop a culture of continuous improvement
Perform a daily walk through all areas of the operations facility, while having visibility on all shifts
Provide strategic guidance to the organization through participation in meetings
Ensure the operations management team communicates with associates with a focus on providing personal development and work related performance feedback
Partner with plant management and human resources team to ensure a culture of employee engagement
Partner with the plant HR manager to ensure staffing requirements are met
Partner with plant safety manager to ensure safety requirements are met
Partner with plant quality manager to ensure quality requirements are met
Participate in new product development and planning by researching the cost and ability to produce the product
Communicate new product production plans to supervisors and participate in implementation of the new product's implementation
Support Operations Director to develop operations annual budget by analyzing spending and allocation of resources
Adhere to the approved operations annual budget and provide budget updates and adjustments as requested by the Operations Director or SVP of Operations
Support Lean and Six Sigma initiatives

Source: (Guenther, 2018)

4. Conclusion

Operation management plays very important role in nowadays operation management within industrial enterprise. Good, appropriate operation manager should have many skills to conduct his responsibilities. Especially his skill need to achieve possibility to realize his duties and responsibilities in five areas: planning, controlling, organizing, staffing and directing. His main skills are connected with four problems: planning, common sense, communication and coolness under pressure.

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运营经理及其在企业中的角色

關鍵詞

运行管理,
工业企业
工业管理
经理
运营经理

摘要

提出的论文集中在与工业公司内部运营经理的角色相关的问题上。运营管理层集中了当今工业企业的许多活动，因此管理者的角色非常重要。他应该拥有本文所述的许多技能。我们分析了运营经理的职责，他的基本操作技能，并举例说明了良好运营经理对食品行业的责任和义务。这个例子可以对特定企业的运营管理所需的实用技能给出一些评论。。
