Management Information Systems



Raymond McLeod, Jr.

MANAGEMENT INFORMATION SYSTEMS

Raymond McLeod, Jr.

Texas A&M University

Library of Congress Cataloging in Publication Data

McLeod, Raymond, Jr.

Management information systems: a study of computer-based information systems / Raymond McLeod, Jr.—7th ed. 688 pp. cm.

Includes bibliographical references and index. ISBN 0-13-856584-8

1. Management information systems I. Title. T58.6.M43 998

658'.05—DC21 97-13159

Senior Acquisitions Editor: Jo-Ann DeLuca

Editor-in-Chief: PJ BOARDMAN
Associate Editor: AUDREY REGAN

Editorial Assistants: Marc Oliver; Shane Genza Executive Marketing Manager: Nancy Evans Sales Specialists: Audra Silverie; Kris King Senior Production Editor: Anne Graydon Production Coordinator: Cindy Spreder Managing Editor: Katherine Evancie Manufacturing Buyer: Alana Zdinak

Senior Manufacturing Supervisor: PAUL SMOLENSKI

Manufacturing Manager: VINCENT SCELTA
Senior Designer: SUZANNE BEHNKE
Interior Design: MAUREEN EIDE
Cover Design: MAUREEN EIDE

Illustrator (Interior): Clarinda Company Composition: Clarinda Company

Cover Art/Photo: Wassily Kandinsky, "Oeue Rot Blau," 1925,

Musee National D'art Moderne, France.



©1998, 1995 by Prentice Hall, Inc. A Simon & Schuster Company Upper Saddle River, New Jersey 07458

All rights reserved. No part of this book may be reproduced, in any form or by any means, without permission in writing from the publisher.

Printed in the United States of America
10 9 8 7 6 5 4 3 2 1

ISBN 0-13-856584-8

Prentice Hall International (UK) Limited, London
Prentice Hall of Australia Pty. Limited, Sydney
Prentice Hall of Canada Inc., Toronto
Prentice Hall Hispanoamericano, S.A., Mexico
Prentice Hall of India Private Limited, New Delhi
Prentice Hall of Japan, Inc., Tokyo
Simon & Schuster Asia Pte. Ltd., Singapore
Editora Prentice Hall do Brasil, Ltda., Rio de Janeiro

MANAGEMENT INFORMATION SYSTEMS



此为试读,需要完整PDF请访问: www.ertongbook.com

Preface

A textbook consists of two key ingredients—the selection of topics and their organization. These ingredients have always received top priority in *Management Information Systems*; but because of the dynamic nature of the computer field, the task becomes more difficult with successive editions. Each year there are numerous new topics, and decisions must be made concerning where to put them and what old topics, if any, to discard.

Although these can be tough decisions, two situations make the job easier. First, there are many more sources of material today than there were in the past. When the first edition of *Management Information Systems* was published in 1979, one good reference on a topic was considered a gold mine. Fortunately, that situation has changed. Today there are many excellent sources for each topic, making it possible to provide complete descriptions from several points of view.

The second situation that simplifies the job of writing an MIS text is the fact that the underlying theory does not change that much. The theory provides the framework for the technology and is relatively stable. So, when someone writes a new edition, it is not like starting out with a clean slate, wondering what the first word should be.

Management Information Systems has always enjoyed a strong brand loyalty among the instructors who adopt and use it. The main reason is that students like it. In their course evaluations, students consistently give the text a good rating, their comments indicating that they like the logical organization and the clear descriptions. Underlying these two features is the strong theoretical base.

- Logical Textbook Organization You will find this seventh edition well organized, with the topics flowing logically within each part and each chapter. Terms are not used in a chapter without first defining them.
- Thorough Explanations This edition upholds its tradition of complete coverage of each topic that is introduced. Emphasis has never been on the number of topics covered but, rather, on the number covered well.
- **Solid Theoretical Base** The framework for the text consists of approximately 400 illustrations in the form of schematic diagrams, or models. Some of the models were created over the years by experts in the field, and their contributions are acknowledged. Most, however, are unique to this text. The diagrams provide a road map, making it easier to learn the material so that students can apply it in their careers.

These three features—good organization, thorough explanations, and a solid theoretical base—give students an advantage in learning about the complex and changing field of business computing.

A Management Orientation

Like the previous editions, the seventh edition views computer use through the eyes of the manager. The management orientation has always seemed appropriate, but the case is even stronger today with so many managers personally using their computers to produce information.

