

IMPORTANCE OF MANAGEMENT INFORMATION SYSTEM IN PUBLIC SECTOR BANK

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Abstract: *In a banking environment characterized by a battle for the customer, in which the need to increase volume has given way to selective growth strategies, an undeniable competitive advantage provided by robust, reliable and useful systems to measure the customer Profitability or value, both existing and possible, compared to budgeting Price methods. This is due both to its ability to identify where to generate Value and the ability to direct the actions of branches and sales personnel the actual profitability of each client to focus on those who do it the most Contribution to the margin while working on the profitability of which currently contribute less.*

Keywords: Bank, public sector, Management Information System

1. Introduction

The Indian banking system is most popular and secular due to its structure and functions. The banking system consist a major portion in Indian financial system. Financial crisis, devaluation of money etc does not affect our banking system so badly as compared to other countries. It is also a reason for increase the operation of foreign banks in India. India is considered as best platform for banking operation. In present situation there are many commercial banks, co-operative banks, rural banks operating in India. The IT revolution has set the stage for unprecedented increase in financial activities across the globe. The progress of technology and the development of worldwide networks have significantly reduced the cost of global funds transfer. Advancements in technology have also led to improvements in the ways in which banks process information. Technology has opened up new markets, new products, new services and efficient delivery channels for the banking industry. It is information technology which enables banks in meeting such high expectations of the customers who are more demanding and are also more techno-savvy compared to their counterparts of the yester years. Customers demand instant, anytime and anywhere banking facilities. Banks are increasingly interconnecting their computer systems not only across the branches in a city but also to other geographic locations with high-speed network infrastructure, and setting up local area and wide area networks and connecting them to the Internet. Technology has brought various products like net banking, credit card online, mobile banking, online payment of excise & service tax, phone banking, bill payment, shopping, ticket booking, railway ticket booking through SMS, smart money order, card to card funds transfer, funds transfer (e-cheques), anywhere banking, internet banking, mobile banking etc. Core Banking Solutions is new jargon frequently used in banking circles. The advancement in technology especially internet and information technology has led to new ways of doing business in banking. These technologies have cut down the time and facilitate working simultaneously on different issues and increasing efficiency.

2. Role of Information Technology in banking industry

The Indian banking industry is in the midst of a computer revolution. Direct deposit enables businesses and governments to electronically transfer payments to multiple accounts. Debit cards, which can also be used as ATM cards, immediately withdraw money from an account when the card is passed through a vending machine. Through telephone or computer e-banking, customers can access information such as account balance and account history, pay bills, and transfer money from one account to another. Advances in technology have also led to improvements in the way banks process information. Advances in technology and the development of global networks have significantly reduced the cost of global money transfers.

Controlling, the successful execution of management plan, is the most important step in the process of management. So, once the plan has been developed, approved and implemented, it is necessary to evaluate the accurate events as they occur. The purpose of control is to regulate the process in such a way that management process continuously strives for achievement of goals, objectives and targets. The control system works on the principle of feedback. As the primary function of the control process, it is also necessary to identify the deviation before any action can be taken.

Controlling consists of three basic steps. These three basic steps are as mentioned below:

- 1) it is necessary to become aware of what is actually taking place,
- 2) it is necessary to compare the actual with the expected results, and
- 3) it is necessary to take corrective action to alter either the actual results or the expectation.

To satisfy management's control requirements the following characteristics and capabilities must be designed into the formal information system. They are:

- 1) the successful development of highly automated control system requires that expectations be well defined in terms of information attributes;
- 2) it requires that the sensors used to collect actual data for the feedback loop be designed to make the attributes;

it also requires that the logic for reporting deviations to all levels of management be clearly developed prior to the actual occurrence of the deviations.

WORKING CONDITIONS

Hours-

To improve customer service and provide greater access to bank personnel, banks are establishing centralized phone centres, staffed mainly by customer service representatives. Employees of phone centres spend most of their time answering phone calls from customers and must be available to work in evening and weekend shifts. Administrative support employees may work in large processing facilities, in the banks' headquarters or in other administrative offices.

Work environment:

Branch office jobs particularly teller positions require continual communication with customers, repetitive tasks and a high level of attention to security. Tellers also work for long periods in a confined space. Commercial and mortgage loan officers often work out of the office, visiting clients, checking loan applications and soliciting new business. Loan officers may travel to meet out-of-town clients or work in evenings if it is the only time at which a client can meet. Financial service-sales representatives may also visit clients in the evenings and on weekends to go over the client's financial needs. The remaining employees located primarily at the headquarters or other administrative offices usually work in comfortable surroundings and put in a standard work week.

