

Learning Materials

Project Management

AIM OF THE MODULE

- to acquire necessary knowledge and skills in project management to be able to plan and implement an independent project in wooden product production

ASSESSMENT FORM

When learning the module, the student studies project management in a selected manufacturing company and drafts a project proposal based on the company needs. At the end of the module the student presents a "real" project drafted for the selected manufacturing company. Substantial of processing is, that the students act independently or in groups.

- During the acquisition of the module, the learner researches the needs of innovative project concept in the manufacturing company, identifying the main resources for its implementation. At the end of the module, the learner presents the developed "real" project.
- During the acquisition of the module, the learner performs a case study in the manufacturing company regarding the innovative project concept identification, describing it based on company needs. Based on the performed analysis, proposals for innovative idea implementation are developed. At the end of the module, the learner presents the final project in the selected manufacturing company.
- During the acquisition of the module, the learner analyses a practical needs for innovative project conception implementation in a selected the manufacturing company, taking into account the peculiarities of the external environment. According to the respective assignment, the learner analyses the necessity for implementation project management methods and tools. At the end of the module, the learner presents the results on the analysis of the need for project conception development in the selected manufacturing company, providing proposals for the improvement of planning.
- During the acquisition of the module, by studying the project management in the selected manufacturing company, the learner develops a real project conception description and the implementation plan. At the end of the module, the learner presents the created project for the selected manufacturing company.

TARGET GROUP

Wide range of learners of various profiles and scales of woodworking and furniture manufacturing companies, as well as different levels of responsibility and competence - from employees directly involved in production technological processes to a medium-sized woodworking plant manager.

WORK-BASED-LEARNING

The implementation of the project is based on the allocation of fields of responsibility based on the area in which their company works, or personal interest. Work based learning is following all the models from the beginning to the end of the studies.

When learning the module, the student studies project management in a selected manufacturing company and drafts a project proposal based on the company needs. At the end of the module the student presents a "real" project drafted for the selected manufacturing company. Substantial of processing is, that the students act independently or in groups.

READING LIST

Literature:

- Meredith, J. R. (2016). *Project management: a managerial approach*. John Wiley & Sons, Inc.
- Kerzner, H. (2015). *Project Management 2.0: Leveraging Tools, Distributed Collaboration, and Metrics for Project Success*. Wiley
- *Projektų valdymas: mokomoji knyga*. (2011). Kaunas: Technologija
- *Projektų vadybos informacinės technologijos mokomoji knyga* (2012). Internetu: https://www.ebooks.ktu.lt/eb/499/projektu_vadybos_informacines_tehnologijos/
- *Projektų valdymas: pagrindiniai žingsniai nuo inicijavimo iki įgyvendinimo: mokomoji knyga*. (2012). Kaunas: Technologija

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- 4. WOOD INDUSTRY IN LATVIA** (*Andrejs Domkins*)
- 5. WOOD INDUSTRY IN LITHUANIA** (*Andrejs Domkins*)

Topic:

“MANAGEMENT. FUNCTIONS, CONTROL”

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Management functions. Control

Lecturer Aistė Čapienė

Project: Skills for Baltic Wood Industry -European quality in vocational education and training (Skilled-Up)



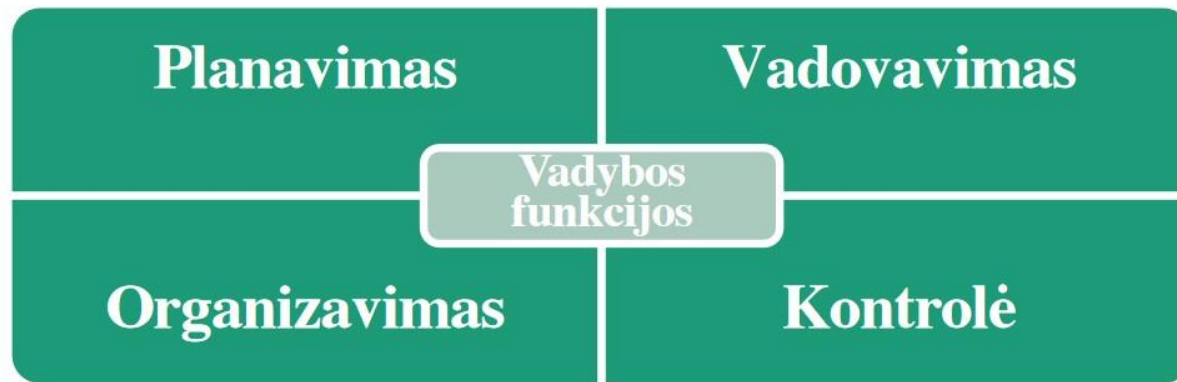
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PAGRINDINĖS VADYBOS FUNKCIJOS

Tikslų formulavimo bei jų įgyvendinimui tinkamos veiksmų eigos nustatymo procesas.

Darbuotojų ir jų veiklos skatinimas, motyvavimas, nukreipiamas reikiama linkme.



Organizavimas – toks darbo, valdžios ir išteklių paskirstymo tarp organizacijos narių ir jų suderinimo procesas, kuris leidžia jiems pasiekti organizacijos tikslus.

Kontrolė – procesas, užtikrinantis, kad reali veikla atitiktų planuojamą.

Control

Control is the process of ensuring that actual and planned activities.

Control, which is the inspection, supervision, monitoring and surveillance of any area of activity.

The purpose of **control** is to help the organisation adapt to changes in conditions, reduce errors, manage internal problems and minimise costs.



Control levels:

is carried out by managers and, in larger companies, by internal control services.

- External control. This is carried out by independent audit firms contracted by the organisations.
- State Audit Office. This is the audit of the economic activities of the Seimas, the government and ministries. In Lithuania, it is carried out by the State Tax Inspectorate, the Audit Department of the Ministry of Finance and the State Audit Office Department

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Effective control requires
two initial conditions:

1. Have plans.
2. Good to know your organisation structure.



Control process systems:

■ **active monitoring** - identifying relevant problems and preparing in advance to avoid them.

■ **Benchmarking** - involves checking existing actions and processes evaluation. It can be called 'control of the current situation' because it relates to current activities rather than to the past or the future.

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■ **Backward (closing) control** - This involves gathering information on completed activities, evaluating it and developing actions to improve similar activities in the future.



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Steps in the control process

1. **Setting standards.** A standard is an object (can be physical or documentary) against which performance is compared. Standards define what the organisation is trying to achieve.
2. **Performance evaluation.** Before starting a performance evaluation:
 - How often should performance be evaluated (hourly, daily, weekly, yearly)?
 - In what form will the activity be evaluated?
 - Who will evaluate (supervisor, assistant, HR department)?



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Steps in the control process

3. Comparison of performance and standards. Performance may be slightly above, below or equal to the standards.

Issues in comparing performance and standards:

- Presentation,
- adjusting standards,
- use of future plans.

Steps in the control process

4. Choosing the right action.

Problem situation - the results are less than desired.

Opportunity situation - current results are better than the set standards.

Three steps:

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- Cause analysis.
- Promoting action. Possible actions: Maintain status quo, correct deviations, change standards.
- Identifying new expected outcomes



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At the lowest level: operational control, behavioural control, financial control.

Production control:

- *the purpose of production control is to control the progress and duration of production operations and to take action to ensure that production operations are carried out on time;*
- *Procurement control monitors the timing, quality, quantity and price of supplies.*
- *Plant operation control may include:*
 - preventive, before a breakdown occurs;*
 - assessment of faults and corrections;*
 - the conditions, everything to do with assessing the condition of installations*

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Quality control shall determine whether the weight, composition, colour, flavour, finish and other characteristics of the product comply with

There are two :

- control of finished goods or services (includes control of products produced, services provided);
- process control (includes in-process control to make sure that the production process is running normally).



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Behavioural control is about supervising and encouraging staff to perform well.

Two types of behavioural control: internal and external control.

Internal control is self-control. It is practised by people who are themselves inner self-management.

External control is exercised by supervising staff and administrative measures.



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Financial control monitors an organisation's financial resources.

Types of financial controls: budgetary, financial statement analysis and audit.

Structural control checks how the organisation's departments perform their functions.



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Types of structural control - bureaucratic and planned.

Bureaucratic control is for formal and mechanical structure for the maintenance of the mechanical structure.

Planned control is designed to maintain an informal structure



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Strategic control assesses how effective an organisation's strategy is achieves its objectives and focuses on:

- organisation structure,
- Leadership,
- technology,
- human resources,
- information,
- operations control system.



 **SKILLED UP**



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Management functions. Leadership



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Leadership style refers to the interrelated leadership techniques, behavioural norms and rules that a leader uses in his/her work to encourage subordinates to achieve their goals.

How to lead, i.e. how to use one's influence, power and authority to successfully realise one's goals?

The Philosophy of Confucius (6th-5th century BC).

"Govern with respect for the five excellent qualities and with the four loathsome ones."

Five great features

- A nobleman (the name given to a Chinese official of the time),
- Generous, but not wasteful,
- does not provoke anger by calling for work,
- magnanimous but not haughty,
- to seek respect - cruel".

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The philosophy of Confucius (6th-5th century BC).

Four disgusting qualities:

- if you don't teach your subordinates, but beat them, it's called cruelty;
- if you don't warn the worker, but express dissatisfaction when you see the result of the work, it's called rudeness;
- if you are forced to finish the work quickly, but before you are instructed not to hurry up, it's called breaking your word;
- if you promised to pay, but are not sorry for it, it is called covetousness.



