



Management Information System

KEYWORDS

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ABSTRACT *MIS in an organization can be compared to the role of the heart in the body. The information is the blood and MIS is the heart. In the body, the heart plays the role of supplying pure blood to all the elements of the body including the brain. The heart works faster and supplied more blood when needed. It fulfills the needs of blood supply to human body in normal course and also in crisis.*

Management Information System

In order to define a management Information System, the following

characteristics should be kept in mind :

1. Management information systems are primarily meant for providing information from the data after processing them. The information systems do not generate data. The data are generated, collected, recorded, stored, processed and retrieved after it has been generated by business operations in an organisation.
2. Information systems are designed for the job positions rather than for individuals. Regardless of who is the individual holding the job position, the information systems are designed keeping in mind the job responsibilities that the individual is supposed to perform and depends upon the information needs of the individual in the organizational hierarchy.
3. The information systems are designed for different levels of management they are supposed to cater to the information needs of decision makers at top, middle and junior levels of management.
4. Information systems are designed for supplying information to managers in the areas of marketing, finance, production, personnel, materials, logistics, etc.

Definition

MIS can be defined as a system that:

1. provides information to support managerial functions like planning, organizing, directing, controlling.
2. collects information in a systematic and a routine manner which is in accordance with a well defined set of rules.
3. includes files, hardware, software and operations research models of processing, storing, retrieving and transmitting information to the users.

Objectives

An effective MIS has the following objectives :

1. Facilitate the decisions-making process by furnishing information in the proper time frame. This helps the decision-maker to select the best course of action.
2. Provide requisite information at each level of management to carry out their functions.
3. Help in highlighting the critical factors to be closely monitored for successful functioning of the organisation.
4. Support decision-making in both structured and unstructured problem environments.

5. Provide a system of people, computers, procedures, interactive query facilities, documents for collecting, storing, retrieving and transmitting information to the users.

Characteristics of MIS

Management oriented : The system is designed from the top to work downwards it does not mean that the system is designed to provide information directly to the top management. Other levels of management are also provided with relevant information. For example, in the marketing information system, the activities such as sales order processing, shipment of goods to customers and billing for the goods are basically operational control activities. This information can also be tracked by a salesman, to know the sales territory, size of order, geography and product line, provided the system has been designed accordingly. However if the system is designed keeping in mind the top management, then data on external competition, market and pricing can be created to know the market share of the company's product and to serve as a basis of a new product or market place introduction.

Management directed : Because of management orientation of MIS, it is necessary that management should actively direct the system development efforts. In order to ensure the effectiveness of system designed, management should continuously make reviews. For example, in the marketing information system, the management must determine what sales information is necessary to improve its control over marketing operations.

Integrated : The word 'integration' means that the system has to cover all the functional areas of an organisation so as to produce more meaningful management information, with a view to achieving the objectives of the organisation. It has to consider various sub-systems, their objectives, information needs, and recognize the interdependence, that these sub-systems have amongst themselves, so that common areas of information are identified and processed without repetition and overlapping. For example, in the development of an effective production scheduling system, a proper balance amongst the following factors is desired :

- set up costs
- manpower
- overtime
- production capacity
- inventory level

- money available
- customer service.

Common data flows : Because of the integration concept of MIS, common data flow concept avoids repetition and overlapping in data collection and storage, combining similar functions, and simplifying operations wherever possible. For example, in the marketing operations, orders received for goods become the basis of billing of goods ordered, setting up of the accounts receivable, initiating production activity, sales analysis and forecasting etc.

Heavy planning element : A management information system cannot be established overnight. It takes almost 2 to 4 years to establish it successfully in an organisation. Hence, long-term planning is required for MIS development in order to fulfill the future needs and objectives of the organisation. The designer of an information system should therefore ensure that it will not become obsolete before it actually gets into operation. An example of such a feature of MIS may be seen in a transportation system where a highway is designed not to handle today's traffic requirements but to handle the traffic requirements five to ten years hence.

Flexibility and ease of use : While building an MIS system all types of possible means which may occur in future are added to make it flexible. A feature that often goes with flexibility is the ease of use. The MIS should be able to incorporate all those features that make it readily accessible to a wide range of users with easy usability.