Information System and MIS

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MANAGEMENT INFORMATION SYSTEM (MIS)

- Management Information System deals with the systems which produce information for the management at different levels for their proper functioning.

- Its assets are speed, accuracy, consistency and the ability to handle large volumes of data. It however lacks judgment for which the human beings can complement it.

- MIS may be defined as *an integrated man-machine system in producing information to support the operations, management planning & control and decision making functions in an organization.*

Data Versus Information

- The word *data* is the plural of *datum*, which means *fact*. Data then are facts, the raw material of information. Data are represented by symbols, but they are not information except in a limited sense.

- As used in data processing, information is data arranged in an order and form useful to the people who receive it. That is, information is relevant knowledge, produced as the output of data processing operations and acquired by people to enhance understanding and to achieve specific purpose. Fig illustrate the distinction between data and information.

a , b, x z, person, c, age
sex c n y married 20 10
years married   sex 65 M
M Y Y F N Kisses a day

Person	A	B	C
Age	20	25	15
Sex	F	M	F
Married	Y	Y	N

Data   Information

INFORMATION

- Information may be defined in simple words as *the processed data on which decisions are taken.*

- For the decisions to be meaningful, the processed data must possess the characteristics of being in time, accurate, complete and given to the right person to get qualified as information.

- Since the *decisions* are based on the *information* and *actions* are based upon *decisions*, data gets further generated from our actions

DATA PROCESSING ACTIVITIES

Data processing consists of three basic activities :

- Capturing the input data,
- Manipulating the data
    - Classifying
    - Calculating
    - Sorting
    - Summarizing
- Managing the output results
    - Storing & Retrieving
    - Communicating and Reproducing

TYPES OF INFORMATION

The information can be divided into the following three categories :

- Strategic Information
- Tactical Information
- Operational Information
- **Strategic Information**

  This is the information needed for long term planning and directing the course that business should take. For example, The store owner may like to decide to work on small profit margins to expand sales, whether to open a new branch etc.

- **Tactical Information**

  This type of information is needed to take short term decision to run the organization efficiently For instance, the information on fast and slow moving items may be used to take the tactical decision to stock more of the former and give discount on the latter.

- **Operational Information**

  This type of information is needed for day-to-day operation of an organization. e.g. List of items to be reordered, list of defaulters. This form of information is obtained from straightforward clerical processing of data.

QUALITIES OF INFORMATION

To compete with the pace in the business world we have to control over information quality. Because, good information plays, a very important role in the success of any organization. Some qualities of information are :

- **The information must be accurate :** Avoid GIGO.
- **The information should be complete**
- **The information should be trust worthy**
- **The information should be timely**
- **The information should also be up-to-date**
- **The information should be designed according to the needs of the user and relevant to him**
- **The information should be presented in such a way that manager may immediately perceives its significance**

MANAGEMENT STRUCTURE

- Top Level
- Middle Level
- Line Managers(Operating Management)

A graphical representation of management structure is known as organization chart. The management structure is a pyramid

Top Level - Strategic Information by Decision Support System

Middle Level - Tactical Information by Management Information System

Bottom Level - Operational Information by Transaction Processing System

TYPES OF INFORMATION SYSTEM

With the understanding of three kinds of process that take place in a business, we can view the nature of information systems that support these processes.

- Transaction Processing System(TPS)
- Management Information System(MIS)
- Decision Support System(DSS)

Transaction Processing System(TPS)

- The information system that support the operational control processes are called transaction processing
- These systems are often termed the *bread and butter* applications.
- Some other TPS are ticket selling system, accounts payable system etc

Management Information System(MIS)

- The system required to obtain tactical information at middle level is known as MIS.

- These systems mainly center on providing managers with information to control operations and make decisions to optimize the delivery of products to customers.

- For example, in ticket selling system, a TPS is used to take orders and print tickets. MIS is used to measure and report the performance of each of the agents who sell tickets

Decision Support System(DSS)

- The system required to obtain strategic information at top level is known as DSS.

- With the help of this system top level manages the policies, plans, objectives and budgets etc.

CHARACTERISTICS OF MIS

- Avoid GIGO (Garbage In Garbage Out

- Information produced should be trust worthy.

- The information should be complete

- The information should be timely.

- The information should be presented in such a way that manager may immediately perceives its significance. Information should be designed according to the needs of the user and be relevant to him.

Thanks!

For any Question...

Leave Comment!