

Management Information System

Meaning

With the coming of the computer age, management information system [i.e. MIS) is becoming popular in the corporate circle for giving quick information to the management. The purpose of MIS is reporting and is to provide the necessary information to the managers and supervisors at various levels to help them to discharge their functions of organising, planning, control and decision making.

MIS is a scientific way of collecting; processing, storing and communicating information relating to the various activities of an organisation to the various levels of management so that management may be facilitated in discharging its functions efficiently and run the organisation in an efficient manner for the betterment of all.

Definition

“A formal method of collecting timely information in a presentable form in order to facilitate effective decision making and implementation, in order to carryout organisational operations for the purpose of achieving the organisational goals”. —Walter I. Kennevan

“An MIS is a system designed to provide selected decision oriented information needed by management to plan, control and evaluate the activities of the corporation. It is designed within a framework that emphasizes profit planning, performance planning and control at all levels.

It contemplates the ultimate integration of required business information, sub systems both financial and non-financial within the company”.

Purpose of Management Information System

- MIS satisfies the diverse needs through a variety of systems such as Query System, Analysis System, Modelling System and Decision Support System.
- It helps in strategic planning, management control, operational control and transaction processing.

- It helps in the clerical transaction processing.
- It answers the queries on the data pertaining to the transaction, the status of a particular record and reference on a variety of documents.
- MIS for Junior Management: 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.
- MIS for Middle Management: In short-term planning, target setting and controlling the business functions which is supported by the use of the management tools of planning and control.
- MIS for Top- Level Management: in goal setting, strategic planning and evolving the business plans and their implementation.
- It plays the role of information generation, communication, problem identification and helps in the process of decision-making.

In conclusion, organizations today just cannot survive and grow without properly planned, implemented and maintained MIS.

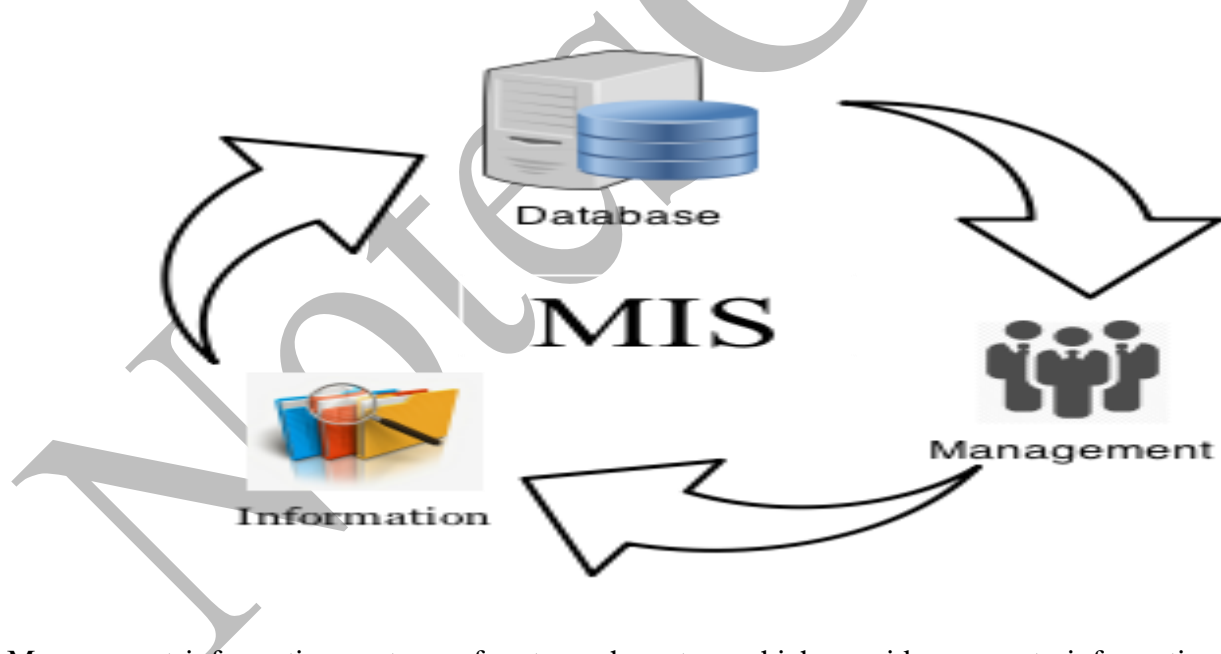
Objectives of Management Information System

The following are the objectives of a management information system:

1. MIS is very useful for efficient and effective planning and control functions of the management. Management is the art of getting things done through others. MIS will be instrumental in getting the things done by providing quick and timely information to the management.
2. Reports give an idea about the performance of men, materials, machinery, money and management. Reports throw light on the utilisation of resources employed in the organisation.

3. MIS is helpful in controlling costs by giving information about idle time, labour turnover, wastages and losses and surplus capacity.
4. 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. MIS brings to the notice of the management strength (i.e., strong points) of the organisation, to take advantage of the opportunities available.
6. MIS reports on production statistics regarding rejection, defective and spoilage and their effect on costs and quality of the products.

Role of MIS in Business Organization



Management information system refers to such system which provides accurate information to the entire level of management for decision making process. For right job at the right time, by the right person.

Management information system (MIS) has become Very Necessary due to Emergence of high complexity in Business Organization. It is all to know that without information no Organization

can take even one step properly regarding the decision making process. Because it is matter of fact that in an organization decision plays an essential role for the achievement of its objectives and we know that every decision is based upon information. If gathered information are irrelevant than decision will also incorrect and Organization may face big loss & lots of Difficulties in Surviving as well.

- Helps in Decision making: Management Information System (MIS) plays a significant Role in Decision making Process of any Organization. Because in Any organization decision is made on the basis of relevant Information and relevant information can only be Retrieving from the MSI.
- Helps in Coordination among the Department: Management information System is also help in establishing a sound Relationship among the every persons of department to department through proper exchanging of Information's.
- Helps in Finding out Problems: As we know that MIS provides relevant information about the every aspect of activities. Hence, If any mistake is made by the management then Management Information Systems (MIS) Information helps in Finding out the Solution of that Problem.
- Helps in Comparison of Business Performance: MIS store all Past Data and information in its Database. That why management information system is very useful to compare Business organization Performance. With the help of Management information system (MIS) Organization can analyze his Performance means whatever they do last year or Previous Years and whatever business performance in this year and also measures organization Development and Growth.