

The Psychology of Management Data and the Significance of Such Data for Enhanced Strategy and Planning

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ABSTRACT

Management information systems are the primary factor enabling and achieving effective decision-making in a business (MIS). This study examines the extent to which two specific financial institutions have implemented management information infrastructure to ensure prudent judgments. The study examined how various financial institutions utilized management data systems to guide tactical and strategic planning. Two hypotheses were investigated using a modification of the quantitative research method. At the selected organizations, 190 forms were given fairly to individuals who worked at various levels of management. The findings of the study indicated that both financial institutions predominantly adopted MIS to better strategic planning. The findings of the regression analysis revealed that, although strategic planning deliver a discernible impact on the improvement of decision making in companies, tactical planning seemed to have no discernible effect.

Keywords: *Strategic Planning, MIS, Decision Making Process, Tactical Planning.*

INTRODUCTION

In order to compete on the world market of twenty-first century, firms are rushing to enhance their skills. In order to adapt to market fluctuations, businesses are trying to boost their agility by strengthening their process of decision-making to be effective and efficient. In order to accomplish this, a number of contemporary mid- to large-sized businesses have participated in the cycle of increasing investments and implementation of new information system components. In the previous decade, a significant fraction of financial firms utilized MIS to ease the service delivery, and the rate of adoption is set to increase as technology advances.

As per Whitten et al. (2004), "information is an arrangement of people, data, process, and information technology that interact to collect, process, store, and provide as output the information required to support an organisation," implying that an information system being an organized group of people, data, technology, processes, which work together just to collect, store, process, as well as provide as output the information aiming to increase the decimalization process. Within a bank's data system, a constant the risk of a crisis resulting in an insufficiency; consequently, a comprehensive information supervised by a better mechanism control which is needed to guarantee that the information system performed all required operations. (Adebayo, 2007). In a worldwide, competitive market, information is vital to the existence of a financial institution. The characteristics of globalisation and market rivalry highlight the relevance of boosting MIS to increase an organization's capabilities. For the leadership of organization, senior management to make an efficient long-term as well as short-term. MIS is provided as a system which gives the enterprises' top management and also the lower-level with appropriate data from external & internal sources, making them effective (Argyris, 1971, p. 291).

Multiple disciplines, like computer science, management and business, economics, political science are intrigued by the idea of information (Newman 2001). Moreover, the main question is "the data type? What role does information management play in the process of decision-making? How the cooperation between several departments and real-time information exchange speed and improve the decision-making process while preventing errors? This essay investigates the significance of information management for tactical and strategic planning and decision-making in two financial institutions. Because of the Financial Institutions' Refusal to Disclosing their mechanism of Decision-Making and rules for Disclosure, working with financial institutions was extremely delicate. Therefore, we made a reference to the first two institutions selected as case 1 and 2.

Little research has incorporated that the flaws in the management data system performance are the fundamental cause of the deterioration in organisational decision-making effectiveness (Fabunmi, 2003; Knight Moore, 2005). Little empirical research and analysis has been undertaken regarding the extent to which the administration of the information systems the structure of the high and the tactical management's involvement in elevating the management information helps with specific choices at various levels of management.

Objective:

This study intends to examine the degree to which two Bahraini financial institutions use management information systems to make sound judgments on long- and short-term planning. The research will look into the additional government company's usage of management data systems for effective decisions in both short- and long-term plans (Case 1) personal financial institution (Case 2). This article examines the effect of the latest MIS models designed by the selected companies and the extent to which they utilise this concept to improve the strategic and tactical planning.

Methodology

This investigation seeks to explain the connection between a variety of variables. Due to the nature and premise of the current investigation, the main purpose of this study is therefore explained. The Explanatory reflects the complex nature of the ones identified; interconnected factors presented in study's hypothesis. By making numerous hypotheses, this research adjusts design of quantitative research in order to test these hypotheses in greater depth. The Quantitative research primarily collects data through surveys.

Hypothesis and Research Questions

To fulfil the purpose of this study, the relevant research questions have been developed:

RQ1: How extensively do Bahrain's financial institutions use MIS to support strategic planning?

RQ2: How extensively do Bahrain's financial institutions use MIS to support tactical planning and decision-making?

To address these issues, this study explores a number of hypotheses developed from earlier literature and research (Ajayi et. al, 2007). The proposed model is displayed in Figure 1

H1: MIS's short-term tactical planning has positive effect on process of decision-making.

H2: Strategic Planning created by MIS affects the method of decision-making within beneficial manner.

Survey Method

On a Scale ranging from 1 to 5, from "strongly disagree" to "strongly agree," participants were asked to rate their opinions. To use a statistical method for the social sciences, correlation and regression analysis were used to establish the relevance of the collected data (SPSS). The questionnaire for this study is based on prior research and literature. In order to make sure that the survey has high validity and reliability, it is essential that we review the appropriate literature when constructing the questionnaire. The quiz for this research article was divided in two main sections.

The first one focuses on the respondent's demographics, like age, education level, occupation, and income bracket. In another section, we wanted to collect data on the benefits of MIS and its application in Cases one as well as two of Bahraini financial institutions.

- Relevance of MIS for enhancing strategic planning and, subsequently, decision-making method
- Importance of MIS for facilitating strategic planning, also improving decision-making
- The importance of a bank's process of decision-making.