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Key message: "A noble man thinks of nine things:

- to see clearly;***
- to hear clearly;***
- to have a friendly countenance;***
- to behave in a noble manner;***
- to speak smoothly;***
- to be cautious of one's actions;***
- to ask others when one is in doubt;***
- to be mindful of the consequences of one's wrath;***
- to be righteous when it is possible to be gainfully disposed".***



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Plato. A leader must be characterised by:

- /// *wisdom,*
- /// *bravery,*
- /// *consistency,*
- /// *justice,*
- /// *non-scholarliness,*
- /// *good memory,*
- /// *aptitude for science,*
- /// *diligence.*



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The famous "Laws of Manes" were written in the 2nd century AD:

"No one can rule rightly who: has no friends, is full of foolishness, is greedy, is unenlightened, is given to entertainment".

A ruler must avoid the evils: ten of them are born of desire (passions) and seven of them are born of human qualities.



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Ten evils born of desire

- /// Hunting,
- /// the hunt for dice,
- /// sleeping during the day,
- /// blasphemy,
- /// women,
- /// drunkenness,
- /// singing,
- /// music,
- /// dancing,
- /// pointless travelling.



Seven evils that human qualities breed

- Complaining,
- breaking one's word,
- jealousy,
- harshness,
- violation of property rights,
- verbal abuse,
- hitting with a stick.



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A. Fayolis

1841 - 1925

The first condition is to be a good administrator. The second condition is competence.

Other characteristics:

- **Health.** A less talented but healthy boss who comes to work every day is better than a sickly genius;
- **Moral qualities** - will, energy, sense of responsibility, duty; high level of general culture; general understanding of all the essential functions of the company.

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G. Emersonas

1803 - 1882

- admiration for your work,
- trust in people,
- optimism,
- the ability to see the end results of one's decisions results,
- ability to work quickly.

P. Raulinaitis "Principles of administration" 1895–1969

- and physical resilience;

- intelligence and memory;

- moral qualities. Everyone must be straightforward, committed and proactive,

this is all the more useful the higher the position;

- General education (the higher the position in the social hierarchy, the higher the general culture);

- Administrative skills, especially in relation to key management functions;

- understanding other specific functions of the

- organisation



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P. Lesauskis. Straipsnis "The role of leadership in an organisation", 1939 m.

■ Energy of body and spirit. There is no doubt that those who rise above the crowd must have more drive, strength, physical and spiritual energy than the average person;

■ A sense of purpose and direction. "The world gives way to the man who knows where he is going".

A leader must have a goal and know how to achieve it;

■ Enthusiasm. To achieve a goal, you need dynamism, confidence and determination.

This is called enthusiasm;

■ The ability to lead. Management is a craft and requires special training;

■ Determination;

■ Faith. Without faith there can be no determination and commitment.

According to German management experts, a modern manager must:

- be able to recognise the achievements of subordinates,
- be principled,
- be competent,
- discuss with subordinates possible solutions to problems,
- be courageous and prepared to represent and defend subordinates,
- communicate with subordinates on a regular basis.

T. Kono "Japanese corporate strategy and structure". 1987 m.

- the ability to see the main lines of work and the relationship of the organisation to society;
- the ability to anticipate and prepare for the future;
- the ability to be proactive, decisive and risk-averse;
- the ability to take risky decisions rather than waiting for absolute certainty;
- perseverance and continuous learning;
- the ability to articulate and communicate objectives to subordinates;
- impartiality, i.e.
- the ability to listen to the views of others and to encourage subordinates to think;
- the ability to make the most of co-workers' abilities, which requires a fair distribution of work;
- personal attractiveness;
- the ability to build a cohesive team;
- good health.

1. **Reconcile** the interests of the firm in question with those of society as a whole.

2. **understand and adapt** to market relations.

3. A good manager must be a leader.

4. A good manager must have special training in the "7Ms" of management:

■ Men

■ *methods,*

■ *money,*

■ *mashines,*

■ *materials,*

■ *management,*

■ *marketing.*



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5. Age. During the period of active activity, the leader passes through the following stages:

- /// enthusiasm - 20-24,
- /// ambition - 25-29,
- /// anticipation - 30-34,
- /// belief - 35-39,
- /// restlessness - 40-44,
- /// confusion - 45-49,
- /// failure of plans - 50-54,
- /// resentment - 55-60,
- /// forgetfulness - over 60 years.



6. Organisational skills. In Western management

the following key organisational skills are identified:

- willingness to be a manager;
- ability to communicate and cooperate;
- ability to speak and to be silent;
- interest in one's superiors;
- sense of humour;
- ability to save time;
- ability to be hardworking;
- ability to respond appropriately to criticism; ■ risk-taking in decision-making; and
- drive to innovate.



7. Healthy careerism. A person who is not trying to get ahead does not want to and cannot work well and intensively.

"Bad is the soldier who does not dream of being a general".



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THE CONCEPT OF MOTIVATION. DEVELOPMENT OF THEORIES OF MOTIVATION

Organising staff empowerment (Fayol)

It is nothing more than getting people to work by communicating with them. (Jakoka)

A special activity that turns an unorganised crowd into an effective one,

group working in an efficient and effective way. (Druker)

The ability to make others willingly accept direction from another person and feel needed in doing so. (Federman)



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1930 - security, material needs

- Working conditions, pay, strict controls and penalties, good work organisation.
- Joint meetings, celebrations, conversations, creating a positive microclimate, highlighting the individual's contribution to the collective results.

1960 – social, communication and belonging needs

- Timely reinforcement of desired behaviours, setting individual goals, assessing performance appropriately and fairly.
- Linking the employee to the organisation, linking common, universally accepted values to the organisation's objectives, cult of the customer, alignment of professions.

1970 –
**needs for
self-
expression,
respect**

1980 –
**realising
your
potential**

Motivation is a psychological characteristic that determines a person's degree of commitment. It includes factors that cause, directing and sustaining a person's behaviour in a particular direction of commitment.

Motivation - part of the management process influencing people's behaviour.



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- First of all, motivation is generally accepted as a good thing.
- Motivation is one of several factors that determine an individual's performance. Factors such as ability, resources and the conditions under which it is performed are also important.
- Thirdly, managers and theorists believe that motivation is not a steady state and needs to be replenished periodically.
- Fourthly, motivation is a means by which managers can organise labour relations in organisations.



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The theories of motivation include:

- Traditional model;
- the human relations model;
- Human resource model.



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Traditional model



1. Work is inherently unpleasant for many people.
2. What people do is less important than what they get paid for their work.
3. Few people would or could do a job that requires creativity, self-control and discipline.



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Traditional model

Behaviour

The manager should supervise and control in detail each subordinate.

2. It should break the task down into simple, repetitive and easy-to-learn operations.
3. It must define working procedures and operations in detail and enforce employees to follow them precisely and strictly.



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The human relations model



Claims:

1. People want to feel useful and important.
2. People want to belong and at the same time want their individuality to be recognised.
3. These needs are more important than money and motivate people to work more than money.



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The human relations model



Behaviour line:

1. A manager should strive to make all employees feel useful and important.
2. He should inform his subordinates of his plans and listen to their views or objections.
3. A manager should allow subordinates to have some self-management and self-control in routine matters.



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Human Resources



Claims:

1. The work is not unpleasant. People want to contribute to meaningful goals, especially if they helped shape them.
2. Many people can be much more creative, autonomous and self-controlled and self-disciplined than their current job requires.

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Human Resources



The manager should make use of unused or underutilised human resources.

2. It must create an environment in which all members can contribute to the best of their abilities.
3. It must encourage staff to participate fully in the achievement of important objectives and increasingly push the boundaries of self-control and self-direction.

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Motivation theories can be divided into two groups according to their content:

1. Theories are based on people's needs, which determine their behaviour.

Theories based on people's expectations, which lead to their

behaviour and the perception of its consequences.

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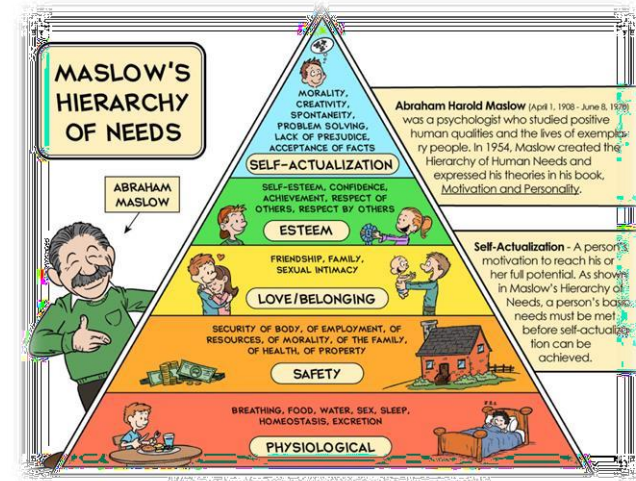
A. Maslow. People's needs can be divided into 5 categories, arranged in order of incentive in the following order of effect

The individual is most stimulated at the time

the most pressing, i.e. dominant, needs.

Only when all other needs have been met will employees become motivated by the need for self-expression.

