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**PERFORMANCE MEASUREMENT AND ORGANIZATIONAL EFFECTIVENESS OF  
MANAGEMENT INFORMATION SYSTEMS AND ACCOUNTING INFORMATION SYSTEM**

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***ABSTRACT***

This examination inspects how management information systems and information technology (IT) influence the performance of organizations. In particular, examine whether IT influences the production of information, and IT upgrades firm performance and business strategy while both IT and information additionally enhance firm performance together. Official managers are relied upon to have the capacity to delineate its advantages as a key factor empowering organizations to accomplish their objectives. The target of this investigation is to acquaint official managers with the noteworthy pretended by IT in organizations' accomplishment of their plans. IT is viewed as a fundamentally new strategy for organizations to increase upper hand over opponents in a similar line of business. This investigation is intended to ponder IT, management information systems, business strategy and firm performance. The target of this investigation is to show to official managers its part, and management information systems in business, as a major aspect of a reasonable new strategy for organizations to make progress and performance.

**1. INTRODUCTION**

The role of the IS in the value chain and how an IS adds value to an organization and how IS can provide information for decision making. An Information System is a system that collects records, stores, and process data to produce information for decision makers. Human resources exercises incorporate enlisting, procuring, preparing, and giving worker advantages and remuneration. Technology exercises enhance an item or administration. Illustration incorporates interests in new IT, site improvement, and item plan. Obtaining exercises acquire crude

materials, supplies, hardware, and the building used to do the essential exercises. Essential and support activity systems have various exercises. For instance, the deals and marketing system incorporates statistical surveying, approaching customers, arrange to process, and credit endorsement exercises. IT can be utilized to overhauled supply chain systems, yielding gigantic advantages and huge cost investment funds. The essential and support activity systems are subsystems of the esteem chain system. What's more, an organization's esteem chain is itself a

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piece of a bigger system called a supply chain.

## **2.MANAGEMENT INFORMATION SYSTEMS**

Management Information Systems (MIS) are information systems, regularly computer-based, that are utilized inside an organization. WorldNet portrays an information system as "a system comprising of the network of all correspondence channels utilized inside an organization." A management information system may likewise be characterized as "a system that gathers and procedures data (information) and gives it to managers at all levels who utilize it for decision making, arranging, program usage, and control." An information system is involved every one of the segments that gather, control and scatter data or information. It, as a rule, incorporates equipment, programming, individuals, communications systems, for example, phone lines, and the data itself.

The exercises included incorporate contributing data, processing of data into information, stockpiling of data and information, and the production of yields, for example, management reports. As a territory of study, it is normally alluded to as information technology management. The investigation of information systems is typically a trade and business organization train, and every now and again includes programming building, yet also separates itself by focusing on the

coordination of computer systems with the points of the organization.

In numerous organizations, such management information systems have been executed as support in decision-making and a device to accomplish high corporate performance. As yet exploring the connection amongst MIS and corporate performance requires additionally looking at. In this exploration, we hypothesize an inquiry whether MIS usage influences corporate performance and how. To answer these inquiries, we use display hypotheses that empower us to interface MIS idea to corporate performance. We examine current examinations and utilize existing techniques to expound this relationship. The present bit of work takes after the approach of the previously mentioned commitments to the earlier writing and thinks about that as a management information system is palatable when it enables the organization to settle on better decisions and enhance its financial performance.

### **2.1 Effects of the MIS**

Management information systems are formal systems for presenting management with timely and reasonable information fundamental for basic leadership (Leonardi and Bailey, 2008). The system gives information on the past, present and task future and on related improvements inside and outside the organization. It might be depicted as an

incorporated and sorted out system for grouping pertinent information, changing it into rectify information and giving the same to the concerned administrators. The fundamental reason for MIS is to "give the correct information to the opportune individuals at the perfect time". The thoughts of management information systems were framed to check such wasteful improvement and beneficial utilization of the computer. MIS ideas are pivotal to productive computer use in business.

At the point when a system offers information to individuals who are not some portion of the administrative staff, at that point it won't be seen as a major aspect of a Management information system. Such a system, while it might contain comparative interfaces as MIS, isn't a piece of it. Cases of such systems are salary affirmations and extract obligation articulations. By and large, MIS manages information that is systematically and routinely gathered as per a very much characterized set of principles (Spathis et al., 2007). Besides, Management information system is a piece of the formal information arrange in an organization.

Management information system has an impact on adaptability based key performance and cost-based vital performance, considering the decentralization of duties, refreshing client learning and client support in management, the participation with

different units with the extent of expanding the firm budget, and completion and utilization of management information.

As per their exploration joined with earlier learning on management information systems, an examination was made how extraordinary group pieces connect with a management information system, straightforwardly impacting vital exhibitions, concentrated on adaptability and the lessening of expenses.

