

# THE IMPACT OF MANAGEMENT INFORMATION SYSTEM IN SUPPORTING MANAGERS FOR DECISION MAKING IN AN ORGANIZATION

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**Abstract-** The Management Information System is a collection of men, tools, procedures and software to perform various business tasks at various levels in the organization. Many organizations have separate MIS departments which are involved in maintaining records, performing transactions, report generations and consolidation of the important information which will be supplied to the various levels of the management. Management Information System (MIS) provides information for the managerial activities in an Organization. Management Information System (MIS) is basically concerned with processing data into information and is then communicated to the various Departments in an organization for appropriate decision-making. Managers play a key role in any organization. They are responsible for taking decisions appropriate to the need of the market. Information systems have become the main tool used by managers in decision making. Managers perceive information as the driving force to achieve success in any business. The information system is the mechanism to ensure that information is available to the managers in the form they want it and when they need it. The main purpose of this research is, MIS provides accurate and timely information necessary to facilitate the decision-making process and enable the organizations planning, control, and operational functions to be carried out effectively.

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**Keywords-** Management Information Systems (MIS), Organization, Decision Making.

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## I. INTRODUCTION

Management information system can be further defined as collection, analyses and processing of raw data into useful information and its allocation to the user in the required format. Data collection involves the use of Information Technology (IT) comprising: computers and telecommunications networks. So, it is a system that provides information which is useful to manage organizations and institutions efficiently and effectively. Technology, information and public, these are the three primary resources in which management information system occupied. It helps the management to solve the problems relating to the business decision making.

MIS provides several benefits to the business organization: the means of effective and efficient coordination between Departments; quick and reliable referencing; access to relevant data and documents; use of less labor; improvement in organizational and departmental techniques; management of day-to-day activities (as accounts, stock control, payroll, etc.); day-to-day assistance in a Department and closer contact with the rest of the world.

MIS provides a valuable time-saving benefit to the workforce. Employees do not have to collect data manually for filing and analysis. Instead, that information can be entered quickly and easily into a computer program. As the amount of raw data grows too large for employees to analyze, business analysts can build programs to access the data and information in response to queries by management. With faster access to needed information, managers can make better decisions about procedures, future directions, and developments by competitors, and make them

more quickly. We are living in a time of great change and working in an Information Age. Managers have to assimilate masses of data, convert that data into information, form conclusions about that information and make decisions leading to the achievement of business objectives. For an organization, information is as important resource as money, machinery and manpower. It is essential for the survival of the enterprise.

## II. CONCEPT AND MEANING OF MIS

The initial concept of MIS was to process data from the organization and presents it in the form of reports at regular intervals. The system was largely capable of handling the data from collection to processing. It was more impersonal, requiring each individual to pick and choose the processed data and use it for his requirements. The MIS differs since the people in two organizations involved in the same business.

The MIS, therefore, is a dynamic concept subject to change, time and again, with a change in the business management process. It continuously interacts with the internal and the external environment of the business and provides a corrective mechanism in the system so that the change needs of information are with effectively. MIS has been understood and described in a number of ways. It is also popularly known as the Information System, the Information and Decision System, the Computer-based Information System. The MIS has more than one definition, some of which are given below:

1. The MIS is defined as a system which provides information support for decision making in the organization.

2. The MIS is defined as an integrated system of man and machine for providing the information to support the operations, the management and the decision making function in the organization.

3. The MIS is defined as a system based on the database of the organization evolved for the purpose of providing information to the people in the organization.

4. The MIS is defined as a Computer based Information System. Though there are a number of definitions, all of them converge on one single point, i.e., the MIS is a system to support the decision making function in the organization [. The MIS is defined as an integrated system of man and machine for providing the information to support the operations, the management, and the decision-making function in the organization. An MIS deals with information that is systematically and routinely collected in accordance with a well-defined set of rules. In other words, data collection is a planned activity for which resources are allocated and rules are defined.

