The MIS for Managers
(Based on Empirical research 1993-94 on the basis of a case study)

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Abstract

There are three three levels and the type of MIS reports should be designed according to that level.

1. Top Management : MIS reports
2. Middle Management/Divisional heads
3. Operational Management.

Operational Management needs all details.

Divisional heads requirement is lesser than that i.e. all details are not needed. Only necessary details should be sent.

Top Management needs Special/Exceptional reports/summary of the information i.e. say, consolidated information.

The organizational commitment to MIS should be made clear, the implementors should be supported by Top Management. To improve effectiveness of MIS, the implementors should be provided with user's freed back. Computer dependant workers should understand how the MIS Plan will affect them and importance of their contribution towards MIS.

Key words: Management, Information, Staff, Manager, Organisation, System, Computer, Feedback, Implementation, Report..

Introduction

The organizations, in which the top management attention is given more to MIS functions, especially when the strategic plans are formulated, we can say that in those places it (MIS) existence is of critical importance. In some places, though it is not critical success factor, the failures are avoided with the help of the involvement of senior management. We can also find the companies where MIS planning is carried out at the lower levels.

The failure in MIS are due to lack of understanding and involvement by the management. MIS measures the capacity of decision making and reacts in the time of need (at the right time). Therefore it helps to identify the trouble areas and to take action within reasonable time. In general whatever be the type of organization an effective system of MIS contributes much to the success of the business.

The success or failure of MIS depends on how well the user is able to interface with the system. In general, the user requirements are related to the content, promptness, quality and accuracy. MIS reports are useful at the top management level to identify the problem, analyse and evaluate it. The managers can be motivated by introducing a reward system, whenever they are not interested in using the MIS reports. They should be encouraged to use the reports and their involvement can be enhanced, if they are trained and educated to realize the importance of MIS.

It is difficult avoid the conflict because the persons who are affected by the system are resistant to change and they have the fear that their power and position may be changed or relocated. But that can be overcome by increasing the attention of the implementer to user's problems. Co-operation, team work, defining the user's role, education etc. are essential to increase the involvement and to foster the attitude of the user in a positive manner. The organisational commitment to MIS should be made clear, the implementers should be supported by the top management and the users' suggestions should be taken into account for improving the system. To improve the effectiveness of MIS, organisational goals should be understood clearly, communication should be good and the implementers should be provided with user's feedback. Computer-dependent workers should understand how the MIS plan will affect them and the importance of their contribution towards MIS.

The personnel section in Hindustan Antibiotics Ltd. solved the problems of employees and improved industrial relations. The training centre conducted various programmes for management development and created awareness of the latest techniques in computers, management and in chemical engineering.

Management Service Section was working under Personnel. MIS was one of the activities of Management Service Section.

HAL started mainly for the purpose of producing life saving drugs and the prices of its many of its products are controlled by the Government. The costing section helped to know the minimum returns to run the business effectively. As it was a Public sector undertaking, the internal reports were sent to the divisional heads and the persons concerned with these reports. The Personnel Department required reports to know the administrative expenses, income from other sources and overtime. The interview with the personnel

department helped to know how far the MIS reports are useful. It had been advised that the usage of computers can be enhanced to increase their utility, there should be enough Top Management support and commitment and the employees should be trained and educated.

The study revealed that the top management was also receiving routine information but it was suggested that they should receive only exceptional / special reports.

Some of the Executives also requested for Graphical form of reports in addition to the routine system to avoid delay in decision making.

Top management, middle management and operational management received MIS reports. It had been suggested by the management that they needed consolidated information, the reasons for non-achievement and also the need to restructure the report format.

Top management involvement existed which might have been improved further to give the appropriate direction to design, improve and implement an effective MIS. It should make clear the objectives of the company to all those involved in the MIS.

There was a need to increase the interaction between users and the MIS staff for the following purposes:

- ❖   To identify the needs
- ❖   To understand the reports
- ❖   To get clarifications
- ❖   To implement the system successfully.

To achieve this coordination is very essential at every level to bring the people together for fruitful discussions.

The users – staff / executives suggested that there should be top management support and commitment. There was a need to increase the involvement of the top management. The computer system used in costing section should be combined with the manufacturing division. Effective interaction is a must for smooth functioning. Improved communication will be helpful to achieve the goal of the organization.

The Human Resource plays an important role in the creation of wealth in addition to the conventional shareholders role. The talented people create valuable asset in the organization. It is the need the hour to

realize that the talented employees should be retained in the organization. The growing recognition of human capital is the source of competitive advantage. There should be voluntary participation of employee in decision making and the benefits should be extended to all employees. Profit-sharing motivates the individual worker to put in his efforts directly related to the profits of the organization in which he gets a share. There should be a clear distinction between participation scheme that are offered to the employees and the regular wages and the benefits that are offered by the organization. For this, MIS reports help the Personnel Department to make decision promptly. The involvement of the Executives in preparing MIS reports and the top management commitment help to realize the goal.

There should be a culture in the organization where the employees should feel that they are secure and are being well taken care of. This environment will bring peace, harmony, which, in turn, brings more productivity and profit. The executives / employees are the users of MIS report and they can find out the productivity and profit or loss. Further steps can be taken to improve the relation between the employer and employee, and among the employees. In short, better industrial relation can be ensured with the help of MIS reports.

The information should be provided accurate, complete, objective, relevant, timely and understandable to ensure full, fair, accurate, timely, understandable disclosure in reports and documents that companies file with, or submit to the regulators.

