

MANAGEMENT INFORMATION SYSTEM AS A VERITABLE TOOL FOR A SUSTAINABLE BUSINESS DEVELOPMENT AND GROWTH IN COMMERCIAL BANKS IN DELTA STATE, NIGERIA

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ABSTRACT

The study aimed at examining Management Information System as a Veritable Tool for a Sustainable Business Development and Growth using selected commercial banks in Warri, Delta State as case study. The study spotlighted the objectives, advantages of management information system and information required by business organization. The characteristics of an effective management information systems and the reasons why management information fail in organizations system were also x-rayed. Structured questionnaire was employed in the course of gathering relevant data for the study and administered on 80 (eighty) senior staff of ten commercial banks in Warri, Delta State. Data analysis was made using simple percentage. The results showed that there is significant relationship between effective management information system, decision making and control. The study concluded that efficient management of information is a sine-qua-non for business development and growth. It therefore recommends adequate training of employees, maintenance of the system, evaluation of the management information and controlling of the system for an effective management information system in organizations.

Keywords: *Management, Information System, Veritable tool, Sustainable, Business development, Growth.*

INTRODUCTION

Information at present is one of the ingredients of industrial operations. In a simple organization, the amount of information needed to provide efficient utilization of men, materials and machinery is not very significant, but in a larger size organization production depends considerably on a systematic flow of information regarding the sales forecasts, materials planning, production scheduling, costs and profitability at various production levels. Information is an action concept. The success of any business organization lies in its ability to identify its critical problems and then to solve them by using proper decision making process with the help of collection of proper information related to these problems. An effective management information system is necessary for providing rational approach towards decision making for critical problems. Thus, real role of management information system is to provide information for decision planning and controlling operations. As organizations have increased in size and scope of operations, the need for coordination of the many parts must be considered obvious so that the left hand is aware of the movement of the right. As competition has increased and resource scarcity has left organizations on the verge of failure, the use of efficiency as a criterion for the evaluation of organizational

effectiveness has gained momentum. The changing environment of organizations and the resultant uncertainty has brought about renewed effort for effective environmental management. Organizations must now continuously search their environments or at least put it under surveillance in order to be aware of new opportunities and threats. Whether one is dealing with the issue of internal coordinations of desperate organizational tasks and decisions to achieve integration and synergy, the judicious management of scarce resources to achieve efficiencies or the scanning of the environment to keep abreast with changes in the environment domain, information must be at one's service. It will be impossible to achieve any of the above without information. Information and communication has been described as the linking process of management.

It is this overwhelming importance of information in today's organization that has brought about the widespread use of the computer and other forms of information technology to aid data processing and to provide information support for improved managerial decision making in business organizations. No effective decision can be taken and implemented to solve any problem in organization, unless the full information relating to the problem and its surroundings is made available to the management. Not only should this information be made available, but it must be made available quickly. The right information at the right time reduces the risk of wrong decisions. However, the research hypotheses formulated in the null form for this study are; effective management information system has no significant relationship with decision making in organization and secondly, and effective management information system has no significant relationship with control in organization. This study aimed at finding facts from opinions and thoughts of various writers, authors and other people about management information systems. Harnwell (2007) defines a management information system as a system of collecting, analyzing and processing data to provide the basis for effective management decision making. Jones (2003) views management information system as an information system that managers plan and design to provide themselves with the specific information they need to perform their roles effectively.

Management information system is a formal method of collecting timely information in a presentable form in order to facilitate effective decision making and implementation in order to carry out organizational operations for the purpose of achieving the organizational goals. Sharma (2006) sees management information system as a network of communication channels and information processing centres collecting information from its sources of origin, and supplying the processed information to the various users managing the organization. Ahuja (2003) views the following as objectives of management information system (i) To make information available when needed, where needed and in the format needed; (ii) To supply accurate information; (iii) To use the most efficient methods of processing data; (iv) To provide requested information at a reasonable cost; (v) To provide necessary security for important and for confidential information; and (vi) To keep the information function up to date. Bhavesh (2005) identifies the advantages of management information system to include: (i) It provides data base. Management information system concept result in the development of data base that contains data generated by each of the functional areas of the organization; (ii) It results in greater efficiency; (iii) Resources are

properly utilized since the system frees people to perform those functions that machine cannot perform; (iv) It brings about greater efficiency. Management information system concepts enables organizations to improve operations that are already being performed well, and (v) It results in a reduction of operating costs and better control. Karimu (2004) opines that the various types of management information which are commonly required by the general management in most of the business organization are budgets, revenue statements, cost reports, statistical information and capital expenditure. Ottih (1999) documents in a comprehensive list the main characteristics of a good management information system which includes:

Completeness: Information must possess all the elements needed for making a decision and also it must offer alternatives to assist the decision-making.

Clarity and Conciseness: Information presented should be clear and concise, without any element of ambiguity.

Accuracy and Reliability: Information must be accurate and should be presented in such manner so as to avoid misunderstanding and misinterpretation;

Timelessness: Most current information with latest data must be made available to management.

Relevancy: Information must be relevant, and unnecessary information are not supplied.

Simplicity: Management information system must be simple and easy to understand and handle.

Consistency: Information must be identical if it is gathered by different persons and same answers or results are obtained if two groups perform the same work of data collection.

