Open-Book Management: An approach for Information Sharing to Reduce Organisational Anomie

Ismael H. Khalil, aDuhok Polytechnic University, Duhok, Kurdistan Region, Iraq, Email: aHadikh@dpu.edu.krd

The primary motive behind this study is to enhance understanding of the relationship between open-book management as an approach for information sharing and organisational anomie. The study examined the effects of information sharing, training, and empowerment as principles of open-book management on organisational anomie. Data were collected using a questionnaire from 72 employees at the Administrative Technical Institute – Duhok Polytechnic University, and the hypotheses were tested using several statistical tools. The result of this study revealed that information sharing, training, and empowerment have a significant effect on organisational anomie. The implications, limitations, and suggestions for future research were discussed. The originality of this study stems from the scarcity of studies that investigated the relationships between open-book management as an approach for information sharing and organisational anomie.

Key words: Open-book management, Information sharing, Training, Empowerment, Anomie, Organisational anomie.

Introduction

Contemporary organisations have practised several approaches in a bid to attain greater height in performance, and one of these approaches is open-book management (Alkhamis, 2018). Open-book management focuses on information sharing between management and employees to improve employee’s performance, enhancing employee’s knowledge, and giving employees the opportunity to contribute in setting organisational goals (Alkhamis, 2018; Nikzad and Maryam, 2012; Zhang and Bartol, 2010).
On the other hand, in recent years, organisational anomie has received a high level of attention by authors, researchers, and organisations alike due to its significant role in shaping many negative phenomena in the workplace such as: deviant behaviour, feeling powerless, frustrated, and mistrust between management and employees (Jahanshahi and Dehghani, 2019; Sypniewska, 2017).

Many authors and researchers emphasise that reducing organisational anomie can be through creating an organisational environment characterised by building a constructive relationship with employees through providing them with information that explains the organisational objectives and how to reach such goals (Jahanshahi and Dehghani, 2019; Ahmed, 2016; Cohen, 1993). Although these features are the core of open-management as an approach of information sharing (Nikzad and Maryam, 2012), it is clear through reviewing the literature and previous relevant studies, that there is no empirical study that links open management as an approach for information sharing and organisational anomie, which constitutes a knowledge gap related to determining the nature of the relationship between these variables.

Based on the above, the problem of the current study was diagnosed from the following two sources:

1. The spread of organisational anomie in most Iraqi institutions especially in the public sector as a result of many political, economic, and security crises that cast a shadow over the most organisations in Iraq (Ahmed, 2016; AL-Hakeem and Nasser, 2014; Bayo, 2012).
2. The existence of a knowledge gap represented in the scarcity of field studies that dealt with the relationship between open-book management as an approach for information sharing and organisational anomie. Accordingly, the research questions were formulated as in the following:

1. What is the nature of the relationship between the principles of open-book management as an approach for information sharing and organisational anomie?
2. Does practising the principles of open management as an approach for information sharing lead to reduce organisational anomie?

**Theoretical Review**

*Open-book Management as an Approach for Information Sharing*

Open-book management as a term has been credited to John Case, who began using it and introduced it in the business literature in 1993, he referred to open-book management as follows: “The Great Game of Business is all about promoting clear, effective and open communication in a company” (Al-Taii et al, 2020).
Although there is a diversity in the definitions of open-book management, the content of these definitions is almost the same, and it focuses on the information sharing between top management and employees (Alkhamis, 2018). Nikzad and Maryam (2012) describe open-book management as information sharing between top management and employees. For Alkhatib (2018) it was considered as a scientific methodology emphasising the sharing of financial and non-financial information, share price profits and necessary information in the company. While Nnaji et al (2019) defined it as a managerial philosophy that requires those in the top management level to share financial, operations, and any other required information with everyone, and train them to understand the shared information, as well as empower them to use the shared information in decision-making.

