APPLICATION OF A FUZZY GOAL PROGRAMMING APPROACH WITH DIFFERENT IMPORTANCE AND PRIORITIES TO AGGREGATE PRODUCTION PLANNING

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Abstract: This study presents an application of a fuzzy goal programming approach with different importance and priorities (FGPIP) developed by Chen and Tsai (2001) to aggregate production planning (APP), for the state-run enterprise of iron manufactures non-metallic and useful substances (Société des bentonites d’Algérie-BENTAL-). The proposed model attempts to minimize total production and work force costs, carrying inventory costs and rates of changes in work force. The proposed model is solved by using LINGO computer package and getting optimal production plan. The proposed model yields an efficient compromise solution and the overall levels of Decision Making (DM) satisfaction with the multiple fuzzy goal values.

Key words: Aggregate production planning; fuzzy goals programming; fuzzy linguistic; membership function
1. Introduction

Aggregate production planning (APP) is concerned with matching supply and demand of forecasted and fluctuated customer’s orders over the medium-time range, up approximately 3 to 18 months into future. APP determines the intermediate range capacity needed to respond to fluctuating demand. Given demand forecasts for each period of a finite planning horizon, the APP specifies production levels, work force, inventory levels, subcontracting rates, and other controllable variable for each period that satisfy anticipated demand requirements while minimizing relevant cost over that planning horizon. The fluctuations in demand can be absorbed by adopting one of the following strategies:

- The production rate can be altered by effecting changes in the work force through hiring or laying off workers.
- The production rate can also be altered by maintaining a constant labour force but introducing overtime or idle time.
- The production rate may be kept on a constant level and the fluctuations in demand met by altering the level of subcontracting.
- The production rate may be kept constant and changes in demand absorbed by changes in the inventory level.

Any combination of these strategies is possible. The concern of the APP is to select the strategy with least cost to the firm. This problem has been under an extensive discussion and several alternative methods for finding an optimal solution have been suggested in the literature.

Holt, Modigliani, and Simon (1955) proposed the HMMS rule, researchers have developed numerous models to help to solve the APP problem, each with their own pros and cons. According to Saad (1982), all traditional models of APP problems may be classified into six categories—(1) linear programming (LP) (Charnes & Cooper, 1961; Singhal & Adlakha, 1989), (2) linear decision rule (LDR) (Holt et al., 1955), (3) transportation method (Bowman, 1956), (4) management coefficient approach (Bowman, 1963), (5) search decision rule (SDR) (Taubert, 1968), and (6) simulation (Jones, 1967). When using any of the APP models, the goals and model inputs (resources and demand) are generally assumed to be deterministic/crisp and only APP problems with the single objective of minimizing cost over the planning period can be solved. The best APP balances the cost of building and taking inventory with the cost of the adjusting activity levels to meet fluctuating demand.

In practice, the input data in the problem of APP and data of demand, resources and cost, as well as the objective function are frequently imprecise/fuzzy because some information is incomplete or unobtainable. Traditional mathematical programming techniques clearly cannot solve all fuzzy programming problems. In 1976, Zimmermann first introduced fuzzy set theory into conventional LP problems.


In practical production planning systems, many functional areas in an organization that send inputs to the aggregate plan are typically motivated by conflicting goals with respect to the use of the organization’s resources. The decision maker (DM) must
simultaneously optimize these conflicting goals in a framework of fuzzy aspiration levels. Zimmermann (1976) first extended his FLP approach to a conventional multi-objective linear programming (MOLP) problem. For each of the objective functions in this problem, the DM was assumed to have a fuzzy goal, such as “the objective function should be substantially less than or equal to some value.” Subsequent works on fuzzy goal programming (FGP) included Leberling (1981), Hannan (1981), Luhandjula (1982), Sakawa (1988) and Chen and Tsai (2001).

This study presents an application of a fuzzy GP with different priorities model in the national firm of iron manufactures non-metallic and useful substances for solving the problems of the APP. The proposed model minimizes total production and work force costs, cost of inventory and minimizes the degree of change in work force.

