

University of Nebraska - Lincoln

DigitalCommons@University of Nebraska - Lincoln

---

Library Philosophy and Practice (e-journal)

Libraries at University of Nebraska-Lincoln

---

Fall 1-8-2020

## Achieving Organization Objectives Through Management Information System In Organizations

Olufemi K. ARAMIDE PhD

*The Polytechnic Ibadan, Nigeria, femaramid@yahoo.com*

Rita E. Ajibola

*The Polytechnic Ibadan Nigeria, ritajib@yahoo.com*

Asimiyu A. Alarape

*Obafemi Awolowo University, Ile-Ife, Nigeria.*

Tomori Oyinade

*Neuropsychiatric Hospital, Aro Abeokuta Nigeria, oyin02@yahoo.com*

Follow this and additional works at: <https://digitalcommons.unl.edu/libphilprac>



Part of the [Library and Information Science Commons](#)

---

ARAMIDE, Olufemi K. PhD; Ajibola, Rita E.; Alarape, Asimiyu A.; and Oyinade, Tomori, "Achieving Organization Objectives Through Management Information System In Organizations" (2020). *Library Philosophy and Practice (e-journal)*. 3735.

<https://digitalcommons.unl.edu/libphilprac/3735>

**Achieving Organization Objectives Through Management Information System  
In Organizations**

**BY**

**ARAMIDE, O.K. PhD**

Faculty of Business and Communication Studies,  
The Polytechnic, Ibadan

Corresponding Author's E-mail: [femaramid@yahoo.com](mailto:femaramid@yahoo.com)

**AJIBOLA, RITA E.**

Faculty of Business and Communication Studies,  
The Polytechnic, Ibadan

E-mail: [ritajib@yahoo.com](mailto:ritajib@yahoo.com)

**ALARAPE A.A PhD**

Obafemi Awolowo University, Ile-Ife

**TOMORI O. PhD**

Neuropsychiatric Hospital,  
Aro Abeokuta

E-mail: [oyin02@yahoo.com](mailto:oyin02@yahoo.com)

## **ABSTRACT**

In recent times there has been a growing concern on management information as a very important resource useful in any organization. The realization of the management information system (MIS) need is not restricted to business organization only. The growth and the complexity of organizations have necessitated the call and need for an effective and efficient management information system. There have been wide spread cases of inefficient decision making, lack of accurate information, which shatter the efforts of an organization towards the achievement of goals and objectives. This paper will unveil the effects of management information system (MIS) on the achievement of the overall objectives of the organization. That is to ascertain whether management information system has helped to facilitate decision making of management and to determine the extent to which it has enabled the planning, control and operational functions of the organization to train the standard of efficiency required from good management. The paper concluded that both public and private sectors must be committed to seeking formal or organized information before taking decisions. It was recommended that accurate information should be taken into consideration in order to enhance better performance and also that top and middle level management staff should be properly trained to formulate appropriate decision making strategies.

**KEYWORDS:** Management, Information System, Organization Objectives,

## INTRODUCTION

A continuing stream of Information Technology innovation, combined with new business practices and superb management decisions, is transforming the way businesses are done, the way revenues are generated, and the way customers receive products and services. The growth of enterprise wide information systems that provide extraordinarily rich data to managers on customers, suppliers, and employees, means that managers no longer operate in confusion but instead have online, nearly instant access to the important information they need to make accurate and timely decisions that influence organization performance.

Information Technology is a powerful force in today's global society. The advent of computers and Information Technology (IT) has been the single massive drive influencing organizations during the past few decades. Information Technology is revolutionizing all the living ways. No doubt, it has given a new meaning to the word "Convenience" (Shaukat, et al., 2008). Information Technology has drastically changed the business landscapes, and word "IT" has become the "Catchword" of the modern life today. Information Technology has become, within a very short time, one of the basic building blocks of modern industrial society. The effective use of IT is an essential element of competing in a fast-paced, knowledge based economy. Information Technology is the major contributor to the progress of the developed countries. The rapid growth of the personal computer industry, substantial decreases in computer unit cost, and simultaneous increases in computer capabilities have

