

## Standard Cost Analysis as a Tool for Production Cost Planning and Control at the Fried Chicken Smile MSME

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### Abstract

Micro, Small, and Medium Enterprises (MSMEs) often face challenges in planning and controlling production costs due to the limited implementation of standard costing systems. This study aims to analyze the application of standard costs as a tool for production cost planning and control at Fried Smile Chicken and identify variances between standard and actual costs. This research employs a descriptive qualitative approach, with data collected through interviews, observation, and documentation. The data were analyzed using the single-variance method by comparing standard costs with actual costs for raw materials, direct labor, and factory overhead during July 2026. The results reveal a favorable raw material cost variance of Rp2,017,650, indicating that actual costs were lower than standard costs. However, cooking oil incurred an unfavorable variance of Rp131,250 due to higher actual purchase prices. Direct labor costs also showed an unfavorable variance of Rp999,840, primarily resulting from employee bonuses that increased actual labor expenses beyond established standards. Meanwhile, factory overhead costs showed no variance, as actual costs matched standard costs at Rp13,481,666. These findings demonstrate that standard costing provides a useful basis for identifying cost deviations, evaluating production cost efficiency, and supporting managerial decision-making. Therefore, periodic cost evaluation and adjustments to standards are necessary to strengthen production cost planning and control and support the sustainability of MSMEs.

**Keywords:** Standard Costs, Production Costs, MSMEs

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### 1. Introduction

In an era of globalization and increasingly dynamic economic development, Micro, Small, and Medium Enterprises (MSMEs) play a strategic role in supporting Indonesia's economic growth and development (Wati et al., 2024). MSMEs play a crucial role in economic development by contributing to job creation and economic growth (Clarissa & Veri, 2025). The presence of MSMEs not only contributes to increased economic activity but also helps reduce unemployment by creating jobs and fostering income equity, particularly for low-income communities (Dela Pratama et al., 2023). Amidst an increasingly dynamic and complex business landscape, MSMEs must adapt to various economic changes and challenges to ensure their sustainability and enhance their competitiveness. MSMEs are becoming increasingly visible across various regions, particularly in residential areas and community hubs. This trend indicates significant year-on-year growth for MSMEs (Jannah et al., 2023). Furthermore, MSMEs make a substantial contribution to economic development and expansion through the diverse business activities undertaken by the community (Riska & Nurlaila, 2024).

Amidst ever-evolving market dynamics, MSMEs constitute a vital sector in Indonesia's economic development (Candra et al., 2024). In Indonesia, MSMEs are defined as productive business entities owned by individuals or managed on a sole-proprietorship basis; they are not part of large corporations whether as subsidiaries or branch offices through either direct or indirect ownership (Roza et al., 2025). Current business opportunities, driven by technological advancements and the growing number of MSME players, offer significant benefits to the nation. The government remains committed to supporting small businesses so that they can survive, grow, and thrive (Putri et al., 2023). This sector generates a positive impact on economic growth at both national and regional levels. MSMEs have become a fundamental pillar of the Indonesian economy, sustaining large-scale economic activity within the community (Afwika et al., 2025).

In the business world, competition is becoming increasingly fierce, particularly in economic sectors focused on meeting public needs. To maintain competitiveness and increase market share, MSMEs and industrial firms are striving to enhance the quality of their products (Yunita et al., 2024). Intense business competition compels companies to continuously evolve

and take whatever measures are necessary to sustain their operations; this pressure is also felt by small-scale enterprises such as MSMEs. The growing number of new MSMEs operating across various sectors is expected to offer optimal solutions to challenges facing Indonesia, notably by helping to reduce unemployment and poverty rates (Manurung et al., 2023).

Conceptually, MSMEs are productive enterprises operated by individuals or business entities that meet specific criteria as stipulated in Law Number 20 of 2008 concerning Micro, Small, and Medium Enterprises (Syarvina, 2018). MSMEs play a strategic role in the economy, as they not only contribute to economic growth but also support community economic activities in both urban and rural areas (Idayu et al., 2021; A. R. Sari & Hwihanus, 2023). Effective and efficient management is a crucial factor in the success of MSME business operations (Azizah et al., 2025). Therefore, the management of production costs is a key aspect that requires attention to ensure MSMEs can maintain their operational efficiency and business sustainability.

