



Computer Application And Management Information System MB 402

UNIT V – **Management Information System (MIS)**

Shamit Sarkhel, Guest Faculty
Department of Applied Economics & Commerce

April 07, 2020

Concept of Management Information System

Period : 01 (1hr.)



Terms

■ Management :

- It can be seen as a **function**, a **process**, a **profession** or a **class** of people.
- It is considered as a resource – **Labor, Capital, Machine, Method and Material**.
- It refers to the kind of tasks and activities performed by **managers** such as **Planning, Organizing, Directing** and **Controlling**.
- It is a **step-by-step process** of **achieving** an organization's **goals and objectives** by making the fullest use of available resources.

■ Information :

- Processed data or raw facts.

■ System :

- An orderly grouping of interdependent components, linked together according to a plan, to achieve a specific goal.



Function of Management

- **Planning** : It is the process of deciding in advance the courses of action to be followed, in terms of when and how to undertake these actions.
- **Organising** : It refers to the grouping of people and activities in order to facilitate the achievement of the organizational objective.
- **Controlling** : It is the mode of checking the progress of plans and correcting any deviations that may occur along the way.
- **Directing** : It is the process of activating the plans, structure it and group efforts, in the desired directions. It is needed for implementation of plans by providing the desired leadership, motivation and right communication.



Levels of Management

Each organization is made up of several levels which is broadly classified into 3 categories : **Top, Middle and Junior.**

The top management performs strategic planning.

The middle management performs tactical planning and control.

The junior level is involved in day-to-day operational control.





Levels of Management

1. **Strategic Planning** : This level develops the strategy for :
 - a) Deciding the objectives of the organization,
 - b) Planning resources to be used in order to attain those objectives and
 - c) Formulating policies to Govern, use & disposition of the resources.

2. **Management Control** : It is required by managers of various departments to :
 - a) Measure performance,
 - b) Decide on control actions,
 - c) Formulate new decision rules and
 - d) Allocate resources.



Levels of Management

3. Operational Control :

- a) It is the process of ensuring that operational activities are carried out to achieve optimum use of resources.
- b) It makes use of pre-established procedures and decision rules.



Management Information System

- MIS can be defined as –
“A system that provides information to support managerial functions for collecting information in a systematic and a routine manner, in accordance with a well defined set of rules, with the help of hardware, software, and operation research models of processing, storing, retrieving and transmitting information to the users.”



Management Information System

- Therefore MISs are :-
 - primarily meant for providing information from the data after processing it,
 - designed for the job positions, rather than for individuals,
 - designed for different levels of management, especially for decision making and
 - designed for supplying information to the managers in the areas of marketing, finance, production, personnel, materials, logistics etc.



Objectives of MIS

- Provides requisite information at each level of management to carry out their functions.
- Facilitates decision making process by providing right information at right time and at right place in a given time frame, to select the best course of action.
- Supports decision making in both structured and unstructured problem environments.
- Helps in highlighting the critical factors to the closely monitored system for successful functioning of the organization.
- Provides a system of people, computers, procedures, interactive query facilities and documents, for collecting, storing, retrieving and transmitting information to the users.



Characteristics of MIS

- **Management Oriented** : MIS is designed to provide relevant information in the management hierarchy, to all levels – Top (*for Strategic Planning*), Middle (*for managerial Control*) and Junior (*for Operational Control*), from top to down. For example, in marketing information system, the activities of sales order processing, shipment and billing are *operational control* activities; but the information can also be made available to the *managerial level* for ascertaining sale size, territory etc.
- **Management Directed** : Because of management oriented nature, it is necessary that management should actively direct the system development efforts by making continuous reviews.



Characteristics of MIS

- **Integrated** : Any effective MIS must cover all functional areas of the organization to produce more meaningful management information to achieve the target/goal. The interdependence of the sub-systems of such MIS is of greater importance.
- **Common Data Flows** : Because of the integrated nature of an MIS, common data flow is a must to avoid repetition and overlapping in data collection and storage. It is achieved by combining similar functions and simplifying operations, wherever possible.
- **Flexibility and Ease of Use** : A good MIS must be built keeping in mind the probable changes that may occur in future. It must also be dynamic to accommodate changes.