made vast amount of information readily available to individuals in organizations (Long and Long, 1999; Vasudevan, 2003; Salhieh and Abu-Doleh, 2007). The goal of every management information systems (MIS), in any organization is to improve job performance, and this performance efficiency is only achieved when IT is accepted and used warmly by the concern employees in organizations (Venkatesh and Davis, 2000). Information is an indispensable resource in every organization, be it profit oriented organization. An organization's activities get improved with timely accurate and pertinent information that helps to make better decisions in every organization. Management information system consists of people, equipment and procedures to gather, sort, analyze, evaluate and distribute accurate timely and pertinent information for management decision makers. The problem of management information system (MIS) as an important tool to achieving organizational objectives is challenging to managers of any organization especially the modern day managers. No organization can realized its goals and objective without a conscious effort using a well organized management information system, thus, organization are concerned with goal achievement having mobilized and allocated resources including information. Management Information System (MIS) has a primary purpose which is to provide the managers with the necessary information for decision making. The critical point here is that not just any information will be enough but information should be particularly relevant for the managers area of decision and timely as well. A good system requires the current raw data processed and filtered into information that management can

accurately use. This paper will identify the relevance of management information system in achieving organizational objectives.

## **CONCEPT OF MANAGEMENT INFORMATION SYSTEM**

According to Philip (2012), Management Information System is defined as a type of system that consist of people, equipment and procedure to gather sort, analyze, evaluate and distribute timely, accurate, relevant and pertinent information for management decision making. From the definition it means that management information system is made up of people who communicate (by report) information within and outside the organization. Managers and officers communicate to their subordinates while subordinates also communicate by report and other device used in their communication process. Management information system is the reception of facts and from a direct source which will be very useful to the organization as a whole.

In order to conceptualize management information system, a manager must visualize a business organization as comprising of many operating sub-systems and services of sub-system, taking out of company content, each of these sub-systems is a complete system of its own with an input, a processor, and an output.

Taking together these independent systems become interrelated. The output of one system such as finished products often becomes the input to another system.

Each of these business sub-system also generates an information output which

can be constrained as an information flow which should be of value to the decision makers in the organization.

## **MANAGEMENT FUNCTIONS AND LEVELS**

Adeoti (1997) opined that the value of any information is derived from the actions that management takes as a result of using that information. It follows that information specialists need to know what type of tasks and functions management have to perform so that they are able to produce relevant and usable information. The functions of management can be grouped into five areas: planning; decision making; organization and co-ordinating; leadership and motivation and control. Obviously, the emphasis given to each area varies from manager to manager and is especially dependent on the level of the manager in the organization. There are clear differences in information requirements between a manager at the operational or transactional level, such as transport supervisor, and a manager at the tactical level, such as accounts or sales manager, or at the strategic level, such as managing director/board of directors. At the highest (strategic) level, structured, formal MIS may actually be counter-productive, for at these levels informal MIS and external influences become increasingly important. Another factor which affects the tasks a manager has to perform, and hence his or her information requirements, is the extent of functional authority within an organization. Functional authority is that which is exercised by specialists, managers and staff throughout the various departments and units of the organization. Possibly, the most common example of this is the personnel department which has functional

responsibilities for many personnel and industrial relations activities throughout the whole organization. While each of the five functional areas which constitute the task of management needs relevant information, three particular areas - planning, decision making and control - make heavy demands on the organization's MIS.

## **INFORMATION SYSTEM**

An information system is defined as an organization of people, materials and machines that serves to facilitate the transfer of information from one person to another.

According to Vicky (2009), well defined and organized information system attracts quality and accurate information needed by top management of any organization. Information is really a fuel that drives an organization and a major purpose of a manager is to construct information into action through the process of decision making.

According to Richard et al (2008), information system is sub-divided into two namely: external and internal or intra information where external means that the system operates outside the organization but has an interface with the management.

The main categories of information systems serve different organizational levels: Operational level systems that support operational managers by keeping track of the elementary activities and transactions of the organization. Management level systems serve the monitoring, controlling, decision-making, and administrative activities of middle managers. Strategic-level systems help senior management tackle and address strategic issues and long-term trends, both in the firm and in the external environment.



Laudon&Laudon (2008) divides systems to four major specific types that correspond to each organizational level:

1. Transaction processing systems which is a computerized system that performs and records the daily routine transactions necessary to conduct business.
2. Management information systems that serve the management level system of the organization, providing managers with reports and often online access to organization's current performance and historical records.
3. Decision support systems. They also serve the management level system of the organization, and help managers make decisions that are unique, rapidly changing, and not easily specified in advance.
4. Executive support systems. Senior managers use support systems to help them make decisions, they serve the strategic level of the organization. They address non routine decisions requiring judgment, evaluation, and insight because there is no agreed-on procedure for arriving at a solution.