As the business landscape expands, there is a growing need for managers capable of effectively managing companies. To achieve this, a manager must be able to plan and control operations particularly production costs given that production costs are a primary factor in a company's manufacturing activities (Amalia & Avriyanti, 2021). One method that can serve as a tool for controlling production costs is the implementation of standard costing. Establishing standard costs provides a benchmark for determining the costs that should be incurred during the production process.

Theoretically, standard costs are costs predetermined to serve as a basis for planning and controlling production costs for a specific volume of output within a given period (Mukti et al., 2026). The establishment of standard costs is based on both current and anticipated operational conditions, thereby providing a benchmark for the execution of production processes (Mahendra & Sabir, 2020; Artini et al., 2022). Standard costs also function as a yardstick for comparing expected costs against actual costs, enabling the identification and evaluation of cost variances (Hasibuan et al., 2024). Consequently, the implementation of standard costs can assist companies in enhancing the efficiency and effectiveness of resource utilization within the production process (Badaruddin, 2021).

Standard costing encompasses three key components: standard raw materials based on required physical quantities; standard labor based on working hours and wage rates; and standard factory overhead, which includes indirect costs such as indirect labor and equipment expenses. By comparing actual costs with standard costs, companies can identify variances and implement corrective actions to optimize production cost performance (Kapaora et al., 2025).

Production costs encompass all expenditures required to process raw materials into finished goods and constitute a key component in determining the cost of production (Br. Ginting et al., 2024; William & Yanti, 2026). Generally, production costs consist of direct material costs, direct labor costs, and overhead costs (Ariusta et al., 2021). Accurate calculation of production costs is essential, as these costs are directly linked to the determination of the company's profit. Higher production costs that are not matched by increased revenue can lead to a decline in company profit (Pasaribu & Hasanuh, 2021). Therefore, controlling production costs is necessary to ensure the efficient use of resources.

Implementing an effective cost control system requires support from precise and accurate information, as such information significantly influences decision-making processes regarding the company's pursuit of its objectives. To ensure effective cost control and the availability of accurate data, management requires a tool or medium that links planning and control functions while also serving as an aid for decision-making. Furthermore, cost effectiveness relies heavily on knowledge regarding projected costs.

Based on the company's production process characteristics, now is the time to design a system for obtaining accurate cost information. A sound accounting information system is both flexible and reliable. Such a system provides information for diverse purposes and can be used to address a wide range of inquiries. In general, the system serves to meet the needs of cost accumulation, cost measurement, and cost allocation (Lalamentik & Wangkar, 2022).

Therefore, the implementation of standard costs plays a crucial role within a company, serving as a benchmark and guideline for planning and controlling production costs. Standard costs are established based on predetermined standards encompassing both the quantity of resources that should be utilized in each production activity to generate a product or output unit and the price or value of those resources. By utilizing standard costs, a company can compare planned costs against actual costs incurred; this allows for the identification of variances (cost differences), which can then be analyzed to enhance the company's operational efficiency and effectiveness.

Although standard costing plays a vital role in planning and controlling production costs, in reality, many MSMEs have yet to implement such systems optimally. Most MSMEs still determine production costs based on the business owner's estimates or experience, without establishing clear standards for raw material usage, labor, or overhead costs. This situation makes it difficult for business owners to determine whether their production costs are efficient or if waste is occurring. Furthermore, when faced with rising raw material prices, changes in labor costs, or fluctuations in

operational expenses, business owners often struggle to control costs and set appropriate selling prices, as they lack standard cost benchmarks against which to compare actual costs.

Preliminary observations at the MSME "Fried Smile Chicken" reveal that production cost recording remains rudimentary and does not yet fully utilize a standard costing system as a basis for planning or controlling production costs. Determinations regarding raw material requirements, labor, and operational expenses are still adjusted based on daily conditions; consequently, there are no established cost standards to serve as a benchmark for measuring production efficiency. As a result, the business owner faces difficulties in identifying cost variances and evaluating the reasons behind discrepancies between planned and actual costs. This situation provides the rationale for conducting research to analyze the implementation of standard costing as a tool for planning and controlling production costs at Fried Smile Chicken.

This issue aligns with the findings of previous studies indicating that the implementation of standard costing plays a crucial role in controlling production costs. Hasibuan et al. (2024) emphasize the importance of periodically evaluating standard costs to ensure that the standards employed remain aligned with the company's actual conditions. Meanwhile, research by D. P. Sari et al. (2024), Kapaora et al. (2025), and Candra et al. (2024) demonstrates that implementing standard costing can help enhance efficiency and production cost control by comparing standard costs with actual costs and analyzing any variances that arise.

