

Principles of Management – Koontz and O'Donnell

Principles of Management Revision Article Series

Planning, Organizing, Staffing, Leading and Controlling - Functions of Management.

Harold Koontz and Cyril O'Donnell, in their book, Principles of Management: An Analysis of Managerial Functions, clearly described the principles to be used in performing various functions of management.

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Managers have to set in a procedure to revise these principles periodically so that they can recollect the relevant principles when performing the managerial tasks and explicitly consider the relevance and application of these principles in their practice.

Many of us use them implicitly. But a professionally educated and trained manager must use them explicitly. He has to ensure that these principles are applied and if any exceptional situation is there, managers should ignore the principles consciously and be clear in their mind they chose not to use them due to the exceptional nature of the situation.

The need for Principles of Management

To Increase Efficiency

To Crystallize the Nature of Management

To Improve Research

To Attain Social Goals

Principles of Planning

Related to Purpose and nature

Principle of contribution to objectives

Every plan has to contribute positively toward the accomplishment of enterprise objectives.

Principle of efficiency of plans

Efficiency is measured by the contribution of the plan to objectives of the enterprise minus the costs and unsought for consequences in formulating and implementing the plan.

Principle of primacy of planning

Planning is the primary prerequisite for all other functions of management. Every action of the manager follows a planning step.

Principles Applicable to Structure of plans

Principle of planning premises

If more people in an organization use common and consistent planning premises, the enterprise planning will be more coordinated.

Principle of policy framework

If more policies, appropriate to the organization, are expressed in clear terms and form and if managers understand them, the plans of the enterprise will be more consistent.

Principle of timing

If plans are structured to provide a network of derivatives plans in sequence, there will be more effectiveness in attainment of enterprise objectives.

Principles Applicable to Process of Planning

Principle of alternatives

Select the plan which is the most effective and the most efficient to the attainment of a desired goal.

Principle of limiting factor

Consider limiting factor in generating alternatives and selection from alternatives.

The commitment Principle

Planning can cover a period over which commitment of resources can be clearly visualized.

The flexibility Principle

Building flexibility in planning is beneficial, but cost of building flexibility needs to be evaluated against the benefits.

The Principle of navigational change

Manager needs to periodically check events of the plan and redraw plans to maintain the move toward a desired goal.

Principle of competitive strategies

In a competitive arena, it is important to choose plans in the light of what competitor will or will not do and navigate based on what competitors are doing or not doing.

Principles of Organizing

Principles in Relation to Purpose

Principle of unity of objectives

An organization structure is effective if it as a whole, and every part of it, make possible accomplishment of individuals in contributing toward the attainment of enterprise objectives.

Principle of efficiency

An organization or organization structure is efficient if it is structured to make possible accomplishment of enterprise objectives by people with minimum unsought consequences or costs.

Principles Related to the Cause of Organizing

Span of management Principle

There is a limit at each managerial position on the number of persons an individual can effectively manage. But this number is not a fixed number and it will vary in accordance with underlying variables of the situation.

Principles in Developing the Structure of Organization

The scalar Principle

The more clear the line of authority from the ultimate authority for management in an enterprise (CEO) to every subordinate position, the more effective will be decision making and organization communication at various levels in the organization.

Principle of delegation

Authority is a tool for managing to contribute to enterprise objectives. Hence authority delegated to an individual manager should be adequate to assure his ability to accomplish results expected of him.

Principle of responsibility

The responsibility of the subordinate to his superior for authority received by delegation is absolute, and no superior can escape responsibility for the activities of his subordinate to whom he in turn has delegated authority.

Principle of parity of authority and responsibility

The responsibility exacted for actions taken under authority delegated cannot be greater than that implied by the authority delegated, nor should it be less.

Principle of unity of command

The more completely an individual has a reporting relationship to a single superior, the less the problem of conflict in instructions and the greater the feeling of personal responsibility.

The authority level Principle

Maintenance of authority delegation requires that decisions within the authority competence of an individual manager be made by him and not be referred upward in the organization.

Principles in Departmentizing Activities

Principle of division of work

The better an organization structure reflects a classification of the tasks and activities required for achievement of objectives and assists their coordination through creating a system of interrelated roles; and the more these roles are designed to fit the capabilities and motivations of people available to fill them, the more effective and efficient an organization structure will be.

Principle of functional definition

The more a position or a department has clear definition of results expected, activities to be undertaken, organization authority delegated, and authority and informational relationships with other positions, the more adequately individual responsible can contribute toward accomplishing enterprise objectives.

Principle of separation

If an activity is designed to be a check on the activities of another department, the individual charged with such activity cannot adequately discharge his responsibility if he reports to the department who activity he is expected to evaluate.

