Essential attributes in the corporate reports

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ABSTRACT

MIS is an organizational information system which supports not only operations but also the management processes by providing the ‘right information’ to the ‘right people’ at the ‘right time’ and at the ‘right cost’. The information is said to be right when it possesses all the attributes like timeliness, accuracy and reliability, adequacy, consistency and uniformity, brevity, need based, economy, predictive ability, etc. Right people means ‘one information not to all the decision makers and all the information not to one decision maker’. Right time and right cost do not need any explanation. When these four rights are right, MIS is bound to be right and effective in discharging its role.

Introduction

MIS is an organizational information system which supports not only operations but also the management processes by providing the ‘right information’ to the ‘right people’ at the ‘right time’ and at the ‘right cost’. The information is said to be right when it possesses all the attributes like timeliness, accuracy and reliability, adequacy, consistency and uniformity, brevity, need based, economy, predictive ability, etc. Right people means ‘one information not to all the decision makers and all the information not to one decision maker’. Right time and right cost do not need any explanation. When these four rights are right, MIS is bound to be right and effective in discharging its role.

(i) Timeliness - Timeliness means that information must reach the recipients within the prescribed time-frame. The value of information is eroded if its dissemination is delayed by any fraction of time period. Many authors have advocated the importance of timeliness. Chatterjee, B.K. has gone one step further and said that “information delayed is information denied.”

(ii) Reliability and Accuracy - Accuracy is another key attribute of information. As per Urch, John G. and Grudnitski, Gray5, accuracy means more than ‘one plus one equals two,’ it means that information is free from mistakes and errors and accurately and reliably reflects the meaning of data on which it is based. It conveys an accurate picture to the recipient and is free from bias. Advani, H.C. has advocated the importance of accuracy by stating that wrong information given to management would result in wrong decisions. However, at the same time, he has cautioned that accuracy should be within limits or as desired and should not be achieved by sacrificing promptitude.

(iii) Consistency and Uniformity - The information provided by MIS of an organization should be consistent and uniform. The uniformity and consistency can be ensured by using the prescribed formats and it will also help in checking the duplication. Inconsistent reports reduce the effectiveness of MIS and lead to wastage of time and causes confusion in the mind of manager. It hampers the effective decision-making. The managers at all levels should be provided with consistent and uniform reports.

(iv) Brevity - Nature of details to be provided or the volume of information is also a key-attribute of information. The reports which are generated by MIS of an organization should be balanced in volume of the information. Whereas inadequate information as well as more than adequate information may be worse than no information.

(v) Need based - A report is said to be of good quality if it does not require further analysis by the recipient for his decision making. On the other hand, a poor quality report which is not need based require further analysis or processing of its contents. Reports should be such that manager is able to extract the required information without any processing of the data contained in the reports.

(vi) Relevance - Relevance is yet another key attribute of management information. Information is said to be relevant if it answers specifically for the recipient what, where, when, who and why? In other words, MIS should serve reports to managers which are useful and the information helps them in taking decisions. Some of the irrelevant reports may be tolerated by strategic level managers. Management control level managers, to some extent, too may not be affected adversely by irrelevant reports. But the operational level managers should get only the relevant reports as they have to take decision on very specific jobs. Therefore, they require reports about the specific jobs they are to deal with. However, what is relevant information for one recipient is not necessarily relevant for another.

(vii) Adequacy - Adequacy is vital attribute of information which underscores that a report should cover all related aspects about a particular event or situation which the report is reporting. Operational level managers will not be in position to decide the future course of action in the absence of adequate
information. However, strategic level managers have outside sources of information like government reports, notification, circulars, exchange of notes with others in industry and the like. Management control level managers, too, need a high level of adequacy otherwise, they will find themselves handicapped in justifying their decisions and actions.

(viii) Flexibility: It is another important attribute that facilitates to incorporate the changes taking place frequently in the complex environment of business organizations.

(ix) Economy: The information provided by MIS should be economical as well. As management are also bound to be cost-conscious, they have to be very much particular and serious about this attribute otherwise, the very purpose of MIS may not be fulfilled.

(x) Factualness: The factual information is another indicator for measuring the effectiveness of MIS.

(xi) Exceptional Reporting: In present times, more and more organisations are following ‘management by exception’ approach. Exceptional reporting principle states that only those information which will be of a particular interest to a manager are reported. Usually, these information indicate that normal operations have gone awry, for strategic level managers only exceptional reports regarding performance of the organisation are needed. This will result in saving their precious time and to devote more time for pursuing the alternatives for the growth of the organisation. Management control level managers also require exceptional reports. But it is not true in case of operational level managers.

References

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