As for the principles of open management, it is evident from the literature on the topic that most authors and researchers agree on four principles which are: information-sharing, training, empowerment, and employee reward (Al-Khatib, 2018; Katier, 2013). This study only focused on the first three principles as they relate directly to the practice of open-book management as an approach for information sharing.

1. Information Sharing (get the information out there): According to this principle all employees must receive information, not only to help them in doing their own jobs effectively but also on how the organisation is doing as a whole (Al-Taii et al, 2020). The essentials of information-sharing according to the philosophy of open-book management are reducing the difference between the information available to management and that available to employees (Aggarwal and Simkins, 2001).

2. Training (teaching and training employees to understand the shared information): open-book management involves teaching and training employees on how to read and understand the shared information (Aggarwal and Simkins, 2001). According to Buhler (2010) various techniques can be used to teach employees about the basics of business, and an internal training program for groups of 30 employees is a useful technique.

3. Empowerment (Employee’s empowerment to make decisions based on the shared information): Empowerment means freeing employees from instructions and controls and allowing them to make decisions themselves, and make the necessary change (Al-Khatib, 2018). Empowerment is not just seeing and understanding the shared information, but it is about taking responsibility for making the information move in the right direction and for helping the organisation to meet its goals (Case, 1997).

Organisational Anomie

The term anomie first appeared in the academic work of the French sociologist Emile Durkheim (1893/1997, 1897/1987); he used it to describe the issue of social disorder and the changing context within European societies (Teymoori, 2016). While organisational anomie
as a term has been first used in Grusky’s (1960) writings on changes in key personnel, he used the term “temporary organisational anomie” to describe how the disturbance of traditional norms affects personnel (Switzer, 2013:27).

Interest in organisational anomie appeared in the year 1994 AD by Messner &Rosenfeld in their theory “institutional anomie theory” which was based on Merton's ideas (Bjerregaard and Cochran, 2008). The institutional anomie theory (IAT) focused on the interplay of four institutions (economy, family, education, and polity) to explain the high rates of crime in the United States compared to those in other countries (Switzer, 2013:30).

Manrique de Lara (2009) referred to organisational anomie as a situation where the employee evaluates his work as weak, so that he or she perceives the organisation doesn’t give an appropriate context to develop labour activities. According to Johnson et al (2011) it is a situation that represents the absence of normative principles for behaviour. Nazalan et al (2012) see it as a condition of instability in societies or individuals resulting from the breakdown of standards and values or a lack of purpose and ideas. From another point of view, organisational anomie means the inefficiency of the norms and values that govern the work of employees, which contributes to building a perception of a lack of organisation's suitability for the social and labour development, and lead the employees to behave in a perverted manner (Formiga et al, 2016). For Jahanshahi and Dehghani (2019) it refers to a feeling of normlessness or alienation within the organisation due to a lack of shared values or ethical standards that regulate the employee’s behaviour.

Martin et al (2009) state that anomie can arise in the organisation through the anomalous conditions that result from periods of adversity, where goodwill among members gives way to egoistic behaviours “deinstitutionalising the normative control system reflected in its ethical climates”. According to Antonio et al, (2015) organisational anomie can be transient or permanent: The first one appears during transition periods, as e.g. mergers, acquisitions, and downsizing, while, the second one happens in a context where employees cannot achieve their personal aspirations or when this is only possible if they belong to a certain group.

According to Sypniewska, (2017) the phenomenon of organisational anomie is part of the nature of any business; she argued that anomie manifests itself in organisations where there are values that have even been written down, but they are not held on to.

**Related Literature and Hypotheses Development**

The rich previous and extant literature highlighted the positive role of open book-management principles on enhancing many organisational variables. This study (Jessica and Leslie, 2009) founded that information-sharing positively predicted a team’s decision
effectiveness, satisfaction, and cohesion. Zhang and Bartol (2010) conducted a study on information technology sector in China and they found a positive impact of empowerment on employee’s creativity. This study (Chiang and Hsieh, 2012) showed a positive impact of employee empowerment on their job performance.