Nevertheless, Lalamentik & Wangkar (2022) indicate that there are still companies that have not optimally conducted cost variance analysis, meaning the function of standard costing as a control tool is not operating effectively. Imam Mustofa's research focuses more on the impact of raw material, labor, and operational costs on corporate financial management; consequently, it does not specifically examine the application of standard costing as a tool for production cost planning and control.

Based on prior research, a research gap exists because most studies focus on standard costs primarily in terms of cost control and efficiency, whereas research regarding the application of standard costs as a tool for both planning and controlling production costs in MSMEs particularly in the fast-food sector remains limited. Furthermore, there is a need to examine how cost standards are formulated, implemented, compared against actual costs, and evaluated to serve as a basis for decision-making within MSMEs. These circumstances provide a significant rationale for investigating the application of standard costs at Fried Smile Chicken.

This study focuses on Fried Smile Chicken, a Micro, Small, and Medium Enterprise (MSME) operating in the fast-food sector, specifically specializing in fried

chicken products. As an MSME engaged in routine production activities, Fried Smile Chicken requires a robust cost management system to maintain product quality, ensure price stability, and enhance competitiveness amidst the increasingly fierce rivalry in the culinary business. Therefore, analyzing standard costs at Fried Smile Chicken is crucial to determine the extent to which standard costing has been implemented as a tool for production cost planning and control, as well as to evaluate its effectiveness in supporting the business's sustainability and growth.

## 2. Methods

This study employs a descriptive qualitative approach research conducted in a natural setting that emphasizes descriptive, non-numerical data to describe the subject based on existing facts, without making generalizations (Sugiyono, 2019). The data utilized comprises both qualitative and quantitative information. Qualitative data includes the business history, vision and mission, and organizational structure, while quantitative data covers production costs, costs per production process, production volume, and standard costs during the study period (Kuncoro, 2013). Data sources consist of primary data—obtained through interviews with Ardy Irwansyah Sitorus (owner of Fried Smile Chicken) and field observations and secondary data derived from documents, books, literature, and previous studies (Sugiyono, 2019). Data collection was carried out via interviews and documentation to gather relevant information and supporting data. Subsequently, the data was analyzed using a descriptive qualitative method involving the collection, processing, and elaboration of data, as well as a comparison of actual data against expected standards; this process aimed to assess the application of the standard costing system in production cost planning and control and to draw conclusions aligned with the study's objectives (Safitri & Nasution, 2023).

The data analysis technique in this study follows Mulyadi (2018), specifically by comparing actual costs with standard costs using the single-variance model. The analysis of production cost variances comprises three components, one of which is the analysis of raw material cost variance, calculated using the following formula:

### A. Raw Material Cost Variance Analysis

$$St = (KSt \times HSt) - (KS \times HS)$$

Legend:

St = Total variance

KSt = Standard quantity

HSt = Standard price

KS = Actual quantity

HS = Actual price

KS = Actual quantity

### B. Labor cost variance analysis

$$St = (TUS \times JKSt) - (TUS \times JKS)$$

Legend:

St = Total variance  
 TUS = Standard wage rate  
 JKSt = Standard labor hours  
 TUS = Actual wage rate  
 JKS = Actual labor hours

C. Factory Overhead Cost Analysis  
 St = Actual FOH – Applied FOH

Legend:

St = Total FOH variance

Actual FOH = Factory overhead costs actually incurred

Applied FOH = Predetermined factory overhead costs

### 3. Results and Discussions

#### 1. Application of Standard Costs as a Tool for Planning and Controlling Fried Chicken Production Costs

The application of standard costs at Fried Chicken Smile is determined based on three main components: standard raw material costs, standard labor costs, and standard factory overhead costs.

- a. Standard raw material costs at Fried Chicken Smile are calculated based on the standard price of raw materials and the standard quantity of raw materials used in the production process.