When students later become managers, they will have many opportunities to apply the text material. Perhaps, however, they are primarily interested in

computers and want to become computer specialists. As systems analysts, network specialists, or database administrators they will apply the material as they work with managers in developing managerial systems. Of course, before long they may become managers themselves in the information systems area. So, regardless of their position in the organization, it will benefit them to see problems from management's point of view. This text will give them that perspective.

New to This Edition



Internet Links In the margins throughout the text are "Internet icons" that look like the one shown here. These link various important topics in the book to expanded information and activities on the McLeod website. The ability to get online feedback reinforces learning and stimulates discussion. The book's Internet address is:

http://www.prenhall.com/mcleod

New and Updated Chapters This edition includes one completely new chapter—Chapter 3, which is titled "Using Information Technology to Engage in Electronic Commerce." The purpose of Chapter 3 is to show how organizations are now using the computer to make fundamental changes in their operations. These efforts are called *reengineering*, and many of the changes involve such data communications technologies as the *Internet*. Chapter 3 begins by describing *electronic commerce*—how firms use the computer to interface with organizations and individuals with whom they do business—customers, suppliers, and so on. Firms often band together to form *interorganizational systems* that function better in an integrated fashion than they would by operating separately. The members of the interorganizational system are connected by computer-to-computer transmissions, an activity called *electronic data interchange*, or *EDI*. These transmissions can travel along normal data communications circuits or can make use of the Internet.

In addition to this new material, many substantive changes have been made to other chapters. In Chapter 2, for example, the topic of competitive advantage is enhanced with the addition of Michael Porter's value chains and value systems. Chapter 10, on databases, has been augmented with a description of knowledge discovery in databases (KDD), which encompasses such topics as data warehousing, the data mart, and data mining. The discussion in Chapter 11 of data communications has been expanded with the inclusion of middleware, LAN software, and the Intranet. The coverage of group decision support systems in Chapter 14 has been enhanced with attention to groupware. The chapter on office automation, Chapter 15, has been renamed and refocused on the virtual office to encompass the topic of telecommuting-people working at home. In a like manner, Chapter 16 has been refocused to provide more equal coverage of all types of knowledge-based systems, especially expert systems and neural networks. Possibly the most important change comes in Chapter 22 with the discussion of an information system for the information services unit called IRIS—information resources information system. Also included is a report on research comparing information management in the United States, Korea, and Mexico.

All of these changes serve to keep the text up to date in areas of technology and methodology.

Boxed Inserts

All chapters contain a boxed insert entitled "Highlights in MIS" that relates the chapter material to the use of information technology in business and industrial

organizations. In essence, these inserts describe how firms have been both successful and unsuccessful in applying the principles of information management.

Examples of Applying the Systems Approach

Chapter 7 describes the basic problem-solving methodology—the systems approach. From that point on, each chapter includes a section, new to this edition, called "Applying the Systems Approach" on how this approach can be applied to the chapter material. These sections continue the systems focus long after the fundamentals are presented early in the text.

New and Updated Appendixes

In addition to the chapters, there are three appendixes that deal with the tools of systems development. These topics are of most interest to information specialists but can have value to users engaged in end-user computing. The topics include:

- Appendix A: Data Modeling
- Appendix B: Process Modeling
- Appendix C: Object Modeling—NEW!

Data modeling is accomplished by using entity-relationship diagrams and data dictionaries to document the firm's data. Process modeling is accomplished by using data flow diagrams and structured English. Object modeling, new to this edition, documents both data and processes in the form of objects.

The appendixes can be used in any combination and in any sequence when the course intent is to provide students with the tools of systems work. Such an approach is appropriate when there is no separate course in systems analysis and design and the MIS course must carry the entire load.

Modular Organization of the Chapters

The text is divided into six parts, and Figure P.1 on the next page shows the modular organization.

