

STUDY OF MANAGEMENT INFORMATION SYSTEM AND IT'S FUNCTIONS IN AN ORGANISATION

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ABSTRACT

Management Information System commonly known as MIS is a computer based system comprised of hardware and software that act as a backbone of an organization's operations, which provide the information in form of reports required to analyze or evaluate day to day operations, track progress and to support the decision making progress. This paper will lay the outline of MIS, its need, working, models and its functions supporting the growth and progress of an organization by increasing productivity and quality.

KEYWORDS: Management Information System, organization, decision making.

I. INTRODUCTION

MIS is a computer based automated system that gathers, analyzes, stores and transfer the information to support the management operations in different departments within an organization. It gathers the data from numerous online resources, analyze the data and prepare reports to aid the management to take decisions and track the progress of various activities carried out in an organization. MIS in order to provide the current, past and prediction data, it includes the software that supports the decision making, the system hardware resources, databases, DSS, HR management, application related to project management and other automated processes that support the department to perform its functions effectively.

II. MIS DEFINITION

Management information system or MIS is a set of procedures that provides essential data and information to the management for making an informed decision. The Management information system involves:

- Collection of appropriate data from various reliable sources.
- Processing of such data to extract the relevant and useful information.
- Delivering this information to the respective department.[1]



FIGURE 1: MANAGEMENT INFORMATION SYSTEM[1]

2.1. ROLE OF MIS MANAGER

The role of MIS manager to analyze business problem, design and maintain the information technology applications to frame the solutions to organizational problems.

III. COMPONENTS OF MIS

A management information system is made up of five major components namely people, business processes, data, hardware, and software. All of these components must work together to achieve business objects.

People – these are the users who use the information system to record the day to day business transactions. The users are usually qualified professionals such as accountants, human resource managers, etc. The ICT department usually has the support staff who ensure that the system is running properly.

Business Procedures – these are agreed upon best practices that guide the users and all other components on how to work efficiently. Business procedures are developed by the people i.e. users, consultants, etc.

Data – the recorded day to day business transactions. For a bank, data is collected from activities such as deposits, withdrawals, etc.

Hardware – hardware is made up of the computers, printers, networking devices, etc. The hardware provides the computing power for processing data. It also provides networking and printing capabilities. The hardware speeds up the processing of data into information.

Software – these are programs that run on the hardware. The software is broken down into two major categories namely system software and applications software. System software refers to the operating system i.e. Windows, Mac OS, etc. Applications software refers to specialized software for accomplishing business tasks such as a Payroll program, banking system, point of sale system, etc.[2]

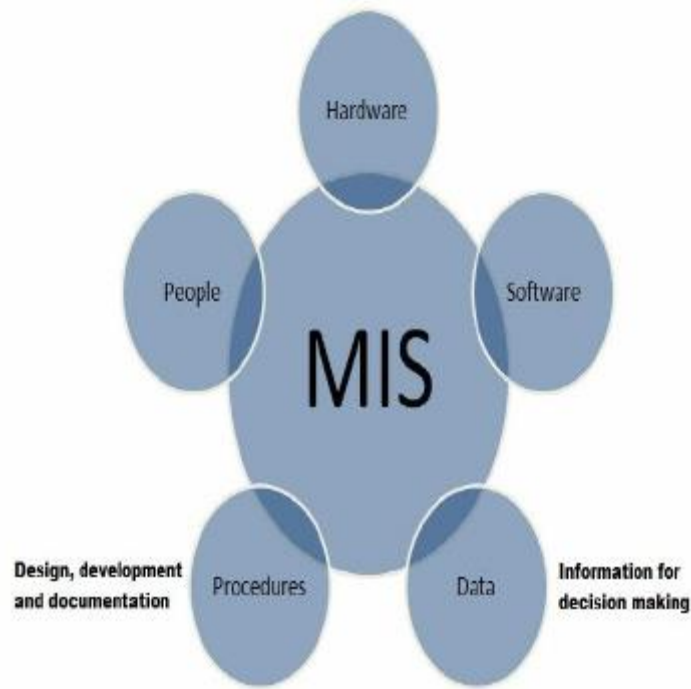


FIGURE 2: COMPONENTS OF MIS[4]

IV. NEED OF MIS

Managers formulate decisions. Decision-making generally follow four steps:

- Understanding the need for decision or the opportunity,
- Preparing substitute course of actions,
- Evaluating all substitute course of actions,
- Choosing the accurate lane for implementation.

MIS is an information system that provides information in the form of standardized reports and displays for the managers. MIS is a broad class of information systems designed to provide information needed for effective decision making. Data and information created from an accounting information system and the reports generated thereon are used to provide accurate, timely and relevant information needed for effective decision making by managers.

Management information systems provide information to support management decision making, with the following goals –

- Pre-specified and preplanned reporting to managers.
 - Interactive and ad-hoc support for decision making.
 - Critical information for top management.
- MIS is of vital importance to any organization, because –
- It emphasizes on the management decision making, not only processing of data generated by business operations.
 - It emphasizes on the systems framework that should be used for organizing information systems applications.[3]

V. FUNCTIONS OF MIS

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.

- **Supports Decision making:** - In any organization MIS plays a vital role in decision making process as relevant information can be retrieved from MIS
- **Supports Coordination among the Department:** - MIS provides sound support for establishing cordial relationships among the people working in department through proper information exchange.
- **Support in Finding out Problems:** - MIS support the management to find appropriate solution in case if any problem is created in an organization by providing relevant information.
- **Supports Comparison of Business Performance:** - MIS stores past, current and prediction data in databases that is utilized by the organization to compare performance and measures the growth and development of productivity and quality.

VI. CONCLUSION

MIS plays a vital role in the proper functioning of an organization by providing timely, accurate and complete information for supporting the decision making. It is an important part of an organization which is to be adopted in an appropriate manner according to the requirements to flourish in today's scenario of challenging world. To improve the efficiency of a MIS it need to be upgraded regularly.

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