## **THE NATURE OF PLANNING AND DECISION MAKING**

Planning and decision making have rightly been called the primary management tasks and these tasks occur at every level of management, although naturally the type of planning and decision making will vary between the levels. Planning is the process of deciding in advance what is to be done and how it is to be done. The planning process results in plans which are predetermined courses of action that reflect organizational objectives and these plans are implemented by decisions and actions. Thus, effective

planning and decision making are inextricably linked, for without decisions and actions, the planning process is a sterile exercise. (Adeoti, 1997).

In order to provide appropriate information, MIS designers must be aware of the types of decisions at the various levels of the organization. To create value from information, changes in decision behavior must result and consequently there must be a decision focus to the MIS. This means that MIS must be designed with due regard to the types of decisions, how decisions are taken, how the decision makers relate to the organization, the nature of the organization, its environment and so on. Acceptance and understanding of this emphasis by both managers and information professionals is the primary requisite to effective MIS design. (Adeoti, 1997)

## **ORGANIZATIONAL OBJECTIVES AND PERFORMANCE**

Organizational objectives are integral to plan because they specify future condition that the planner deems satisfactory, for instance the statement that firms objective is to achieve an unparalleled reputation in its area of operation and endeavour refers to a future satisfactory condition. The firm goal can as well be stated quantitatively thus the firm desire to achieve a 12 percent return on invested capital by the end of the year. However, we mean that objectives are stated quantitatively while goals being more specific preferred means to achieve the objectives. We can also call it plan of action or strategy.

The preferred course of action to lead to a 12 percent reform might be to engage in a product development effort so that five new product are introduced in that same

year. Resources are the constraints of action plans, the implementation is the assignment and direction of personnel to carry out the plan. (Ammons, 2001).

Performance is a measure of results achieved by individual, group, and organization. Organization performance is defined as a continuous and action oriented with focus on improving performance by using objective, standards, appraisal, and feedback (Ababneh, 2008). Organizations performance comprises the actual output or results of an organization achievement as measured against its intended goals and objectives. Organizations adopt performance measurement because it creates accountability, provides feedback to operations, and result in more effective planning, budgeting and evaluation (Ammons, 2001).

The performance as stated by Hunger and Wheelen (2007) is an end results of an activity, and an organizational performance is accumulated end results of all the organization's work processes and activities. Managers measure and control organization performance because it leads to better assessment for management, to increase the ability to provide customer value, to improve measures of organizational knowledge, and measure of organizational performance do have an impact on an organization's reputation. When the performance of the organization is assessed, the past management decisions that shaped investments, operations and financing are measured to know whether all resources were used effectively, whether the profitability of the business met or even exceeded expectations, and whether financing choice were made prudently (Shaukat et al., 2008). Organizational

performance is conducted to support decisions concerning whether program or project should be continued, improved, expanded, or curtailed (Rossi et al., 1999). The traditional approach to performance measurement is based on productivity measures, including such measures as service inputs and outputs' (Holmes et al., 2006). In recent years, many organizations have attempted to manage organizational performance using the balanced scorecard methodology where performance is tracked and measured in multiple dimensions such as: financial performance (e.g. shareholder return)-customer service-social responsibility (e.g. corporate citizenship, community outreach) - employee stewardship. As this paper focuses on measurement of efficiency and effectiveness part of organizations performance, therefore, these concepts are elaborated in detail.

In the academic literature, efficiency is defined by many ways, Witzel (1998) looks at the origin of the term and finds that it has two meanings: technical efficiency, or ensuring that systems and process work to their optimal level, and total efficiency, or ensuring that the organization as a whole is fit to meets its goals. Earl (1996) says "Efficiency is a minimum utilization of resources and getting maximum output".

McClenahan (2000) defines effectiveness "extent to which an organization realizes its goal". Oz (2002) defines effectiveness, as the degree to which a goal is achieve. According to Robbins and Coulter (2003) "Effectiveness is doing the right things" to achieve organization goal.