Many authors and researchers focused on the role of empowerment through information sharing on the improvements in coordination and decision-making; they argued that empowerment enabled them to work towards organisational goals consistent with their goal. Furthermore, empowerment will reduce the incongruence and prevent losses that may result from conflicting goals (Devaraj et al, 2007; Kulp et al, 2004).

Several studies found a positive impact of training on job performance (Padmasire et al, 2018; Elnaga and Imran, 2013). According to Alkhamis (2018) employee training has a significant effect on employee job performance. This study (Al-Sha’ar, 2016) showed a significant effect of information-sharing, empowerment, and training on achieving differentiation in business organisations. The results of a study by Micheli et al (2018) showed that information-sharing is positively associated with managerial performance. This study (Al-Taii et al, 2020) showed that organisational agility is influenced by information-sharing, training, and empowerment.

As for the related literature of organisational anomie, most of them focused on the role of organisational anomie in shaping negative behaviours in an organisation. Lee et al (2015) found that high quality of life at work is associated with anomie behaviours at the workplace. The results of this study (Antonio et al, 2015) showed negative impacts of organisational anomie on social support at work and on professional self-concept. This study (Al-Hakim and Nasser, 2013) showed a direct significant positive relationship between organisational anomie and counterproductive work behaviour. Ahmed (2016) found a significant impact of information exchange, collaborative behaviour, and joint decision making on organisational anomie. The results of this study (Sypniewska, 2017) demonstrated that the phenomenon of anomie at work is present in organisations regardless of the type of organisation activity, capital, and size, but it is dependent on the employee characteristics (gender, age, education, form of employment, and position). According to this study (Choi et al, 2018) organisational anomie leads to a high level of unethical and illegal behaviours. Finally, the findings of this study (Jahanshahi and Dehghani, 2019) supported the negative impacts of social dimensions of the quality of work life on anomie at the workplace.

Based on the previous related literature and studies, which indicated a significant positive relationship between the principles of open management as an approach for information-sharing and other organisational variables, while it indicated a significant negative relationship between organisational anomie and other organisational variables; it is expected
that open-book management as an approach of information-sharing represented by its principles (information-sharing, training, and empowerment) can lead to a reduction in organisational anomie. Accordingly, the following hypotheses were presented:

**H1**: Information-sharing has a negative impact on organisational anomie.

**H2**: Training has a negative impact on organisational anomie.

**H3**: Empowerment has a negative impact on organisational anomie.

**Methodology**

**Research Design**

This study is considered as a causal study, which is a descriptive analytical approach used to investigate the impact of open-book management principles (information-sharing, training, and empowerment) on organisational anomie.

**Instrument**

In this study, previously published scales were used to collect data relevant for the study. To measure information sharing, employee training, and employee empowerment, 15 items were used (5 items for each variables). All items were adopted from Al-Khatib (2018), and Nikzad and Maryam (2012). A sample item of information-sharing is, “All information (financial and non-financial) is reported to me in a transparent manner”. A sample item of employee training is, “The training improves the employee's ability to understand performance indicators”. A sample item of employee empowerment is “senior management encourages employees to show their abilities”.

Organisational anomie was assessed using 15 items adopted from that of Souza and Ribas (2013) and the sample item is “In my work I don’t know to whom I can tell the truth”. The measurement instruments were designed on a 5-point Likert Scale: Strongly Agree, Agree, Undecided, Disagree, and Strongly Disagree; with their corresponding weights of 5, 4, 3, 2 and 1, respectively. After data collection it was analysed using the SPSS software version (22).