48 The theory explains that needs motivate people to act.



In explaining the mechanism of employee behaviour, this theory does not answer many questions:

- The origin of the needs themselves;
- If physiological needs arise from human existence, where do higher-level needs come from;
- It is not clear whether this order of needs is universal, i.e. common to all individuals, irrespective of their nationality, culture, gender, personal characteristics and scale of values;
- 49 ■ It is not clear why some individuals, while satisfied at one level, are not motivated by higher level needs.

THREE NEEDS: achievement, power and closeness with others

■ They have a strong need to win like to take responsibility for solving problems; they often set goals that are difficult enough for them to achieve; they take risks to reach those goals; and they highly value feedback - appreciation of how well they are doing.

■ **The need for proximity** is the reason why "working at home, in contact with the institution through various means of telecommunication" has not spread as widely as was predicted

■ **The need for power** examines the degree of control that a person desires in his or her situation. This need can be related to how people cope with failure or success.

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Herzberg's two-factor theory

■ *Dissatisfaction factors* (what Herzberg called "hygiene" factors) - wages, working conditions and company policies - all of which determine the working environment (context).

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■ *Satisfaction factors* (motivational factors) - achievement, recognition, responsibility and promotion opportunities - all related to the content of the job and rewards for performance.

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Equity theory is based on the idea that a very important factor is the individual's perception of the rewards received.

Fairness of the reward: the reward is compared with the rewards received by others for a similar contribution, or with another appropriate effort/reward ratio.

Time: is the limit up to which an individual can still tolerate a sequence of unfair events.



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When a worker feels injustice, he or she defends himself or herself in one or more of the following ways:

- trying to skew the contribution or remuneration of others and their own work so as to create a balance.
- trying to persuade and influence others to reduce their own contribution and results.
- trying to change their contribution and results.
- changes the basis for comparison
- if that doesn't help, leave the organisation



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According to **expectancy theory**, people choose how to behave from alternative behaviours based on their expectations of what they can gain from each.



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...the theory of economies is based on four propositions about behaviour in organisations:

- The right is determined by a combination of individual and environmental factors.
- Individuals make conscious choices about their behaviour within the organisation.
- Individuals have different goals, needs and desires.
- Individuals, when deciding which behavioural options to choose, will choose the one that they believe will achieve the desired outcome.

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Expectancy theory emphasises the importance of three themes in the analysis of work motivation
the importance of interconnections:

- effort input - result;
- results - rewards;
- reward - the valence of the reward.

These three components can be seen as three questions: if I do this work, what will be the result?

Is it worth my effort? What are my chances of achieving a result that is valuable to me?



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1. Find out how each employee feels about pay.

2. Find out what you (as a manager) want as a result.

3. Ensuring that the required work results are actually achieved.

4. Link pay to performance.

Finding out what factors could hinder payback Effectiveness.

6. Make sure the salary is adequate.



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Skinner's reinforcement theory

■ Reinforcement, where the desired behaviour is encouraged by positive effects.

- Suppression to avoid unwanted behaviour and trying to prevent the behaviour from happening again.
- Avoidance learning, where employees change their behaviour to avoid unpleasant consequences.
- Punishment to prevent undesirable behaviour by negative consequences.

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Leadership style is the totality of the relationships between people in an organisation.

Management style consists of commands, incentives and arguments.

The commandments vary in their degree of severity:

- the strictest orders - orders requiring strict compliance with specified rules;
- soft commands are instructions: they specify the purpose of an activity, in some cases, a suggested course of action;
- advice - the least stringent form of advice. When a subordinate receives advice, he or she can choose both the objective and the course of action.



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- Incentives can be coercive, where the subordinate will suffer a loss if the command is not carried out, and promissory, where if the command is carried out, the rewards will outweigh the effort.
- Arguments can be rational (directed at the mind) and emotional (directed at the emotions).



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Factors influencing leadership style



Objective factors and conditions

- the specificities of the organisation they lead;
- the specific issues involved;
- level of management in the hierarchical pyramid;
- characteristics of a managed team.



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Factors influencing leadership style

Subjective factors and conditions:

- individual characteristics;
- character traits;
- mental traits;
- Behavioural orientation.



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In Organisation A: short service, individual decision-making, individual responsibility, rapid performance appraisal and promotion, precise control mechanism, specialised career paths, treated as a servant.



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Organisation J: service until retirement, collective decision-making, collective responsibility, slow appraisal and promotion, blurred control mechanisms, unspecialised career paths, and treating employees as individuals.



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In Organisation Z: long service, collective decision-making, individual responsibility, slow appraisal and promotion, informal control with defined evaluation criteria, moderately specialised career, strong focus on the interests of the employee, including the family. Z organisations strive to create an efficient work team where the leader is one of the group members.

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Effective, when	Ineffective, when
<ul style="list-style-type: none"> • when new staff join; • when tasks can only be successfully completed if specific rules and procedures are provided; • limited decision-making time; • subordinates require a manager • authority; • poor organisation of work. 	<ul style="list-style-type: none"> • subordinates know that their views will not be listened to • negative organisational culture, high staff turnover, high absenteeism • subordinates depend on manager for decision making

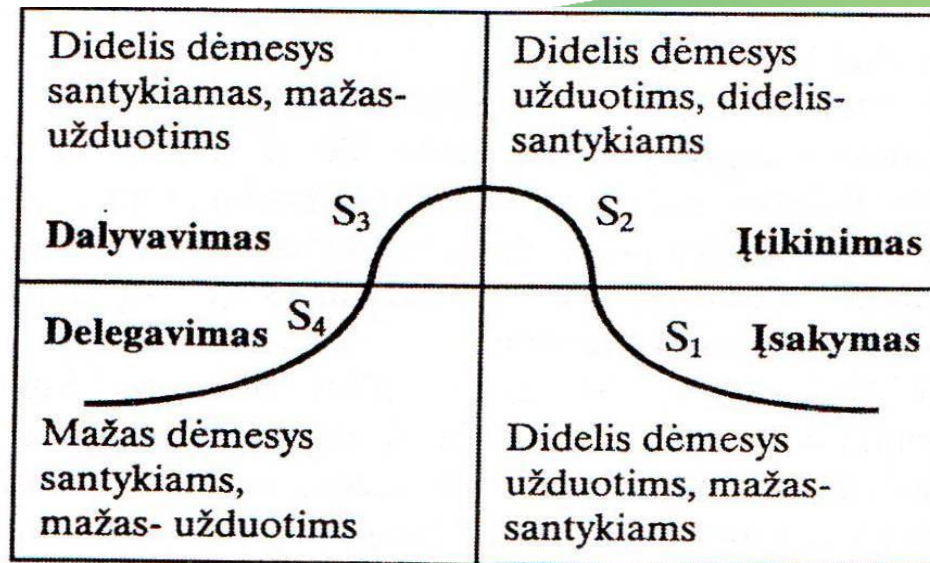
Effective when	Ineffective when
<ul style="list-style-type: none"> • subordinates are well-educated, have excellent skills and can act alone • experienced and reliable • employees of another company, such as HR specialists or consultants 	<ul style="list-style-type: none"> • subordinates feel insecure • weak leadership • no feedback • the manager doesn't understand his or her responsibilities and expects subordinates to cover for them



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Aukštas
 ↑
Vadovavimas orientuotas į santykius tarp žmonių
 ↓
 Žemas



Vadovavimas orientuotas į užduotis
 Žemas ← → Aukštas

Darbuotojų brandumo laipsnis

B4	B3	B2	B1
+	+	—	—
+	—	+	—
Aukštas	Patenkinamas		Žemas

Darbinė
branda

Psichologinė
branda

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According to the life-cycle theory of leadership, leadership style is influenced by the maturity of subordinates.

This theory suggests 4 leadership styles:

1. *The style of the prompts.* The leader focuses on task completion and little on human relations. It is appropriate and effective when subordinates have low maturity, i.e. are unwilling or unable to take responsibility for completing a specific task.



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The style of "selling" ideas. The manager puts a lot of emphasis on tasks and employee relations. Subordinates prefer to work independently and to be accountable for the work they do, However, their knowledge and experience are not yet sufficient.

3. *Participative style.* In this situation, subordinates, who are not very proactive, are able, but not always willing, to take responsibility for completing a task. The manager, recognising this, tries to engage the employees rather than imposing orders on them.



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4. *Delegation style.* Subordinates are competent to deal with tasks independently and are accountable for their results. They are also willing to take responsibility. The manager allows subordinates to act independently, i.e. delegates rights and authority to them.