The information should comply with applicable laws, rules and regulations of central, state and local governments and other appropriate public and private regulatory agencies in all material respects. The good MIS reflects good governance. It also means that the information is freely available and directly accessible to those who will be affected by such decisions and their enforcement.

The world thus become a global village because of the revolution of the electronic media. The management and staff who handles MIS should be committed and responsible. Employees are also one of the stakeholders in the organization. Therefore, their participation will ensure good corporate governance. For this proper information flow help to bring cordial relations within the organization. The staff responsible for preparing the reports should identify the non-achievement areas so that efficiency can be improved and help in the overall performance of the organization.

MIS helps to know how effective are the various system like manpower planning, selection, training etc., what special benefits does the organization offer and what is the general level of employee satisfaction.

In the data base management there is increased user participation in the design of the system and its operation. The system is accessed by all users in different locations. This is nothing but the software systems that enable the user to generate reports.

The researcher has collected the data with the help of:

- ❖ library reference,
- ❖ questionnaire and
- ❖ Interview and discussion.

The decision tables were prepared to find out the user satisfaction and their general opinion. The researcher has also added some views which are related to the current trend by using some references. Qualitative Analysis helped to find out the importance of MIS.

About the company:

HAL is a Public sector undertaking, Pharmaceutical company manufacturing life saving drugs. The activities of production, pricing and distribution are controlled by Department of Chemicals and Petrochemicals. It follows Process costing. Company set up formulation units in the Joint sector in collaboration with state government of Karnataka, Maharashtra and Manipur.

Highlights of Company

- ➢ It is the leading producer of Penicillin.
- ➢ It received many awards
- ➢ It has an effluent treatment plant for pollution control which is one of the biggest and oldest in India..

Hypothesis

- ➢ Management Information System is very essential in any Industrial Organisation.
- ➢ MIS in Costing section leads to several advantages which ultimately helps the Industry to become successful and objectives of the organization can be achieved.

Research Methodology:

Analysis

Decision tables were prepared on the basis of various kinds of feed back received from different Departments. Questionnaire was prepared for each department separately.

Qualitative analysis has been done with the help of decision table.

Case study method with special reference Costing section in Hindustan Antibiotics Ltd. Various Departmental Managers were interviewed with the help of Questionnaire.

Objectives of the study

> ➢ To study whether the present system needs any improvement.
> ➢ To know the impact of MIS reports.
> ➢ To study the importance of MIS (Costing section) and its place in the overall system.
> ➢ To know whether there is a strong feedback.

Literature review

There are numerable articles published on this topic in various journals and magazines and many scholarly books have been published on Management Information System and its impact.

Different approaches of MIS to suit different environments:
> ➢ When the system is designed to meet the management needs as per their specifications. This is top down approach.
> ➢ Operation modules are built within some conceptual framework and then integrated into MIS. This is bottom up approach.
> ➢ Operational and top management systems are developed in parallel and stronger feedback loop is established. This is parallel approach. It suits almost to all types of organizations because an organization builds planning and control system for top management from top to down while simultaneously developing operational control systems from bottom to top.

The best system is the Parallel Approach (also was followed by HAL) when operation and management systems are allowed to operate independently both systems grow and eventually become Total Corporate Information System.

The current trend is computerization of MIS to achieve high speed, accuracy, consistency etc. for large volume of data.

Management involvement

MIS reports help to control. Detachment of top management results in failure. MIS staff should be aware of the company strategies as they affect the design of the MIS. The IT Manager selects an appropriate system

suitable to the organization. It is very essential to co-ordinate with middle management to identify the requirements of the users.

Efficiency of each individual / department may be found out and the responsibilities are fixed according to the Managerial level. The MIS reports are the means to check the performance at lower levels.

The Executives should be encouraged to use the reports and their involvement can be enhanced, if they are trained and educated to realize the importance of MIS.

The people in the organization have the fear that their position may be relocated but that can be overcome by increasing the attention of the implementer to user's problems. Co-operation, team-work, defining user's role education etc. are essential to increase the involvement and to foster attitude of the user in a positive manner. The suggestion of the user's should be taken into account for any improvement in the system.

Conclusion

The role of MIS section is to send the different kinds of reports to different levels of management. It's function does not end just by sending the reports; it also has to find out the user satisfaction, their need and problems if any. Top management needs information for exceptional items such as budget and actual, cost benefit etc. but does not have time to deal with the routine matters. A good information system satisfies their requirement.

The MIS Executive should consider the following points to implement proper MIS in the organization :

- ❖ The quantity, quality and timeliness of information for decision making
- ❖ The efficiency of data base management system – computer system and software
- ❖ Adequacy of the information
- ❖ The willingness of the Managers to accept the information
- ❖ IT infra structure – whether periodical up gradation of IT facilities.
- ❖ Whether competent IT professionals are available in the organization
- ❖ Top management support of IT application within the organization.

Target areas for MIS in HR

Manpower, productivity, absenteeism, recruitment and training details, sales per employee etc.

The information mentioned above will be helpful to carryout internal benchmarking. It is usually helpful to compare the same or similar activities undertaken by the departments within the organization or by closely

related organizations in the same group. This is also useful in knowing the requirement of reallocation of people to other units or to sort out the training needs.

The general information like work study and productivity measures, job evaluation etc. should be available to know the whether they ad value to the organization. The information system should facilitate internal comparison, comparison with competitors, comparison with organizations doing the same or similar task or for any other comparison like comparison of key indicators with any other organizations. MIS is playing a leading role in providing such information. By comparing HR data with other organizations it is possible to decide whether any area needs more attention.

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