# Management Information Systems (MIS)

## Impact of MIS

# Management Information Systems

- A System to convert Data from External and Internal Sources into Information and to communicate that Information, in an appropriate form, to Managers at all levels in all functions to enable them to make <span style="color:red">timely and effective decisions</span> for planning, directing and controlling the activities for which they are responsible

# Here are some of the important roles of the MIS:

- The MIS satisfies the diverse needs through variety of systems such as query system, analysis system, modeling system and decision support system.

- The MIS helps in strategic planning, management control, operational control and transaction processing. The MIS helps in the clerical personal in the transaction processing and answers the queries on the data pertaining to the transaction, the status of a particular record and reference on a variety of documents.

- The MIS helps the junior management personnel by providing the operational data for planning, scheduling and control , and helps them further in decision-making at the operation level to correct an out of control situation.

# Here are some of the important roles of the MIS: cont...

- The MIS helps the middle management in short term planning, target setting and controlling the business functions. It is supported by the use of the management tools of planning and control.

- The MIS helps the top level management in goal setting, strategic planning and evolving the business plans and their implementation.

- The MIS plays the role of information generation, communication, problem identification and helps in the process of decision-making. The MIS, therefore, plays a vital role in the management, administration and operation of an organization.

# The Role of Managers in Organizations

- **Plan**
- **organize**
- **coordinate**
- **decide**
- **control**

# Impact of MIS

- MIS plays a very important role in the organization; it creates an impact on the organization's functions, performance and productivity.

- The impact of MIS on the functions is in its management with a good MIS supports the management of marketing, finance, production and personnel becomes more efficient.

- The tracking and monitoring of the functional targets becomes easy. The functional managers are informed about the progress , achievements and shortfalls in the activity and the targets.

- The manager is kept alert by providing certain information indicating and probable trends in the various aspects of business. This helps in forecasting and long-term perspective planning. The manager's attention is bought to a situation which is expected in nature, inducing him to take an action or a decision in the matter. Disciplined information reporting system creates structure database and a knowledge base for all the people in the organization.

- The information is available in such a form that it can be used straight away by blending and analysis, saving the manager's valuable time.

# Impact of MIS

- The MIS creates another impact in the organization which relates to the understanding of the business itself. The MIS begins with the definition of data, entity and its attributes. It uses a dictionary of data, entity and attributes, respectively, designed for information generation in the organization. Since all the information systems use the dictionary, there is common understanding of terms and terminology in the organization bringing clarity in the communication and a similar understanding of an event in the organization.

- The MIS calls for a systematization of the business operations for an effective system design. This leads to streaming of the operations which complicates the system design. It improves the administration of the business by bringing a discipline in its operations as everybody is required to follow and use systems and procedures. This process brings a high degree of professionalism in the business operations.

# How Mis Impact Organizations And Business Firms

## <span style="color:red">Economic Impacts:</span>

- <span style="color:red">**Transaction cost theory:**</span> **Firms seek to economize on the cost of participating in markets (transaction costs).**

- **MIS lowers market transaction costs for firm, making it worthwhile for firms to transact with other firms rather than grow the number of employees.**

