Learn and Study, What is Management Information System (MIS)?

Management information system, or MIS, broadly refers to a computer-based system that provides managers with the tools to organize, evaluate and efficiently manage departments within an organization. In order to provide past, present and prediction information, a management information system can include software that helps in decision making, data resources such as databases, the hardware resources of a system, decision support systems, people management and project management applications, and any computerized processes that enable the department to run efficiently. **Also learn, the Concept of Investment, What is Management Information System (MIS)?**

What is MIS? MIS is the use of information technology, people, and business processes to record, store and process data to produce information that decision makers can use to make day to day decisions. MIS is the acronym for Management Information Systems. In a nutshell, MIS is a collection of systems, hardware, procedures and people that all work together to process, store, and produce information that is useful to the organization.

#Management Information System Definition:

The Management Information System (MIS) is a concept of the last decade or two. It has been understood and described in a number of ways. It is also known as the Information System, the Information and Decision System, the Computer-based information System.

A management information system (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 (software and hardware) or otherwise supporting and improving the quality and efficiency of business operations and human decision making.

As an area of study, MIS is sometimes referred to as information technology management (IT management) or information services (IS). Neither should be confused with computer science.

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 functions in the organization.

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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 difference lies in defining the elements of the MIS. However, in today s world MIS a computerized .business processing system generating information for the people in the organization to meet the information needs decision making to achieve the corporate objective of the organization.

In any organization, small or big, a major portion of the time goes in data collection, processing, documenting it to the people. Hence, a major portion of the overheads goes into this kind of unproductive work in the organization. Every individual in an organization is continuously looking for some information which is needed to perform his/her task. Hence, the information is people-oriented and it varies with the nature of the people in the organization.

The difficulty in handling these multiple requirements of the people is due to a couple of reasons. The information is a processed product to fulfill an imprecise need of the people. It takes time to search the data and may require a difficult processing path. It has a time value and unless processed on time and communicated, it has no value. The scope and the quantum of information are individual-dependent and it is difficult to conceive the information as a well-defined product for the entire organization. Since the people are instrumental in any business transaction, a human error is possible in conducting the same. Since a human error is difficult to control, the difficulty arises in ensuring a hundred percent quality assurance of information in terms of completeness, accuracy, validity, timeliness and meeting the decision making needs.

In order to get a better grip on the activity of information processing, it is necessary to have a formal system which should take care of the following points:

- Handling of a voluminous data.
- Confirmation of the validity of data and transaction.
- Complex processing of data and multidimensional analysis.
- Quick search and retrieval.
- Mass storage.
- Communication of the information system to the user on time.
- Fulfilling the changing needs of the information.

The management information system uses computers and communication technology to deal with these points of supreme importance.

Why the Need for MIS?

The following are some of the justifications for having an MIS system:

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Decision makers need information to make effective decisions. Management Information Systems (MIS) make this possible.

MIS systems facilitate communication within and outside the organization: Employees within the organization are able to easily access the required information for the day to day operations. Facilitates such as Short Message Service (SMS) & Email make it possible to communicate with customers and suppliers from within the MIS system that an organization is using.

Record keeping: Management information systems record all business transactions of an organization and provide a reference point for the transactions.