**i. The information needs of managers**

The common need basic to all managers is an understanding of the purpose of the organization, its policies, programs, plans and goals though the decisions may be according to the capacity of analytical approach of using the information of the manager the information people need depends on type of decision - structured or unstructured, organizational level they occupy and activities they perform, factors critical to their success.

**ii. Features of MIS**

1. In any organization managers will have varieties of task to manage. MIS is mainly designed to take care of the needs of the managers in the organization.
2. Organizations will have different departments like marketing, production, sales, inventory, maintenance etc. Each of these departments function individually and also in relationship with other departments. Information is available in abundance. MIS aids in integrating the information generated by various departments of the organizations.
3. MIS also helps in establishing mechanism to eliminate redundancies in data.
4. MIS as a system can be broken down into sub system; each sub system may be programmed. This results in easy access of data, accuracy of data and information. It helps in maintaining the consistency of data

**iii. Necessity of MIS**

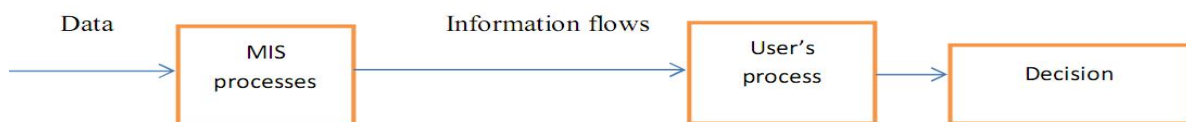
Managers play a key role in any organization. They are responsible for taking decisions appropriate to the need of the market. Information systems have become the main tool used by managers in decision making. Managers perceive information as the driving force to achieve success in any business. Hence there is a need of MIS [2 - 3]. The impact of MIS on the functions is in its management. With a good support, the management of marketing, finance, production and personnel become more efficient. A well designed system with a focus on the manager makes an impact on the managerial efficiency. The impact is on the managerial ability to perform. It improves the decision making ability considerable

**III. MIS AND DECISION-MAKING**

Management Information System (MIS) is basically concerned with the process of collecting, processing, storing and transmitting relevant information to support the management operations in any organizations. Thus, the success of decision-making, which is the heart of administrative process, is highly dependent partly on available information, and partly on the functions that are the components of the process. For example, if managerial objectives are absent or unclear, probably due to inadequate information, there is no basis for a search. Without information obtained through a search, there are no alternatives to compare, and without a comparison of alternatives the choice of a particular course of action is unlikely to yield the desired result. According to Alabi (1997) the search could be through:

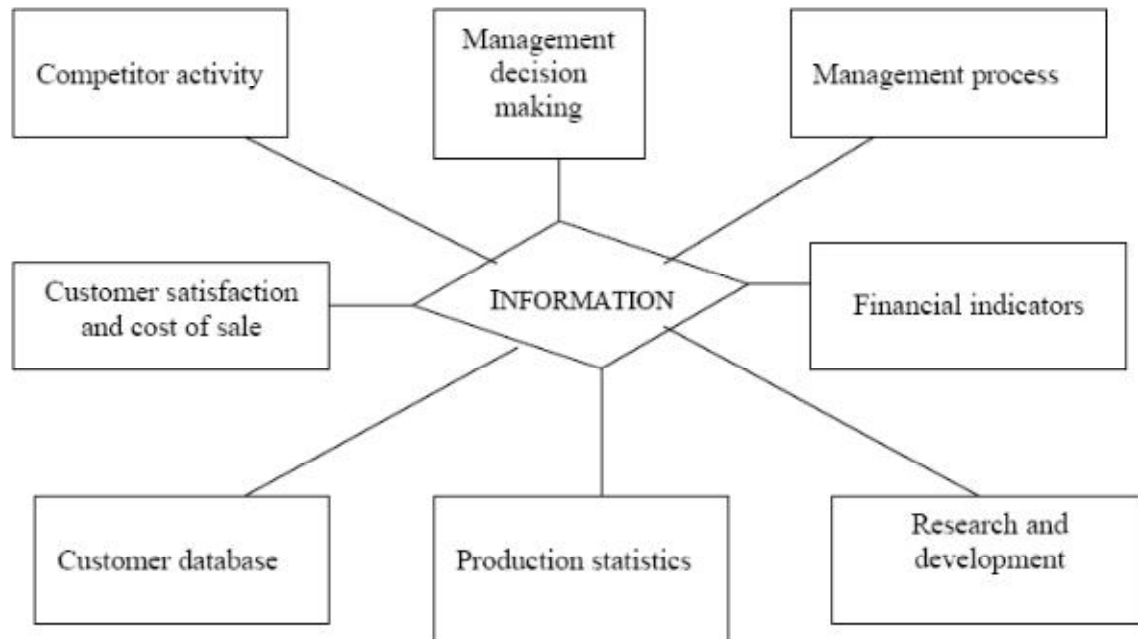
- Undirected viewing—this involves a general exposure to information where. The search could be that the viewer has no specific purpose in mind.
- Conditioned viewing—the directed exposure does not involve active search to a more or less clearly identified area or type of information.
- Informal search—this is a relatively limited and unstructured effort to obtain specific information for a specific purpose. The information wanted is actively sought.
- Formal search—this is a deliberate effort, usually following a pre-established plan, procedure or methodology to secure specific information relating to a specific issue. Adebayo (2007) stressed the need for MIS in decision making as it provides information that is needed for better decision making on the issues affecting the organization regarding human and material resources. MIS may be viewed as a mean for transformation of data, which are used as information in decision-making processes.

