

# Chapter 4

## Information Systems Usage in Business and Management

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### ABSTRACT

*Information systems in the world of business and management exist to serve varied needs. This article examines the role of information systems technology in business activities and management functions and discusses how organisations can best use information systems. This study provides managers and researchers with a framework for effective use of information systems for business and management purposes and offers an alternative approach to investigate the impact of new technology. The author concludes that a need exists for further research in this field to increase understanding of information systems usage in business and management. The study recommends that more attention be paid to information systems technology, as it is key to better management and succeeding in business.*

### INTRODUCTION

Today, more and more businesses conduct their businesses over the internet and are using information technology and information systems to gain competitive advantages. Many experts have said that we are entering the information age because of information technology and information systems usage. Furthermore, there are few aspects of life nowadays which are unaffected by information technology<sup>1</sup>. Information technology tools are now so pervasive in business environment and it's hard to imagine how organisations would operate without them (Haag & Cummings,

2006). Information technology not only comprises the hardware and software, but also incorporates the network and communication structures, data structures and information and is used in many areas of business to carry out transactions, to try and improve efficiency, reduce costs, record data, provide information, improve customer satisfaction, make decisions and perform an increasing range of tasks (Lucey, 2005).

It is interesting to note that most authors (Lucey, 2005; Wilkinson, 1982; Hicks, 1997) would agree that information systems are playing an increasingly important role in organisations of all types, regardless of their size. Translating the

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real concept of the information systems into reality is technically an infeasible proposition unless computers are used. In addition to more traditional systems which assist in the day-to-day business operations information system is increasingly providing a competitive advantage for the organisation (Thompson & Bee, 2000). While there are studies that show us different approaches and reported diverse findings regarding computers and information systems usage as means of producing information and communicating it (Gordon & Olson, 1985; Hicks, 1997; Lucey, 2005), there have been only a few existing studies that have dealt and examine computer based information systems usage for business and management purposes. To place this study in context, we turn to the papers by Lucey et al. (2005) and Haag and Cummings (2006). They noted that information systems technology support business processes and vary among managerial levels and information systems usage for decision making falls into one of two general categories systems that help users to analyze a situation and leave the decision up to him/her and systems that actually make some sort of recommendation concerning what action to take (Lucey, 2005; Haag & Cummings, 2006).

Along this line our study objective concentrates on the usage of information systems for business and management purposes. In this paper we draw two streams of the literature, namely usage of information systems for business purposes, and usage of information systems technology in management. The focus is to show how organisations can use information systems technology to gain competitive advantages over their competition. Thus, this study provides managers and researchers with a framework of effective use of information systems in business and management and offers an alternative approach to investigate the impact of information systems technology in business and management of organisation.

This research is one of the few academic studies that investigate the usage of information systems technology in business and manage-

ment. Therefore, this study extends the body of knowledge on this research topic and intends to provide a better understanding of influence of information systems technology in business and management of organisation. Our study is also important to managers since it helps managers to understand how information technologies support major components of business activities and management functions. It is especially important to managers at the lower or operational level since it appears that they receive the most aid, since computers and information systems are best able to deal with well-structured problems for which these managers are responsible (Wilkinson, 1982; Gordon & Olson, 1985; Lucey, 2005).

The rest of the article is organised as follows. In the following section we provide a comprehensive review of the literature in the area of information systems and their usage for business and management purposes. The review begins with discussion why information systems technology is essential for business and management and should be central to any business. We then describe definition of information systems and their usage for business purposes. The next section continues with information systems usage for management purposes. Lastly, we conclude our study with a discussion and suggestions for further research.

## **LITERATURE REVIEW**

Theoretical literature and researchers studying have found that there is a relationship between information systems, information technology and business and management. Studies reported diverse findings regarding the influence and usage of information systems technology in business and management. Specifically, the studies have shown that nowadays computers and information systems technology have become an essential part of organisational information processing because of the power of the technology and the volume of data to be processed (Gordon & Olson, 1985). Studies

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