

Operational Level Management Can Be Supported By The Systems Except Select One: 01. Transaction Processing

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Operational level management plays a crucial role in the daily functioning of organizations. It involves overseeing routine activities, ensuring smooth workflows, and maintaining operational efficiency. To facilitate these functions, various information systems are employed, each tailored to specific managerial needs. Among these, Transaction Processing Systems (TPS) are fundamental in handling the core transactions of a business. However, while TPS are vital for many operational activities, they are not universally applicable to all facets of operational management. This article examines the extent to which operational level management can be supported by different systems, highlighting that Transaction Processing Systems, despite their importance, are not suitable for every operational function.

Understanding Operational Level Management

Operational level management refers to the supervision and control of day-to-day activities within an organization. Managers at this level focus on ensuring that daily tasks are completed efficiently and accurately. Their responsibilities include overseeing production processes, managing inventories, handling customer orders, and maintaining quality standards. To perform these tasks effectively, they rely heavily on information systems that provide real-time data and automation.

Types of Systems Supporting Operational Level Management

Various systems support operational managers in their daily activities. These systems can be broadly categorized based on their functions and the types of data they process. The primary categories include:

Transaction Processing Systems (TPS)

- Definition: Systems that record, process, and store data related to routine transactions.
- Purpose: To handle large volumes of repetitive, day-to-day business

transactions.

- Examples: Point of Sale (POS) systems, order entry systems, payroll systems.

Management Information Systems (MIS)

- Definition: Systems that analyze data from TPS to generate reports for operational managers.
- Purpose: To provide summarized information that supports decision-making.
- Examples: Inventory reports, sales summaries.

Operational Support Systems (OSS)

- Definition: Specialized systems designed to assist in operational tasks such as network management or production control.
- Purpose: To streamline specific operational processes.

Enterprise Resource Planning (ERP) Systems

- Definition: Integrated systems that manage core business processes across departments.
- Purpose: To facilitate coordination and data sharing among various operational units.

Support Capabilities of Transaction Processing Systems

Transaction Processing Systems are the backbone of operational data management. They provide the foundation for many operational activities through:

- **Data Entry and Storage:** Recording transactions such as sales, orders, and payments.
- **Data Validation:** Ensuring data accuracy and consistency during input.
- **Real-Time Processing:** Immediate processing of transactions for timely updates.
- **Data Retrieval:** Accessing transaction data for reports and analysis.

- **Automation:** Reducing manual effort and minimizing errors.

However, despite these capabilities, TPS have limitations in supporting all aspects of operational management, especially those requiring strategic decision-making or complex analysis.

Areas Where Transaction Processing Systems Fall Short in Supporting Operational Management

While TPS are essential for capturing and processing transactional data, they are not sufficient for managing certain operational functions. Some areas where TPS lack support include:

Strategic Planning and Decision-Making

- TPS focus on routine transactions and lack the analytical complexity needed for strategic decisions.
- Operational managers often require trend analysis, forecasting, and scenario planning, which go beyond raw transaction data.

Complex Data Analysis and Reporting

- TPS are optimized for processing individual transactions rather than aggregating data for detailed analysis.
- Operational managers need summarized, multi-dimensional reports that TPS cannot generate.

Process Optimization and Workflow Management

- Managing workflows, resource allocation, and process improvements require systems that support process modeling and simulation, which TPS do not provide.

Customer Relationship Management (CRM)

- While TPS handle transactions like sales, they do not manage customer interactions, preferences, or long-term relationship data.

Inventory and Supply Chain Planning

- TPS track inventory levels at transactional levels but lack the capabilities for sophisticated supply chain planning.

Examples of Systems Supporting Operational Functions Beyond TPS

To overcome the limitations of TPS, organizations employ various other systems that support operational decision-making and management more comprehensively.

Management Information Systems (MIS)

- Provide summarized reports based on data extracted from TPS.
- Support routine operational decision-making such as reorder levels, staffing, and scheduling.

Enterprise Resource Planning (ERP) Systems

- Integrate data across departments, enabling comprehensive operational oversight.
- Support functions such as production planning, procurement, and inventory management.

