Organising and Coordination in Support of Knowledge Work:  
Examples from Practice

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Abstract: One of the primary tasks of organisations is to find a way to use the knowledge they have at their disposal. From this perspective, organisations have three critical tasks; to manage their employees' personal knowledge, make personal knowledge of employees available for their colleagues, and find how to use the knowledge embedded in artefacts and procedures. Coordination and organising are managerial activities through which organisations orchestrate their employees' work and knowledge and balance reliability and adaptability. Coordination is a horizontal process of orchestration of individual activities and knowledge by rules, guidelines, normative or spontaneous emergent activities of individuals and organising is a vertical process through which organisations make their decisions. This paper aims to discuss how different arrangements of coordination and organising influence work with knowledge. The paper explains the potential, advantages and disadvantages of different arrangements of coordination and organising for work with knowledge and provides examples of organisations that use these arrangements in practice.

Keywords: knowledge, work with knowledge, coordination, organising

1. Introduction

People are social beings, and as such, they live in groups. Organised groups of people with purpose are called organisations (Cambridge Dictionary, 2022). All organisations, regardless of their purpose, must interconnect the activities of their members to achieve their objectives, develop and survive in their environment.

When looking deeper, we see that organisations do not interconnect activities of different members but their knowledge, specifically its creation, sharing and exploitation. Knowledge of an individual even though a highly educated expert is limited. Therefore, the work with knowledge in an organisation is always a collective action. “Our intelligence resides not in individual brains but in the collective mind. To function, individuals rely not only on knowledge stored within our skulls but also on knowledge stored elsewhere: in our bodies, in the environment, and especially in other people. When you put it all together, human thought is incredibly impressive.” (Sloman and Fernbach, 2017, p.7).

From this perspective, organisations have three critical tasks; to manage their employees' personal knowledge, make personal knowledge of employees available for their colleagues, and find how to use the knowledge embedded in artefacts and procedures (Sloman and Fernbach, 2017). Personal knowledge is in employees' heads, often in tacit form, and it is the foundation of employee expertise. The organisation's role is to help the employee develop it and use it in work for the organisation. As an individual's knowledge is always limited and every individual strongly depends on other people's knowledge, organisations must also organise flows of personal knowledge (tacit and explicit) among their members. Up to this, artefacts and procedures in an organisation comprise a considerable amount of knowledge that needs to be released, coordinated, and interrelated with employees' personal knowledge.

Organisations use two tools to orchestrate the activities and work with the knowledge of their employees, coordination and organising. Different arrangements of coordination and organising support or inhibit different knowledge tasks. Even though organising and coordination may be understood as synonyms or one part of the other, we understand them as different sets of activities in our paper. This approach allows us to demonstrate their different impact on knowledge work. Organising is a vertical process through which organisations make their decision. The result of organising is an organisational structure. Coordination is a horizontal process of orchestration of individual activities by rules, guidelines, normative or spontaneous emergent activities of individuals. They interconnect activities and knowledge sharing regardless of hierarchy in an organisation.

This paper aims to discuss how different arrangements of coordination and organising influence work with knowledge. The paper explains the potential, advantages and disadvantages of different arrangements of coordination and organising for work with knowledge and provides examples of organisations that use these arrangements in practice.
2. Background

2.1 Knowledge and Organisations

In our paper, we understand organisations as entities that depend on the division of cognitive labour (Sloman and Fernbach, 2017, p. 12), e.g. as entities dependent on the knowledge they have at disposal and the work with it (Bedgood, 2022).

We agree with Sloman and Fernbach (2017, p. 12) that “The secret to our success is that we live in a world in which knowledge is all around us. It is in the things we make, in our bodies and workspaces, and in other people” (Sloman and Fernbach, 2017, p. 12) and with von Hayek (1945) that “Knowledge is not, and cannot, be concentrated in a single mind, and no single mind can specify in advance what kind of practical knowledge is going to be relevant, when and where”. We also believe that “Sharing skills and knowledge is more sophisticated than it sounds. Human beings don’t merely make individual contributions to a project, like machines operating in an assembly line. Rather, we are able to work together, aware of others and what they are trying to accomplish. We pay attention together, and we share goals.” (Sloman and Fernbach, 2017, p. 13). “Organizational success depends on adopting the learning processes using various mechanisms and technologies” (Adel Odeh et al., 2021, p.11). From this perspective, organisations are environments where people come together and together share and develop knowledge.

