

VISIONS FOR THE FUTURE:
THEORETICAL PERSPECTIVES ON
MANAGEMENT (LCDB7006)
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ASSIGNMENT: 1

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“Technology advances - specifically in the areas of e-Commerce and e-Business 2.0 — have rendered traditional models of organisational structure and theories of management roles obsolete in the light of the changing nature of 21st century corporations.” Evaluate whether this claim is justified - in relation to a business sector of your choice - and provide evidence for or against it, especially in relation to the management changes it implies.

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The fast pace of changing trends in e-commerce market can sometimes become challenging for the managers to address. A modern organizational structure freed the employees and managers to perform the operations more effectively. The globalization contributes to a strong tendency for every normal company to undergo an organizational structural transformation. The transformation of e-commerce organizational structure is taking place since the late 1990's, when the popularity of IT overtook most of the businesses. Gary Hamel's ideas about dismantling the bureaucracy to empower the workforce will be critically observed in the fast pace of e-commerce along with the evolution of management theories. As the top e-commerce companies, Amazon, Alibaba and eBay will be examined in the context of their organizational structure and management style. Information technology and humans are connected in when e-commerce business activity takes place and e-commerce is business innovation which took place couple of decade ago and still evolving due to uncertain external environment.

EVOLUTION OF MANAGEMENT THEORIES

A paradigm shift occurred with the introduction of internet in late 90's, the growing popularity of information technology initiates the new age of management. Internationalization and digital and information technology considered as major drivers of change, and also reshaped the business environment, and finally integrated into the global economy. The age of information technology transformed the boundaries of businesses in the early stages but (Grant, 2001) it also results in a transformation of management theories, and organizational structures. Since the environment treated as one of the essential element of the management, the major deviation from classical paradigm occurred and introduced the world of management to the system theory (Dike, 2015). Furthermore the Tom Peter's eight principles of excellence challenged traditional management paradigm.

Later in his studies the rigid and bureaucratic organizational structures are pointed out as a challenge to achieve the success (Dike, 2015). Many other authors made great contributions to evolve the concept of management. In the beginning of 21st century Drucker came up with the change in principles of management, and in a book *The Future of Management*, Gary Hamel encourages the stance of Drucker. Hamel (2007) emphasizes on innovation in management is an ultimate source to gain competitive advantage. Hamel's concerns more about obsolete managerial policies of 20th century, which cannot be applied in the upcoming era of electronic business in 21st century.

Hamel's stance in the beginning of 21st century remains crystal clear that the changes in environment especially new technologies (e.g AI) will lead a major alteration in the structure of organizations, system and style of leadership (Dike, 2015). But the problem rises where it is questioned that the changes due to use of technology would be so big that it changes or effect the traditional management principle? (Dike, 2015).

By addressing the above question in conceptual perspective, the organizations are in business to encourage human creativity and exist on it. But an integration of large number of individual is essential in order to provide skill and knowledge to sell products and services,

because individual independently cannot produce a complex finality (Dike, 2015). Therefore in order to create a product or service in the era of electronic business, the main objective of the management is to achieve cooperation and coordination between numbers of people (Dike, 2015). The hierarchy, rules and procedure from traditional management restricts the entrepreneurship, and become a challenge for modern organization to apply same pattern to modern organizations.

Whereas; from empirical perspective, the changes in external environment ultimately affects the internal environment of the organizations especially its structure. The changes in the organizational structure took place and gave birth to new organization model like the spider web model, spaghetti organization, honey comb model and the shamrock model. The decentralization in these models allows the employees to choose their job, and allow them to be flexible, as happens in e-business or e-commerce.

GARY HAMEL STANCE

When Fredrick Taylor's philosophy of scientific management effectively applied on the organization and the increased productivity reached its saturation (Taylor, 1911), this deficiency and shortfall made organizational managers in dire need of solution to the new problems. Elton Mayo came up with the experiment named 'Hawthorne effect' and finds that "An organization is a social system of rituals and mixture of logical, non-logical and illogical behaviour" (Mayo, 1933). The notion of managing the people arises; the productivity was no more depends on the monetary incentives but the improved working condition; the knowledge of human nature results as the base to approach the management problems (Mayo, 1933). The humanization in the concept of management arises after the Mayo's experiment which enables the managers to deal with the employees as human beings rather than machines. Gary Hamel was one of the contributors in the literature of humanizing the process of management.