Figure 1 shows this understanding about information as data processed for a definite purpose. (Lucey, 1997)



There are so many definitions of MIS. For the purpose of this research, MIS can be defined as a system providing management with accurate and timely information necessary to facilitate the decision-making process and enable the organizations planning, control, and operational functions to be carried out effectively. So in this way MISs increase competitiveness of the firm by reducing cost and improving processing speed. Almost all business

organizations normally have some kind of information system for management. Accounting rules, stock control and market monitoring systems are the most traditional and common examples. The power of technology has transformed the role of information in business firm. Now information has become recognized as the lifeblood of an organization (Figure 2). Without information, the modern company is dead. (Papows, 1998)



**Figure 2. Information – the life-blood of the organization.**

Despite the enormous investment in IT during recent years, demonstrating the effects of such investment on organizational performance has proven extremely difficult. MIS differ from regular information systems because the primary objectives of these systems are to analyze other systems dealing with the operational activities in the organization. In this way, MIS is a subset of the overall planning and control activities covering the application of humans, technologies, and procedures of the organization. Within the field of scientific management, MIS is most of ten tailored to the automation or support of human decision making (O'Brien, 1999).

Figure 3 shows the conceptually decomposing of the different management systems in an organization (Sørensen et al. , 2009).

Well-constructed and well-organized MIS can provide management with the knowledge it needs to reduce operating costs and increase profits. MIS can help management increase efficiency by quickly providing critical information about procedures and operations.

**CONCLUSION**

It can be concluded that management information system is an important part of the business which

provides timely and accurate information to the business managers and helps them in taking appropriate decisions. MIS differ from regular information systems because the primary objectives of these systems are to analyze other systems dealing with the operational activities in the organization. In this way, MIS is a subset of the overall planning and control activities covering the application of humans, technologies, and procedures of the organization. Within the field of scientific management, MIS is most often tailored to the automation or support of human decision making. Management information systems (MIS) make it possible for organizations to get the right information to the right people at the right time by enhancing the interaction between the organization's people, the data collected in its various IT systems, and the procedures it uses. It brings together the raw data collected by the various business areas of the organization, which, while useful for specific functions such as Accounting, does not provide, by itself, information that can be used to make decisions. As organizations grow, MIS allows information to move between functional areas and departments instantly, reducing the need for face-to-face communications among employees, thus increasing the responsiveness of the organization. One may conclude that MIS is the lifeblood of any

organization. Both public and private sectors must be committed to seeking formal or organized information before taking decisions.

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