2. Model formulation

2.1. Basic structure of fuzzy goal programming

Goal programming (GP) Models was originally introduced by Charnes and Cooper in early 1961 for a linear model. This approach allows the simultaneous solution of a system of complex objectives. The solution of the problem requires the establishment among these multiple objectives.

The principal concept for linear GP is to the original multiple objectives into specific numeric goal for each objective. The objective function is then formulated and a solution is sought which minimizes the weighted sum of deviations from their respective goal.

GP problems can be categorized according to the importance of each objective considered. Nonpreemptive GP is the case in which all the goals are of roughly comparable importance. Preemptive GP has a hierarchy of priority levels for the goals, in which goal of greater importance receive greater attention in general GP models consist of three components: an objective function, a set of goal constraints, and non-negativity requirements. However, the target value associated with each goal could be fuzzy in the real-world application.

The fuzzy sets theory is recurrently used in recent research. A fuzzy set A can be characterized by a membership function, usually denoted by \( \mu \), which assigns to each object of a domain its grade of membership in A (Zadeh, 1965). The more an element or object can be said to belong to a fuzzy set A, the closer to 1 is its grade of membership. Various types of membership functions can be used to support the fuzzy analytical framework although the fuzzy description is hypothetical and membership values are subjective. Membership functions, such as linear, piecewise linear, exponential, and hyperbolic functions, were used in different analysis. In general, the non-increasing and non-decreasing linear membership functions are frequently applied for the inequalities with less than or equal to and greater than or equal to relationships, respectively. Since the solution procedure of the fuzzy mathematical programming is to satisfy the fuzzy objective, a decision in a fuzzy environment is thus defined as the intersection of those membership functions corresponding to fuzzy objectives (Zimmermann, 1978, 1985). Hence, the optimal decision could be any alternative in such a decision space that can maximize the minimum attainable aspiration levels in DM, represented by those corresponding membership functions (Zimmermann, 1985).

The approach chosen in this study for applied to the problem of APP is similar to the method developed by Chen and Tsai (2001).

2.2. Multi-objective linear programming (MOLP) model to APP

2.2.1. Parameters and constants definition

- \( v_{it} \): production cost for product \( i \) in period \( t \) excluding labor cost in period \( t \) (Unit).
- \( c_{it} \): inventory carrying cost for product \( i \) between period \( t \) and \( t + 1 \).
- \( r_i \): regular time work force cost per employee hour in period \( t \).
- \( d_{it} \): forecasted demand for product \( i \) in period \( t \). (Units).
- \( K_i \): Quantity to produce one worker in regular time for product \( i \) in period \( t \).
- \( I_{oi} \): initial inventory level for product \( i \). (units)
- \( T \): horizon of planning.
- \( N \): total number of products
- \( P_{it} \): Quantity of \( i \) product to the period \( t \).
- \( I_{it} \): inventory level for product \( i \) in period \( t \) (units)
- \( H_i \): worker hired in period \( t \) (man).
- \( F_i \): workers laid off in period \( t \) (man).
- \( I_{i, Min} \): minimum inventory level available for product \( i \) in period \( t \) (units).
- \( W_i \): total number of work force level in period \( t \) (man).
- \( W_{Min} \): The minimum work force level (man) available in period \( t \).
- \( W_{Max} \): The maximum work force level (man) available in period \( t \).

2.2.2. Objective functions

Masud and Hwang (1980) specified three objective functions to minimize total production costs, carrying and backordering costs, and rates of change in labor levels. In this study, we propose a model where will be using two strategies where they are available in the national firm of iron manufactures non-metallic and useful substances. In their multi-product APP decision model, the three objectives to the APP model can be formulated as follows:

- **Minimize total production costs**:

  \[
  Min. Z_1 = \sum_{i=1}^{N} \sum_{t=1}^{T} (v_{it}P_{it}) + \sum_{t=1}^{T} (r_iW_i + h_iH_i + f_iF_i)
  \]
The production costs include: regular time production, overtime, carrying inventory, specifies the costs of change in Work force levels, including the costs of hiring and layoff workers.