In World Business Forum London, 2019, Gary Hamel as a keynote speaker expressed his fear of widespread of traditional business bureaucracy (Lawrence, 2019). The institutionalized bureaucracy in the business sector limits the adaptability, creativity and passion of humans, the gap generated by bureaucracy between organizational capability and individual hinders the innovation in organizational structure (Hamel Zanini, 2018). The popularity of information technology and e commerce hyped the flat organization structure but could not eradicate the bureaucracy from organizational structure of today's businesses (Hamel and Zanini, 2018). The current situation of the business world is not sustainable as it is paying a huge opportunity cost due to bureaucracy (Hamel and Zanini, 2018).

The widespread use of digital and information technology plays a major role in creating flat and more agile organization in the future (Lawrence, 2019). Hamel & Zanini argues that human cognitive abilities, intuition and creativity is still not replicated by advance technology, so there is still a gap for organizations to surface their human resource. The optimization of operating model created by deploying technology companies only focuses ERP systems, CRM systems and supply chain systems. The human factor is still missing in the process of utilizing the technology. According to Hamel organizations do not communicate with all the levels in structure to implement any change within the organization.

He suggests the technology the business utilizes to sale and purchase the products and services can also be used to communicate and collaborate with the teams to work more effectively and efficiently, and this could turn the hierarchy upside down in the future (Lawrence, 2019). So technology results to be the best tool to minimize the power distance and to engage all the employees and managers in decision making process at one platform, and shifts the control from managers to employees (Lawrence, 2019). The future generation might face new expectation, new problems and new tools, and might also make the decision whether to follow or to lead the change happening inside and outside the environment.

TRADITIONAL MANAGEMENT DIMENSIONS AND E-COMMERCE

The theory of management sciences lacks the connection with e-commerce and e-business and is evident from the literature (Rahul and Biju, 1999). The management science and information technology have a sufficient number of models and frameworks but not theories (Lee, 1998). By applying few traditional dimensions of the management in e-commerce we will be able to analyse their similarities and uniqueness in the organizational structure of both traditional and contemporary organization like e-commerce and e-business.

FORMALIZATION

A set of tasks of organization and work behaviour that includes; rules, procedure, specification, regulation and policies in the company is generally defines as formalization (Patel and McCarthy, 2000). The formalization of rules, regulations and procedures are not just confined to the internal organization but also followed by all stakeholders including customers. E-commerce and e-business organizations work in highly dynamic environment, where things keep on changing every minute. The traditional organization adapts highly formalized structures with less possibility to adapt change, that way the dimension of formalization is more likely to works as a barrier for electronic business which requires high flexibility in formalization process (Chavez, Leiter, and Kiely, 2000). So the rigidity of formalization minimizes the potential of e-business to grow whereas traditional businesses rely in formalization which directs the firm with set of rule, procedures and other aspects.

DEPARTMENTALIZATION

The phenomenon of grouping of organizational tasks into specific units, level of skills and knowledge are primary requirements to be the part specific unit, is departmentalization, which is also known as 'divisionalization' (Shafritz and Ott, 2000). In the traditional organizational structure it is sub divided into four major types which is division by functional area, product, customer and geography. These types work in isolation and are disconnected from each other while performing its function, and tend to develop its own culture by keeping up with isolation (Maltz and Kohli, 2000), whereas in the electronic business the process differs. A hybrid form of matrix design is considered reliable in the electronic business, as it is more flexible and more open towards change (Chung, 1994). The departments with different skill sets collaborate and the structure of e-business facilitates unhindered interface among units. So the dimension of departmentalization according to traditional structure is rules out by updated businesses, and structural isolation is rejected. Division of task on the basis of skillset in present time is in favour of horizontal integration that encourages the

mechanisms that enhances communication (Chung, 1994). Thus the dimension of departmentalization does not work in its traditional form in the era of information and digital technology.