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Enthusiastic beginner



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Enthusiastic beginner



Learn to act, do things

Finding the target(date)

Action plan

News

Personal example

Monitoring and evaluation

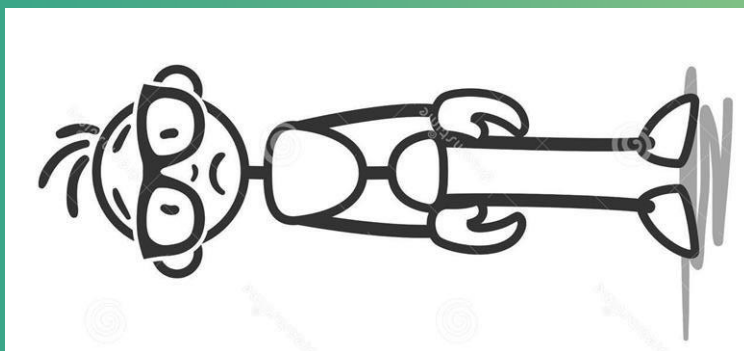


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Disappointed student

Little knowledge



Low willingness to act



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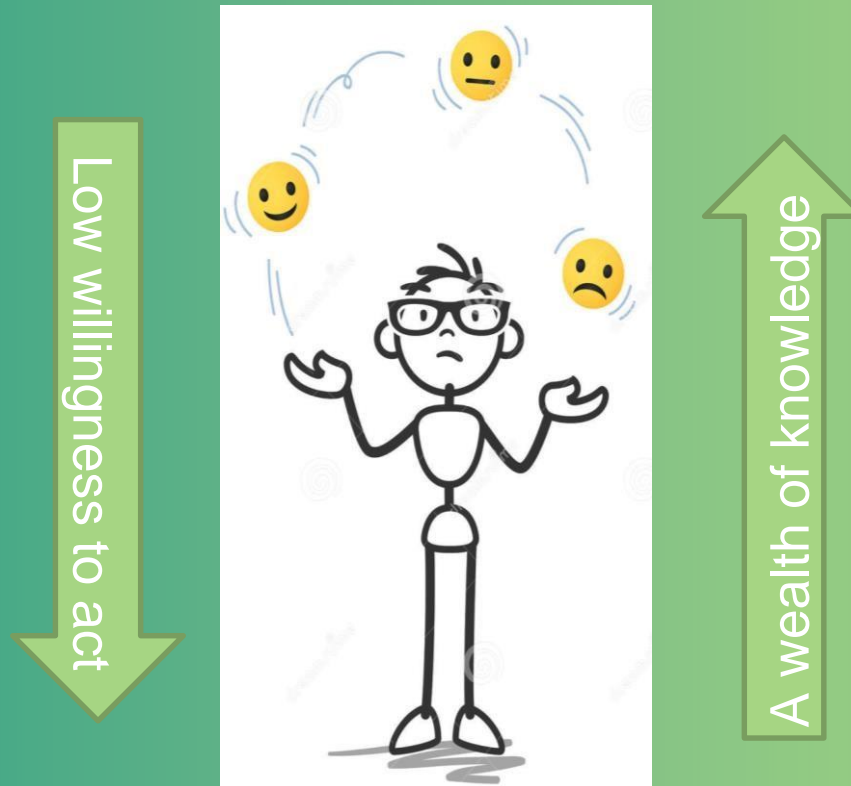
Disappointed student



Motivate action, inspire desire

- Listen to
- Praise and encourage
- Help you find a solution to the problem
- Ask you to try harder (make a
- a common goal)
- Remind you what's worth trying for (get to know)
- Share your experiences (good and bad)

A skilful but cautious performer



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A skilful but cautious performer



Motivate action, inspire desire

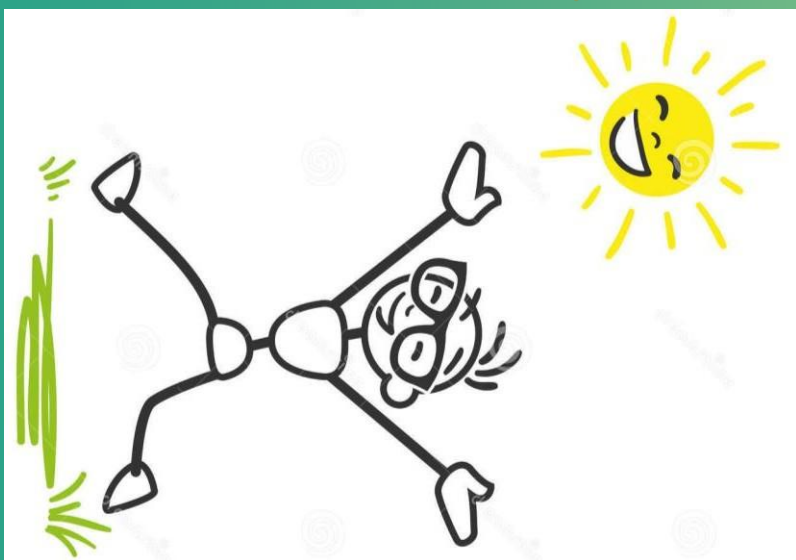
- Remind me what's worth striving for (goals)
- Praise, let him feel his worth
- Consult as partners
- Ask to contribute to a common goal
- Share your experiences (good and bad)



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A strong desire to act



Leader

A wealth of knowledge

 **SKILLED UP**



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Leader



- Enjoy
- Contact
- No control
- Observe



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What is the most effective leadership style and when:

1. Direct (directive) leadership is more appropriate when tasks are uncertain.
2. Supportive leadership is more effective when subordinates are doing stressful, frustrating or dissatisfying work.
3. Participative leadership is favoured when subordinates are engaged in non-repetitive, non-routine, ego-revealing work.



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Kokį poveikį turėsime stilius efektyviausias ir kada:

5. When performing an unpleasant task, more subordinates resist a directive leadership style
6. Subordinates who think they are capable of doing a good job do not agree with a directive leadership style.
7. When subordinates are performing vague, non-repetitive tasks, the more achievement-oriented the leader is, the more subordinates expect the results of their efforts to be effective



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Topic:

“MANAGEMENT, ORGANISATION AND THEIR ENVIRONMENT”

Author

Aiste Čapienė

Management. Organisation and their environment

Lektorė Aistė Čapienė



Management

- the study of **social organisations**, systems management;
- the body of **practical management** methods and traditions that are specific to a historical period or country;
- the deliberate and continuous maintenance of the '**shape**' of an organisation.

Management is a specific science in its own right, with its own:

Accurate – The objectives are to provide effective orientations and methods for managing social organisations; to help social organisations adapt to the dynamism of the environment.

Object: management activities in a social organisation.

Outcome - principles/approaches to managing social organisations.

Principles - the basic rules, norms of behaviour, statements which


An organisation is a group of people who deliberately coordinate their activities to achieve a common goal or goals

A group of people will be an organisation when:

1. It will consist of at least two people who consider themselves members of the group;
2. The group will have at least one common purpose that is equally important to all its members;
3. When the members of the group consciously work together towards a common goal.⁴

Organisations share common features:

- Each organisation has unique characteristics that are not shared by any of its members;
- Organisations have interrelationships with their external environment;
- Distributes work by breaking it down into specialised components.
- Each organisation has subdivisions - departments or services.
- The activities of the divisions are deliberately directed towards the achievement of objectives of relevance to the whole organisation;
- The distribution of work requires proper coordination.



According to systems theory: organisations are neither completely independent nor completely closed.

An organisation takes inputs from the external **environment**, processes them into products or services and sends them back to the external environment **as outputs**.

Relationship between time attitude and management

- Governance - the effort to create a desirable future while respecting the past and present.
- Governance corresponds to and reflects a specific historical period.
- Governance - a practice whose consequences and effects are manifested in after a certain period of time.

The importance of people-to-people relationships is demonstrated by:

- **The actions** of managers in their dealings with other people are like two directions on a street; both sides influence each other.
- The actions of managers in dealing with other people can do both both **positively** and..
- Managers juggle multiple simultaneous relationships.

SWOT Analysis

STRENGTHS (internal)

What advantages does the company have over other businesses?

What does the company do well?
What differentiates the company from its competitors?

S

(internal) STRENGTHS

What can be improved? What should be avoided in the activity?

What do your customers complain about? What are the unmet needs of your sales force?

S

What external options are available to you?
What trends could you benefit from?

OPPORTUNITIES (external)

G

What external threats can harm you? What are your competitors doing right that you are not?
(external) THREATS

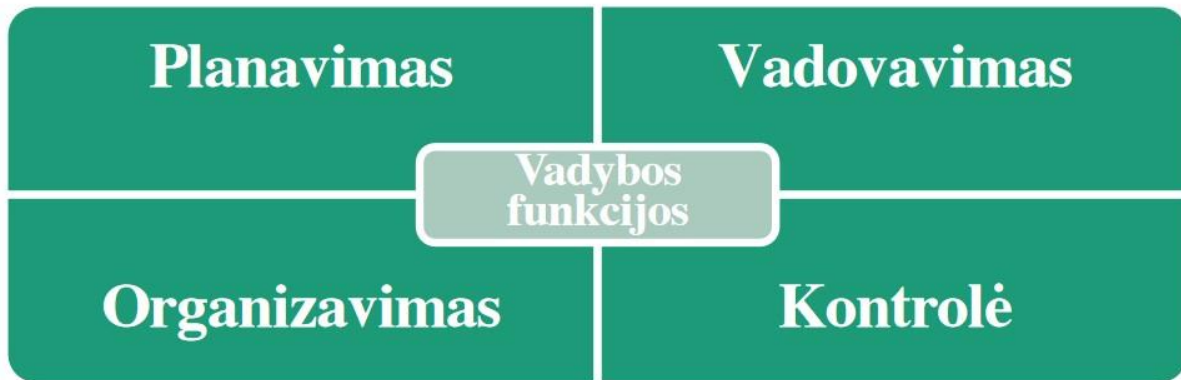
G

1. Management functions. Planning

PAGRINDINĖS VADYBOS FUNKCIJOS

Tikslų formulavimo bei jų įgyvendinimui tinkamos veiksmų eigos nustatymo procesas.

Darbuotojų ir jų veiklos skatinimas, motyvavimas, nukreipiamas reikiama linkme.



Organizavimas – toks darbo, valdžios ir išteklių paskirstymo tarp organizacijos narių ir jų suderinimo procesas, kuris leidžia jiems pasiekti organizacijos tikslus.