- **Minimize carrying costs:**
  \[ \text{Min.} Z_2 = \sum_{i=1}^{s} (c_{it} I_{it}) \]

- **Minimize changes in labor levels:**
  \[ \text{Min.} Z_3 = \sum_{i=1}^{s} (H_i + F_i) \]
  where the symbol \( \cong \) is the fuzzified version of \( = \) and refers to the fuzzification of the aspiration levels.

The objective functions of the APP model, in this study, assumes that the DM has such imprecise goals as, the objective functions should be essentially equal to some value. These conflicting goals are required to be simultaneously optimized by the DM in the framework of fuzzy aspiration levels.

### 2.2.3. Constraints

- **The inventory level constraints:**
  \[ P_{it} + I_{it-1} - I_{it} = d_{it} \]
  \[ I_{it} \geq I_{it, \text{Min}} \]

- **Constraints on labor levels:**
  \[ W_t - W_{t-1} - H_t + F_t = 0 \]
  \[ W_{\text{Min}} \leq W_t \leq W_{\text{Max}} \]

- **Constraints on labor capacity in regular and overtime:**
  \[ P_{it} - K_{it} * W_t \leq 0 \]

- **Non-negativity constraints on decision variables:**
  \[ P_{it}, I_{it}, W_t, H_t, F_t \geq 0 \]

### 2.3. A fuzzy goal programming with different importance and priorities to APP (FGPIP-APP)

#### 2.3.1. Membership function

Narasimhan (1980) and Hannan (1981-a),(1981-b) were the first to give a FGP formulation by using the concept of the membership functions. These functions are defined on the interval \([0, 1]\). So, the membership function for the \(i\)-th goal has a value of 1 when this goal is attained and the DM is totally satisfied; otherwise the membership function assumes a value between 0 and 1.
Linear membership functions are used in literature and practice more than other types of membership functions. For the above three types of fuzzy goals linear membership functions are defined and depicted as follows (Fig. 1):

<table>
<thead>
<tr>
<th>Membership function</th>
<th>Analytical definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>$\mu_{Z_i(x)}$</td>
<td>$\begin{cases} 1 \text{.................if } G_i(x) \leq g_k \ \frac{u_k - G_i(x)}{u_k - g_k} \text{if } g_k \leq G_i(x) \leq u_k \text{...}k = 1,...,m...(1) \ 0 \text{.................if } G_i(x) \geq g_k \ \end{cases}$</td>
</tr>
<tr>
<td>$\mu_{Z_i(x)}$</td>
<td>$\begin{cases} 1 \text{.................if } G_i(x) \geq g_k \ \frac{G_i(x) - L_k}{g_k - L_k} \text{if } g_k \leq G_i(x) \leq L_k \text{...}k = m + 1,...,n...(2) \ 0 \text{.................if } G_i(x) \leq L_k \ \end{cases}$</td>
</tr>
<tr>
<td>$\mu_{Z_i(x)}$</td>
<td>$\begin{cases} 0 \text{.................if } G_i(x) \leq L_k \ \frac{G_i(x) - L_k}{g_k - L_k} \text{if } g_k \leq G_i(x) \leq L_k \text{...}k = n + 1,...,l \ \frac{u_k - G_i(x)}{u_k - g_k} \text{if } g_k \leq G_i(x) \leq u_k \ 0 \text{.................if } G_i(x) \geq u_k \ \end{cases}$</td>
</tr>
</tbody>
</table>

Figure 1. Linear membership function and Analytical definition

Where $L_k$ (or $u_k$) is lower (upper) tolerance limit for $k$th fuzzy goal $G_i(x)$. They are either subjectively chosen by decision makers or tolerances in a technical process (Chen & Tsai, 2001; Yaghoobi & Tamiz, 2007).