Principles in the Process of organizing

Principle of balance

the application of principles or techniques must be balanced in the light of the over-all effectiveness of the structure in meeting enterprise objectives.

Principle of flexibility

The task of managers is to provide for attaining objectives in the face of changing environments. The more provisions are made for building organization flexibility, the more adequately organization structure can fulfill its purpose.

Principle of leadership facilitation

The more an organization structure an authority delegations within it make possible for various managers to design and maintain an environment for performance, the more it will facilitate leadership abilities of managers.

Staffing Principles

Related to the Purpose of Staffing

Principle of staffing objectives

The positions provided by the organization structure must be staffed with personnel able and willing to carry out the assigned functions.

Principle of staffing

The quality of management personnel can be ensured through proper definition of the job and its appraisal in terms of human requirements, evaluation of candidates and incumbents, and appropriate training.

The process of staffing

Principle of job definition

Specifications for the job rest on organization requirements and on provision for incentives to induce effective and efficient performance of the tasks involved.

Principle of managerial appraisal

Performance must be appraised against the management action required by superiors and against the standard of adherence in practice to managerial principles.

Principle of open competition in promotion

Managers should be selected from among the best available candidates for the job, whether they are inside or outside the enterprise.

Principle of management development

The objective of management development is to strengthen existing managers. The most effective means of developing managers is to have the task performed primarily by a manager's superior.

Principle of universal development

The enterprise can tolerate only those managers who are interested in their continuous development.

Principles of Directing

Related to the Purpose of Directing

Principle of harmony of objectives

Effective directing depends on the extent to which individual objectives in cooperative activity are harmonized with group objectives.

Principles Applicable to Process of directing**Principle of unity of command**

The more completely an individual has a reporting relationship to a single superior, the less the problem of conflict in instructions and the greater the feeling of personal responsibility for results.

Principle of direct supervision

Effective direction requires that management supplement objective methods of supervision with direct personal contact.

Principle of supervisory techniques

Since people, tasks, and organizational environment vary, techniques of supervision will be most effective if appropriately varied.

Principles of Delegation**Principle of functional delegation**

The more a position or department has clear definitions of results expected, activities to be undertaken, organization authority delegated, and authority and informational relationships with other positions, the more adequately individuals responsible can contribute toward accomplishing enterprise objectives.

Principle of delegation by results expected

The authority delegated to an individual managers should be adequate to assure his ability to accomplish the results expected of him.

Principle of absoluteness of responsibility

No superior can escape, through delegation, responsibility for the activities of subordinates, for it is he who delegated authority and assigned duties.

Principle of parity of authority and responsibility

The authority delegated has to be consistent with the responsibility assigned to a subordinate.

Principles of Control**Related to the purpose of control****Principle of assurance of objective**

The task of control is to assure accomplishment of objectives by detecting potential or actual deviation from plans early enough to permit effective corrective action.

Principle of efficiency of controls

The more control approaches and techniques detect and illuminate the causes of potential or actual deviations from plans with the minimum of costs or other unsought consequences, the more efficient these controls will be.

Principle of control responsibility

The primary responsibility for the exercise of control rests in the manager charged with the execution of plans.

Principle of direct control

The higher the quality of managers and their subordinates, the less will be the need for indirect controls.

(The principle may be termed as principle of reduced controls. A superior can spend less time in control activities if he has more higher quality managers and their subordinates in his department.)

Principles related to Structure of control

Principle of reflection of plans

The more controls are designed to deal with and reflect the specific nature and structure of plans, the more effective they will serve the interests of the enterprises and its managers.

Principle of organizational suitability

The more controls are designed to reflect the place in the organization structure where responsibility for action lies, the more they will facilitate correction of deviation of events from plans.

Principle of individuality of controls

Controls have to be consistent with the position, operational responsibility, competence, and needs of the individuals who have to interpret the control measures and exercise control.

Process of control

Principle of standards

Effective control requires objective, accurate, and suitable controls.

Principle of critical-point control

Effective control requires attention to those factors critical to appraising performance against an individual plan.

The exception Principle

The more a manager concentrates his control on exceptions, the more efficient will be the results of this control.

Principle of flexibility of controls

If controls are to remain effective despite failure or unforeseen changes in plans, flexibility is required in the design of controls.

Principle of action

Principle of Action

Control is justified only if indicated or experienced deviations from plans are corrected through appropriate planning, organizing, staffing and directing.

References

Harold Koontz and Cyril O'Donnell, Principles of Management: An Analysis of Managerial Functions, 4th Ed., McGraw-Hill, New York, 1968

Harold Koontz and Cyril O'Donnell, Principles of Management: An Analysis of Managerial Functions, 2nd Ed., McGraw-Hill, New York, 1959