Kontrolė – procesas, užtikrinantis, kad reali veikla atitiktų planuojamą.

Planning is a special kind of decision-making that focuses on the specific future that managers want for their organisation.

- It is a continuous process, reflecting changes in the surrounding environment and adapting to them.
- It is the setting of objectives and the means to achieve those objectives selecting the objectives.

Reasons for the need for planning:

- Planning in itself does not guarantee success, but it leads to it,
- **the need** to respond to change,
- without planning, employees do their work without knowing the value of their performance,
- Planning is important as a social factor.

Formal planning:

- is based on rationality,
- Systematicity is needed,
- is carried out at fixed intervals,
- based on rigorous documentation.



Planning:

- is based on emotionality,
- spontaneous, episodic,
- the interval is random,
- no strict documentation.



Goal: the state, if being that an organisation is able to achieve.

1. Goals give a sense of direction.
2. Objectives focus the company's efforts.
3. Objectives guide plans and decisions.
4. Objectives help measure progress.



Hierarchical organisation plans

- Long-term (strategic plans)
- Medium-term (tactical plans)
- Short-term (operational) plans
- Contingency planning

One-off plans - programmes, projects, budgets
Permanent plans - policies, procedures, rules.

Strategic plans differ from tactical plans in three main ways aspects:

1. **Time horizon.** Strategic plans aim to cover several years or even decades. For operational plans, a year is often the appropriate time frame.
2. **Scope.** *Strategic plans cover a very wide range of organisational activities, whereas operational plans are much narrower and more limited in scope.*
3. **Level of detail.** *Strategic plans are often formulated in terms that appear simple and general. Operational plans are much more detailed.*

Strategy as a concept

1. A strategy is like a plan.
2. Strategy can be understood as a trick. In other words, an attempt to outwit rivals or competitors.
3. Strategy is understood as a certain pattern of activity.
4. Strategy as a position reflects the position of the organisation in the external environment (in relation to competitors in the market).
5. Strategy is a perspective.

H. Mintzbergas

strategy as a process

The concept of strategy as a process involves defining the organisation's vision and future objectives, assessing the current situation, selecting strategic alternatives, developing an action plan and implementing it.

Steps in the strategic planning process

1. *The purpose of the organisation, i.e. the mission statement.*
2. *The objectives of the organisation. Formulated according to purpose. Objectives will be effective when.*
 - are measurable and have a clear and specific basis for evaluating decisions;
 - have a time limit;
 - a realistic target is achieved;
 - the objectives must be aligned - not contradictory.

Steps in the strategic planning process

3. Environmental assessment. The external environment is assessed according to three parameters:

- Changes that affect the current strategy;
- Factors threatening the current strategy;
- Factors which, if the plan were revised, would provide additional opportunities for the organisation.

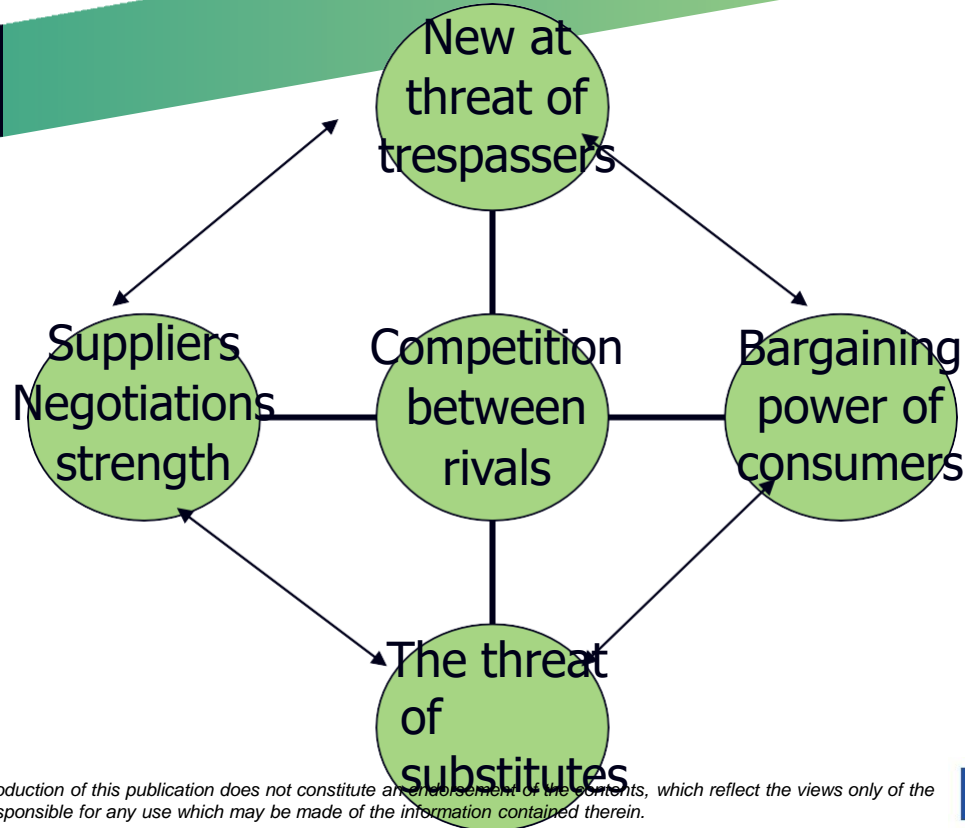
Analysis of the external environment

Analysis of the distant (spillover) environment:

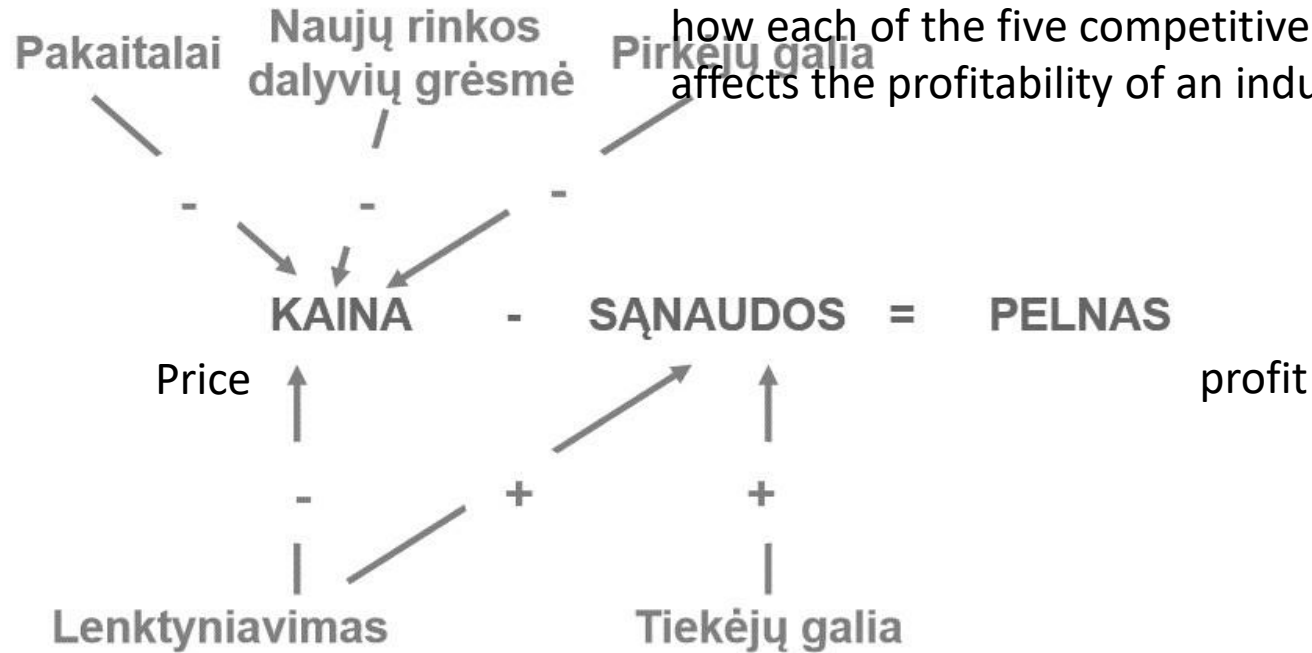
- Macroeconomic indicators;
- Consumer behaviour;
- Labour market situation;
- Competitors' activities;
- Legislative framework;
- Technical and scientific progress;
- Ecological requirements.

.

Porter's "Five Forces" model



Kaip kiekviena iš penkių konkurencingumo jėgų įtakoja industrijos pelningumą?



Šaltinis: Joan Magretta, *Understanding Michael Porter: The Essential Guide to Competition and Strategy*, 2013.