2.3.2. FGPIP-APP formulation

We will use the method that was developed by Chen & Tsai (2001) for formulated the APP problem in the fuzzy gaols, which allows decision makers to determine a desired achievement degree and importance (or weight) of each of the fuzzy goals. The complete FGPIP-APP model can be formulated as follows.

$$\text{Max.} f(u) = \sum_{k=1}^{l} \mu_k$$
Subject to:

\[ \mu_1 \leq \mu_2 \] (Minimize total production costs).
\[ \mu_2 \leq \mu_3 \] (Minimize carrying costs).
\[ \mu_3 \leq \mu_4 \] (Minimize changes in labor levels).

\[ X_{it} + I_{i,j-1} - I_{it} = d_{it} \]
\[ I_{it} \geq I_{it,\text{Min}} \]
\[ W_t - W_{t-1} - H_t + F_t = 0 \]
\[ W_{\text{Min}} \leq W_t \leq W_{\text{Max}} \]
\[ P_{it} - K_{it} \cdot W_t \leq 0 \]
\[ \mu_1 \leq \alpha_1 \]
\[ \mu_2 \leq \alpha_2 \]
\[ \mu_3 \leq \alpha_3 \]

\[ P_{it}, I_{it}, W_t, H_t, F_t \geq 0 \]

Where \( \alpha_1, \alpha_2, \alpha_3 \) is the desirable achievement value for the \( i \)-th fuzzy goal.

2.3.3. Fuzzy linguistic for determining the degree of achievement

The determination of a desirable achievement degree for a goal could be a difficult task for a DM in a fuzzy environment when using method by Chen & Tsai, (2001). For assessing desirable achievement degrees imprecisely, a useful method is to use linguistic terms such as “Low Important”, “Somewhat High Important”, and “Very High Important” and so on to verbally describe the importance of each fuzzy goal. The associated membership function are then defined. We can define \( \mu_i(\alpha) \) to represent the membership function of each linguistic values about the importance of different objectives, where \( \mu_i(\alpha) \in [0,1] \), and \( \alpha \) denotes the variable taking an achievement degree in the interval of \( [\alpha_{\text{min}}, \alpha_{\text{max}}] \), \( 0 \leq \alpha_{\text{min}} \leq \alpha_{\text{max}} \leq 1 \).

Then fuzzy numbers ranking methods can be used to map a membership function representing a fuzzy goal’s importance to a real number in the range of \([0,1]\). The real number obtained can be considered as the desirable achievement degree for the fuzzy goal.

We define \( I = \{\text{Very Low Important} = \text{VLI}, \text{Low Important} = \text{LI}, \text{Somewhat Low Important} = \text{SLI}, \text{Medium} = \text{M}, \text{Somewhat High Important} = \text{SHI}, \text{High Important} = \text{HI}, \text{Very High Important} = \text{VHI}\} \) as a set of linguistic values about the importance of different goals (FIG.2). shows the \( \mu_i(\alpha) \) for this linguistic values. Triangular fuzzy numbers corresponding to these linguistic values are: VLI = (0,0,10%), LI = (5%,15%,25%), SLI = (20%,32.5%, 45%), M = (40%, 50%,60%), SHI = (55%,67.5 %,80%), HI = (75%, 85%, 95%), VHI = (90%, 100%, 100%).
Note that subject to definition of fuzzy number, a and d corresponds, respectively, to $\alpha_{\min}$ and $\alpha_{\max}$. We use Liou and Wang (1992) approach for ranking fuzzy numbers to precisely determining the degree of achievement of different goals. As stated earlier, in $\mu_k \geq \alpha_k$ the $\alpha_k$ shows the degree of achievement of $k$th fuzzy goal. In Liou and Wang (1992) method, given $\alpha \in [0,1]$ total integral value of triangular fuzzy number $\tilde{A} = (a,b,c)$ is:

$$I^\alpha_T = \alpha I_{\alpha}^{\tilde{A}} + (1-\alpha) I_{\alpha}^{\tilde{A}}$$

$$= \alpha \int_0^1 g_{\tilde{A}}^k (y) \, dy + (1-\alpha) \int_0^1 g_{\tilde{A}}^l (y)$$