Table 1. Standard Raw Material Costs

| No | Item         | Price    |
|----|--------------|----------|
| 1  | Chicken      | Rp45,000 |
| 2  | Wheat Flour  | Rp12,000 |
| 3  | Caplak Chili | Rp45,000 |
| 4  | Sauce        | Rp18,000 |
| 5  | Seasoning    | Rp25,000 |
| 6  | Cooking Oil  | Rp18,000 |

Source: Processed data (2026)

Based on Table 1, the materials used in the production process of Fried Chicken Smile consist of chicken at Rp45,000 per kg, wheat flour at Rp12,000 per kg, \*caplak\* chili peppers at Rp45,000 per kg, sauce at Rp18,000 per bottle, seasoning at Rp25,000 per kg, and cooking oil at Rp18,000 per liter.

Table 2. Standard Raw Material Quantities

| No | Description  | Quantity | Unit |
|----|--------------|----------|------|
| 1  | Chicken      | 15       | kg   |
| 2  | Wheat Flour  | 5.5      | kg   |
| 3  | Caplak Chili | 5        | kg   |
| 4  | Sauce        | 7        | pcs  |
| 5  | Seasoning    | 29.25    | kg   |
| 6  | Cooking Oil  | 15       | L    |

Source: Processed data (2026)

Based on Table 2, the standard quantities of raw materials used in the Fried Chicken Smile production process consist of 15 kg of chicken, 5.5 kg of wheat flour, 5 kg of caplak chili peppers, 7 units of sauce, 29.25 kg of seasoning, and 15 liters of cooking oil. These quantity data represent the standard amount of raw materials required for a single production cycle and can serve as the basis for calculating standard raw material costs.

Table 3. Kuantitas dan Bahan Baku Standar Bulan Juli 2026

| No    | Description  | Monthly Quantity | Unit | Price    | Total        |
|-------|--------------|------------------|------|----------|--------------|
| 1     | Chicken      | 525              | kg   | Rp45,000 | Rp23,625,000 |
| 2     | Wheat Flour  | 169.5            | kg   | Rp12,000 | Rp2,034,000  |
| 3     | Caplak Chili | 78.3             | kg   | Rp45,000 | Rp3,523,500  |
| 4     | Sauce        | 132              | pcs  | Rp18,000 | Rp2,376,000  |
| 5     | Seasoning    | 19.16            | kg   | Rp25,000 | Rp479,000    |
| 6     | Cooking Oil  | 262.5            | L    | Rp18,000 | Rp4,725,000  |
| Total |              |                  |      |          | Rp36,762,500 |

Sumber: Data Diolah (2026)

Based on Table 3, the standard quantity and cost requirements for raw materials were calculated to support crispy chicken production activities in July 2026. The production process requires 525 kg of chicken at a standard price of Rp45,000 per kg, resulting in a standard cost of Rp23,625,000. Wheat flour usage amounts to 169.5 kg at a standard price of Rp12,000 per kg, yielding a standard cost of Rp2,034,000. Furthermore, the requirement for \*caplak\* chili peppers is 78.3 kg at a standard price of Rp45,000 per kg, totaling Rp3,523,500. Sauce usage totals 132 bottles at a standard price of Rp18,000 per unit, resulting in a standard cost of Rp2,376,000. Additionally, 19.16 kg of seasoning is required at a standard price of Rp25,000 per kg, bringing the total standard cost for seasoning to Rp479,000. Meanwhile, the cooking oil requirement for the month is 262.5 liters at a standard price of Rp18,000 per liter, resulting in a standard cost of Rp4,725,000. Based on these combined requirements, the total standard raw material cost for crispy chicken production in July 2026 is Rp36,762,500.

- b. Standard labor cost is calculated based on the required standard labor hours and the established wage rate.

Table 4. Standard Labor Costs

| Direct Labor Component | Number of Employees | Work Hours per Day | Work Hours per Month | Standard Labor Hours | Hourly Wage | Total Cost  | Total Standard Labor Cost |
|------------------------|---------------------|--------------------|----------------------|----------------------|-------------|-------------|---------------------------|
| Kitchen                | 1                   | 8                  | 240                  | 0.042                | Rp8,750     | Rp2,100,000 | Rp368                     |
| Chef                   | 1                   | 8                  | 240                  | 0.042                | Rp8,750     | Rp2,100,000 | Rp368                     |
|                        | 2                   |                    |                      |                      |             | Rp4,200,000 |                           |

Source: Processed data (2026)

Table 4 presents the calculation of direct labor costs for two employees: one kitchen staff member and one chef. Each works 8 hours per day or 240 hours per month with a standard labor time of 0.042 hours and a wage rate of Rp8,750 per hour. Based on these calculations, the labor cost for each employee is Rp2,100,000 per month, resulting in a total direct labor cost of Rp4,200,000 for the two employees, while the listed total standard labor cost is Rp368.

