

Information

Unit III

Information: Definition

- Information is a necessary & vital input in any decision-making process in an organization.
- It is not available in ready form.
- It has to be generated from data processing.
- It reduces uncertainty and triggers action.

Information: Definition

- Davis and Olson have defined information as:

“Data that has been processed into a form that is meaningful to the recipient and is of real or perceived value in current or prospective actions or decisions.”

Types of Information

- Information could be classified on the basis of the purpose for which it is utilised.
 - Strategic Information
 - Tactical Information
 - Operational Information

Types of Information

- Strategic Information:
 - Is required by the managers at strategic level of management.
 - It relates to long-term planning policies of the organization as a whole.
 - For example, information pertaining to new technologies, new products, competitors, etc.

Types of Information

- Tactical Information:
 - Is required by the managers at middle level.
 - It is used in short-term planning.
 - For example, for sales analysis, production resource requirements, annual financial statements, etc.
 - It is generally based on data arising from current activities of the organization.

Types of Information

- Operational Information:
 - Applies to short periods which may vary from an hour to a few days.
 - It is generally used by decision makers at operational level.
 - It is required for taking immediate action.
 - Examples may include current stocks in hand, work in progress levels, outstanding orders from customers, etc.
 - The source of such information is usually current activity data.

Information Quality

- Quality of information refers to its fitness for use.
- Some of the attributes of information which influence its quality are:
 - Timeliness
 - Accuracy
 - Relevance
 - Adequacy
 - Completeness
 - Explicitness
 - Exception-Based

Information Quality

- **Timeliness:**

- Information must reach the recipients within the prescribed time frame.
- Delays destroy the value of information.
- Timely information can ensure correct executive action at an early stage.
- Timely information doesn't only mean in time information but also up-to-date information.
- Delayed information may also be considered as manipulated and doubtful.

Thank You