## **MEASURING IMPACT OF INFORMATION SYSTEM ON ORGANIZATIONS PERFORMANCE.**

As Walrad and Moss (1993) state that being efficient means that one spends less time on something, one spends less money on something or one spends less efforts (or number of workers) on something. Being effective means that one does his job well. In other words, the output (finished product) is of high quality. It is a rare and delightful occasion where a solution to a problem is both efficient and effective; one usually has to decide which he prefers, because one usually cannot have both.\

In an IT context when we measure the effectiveness, we basically measuring the capacity of the outputs of information systems or an IT application to fulfill the requirements of the company, and to achieve its goals. In the same IT context efficiency is the measurement that how cheaply can you get things done, and are the people to whom you provide IT services (the stakeholders) satisfied with the level of services being delivered? And does it reduce the operational expenses? Various studies have been undertaken to measure the impact of IT on management performance (efficiency and effectiveness) of business organizations using different performance indicators, which are considered key factors. These variables capture all activity levels, performance measures and common to all units, and cover the range of resources used. These variables include income, customer satisfaction, supplier/customer links, company image, job interest of employees, stakeholders' confidence, and interoffice links. Many researchers have investigated the impact of IT on incomes/profits of the companies, and

found positive impact while other researchers have seen the increase/decrease in above qualitative factors after implementation of IT. They have concluded that IT has ultimately increased company image, job interest of employees, stakeholders confidence, interoffice link. (Shaukat et al., 2008).

### **THE IMPORTANCE OF MANAGEMENT INFORMATION SYSTEM**

The MIS era has eventually contributed a new level of needed management information. The increasing interest in MIS had led to much activity in developing techniques and software for data management. However, it should be noted that the new thrust in MIS is on the uses to which the information is put and not how it is processed. The emphasis is on managing the information as a resource, which is important, and not on the intermediate processing stage. Managements are faced with an accelerating rate of change and an ever more complex environment. Managers need relevant information, which is information that increases their knowledge and reduces their uncertainty. Thus it is usable by the manager for its intended purpose. Without relevant information, no manager can function effectively. A worthwhile extension to the well-known adage that "management get things done through people," would be that management get things done through people, by using relevant information retrieved from MIS. It is not an exaggeration to state that MIS is the lifeblood of management. The efficient performance of an organization is dependent very much on the internal performance of the organization's resources. To illustrate the use of a management information system in monitoring the performance of resources, the

following examples from the human resource aspect of a management information system will suffice. An organization's output performance is directly related to the motivation and performance of its human resources. A high staff turnover rate which is monitored by the management information system and identified as occurring in a particular department or in a particular category of staff can indicate poor performance on the part of the employer.

Also, a high turnover rate of clerical staff may indicate that management practices do not assist in providing for career progression, personal development or training opportunities. Through the identification of poor human resource management, corrective measures may be taken which will in turn improve the organization's output performance.

## **PROBLEMS WITH MANAGEMENT INFORMATION SYSTEM**

According to Adeoti (1997), there is abundant evidence from numerous surveys conducted in developed countries, particularly in the UK and USA, that existing MIS, often using advanced computer equipment, have had relatively little success in providing management with the information it needs. Reasons discovered include the following:

- lack of management involvement with the design of the MIS;
- narrow or inappropriate emphasis of the computer system;
- undue concentration on low-level data processing applications particularly in the accounting area;

- poor appreciation by information specialists of management's true information requirements and of organizational problems; and
- lack of top management support.

To be successful, an MIS must be designed and operated with due regard to organizational and behavioural principles as well as technical factors. Management must be informed enough to make an effective contribution to system design, and information specialists (including systems analysts, accountants and operations researchers) must become more aware of managerial functions and needs so that, jointly, more effective MIS are developed. Management do not always know what information they need and information professionals often do not know enough about management in order to produce relevant information for the managers they serve. There is no doubt that better communication between management and information professionals and a wider knowledge by both groups of MIS principles would greatly facilitate the task of developing relevant and appropriate information systems. It should be noted, however, that there is no simple checklist of essential features which, if followed, will automatically produce the perfect MIS. What is required is an awareness and understanding of key principles and functions so that the design, implementation and operation of the MIS is the result of informed decisions and judgement rather than haphazard development without regard to real organizational requirements.