- c. Standard Factory Overhead Cost

Table 5. Standard Factory Overhead Costs

| Item                          | Monthly Requirement | Cost      | Total Cost    |
|-------------------------------|---------------------|-----------|---------------|
| LPG Gas                       | 76                  | Rp 20,000 | Rp 1,520,000  |
| Ziplock Bags                  | 85                  | Rp 4,500  | Rp 382,500    |
| Packaging Plastic             | 45                  | Rp 12,000 | Rp 540,000    |
| Kiosk and Staff Quarters Rent |                     |           | Rp 2,708,333  |
| Electricity, Water, and Wi-Fi |                     |           | Rp 2,680,000  |
| Cleaning Fees                 |                     |           | Rp 938,000    |
| Employee Salaries             |                     |           | Rp 4,100,000  |
| Equipment Depreciation        |                     |           | Rp 612,833    |
| Total                         |                     |           | Rp 13,481,666 |

Source: Processed data (2026)

Based on Table 5, the total monthly cost incurred to support business operations amounts to Rp13,481,666. These costs comprise 76 LPG cylinders (Rp1,520,000), 85 packs of resealable plastic bags (Rp382,500), and 45 packs of packaging plastic (Rp540,000). Additionally, there are fixed operating costs consisting of kiosk and staff lodging rent (Rp2,708,333); electricity, water, and WiFi (Rp2,680,000); cleaning fees (Rp938,000); employee salaries (Rp4,100,000); and equipment depreciation (Rp612,833). Thus, these combined costs represent the total monthly operating funds required to support the production process and overall business activities.

Furthermore, the application of actual costs for Fried Smile Chicken products is classified into three main components: actual raw material costs, actual labor costs, and actual factory overhead costs.

- a. Actual Raw Material Costs

Table 6. Actual Raw Material Costs for July 2026

| No    | Description  | Monthly Quantity | Unit | Price    | Total        |
|-------|--------------|------------------|------|----------|--------------|
| 1     | Chicken      | 525              | kg   | Rp42,000 | Rp22,050,000 |
| 2     | Wheat Flour  | 169.5            | kg   | Rp10,000 | Rp1,695,000  |
| 3     | Caplak Chili | 78.3             | kg   | Rp42,000 | Rp3,288,600  |
| 4     | Sauce        | 132              | pcs  | Rp18,000 | Rp2,376,000  |
| 5     | Seasoning    | 19.16            | kg   | Rp25,000 | Rp479,000    |
| 6     | Cooking Oil  | 262.5            | L    | Rp18,500 | Rp4,856,250  |
| Total |              |                  |      |          | Rp34,744,850 |

Source: Processed data (2026)

Based on Table 6, the actual raw material costs incurred during the production process in July 2026 comprised chicken, wheat flour, caplak chili peppers, sauce, seasonings, and cooking oil. Chicken represented the highest cost at Rp22,050,000, followed by cooking oil (Rp4,856,250), caplak chili peppers (Rp3,288,600), sauce (Rp2,376,000), wheat flour (Rp1,695,000), and seasonings (Rp479,000). Based on the usage quantities and prices of the respective materials, the total actual raw material cost for July 2026 was Rp34,744,850. These figures were derived from actual raw material usage data recorded during the research period.

- b. Actual Labor Costs

Table 7. Actual Labor Costs

| Description | Number of Workers | Work Hours per Day | Actual Work Hours | Standard Labor Hours | Hourly Wage | Bonus       | Total Standard Labor Cost | Total Cost  |
|-------------|-------------------|--------------------|-------------------|----------------------|-------------|-------------|---------------------------|-------------|
| Kitchen     | 1                 | 8                  | 240               | 0.042                | Rp11,250    | Rp600,000   | Rp368                     | Rp2,700,000 |
| Chef        | 1                 | 8                  | 224               | 0.039                | Rp11,607    | Rp500,000   | Rp341.25                  | Rp2,500,000 |
|             | 2                 |                    |                   |                      |             | Rp1,100,000 |                           | Rp5,200,000 |

Data Source: Processed Data (2026)