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 **SKILLED UP**

Steps in the strategic planning process

- 4. Identifying strengths and weaknesses. The most common areas of focus in this respect are: marketing, finance, production, employees, company culture and reputation/image.*
- 5. Developing strategy alternatives. The four main alternatives:*
 - Rapid growth;
 - Decline;
 - extinction;
 - Combination of alternatives;

Steps in the strategic planning process

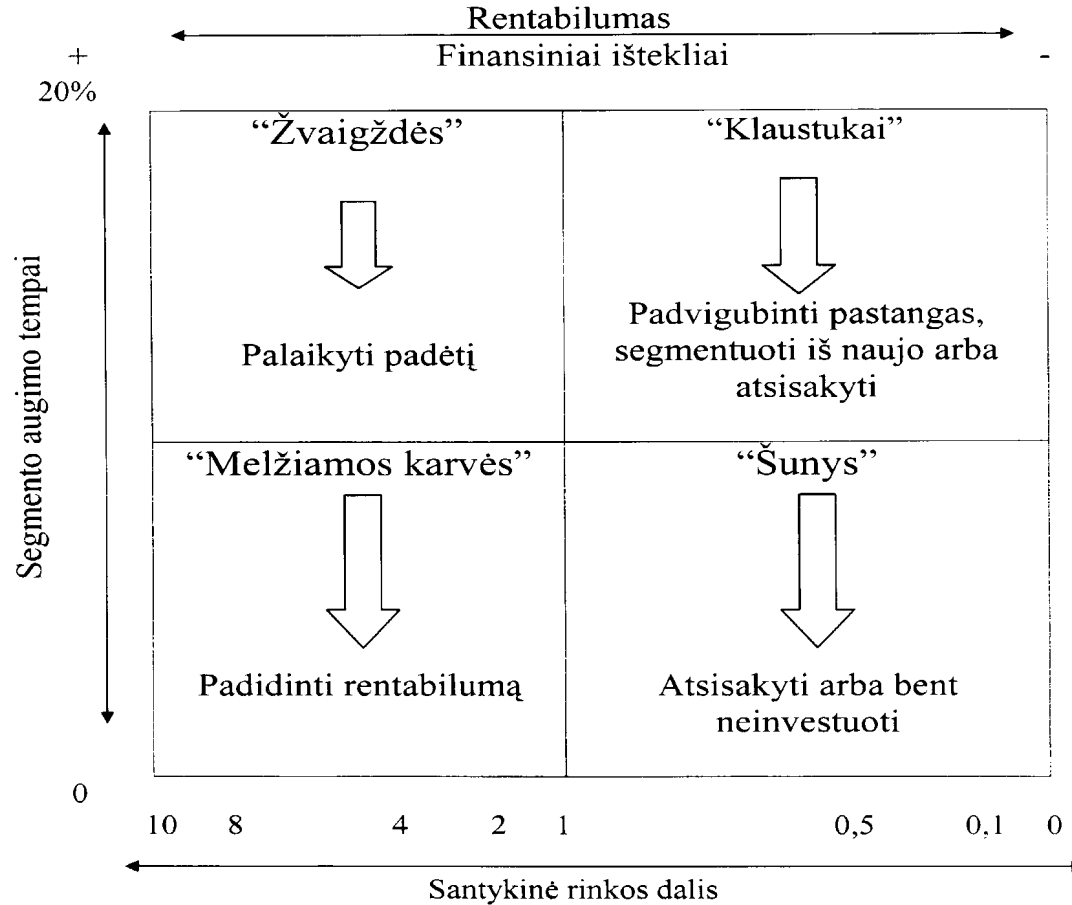
6. Choosing a strategy. Determined by:

- Acceptable level of risk;
- a strategy used successfully in the past;
- Owners' attitudes - they can limit the flexibility of managers;
- Time.

7. Strategy implementation.

8. Evaluation of the strategy

Boston Consulting Group (BCG) matrica



BCG matrica

The authors are guided by the fact that the main objective of the strategy is to enable the optimal allocation of all available resources to the operating segments in order to improve the competitive position of the organisation as a whole.

*Relative market share (X-axis) reflects the **potential level of profitability** and the **demand for financial resources** at a given point in time.*

Dairy cows

Operating segments with **virtually no growth** or even a slight decline in volumes; requiring almost no new investment, with sufficient **production capacity**; usually highly profitable and generating **high cash flow** because of the company's high market share.

Dogs

Operating segments with growth opportunities Low.
They do not **require significant investment**, but their performance profitability is low and sometimes negative.

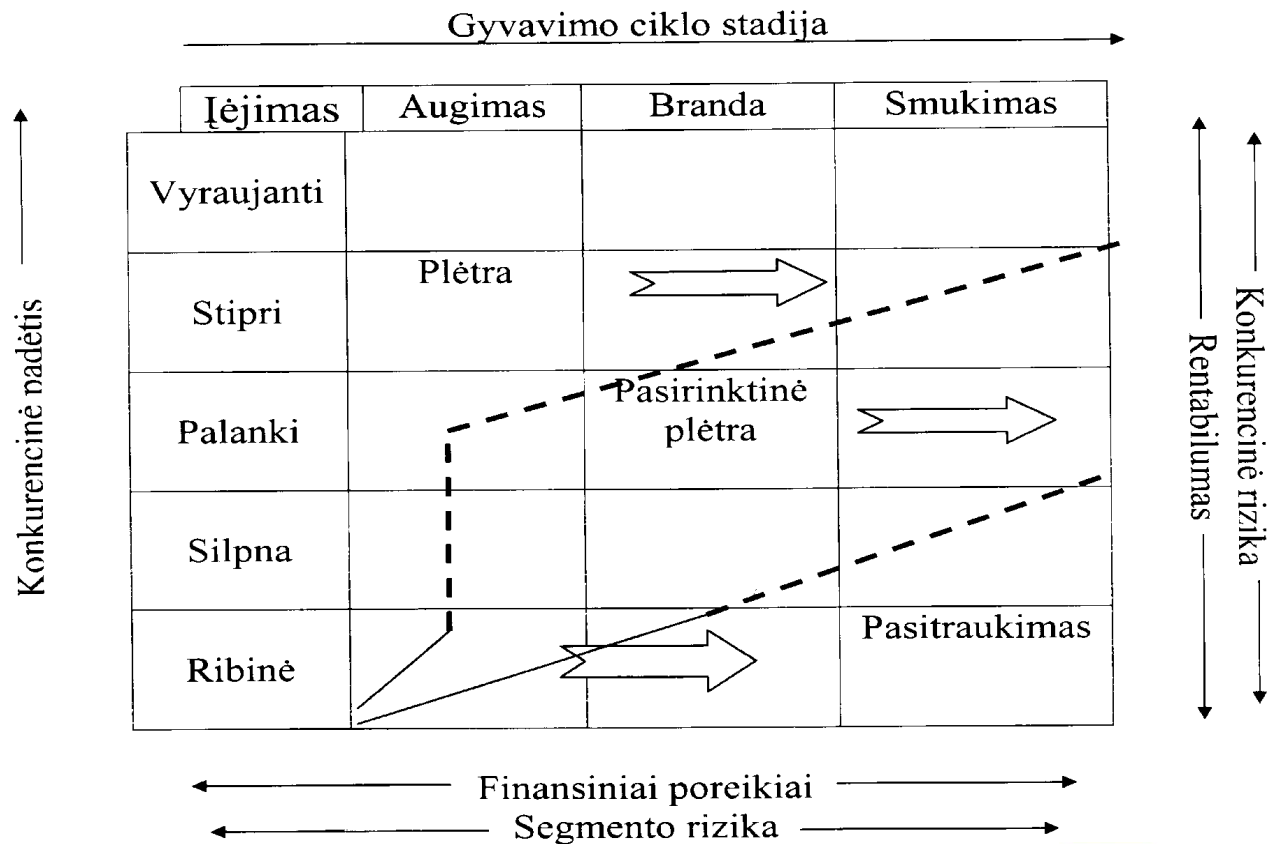
Questionnaires

These are low-margin, **fast-growing segments**. Their development requires a significant investment (**financial, manufacturing or commercial**), as the company needs to improve its competitive position if it does not want to enter the "dog" area. Such activities usually generate a low cash flow due to the low comparative weight of the activity in the overall volume.

Stars

Rapidly growing business segments. As **high market share, profitability is high** and sufficient financial flows allow to sustain this activity. These are usually new activities that are attractive to competitors.

ADL (Arthur D. Little) matrica



ADL matrix

Segment life stage - relates to financial needs, which are particularly high in the first two phases, and also allows for risk assessment.

The competitive position of the company is closely linked to the profitability of the segment.

ADL matrix

The development of activities requires a range of resources, and the company should develop those segments with a strong competitive position.

Selective expansion is applied to segments with a moderate or even weak competitive position in order to improve this position and thus profitability.

Uncompetitive activities in low-margin segments are abandoned.

McKinsey'aus matrica

Konkurencinė padėtis ↑	Silpnai	Išlaikyti lyderio poziciją, negailint pastangų	Išlaikyti tokią padėtį ir toliau plėtoti veiklą	Didinti rentabilumą (naudingumą)
	Vidutiniškai	Stengtis pagerinti padėtį	Apdairiai didinti rentabilumą (naudingumą)	Pasitraukti iš ten, kur būtina (segmentuoti iš naujo)
	Silpnai	Padidinti pastangas arba pasitraukti	Pasitraukti pasirinktinai	Pasitraukti iš šios srities, neinvestuoti ir perskirstyti išteklius
		Labai vertinga	Vidutiniškai	Mažai
		← Veiklos vertė		

McK (also known as General Electric) matrix

Segment value - this criterion is original. The intrinsic value of a segment is determined using **life-cycle criteria**, but according to McKinsey it is determined by the subjective view of the institution. This means that the institution has its own considerations for the development of a particular segment (which may be determined by having an experimental base, synergies with the effect of synergies with other segments, sourcing opportunities, etc.).