CENTRALIZATION

The concept of centralization is typically defined as locus of decision making in the organization (Daft, 2000). In the traditional organizational structure very few managers on the top of the organization make decisions and implement them to subordinates through formal mechanism (Daft, 2000). This dimension of the traditional management enhances control but responds slowly to the changes in the environment and often suffers from stagnation. Senior management in centralized organization isolates the subordinates and lack adequate information which hinders them to make quality decision (Axley, 1992). Whereas, electronic business or commerce promotes in dynamic environment requires decentralized structure. Rapid changes in the environment needs rapid response and needs relatively free flow of information that leads to an effective decision. Decentralized structure is favourable for e-business and commerce as it allow work groups to be responsive in the dynamic environment, without bureaucratic request for authorisation for decisions (Greenberg and Baron, 1999).

Where decentralization favours e-business there are some draw backs of this structure which could cost fortune to any organization. Any poor decision made by team member could make the company broke within shorter span of time. So the managers in electronic business organizations take this structure as risky one, so both aspects are present in e-commerce and e-business organizations. The flexible nature of e-business and e-commerce organization encourages managers to maintain good interpersonal relation with the employees which could benefit the manager in decentralizing the structure and could take an effective decision by getting adequate information of the problems (Johnston, 2000).

COMPLEXITY

In the traditional organizational structure, complexity is defined as a degree to which company differentiates the function, skills and occupation of employees (Banner and Gagne, 1995). Horizontal differentiation is perceived as an essential component of the hierarchy in e-commerce and e-business. The technical and commercial units are differentiated most of the time in electronic businesses. Complexity generates problems associated with horizontal and vertical differentiation. According to Lawrence and Lorch (1969) the degree to which organization overcomes the problem of differentiation is dependent on the connection between dynamics of external environment of the organization. They further argue that to overcome the barriers to flexibility the leading companies in highly dynamic environment requires specialized integration (McKelvey, 1999). So the e-business companies show a high level of integration and coordination of specialized units to overcome the complex issue of differentiation. The integration model by Wetzel and Buch (2000) was presented to give a better solution to the complexity problems to the electronic market. The conclusion of the complexity is that organizations who involve technology for transactions have agile and

flexible structure, growth must be contained through structural devices such as integrative mechanism in case of complexity.

SIGNIFICANCE AND INNOVATION OF ORGANIZATIONAL STRUCTURE

The structure of the organization can categorize by depiction of how adaptive or non-adaptive and how rigid or flexible the firm is. Essential structural factor that affects an organization's capability to change is considered by the degree of decentralization, shape and composition (Rossetti & Dezoort, 1989). In the dynamic business environment of digital and information technology the old command and control model miss fits. So the strategies like knowledge management are still valid in context of the contemporary organizational structure of e-commerce businesses. The innovation in organizational structure encourages collaboration and cooperation and reduces the fear, distrust, and internal competition that top down management reinforces. The main challenge for the innovation lies in the inability to deal with change, which requires high commitments (Drucker, 1992). The chances to bring change minimizes with traditional management approach of bureaucracy, which has been designed to resist change (Hamel, 2007). According to Zeira and Avedisian (1989) flat organizational structure shows built in flexibility and have continuous search for innovative solutions, less rigid division of tasks, participation in decision making, free flow communication in any direction, and greater sensitivity to environmental changes. These innovative organizational structural characteristics show a great application in the business of e-commerce since last two decades.

The firms working in dynamic environment always adapts innovation, the fast pace of e-commerce encourages the organization to innovate organizational structure to survive in highly competitive environment (Agarwal, 1982). The traditional set of organizational structure bounds the managers to control over the employees, whereas the structure changes after the emergence of e-commerce and e-business (Agarwal, 1982). The organizational structure tends to be flat in comparison with the traditional structure of non e-commerce businesses. The flat structure of e-commerce and e-business is preferred and has fewer levels of authority and wider span of management (Agarwal, 1982).

The flat structure provides equality for all departments; each work group in the company assigned with one series of tasks, in this way wide variety of task is handled by the work groups (Qin, Chang, Li and Li, 2014). E-commerce as unique business activity has changed the layout of production and consumption activity, but the original industry do not losses it significance after this massive change (Qin, Chang, Li and Li, 2014). E-commerce has implanted digital and information technology into the traditional industrial economy. The traditional characteristics of economic activities are still the same and are applicable in e-commerce like timelines, durability, standardization and thoughtfulness (Qin, Chang, Li and Li, 2014). Apart from this the e-commerce organizational structure functionality depends on flexibility and capacity to adaptability of change occurred in external environment.

