

# Impact of Management Information System's Procedures on Strategic Resolution in Business Process Outsourcing Management

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**Abstract:** *Management Information Systems (MIS) is the key factor to facilitate and attain efficient decision making in an organization. This research explores the extent to which management information systems implemented to make successful decisions at selected Bpo organizations. The research examined whether the selected Bpo to the use of Management Information Systems leadership of decision making for strategic planning purposes. The research adapted the quantitative research design to examine research hypotheses. A total of 190 forms were equally distributed to those who are working at different management levels at the selected organizations. The results of the research showed that MIS was primarily used to enhance strategic planning Bpo. The regression analysis revealed that Mis Procedure is found to have no effect on Decision Making, while Strategic planning has a clear effect on the Decision Making Effectiveness in BPO organizations.*

**Keywords:** *Management Information Systems, Strategic Planning, Mis Procedure, Decision Making Process.*

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## 1. INTRODUCTION

The role of the MIS in an organization can be compared to the role of heart in the body. The information is the blood and MIS is the heart. In the body the heart plays the role of supplying pure blood to all the elements of the body including the brain. The heart work faster and supplies more blood when needed. It regulates and controls the incoming impure blood, processed it and sends it to the destination in the quantity needed. It fulfils the needs of blood supply to human body in normal course and also in crisis.

The MIS plays exactly the same role in the organization. The system ensures that an appropriate data is collected from the various sources, processed and send further to all the needy destinations. The system is expected to fulfil the information needs of an individual, a group of individuals, the management functionaries: the managers and top management.

### Impact of the Management Information System on Organisation

MIS plays a very important role in the organization; it creates an impact on the organization's functions, performance and productivity.

The impact of MIS on the functions is in its management with a good MIS supports the management of marketing, finance, production and personnel becomes more efficient. The tracking and monitoring of the functional targets becomes easy. The functional managers are informed about the progress, achievements and shortfalls in the activity and the targets. The manager is kept alert by providing certain information indicating and probable trends in the various aspects of business. This helps in forecasting and long-term perspective planning. The manager's attention is bought to a situation which is expected in nature, inducing him to take an action or a decision in the matter. Disciplined information reporting system creates structure database and a knowledge base for all the people in the organization. The information is available in such a form that it can be used straight away by blending and analysis, saving the manager's valuable time.

The MIS creates another impact in the organization which relates to the understanding of the business itself. The MIS

begins with the definition of data, entity and its attributes. It uses a dictionary of data, entity and attributes, respectively, designed for information generation in the organization. Since all the information systems use the dictionary, there is common understanding of terms and terminology in the organization bringing clarity in the communication and a similar understanding of an event in the organization.

### Level of Decision making at different level of Organisation

A decision is choice out of several alternatives (options) made by the decision maker to achieve some objective s in a given situation. Business decisions are those, which are made in the process of conducting business to achieve its objective in a given environment. Managerial decision-making is a control point for every managerial activity may be planning, organizing, staffing, directing, controlling and communicating. Decision-making is the art of reasoned and judicious choice out of many alternatives. Once decision is taken, it implies commitment of resources.

The business managers have to take variety of decision. Some are routine and others are long-term implementation decision. Thus managerial decisions are grouped as:

- (a) Strategic decision
- (b) Tactical decision
- (c) Operation decision

### Business Process Outsourcing and Strategic decisions

Business Process Solutions to meet your strategic goals through strategic decisions. BPO is providing end-to-end services, provides high quality, value-added voice and transaction-based services to companies worldwide. BPO's function is experts in providing strategy, solutions, and services to solve complex business issues and achieve results. By coupling BPO services and in-depth industry specific knowledge, its provides business focused solutions tailored to meet your strategic goals.

BPO's specialize in selected business processes in service areas such as:

- Financial Process Management: Provides business process services for Banking, Capital Markets and Insurance players across the globe.
- Customer Sales & Support: Help our clients build stronger relationships with their customers, leveraging multiple channels (phone, mobile, web, branches) in a seamless manner
- Technical Support Services: Provide customized solutions for off-the-shelf office applications, enterprise applications and integrated systems, backed by a wealth

of service management and knowledge management experience

- Finance & Accounting: Manage accounting processes and ensure compliance with legal, regulatory, and company rules and policies
- Supply Chain Management: Provide a wide range of supply chain capabilities inclusive of new product strategy, design development, material management, procurement support, manufacturing and execution, logistics distribution and customer service post sales
- Content Management: Structure, clean, integrate, aggregate and improve access to enterprise data and information
- Human Resources Outsourcing: Enable employees and managers to access, update and use HR information more efficiently and effectively

Our process performance is driven by Quality Assurance, Management Information Systems, Business Analysis and Six Sigma Black belt team.

## 2. REVIEW OF LITERATURE

A detail literature review in a study is an act for perfect starting by defining research structure. The more additional efforts a researcher put on reviews or previous study in related to his or her topic, the more him or her clear about the process and concept of his or her study. Below are literatures reviews of this study.