Based on Table 7, direct labor costs for July 2026 consist of one kitchen staff member and one chef, each working 8 hours per day. The kitchen staff member worked a full 30 days without leave, resulting in a total of 240 working hours per month, while the chef worked 28 days, totaling 224 working hours per month. At a wage rate of Rp8,750 per hour, the actual labor cost incurred was Rp2,700,000 for the kitchen staff and Rp2,500,000 for the chef; these figures include bonuses of Rp600,000 for the kitchen staff and Rp500,000 for the chef, bringing the total direct labor cost for the month to Rp5,200,000. With a production volume of 5,775 units per month, standard labor hours were set at 0.042 hours for the kitchen staff and 0.039 hours for the chef, resulting in standard labor costs of Rp368 and Rp341.25 per unit, respectively. These data indicate that the difference in the number of working days between the kitchen staff and the chef influenced the total actual labor costs incurred during the production period.

## c. Actual Factory Overhead Costs

Table 8. Actual Factory Overhead Costs

| Item                          | Monthly Requirement | Cost      | Total Cost    |
|-------------------------------|---------------------|-----------|---------------|
| LPG Gas                       | 76                  | Rp 20,000 | Rp 1,520,000  |
| Ziplock Bags                  | 85                  | Rp 4,500  | Rp 382,500    |
| Packaging Plastic             | 45                  | Rp 12,000 | Rp 540,000    |
| Kiosk and Staff Quarters Rent |                     |           | Rp 2,708,333  |
| Electricity, Water, and Wi-Fi |                     |           | Rp 2,680,000  |
| Cleaning Fees                 |                     |           | Rp 938,000    |
| Employee Salaries             |                     |           | Rp 4,100,000  |
| Equipment Depreciation        |                     |           | Rp 612,833    |
| Total                         |                     |           | Rp 13,481,666 |

Source: Processed data (2026)

Based on Table 8, the total monthly cost incurred to support business operations is Rp13,481,666. These costs comprise 76 LPG cylinders (Rp1,520,000), 85 packs of resealable plastic bags (Rp382,500), and 45 packs of packaging plastic (Rp540,000). Additionally, there are fixed operational costs consisting of kiosk and staff lodging rent (Rp2,708,333); electricity, water, and WiFi (Rp2,680,000); cleaning services (Rp938,000); employee salaries (Rp4,100,000); and equipment depreciation (Rp612,833). Thus, these figures represent the total monthly operational funding required to support the production process and overall business activities.

Based on this data, a variance analysis examining the difference between standard costs and actual costs for the "Fried Chicken Smile" MSME product is presented below using the following deviation analysis:

## a. Raw Material Cost Variance Analysis

$$St = (KSt \times HSt) - (KS \times HS)$$

Table 9. Calculation of Raw Material Cost Variance Analysis

| No | Description  | Standard Quantity | Standard Price | Actual Quantity | Actual Price | Total Variance | U/F         |
|----|--------------|-------------------|----------------|-----------------|--------------|----------------|-------------|
| 1  | Chicken      | 525 kg            | Rp45,000       | 525 kg          | Rp42,000     | Rp1,575,000    | Favorable   |
| 2  | Wheat Flour  | 169.5 kg          | Rp12,000       | 169.5 kg        | Rp10,000     | Rp339,000      | Favorable   |
| 3  | Caplak Chili | 78.3 kg           | Rp45,000       | 78.3 kg         | Rp42,000     | Rp234,900      | Favorable   |
| 4  | Sauce        | 132 pcs           | Rp18,000       | 132 pcs         | Rp18,000     | -              | -           |
| 5  | Seasoning    | 19.16 kg          | Rp25,000       | 19.16 kg        | Rp25,000     | -              | -           |
| 6  | Cooking Oil  | 262.5 L           | Rp18,000       | 262.5 L         | Rp18,500     | (Rp131,250)    | Unfavorable |

Source: Processed data (2026)

Based on the analysis results in Table 9, the raw material costs for the Fried Smile Chicken MSME show a favorable variance of Rp2,017,650. This variance arose because the actual prices for most raw materials were lower than the established standard prices. The favorable variance stemmed from chicken (Rp1,575,000), wheat flour (Rp339,000), and caplak chili peppers (Rp234,900). Conversely, cooking oil showed an unfavorable variance of Rp131,250 because the actual price exceeded the standard price, while sauces and seasonings showed no variance. Thus, the raw material cost variance at Fried Smile Chicken was

primarily driven by fluctuations in purchase prices; there were no quantity-related deviations, as actual usage aligned with established standards. This indicates that the control and efficiency of raw material usage have been effective, although market price fluctuations still require attention in production cost management.

