Review on Management Information System

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Abstract— This paper focus on the rapid emergence of Management information system in organization as in created a huge impact in business world for the past two decades. Even, it develops your understanding in the concepts of MIS and the relationship between MIS and organization. The document covers the elements, Importance, need, characteristics, benefits of MIS and so on. It also discuss the challenges faced by the managers in organization before blooming of MIS. It comprises of working knowledge of MIS to the management consultant.

Keywords-- Elements of MIS, Need of MIS, Categories of MIS, Merits and Demerits of MIS, Importance of MIS, Characteristics of MIS, Limitation of MIS.

I. INTRODUCTION

Management information system is an information system, which is integrated with man-machine system. It provides information to build up planning and control functions. The MIS can be defined as the mixture of human and computer based resource which maintains, collects, communicate and displays information. They are designed for supplying data to managers and others in the field of finance, marketing, production and etc. They deal with processing of data which is generated within the organization and it provides a significant information about people, place and things inside the organization. However, the definition of the term 'Management information system' varies from person to person.

II. ELEMENTS OF MIS

Management

Management can be viewed in the form of a function, a profession, a process and as an elite. The management can be defined as an Art and as a Science. In addition to that the capital, the material and the labor are the things to be consider as a resource. It is referred as a function, a kind of task, the activities that should be performed by the managers. The specific nature of Management is determined by managerial activities such as planning, organizing, controlling, directing.

In fact, the management is the pathway of achieving the goals of an organization and their objectives by judicious usage of materials, machines, mankind, messages, methods and resource of men.
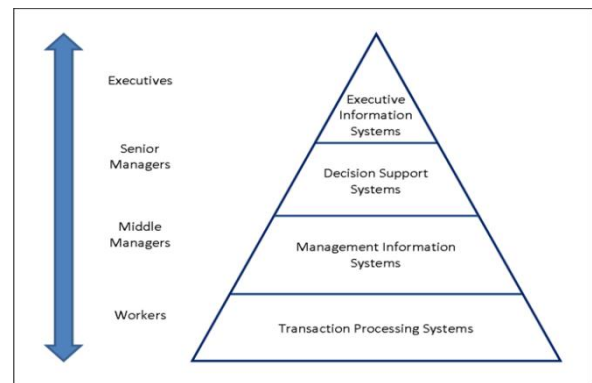

Fig: Allocation of Managers time

Information

Information can be stated as data or a fact which is organized and dispense at a time and place so that it can make an action. In other words, information is the output/outcome of a processed data.
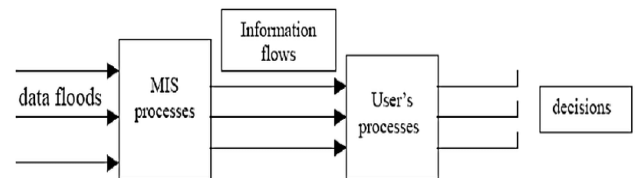

Fig: Conversion of data into decision

From the fig, it is clear that information has fact/data that can be retrieved, processed or other means it can be used for an action/work to be done. In fact, the relation of fact with information is converting the raw materials as finished outcome. They increase the state of Knowledge or intelligence of decision makers by three broad types – Environmental, Competitive and Internal information. Even the information consist of elements of surprise and triggers off action.

System

A system is a set of components or elements which links together to satisfy certain task. In other words, a system is a collection of procedures, processes, methods, techniques and so on. The system can be off either natural or man-made. A system is made up of sub-systems. As the flow continues, the sub-system can be composed of further sub-system. There are various types of system to be mentioned : Man-made(Computer, Transport, Business) ; Natural system(Human body, Solar system).

Fig: System and its components

And here, relating the three most important element (Management, Information, System) –The MIS can be defined as its related to the activities, processing or entities interacting together to serve a processed data to the individual managers at different levels in various function areas.

III. NEED OF MIS

The advent of technology and internet had made people to create and share information across the globe. In short, the term 'Information' plays a vital role in this fast changing world. Organization found much more difficulties to manage data and information as a whole, before the sprout-up of technology. The first and foremost thing is that managers have to take quick decisions at a fraction of second as a decision maker in this competitive world. And the same time he/she has to maintain the overloaded information where it needs to be well presented, accurate and storable easily.

Management information system plays a crucial role in numerous business settings that, it is almost impossible to develop a successful company without integrating technology.

Considering, the definition of MIS, they accomplish the task of management or organization by providing a operational method where the past and present data can be developed and used. MIS is a important object that makes decision making, planning, organizing, implementing, monitoring and controlling in the organization at each level for managers and others. It used to easier the work of the managers.

IV. IMPORTANCE OF MIS

MIS helps in minimizing the risk in decision making for decision makers. They quickly process the data derive information. It helps in planning, operation control, transaction process and management control. They are playing a vital role in generating information, communication, and problem identification which leads to decision making. MIS provides function over the Junior level, Middle level and top level management.

V. CATEGORIES OF MIS

a.) Transaction processing system (TPS):

This system is designed for filtering day to day transaction in an organization is called Transaction processing system. It deals with collecting and processing a big amount of data which helps junior level management in emitting their responsibilities.

b.) Information providing system (IPS):

This system deals with three types of functions for providing information. It filters the information first, which is made as a Summary and the related reports are prepared and provided. It is known to be Information providing system.

c.) Decision support system (DSS):

They improves the analytical skill of decision makers by describing an interactive model of the real life situation. In fact, the DSS is describes as the next evolutionary step after MIS.

The way of increasing the analytical skill of decision makers are said to be decision support system.

d.) Programmed decision-making system:

Programs are nothing but a set of instructions on the basis of accomplishing a job or task. Here, the system for programmed decisions are evolved and so that the decision are made by the system rather than a person. This is said to be a Programmed decision-making system.

VI. MERITS AND DEMERITS OF MIS

Merits of MIS:

- Plans work flow.
- Perform faster than people.
- Designs the format of data.
- Construct files related to data.
- Develops software.
- Uses less labor.
- Saves time.
- Improves organization technique.
- Maintains accurate data.

Demerits of MIS:

- Creates deskilled workers.
- Expensive to set-up and maintain.
- Employee skepticism.
- Vast competitive nagging.
- Disillusionment with IS.

VII. CHARACTERISTIC OF MIS

Management information system is based on long-term planning. Their design deals with the top-downward approach. It is a planned system based on controlling, organizing and storing. In MIS, the same data flows throughout the management to avoid repetition and overlapping in data collection, storage and retrieval of information. They need a heavy planning, to be established in an organization. MIS uses sub-system concept, as single entity broken down into various meaningful sub-system. Here, the data are made into tabular forms where it has operations such as creation, insertion, deletion and updation of records. They are the real-time, integrated and transaction framework which supports international business of company.

VIII. LIMITATIONS OF MIS

Management information system takes only quantitative factors into account and not the quality factors. They lack in effectiveness due to continues change at top level management and staffs. The output of MIS totally relay on the input of MIS, it is like the outcome of the output is directly proportional to the input given. Their functions in decision making totally depend on the information before making decision. Mostly, the MIS don't have flexibility to update themselves frequently. Even, the MIS can't replace managerial judgment in decision making.

IX. CONCLUSION

This paper review will help you to develop your understanding in interaction between information technology and organization for managerial position in companies. Management information system has occupied a most important place in today's business world where it satisfies the needs of an organization by different means. Hence, it is proved that the organization can't survive and implement things in a proper way without the help of MIS.

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