“The implementation of Knowledge Management (KM) supports business organizations to achieve both process outcomes and organizational outcomes” (Usman et al., 2021, p.15). Organisations have three critical tasks concerning work with knowledge; to manage their employees' personal knowledge, make personal knowledge of employees available for their colleagues, and find how to use the knowledge embedded in artefacts and procedures (Sloman and Fernbach, 2017).

2.2 Coordination and organising

Coordination and organising are sets of activities that allow organisations to manage their division of labour, cognitive labour and knowledge. To organise means to “arrange systematically” (Dictionary, 2022a) and “organising is understood as a managerial function that arranges people and resources to work toward a common goal. It identifies who is to do what and who is in charge of whom (Schermerhorn, 2014, p.208-209). Schermerhorn (2014) goes on explanation “When managers organise things, they arrange people and jobs into meaningful working relationships. They clarify who is to do what, who is in charge of whom, and how different people and work units are supposed to cooperate. This creates what we call the organisation structure, a formal arrangement that links the various parts of an organisation” (Schermerhorn, 2014, p. 209).

Coordination is defined as “organisation of the different elements of a complex body or activity so as to enable them to work together effectively” (Dictionary, 2022b) or as the process through which people arrange actions in ways that they believe will enable them to accomplish their goals (Cannon-Bowers et al., 1995; Weick, 1979).

Organising and coordination are often defined vaguely as interrelated terms, sometimes are used as synonyms, or one is superior to the other. For example, by Barnard (1968), organisations are recurring achievements of human coordination (Barnard, 1968), or coordination is the process people use to create, adapt, and re-create organisations (Quinn and Dutton, 2005). Lee (2022) writes, “coordination happens via formally dividing decision-making tasks into smaller components and vertically delegating those components among managers at each hierarchical level” (Lee, 2022, p. 62). Bouty and Drucker-Godard (2019, p. 569) see coordination as “accountability (distribution and assuming of responsibilities), predictability (anticipation of subsequent tasks), and common understanding (shared perspective on the task)”.

Some authors of managerial literature tend to understand coordination as a specific set of activities inside organising (Schermerhorn, 2014, Veber, 2009, Robins and Coulter, 2012).

Birkinshaw (2012) separates the lateral task of coordination with the vertical task of organising, e.g. organising and coordination are two distinct and separated sets of activities, each of which has its purpose in the organisation and its tools (Birkinshaw and Goddard, 2009; Birkinshaw, 2012).

Organising is a vertical process through which organisations make their decisions. Organising defines decision-making rights and competencies, and it results in organisational structure. Coordination is a horizontal process
of orchestration of individual activities by rules, guidelines, normative or spontaneous emergent activities of individuals. They interconnect activities and knowledge regardless of hierarchy in an organisation (Birkinshaw and Goddard, 2009; Birkinshaw, 2012).

Birkinshaw and Goddard (2009) and Birkinshaw (2012) argue that organisations can approach organising (it is called decision-making in the Birkinshaw model) and coordination differently, either in a more traditional way or in a more alternative way. As for coordination, the traditional way is bureaucracy, e.g. a horizontal process of coordination based on normative, standards, rules and processes. The alternative way is emergence, the spontaneous coordination through the self-interested behaviours of independent actors. Traditional organising is represented by a hierarchy, legitimate authority over subordinates. The alternative organising is represented by collective wisdom, the ability to aggregate the expertise of a large number of people. A different approach to organising introduces different adaptability; a different approach to coordination introduces different reliability (Bernstein et al, 2016) and influences the organisation's work with knowledge.

3. Objective and Methodology

This paper aims to discuss how different arrangements of coordination and organising influence work with knowledge. We use the experience of four companies as an example.

The data used in this paper are secondary data from the literature. The literature review on coordination, organising and their tools started with the keyword search in relevant 10 top AIS journals. The additional literature was collected based on relevant citations found in these journals and further keyword searches in other types of academic and practice-oriented resources. Keywords were coordination, organising, hierarchy, emergence, bureaucracy, collective wisdom. The literature review of knowledge management topics followed the same pattern. Keywords were knowledge, work with knowledge, organisational knowledge. This paper covers only the works relevant to this paper.

