

***Management Information System: Creative Ways of Handling Challenges***

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**ABSTRACT**

One of the main branches of management is information technology management(responsible for management information system). The MIS is described and analyzed in the light of its capability for decision making. It is the computer system that provides accurate and timely information for decision making and helps the organization in planning, controlling and operating in efficient manner. It involves three primary resources: people, technology and information. Management Information System is different from other information systems because it is used to analyze the operational activities in the organization. It is a key factor to provide and attaining efficient decision making in an organization. It is basically concerned with processing data into information and finally communication to different departments for further decision making. It is mechanism to ensure that information reaches to its managers in original and timed manner. Academically, the term refers to group of information management methods attached with the support of human decision making like decision, expert system and executive information systems. The MIS is dynamic concept that changes with the time and also changes with the change in business management process. It continuously interacts with internal and external business environment which helps in providing corrective actions for the required changes. This paper focuses on understanding the concept of MIS, the need for MIS, the advantages of MIS in the organization, challenges related to MIS and its implications in Business.

**KEYWORDS:** Management Information System (MIS), Information Technology, Decision making.

## **INTRODUCTION**

After several economic reforms, business firms have not only to compete with the local firms but with global firms also. In such situations the manager has to take quick decision making to grasp the opportunities as and when arises, failing which the competitors can take the advantages of such opportunities. Hence quick decision making is the most important aspect which can be performed through MIS. The quick access and upto date view of business is necessary so that the customers can be responded quickly and business can grow more profitably.

Secondly, in the era of internet and low cost high capable hardware components, the firms have to collect abundance of data from internal and external sources. However only a few firms capitalize this opportunity.

So it is necessary that the firms should uses such resources which assists them in the challenging job of decision making and control. In such a situation MIS is considered as the main components of successful organization.

## **OBJECTIVES OF THE STUDY**

- To study the concept of management information system.
- To study the role of MIS in business.
- To analyze the advantage and challenges of MIS in business.

## **CONCEPT OF MANAGEMENT INFORMATION SYSTEM**

MIS is considered as organized, diverse and automated information system that is concerned with the process of collecting data from various sources and compiling it in various relevant information in order to support the management operations of the organizations. Processing of data takes place in the form of graphs, tables, charts, diagrams, reports in order to generate accurate and relevant information for the management. MIS is a computerized database of

financial information organized and programmed in such a way that it produces regular reports on operations for every level of management in an organization. Its main purpose is to give managers feedback regarding their own performance and the performance of company as a whole. Usually MIS is defined as a systematic and scientific approach to combine all information (internal and external) into integrated information useful for business.

**“MIS is a broadly used and applied term for a three resource system required for effective organization management. The resources are people, information and technology, from inside and outside an organization, with top priority given to people. The system is a collection of information management methods involving computer automation(hardware and software) or otherwise supporting and improving the quality and efficiency of business operations and human decision making.” -Technopedia.**

MIS provides faster access to the required information which helps the organization to makes effective and timed decision in every aspect of business like investments, employments, products etc. depending on the organization. Basically MIS provides four types of information to the organizations i.e. Descriptive(related with the current reports and answering what is situations), Diagnostic(pertinent to what is wrong by comparing the actual results with the standardized results), Predictive information(related with the future aspects of business and provides answers to what if questions) and Prescriptive information(helping the firms in providing solution for decision making based on firms' goals and strategic objectives).

## MIS MODEL

MIS model starts with collection of data and information from various sources and storing it in the database through accounting information system. The information is then sent to the report writing software in order to generate periodic and special reports. The information is also analyzed through mathematical simulation to analyze and relate various aspects of organization's operations. The results of report writing software and the mathematical model are sent to the

decision makers of the organizations for efficient and effective decision making. In this way the process of MIS takes place.

## **BENEFITS OF MIS IN BUSINESS AND INDUSTRY**

MIS can be treated as the heart of business and industry. Just as the function of heart is to supply the blood in human body in order to pump up the body, the function of MIS is to provide the necessary information throughout the organization for the diversified needs and for decision making. Thus the role of MIS in the organization is very important.

Role of MIS in organization:

- Satisfaction of diverse needs: MIS helps in completion of diverse needs through variety of systems like query system, analysis system, modeling system and decision support system.
- Decision maker: MIS plays the role of decision maker by providing relevant information through specific reports generated from mathematical simulation and computerized software.
- Helps in coordination among departments: MIS helps in creating coordination among several departments by exchanging several information and helps in establishing sound relationship among the peoples of different departments.
- Helps in finding out problems: MIS provides necessary and relevant information about every aspect of the business and organization. If any error occurred on any level of organization, MIS can detect the problems and may provide solutions for this.
- Helps in comparison of business performance: MIS stores all past and present data in its database. Through report generating software and mathematical models, it can generate current reports which can be compared with standardized reports as well as past reports which helps in analyzing organizational development and growth.