## b. Labor Cost Variance Analysis

$$St = (TUS \times JKSt) - (TUS \times JKS)$$

Table 10. Calculation of Labor Cost Variance Analysis

| No | Description | Standard Wage Rate | Standard Hours | Actual Wage Rate | Actual Hours | Total Variance | U/F         |
|----|-------------|--------------------|----------------|------------------|--------------|----------------|-------------|
| 1  | Kitchen     | Rp8,750            | 240            | Rp11,250         | 240          | (Rp600,000)    | Unfavorable |
| 2  | Chef        | Rp8,750            | 240            | Rp11,607         | 224          | (Rp399,840)    | Unfavorable |

Source: Processed data (2026)

Based on Table 10, the labor cost variance analysis for the MSME "Fried Smile Chicken" reveals that both the kitchen staff and the chef incurred unfavorable variances. The kitchen staff worked 30 days (240 hours) per month at a standard wage rate of Rp8,750 per hour, whereas the actual wage rate was Rp11,250 per hour. This discrepancy arose because the kitchen staff received a base salary of Rp2,100,000 plus a bonus of Rp600,000, bringing the total actual labor cost to Rp2,700,000 and resulting in an unfavorable variance of Rp600,000. Meanwhile, the chef worked 28 days (224 hours) per month at a standard rate of Rp8,750 per hour and an actual rate of Rp11,607 per hour. The chef received a base salary of Rp2,100,000 and a bonus of Rp500,000, resulting in a total actual cost of Rp2,600,000 and an unfavorable variance of Rp399,840. Consequently, the total labor cost variance was an unfavorable Rp999,840, primarily driven by bonuses that raised the actual wage rates above the established standard rates.

## c. Analysis of Factory Overhead Cost Variance

$$St = \text{Actual Factory Overhead} - \text{Applied Factory Overhead}$$

Table 11. Calculation of Factory Overhead Cost Variance Analysis, 2026

| Item                          | Monthly Requirement | Cost      | Total Cost    |
|-------------------------------|---------------------|-----------|---------------|
| LPG Gas                       | 76                  | Rp 20,000 | Rp 1,520,000  |
| Ziplock Bags                  | 85                  | Rp 4,500  | Rp 382,500    |
| Packaging Plastic             | 45                  | Rp 12,000 | Rp 540,000    |
| Kiosk and Staff Quarters Rent |                     |           | Rp 2,708,333  |
| Electricity, Water, and Wi-Fi |                     |           | Rp 2,680,000  |
| Cleaning Fees                 |                     |           | Rp 938,000    |
| Employee Salaries             |                     |           | Rp 4,100,000  |
| Equipment Depreciation        |                     |           | Rp 612,833    |
| Total                         |                     |           | Rp 13,481,666 |

Source: Processed data (2026)

Based on Table 11, the factory overhead costs for the Fried Smile Chicken MSME show that the standard costs and actual costs are identical, amounting to Rp13,481,666 per month. This equality indicates that all predetermined factory overhead costs align with the costs actually incurred during the production period. Applying the formula  $St = \text{Actual Overhead Applied Overhead}$  results in a factory overhead cost difference of Rp0; consequently, there is neither a favorable nor an unfavorable variance. This situation demonstrates that factory overhead cost control at Fried Smile Chicken is operating in accordance with established standards.

The analysis comparing standard and actual production costs was conducted by calculating cost variances using the single-variance model. This analysis covered variances in raw material costs, direct labor costs, and factory overhead costs within the production process of the MSME "Fried Smile Chicken." The following is a summary of the production cost analysis results obtained using the single-variance model.