**Rathore & Mansuri( 2015)** this study reveals out the role Computers and Information system in today's business. In every field and in every government department and private department or organization computer use is increasing day by day. Because computer is more user friendly, interactive, quick responsive and also support so many features which are the demands of the current trends; like data storage, speed, accuracy etc. Information system is totally depends on data which we enter into computer system and information system is all about data processing. All the data have been processed in computer system using information technology.

**Ensouri and alinizii (2014)** This study aimed to identify the impact of management information systems (MIS) techniques on the quality of services provided at the University of Tabuk from the perspective of staff. To achieve the goals of the study, two questionnaires were developed and distributed on a random sample of 426 employees at the University of Tabuk in the Kingdom of Saudi Arabia. The objectives of study aims mainly to analyze and measure the impact of the use of management information systems

technology and quality of services provided by the University of Tabuk in the Kingdom of Saudi Arabia, and this can be achieved through the following targets: - Identifying the extent of the use of information technology at the University of Tabuk in the Kingdom of Saudi Arabia. - Identifying the level of quality of services at the University of Tabuk in the Kingdom of Saudi Arabia.

**Yaser Hasan,, Alina Shamsuddin and Nor Aziati (2014)** Management information system one of the most important tools in any organization, which aims to provide reliable, complete, accessible, and understandable information in a timely manner to the users of the system. Management information systems assisted in automating tasks. Automation can save time, money, resources, reduce employee's staff, and enhance organizational workflow. In addition assist in increased organization productivity, effectiveness, increase customer satisfaction, and efficiency of the work. In the telecommunication companies, MIS in general enables to collect, processing and storage of the information; with overall purpose to make that information available on demand in the required format.

**Christ, Mintchik , Long Chen and Bierstaker (2014)** reveals in their study that organizations are outsourcing traditional functions that have financial reporting implications, such as transaction processing and valuation assessments, with increasing frequency. This practice of outsourcing aspects of the information system transforms the control structure of the outsourcing company and creates new challenges for management and accountants that are not explicitly addressed by current research. In this study researchers synthesize academic literature and regulatory guidance on using third parties to perform functions with financial reporting implications (i.e., service organizations) and identify specific opportunities for future accounting research. To provide structure to our review and highlight knowledge gaps, we develop an organizing framework that links existing theories of outsourcing determinants to outsourcing risks and identifies the advantages and limitations of certain control mechanisms to mitigate such risks.

**Walid and Abedallah (2013)** reveal out that IS outsourcing and reversibility is of great concern for organizations and vendors as mentioned earlier. Therefore, the research purpose is to provide organizations and vendors with a model to be considered as a roadmap when considering outsourcing IS functions or reverting back to the already outsourced IS functions. Also, the research aims to identify and categorize the critical factors affecting the outsourcing process of IS and its reversibility in order to minimize the risks associated with either of the two

processes. The research methodology is based on literature review, case studies, interviews and observations. Debate regarding outsourcing and reversibility in the literature makes it necessary to look at the subject in its natural setting.

### 3. RESEARCH METHODOLOGY

This study is based on the possible affect of Management information systems on strategic decisions taken by middle and senior management as needed time to time in BPO organizations. The Research Methodology used here is conclusive in nature according to the purpose of the study .All the essential briefing involves in this chapter like rationale of the study, objectives, hypotheses, research design, sampling design, statistical tool and limitation of the study in the respective consecutive chapters.

#### Rationale of the Study

The growth of competition makes organization to find ways to improve business performance and achieve competitive advantages. Also, increase in numbers of outsourcing services providers its needs to develop a competitive strategies for effective implementation of MIS. So Industries can outsource their activities in order to provide favourite services for customers, decrease the costs level, improve the quality of services, performance development and focus on key potentials of organization. In spite of the fact that outsourcing of important activities world have various benefits for an organization.

### 4. VARIABLES OF THE STUDY

“It is essential to define the term as variables so that they can be quantified and measured. That is, the variable have to be able to work for study to operate, or becomes operational”.

#### Variables

After a review of literature and pilot study, researcher confined with the following dependent variables. Then study is carried out on the basis of below stated variables.

#### Procedures

This variable is to define the steps widely use in MIS to apply its application in strategic planning and resource allocation in BPO sector. It's a careful designing of important follow-ups that an organization need to be adopted with examination of MIS in any decisions process.

### Hypotheses

The following null hypothesis is formulated on the basis of affect of various factors on MIS application and its uses towards strategic decision taken by management in BPO's.

**H<sub>01</sub>**. There is no significant effect of MIS procedures for Management information system in achieving the necessary stated results in Strategic decisions.

### Sample Selection

Sample selection is a very important but sometimes underestimated part of a research study. Our sample selection is from Madhya Pradesh region only. We had taken into consideration four major cities of state namely Bhopal, Jabalpur, Gwalior and Indore. As these cities have the BPO's companies from where the respondents are sourced. Numbers of respondents are equally divided in to four cities Bhopal-40, Jabalpur- 40, Gwalior -40 and Indore-40 from varied BPO industries. The basic reason behind the sample selection from four major cities as the potential to get the respondents those are personally involved in strategic decisions policies in company.

Out of all the four cities the respondents fill data was received as Bhopal-37, Jabalpur-38, Indore-40 and Gwalior-36, a total 151 responses got after final collection out of 160.