Good Structure: Organizational structure of the system should be such that the responsibility is felt by all.

Effectiveness: Information system must assist in the process of decision making and taking correction action effectively and timely.

Summarization and Condensation: Information or data collected at the lowest levels must be summarized successively for high level management; and

Predictive Ability: System must be capable to predict or highlight the problem areas before their actual occurrence.

According to Akpovi (2006), management information system cannot be successful in the following circumstances:

- Inadequate requirements definition
- No clear definition of mission and purpose
- Lack of management participation
- Mis-organization
- Poor performance of key personnel
- Mis-response to business plan
- Lack of planning for (a) Facing the constraints, (b) Setting the project and system objective, (c) Maintenance of the system
- Project development team and users do not communicate efficiently because they do not speak the same language.

MATERIALS AND METHODS

This study adopted a survey design. Data used for this study were obtained through primary source. The primary data collected using questionnaire. The study population consists of all commercial banks in Delta State. The sampling technique used for this study was the judgemental sampling method. The sampling procedure entailed the identification of the commercial banks in Warri, Delta State, the selection of the respondents and conducting the survey using a structured questionnaire. The pilot survey showed that an average of 8 workers on information technology, which give a total of 80 for the study. The sample size is 40% of the sampling frame which translates to 10 commercial banks. This represented the total number of respondents sampled. Ten commercial banks in Warri were selected for the study. Structured questionnaire was designed and administered on senior staff of the commercial banks. Descriptive analysis was used for data analysis. The descriptive analysis entailed the use of frequency tables and simple percentage.

RESULTS AND DISCUSSION

Table 1: Commercial banks studied with number of respondents

Banks	No. of Respondents
Guaranty Trust Bank Plc	8
Equitorial Trust Bank Plc	8
Union Bank Plc	8
Intercontinental Bank Plc	8
Unity Bank Plc	8
First Bank Plc	8
UBA Plc	8
Access Bank Plc	8
Oceanic Bank Plc	8
Zenith Bank Plc	8
Total	80

Source: Survey, 2011

Table 2: Management Information System and its Significant Relationship with Decision Making in Organization

Responses	Frequency of Occurrence	Percentage
Yes	77	96.25
No	3	3.75
Total	80	100

Source: Survey, 2011

Table 3: Management Information System and its Significant Relationship with Control in Organizations

Responses	Frequency of Occurrence	Percentage
Yes	75	93.75
No	5	6.25
Total	80	100

Source: Survey, 2011

Table 2 shows that seventy-seven respondents are of the view that management information system has significant relationship with decision making in business organizations. Most respondents stood for yes while very few others stood against. Table 3 reveals that seventy-five (75) respondents agreed that management information system has significant relationship with control in organizations. The respondents stood for "Yes" at 93.75% against "No" at 6.25%. The null hypothesis that there is significant relationship between management information system and decision making in organizations is therefore rejected.

Much of management planning, organizing, leading and controlling in organization is about making decision. For example, the marketing management must decide what price to charge for a product, what distribution channels to use, and what promotion messages to emphasize. The production manager must decide how much of a product to make and how to make it. The purchasing manager must decide from whom to purchase inputs and what inventory of inputs to hold. The human resources manager must decide how much employees should be paid, how they should be trained and what benefits they should be given. Top management must decide how to allocate scarce financial resources among competing projects, how best to structure and control the organization, and what business-level strategy the organization should be pursuing. Decision-making cannot be effective in an information vacuum.

To make effective decisions, managers need information, both from inside the organization and from external stakeholders. Managers ability to make effective decisions rest on their ability to acquire and process information. Thus, management information system has significant relationship with control in organizations. To achieve control over any organizational activity, managers must have information. Management information systems are used to control a variety of operations within organizations. In accounting for example, information systems can be used to monitor expenditures against budgets, managers need information on current expenditure, broken down by relevant organizational units. Accounting information are needed to provide managers with such information.

CONCLUSION AND RECOMMENDATIONS

This study aims at examining management information system as a veritable tool for a sustainable business development and growth - A survey of selected commercial banks in Warri, Delta State and proffered strategies to be adopted for an efficient management information system in organizations. From the study, it suffice to conclude that efficient management information system is very vital for business development and growth, for effective decision making and control in business organizations. The following recommendations are made based on the findings and conclusions of this study.

1. Management should create formal training programmes with appropriate backup support, to help train employees to use the new information systems and technology, making sure that these systems are user-friendly as possible.
2. Top management should be involved in the design of management information systems. This involvement would mean greater acceptance and commitment resulting in an overall commitment to the programme by all-level users in the organization.

3. Maintenance of the system. This is necessary to keep the management information system at the highest levels of effectiveness and efficiency within the cost constraints. The idea of maintenance of the management information system is to reduce the errors due to design or environmental changes.
4. Controlling the system. System should be operated in the same way for which it was designed and do not allow the operators to develop their own methods or shortcuts procedures.
5. Building cooperation between designers and the users of the programme. This co-operation will result in proper feedback on the quality of information being received so that necessary changes in the design can be made. This co-operation will result in improvement in the effectiveness of management information system.
6. Evaluation of the management information system. After the management information system has been operated smoothly for a short period of time, an evaluation of each step in the design and of the final system performance made. This is a feedback about the system.

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