



REVIEW ON MANAGEMENT INFORMATION SYSTEMS (MIS) AND ITS ROLE IN DECISION MAKING

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ABSTRACT-

This paper focuses on understanding the concept of MIS, the need for MIS, the advantages of MIS in an organization, the MIS model, decisions and the decision making system and majorly the role of MIS in decision making. It talks about MIS in brief considering the concept of MIS, the MIS model that is used by organizations, how MIS is beneficial, why is there a need of MIS in an organization. It then gives an overview of decisions and the decision making system which is necessary to understand the decision making process. Finally, the major focus of this paper is the role of MIS in decision making of an organization. How decisions are made in an organization using MIS, what challenges are faced by the organization in this process and a few recommendations to curb these challenges. It provides a brief understanding of why MIS improves decision making.

Index Terms- Benefits of MIS, Decision making, MIS, MIS model, MIS concept, Need for MIS

INTRODUCTION

Management information systems(MIS) is an organized, diverse and automated information system that is concerned with the process of gathering ,storing and transferring relevant information to support the management operations in an organization. The data is distributed among the various departments in an organization. The processing of data takes place in various forms such as graphs, diagrams, charts, reports to generate accurate and relevant information for the management. MIS provides central storage of all the business information. MIS is used across all levels in an organization. There are different types of management information systems. This paper focuses on decision making information system.MIS plays a vital role in not only collecting and man-aging information, but also representing it in various formats useful for the management to make important organizational decisions.

MIS provides faster access to the required information which helps the organization to make effective and timely decisions regarding every aspect such as investments, employments, products, etc depending upon the organization. Decision making basically refers to choosing a certain line of action from among several alternatives. It is integral management that occurs in

every level of management and in every function. The effectiveness of the organization depends upon the quality of decisions that informs its operation. Decision making is a major metric to determine the organizations success or failure. This paper focuses on understanding the need, benefits, types of MIS, the MIS model, decision making system and majorly the role of MIS in decision making of the organization.

NEED FOR MIS

Organizations found it difficult to manage the information as a whole, before computer technology bloomed. Developments in computer technology made it possible for the managers to easily gather, integrate, store and manage the information in the form they require depending upon their needs and timing. Information is used simultaneously by many people. The information needs to be current, accurate, concise, timely, complete, well presented and storable[1]. For organizational productivity, solely depending on personal computers is not reliable until it is used efficiently and effectively. Also, advanced technological systems for integrating and sorting the data can be costly unless the senior management provisions it to the staff. Thus, information systems came into picture.

Information system is a mechanism that ensures information is available to the managers as per their need and time. It provides relevant information for decision making. Management information is an important input at every level in the organization for decision making, planning, organizing ,implementing, and monitoring and controlling[5].

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. Hence management information system plays a major role in managing information and making it easy for the managers to collect, integrate and assign the information and ensures effective and efficient decision making.

CONCEPT OF MIS

Information is a set of classified and interpreted data used in decision making and it has also been defined as “some tangible or intangible entity which serves to reduce uncertainty about future state or events” [5]. There are different levels of decision making, for which information can be described as:

- 1) source
- 2) data
- 3) inferences and predictions drawn from data
- 4) value and choices
- 5) action which involves course of action.

Management information system has a purpose to meet the general information needs of all the managers in an organization or in some subunits of the organization. A subunit can be based on functional areas or can be viewed at management levels.

Considering the definition for MIS, one of the popular definition describes management information system (MIS) as "an organizational method of providing past, present and projected information related to internal operations and external intelligence. It supports the planning, control and operation functions of an organization by furnishing uniform information in the proper time frame to assist the decision makers" [5]. The information in MIS describes the firm or one of its major systems in terms of what has happened in the past, what is happening now and what is likely to happen in the future. The information is provided in the form of reports and outputs of mathematical simulations. There are two types of reports namely, periodic and special report. All managers use the information output as they make decisions to solve the firm's problems.

BENEFITS OF MIS

MIS makes a major difference for the business organizations. It provides several benefits such as :

- 1) effective and efficient coordination between Departments
- 2) quick and reliable referencing
- 3) access to relevant data and documents
- 4) use of less labor
- 5) improvement in organizational and departmental techniques
- 6) management of day-to-day activities
- 7) day-to-day assistance in a Department and closer contact with the rest of the world.
- 8) provides a valuable time-saving benefit to the workforce

For an organization the most important factor is to efficient and effective work in minimum amount of time. MIS supports this aspect of gaining profit and ensures that 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 data is growing, it is becoming difficult for business analysts to analyze the data, hence MIS provides a platform for building programs to access the data in response to the 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.

THE MIS MODEL

This section describes how does a MIS model actually look like. The components of the MIS model consist of :

- 1) Database
- 2) Organizational decision maker
- 3) Report writing software
- 4) Mathematical model

DECISIONS AND THE DECISION MAKING SYSTEMS

This section talks about the decision making systems and its classification, and the types and nature of decisions. Decision making systems are based on the decision maker's or the International Journal of Scientific and Research Publications,

According to Haynes and Massie, a decision is a course of action which is consciously chosen for achieving a desired result. According to Trewatha and Newport, Decision making involves the selection of course of action from among two or more possible alternatives in order to arrive at a solution for a given problem. Considering the classification of decisions, there are classification based on the situation and their nature.

ROLE OF MIS IN DECISION MAKING

Decision - making is the process by which organizational members choose specific course of action out of several alternatives in response to opportunities and threats . The outcome of the decision making process either results in a good or a bad decision. A Good decision results in successful productivity of the organization and in the courses of actions that help an individual, group or organization to be effective, while a bad decision results in ineffective and inefficient choice of course of action thereby leading to poor or no productivity and overall loss of time, effort, finance and labour. Every organization grows, prospers or fails as a result of decisions made by its members. The success of decision-making is highly dependent partly on available information, and partly on the components of the process which are known as functions.

CONCLUSION

Management Information Systems provides accurate, timely, relevant and complete information necessary to facilitate decision making in an organization. It helps in planning, control and operational functions to be carried out effectively and efficiently. It provides a wide range of decision alternatives for the decision makers, enabling them to make their choice depending on the system and the situation. It ensures that the choice results in more often, a positive outcome. These are the major reasons why MIS is chosen by renowned organizations for decision making and for management of information.

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