## **CONCLUSION**

In this paper, attempts have been made to examine MIS, its problems and importance in an organizational setting. 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. Management problems will be provided with specific answers through computer simulations and gaming techniques. Today's managers must be careful, as they can become inundated with only marginally relevant facts rather than be presented with concrete and absolutely useful information. This situation can be avoided where a virile and functional MIS unit is put in place.

## **RECOMMENDATION**

1. Accurate information should be taken into consideration in order to enhance better performance.
2. The information system should be well structured to enable top management in decision making.
3. The information system should be allowed to flow freely from both ends of the management.
4. Top and middle level management staff should be properly trained to formulate appropriate decision making strategies.
5. The entire organization should be management information oriented.
6. Organizations are highly encouraged to develop a clear strategy for management information systems in order to improve its performance, and benefit more from its available capabilities.

7. Management should develop an internal database to ensure distribution of actual, accurate, reliable, relevant, and complete information among employees, which can lead to more performance effectiveness and efficiency.
8. Management should be involved in the design of MIS.

## REFERENCES

- Ababneh R I, A Comprehensive Performance Evaluation of the Jordanian Customs Department Using the Balanced Scorecard, *Jordan Journal of Business Administration*, 4 (4) (2008).
- Adeoti W B. The Importance of Management Information System, *Library Review Ilorin*, 46 (5) (1997).
- Ammons D, *Municipal Benchmark*, 2<sup>nd</sup> edn (Oaks Sage Publication, Thousand), 2001.
- Earl M, Edwards B and Feeny D. Configuring the IS Function in Complex Organizations, *Information Management, The Organizational Dimension*. Edited by Earl, M., (Oxford University Press; Oxford NY), 1996, 201-230.
- Holmes J, Pineres S and Kiel D, Reforming Government agencies Internationally: Is there a role for the balanced scorecard?, *International Journal of Public Administration*, 29, (2006) 1125-1145.
- Hunger J D and Wheelen T L, *Essentials of Strategic Management*, 4th edn, (Prentice-Hall, Inc., Upper Saddle River, New Jersey) 2007.
- Kroenk D, *Using MIS* (Prentice-Hall, Inc.; Upper Saddle River, New Jersey) 2007.
- Laudon K C and Laudon J P, *Management Information Systems: Managing the digital firm*, 11<sup>th</sup> edn (Prentice-Hall, Inc; Upper Saddle River, New Jersey) 2008.
- Long and Long, *Computers* (Prentice-Hall, Inc.; Upper Saddle River, New Jersey) 1999.
- McClenahan J S, Unstoppable improvement, *Industrial Week*, 2000, 85-95.
- Opara C, *Management Information System* (Shack Publishers; Owerri, Nigeria) 2006.
- Oz E. *Management Information Systems*, 3<sup>rd</sup> edn (Thomson Asia Ltd.; Singapore), 2002, 267-391.
- Philip D, *Information Systems for Management* (Fred Gruer Derger Company; London) 2012.
- Richard J A et al, *The Theory and Management of System* (McGraw Hill; New York) 2008.
- Robbins S P and Coulter M, *Management*, 7<sup>th</sup> edn, (Prentice-Hall, Inc.; Upper Saddle

River, New Jersey) 2003.

Rossi P, Freeman H and Lipsey M, Evaluation: A systematic Approach, 11<sup>th</sup> edn, (Sage Publication; London) 1999.

Salhieh, L M and Abu-Duleh J Investigating IT use and satisfaction among Commercial Banks: A Management Challenge, Jordan Journal of Business Administration, 3 (2) (2007).

Shaukat M, Zafarullah M and AbdulWajid R, Impact of Information Technology on Organizational Performance: A Comparative Quantitative Analysis of Pakistan's Banking and Manufacturing Sectors, In Proceedings of the paper presented at the Oxford Business and Economics Conference Program.

Vasudevan A, Some perspectives on IT up gradation in the financial sectors, Journal of Indian Institute Of Bankers, 74 (1), (2003) 36-38.

Venkatesh V and Davis F D, A theoretical extension of the Technology Acceptance Model, Journal of Management Sciences, 2 (2000), 186-204.

Walrad C and Moss E, Measurement: The key to application development quality, IBM Systems Journal, 32 (3) (1993) 445-460.

Witzel M, Dictionary of Business and Management (Thomson Learning Inc.) 1998, p. 41-45.