Chapter Five
Summary and Conclusions
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SUMMARY AND CONCLUSIONS

We are undergoing an information revolution, a time of broad technological change, in which unprecedented "information power" is available to employee, the world is becoming increasingly turbulent. Therefore, efficient monitoring requires more information, making computers an integral part of our corporate life. Effective and efficient information technology and its absorption will be crucial for meeting the challenges organizational prosperity in the 1990's and early 2000's.

Information is the primary asset for a company, requiring focused attention of the management. Information must be fused in to the business. It is a fundamental resource in itself which get consumed in activity and reemerges as value addition in the product in-process and/or in itself, aggregating all the previous information about the process or an activity down the process line when some new information originates, it is refined in the enterprise depending upon the level of its usage. Organizations are dealing with tumultuous business conditions the world over. In a climate beset by regulation, de-regulation, mergers, acquisitions and other guerrilla elements businesses find themselves compelled to pay heed to their core processes and their service and product offerings. Such reengineered companies find themselves rapidly expanding their customer base both demographically and geographically. This translates to more information requirements.

So this is the age of information where the amount of available information doubles every five years. Information is the international currency upon which fortunes will rise and fall. As more and more information comes at the door faster than we can cope with it, we spend more and more time trying to process it for our own advantage. It is now a social norm for organizations to be seen as efficient in their information processing to enable their managers in decision making. In the organizational information market, the classic economic equation of supply and demand is often defeated. Because
the information gathers/processors rarely adjust their output to suit the real needs of the users.

A fundamental problem for all decision makers is the absence of complete information about the decision environment. If all possible actions, events and conditional outcomes could be predicted with complete confidence, then decision making would be simple, mechanical exercise of calculating the optimal action according to some predetermined criteria. In practice, the decision environment is characterized by uncertainty or the absence of perfect and complete information. Decisions must be made on the basis of estimates and expectations, the former of which may be inaccurate while the latter are often unfulfilled. Many executives believe their decisions should be based primarily on solid facts and careful analysis, but others rely on intuition and experience, apparently indifferent to their information needs.

In part both groups of executives were successful, but times change. Today decision making is more complex because of the interaction of internal and external variables, the assumption that the future will not be substantially like the past, the quick tempo of technological change, and the impact of growth and product diversification. When the pace of organization life was slower executives operated on the assumption that the future would be substantially like the past, and they could establish goals and make plans and decisions by extrapolating from the past. But today events are moving too rapidly for experience to be a reliable guide, so executives must obtain and use information to develop strategic plans suited for the unique and complex problems and opportunities in the future.

The individuals, however, most involved with and dependent on information are those charged with the responsibility of managing and operating organizations - that is, management and employees; their needs range from maintenance of accounts receivable to strategic information for corporate take over. Advances in technology, particularly as they affect the very nature of work itself, are rapidly transforming the work force from
one that endures long hours of physical efforts into one that is dependent on information both as producers and users. This trend towards greater complexities becomes a requirement for survival rather than just a desirable goal to improve efficiency.

Since information is only truly shared resource for planning, executing and monitoring, it provides the organization with a potent weapon with which they can beat the competition. This means that information system becomes a part of business process and makes it unique. As managers continue to invite and strive to segment their markets even more finely and offer a plethora of products and services it is the information system that helps in keeping costs under control, provides feedback from the market, allows a faster reaction time, permits flexible manufacturing, caters to design and development changes, supports effective materials management, assists in financing decisions, facilitates targeted marketing, allows organizations to expand geographically into new markets, etc. This is possible because external and internal information is made available for business decision making and managers use it as the weapon.

Large manufacturers fighting for narrowly segmented, geographically depressed, cost sensitive markets against numerous competitors who are continuously inventing information technology to support and manage their efforts. Any improvement in forecasting, distributing models, materials management and sourcing, production planning etc, is dependent on the information system that drives the organization and this is the battlefield for the modern corporation.

Management information systems have changed dramatically during the last 20 years as a result of an increased usage of computers by more and more number of organizations. The situation today is significantly different from that existed a decade ago. The computer is increasingly becoming an integral part of Indian corporate life. A frequent availability of information, due to the usage of computers has definitely led to better planning for many an organization. Computers have allowed them to have a more systematic approach both in terms of time saving and efficiency.

Chapter 5: Summary and Conclusions
With the increasing importance of computers at all levels in the organization, the issue that needs to be addressed urgently, is that of the extent of computerization of the information systems.

The objective of this study was to evaluate the extent of computerization of the information system in large scale, private sector, Indian manufacturing companies covering different management functions like Strategic, Marketing, Finance, Production and Personnel.

Private sector Indian Manufacturing companies with equity capital of equal to or more than Rupees one crore constituted the population. The population was categorised into three on the basis of their equity capital. Category I has the companies with equity capital is equal to and more than Rupees one crore and less than Rupees twenty five crores. Category II consisted of companies with equity capital of Rupees twenty five crore and more but less than Rupees fifty crores. Category III is where the equity capital of companies is greater than or equal to Rupees fifty crores. A sample of 100 companies was drawn from this population on the basis of stratified proportionate sampling. A self reporting questionnaire was used to assess the extent of computerization.

The extent of computerization of the Information systems was gauged by that for the three categories, the information needs of that level of management which is called upon to make a particular decision are being fulfilled by the information system, the form and cycle of processing that data within the required time period is being supported by the system, the type of data required is being provided by the information system, from what sources that data is being drawn by the information system and the level of difficulty encountered in implementing this information system.

The conclusion that the researcher draws from this study is that there is no significant difference in the extent of computerization of Management Information system in large scale, private sector, Indian manufacturing companies. However, the information requirements of the management may change with the increase in the size of the company.
in terms of capital employed, the changes in the computerized Management Information Systems should be incorporated accordingly. The extent of computerization of Management Information Systems can not be linked with the equity capital employed by a large scale manufacturing company in the private sector.