MANAGEMENT INFORMATION SYSTEM

A management information system (MIS) is a subset of the overall internal controls of a business covering the application of people, documents, technologies and procedures by management accountants to solve business problems such as costing a product, service or a businesswide strategy. Place of computer in MIS is as follows:-

Formal MIS can be either manual or computerized. The manual MIS uses paper and technology where as Computerized MIS also known as Computer-based Information System (CBIS) relies on computer hardware and software technology to process and disseminate information. The Computerized MIS has following features: There is update of huge mass of raw data of related and unrelated nature derived from internal and external sources at different periods of time; there is high ability to process data into information in MIS with accuracy and high speed even though it requires complex computation, analysis, comparison and summarization. Though there may be manual processing of data, it is generally slow and inaccurate. As contrast to this, computerized processing has speed and reliability; computerized system has enormous capacity to store data of various types because of high memory of computers. Information can be retrieved quickly whenever needed; the input stored in a computer can be processed into a number of ways to serve different purposes. The system is so designed that information users at different levels and in different units of the organization are in a position to obtain information in the form in which they want; Time required for information storing, processing and retrieving is shortened and information users have quick access to information needed; and computerized MIS reduces the size of infrastructure required for the operation of an efficient MIS.

CORE BANKING SOLUTIONS (CBS)

CBS is one of the recent developments in the field of banking and it has proved to be very useful. It is a facility provided by banks in which a person having an account in one branch can operate his account in another branch. This has become possible because each account holder is given a specialised computerized and unique account number. In simple terms, CBS is a type of banking in which a person who opens a bank account in a particular branch of a bank will be a customer of the bank rather than being a customer of a particular branch. Core banking is all about knowing customers' needs. Providing them with the right products at the right time through the right channels 24 hours a day, 7 days a week using technology aspects like Internet, Mobile ATM etc.

The platform where communication technology and information technology are merged to suit core needs of banking is known as Core Banking Solutions. Here computer software is developed to perform core operations of banking like recording of transactions, passbook maintenance, and interest calculations on loans and deposits, customer records, balance of payments and withdrawal are done. This software is installed at different branches of bank and then interconnected by means of communication lines like telephones, satellite, internet etc. It allows the user (customers) to operate accounts from any branch if it has installed core banking solutions. This new platform has changed the way of working in the banks.

Sound and Systematized MIS in Banks

Management Information System (MIS) is the backbone of any organization. A sound and systematized MIS enables the management to have effective control over the operation, to find out the ways and means to develop the business further, to meet the challenges from the competitors and to identify the new fields of potentials business. Thus, the importance of the MIS need to be emphasized for the organizations like bank. To retain the growth as also to make the bank reach further heights, a sound and systematized MIS is the need of the day for the organization as it collects, stored, processed the information and also provides the right information at the right time to the right person in the right form. An effective, sound and systematized MIS is inevitable in the banking industry on account of geographical spread of branches throughout the country as also the varied type of operations which the banks are called upon to undertake.

Management Information System (MIS) is a network of communication channels linked to a centralized processing unit, which acts as a modal centre for collection, storage, collation and processing of data into meaningful reports. It is also a communication process in which the information is recorded, stored and retrieved for the twin objectives of meeting the requirements of decision and control systems. There are masses of information in the banking field that has to be collected, extracted and analyzed for right decisions. Information processing is a continuous flow in the banks, be it at the branch level; at the Zonal/Regional level or at Head Office level etc., the only difference being the quality of information sought for as well as decisions made at various levels. The basic attributes of MIS are accessibility, flexibility, verifiability, qualifiability, comprehensiveness, clarity, acceptability, timeliness, appropriateness, accuracy and above all as a source of reliable information.

The need for effective, sound and systematized MIS is a paramount concern to any organization. Indian banking industry, which has been expanding in its size and variety of business needs very effective, sound and systematized MIS for its planning, operational control and decision-making functions. Decision-making can be classified on three levels of continuum such as: strategic decision-making, tactical decision-making and technical decision-making. At the strategic decision-making level, strategic decisions are characterized by a great deal of uncertainty and are future oriented. This level includes establishing objectives, policy making, organizing and attaining an overall effectiveness for the organization. Tactical decision-making pertains to short terms activities and the allocation of resources for the attainment of the objectives. Whereas technical decision-making is a process of ensuring that specific tasks are implemented in an effective and efficient manner. At this level of decision-making, standards are fixed and the results of decision are deterministic. It requires specific commands to be given that control specific operations.

Conclusion

In conclusion, there are several indicators of MIS that should be considered by a Bank because they have insignificant influence. From MIS variable, update hardware, usability, maintenance software, effectiveness of human resource, utilization and confidentiality of data are indicators that have been maintained by bank because they have significant influence. Whilst, from OC variable, perception, long-term career and recognition are indicators that have good significance value.

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