Majorly the data was collected from the cities broadly from the category of below mentioned BPO's

- Customer Support Services
- Technical Support Services
- Tele Marketing Services
- Insurance Processing

### Data Collection

In this study the tool used for data collection is Questionnaire. The structured questionnaire is consists of

statements related to various variable of Management Information system that are possess an important significance while strategic decisions are under consideration in BPO's .The responses of fundamental questions are based on 5 point lickert scale varies from Strongly agree to strongly disagree while there are some generalize questions also at end based on lickert scale.

## 5. ANALYSIS AND INTERPRETATION

After incorporating the various aspects of aspects of MIS and strategic decisions various part are formulated within the analysis and interpretation to described the relations between the various independent and dependent variables.

### Descriptive statistics

This part of the analysis is basically to analyse the individual impact of the variables on the study to its level of variation. The dependent and all the independent variables are analysed with Mean and standard deviation in possession with the determinants under the respective variables.

### MIS Procedures

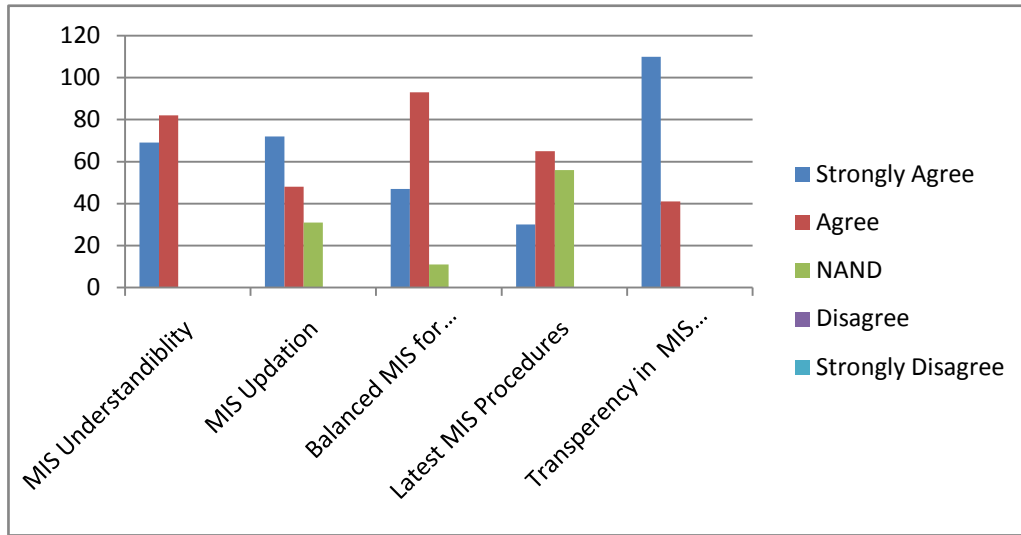
Under this variable there are five determinants as under

- MIS Understandability.
- MIS Updating.
- Balanced MIS for reconciliation.
- Latest MIS Procedures.
- Transparency in MIS Procedures.

The descriptive statistics of all the determinants are shown in table 1.

Table 1 MIS Procedures Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
MIS Understandability	151	4.00	5.00	4.4702	.50077
MIS Updation	151	3.00	5.00	4.2848	.77784
Balanced MIS for reconciliation	151	3.00	5.00	4.2384	.57398
Latest MIS Procedures	151	3.00	5.00	3.8278	.73722
Transparency in MIS Procedures	151	4.00	5.00	4.7285	.44623
Valid N (list wise)	151				



**MIS procedures against Strategic decisions**

Under the above stated point the involved objective to test the hypothesis is mentioned below:

“To determine the effect of implemented procedures for Management information system is necessary to achieve the stated results”.

Table 2

MIS Procedures Statistics- R squared	Inferential	Contingency Diagnosis	Risk criteria	return	Implementation	Assigned responsibility	Check basis of review
MIS Understandibility MIS Updation Balanced MIS for reconciliation. Latest MIS Procedures Transparency in MIS Procedures		62.7%	53.1%		53.1%	38.8%	9.1%

Based on the above objective the researcher has formulated the below stated Hypothesis:

H01- "There is no significant effect of MIS procedures on Strategic decisions in achieving the necessary stated results"

To proof the acceptance and rejection of above hypothesis the independent variable 'MIS procedure' is tested against the dependent variable 'Strategic decisions'.

**Inferential Statistics-** Which indicates the relationship between the dependent variable and in various independents variable (Table 2).

## 6. CONCLUSION

After detailed analysis and interpretation and findings of study. The maximum managers have believed that the transparency in MIS procedurals is the most crucial point that the Management of BPOs Organization should consider very seriously. Managers are accepted that transparency is highly required in MIS procedurals to effectively perform their role in strategic decision in BPO Organizations. Further another important consideration should be about the understanding of MIS, as most of the managers are not dealt with the changes in MIS properly. This results in improper understanding of MIS that leads to wrong prediction of future. So MIS Understanding also becomes a binding factor among the Managers to get into the MIS effectiveness.

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