Role of Information Systems in Business Today

Dr. Yousef El-Ebiary,
Assistant Professor in faculty of Computer Science and Information Technology and
Dean of Student Affairs - Al-Madenah International University- Malaysia
Yousef.abubaker@mediu.edu.my
Dr.y.elebiary@gmail.com

Abstract

Information systems are essential components of business environments. The areas in which IS plays a major role in businesses today are highlighted in the next subsections.

 Key words: *Management Information System, MIS, Information System, IS, Electronic Enterprise, Information Technology, IT*.

Methodology: Case study, System Analysis, Business Analysis, web search and books review.
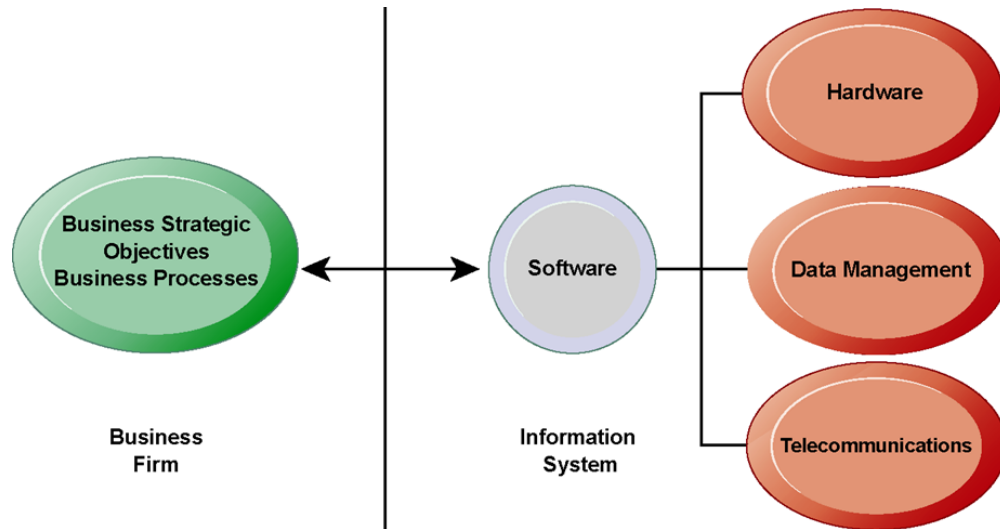
Introduction

In addition to the use of cell phones and computers (among other technological devices), which are considered as essential tools of business today, the number of people using the Internet is escalating. In 2014, the number of businesses that had dotcom addresses reached more than 100 million. Internet advertising is growing at a rate of 15% annually.

Study structure

The increased application of IS helps create a synergy among the different aspects within the business environment. This allows for a more focused operational strategy among all departments, management and employees. In addition, more use of IS results in a more flat organizational structures within businesses. This is where autonomy is spread among the different levels of the organizational hierarchy. This is in contrast to the more traditional narrow organizational structure where autonomy is reserved for top management at the higher ranks of the hierarchy. Spreading autonomy among the different levels of the organizational hierarchy motivates employees and grants them a sense of responsibility and involvement in the business affairs. This concept leads organizations to place more emphasis on team work, with a clear focus on the set goals.

IS makes collecting, processing and storing data much easier and less time consuming. Information is passed on and communicated among business staff in a faster and a more convenient way. This results in a more effective and efficient flow of information in business. The deployment of the most appropriate IS in a business saves on operational costs. IS aid in setting, applying and constant reviewing of the operational business goals. If implemented in the way that best suits the business, IS facilitates a more calculated and comprehensive operational targets to be set and actually worked for.

IS enhances the procedure by which long term objectives are set, achieved and reviewed. A combination of information systems can be used in a sophisticated manner that facilitates a high level of data screening. Objectives are set in a more systematic manner. IS helps maintain a clear vision on how the overall business performance is. The systematic and logical procedure IS follows helps businesses also seek for achieving their survival.

Conclusion: Information systems and technology (IS/IT) benefits realization in large organizations and reveals issues of identifying and structuring benefits, planning benefits realization, delivering, evaluating and reviewing these benefits, with some success and some failure.

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Transaction processing systems (TPS) collect and record the routine transactions of an organization. Examples of such systems are sales order entry, hotel reservations, payroll, employee record keeping, and shipping.

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