

Purpose of MIS (Objectives)

1. Manage effectively ; It is very useful for efficient and effective planning and control functions of the management.
2. Produce Reports ; Reports give an idea about the performance of men, material, machinery, money and management. Reports show light on the utilisation of resources in the organisation.
3. Controlling cost ; MIS is helpful in controlling costs by giving information about idle time, labour turnover, wastage, and losses and surplus capacity.
4. Controlling ; By making comparison of actual performance with the standard and budgeted performance, variances are brought to the notice of the management by MIS which can be corrected by taking remedial steps.
5. Provide Statistics ; MIS reports on production statistics regarding rejections, defective, and spoilage and their effect on costs and quality of the products.

6. Provide Information for Decision Making

The objective of MIS is to provide information for decision making on planning, initiating, organising and controlling the operations of subsystems of the firm.

7. Improve Decision Making

The fast and accurate information supplied by MIS is used by the managers to take quicker and better decisions.

8. Improve Efficiency and Productivity

MIS helps managers to conduct their tasks with greater ease and with better efficiency. This reflects in better productivity for the company.

9. Protection of crucial information

A good MIS helps to protect important records and preserve the integrity and confidentiality.

10. Professionalism in managing business

The perceptions of customers and the public, and 'image' and 'morale' of the staff, may be among the best reasons to establish a good management information system.

LIMITATIONS OF MIS

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1. Quality of Output

If the quality of input is poor, output obtained from the system will also be poor.

2. Not a Substitute for Judgements

MIS cannot be recognised as a substitute for effective mgt. It means it cannot replace managerial judgement in making decisions.

3. Lack of Flexibility

MIS is somewhat rigid in nature.

4. No tailor made packages

Difficult to provide tailor made information packages suitable for every type of decision made by managers.

5. Ignoring of Non-quantitative factors.

MIS considers quantitative factors only.

It does not take into account non quantitative factors like Morale, Team Spirit, attitude of members etc.

6. Not Suitable for non-programmed Decisions

It is not suitable for non-programmed decisions, because these decisions are not routine and repetitive in nature.

7. Costly Affair

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It involves the commitment of huge financial investment in acquiring hardware, software and recruiting and training personnel.

8. Greater chance for failures

The failures of one sub system may cause the total collapse of the entire information system which is so dangerous as far as a business is concerned.

9. Frequent changes in top mgt

The effectiveness of information system is seriously affected due to the frequent changes in top mgt.

10. Hoarding of Information

The effectiveness of IS is adversely affected in those org. where the culture of hoarding of information is followed rather than sharing of information to all members concerned.

Features of MIS

1. Management oriented ; MIS is designed and developed to assist the management in their decision making. MIS should serve all the levels of Management in an organisation i.e., middle, top and lower level.

2. Management Directed

It is prime obligation of management to give proper leadership in the design and development of MIS. When MIS is management oriented, it should be directed by the management because it is the mgt who can their needs and requirements more effectively than anybody else. Therefore, managers have to play an active role and involvement throughout the planning and executing stages of MIS.

3. Integrated concepts

All operational and functional information subsystems should be worked together as a single entity. All smaller systems in an organisation, should be properly integrated in order to produce maximum results.

4. Common Data base

Data base means, "Super file or Master files".

It avoids duplication of files and storage which leads to reduction in costs. The information is stored in a common database so that it becomes the common property of the business.

5. Avoids redundancy in Data Storage

MIS is an integrated system. As a result of integration, unnecessary duplication and redundancy in data gathering and storage can be avoided.

6. Heavy planning

MIS is developed over relatively long periods.

A heavy element of planning should be involved. It takes long time to design and implement the system in an organisation.

7. Subsystems concept

The process of dividing a big system into small subsystems can be continued until the smallest system is easily manageable. This can be based on the activities and functions in an organisation.

8. Common Data Flow

The integration of different sys subsystems will lead to a common data flow which will further help in avoiding duplication and redundancy in data collection, storage and processing.

9. Computerised

MIS can be used without a computer. But the use of computers increases the effectiveness and the efficiency of the system.

10. Flexibility and Ease of use

An MIS should be flexible i.e. there should be adequate provision for further modification. It should be designed in such a way as to effect required changes whenever and whenever necessary.

11. Information as a resource

Information is very vital to an organisation and it is considered to be a valuable resource also.

Functions of MIS

1. Data Capture and Data Collection

Data relating to the operations of the organisations are collected from both internal and external sources and sending it through the communication systems to the entities with in the information system responsible for organising it to avoid duplication and useless information.

2. Storage

The data so collected is fed and stored in databases for the purpose of processing. The type of storage systems can vary from the traditional filing system to a computer processed database.

3. Information Processing

Data stored in databases are to be processed with the help of computer software and transformed it into useful and meaningful.