$$= \alpha \int_0^1 [c + (b-c) y] \, dy + (1-\alpha) \int_0^1 [a + (b-a) y] \, dy$$

$$= \frac{1}{2} \left[ \alpha \cdot c + b + (1-\alpha) \cdot a \right]$$

Where $g_{\tilde{A}}^k$, $g_{\tilde{A}}^l$ corresponding inverse functions the triangular membership function can be defined as:

$$\mu \left( x \right) = \begin{cases} 0 & \text{if } x \leq a \\ \frac{x-a}{b-a} & \text{if } a \leq x \leq b \\ \frac{x-c}{b-c} & \text{if } b \leq x \leq c \\ 0 & \text{if } x \geq c \end{cases}$$

- when $\alpha = 0$, the total integral value $I^0_T(\tilde{A})$ which represents a pessimistic decision maker’s the total integral value becomes:

$$I^0_T(\tilde{A}) = \frac{1}{2} [b + a]$$

- when $\alpha = 0.5$, the total integral value $I^{0.5}_T(\tilde{A})$ which represents a moderate decision maker’s the total integral value becomes:

$$I^{0.5}_T(\tilde{A}) = \frac{1}{2} [0.5 \cdot c + b + 0.5 \cdot a]$$

Figure 2. Membership functions for Linguistic values about the importance of different objectives
• when $\alpha = 1$, the total integral value $I^1_\alpha (\tilde{A})$ which represents an optimistic decision maker’s the total integral value becomes:

$$I^1_\alpha (\tilde{A}) = \frac{1}{2} [c + b]$$

3. Model implementation
3.1. An industrial case study and data description

In this section, as a real-world industrial case a data set provided by the national firm of iron manufactures non-metallic and useful substances (BENTAL) in Algeria. This company manufactures three types of products which are important, and one of the raw materials used in many industries with: Bentonite (BEN), Carbonate of calcium (CAL), Discoloring (TD). The Firm operates 175 workers, and the system of work in the Firm is a continuous production (8x3 hours) for all days of the week except Thursday hailed the work is only a half-day and Friday, which is rest day, and production management composed in 68 worker divide in 3 groups.

The individual firm in the production of mineral products mentioned above, the demand for their products makes is large, which may cause problems in the productive capacity of this firm, fig.3 show fluctuations in demand on the level of monthly production capacity of any production capacity (CAP).

![Figure 3. The fluctuation of the actual demand on the level of production capacity for TD, BEN, CAL](image)

Therefore, fluctuations in demand on the level and volatility of productive capacity, calls for the Firm in an attempt to develop a plan of production, trying to cope with the impact that fluctuations in demand due to seasonal changes, Table 1 summarizes the basic data gathered from the firm, The proposed model implementation in the company has the following conditions:

1. There is a Six period planning horizon.
2. A three product situation is considered.
3. The initial inventory in period 1 is $I_{10} = 1857$ Tons of BEN, $I_{20} = 1029$ Tons of TD and $I_{30} = 1860$ Tons of CAL.
4. Minimum inventory must be maintained during the period $t$ of product $i$ is 500. Tons
5. The costs associated with hiring and laying off, according to estimations of human resource management department per man are respectively 5178DA/man and 4155 DA/man.
6. The Linguistic values about the importance of objectives are: Very High Important = VHI, High Important = HI, Medium = M, respectively. and assumed that we have moderate decision maker, with $\alpha = 0.5$. 
7. The cost of one worker in the production of three products during the $t$ period is $r_t = 2694.706 \text{DA/man}$

8. The minimum work force level (man) available in each period is $W_{Min} = 55 \text{ worker}$.

9. The maximum work force level available in each period is $W_{Max} = 68 \text{ worker}$.

10. The initial worker level is $(W_0 = 68)$.

11. The maximum capacity of storage in 3 products in the firms is 6000 Tons.

Table 1. The basic data provided by Bental firm (in units of Algerian Dinar DA ... $1$ $= 90 \text{ DA}$)

