

## 1.1 MODERN CONCEPT OF MANAGEMENT/ MEANING OF MANAGEMENT

According to modern concept "*management is a process of getting things done with the aim of achieving goals effectively and efficiently.*"

**The concept of Management insist on three terms:**

1. **Process.** Process refers to series or sequence of steps, management is a process because it performs series of functions to get the things done. These functions are planning organising, staffing, directing and controlling.

(These functions are discussed in detail is the later part of chapter and book.)

2. **Effectiveness.** It is concerned with doing the right task, completing activities and achieving goal. In other words, it is concerned with end result. Being effective or doing work effectively means finishing the given task or achieving the goal on time.

3. **Efficiency.** It refers to do the task in the right way, *i.e.*, with minimum cost and optimum utilisation of resources. Efficiency involve cost benefit analysis. It focus on deriving more benefits by using less resources. It insist on using less inputs such as money, materials, equipments persons to get more output. Management is concerned with efficient use of resources because reduction in cost leads to higher profit.

### **Difference between Effectiveness vs Efficiency**

Basis of Difference	Effectiveness	Efficiency
1. Meaning	It refers to completing the task on time, no matter whatever the cost.	It refers to completing the task with minimum cost, optimum utilisation of resources and in cost effective manner.
2. Objective	To achieve end result	To conduct cost benefit analysis.
3. Main consideration	Doing the right task.	Doing the task in right way.