Companies discussed in this paper were chosen from the pool of companies already known and discussed in the literature on different types of management models. Collection of data about the company started with corporate web pages and materials. This search provided us with basic data about companies and their management. The next step was the key-world search in the EBSCO database. We searched for three fundamental keywords – the name of the company, the company’s name with the word management and the name of the company together with the word case. This search provided us with research papers on companies. The third step was the Google search that allowed us to collect data from professional journals and blogs.

In this paper, coordination and organising are perceived in terms of the Birkinshaw model of management models. Organisations can coordinate and organise either in a more traditional way or a more alternative one. We do not work with options between these two. As for coordination, the traditional way is bureaucracy, e.g. a horizontal process of coordination based on normative, standards, rules and processes. The alternative way is emergence, the spontaneous coordination through the self-interested behaviours of independent actors. Traditional organising is represented by a hierarchy, legitimate authority over subordinates. Alternative organising happens by collective wisdom, the ability to aggregate expertise of a large number of people (Birkinshaw and Goddard, 2009; Birkinshaw, 2012).

4. Findings

There are four basic combinations of traditional and alternative ways companies can adopt for coordination and organising; bureaucracy and hierarchy, emergence and collective wisdom, bureaucracy and collective wisdom and emergence and hierarchy. Each of them influences how an organisation works with knowledge in a different way.

4.1 First combination – Bureaucracy and hierarchy

The first combination puts together bureaucracy (coordination) and hierarchy (organising). It is a traditional combination. A typical example of an organisation using this combination is McDonald’s.

As for organising, McDonald’s uses a centralised international structure with power allocated to McDonald’s headquarters (Prez, 2022). The centralised global hierarchy is based on performance-based divisions (US, International Lead Markets, High Growth Markets, Foundational Markets and Corporate), functional groups
Ludmila Mládková

(People group, Supply chain group), and regional managers who decide on licenses and locations, approve independent distribution and warehouses and control quality. This arrangement enables to direct all activities from CEO down to middle managers, franchisees, restaurant managers and employees and to control the company (McDonald’s, 2022b).

Bureaucracy is represented by strong standardisation, various normative and processes and keeps McDonald’s services compatible in different regions. “The restaurants do not all have identical menus, but they do have the same mission and accomplish this mission by employing proven processes and methods. These processes and methods have been developed, evaluated, documented, and shared with all employees and franchise owners. Even though the menus may differ, the business practices are the same” (Hurley, 2005). The company works on standardised processes, design and offer where every employee is a part of a puzzle with clearly defined specialised tasks. Activities are planned on job roles, locations and moves. Quality of service is evaluated to clear criteria.

McDonald’s orientation to centralised, hierarchical management and bureaucracy that standardises various parts of their operation (food preparation, search for suppliers, quality measures, etc.) directs the company’s work with the knowledge to the explicit dimension. The work with tacit knowledge is limited by its high costs of replication and the inability of the firm to appropriate its value (Grant, 2000). McDonald’s employees go through a detailed training system. They are perfectly trained for their specialised job. Since July 2018, 1,000,000 young people have participated in training programs (McDonald’s, 2022a). Knowledge sharing between employees of different specialisations is not supported. Employees cannot change the system but can propose changes to their managers. Employees who want to get to higher levels of the organisation are offered training, education and leadership development programs (McDonald’s, 2022a) and may participate in the Hamburger University, which emphasises socialisation and cultural integration conducive to the replication of organisational routines (Grant, 2000). Due to bureaucracy represented by strict standardisation, a lot of knowledge is embedded in artefacts and procedures, for example, in the specific document called the Bible. McDonald’s style of work with knowledge does not call for highly specialised employees with high requirements for training and development. The company’s success is based on low-cost replication of its systematised knowledge (Grant, 2000). On the other side, this approach brings the challenge of building barriers to external replication. McDonald’s procedures are well known (maybe except for some recipes); thus, as all the major purveyors of systematised knowledge McDonald’s invest heavily in brand building (Grant, 2000).

4.2 Second combination – Emergence and collective wisdom

This combination is an alternative combination to the previous one. It is the combination where coordination (emergence) and organising (collective wisdom) are informal and left on employees. Buurzorg, the Dutch healthcare company, can serve as an example. The company was founded in 2006 in response to bureaucratisation of social services in the Netherlands. The vision of the founders was a customer and employee friendly company. “Buurzorg’s organisational structure is simple and flat with no middle management layers, no departmentalisation, minimal back-office functions and minimal employee monitoring and controlling functions. Home care employees are organised in independent, autonomous, self-managing teams with no team leaders and under no line-managerial direction or control” (Kaloudis, 2016, Section A). The decisions happen in the teams, that regularly meet to decide on patient care (visit schedules, timetables, type of care, contact with client) and team administration (salaries, holidays, new hires) (Laloux, 2014).