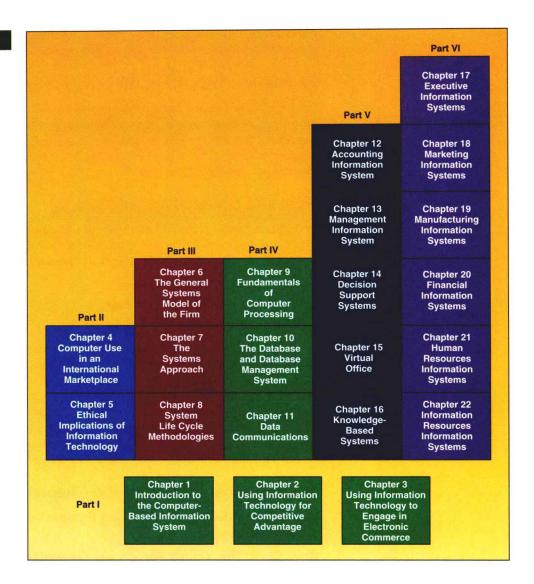
Part One: The Computer as an Organizational Information System Part One consists of three chapters and provides the course foundation. Regardless of the course approach, Chapters 1, 2, and 3—Introduction to the Computer-Based Information System; Using Information Technology for Competitive Advantage; and Using Information Technology to Engage in Electronic Commerce—should always be covered first. They capture the essence of contemporary computer use in business.

Part Two: Current Focus in Information System Use With the foundation laid, the instructor can take the remaining parts in any order, depending on the emphasis desired. Part Two consists of two chapters: Chapter 4, Computer Use in an International Marketplace; and Chapter 5, Ethical Implications of Information Technology. These chapters can be covered in any order when an emphasis on current issues in computing is sought. Such an emphasis would be appropriate when the text is used in an introduction to computing course required of all business majors.

Part Three: Systems Theory and Methodologies This part describes the systems theory that underlies the entire field of business computing. Chapter 6, The General Systems Model of the Firm, explains business operations in systems terms. Chapter 7, The Systems Approach, provides the framework for understanding how managers and information specialists solve problems. Chapter 8, System

FIGURE P.1

Modular Organization of the Text



Life Cycle Methodologies, describes the frameworks that have been devised to guide users and information specialists in the process of systems development. This part is included in a course where the instructor recognizes the value of a solid theoretical foundation. Such an approach would be especially appropriate when the course is required of all information systems majors.

Part Four: The Computer as a Problem-Solving Tool Part Four is appropriate when the course is to include computing technology. The instructor selects such an approach when the students' previous exposure to computing has been limited primarily to personal computers and prewritten software and when students have a need for a broader foundation in technology. Chapters 9, 10, and 11—Fundamentals of Computer Processing, The Database and Database Management System, and Data Communications—provide the needed foundation.

Part Five: The Computer-Based Information System This part contains five chapters, each describing a major business computing application area. All of the areas are collectively called the *computer-based information system*, or *CBIS*. The CBIS subsystems are covered by Chapters 12–16—The Accounting Information System; The Management Information System; Decision Support Systems; The

Virtual Office; and Knowledge-Based Systems. Part Five should be included in every course approach because it provides an overview of all of the ways that the computer is being used to solve business problems.

Part Six: Organizational Information Systems This part expands on the management information system chapter to describe how the MIS concept has been applied to subsets of the organization. Chapter 17, Executive Information Systems, explains computer use at the top organizational level. The other chapters explain computer use in five major functional areas: Chapter 18, Marketing Information Systems; Chapter 19, Manufacturing Information Systems; Chapter 20, Financial Information Systems; Chapter 21, Human Resources Information Systems; and Chapter 22, Information Resources Information Systems.

Chapter 22 is the concluding chapter of the text and describes the responsibilities of the chief information officer (CIO) relating to such topics as management of a global information network, information security, and information quality. This chapter prepares students majoring in information systems for management responsibility, which will begin just a few years after graduation in the form of project leadership.

This concluding part of the text, Part Six, on organizational information systems has always been one of the instructors' and students' favorites; and some or all of the chapters can be included depending on the desired emphasis.

Realistically, the text includes more material than can be covered in a single semester. This is especially true when the course includes some type of experiential activity, such as a term project or solution of case problems. The underlying philosophy of the text has always been one of allowing the instructor to "pick and choose." The instructor can assemble the ingredients to achieve just the right course emphasis.

Proven Chapter Pedagogy

Each chapter begins with Learning Objectives and an introduction, and ends with Key Terms, Key Concepts, Questions, Topics for Discussion, Problems (when appropriate), one or two Case Problems, and a Selected Bibliography. The concepts and discussion topics focus attention on the important chapter elements. The questions and problems test knowledge and allow application of the material in a creative way.