Table 12. Fried Chicken Production Cost Variance Analysis

| Description                   | Production Cost |             | Variance    | Favorable/Unfavorable |
|-------------------------------|-----------------|-------------|-------------|-----------------------|
|                               | Standard        | Actual      |             |                       |
| Raw Materials:                |                 |             |             |                       |
| Chicken                       | Rp45,000        | Rp42,000    | Rp1,575,000 | Favorable             |
| Wheat Flour                   | Rp12,000        | Rp10,000    | Rp339,000   | Favorable             |
| Caplak Chili                  | Rp45,000        | Rp42,000    | Rp234,900   | Favorable             |
| Sauce                         | Rp18,000        | Rp18,000    | -           | -                     |
| Seasoning                     | Rp25,000        | Rp25,000    | -           | -                     |
| Cooking Oil                   | Rp18,000        | Rp18,500    | (Rp131,250) | Unfavorable           |
| Labor Costs:                  |                 |             |             |                       |
| Kitchen                       | Rp8,750         | Rp11,250    | (Rp600,000) | Unfavorable           |
| Chef                          | Rp8,750         | Rp11,160    | (Rp399,840) | Unfavorable           |
| Factory Overhead Costs:       |                 |             |             |                       |
| LPG Gas                       | Rp1,520,000     | Rp1,520,000 | -           | -                     |
| Ziplock Bags                  | Rp382,500       | Rp382,500   | -           | -                     |
| Packaging Plastic             | Rp540,000       | Rp540,000   | -           | -                     |
| Kiosk and Staff Quarters Rent | Rp2,708,333     | Rp2,708,333 | -           | -                     |
| Electricity, Water, and Wi-Fi | Rp2,680,000     | Rp2,680,000 | -           | -                     |
| Cleaning Costs                | Rp938,000       | Rp938,000   | -           | -                     |
| Employee Salaries             | Rp4,100,000     | Rp4,100,000 | -           | -                     |
| Equipment Depreciation        | Rp612,833       | Rp612,833   | -           | -                     |

Source: Processed data (2026)

Based on Table 12, there are production cost variances that are either favorable or unfavorable. These variances indicate a difference between the established standard

costs and the actual costs incurred during the fried chicken production process. Certain raw material cost components showed favorable variances, whereas cooking oil and direct labor costs exhibited unfavorable variances.

Regarding raw material costs, chicken showed a favorable variance of Rp1,575,000, wheat flour Rp339,000, and caplak chili peppers Rp234,900. These favorable variances occurred because the actual purchase prices of the raw materials were lower than the established standard prices. Meanwhile, sauce and seasoning ingredients showed no variance, as the actual costs incurred matched the standard prices. In contrast to the other raw materials, cooking oil showed an unfavorable variance of Rp131,250, as the actual price of Rp18,500 per liter was higher than the standard price of Rp18,000 per liter.

Regarding direct labor costs, the Kitchen recorded an unfavorable variance of Rp600,000, while the Chef's department recorded an unfavorable variance of Rp399,840. These variances did not stem from changes in base wages but rather from additional expenditures in the form of bonuses paid to workers. These bonuses caused actual labor costs to exceed the standard labor costs previously established based on standard wage rates.

Meanwhile, all factory overhead cost components namely LPG, resealable plastic bags, packaging plastic, rent for the kiosk and staff quarters, utilities (electricity, water, and Wi-Fi), cleaning fees, employee wages, and equipment depreciation showed no variance. This is because the established standard costs matched the actual costs incurred during the production period, resulting in neither a favorable nor an unfavorable variance.

Based on the variance analysis using a single-variance model, it is evident that the production cost control for the fried chicken reveals variances in several cost components. Favorable variances were observed for chicken, wheat flour, and caplak chili peppers, whereas unfavorable variances occurred in cooking oil and labor costs (specifically for kitchen staff and cooks) due to the awarding of employee bonuses. Meanwhile, costs for sauces, seasonings, and all factory overheads showed no variance, as the standard costs and actual costs were identical.

#### 4. Conclusions

Research findings indicate that the implementation of standard costing as a tool for production cost planning and control at the MSME "Fried Smile Chicken" has been effective across three components: raw material costs, direct labor, and factory overhead. Analysis reveals a favorable variance of IDR 2,017,650 for raw materials, whereas cooking oil showed an unfavorable variance of IDR 131,250. Labor costs also showed an unfavorable variance of IDR 999,840 due to the awarding of bonuses to workers. Meanwhile, factory

overhead costs showed no variance, as the standard and actual costs were identical.

The primary challenges in implementing standard costing were fluctuations in cooking oil prices and additional labor costs in the form of bonuses. However, raw material usage remained consistent with standards, and overhead costs showed no deviations. Thus, standard costing serves as a valuable tool for Fried Smile Chicken in identifying variances and managing production cost planning and control.

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