Rules for strategy success

1. The **objectives, strategy and plans** have been well **communicated** to all staff so that they not only understand, but also have maximum involvement in the implementation of the strategy.
2. In addition to providing the necessary resources to implement the strategy in a timely manner, managers had and **used the necessary targets and recorded the achievement of each target.**

The implementation of the strategy depends on the scale of problem and the time available.

Ways to implement the strategy:

- **gradual** - when changes are small and time is available;
- **managerial** - when the problem is small and time is limited;
- **cascading** - when there are big strategic problems and a lot of time;
- **Complex applies** - when the problem is very complex and the time very little is available for this.

The implementation of the Strategy is linked to the following objectives

1. **Prioritisation** of administrative tasks according to the chosen strategy, i.e. allocation of resources, organisational relationships, etc.
2. **Establishing** the fit between the chosen strategy and the organisation's internal processes (structure, motivation system, behavioural norms and rules, beliefs, etc.).
3. **Choosing a leadership style** and managerial approach; adapting it to the chosen strategy.

Types of change

1. **Restructuring the organisation.** Fundamental changes to the **mission and** organisational culture. When an organisation changes branch, the products and market position change accordingly.
2. **Radical organisational redesign.** When the branch is not changed but radical changes are made to implement the strategy, e.g. through a merger with a similar organisation.
3. **A medium conversion** is when an organisation enters the market with a new product and tries to find buyers for it. Changes in the production process, marketing.

Types of change

4. ***Routine changes.*** Associated with changes in marketing to maintain interest in the product.
5. ***The fixed functioning of the organisation.*** A situation in which an organisation continuously implements the same strategy on the basis of experience. It is important to constantly monitor undesirable changes in the external environment.

Analysing the structure of an organisation involves trying to answer the following questions:

- how and to what extent the existing organisational structure helps or hinders the implementation of the strategy;
- at which levels of the organisational structure the issues need to be addressed the relevant tasks linked to strategy implementation.



Task

Objective -

A plan for 5 years (how to reach that goal?)

1. Management functions Organisation

Organising can be understood as:

- Science,
- process,
- characteristic,
- management function.



Essential aspects of organisational work:

- Division of labour.
- Forming structural links.
- Organisational hierarchy.
- Coordination.



Essential aspects of organisational work:

- **Division of labour:** the complex breaking down of a task into its component parts, so that employees are not responsible for the whole task, but only for the individual activities that make up the task.
- **Building structural units:** grouping similar and logically related work activities into structural units.

- **Hierarchy:** a model of multiple levels of organisational structure, with a top-level manager at the top responsible for the performance of the whole organisation, with lower-level managers at the bottomvarious lower levels of management in the organisation.
- **Coordination:** integrating the activities of different parts of an organisation to achieve the organisation's objectives.

Essential aspects of organisational work:

- mutual alignment,
- standardising working procedures
- standardisation of qualifications,
- standardisation of norms.



An individual workplace (post) combines the following elements:

- **Tasks** for which a workplace is created and which are the responsibility of the hired worker.
- **The rights and powers** of the worker to act, including the right to obtain the necessary information and to use technical means.
- **Responsibility** for the performance of tasks and the exercise of rights and powers.

Job descriptions must comply with the following principles:

- **The matching principle.** The work to be done by the principal must be compatible with the person's physical and mental capabilities.
- **The principle of sufficient detail.** A very detailed list is a constraint on the worker, so that going beyond the limits of detail is an organisational error.
- **The principle of indicators.**

Job descriptions must comply with the following principles:

- **Prioritisation of work.** The comparative importance of each work must be established.
- **Principle of uniformity of incentives and sanctions (rewards and penalties).**
- **The principle of self-expression.**
- **The principle of up-skilling.** Upgrading must be carried out whenever new work, techniques or work methods, and traditionally once every 5 years.

- **Powers and rights.** Authority is the limited right of a staff member to use the resources of the organisation to direct his or her activities towards the achievement of the intended objectives.
- **Responsibility compels the staff member to carry out the intended tasks and achieve the intended results.** He/she may be rewarded or penalised for this.

There are two types of jobs - managerial and subordinate.

- **A manager** is an employee of each organisation who has at least one subordinate. A top ("pure") manager has no boss.
- **Other managers have two roles:** manager, because they have subordinates, and doer, because they have a boss.

Structure in static terms is the arrangement of people in an economic institution (a company university), understood in isolation from functions, or hierarchy.

Structure in dynamic terms is the application of means to achieve certain goals (e.g. a sports team).

Organisational structure is the set of means to divide work into different tasks and to coordinate the performance of these tasks.

Management structure is the combination of linear, functional and goal-based management

The following shall be considered as a set of linear and functional management and targeting elements, linked together by linear and functional subordinate relationships.

The organisation is structured from the top down in the following sequence:

- the organisation is divided into horizontal parts by activity;
- the mandates of all posts are harmonised;
- describe the responsibilities of each post - tasks and functions, rights and responsibilities and delegate to staff.

Types of organisational structures

- **Patriarchal structure.** *The leader is one and all-encompassing. The administration and all staff are under his authority.*
- **The linear structure** *has a minimum number of management levels and very clear lines of authority. Each manager performs managerial functions in his/her area of responsibility.*
- **Headquarters structure.** *A manager may have a larger or smaller staff and may use staff with different skills to investigate problems and to prepare decisions.*

Types of organisational structures

- **The fun structure** *is characterised by the organisation being divided into units, each with a specific task and responsibility.*
- **The project structure** *is temporary in nature and is used to address specific tasks. When a task needs to be solved by a specified time, a team of specialists is set up to deal with it.*
- **The matrix structure** *of an organisation resembles a network - hence its name. In this structure, a member of a working group is subordinate both to the head of the group and to the head of the functional unit in which he or she regularly works.*

Delegavimas – tai formalios valdžios (formalios jėgos) suteikimas kitam asmeniui.

- *Delegation forces employees to take responsibility and learn to evaluate, helps them to learn, builds their confidence and encourages them to take initiative.*
- *Encourages better decisions by being closer to the "hotline" subordinates tend to have a clearer picture of the facts.*
- *Speed up decision-making.*

Conditions of delegation

- *A manager's willingness to give subordinates real freedom to delegate to carry out their tasks.*
- *Open communication between manager and subordinate.*
- *The manager's ability to analyse factors such as the organisation objectives, task requirements and subordinate capabilities*

Delegation tasks

- Decide which tasks can be delegated.
- Decide who should receive the task.
- Provide sufficient resources to complete the delegated tasks.
- Be prepared to "reclaim" delegated tasks if necessary.
- Establish a feedback system.

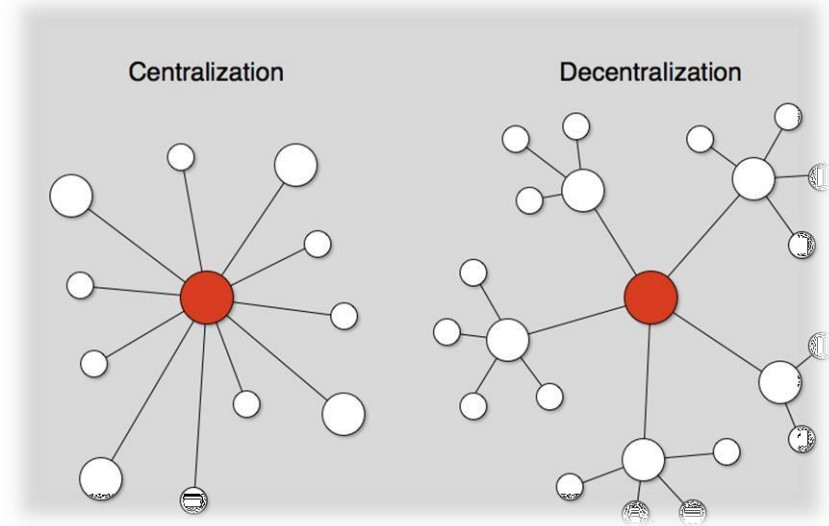
Reasons for opposition to the delegation process

- Fear of making mistakes.
- Lack of self-confidence.
- No interest in taking on additional responsibilities.
- Already overloaded with work.
- The subordinate does not have enough information.