Strong Ties to the Literature

Footnotes throughout the text, combined with the end-of-chapter bibliographies, tie the material to the rich MIS literature. Many references are "classics" that have withstood the test of time. Other references shed light on applications that are just now emerging. Therefore, what is given is not only a look at the field today but an appreciation for how this point was reached, and an idea of what is to come.

A Complete Package

A complete set of materials is available that will assist students and instructors in accomplishing course objectives.

Materials to Help the Student

■ Internet Links In the margin throughout the text are "Internet icons" that link various topics in the book to expanded information on the McLeod

- website. See "New to This Edition" on page xx for an example of the icon and for the website address.
- **Pricing Model** The pricing model is a mathematical model that allows the student to make a set of major decisions and see the effect on a firm's profitability. The model gives first-hand experience in using the computer as a decision support system.

Materials to Help the Instructor

- Electronic Transparencies Color visual aids, in Microsoft PowerPoint 3.0, make it easy to supplement classroom lectures and discussions with professional graphics. The visuals include bulleted items that provide a lecture outline, plus key figures and tables from the text.
- Instructor's Manual (IM) and Test Item File (TIF) This edition features the IM and TIF all under one cover. The IM, written by the author, includes suggestions for designing the course and presenting the material. Each chapter is supported by answers to end-of-chapter questions and problems, and suggestions concerning the discussion topics and cases. The IM also includes suggestions for integrating the appendix material and experiential activities into the course. The test bank, written by the author, consists of true-false and multiple-choice questions, plus a 10-point miniquiz for each chapter.
- Prentice Hall Custom Test The computer version of the test bank includes the same questions as the paperback version, only in diskette form. The Prentice Hall Custom Test runs in Windows and enables the instructor to select questions and create customized exams.
- A video cassette covering various topics in MIS is available free to adopters.

This complete set of materials provides both students and instructors with a variety of options in terms of course support.

Acknowledgments

A Team Effort Throughout the text I frequently use the term "we." Although there is only one author, it has been a group effort. Playing key roles have been the people at Prentice Hall, among them Jo-Ann DeLuca, Senior Acquisitions Editor; Anne Graydon, Production Editor; Katherine Evancie, Managing Editor; Alana Zdinak, Manufacturing Buyer; Nancy Evans, Executive Marketing Manager; Audrey Regan, Assistant Editor; Audra Silverie and Kris King, Sales Specialists; and Marc Oliver, Editorial Assistant. Andrew G. Roney served as copy editor.

At other times when I say "we," I am including my students. Over the years I have received much constructive feedback from my students. In fact, there are several points in the book where the material has been influenced by the students' suggestions or has come directly from them. For example, the inclusion of the internal auditing input subsystem for the financial information system in Chapter 20 was suggested by Debra Dusek, a student in a summer class at Texas A & M. The end result of long-term classroom use is a text that reflects not only what students need to learn but what they recognize as being important.

Reviewers and Other Support

I also want to thank others who provided invaluable support, including the following reviewers of this edition and the last:

THIS EDITION

- Marzie Astani, Winona State University
- Michael Bartolacci, New Jersey Institute of Technology
- David Bradbard, Winthrop University
- Jack Cook, SUNY Geneseo
- Donald Masselli, Northwood University
- George Strouse, York College

LAST EDITION

- David T. Jones, California University of Pennsylvania
- Richard Murphy, Marist College
- Randall Smith, University of Virginia
- David Whitney, San Francisco State University
- Jim Wood, Arkansas Tech University

In addition, I have found that persons in industry are always eager to help in any way they can. I received such help from Charlene Cummings and Bill Hoffman of Government Personnel Mutual Life Insurance Company in San Antonio, Tom Pike of MagneTek in Memphis, Greg Nelson and Aaron Meyers of Texas Instruments Software, Debbie Sandoval and Marie Spinney of Comshare, Jill Shanks of Dell Computer Corporation, Walter Viali of Texaco, and R. Terry Seitz of Deloitte & Touche LLP.

One of the benefits of teaching at a large university like Texas A & M is that when help is needed, it is often just across campus or right down the hall. Al Cornish of the Sterling C. Evans Library and Joobin Choobineh of the Department of Business Analysis and Research represented convenient sources of expertise. Two Texas A & M students also provided technical help. They were Stacey Fornstrom and Chris Ford.

Even though I have received much help along the way, I alone am responsible for the manner in which the material is presented. At times, I was advised to do one thing and elected to do another. Therefore, any shortcomings are my own.