**Measure’s Reliability and Normality**

Cronbach alpha coefficient test was use to evaluate the reliability of the measure. As can be seen in Table 1, Cronbach’s alpha values of all variables ranged from 0.725–0.922, thus a good level of reliability was achieved by the instrument used in the current study.
Table 1: Results of reliability test

<table>
<thead>
<tr>
<th>Variables</th>
<th>Cronbach's Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information sharing</td>
<td>0.733</td>
</tr>
<tr>
<td>Employee training</td>
<td>0.725</td>
</tr>
<tr>
<td>Employee empowerment</td>
<td>0.824</td>
</tr>
<tr>
<td>Organisational anomie</td>
<td>0.922</td>
</tr>
</tbody>
</table>

Normality distribution was examined using Kolmogorov-Smirnov, Shapiro-Wilk, Skewness Coefficient, and the Kurtosis Coefficient. It was noted from the results in Table 2 that the collected data fulfill the conditions of normal distribution, since the significant levels of Kolmogorov-Smirnov and Shapiro–Wilk values were higher than 0.05, maximum obtained value of kurtosis was 0.408, and the skewness values ranged between -0.083 and -0.658. According to Kline (2011), the acceptable values of kurtosis are 7 or below, and the acceptance values of skewness ranges between -3 and 3.

Table 2: Results of normality distribution test

<table>
<thead>
<tr>
<th>Variables</th>
<th>Kolmogorov-Smirnov</th>
<th>Shapiro Wilk</th>
<th>Kurtosis</th>
<th>Skewness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information sharing</td>
<td>0.200</td>
<td>0.757</td>
<td>0.003</td>
<td>-0.295</td>
</tr>
<tr>
<td>Employee training</td>
<td>0.171</td>
<td>0.097</td>
<td>0.190</td>
<td>-0.612</td>
</tr>
<tr>
<td>Employee empowerment</td>
<td>0.200</td>
<td>0.238</td>
<td>0.408</td>
<td>-0.083</td>
</tr>
<tr>
<td>Organisational anomie</td>
<td>0.097</td>
<td>0.059</td>
<td>-0.110</td>
<td>-0.658</td>
</tr>
</tbody>
</table>

Participations

The population of this study consisted of all employees of the technical institute of administration / Duhok Polytechnic university (N=78). A total of 75 questionnaires were distributed on the employees during December 2019. There were 72 valid and reliable surveys which represented a response rate of 96%. Among the respondents, 32% were male and 68% were female; 72% were married and 28% were unmarried; most of the respondents (64%) were between the age 31-45; In terms of educational background, the largest percentage in the sample (44%) received a Bachelor degree. The majority of the respondents (83%) have had between 6 and 15 years of work experience (total number of years working in the institute).
Results

Descriptive Statistics and Correlation Matrix

The means (M), standard deviations (SD), and Correlation coefficients (r) values for the four variables were provided in Table 3. According to the results of table (3), those who responded identified the presence of information sharing as the greatest principles of open-book management as it ranked the first by the highest mean (M=2.736, SD=0.794). This was followed by training (M=2.542, SD=0.843); empowerment had expressed the least principles among the principles of open-book management, as it was rated by the least mean (M=2.597, SD=0.838). These values indicate that respondents agree on moderate levels of practising the principles of open management as an approach for information in the surveyed institute. While it is clear from table 3 that most of the respondents believe the existence high level of organisational anomie (Mean =3.730, SD=0.671).

The results in table 3 clarified that all principles of open-book management were positively and significantly interrelated; Information sharing was correlated to employee training (r = 0.390, P < 0.01) and, employee empowerment (r = 0.633, P < 0.01), employee training was correlated to employee empowerment (r= 0.540, P<0.01). Table 3 also clarified that all principles of open-book management were negatively and significantly correlated with organisational anomie, information-sharing (r = -0.463, P < 0.01), employee training (r = -0.727, P < 0.01), and employee empowerment (-0.528, p<0.01).

Table 3: Descriptive Statistics and Correlation Matrix of Constructs

<table>
<thead>
<tr>
<th>Variables</th>
<th>Descriptive Statistics</th>
<th>Correlation Matrix</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M</td>
<td>SD</td>
</tr>
<tr>
<td>1. Information-sharing</td>
<td>2.736</td>
<td>0.794</td>
</tr>
<tr>
<td>2. Employee training</td>
<td>2.542</td>
<td>0.843</td>
</tr>
<tr>
<td>3. Employee empowerment</td>
<td>2.597</td>
<td>0.838</td>
</tr>
<tr>
<td>4. Organisational anomie</td>
<td>3.730</td>
<td>0.671</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level.