The outcomes display how the impact of management information system on key performance is administered and represented by top management group assorted variety.

### **3. MANAGEMENT ACCOUNTING IN ORGANIZATION**

To accomplish this objective, a concise audit of the writing concerning the ideas of management accounting and decision making that is significant to the examination issue is given. Over the most recent two decades, management accounting thinks about have gotten significant consideration. The discoveries of these investigations feature a critical part for management accounting systems in organizations in which management accounting information is presently utilized as a part of arranging, decision-making, control, performance estimation and business strategy in many organizations. When all is said in done, this Researcher is a plot in five areas. The

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principal segment diagrams the hypothetical parts of the examination, for example, the idea of management accounting, management, and management accounting information.

At that point cost terms, ideas and strategies; decision making and the part of management accountant; and utilizing management accounting information for decision making, are looked into. These collections of writing give a premise to researching the part of a management accounting information system on managerial decision making. At long last, the researcher closes with a rundown Management accounting is regularly characterized as a system that gives helpful information to managers as far as decision making, arranging, and control and performance assessment. As indicated by the Chartered Institute of Management Accountants (CIMA), Management accounting is characterized as "the procedure of recognizable proof, estimation, grouping, examination, planning, understanding, and correspondence of information (both financial and working) utilized by management to design, assess and control inside an organization and to guarantee utilization of and responsibility for its resources".

Management accounting center on answering to inside groupings. It gauges and reports financial and non-financial information in an arrangement that is most helpful for managers to settle on

decisions which accomplish indicated objectives of an organization. Managers utilize this information to pick, impart and execute strategy. They additionally utilize management accounting information to arrange item plan, production and marketing decisions. That is characterized managerial accounting as managerial accounting is worried about giving information to managers that is, to the individuals who are inside an organization and who direct and control its activities. Managerial accounting can appear differently about financial accounting, which is worried about giving information to investors, loan bosses and other people who are outside an organization.

#### **4. ACCOUNTING INFORMATION SYSTEM**

Information technology (IT) has altered business rehearses and had an imperative influence on business systems. Headway in IT has expanded the capacity of organizations to settle on great business decisions based on the extensive measure of information their endeavor produces. Subsequently, investment in modern IT is currently viewed as principal for firms of all sizes to support, manage and develop the business. Accounting is one of the vital business regions confronting exceptional difficulties because of its quick advancement. Numerous parts of accounting practice have been changed on a very basic level by propels in IT, including financial detailing, managerial

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accounting, and examining and tax assessment.

Over ten years prior, numerous accounting experts and scholastics contended that the modernity and difficulty of IT had changed the idea of accounting information system (AIS), subsequently, the part of accountants. That is guaranteed that progressions in IT empower clients to see current AIS in a substantially more extensive point of view and with included accentuation the economies of business tasks and strategic management. Along these lines, the development of this knowledge-based economy and fast mechanical changes will, most likely, impacts affect the future part of accounting experts. The fast, innovative change, the globalization impacts encouraged by the progressions and the current vast scale business disappointment, for example, Enron, Parmalat, and MCI-WorldCom have huge ramifications for both accounting experts, and scholarly accountants.

Any AIS is a machine based procedure for tracking the accounting and auditing activity supported by information technology and the relevant resources. Almost every type of decision making including financial and non-financial which has any type of effect on processing of business transactions is always based on AIS tools for collection, analysis, storage and manipulations of accounting data (which helps to work more efficiently and effectively). Again, TPS is

the foundation stone of daily operations and processes. Three big transaction cycles called conversion cycle coupled with revenue and expenditure cycles. Here, the purpose of this information system is automate and regulate, record and analyze the financial matters in accounting domain being the first to support these activities.

The use of any type of accounting software always helps the managers to properly manage the business activities in all the matters. As the cloud computing gives the benefits like secure data handling, gives automated secure business transactions, elimination of duplication, time and cost saving, a system of high levels of security and accuracy with quality of customized services during 24/7 days in week. It refers to a business architecture called SaaS, which means Software-as-a-service. SaaS is better software which focuses mainly on customization rather than standardization. Today an application can run more accurately due to effective software designs and delivery models or so on. It serves the purpose of comparatively lower cost of handling, ownership at one side while higher customized and mass level services given by vendors and offers durable results.