—Raymond McLeod, Jr. College Station, Texas July 1997

Brief Contents

Preface xix

Appendixes 595 Index 639

	7 - 31 - 13	50		
Part One	The Computer as an Organizational Information System 1			
	Chapter	2	Introduction to the Computer-Based Information System 3 Using Information Technology for Competitive Advantage 33 Using Information Technology to Engage in Electronic Commerce 55	
Part Two	Current Focus in Information System Use 89			
			Computer Use in an International Marketplace 91 Ethical Implications of Information Technology 114	
Part Three	Systems Theory and Methodologies 137			
		7	The General Systems Model of the Firm 139 The Systems Approach 159 System Life Cycle Methodologies 186	
Part Four	The Computer as a Problem-Solving Tool 223			
	Chapter 1 Chapter 1 Chapter 1	10	Fundamentals of Computer Processing 224 The Database and Database Management System 254 Data Communications 282	
Part Five	The Com	pu	ter-Based Information System 307	
	Chapter 1 Chapter 1 Chapter 1 Chapter 1	13 14 15	The Accounting Information System 309 The Management Information System 332 Decision Support Systems 355 The Virtual Office 376 Knowledge-Based Systems 398	
Part Six	Organizational Information Systems 429			
	Chapter 1 Chapter 1 Chapter 2 Chapter 2 Chapter 2	18 19 20 21	Executive Information Systems 432 Marketing Information Systems 459 Manufacturing Information Systems 485 Financial Information Systems 511 Human Resources Information Systems 538 Information Resources Information Systems 559	