4. Distribution and dissemination of information

Different members of the company need to be aware of certain information about the company and the environment in order

to respond more quickly and efficiently to everyday situations - that requires problems to be solved or decisions to be taken.

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MIS and Other Academic Disciplines

1. MIS and Management Accounting

There are 2 branches in accounting namely financial accounting and mgt accounting. Financial accounting deals with the historic data and which produce reports like income statement and balance sheet at the end of the accounting period. These reports are mainly meant for outsiders like investors and creditors. Mgt accounting is concerned with the internal mgt and control and has closely associated with MIS.

2. MIS and Management Science

Mgt Science refers to the application of scientific method and quantitative analysis techniques to mgt problems. Mgt Science is important to MIS because it has developed procedures for the analysis and computer based solutions of many types of decision problems.

3. MIS and Mgt Theory

According to this concept, mgt performs the functions of planning, organising, staffing, directing and

controlling. All these process require information. In short, mgt theory provides valuable contribution to the area of mgt information system of an enterprise.

4. MIS and organisational Behaviour

Behavioural theory of organisational and individual decision making, group dynamics and group decision making, motivation concept, leadership styles, etc.

5. MIS and Information Technology

Computers are used to collect, process, store and retrieve required data. The speed, accuracy, storage and capacity of computers enabled organisations to make MIS so effective and practical.

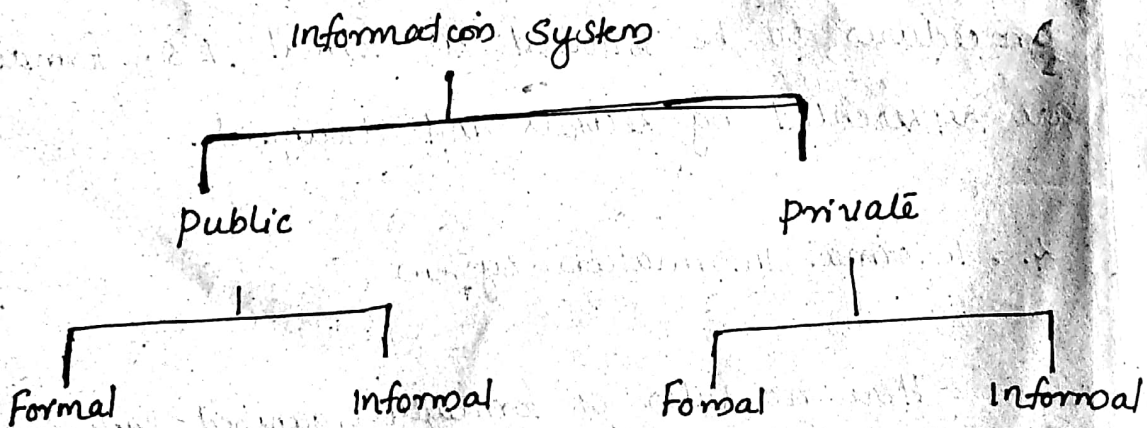
Basic Structural Concept

MIS is an organized combination of people, hardware, communication networks and data sources that collect, transform and distribute information in an org.

Physical component of an MIS include hardware, software, personnel, database and procedures.

The structural design of information systems might be closely interconnected with enterprise organisational architecture.

Basic Structural Concepts of MIS



1. Public Information System

All the relevant persons in the org. can have knowledge about the system and the information is

available to everyone in the org. who has authority to access it, subject to security measures. Such information systems can be utilised by all personnel who have authority to access the information.

2. Private Information Systems

Private IS are maintained by individuals where certain pieces of information are not available to others and there is discrimination in the file accessing capacity of individuals in the org.

There are both formal and informal information systems within the public and private systems.

3. Formal Information Systems

There are certain well prescribed rules and procedures to be followed in formal IS. Formal IS are represented by records and documents.

4. Informal Information Systems

Here no rules or formally organised systems enabling data gathering and sharing. The data processing ~~functioning~~ functions is not on the basis of formally organised and rigid procedures and records.

a) public formal information systems

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The system is public in the org. and it is accessible only to such people who have the organisational authority to enter, retrieve data or receive reports.

b) public informal information systems

Strict rules and procedures may not be found in such systems. Email, telephone calls, notes on the bulletin etc. are the examples of public informal information systems. They have no predetermined format.

c) private formal information systems

It comply with specified rules and regulations given by a private individual in the case of formal private systems, information is under the custody of the individual owner and his staff.

d) private informal information systems

Many individuals may maintain their own private informal information systems for discharging their duties more effectively and efficiently. It is normally found that certain executives in an org. may collect valuable information for informal sources to make their decisions more accurate. They collect such type of information through their personal contacts with people.