Results of Testing Hypotheses

Simple linear regression, F test, and the coefficient of determination (R²) were used to test the effect of the principles of open-book management on organisational anomie.

A set of simple linear regression was used to predict the effect of information sharing, employee training, and employee empowerment as independent variables on organisational anomie as a dependent variable. The results are presented in Table (4). For the first simple
linear regression (model 1), it is clear that information-sharing has a significant negative effect on organisational anomie \( (\text{Beta} = -0.463, t = -8.858, P = 0.000) \). For the second simple linear regression (model 2) the results clarified that employee training has a significant negative effect on organisational anomie \( (\text{Beta} = -0.727, t = -4.365, P = 0.000) \). The results for the third simple linear regression (model 3) clarified that employee empowerment has a significant negative effect on organisational anomie \( (\text{Beta} = -0.528, t = -5.203, P = 0.000) \).

Based on the results of hypotheses testing, the decision taken is H1, H2, and H3 are accepted.

### Table 4: Results of simple regression analysis test

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardised Coefficients</th>
<th>Standardised Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>4.799</td>
<td>0.255</td>
<td>18.817</td>
</tr>
<tr>
<td></td>
<td>Information-sharing</td>
<td>-0.391</td>
<td>0.090</td>
<td>-0.463</td>
</tr>
<tr>
<td>2</td>
<td>(Constant)</td>
<td>5.200</td>
<td>0.175</td>
<td>29.750</td>
</tr>
<tr>
<td></td>
<td>Training</td>
<td>-0.579</td>
<td>0.065</td>
<td>-0.727</td>
</tr>
<tr>
<td>3</td>
<td>(Constant)</td>
<td>4.829</td>
<td>0.222</td>
<td>21.764</td>
</tr>
<tr>
<td></td>
<td>Empowerment</td>
<td>-0.423</td>
<td>0.081</td>
<td>-0.528</td>
</tr>
</tbody>
</table>

**Source:** SPSS data processing results.

The F test was conducted on all independent variables to determine whether these variables together have a significant effect on the dependent variable. According to results summarised in Table 5, F value of 7.836 is significant at 0.000 < 0.05 so that this results indicate that information-sharing, training, and empowerment together have a significant effect on organisational anomie.

### Table 5: Results of F test

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>DF.</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>18.258</td>
<td>3</td>
<td>6.086</td>
<td>30.116</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>13.741</td>
<td>68</td>
<td>0.202</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>31.999</td>
<td>71</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Source:** SPSS data processing results.

The Determination Coefficient \( (R^2) \) was used to expresses the percentage of variability observed in the dependent variable when using the independent variables together to predict it. According to the results summarised in Table 6, \( R^2 \) value was found to be 0.571. This result implies that information sharing, training, and empowerment as independents can explain together 57.1% of the total differentiation in the level of organisational anomie as dependent, while, 42.9% explained by the other factors not examined.
Table 6: Results of Determination Coefficient ($R^2$) test

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.755</td>
<td>0.571</td>
<td>0.552</td>
<td>0.450</td>
</tr>
</tbody>
</table>

Source: SPSS data processing results.

Discussion and Conclusion

This study has contributed to basic research on open-book management and organisational anomie by examining the impact of the principles of open-book management as an approach for information sharing on organisational anomie. In this regard, three of principles of open-book management, namely, information sharing, training, and empowerment, were considered to assess their impact on organisational anomie.

The results of the descriptive statistics showed a moderate level of information-sharing, training, and empowerment in the surveyed institute, reflecting that the interest of the surviving institute management in open-book management as an approach for information sharing is not common. While the descriptive statistics showed a high level of organisational anomaly in the surveyed institute, which according to Jahanshahi and Dehghani (2019) and Choi et al (2018) lead to many negative behaviours at work place such as high turnover, low morale among employees, organisational failure, and lack of adherence to values and norms.