Role of MIS at different levels of management:

- ✓ Top Level Management/ strategic users: MIS helps the top level management in setting goals and objectives, strategic planning and implementation by providing strategically analyzed reports and relevant information.
- ✓ Middle Level Management/ managerial users: MIS helps the middle level management in short term planning, target setting and controlling the business operations by the use of management tools of planning and control.
- ✓ Operational Management/ operational users: MIS helps junior management by providing the operational data for planning, scheduling and control and helps them in decision making at the operational level to correct an out of control situation.

#### Role of MIS in Human Resource Management:

- Helps in improving the skills of human resource through training and development.
- Improving the productivity of employees through MIS.
- Helpful in reducing the costs.
- Helpful in minimizing the efforts of employees through automating repetitive and simplified duties.

MIS plays a very important role in the organization, it has its impact on marketing, finance, production and personnel. The tracking and monitoring of functional targets becomes easy through MIS. It helps in forecasting and long term perspective planning.

#### **ADVANTAGES OF MANAGEMENT INFORMATION SYSTEM**

MIS creates a big difference for an organization. It is very important in today's dynamic environment. It provides several advantages to the organization:

- Helps in managing data: MIS helps in maintaining and managing business data for helping in the complex decision making by the management. The complex data is stored in the database of MIS in an organized way which can be accessed whenever needed.
- Helpful in analyzing trends: Management needs information for strategic planning and achieving future goals. MIS provides such information through the use of mathematical tools and also helps in prediction of future trends on the basis of current trends.
- Helps in strategic planning: MIS reports helps in identifying the resources that are required for achieving the objectives of the company. In this way MIS helps the organization in strategic planning.
- Goal Setting: MIS reports provides the information about the current trends of the company and also the future trends which can be used as a base for goal setting in future. Hence we can say that MIS helps in determining goals in an organization.
- Problems identification: MIS provides information about every aspect of business. The current reports are compared with the standard reports which helps in analyzing the variances and problem identification. MIS also provides the suggestions regarding the problem.
- Increases efficiency: MIS provides the relevant information on time which helps in achieving the objectives of organization as a whole and also helps in accessing the individual performances at every level of management. In this way MIS helps in increasing efficiency.
- Comparison of Business Performance: MIS database can be accessed anytime. It helps in analyzing current year performance and also helps in making comparison with past performances. In this way it helps in analyzing growth and development of business.
- Easy, Quick and relevant information: MIS provides the necessary information in the easiest form within a few minutes. Hence it provides relevant, quick and flexible information which may help in future prediction.

MIS helps in getting information in efficient and effective manners and ensures that employees do not have to collect data manually for filing and analysis. It provides a platform for building programs to access the data in response to queries by management.

### **CHALLENGES OF USING MANAGEMENT INFORMATION SYSTEM**

Management Information System is considered as an important part of the organizations. It provides several types of advantages to the organizations by analyzing the organization's data and information in a relevant and effective manner. However there may be some challenges that a company have to face after implementing MIS. Some of these are as follows:

- **High Cost of Implementation:** The main challenge in front of organization is the high cost of implementation of MIS. Also MIS required up to date information regarding all the changes on companies website. This may create a huge problem.
- **Opposed by employees:** The MIS system is opposed by the employees of the organization. Employees have to learn the necessary skills to operate MIS in changing and competitive business environment. If employees resist this, it may become difficult to stay in market.
- **Equipment and network problems:** The MIS system requires the electronic gazettes like computer system. The equipment should be purchased and maintained properly and time to time repairs are also necessary. Also problems like server crash and websites crash may arise which creates a huge problem in front of the organization.

### **CONCLUSION**

It can be concluded that management information system is an important part of the business organizations. It enables the business to stay prepared, forecast the changes and capitalize the opportunities by providing timely and accurate information. A rapidly evolving MIS is necessary for the growth and survival of business organization. However MIS may face the challenges like

implementation cost, resistance by employees, website and server crash and learning of new system by employees etc. hence it is suggested that proper planning is very important aspect before implementation of management information system. Along with it the cooperation from employees and harmony in project is necessary for the successful implementation. In the dynamic business environment, it is necessary for every organization to implement MIS so as to get quick and relevant information.

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