

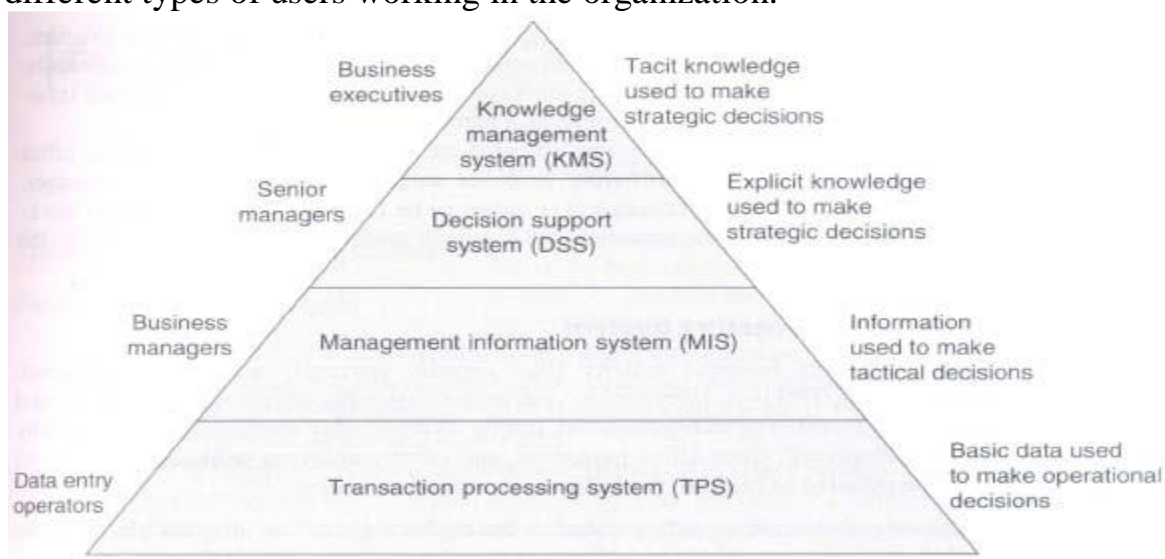
BBA Sem -V
Level of Management in Organization

A typical organization is divided into operational, middle, and upper level. The information requirements for users at each level differ. Towards that end, there are number of information systems that support each level in an organization.

This will explore the different types of information systems, the organizational level that uses them and the characteristics of the particular information system.

Business organizations today leverage available technologies to manage their business, collect data, process data to analyse it to make important decisions, interact with customers and partners, curtail costs, and generate revenues. For performing these operations, business organizations use different types of information systems, wherein an *information system* is a collection of hardware, software, data, people, and procedures that are designed to generate information to support routine activities. There are different types of Information systems.

Earlier, when computers were new to the world of business, each time an information system was needed, it was *tailor-made* or customized for the specific purpose. Computer experts soon realized, however, that most of the information systems were designed to solve a similar set of problems. Therefore, attempts were made to build a single system that would solve a whole range of similar problems. While designing information systems for similar problems, it was important to define how, where, why, and by whom the information system would be used: These questions gave rise to different information systems that were designed for different types of users working in the organization.



Information system for each level of Management and Operations.

Bottom Level :

1. MIS helps operational management by providing operational data for planning, scheduling, controlling and also helps them further in decision making at the operational level to correct an out of control situation.
2. Operational information pertains to the day-to-day activities of the organization and helps to assure that specific tasks are performed efficiently and effectively.
3. It include the production of routine and necessary information, such as financial accounting, payrolls, personal rosters, equipment inventories, and logistics.
4. Operation level require information for the purpose of conversion of inputs into outputs. Also it supplies routine and other information to tactical tier in summarized form.

Middle Level :

1. MIS helps middle level management in short term planning, target setting and controlling the business functions.
2. The tactical decisions are directed towards developing divisional plans, structuring workflow, establishing distribution channels, acquisition of resources such as men, materials and money.
3. The tactical information helps managers to see that the resources are being used efficiently and effectively to meet the strategic objectives of the organization. Such information include productivity measurement (output per man-hour or per machine hour), budgetary control, or variance analysis reports, cash flow forecasts, manning levels and profit results within a particular department of the organization, labour turn-over statistics within a department, short-term purchasing requirements etc. A large proportion of this information will be generated within the organization using feedback between different departments. Tactical information is usually prepared regularly – perhaps weekly, or monthly and is used for decision making referred to as management control.

Top Level

1. MIS helps top management in goal setting, strategic planning and also evolving the business plans in addition to their implementation.
2. Strategic planning depends heavily upon information external to the organization. When this is combined with internal data, management can make estimates of expected results. The specifics of this information are often unique and tailor made to particular strategic problems.
3. MIS in-fact plays the role of information generation, communication, problem identification and helps in the process of decision making.

To identify different types of information systems, classification is done to identify a set of activities that can be categorized together, so that they can be treated as a single unit. Although there is no well-defined rule to classify an information system, it is necessary to classify them in order to ease the design of applications they would render. **Figure** shows the pyramid model used to classify information systems: As most organizations work in a hierarchy, the information systems are also categorized to follow the hierarchy. **Figure** gives a generalized pyramid model for classifying different types of information systems in an organization. It does not mean, however, that every business organization must strictly adhere to it. While some small businesses can have just three levels, that is, transaction processing system (TPS), management information system (MIS), and decision support system (DSS), large organizations can have two additional information systems, namely office automation/information system (GAS/GIS) and executive information system (EIS).