Based on the results of correlation analysis between the principles of open-book management and organisation anomie, they have been shown to be significant and negative; it can be concluded that a high level of organisational anomie is associated with a low level of information-sharing, employee training, and empowerment.

According to the results of regression analysis, information-sharing has a significant and negative effect on organisational anomie; this means information-sharing is one of the factors that predicts organisational anomie. This result is in line with the result of Jahanshahi and Dehghani (2019) which found that building a constant relationship with the employees, explaining clearly the organisational goals, and providing information about the appropriate behaviour at work or how they should behave in the workplace, are some solutions to reduce the level of organisational anomie.

The findings also confirm that training significantly and negatively impact on organisational anomie, which mean that teaching and training employees to understand the shared information will lead to reduce the level of organisational anomie. Furthermore, the results showed a significant and negative effect of empowerment on organisational anomie, which indicate that high level of employee’s empowerment to make decisions based on the shared information will lead to reduce the level of organisational anomie. This result is in line with
the point view of Cohen (1993) who state that to decrease organisational anomie, authority should be distributed equitably, at various levels of the hierarchy.

The results indicated that according to Beta values, employee training was the most efficacious principle in its effect on organisational anomie (Beta=-0.727), followed by employee empowerment (Beta=-0.528) and information-sharing (Beta=-0.463). These results illustrated the important of training, when an organisation seeks to reduce the level of organisational anomie, employee empowerment should be put as second priority after training. This result is in line with the view of Alkhamis (2018) who view that the empowerment of an undertrained employee is futile and the desired benefits of empowerment will be not realised without training, and empowerment should be considered as pivotal stakes in the process of open-book management implementation.

According to Nnaji, et al(2019) and Al-Khatib (2018) open-book management practising can lead to many positive results that in turn can reduce the negative behaviour in the workplace, and among these positive results are an increase in confidence between management and employees, helping employee carry out their responsibilities and fully understand the general performance of the organisation, as well as an increase in the level of organisational commitment and job satisfaction among employees. In line with this point of view, the results of the current study showed that practising open-book management as a managerial approach for information sharing at the macro level (all principles together) significantly effects organisational anomie (F=30.116, p=0.000), and it also explains (57.1%) the variance in organisational anomie values (R2=0.751).

It can be concluded that the basic finding of this study indicates that the principles of open-book management as an approach for information sharing tend to reduce organisational anomie. This study provides a good contribution for the previous literature as it has successfully combined three principles of open management, which are information-sharing, training, and empowerment, within one concept, which is open-book management as an approach for information-sharing, and investigates the effects of these principles on organisational anomie. This study also provides good managerial contributions, since the management can adopt the results of the current study in the arrangement of these principles according to priority and importance when practicing open management, starting with employee training, employee empowerment, and finally information-sharing.

As suggestion: for effective practicing open-book management as an approach for information sharing, the results strongly suggest the necessity of managers paying attention to information-sharing through providing a clear and two-way communication system between management and employees, training employees according to scientific programs to develop their capabilities and improve their understanding of performance reports, and creating
empowerment culture by expanding the delegation of authorities to the employees so that they can make the right decisions that relates to their work at the right time.

In order to reduce the high level of organisational anomie, management must implement effectively organisational policies, ensure the effectiveness of the standards that regulate the work of the organisation with special attention to the situation that shows weak regulatory standards, maintaining organisational values, creating trust between management and employees, and assisting employees in achieving their personal aspirations.

**Limitations of the Study and Future Research**

Such as most survey-based study, this study is not without its limitations. First the study is limited in terms of sample size, as the study was conducted in one of the institutes affiliated to the Duhok Polytechnic University, so the size was small. Future study can include other institutes and colleges in the same university study to increase the sample size. The second limitation of this study is that it focused on high education sector, thus, it was proposed to conduct another study with the same variables as the current study in other sector to see if such findings differ.
REFERENCES