Contents

Preface xix

Part One THE COMPUTER AS AN ORGANIZATIONAL INFORMATION SYSTEM 1

Chapter 1 Introduction to the Computer-Based Information System 3

Introduction 4

Information Management 4

Interest in Information Management 5

Who Are the Users? 7

The Manager and Systems 11

Data Versus Information 15

The Evolution of Computer-Based Information Systems 16

A Model of a Computer-Based Information System 18

An Example of a Management Information System 19

The Information Services Organization 19

The Trend to End-User Computing 22

Justifying the CBIS 23

Achieving the CBIS 24

Managing the CBIS 24

Highlights in MIS How a CIO Sees the CBIS 26

Putting the CBIS in Context 26

SUMMARY 28 KEY TERMS 29 KEY CONCEPTS 29

QUESTIONS 29 TOPICS FOR DISCUSSION 30 PROBLEMS 30

Case Problem Freeway Ford 31

SELECTED BIBLIOGRAPHY 31

Chapter 2 Using Information Technology for Competitive Advantage 33

Introduction 34

The Firm in Its Environment 34

Competitive Advantage 36

What Are the Information Resources? 38

Who Manages the Information Resources? 39

Strategic Planning 40

Strategic Planning for Information Resources 41

End-User Computing As a Strategic Issue 42

The Information Resources Management Concept 46

Highlights in MIS Office Depot Publicizes Its MIS 48

SUMMARY 49 KEY TERMS 50 KEY CONCEPTS 51

QUESTIONS 51 TOPICS FOR DISCUSSION 51 PROBLEMS 52

Case Problem Purification Equipment Service Company of Mexico 53

SELECTED BIBLIOGRAPHY 54

Chapter 3 Using Information Technology to Engage in Electronic Commerce 55

Introduction 56

Electronic Commerce 56

Business Intelligence 58

Electronic Commerce Strategy 62

The Interorganizational System (IOS) 63

Electronic Data Interchange (EDI) 64

Electronic Commerce Methodology 69

Business Process Redesign (BPR) 70

Electronic Commerce Technology 73

Evolution of the Internet 74

Cyberspace and the Information Superhighway 77

An Internet Model 77

Internet Standards 78

Internet Security 78

Highlights in MIS Traffic Cop of the Internet 79

Business Applications of the Internet 81

Suggestions for Successful Internet Use 82

Future Impact of the Internet on Business 83

Summary 84 Key Terms 85 Key Concepts 85

QUESTIONS 85 TOPICS FOR DISCUSSION 86 PROBLEMS 86

Case Problem The Office Works 87

SELECTED BIBLIOGRAPHY 88

Part Two CURRENT FOCUS IN INFORMATION SYSTEM USE 89

Chapter 4 Computer Use in an International Marketplace 91

Introduction 92

The Multinational Corporation 92

The Special Need for Coordination in an MNC 94

Global Business Strategies 95

Global Business Drivers 98

Problems in Implementing Global Information Systems 100

GIS Implementation Strategies 102

Computing Around the World 103

Highlights in MIS Special Training from Hell 107

Putting International Computer Use into Perspective 108

SUMMARY 108 KEY TERMS 109 KEY CONCEPTS 109

OUESTIONS 109 TOPICS FOR DISCUSSION 110 PROBLEM 110

Case Problem Athens Computer Sales and Service 111

SELECTED BIBLIOGRAPHY 112

Chapter 5 Ethical Implications of Information Technology 114

Introduction 115

Morals, Ethics, and the Law 115

The Need for an Ethics Culture 117

Ethics and Information Services 119

Social Rights and the Computer 120

Codes of Ethics 123

Ethics and Information Specialists 124

Ethics and the CIO 126

Highlights in MIS Watch Out for the Software Police 130

A Personal Ethics Guideline 131

KEY CONCEPTS 132 SUMMARY 131 KEY TERMS 132

Topics for Discussion 133 PROBLEMS 133 QUESTIONS 132

Case Problem Farm Depot AG 134

SELECTED BIBLIOGRAPHY 134

Part Three SYSTEMS THEORY AND METHODOLOGIES 137

Chapter 6 The General Systems Model of the Firm 139

Introduction 140

Models 140

The General Systems Model 143

Use of the General Systems Model 151

Highlights in MIS Applying Systems Theory to Everything 152

Putting the General Systems Model in Context 154

SUMMARY 155 KEY TERMS 155 **KEY CONCEPTS 155**

QUESTIONS 156 Topics for Discussion 156 PROBLEMS 156

Case Problem Bargain City 157

SELECTED BIBLIOGRAPHY 158

Chapter 7 The Systems Approach 159

Introduction 160

Problem Solving 160

The Systems Approach 163

Preparation Effort 165

Definition Effort 166

Solution Effort 171

Review of the Systems Approach 173

An Example of the Systems Approach 173

Highlights in MIS Some Problems Practically Defy Solution 176

Personal Factors Influence Problem Solving 179

Putting the Systems Approach in Perspective 180

SUMMARY 180 KEY TERMS 181 KEY CONCEPTS 181

Topics for Discussion 182

PROBLEMS 182

Case Problem Far East Imports 183

Case Problem Micro-Scan Corporation 184

SELECTED BIBLIOGRAPHY 185

Chapter 8 System Life Cycle Methodologies 186

Introduction 187

QUESTIONS 181

The System Life Cycle 187

The Planning Phase 189

Steps of the Planning Phase 190

The Analysis Phase 194

The Design Phase 196

The Implementation Phase 199

Highlights in MIS The Time Must Be Right for Cutover 205

The Use Phase 207

Putting the System Life Cycle in Perspective 208

Prototyping 209

Rapid Application Development 212

CASE 213

Putting SLC, Prototyping, and RAD in Perspective 215

Applying the Systems Approach 218

SUMMARY 218 KEY TERMS 219 KEY CONCEPTS 219

QUESTIONS 220 TOPICS FOR DISCUSSION 220 PROBLEMS 220

Case Problem Epic Publications 221

SELECTED BIBLIOGRAPHY 221

Part Four THE COMPUTER AS A PROBLEM-SOLVING TOOL 223

Chapter 9 Fundamentals of Computer Processing 224

Introduction 225

The Computer as an Element in an Information System 225

Computer Architecture 226

Applying the Systems Approach 227

Primary Storage 227

Input Units 228

Output Units 231

The Role of Input and Output Devices in Problem Solving 233

Software 234

Highlights in MIS And the Winner Is . . . 239

The Role of Software in Problem Solving 240

Achieving User Friendliness in Software 240

Keeping Input Errors to a Minimum 243

Multimedia 246

SUMMARY 249 KEY T

KEY TERMS 250 KEY CONCEPTS 250

PROBLEMS 251

QUESTIONS 250 TOPICS FOR DISCUSSION 251

Case Problem Tri-Cities Furniture 252

SELECTED BIBLIOGRAPHY 253

Chapter 10 The Database and Database Management System 254

Introduction 255

The Hierarchy of Data 255

Data Management 256

Secondary Storage 256

The Relationship of Secondary Storage to Processing 260

The Dawn of the Database Era 262

The Database Concept 264