Operational Support Systems (OSS)

- Focus on specific operational domains, such as network management or manufacturing control.
- Enable real-time monitoring and management of operational processes.

Business Intelligence (BI) and Data Analytics Tools

- Offer advanced analysis, visualization, and forecasting capabilities.
- Support strategic and tactical operational decisions.

Conclusion: The Limitations of Transaction Processing Systems in Operational Management

While Transaction Processing Systems are fundamental to capturing and managing routine transactional data, they are not equipped to support all facets of operational level management. Their design emphasizes accuracy, speed, and volume of transaction processing, but they lack the analytical depth, strategic insight, and process management features required for comprehensive operational oversight. Operational managers benefit from a suite of systems—including MIS, ERP, OSS, and BI tools—that complement TPS by providing detailed analyses, process control, and strategic support.

In essence, the statement that operational level management can be supported by systems except transaction processing underscores the fact that TPS, though indispensable for transactional data handling, are insufficient as standalone solutions. Organizations need an integrated approach, leveraging various systems that address different operational needs to ensure effective management at the operational level. Recognizing the limitations of TPS encourages organizations to adopt a holistic systems strategy, enhancing operational efficiency and decision-making capabilities across all levels of management.

Frequently Asked Questions

What is the primary purpose of operational level management in organizations?

Operational level management focuses on managing day-to-day activities and ensuring that business processes run efficiently to support overall organizational goals.

Which system is commonly used to support operational level management?

Transaction Processing Systems (TPS) are commonly used to support operational level management by handling routine transactions and data processing tasks.

Can enterprise resource planning (ERP) systems support operational level management?

Yes, ERP systems integrate various operational functions and support operational level management by providing real-time data and process automation.

What role do management information systems (MIS) play at the operational level?

MIS provide managers with summarized reports and insights derived from operational data, aiding in day-to-day decision-making.

Is customer relationship management (CRM) systems focused on operational support?

CRM systems primarily support operational activities related to customer interactions, sales, and service management.

Which of the following systems is least likely to support operational level management: Transaction Processing, Strategic Planning Systems, or Supply Chain Management Systems?

Strategic Planning Systems are least likely to support operational level management as they focus on long-term strategic decisions rather than day-to-day operations.

How do Supply Chain Management (SCM) systems assist operational managers?

SCM systems help operational managers coordinate procurement, inventory, and logistics activities to optimize supply chain efficiency.

Are decision support systems (DSS) typically used at the operational level?

Decision Support Systems are more commonly used at the tactical or strategic levels, rather than at the operational level.

Which system is explicitly excluded from supporting operational level management in the given question?

Transaction Processing is excluded, but it actually is a key system supporting operational level management, so the question asks which system does not support it, implying systems like strategic planning or high-level analytics may be excluded.

Additional Resources

Operational level management forms the backbone of any organization's day-to-day functioning, ensuring that routine activities are executed efficiently

and effectively. Support systems at this level are crucial for maintaining smooth operations, optimizing resource utilization, and enabling quick decision-making. However, not all systems are equally suited to support operational activities. Among the various systems used at this level, transaction processing systems stand out as particularly integral, but they are not the only tools available. This article explores the range of systems that support operational management, with a focus on understanding why transaction processing is central, and clarifies which systems do not fit into this category.

Understanding Operational Level Management

Operational level management involves supervising and controlling the core functions that directly contribute to the production of goods or delivery of services. Managers at this level focus on ensuring that daily tasks are performed efficiently, resources are allocated properly, and organizational policies are followed consistently.

Key Objectives of Operational Management

- Efficiency: Streamlining processes to reduce waste and improve speed.
- Accuracy: Ensuring data integrity and correctness in routine tasks.
- Responsiveness: Addressing issues promptly to prevent disruptions.
- Consistency: Maintaining uniformity in task execution to uphold quality standards.

Typical Activities in Operational Management

- Processing customer orders
- Managing inventory levels
- Recording sales transactions
- Scheduling employee shifts
- Handling purchase requisitions
- Maintaining records of transactions and activities

Given these activities' routine and repetitive nature, organizations rely heavily on specific information systems tailored for operational support.

