

Chapter 8: MANAGEMENT INFORMATION SYSTEM

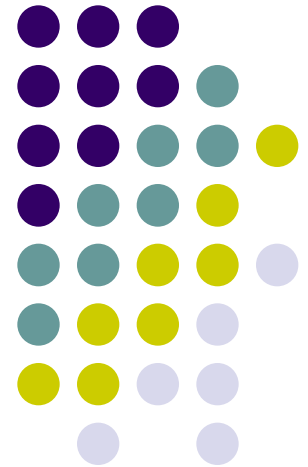
Week 01st February 2010

Introduction To Management

ND/BNF/29,30

ND/SCR/06

Ms. Hj/Rozie Hj Ariff



Lecture Outline

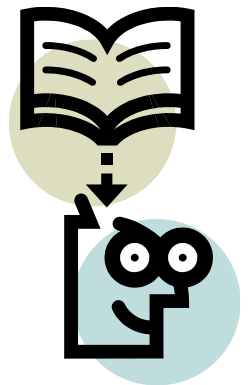


- Definition of MIS
- The Need for Management Information System (MIS)
- Purpose of MIS
- Basic Components of MIS: Quality, Timeliness, Quantity, Relevance
- Limitations of MIS

What is MIS?



- A management information system (MIS) is a planned system of the collecting, processing, storing and disseminating data in the form of information needed to carry out the functions of management.



Why do we need MIS?



- MIS is created to aid managerial decision making and serve as organization's memory.
- Effective planning & control of an organization requires good information systems.
- The more relevant the information, the better will be the decision results.
- Information systems enable managers to control how they do business from stock handling to sales information and mostly all information systems are done using computers.

Purpose of MIS



- To aid the manager in making timely and informed decisions.
- It is useful to remember that availability of information is critical to the success of the organization.
- The higher the management level, the greater is the need on the external source of information.

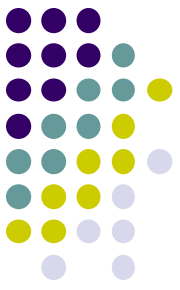
Basic Components of MIS



1) ***Information Quality***

- The more accurate the information, the higher its quality and the more securely managers can rely on it when making decisions.

Basic Components of MIS (con't)



2) **Information Timeliness**

- For effective control, corrective action must be applied before the problems getting out of control.
- The information provided by an information system must be available to the right person at the right time for the appropriate action to be taken.

Basic Components of MIS (con't)



3) **Information Quantity**

- Managers can hardly make accurate and timely decisions without sufficient information.

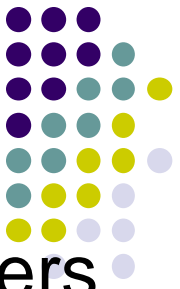
Basic Components of MIS



4) ***Information Relevance***

- The information that managers received must have relevance to their responsibilities and tasks.
- ***Example:*** the personnel manager does not need to know on inventory levels and the manager of reordering inventory does not need to know about the status of staff members in other departments.

Limitations of MIS



- 1) MIS does not make decisions. The managers must make decisions on the basis of information provided by MIS.
- 2) Unclear identification of information requirements by the managers leads of excessive information generated by MIS. This often hinders rather than helps the managers.
- 3) Some requirements from MIS are not justified on cost benefit grounds.