<table>
<thead>
<tr>
<th>Product</th>
<th>Period</th>
<th>$d_u$</th>
<th>$v_u$</th>
<th>$c_u$</th>
<th>$K_u$</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEN ($P_1$)</td>
<td>1</td>
<td>1177.225</td>
<td>3293.493</td>
<td>208.796</td>
<td>17.794</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>923.021</td>
<td>3293.493</td>
<td>208.796</td>
<td>15.367</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>883.342</td>
<td>3293.493</td>
<td>208.796</td>
<td>18.602</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>1071.99</td>
<td>3293.493</td>
<td>208.796</td>
<td>16.985</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>1379.269</td>
<td>3293.493</td>
<td>208.796</td>
<td>17.794</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>1315.222</td>
<td>3293.493</td>
<td>208.796</td>
<td>17.794</td>
</tr>
<tr>
<td>TD ($P_2$)</td>
<td>1</td>
<td>128.620</td>
<td>2164.608</td>
<td>848.721</td>
<td>3.883</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>163.777</td>
<td>2164.608</td>
<td>848.721</td>
<td>3.353</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>164.617</td>
<td>2164.608</td>
<td>848.721</td>
<td>4.059</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>166.006</td>
<td>2164.608</td>
<td>848.721</td>
<td>3.706</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>193.317</td>
<td>2164.608</td>
<td>848.721</td>
<td>3.883</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>206.662</td>
<td>2164.608</td>
<td>848.721</td>
<td>3.883</td>
</tr>
<tr>
<td>CAL ($P_3$)</td>
<td>1</td>
<td>1164.191</td>
<td>1296.109</td>
<td>139.149</td>
<td>14.558</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>463.447</td>
<td>1296.109</td>
<td>139.149</td>
<td>12.573</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>659.034</td>
<td>1296.109</td>
<td>139.149</td>
<td>15.220</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>425.240</td>
<td>1296.109</td>
<td>139.149</td>
<td>13.897</td>
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<tr>
<td></td>
<td>5</td>
<td>78.967</td>
<td>1296.109</td>
<td>139.149</td>
<td>14.558</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>478.221</td>
<td>1296.109</td>
<td>139.149</td>
<td>14.558</td>
</tr>
</tbody>
</table>

3.2. Formulate and solving problem by FGPIP-APP

3.2.1. Construct the membership functions

The linear membership function of each objective function is determined by asking the DM to specify the interval $[g_k, u_k]$ of the objective values, and also to specify the equivalence of these objective values as a membership value in the interval $[0, 1]$. The linear and continuous membership function is found to be suitable for quantifying the fuzzy spiration levels. The corresponding linear membership functions can be defined in accordance with analytical definition of membership functions (Fig.1 Eq (1)). as follows.

$$
\mu_Z = \begin{cases} 
1 & \text{if } Z_i \leq 32000000 \\
\frac{33000000 - Z_i}{33000000 - 32000000} & \text{if } 32000000 \leq Z_i \leq 33000000 \\
0 & \text{if } Z_i \geq 33000000
\end{cases}
$$

Figure 4. Membership function of $Z_i$ (Minimize total production costs)
3.2.2. Transform FGPIP-APP problem to linear programming (LP)

Transform FGPIP-APP problem to equivalent LP with one objective that maximizes the summation of achievement degrees. The LP model for FGPP-APP problem is constructed as follows:

\[
\begin{align*}
\text{Max: } f(u) &= \sum_{k=1}^{3} \mu_k \\
\text{Subject to: } \\
\mu_1 &\leq (33000000 - Z_1)/1000000. \\
\mu_2 &\leq (44000000 - Z_2)/250000. \\
\mu_3 &\leq (13 - Z_3)/13. \\
P_{it} - K_{it} \times W_t &\leq 0 \\
P_{it} + I_{i,t-1} - I_{it} &= d_{it} \\
W_t - W_{t-1} - H_t + F_t &= 0 \\
W_{Min} &\leq W_t \leq W_{Max} \\
\sum_{j=1}^{3} I_{it} &\leq 6000 \\
I_{it} &\geq 500
\end{align*}
\]