Highly centralised management model

Decentralised management model

- Vertical decentralisation
- Horizontal decentralisation
- Selective decentralisation
- Parallel decentralisation

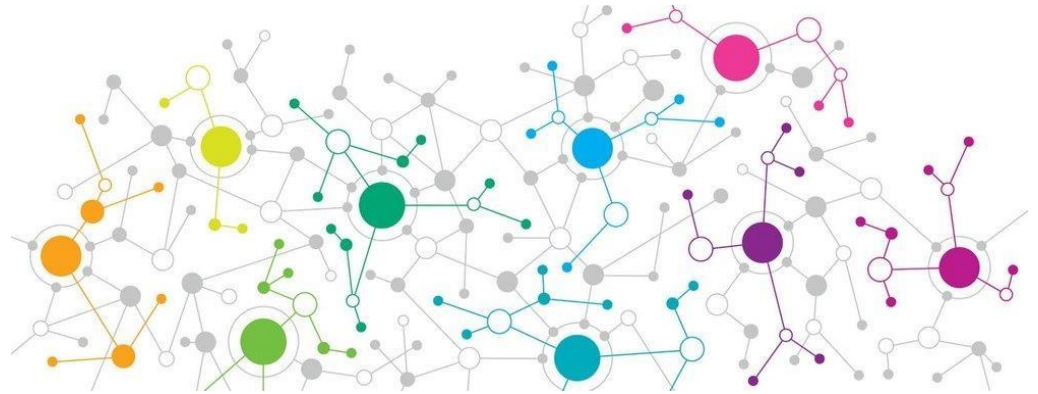


Informal centralisation

Informal decentralisation

"High" structure

"Low" structure



Topic:

“ESTONIAN TIMBER INDUSTRY”

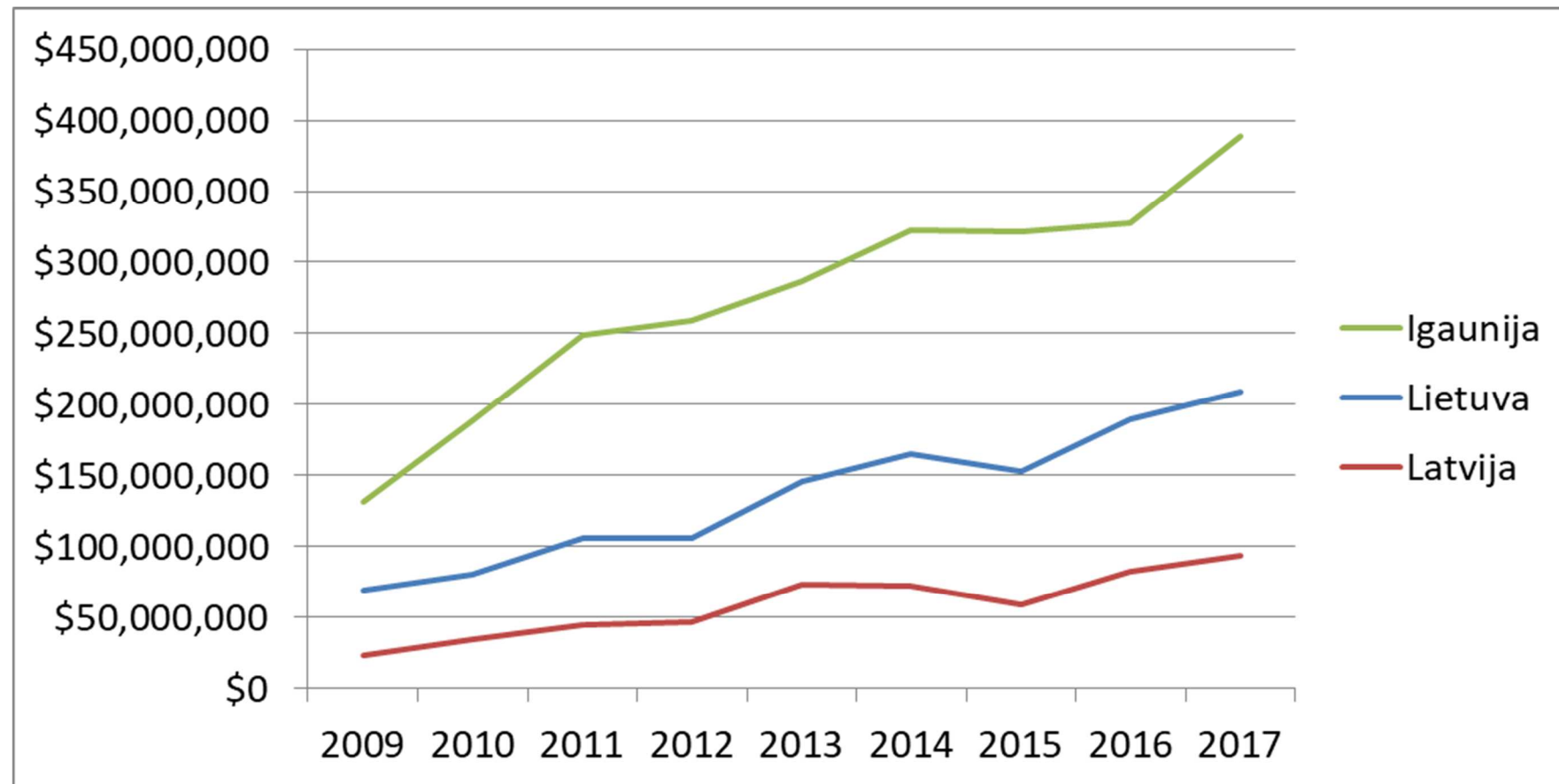
Author
Andrejs Domkins

Estonian timber industry

Leader - wooden house manufacturers

A.Domkins

Exports of wooden construction products from the Baltic States (HS 9406)



More developed cooperation than in LV and LT

- 3 main organizations:
- **Estonian Forest and Timber Association** <http://www.empl.ee>
Associates mainly primary processing companies, foresters and educational institutions, more than 50 members. ‡ Very active in promoting the use of wood.
- **Estonian Association of Wooden Houses:** <http://www.puitmajaliit.ee>
Its main objective is to increase the competitiveness and export opportunities of its members through available support instruments - joint development, marketing, training projects, lobby and information exchange
- **Estonian Furniture Association: EMTL** (furnitureindustry.ee)
It brings together not only 35 furniture manufacturers, but also designers and educational institutions

Furniture Industry Cluster - established with the support of EU funds to increase the competitiveness of the Estonian furniture industry by actively developing marketing and export activities. The project involves 14 partners, both companies and educational institutions, i.e. Bellus Furniture, Standard, Kalla Mööbel, Sarkop, Pinea, Tarmel Furniture, Brain Team, Ermatiko, Estonian Furniture Industry Association, Tallinn University of Technology, Estonian Association of Designers, NGO Estonian Purchasing and Supply Chain Management Association, Tallinn Construction School and Valga County Vocational Training Centre.

The amount of the support granted for the establishment of the cluster is EUR 666 thousand. The total amount of funding for the cluster is EUR 666 million, which is 70% of the total project costs.

Some success stories

Palmako [“Palmako’s compact garden houses have conquered Europe”](#)

Thermory [“A tribe for eco-conscious architects and developers”](#)

Timbeco [“Exports stars of the Estonian timber industry”](#)

KMT [“Elements really are a smart way to build”](#)

[Company | Harmet Building \(hmb.ee\)](#)

[Dear guest, - Kodumaja](#)

Topic:

“WOOD INDUSTRY IN LATVIA”

Author

Andrejs Domkins

Wood industry in Lithuania

Leader - Furniture industry

<https://www.on.lt/himones>

A. Domkins

SBA Group

- SBA is one of the largest Lithuanian capital groupings in Lithuania, combining furniture, real estate, textile and other businesses.
- The Group consists of 30 companies operating in Lithuania and abroad, with more than 5000 employees.
- **SBA grupė includes: UAB SBA Baldų kompanija, AB Kauno baldai, AB Klaipėdos baldai, Šilutės baldai AB, Visagino linija UAB, Geimanika UAB,**
- Utenos tiikotazas AB, Šatija AB.
- Uiban Inventois is a real estate developer that builds model business centres and provides management services. The company owns the Gíeen Hall business valley in Vilfias and BLC and BLC 2 in Kaufias.

<https://youtu.be/E7MZQctbj3Y>



Climate friendly **modular** construction

apartments | student housing | care homes | hotels

design-build delivery

We are pleased to welcome you here.

More information will come soon.

Meanwhile please contact us at:

info@sbamodular.com



VMG is a Lithuanian timber company. Founded in 2002. One of the largest Lithuanian capital groups, combining wood processing, business management, technical services, logistics and industrial real estate activities in Lithuania, Belarus and European Union countries.

VMG Group consists of:

UAB VAKARŲ MEDIENOS GRUPĖ, AB KLAIPĖDOS MEDIENA, UAB SAKUONA, UAB VMG Technics, UAB Eurovesta, UAB Klaipėdos aerouostas, UAB Akmenės brīvoji ekonominė zona.

<https://youtu.be/lnxHlUsqSk>



Freda

Freda is a very modern furniture company.

The company has 781 employees (2020).

Sales revenue: €105.118 million. EUR 118 million (2017).

Profit: 8.945 million EUR (2017).

<https://youtu.be/WYMeW9ojLMs>

Boen

Bauwerk Boen is an international manufacturer of hardwood floors.

Address. 6, Kareivonys, Kietaviškių sen., LT-21411 Elektrėnai.

The company has 905 employees (2020).

Sales revenue: EUR 137 million (2017).

Grigeo

- Grigeo is the only group in Lithuania and one of the largest paper and wood groups in the Baltic States.
 - The Group brings together AB Grigeo, AB Grigeo Klaipėda, UAB Grigeo Baltwood, UAB Grigeo Packaging, UAB Grigeo Recycling, SIA Grigeo Recycling and AT Mena Pak.
 - The Group's business processes cover almost the entire wood and paper processing cycle - from wood to finished product, producing higher value-added wood and paper products.
 - AB Grigeo has 297 employees (in 2020).
 - Sales revenue: €142.5 million (2018)
- <https://youtu.be/4JKpWRElifg>

E-tirgus

www.equinoxe-mobilier.com

<https://www.optima-energies.com/>

<https://beavy.fr/>

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<https://www.ebay.de/>

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<https://www.xxxlutz.at/>

<https://www.moebel-kraft.de/>

<https://www.ottogroup.com/en/index.php>

<https://www.ebay.de/>

<https://www.amazon.de/>

<https://www.bruneau.fr/>

Vente-unique.com

<https://www.maxiburo.fr/>

- Swatch - https://youtu.be/jcVioNV-G_A

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