The change is continuous phenomenon in market space especially when it is electronic. Organizations should consciously make sure that the structural characteristics whether it's

functional or decentralise must be agile and flexible enough to meet the needs of dynamic market effectively and efficiently (Plant, 2000). The organizations in electronic market basically align between their technological and organizational strategies. However; sharp contrast surfaces between organizational structure of start-up businesses and well established organizations (Plant, 2000).. In the manufacturing sector the start-ups prefer to form flat organizational structure with wide span of control. The electronic businesses modernized their value chain and facilitate the customers with mass customization at low cost (Plant, 2000).

Whereas; mature enterprises have different stance in manufacturing and production sector, successful companies were still in competition on the basis of their capability to regenerate themselves, and to effectively manage their self-knowledge. When the e-commerce evolves, the knowledge management of start-ups and successful businesses was quite different, and the knowledge management task was the key to success for well established businesses (Plant, 2000). Just to remain relevant to the market place the mature firms continuously mined the meta- data warehouse. So the most prominent characteristic of successful firms that allows them to be flexible and adapt dynamic market was high degree of self-knowledge, and management of that knowledge (Plant, 2000).

E COMMERCE AND KNOWLEDGE MANAGEMENT

The management of the information or knowledge the company possesses is not a big problem, the problem lies where the company start using that information or knowledge to represent effectively and efficiently to ultimately benefit the business. A huge amount of information through the business relationships, processes and rules chocks the business, numerous organizations face overload of information and find it challenging to utilize it (Bukowitz and Williams, 1999). In the contemporary economic set up numerous opportunities and threats encounters while creating the e-business strategy but leveraging the knowledge comes up as one the success factors for e-commerce and business (Plesis and Boon, 2004).

In the e business knowledge management is not similar to the traditional businesses. Knowledge management in traditional commerce was just used for external process of the organization, for example customers, whereas in e business the scope is wide. The e business includes all the information technology capabilities in business and processes including serving customers or suppliers, electronically managing their relationship, internal communication between employees and external partnership with other companies (Hackbarth and Kettinger, 2000; Chaffey, 2007). Knowledge considered as an intangible asset of any company, and the solution of the problem lies in the management of knowledge.

To solve the problem occurs in any organization, knowledge management supports the e-businesses in the decision making process to deal with the loopholes and improve the project performance (Plesis and Boon, 2004). The tools to generate, transfer and codify the knowledge include all the technologies and resources of the company. Resources do not

necessarily mean computer based application, but a conversation via phone call could become the source to transfer the information (Probst et al., 2000; Badi and Sharif, 2003).

The popularity of internet in the beginning of 21st century encourages numerous customers to use internet to research product or services before buying it through traditional medium, the contemporary managers integrated e-commerce services into current consumption rather than wasting resources to rethink the way the customer shops (Lunt, 2000). This highlights the significance of the website that has to be more attractive than the physical retail shop in order to make the customer feel attracted to visit. The business is no more just buying and selling in e-commerce, but it's rather awareness, reputation and emotional values that the organization creates, communicate and exploit (De Kare- Silver, 2000). The traditional retail channels still do not realize the potential of interaction of customer and the experiences and knowledge the customer gain. The contemporary retail like e-businesses and e-commerce shows high potential to create loyal and receptive customers by engaging with communities, interact with consumers, finally generation and exchange of knowledge.

The knowledge management in the e-businesses could be elaborated by knowledge management model which defines the process of knowledge and all the drivers to create and exchange that knowledge (McAdam and McCreedy, 1999). The holistic picture of knowledge as social and learning processes represents the key dimension of knowledge in widest possible way (McAdam, Reid, 2000) and this is why extracts them suitable for consumer centric approach of e-commerce as knowledge management. The model modified by McAdam and McCreedy (1999) represents four stages of knowledge management process which involves the customer in the process and empowers them to use the knowledge. This process ultimately facilitates the e-commerce companies to involve the customer in the process of knowledge and empowers the customer to generate that knowledge for the company. When the customer involves in the process of business, the business requires change, and if the success of the business relies upon the adaptability of change in the company's strategic management.