Buurzorg coordination is emergent, except for a few rules (and medical regulations). The basic rules are: team availability for clients 24 hours 7 days a week, max size of team 12 members, 60% of contracted hours of an individual must be billable, decisions must be collective, tasks and responsibilities are distributed, teams must participate in coaching, team members appraise each other, teams create yearly plans and monitor client satisfaction (Laloux, 2014; Kaloudis, 2016).

Buurzorg works with knowledge is focused mostly on work with tacit knowledge. The company works primarily with two types of knowledge - professional knowledge and knowledge on management and administration of teams. Nurses who join the company are already professionals who have professional knowledge. Still, when a nurse joins the team, she gets knowledge support and peer-coaching from her team members, if necessary, from regional coaches at headquarters. Knowledge sharing inside teams is very intense, and teams are actually communities of practice (the domain is the care for the client). Knowledge sharing among teams is supported by Buurtzorg Web. Teams can also visit other teams or ask via the Web other teams for knowledge, help and
support. The annual conference meeting takes all teams together. The Buurzorg Web is the primary pool of
codified knowledge. It includes Buurtzorg Academy and provides training and e-learning materials (Laloux, 2014;
Kaloudis, 2016; Buurzorg, 2022).

As for knowledge on management and administration, Buurtzorg trains individuals and teams in self-
management. Solutions-Driven Interaction System (Laloux 2014) helps employees with group decision-making,
conducting meetings, active listening, non-violent communication, conflict-resolution, problem-solving and peer
coaching (Laloux, 2014; Kaloudis, 2016). Administrative tools, aids, forms are available in the BuurtzorgWeb, the
small back office that provides teams with administrative help in finances and contracts (Gray et al., 2015).

Buurtzorg approach based on loosened coordination and organising built on small teams (communities of practice)
enables smooth knowledge flow, supports knowledge sharing and development of new knowledge. Since 2006
when founded by five people, the company grew to over 10000 people operating in 25 countries (Buurzorg,
2022).

4.3 Third combination – Bureaucracy and collective wisdom

The combination of traditional coordination (bureaucracy) and alternative organising (collective wisdom)
appears in organisations that decided to organise in a loose, non-hierarchical way but did not or failed to release
the coordination. The result is a flat organisational structure combined with bureaucracy.

A good example of such an organisation is Zappos, the US online shoe store. In 2014 Zappos adopted a
management model based on the concept of holacracy. The concept is inspired by sociocracy, a sort of Quaker
meetinghouse decision-making system (Reingold, 2016). Zappos replaced hierarchy by work of circles that
operate next to and on top of each other. People do not have jobs; they have “roles”. One person can have more
roles; similar roles create a circle (Reingold, 2016). Deciding is up to employees in the teams, not managers. So-
called “lead links” (leaders) help to assign people to roles but do not decide. Decisions about what each role
entails and how various teams should function are instead made by a governing process run by people from
each circle. The role of the one who organises and who is organised changes all the time.

The alternative way of deciding is balanced with strict bureaucratic procedures of circle administration, role
adjustment and communication (Denning, 2015). These regulations are together with procedures and
regulations for meeting management and decision making listed in the so-called Constitution.

Personal learning and growth are one of the company’s key values and are supported by a corporate reward
system. Employees are motivated to shadow a colleague with the skill they want to learn, demonstrate it
successfully in 30 days and then pass the skill test. Most skills translate into an incremental $0.25 to $1/hour
increase in hourly wage. Individuals are coached. Personal, professional objectives are discussed with the
company head coach. Employees are helped to achieve them via improvement of their accountability,
confidence, and planning skills (Cheng, 2013).