# Organizational and Behavioral Impacts

**MIS Flattens Organizations:**

- **Facilitates flattening of hierarchies**

- **Broadens the distribution of timely information**

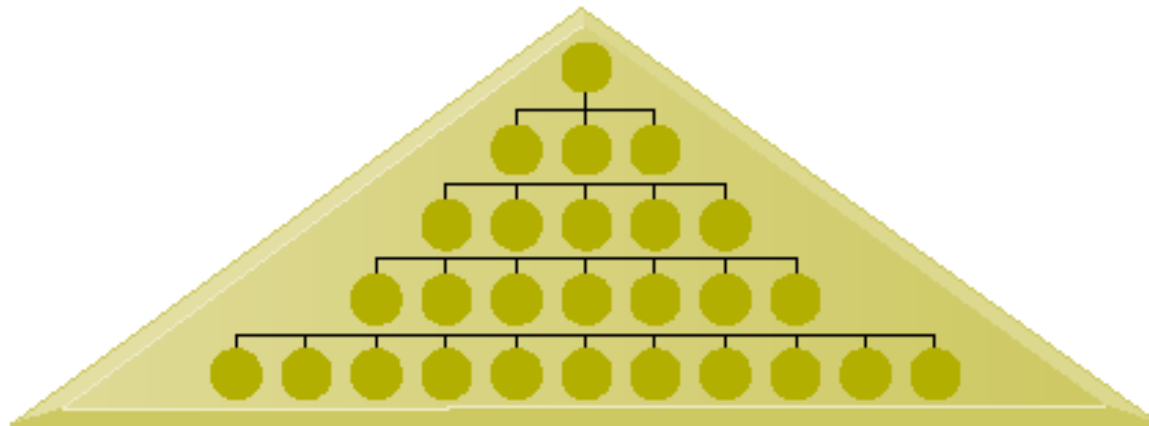- **Increases the speed of decision making**

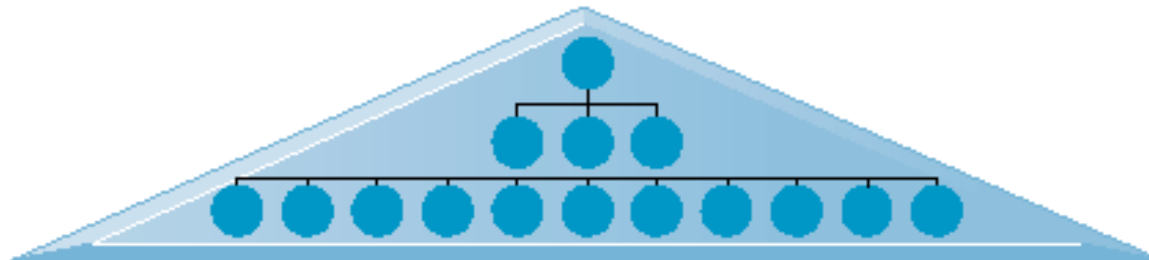**MIS Flattens Organizations: (Continued)**

- **Empowers lower-level employees to make decisions without supervision and increase management efficiency**

- **Management span of control (the number of employees supervised by each manager) will also grow**

# Management Information Systems

**Flattening Organizations**



A traditional hierarchical organization with many levels of management

An organization that has been "flattened" by removing layers of management

## Increasing Flexibility of Organizations:

- **MIS give both large and small organizations additional flexibility to overcome the limitations posed by their size.**

- **Small organizations use information systems to acquire some of the muscle and reach of larger organizations.**

**Increasing Flexibility of Organizations: (Continued)**

- **Large organizations use information technology to achieve some of the agility and responsiveness of small organizations.**

- **Customization and personalization: MIS makes it possible to  tailor products and  services to individuals. TOYOTA**

# Factors to consider while planning a new system:

- **Organizational structure, hierarchy, specialization, routines, and business processes**

- **The organization's culture and politics**
- **Trivia**
- **What would be the success factors and the failure points of a new Information system?**

## Implications for the Design and Understanding of MIS (Continued)

- **The type of organization and its style of leadership**

- **Groups affected by the system and the attitudes of workers who will be using the system**

- **The kinds of tasks, decisions, and business processes that the information system is designed to assist**

## Characteristics to be kept in mind while Designing Systems:

- Flexibility and multiple options for handling data and evaluating information (CREAM WIZARD)

- Capability to support a variety of **management** styles, skills, and knowledge

# Management Information Systems

- **Capability to keep track of many alternatives and consequences**

- **Sensitivity to the organization's bureaucratic and political requirements**

## Change Management:

- **MIS become bound up in organizational politics because they influence access to a key resource (FINANCE).**

- **They potentially change an organization's structure, culture, politics, and work.**

- **Most common reason for failure of large projects is due to organizational and political resistance to change.**

# Management Information Systems

- Muhammad Ali Nasir
- Fall-2010