LEADERSHIP AND MANAGEMENT IN 21ST CENTURY

According to Sandmann & Vandenberg (1995) the leadership and management style of the 21st century is collective and centred in groups or organizations rather than individuals engage the group or organization in, heart, mind and energy. The popularity of electronic and social media has directed managers change their ways to tackle the issues in organizations and business. In the era of technology the employees are considered digital natives rather than digital immigrants. According to Prensky (2001) in 20th century digital immigrants ruled in business and public organizations where digital natives are in majority. The culture of change (Fullan, 2007) in 21st century the leaders acquire 21st century skills including technology savvy to enable the employees to achieve the organizational goals in e-commerce or commerce.

The foundation of contemporary societies and organizations has evolved in 21st century, and deals with unique challenges (Friedman, 2007). In the global financial and economic

ecosystem; everything is inter-related (Trilling & Fadel, 2009), and contemporary organization are coming up with unique management and leadership frameworks (Sandmann & Vandenberg, 1995). Social and organizational boundaries blurred with the popularity of virtual organizational structure in 21st century, most of the e-commerce and e-business companies have similar framework. The knowledge driven new global economy, mostly depends on information technology, and would not perform well if follows 20th century system (Miller, 2007). The 20th century system would barely work in fast changing pace of contemporary business market since the intervention of 21st century system. The popularity of electronic business and utility of information technology connect people together in many forms. As humans are fond of working together and profoundly social, managers remind their employees that they are not alone (Halvorson, 2014), it motivates them to perform at their optimal level.

TRADITIONAL THEORIES AND MODERN WORKPLACE

The classical management theories are considered as the basis of contemporary management theories. Among many Fayol, Mintzberg and Katz theories were produced when there was slow pace of change in the organizations. Since then an electrifying speed of change in all dimensions of businesses, communication system automation and technology took place. The evolution of these system raised the question that if the classical theories are applicable and has its real value in 21st century business environment? These management theorists outline the management functions, roles and skills, which proved to be a necessity and described as 'three distinctive categories' to describe a manager. So to analyse whether Fayol's functions (Fayol, 1917), Mintzberg's roles (Mintzberg, 1973) and Katz's (Katz, 1974) skills are still relatable and relevant to the modern day managers, to identify the requirements of modern day managers we must deeply know the concept of management. To focus on the relationship of employees and managers Fayol introduced 5 functions which includes planning, organizing, commanding, co-coordinating and controlling. Fayol wanted continuous betterment and persistent development of numerous dimensions of the business from employees and management. Henry Mintzberg inspired by the Fayol's theory and expands it in 'The Nature of Managerial Work' in 1973, and established 3 major categories of management roles for effective management at workplace which managers should adhere. The categories were, interpersonal role, information processing roles, and finally and foremost in today's market is decision making roles. Whereas Robert Katz argues about the skills a manager keeps for effective management. Katz comes up with three fundamental skills a successful manager displays; technical, human and conceptual.

According to Covey (2007), there are seven habits that managers possess to be successful in modern environment, all the characteristics connects to the Fayol's theory (Fayol, 1917). The first habit of modern managers to be 'proactive' and sixth 'synergize' (Covey, 2007), is comparable to Fayol's function of planning and organizing (Fayol, 1917). 5 functions of management are still essential for cotemporary workplace managers as drawing up planning the concept of 'unity, flexibility and continuity' coalesces. Similarly by following the organizing function presented by Fayol (1917) by modern managers, managers tend to utilize

‘capital, personnel and raw materials’. So the functions presented in traditional theories are still applicable in modern workplace of any business including e-commerce and e-business. The second habit to ‘begin with end in mind’ (Covey, 2007) utilized the decisional roles presented by Mintzberg (1973) remain effective in the modern workplace environment where managers make decisions which effects the progress of the organization. In contemporary market setup managers thrive to achieve results within the limited resources of the organization, and this tracks us down to the aspect of Mintzberg’s theory.

The third habit of successful managers is to ‘put first things first’ (Covey, 2007) which tracks us down to theorists discussed above and their hypotheses. In order to unify and harmonize the teams chasing a common goal Fayol’s fourth function ‘coordinating’ is likely to applicable. Modern day managers are clearly focused to the goal along with their teams, and this is evident in the mission statements of majority of the organizations. To achieve the goals effectively, the leader of these teams assigns the tasks under their leadership, so the Fayol’s fifth function ‘commanding’ (Covey, 2007) is applicable in the modern management scenario. The fourth habit of successful manager is to ‘Think win- win’ (Covey, 2007) which tracks back to the Katz’s (1974) human skill. This habit benefits the company as it believes in winning performance agreements to motivated superb performance. So this habit utilizes the human skills which defines the capability to work, to understand and motivates the rest inside your workplace.