The knowledge sharing among individuals is supported through the weekly team meetings, where what went
well or wrong, improvements and core values are discussed. Zappos also uses internal wikis and blogs to help
employees solve problems together. There are quarterly all-staff meetings where all employees come together
to discuss lessons learned and share frequently encountered problems and common solutions. Employees see
randomised series of photos of their colleagues from different teams on the screen of their departments to stay
familiar with them. Conclusion: there are short exercises that help evaluate the strength of the employee’s
relationship to colleagues and help reinforce the networks of collaboration (Cheng, 2013). The stress on
teamwork starts in the recruitment process that involves two interviews - one to assess fit with the job and
another to assess cultural fit with the company (Nie & Lennox, 2011).

Zappos is trying to make all the roles, responsibilities and policies of the organisation explicit and stores them in
software known as “Glass Frog.”(Denning, 2015). The Constitution serves as a pool of procedures and
regulations. Still, the primary stress seems to be on tacit knowledge.

4.4 Fourth combination – Emergence and hierarchy

The last option combines hierarchy (organising) with emergence (coordination). Such companies have
centralised deciding but lack typical bureaucratic tools of coordination like job descriptions and design,
guidelines for evaluation, processes, etc. In many cases, this arrangement means that the company is mismanaged by an autocratic manager who tries to manage and control the whole company alone because he does not trust other people. As an example may serve Ford Motor Company after H. Ford forced J. Couzens from the company in 1917. H. Ford was a brilliant engineer and entrepreneur who is highly credited for new managerial techniques such as mass production, standardisation, precise calculations, etc., but many of them were ideas of J. Couzens, company general manager. Ford believed that business does need managers and management, just the entrepreneur and helpers. J. Couzens, before he left, moderated such ideas and actually managed the company, including finances, distribution, marketing, sales and personnel. After his departure, H. Ford had taken every single top-management function into his own hands and developed a specific one-person hierarchy with himself as the exclusive decision-maker on the top. He disregarded not only managers but also managerial tools of coordination (except these in operation) and strictly applied his ideas, firing or sidelining any one of his “helpers,” no matter how able, who dared act as a “manager,” make a decision or take action without orders from Ford. He misdirected managers, set up their jobs improperly, created a spirit of suspicion and frustration, disorganised his company, and stunted or broke management people. (Drucker and Maciariello, 2008). This led the company to big problems until it was taken over by H. Ford II., the grandson of the founder, in 1944.

This managerial approach does not support work with knowledge at all. Knowledge, its creation and use are limited to the knowledge of the autocratic manager who does not share it with other people. Knowledge of other people, tacit or explicit, is not shared either.

5. Discussion

Examples of organisations from practice discussed in our paper indicate that different combinations of tools of organising and coordination provide distinct support to knowledge work. This result is compatible with the ideas of Usman et al. (2021), who write that internal procedures influence how organisations manage their knowledge.

The combination of emergence and collective wisdom supports work with tacit knowledge (both individual and group) but creates a chaotic environment that does not support codification and where knowledge may be lost. These findings correspond with the idea that decentralised non-hierarchical structures facilitate knowledge creation by motivating people in the organisation to be involved in sharing ideas (Lee and Choi, 2003) and support natural knowledge building (Howells, 2000, Usman et al., 2021, Nonaka and Takeuchi, 1995).

The example of McDonald’s shows that bureaucracy combined with hierarchy does not support individual learning and knowledge sharing among individuals, but it supports the creation of codified knowledge. This finding conflicts with the belief that knowledge creation requires flexibility and less emphasis on work rules (Lee and Choi, 2003) and Jamali et al. (2006) and Drucker (1999) statement that the traditional bureaucratic approach is no longer suitable for organisations in a hyper-dynamic environment.

The combination of bureaucracies and collective wisdom helps organisations overcome chaos caused by the implementation of loose organisational structures with formal rules. This concept puts stress on tacit knowledge development and sharing. This finding corresponds with Laloux (2014) and Robertson (2015) ideas.

The combination of emergence and hierarchy in the clear form indicates problems in management, as noted by Drucker and Maciariello (2008). It neither promotes a culture of learning nor collaboration, necessary prerequisites for facilitating knowledge creation and dissemination, as stated by Kothari et al. (2011).

6. In Conclusion

The objective of this paper was to discuss how different arrangements of coordination and organising influence work with knowledge. We used the experience of four companies as an example and showed that different approaches to coordination and organising support different aspects of work with knowledge.

The major limitation of this paper is that every combination of coordination and organising was discussed only on one company; therefore, our paper provides examples from practice, not the result of representative research of the topic. Future papers and research should go deeper and cover the topic in more detail.
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