Figure 5. Membership function of \( Z_2 \) (Minimize carrying costs)

Figure 6. Membership function of \( Z_3 \) (Minimize changes in labor levels)
$I_{10} = 1856.25$
$I_{20} = 1029$
$I_{30} = 1860$
$W_0 = 68$
$\mu_1 \geq 0.725$
$\mu_2 \geq 0.850$
$\mu_3 \geq 0.50$
$P_i, I_i, W_i, H_i, F_i, \mu_1, \mu_2, \mu_3 \geq 0$  \hspace{1cm}  i = 1, 2, 3  \hspace{1cm}  t = 1, 2, \ldots, 6$
$W_i, H_i, F_i$ (integers).

### 3.2.3. Solve the FGPIP-APP Problem

The LINGO computer software package was used to run the Linear programming model. Table 2 presents the optimal aggregate production plan in the industrial case study based on the current information:

**Table 2.** Optimal production plan in the BENTAL firm case with FGPIP-APP model

<table>
<thead>
<tr>
<th>Period</th>
<th>Product</th>
<th>$P_i$ (Tons)</th>
<th>$I_i$ (Tons)</th>
<th>$W_i$ (man)</th>
<th>$H_i$ (man)</th>
<th>$F_i$ (man)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>1 (BEN)</td>
<td>-</td>
<td>1865.25</td>
<td>68</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>2 (CAL)</td>
<td>-</td>
<td>1029</td>
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Using FGPIP to simultaneously minimize total production costs ($Z_1$), carrying costs ($Z_2$), and changes in Work force levels ($Z_3$), yields total production cost of 32032504.2 DA, carrying cost of 4375292.99 DA, and changes in Work force levels of 0. and resulting achievement degrees for the three fuzzy goal ($\mu_1$, $\mu_2$ and $\mu_3$) are 0.9682679, 0.8975380 and 1 respectively, all of which satisfy the requirements of decision makers.
Despite the good results that were obtained through the proposed model, but remains very much sensitive to the accuracy of the information and data provided by the Organization.

4. Conclusions:

The APP is concerned with the determination of production, the inventory and the workforce levels of a company on a finite time horizon. The objective is to reduce the total overall cost to fulfill a no constant demand assuming fixed sale and production capacity.

In this study we proposed an application of a fuzzy goal programming approach with different importance and priorities developed by Chen and Tsai (2001) to aggregate production planning. The proposed model attempts to minimize total production and work force costs, carrying inventory costs and rates of changes in Work force so that in the end, the proposed models is solved by using LINGO program and getting optimal production plan.

The major limitations of the proposed model concern the assumptions made in determining each of the decision parameters, with reference to production costs, forecasted demand, maximum work force levels,, and production resources. Hence, the proposed model must be modified to make it better suited to practical applications. Future researchers may also explore the fuzzy properties of decision variables, coefficients, and relevant decision parameters in APP decision problems.

References

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Quantitative Methods Inquires

summer school (Valencia, Spain). It presents his ideas on a wide band of key issues in microeconomics, the various techniques to aid decision making by providing useful information for each discipline and research projects. He is the author of handouts and has published several articles in journals. The subjects are currently being microeconomics, applied microeconomics, econometrics and applied econometrics, applied statistics and goal programming (undergraduate, PhD School of Economics).

2 Mékidiche Mohammed is currently Assistant Professor in the faculty of economics and commerce, University of Tlemcen, Maghnia Annex, Algeria, where he teaches Statistics and Operations Research. He received the MS degree in production and operations Management at Faculty of Economics and Commerce, University of Tlemcen, Algeria in 2005. Mékidiche Mohammed is currently a PhD candidate in the field of production and operations Management at University of Tlemcen. His research project is optimization in production planning, fuzzy optimization and its application in production planning and scheduling, Time series analysis and its application in forecasting, neural network and its application in management.

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