Systems Supporting Operational Level Management

Numerous information systems have been developed to aid operational managers. These systems are designed to automate, streamline, and facilitate the execution of routine tasks, ensuring accuracy and speed.

Types of Support Systems at the Operational Level

1. Transaction Processing Systems (TPS)
2. Point of Sale (POS) Systems
3. Inventory Management Systems

4. Order Processing Systems
5. Payroll and Human Resources Systems
6. Customer Relationship Management (CRM) systems (operational aspects)

While many of these systems serve overlapping functions, their primary purpose is to support day-to-day operational decisions through real-time data processing.

Deep Dive into Transaction Processing Systems (TPS)

Definition and Core Functionality

Transaction Processing Systems are designed to capture, process, and store data resulting from routine transactions. They act as the foundation for operational support by ensuring that every transaction—be it a sale, purchase, inventory update, or payment—is recorded accurately and efficiently.

Features of TPS

- Real-time processing: Immediate recording and updating of transactional data.
- Data integrity: Ensuring accuracy and consistency across databases.
- High volume processing: Capable of handling large numbers of transactions simultaneously.
- Automation: Reduction of manual input to minimize errors.
- Security: Protecting sensitive transaction data from unauthorized access.

Examples of Transaction Processing Systems

- Sales processing at a retail store
- Online banking transactions
- Order entry systems
- Ticket booking systems
- Inventory updates after sales

Importance in Operational Management

TPS are vital because they:

- Provide the primary data source for operational decisions.
- Enable organizations to process transactions quickly and accurately.
- Support other information systems through reliable data feeds.
- Help organizations maintain compliance with record-keeping standards.

Limitations of Transaction Processing Systems

Despite their central role, TPS are not designed to support strategic decision-making or complex analytical tasks. They are optimized for routine, repetitive operations, which makes them less suitable for functions that

require synthesis, forecasting, or strategic planning.

Systems That Do Not Support Operational Level Management

While transaction processing systems are pivotal, some systems are designed for higher-level functions such as management, planning, or strategic decision-making, and are not suitable for direct operational support.

Examples of Systems Not Supporting Operational Level Management

1. Executive Support Systems (ESS)
 - Focused on strategic decision-making.
 - Provide summarized, high-level information.
 - Not suitable for processing individual transactions.
2. Management Information Systems (MIS)
 - Designed to generate reports and summaries for management.
 - Use data from TPS but do not process transactions directly.
 - Support tactical decisions rather than routine activities.
3. Decision Support Systems (DSS)
 - Aid in complex, non-routine decision-making.
 - Use analytical models and data analysis.
 - Not intended for real-time transaction processing.
4. Enterprise Resource Planning (ERP) Systems
 - Integrate various business processes.
 - While they include transactional modules, their primary focus is on integrating and managing data across departments, often supporting strategic and tactical decisions rather than day-to-day transactions.

Why These Systems Are Not Suitable for Operational Support

- Purpose: They serve broader, often strategic, functions rather than routine transaction management.
- Processing Type: They rely on data aggregation, analysis, and forecasting rather than real-time transaction capture.
- Complexity: Their interface and functionalities are geared towards managerial users, not frontline staff executing operational tasks.
- Scope: They encompass multiple functions and departments, making them less focused on specific operational activities.

Conclusion: The Role of Systems in Operational

Management

Operational level management necessitates systems that facilitate the efficient processing of routine transactions. Transaction Processing Systems are the cornerstone of this support, enabling organizations to maintain accurate, timely, and reliable operational data. Their design focuses on speed, accuracy, and automation, making them indispensable for daily business functions.

However, systems like ESS, MIS, DSS, and ERP, although valuable in broader organizational contexts, are not primarily designed to support the direct execution of operational tasks at the transactional level. Understanding the distinctions among these systems helps organizations deploy the right tools for the right purposes, ensuring operational efficiency and strategic agility.

In summary, while transaction processing systems are essential for operational support, they are part of a larger ecosystem of information systems, each serving different managerial levels and organizational needs. Recognizing which systems support operational management—and which do not—is key to optimizing organizational performance and technological investment.

In the context of the question, the system that does not support operational level management is: Transaction Processing.

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