Data Collection

The population of this study is comprised of strategic, tactical and regular employees from Case 1 and Case 2. It is assumed that this demographic has comprehensive understanding of MIS usage at the bank level. In a sample, random bank staff and managers were contacted. Beginning in early March 2010, there was a three-week distribution period. The survey has been developed in English. According to the research, approximately 5 to 8 minutes were required to complete the survey. To ensure uniformity, clarity, and application to the Bahraini context, we pilot-tested the questionnaire with a small group (5 users) from a variety of businesses. Prior to executing the final draught, we made small modifications to the content, language, and order of the questions, as recommended by these persons.

Data Analysis

In this study, SPSS (Statistical Package for the Social Sciences) version V.19 was used to analyse the survey data. Case 1 and Case 2's utilisation of MIS to support decision-making processes were compared using ANOVA for the current study.

Results

This discusses the test for factor analysis. Examining the outcomes of the correlation study between three elements (Tactical planning, Strategic planning, efficiency of Decision-making). The conclusion of paper discusses the findings in light of the study's research objectives and hypotheses.

Correlation Tests: The efficiency of the bank's decision-making procedures is thought to show the bank's succession for capacity and management building, financial factors, and human problems. Previous studies have shown the necessity of doing correlation tests prior to regression tests, making the connection between variables vital (Coakes and Steed, 2007). The correlational results are provided in the table below (table 1).

It was discovered that strategic planning has a strong and favourable relationship with the decision making of bank. (D.M) Effectiveness ($r=0.318$, $p 0.01$), Although Tactical Planning was shown to be favourably connected with the bank's D.M. Efficiency, there was no correlation between the two ($r=0.263$, $p 0.05$).

Table 1: Correlation Test Results

The results of Correlations test		Strategic planning	Tactical planning	D.M Effectiveness
Strategic planning	<i>r</i>	1		
	<i>p</i>			
Tactical planning	<i>r</i>	.252**	1	
	<i>p</i>	.001		
D.M Effectiveness	<i>r</i>	.318**	.263*	1
	<i>p</i>	.000	.001	

Notes:

r = the value of Personal Correlation

P= the significant level (2-tailed)

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Regression:The Linear Regression was performed to determine the degree whereby the control variables (Strategy planning as well as Tactical Planning) hinders the successor Efficiency of the company's decision-making. The Linear Regression was shown in Tables 2, 3, and 4.

Table 2: ANNOVA Test Result

ANOVA test						
Model		R	df	Mean Square	F	Sig.
1	Regression	0.490	3	4.240	9.594	.000 ^a
	Residual		131	.442		
	Total		134			
a. Predictors: (Constant), Tactical planning, Strategic planning						
b. Dependent Variable: D.M Effectiveness						

Table 3: Results of Model Summary

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.490	.180	.161	.665	1
a. Predictors: (Constant), Tactical planning, Strategic planning					
b. Dependent Variable: D.M Effectiveness					

The regression results indicated that only Strategic Planning explains the varying nature in the Efficiency of system's decision making, but Tactical Planning had no effect on the efficiency of bank's decision making.

Table 3: Coefficients

coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig
		B	Std. Error	Beta (β)		
1	(Constant)	1.395	.415		3.364	.001
	Strategic planning	.212	.087	.218	2.441	.016
	Tactical planning	.124	.081	.136	1.532	.128
a. Dependent Variable: D.M Effectiveness						

Notes:

P= the significant level,

β = Standardized Coefficients

A regression analysis has been conducted for supporting correlation test. Nevertheless, the study indicates that tactical preparation has little emphasis on D.M efficacy. Alternatively, strategic planning influences the bank's effectiveness of D.M (Sig=.016 0.05), as indicated by the regression study. The approved and rejected study hypotheses are displayed in Table 5 depending on regression analysis.

Table 4: Research Hypothesis

Hypothesis	Accept the proposed hypothesis
Hypothesis 1: Strategic planning	✓
Hypothesis 2: Tactical planning	X

Conclusion

Management Information Systems are essential to an organization's decision-making ability. This study's literature evaluation elucidated the critical impact of MIS on the enhancement of an organization's process for decision-making. MIS is recognised as the integrated consumer-machine system that supports operations, decision-making and management at multiple organisational levels. To be vital and effective, MIS needs a professionally designed, designed, and deployed database to convey adaptive judgments. To respond to the study's objectives and assess the hypotheses, this study employed a quantitative research design using sophisticated statistical methods. The study was regarded as applied research because it was anticipated that the results would assist the bank top management in planning, managing, and implementing MIS in order to improve the decision-making process. Descriptive statistics showed that MIS is predominantly utilised in banks to improve strategic planning. Moreover, the research showed that MIS is a least utilised element of tactical planning. Tactical planning and Strategic planning are associated with the effectiveness of the bank's D.M., as determined by the correlation study. A Regression Analysis study was performed to determine the level to which an independent factor impacts the successor Efficiency of bank's decision making. According to the findings of the regression analysis, the model is important, and its determination coefficient (R) is (0.490). The study of regression found that only one variable, strategic planning, shows the variance of efficiency of system's decision-making. The study, however, revealed no association between Tactical Planning and D.M. Effectiveness.

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