## **5. BUSINESS PROCESSES EVALUATION AND MANAGEMENT SYSTEM**

A standout amongst the most imperative arrangements is a comprehensive or

technology-based perspective of big business. The earlier disconnected data spaces are a definitive yield of productive and powerful system incorporation. Every one of the rules and the guidelines to arrange and dispatch interoperability needs, among other stage steps, business undertaking engineering must incorporate an unmistakable structure. More often than not, the trendy expression EAI called Enterprise Application Integration is any modified engineering straightforwardly owed to synchronization of utilization and modules which should gather process and offer to its partners openly. To be powerful and agent, called between operability highlight of any system, i.e., "the capacity to partake in the information and administrations," enables AIS to more dependable, installed and joined. XBRL, called e-extensible business detailing language, an XML-based computer language, is an all-around institutionalized wellspring of trading of business information, because of the utilized accounting and business revealing. The accounting challenges having an expanded measurement like determining, inward reviewing, checks and controls, key or operational examination, benchmarking, future budget planning, chance evaluation and hazard management, continuous detailing methods joined with the enormous data bank of non-financial data. The viable cases are accessible as a few firms utilize bunch preparing because of utilization of

intermittent stock system which is sometimes called P-system, settled interim audit system or customary survey system of stock management.

## **6. PERFORMANCE MEASUREMENT AND ORGANIZATIONAL EFFECTIVENESS**

Performance measurement in the down to earth and hypothetical circles has pulled in developing consideration as of late. Past the limits of the management accounting writing, a few fields have added to the improvement of current learning, in particular, organizational hypothesis, activity and generation management, key management and back. Be that as it may, a large portion of these fields have been contemplated in disconnection, which has brought about divided and unique discoveries. Organizational effectiveness (OE) has been a standout amongst the most broadly explored issues since the early improvement of the regulatory hypothesis. In spite of some accord, there is the as yet critical absence of concession to the definition and operationalization of this idea.

As a more up to date field of research, management accounting depends on these temperamental establishments to manufacture performance measurement models. The point of this research is to conquer any hindrance between the OE models created in the field of organizational hypothesis and the

performance measurement models found in the management accounting writing. The particular development of these two correlative surges of research coming from two distinct fields of research is accommodated and coordinated by investigating their merging and divergences. This research adds to the performance measurement writing by setting up the roots of the performance measurement models and by revealing insight into unexplored prolific regions of future research.

Moreover, this research explores advancements that have happened fundamentally in standard research grounded in a practical rationalistic worldview. The reason for existing isn't to preclude the significance from securing elective methodologies, but instead to decrease the extent of this examination and to comply with space imperatives. It ought to be noticed that the scope of the management accounting writing isn't constrained to particular studies of performance measurement issues. Specific consideration is paid to management control systems (MCS) and management accounting systems (MAS) writing. The two ideas incorporate performance measurement as a particular segment and offer regular issues tended to by the performance measurement writing.

### **6.1 The Impact of Management Information Systems on Organization Performance**

A proceeding with a stream of IT development joined with new business hones and wonderful management choices is changing the way we work together, the way incomes are created, and the way customers get items and administrations. The development of big business-wide information systems that give uncommonly rich data to managers on customers, providers, and representatives, implies that managers never again work in a haze of perplexity however rather have on the web, almost moment access to the critical information they have to settle on exact and timely choices that impact organization performance. Information Technology is an intense power in the present worldwide society. The approach of computers and Information Technology (IT) has been the single huge drive impacting organizations amid recent decades. Information Technology is altering all the living ways. Its successful utilization is a fundamental component of contending in a quick paced, learning based economy. Information Technology is the significant supporter of the advance of the created nations. The fast development of the PC business, generous reductions in computer unit cost, and concurrent increments in computer abilities have made the tremendous measure of information promptly accessible to people in organizations. The objective of each management information system (MIS), in any organization is to enhance work

performance, and this performance productivity is just accomplished when IT is acknowledged and utilized warmly by the worry representatives in organizations.

## 7. CONCLUSION

In this way, MAS and MCS give worldwide information that is valuable for the investigation of a performance measurement subsystem. The following segment proposes a structure of the development of OE and performance measurement models and audits the organizational hypothesis and management accounting writing identified with these models. From that point, the two surges of research are analyzed as far as joining and divergences. The advantages from every point of view are recorded independently, with no endeavor to total them. In that way, a more 'balanced' perspective of the commitment of the system can be furnished with the choice on the value of the investment left to the chief. For the effectiveness benefits, it allocates a subjective score. For the performance benefits, it doesn't endeavor any evaluation whatsoever. It records those advantages and lets the leader judge the value of the investment. To somebody formalist, such a way to deal with basic leadership, given nature and instinct, may sound irritating. In any case, as they contend, there isn't any crucial motivation behind why this ought to be the situation. As the more established

sibling, the OE models have altogether affected the performance measurement models. Organizational effectiveness speaks to the result of organizational exercises while performance measurement comprises of an appraisal device to quantify effectiveness. Note that the terms 'performance' and 'effectiveness' are utilized reciprocally because issues identified with their definition, measurement, and clarification are indistinguishable.

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