The fifth habit of modern managers is to ‘Seek first to Understand , then to be Understood’ (Covey, 2007) is one of the most essential habit in the modern era, where humans are no more considered machines but a living thing with the feelings, emotions and sentiments. The human skill presented by Katz (1974) intervenes here and is applicable in modern scenario where managers are expected to communicate effectively with their staff members. The conceptual skill by Katz is also evident where managers have ability to be the coach of their team to communicate well, in order to understand their view and opinions about the issues in the organization. Among the three theorists discussed above, Katz theories are still highly relevant to contemporary managers. The last habit of successful managers, ‘Sharpen the saw’ (Covey, 2007) is related the interpersonal roles of management by Mintzberg (1973) in the modern world. Mintzberg (1973) considers the leaders to be responsible for maintaining communication, staffing and training in the organization, and defines this role as one of the most important to unleash the potential of team members. The interpersonal role defined by Mintzberg (1973) theory proved to be highly effective and relevant to the roles of successful managers in modern world.

AMAZON ORGANIZATIONAL STRUCTURE

The organizational structure of Amazon is hierarchal. With a worldwide controller that report directly to CEO Jeff Bezos this hierarchy consists of senior management team not limited to senior vice presidents. Heads of human resources and legal operation reports directly to the CEO however the management is divided into seven segments. Over 560,000 employees are placed to serve more than 300 million customers worldwide under different segments.

The motto of amazon, 'Earth's most Customer –Centric Company', is visible in its operation, clearly seems related to the organization's culture and structure. The strategy to decentralize the operation is evident in 'two pizza rule', which allows team meetings to be held small enough that it could feed on two pizzas. These kind of flexible strategies allow the organization to be highly adaptable to any needed market adjustment like Brexit in the recent time.

A well-structured organization with formal job specialization shows a narrow span of control in the structure that allows for clear line of communication as subordinated where to report and where to get orders from, the adaptation for change become easy in centralized organizational system like Amazon's. With seven levels in the hierarchy company's structure is relatively flat in comparison with the companies of same size.

MODERN MANAGEMENT APPROACH

The constant changing environment of market encourages the e-commerce businesses to adopt the approaches like re-engineering, knowledge management and contingency approach. The most suitable is contingency approach to help the amazon to adapt the rapid changing environment and to focus just on results.

The contingency management approach by Grimsley, (2018) is defined as the management effectiveness is dependent upon the interaction between application of management behaviour and specific situations. The management style in this approach is circumstantial; the decisions are taken according to the situation in this approach, and the change should also be adapted. In context of Amazon UK, this approach will help the company when Brexit is applied and company have to adopt the unpredictable changes like pound fluctuation and changes in legal aspects of the business.

LEADERSHIP STYLE

The six famous leadership styles presented by Leonard (2018) are directive, visionary, affiliated, participated, pacesetter and coaching. The flexible organization structure allows the CEO to adopt any of these six styles but most widely used style by CEO Jeff Bezos is visionary or alternatively coaching style. Rest of the styles are adopted with the changes of circumstances in the organization.

ADVANTAGES OF AMAZON ORGANIZATION STRUCTURE

The seven segments are specialized in their field and work as a team and also collaborate with other segments, this culture of team work encourages the employees to make decision effectively. The individuals in the team feel ownership as they are being listened and their hard work worth it in the end. The foremost focus of the company is to achieve results by any means of creativity; this motivates the employees to be more innovative. There are very few disadvantages of the organization structure that Amazon is following in this digital era and the advantages simply outweigh all the disadvantages that company follows.

EBAY ORGANIZATIONAL STRUCTURE

In order to fulfil the tasks in efficient and coherent way the organizational structure becomes essential and plays its vital role, as eBay has complex and large business and a formal organizational structure could only help the firm to run effectively, for this reason eBay has a formal organizational structure (Chan, 2009). eBay has a flat hierarchal structure and holds a narrow chain of command. The hierarchy consists of the founder Pierre Omidyar and the chairman Thomas J. Tierney on the top position of the hierarchal structure and below them are directors and presidents, further level of hierarchy consists of managers, and the last level is team leaders and supervisors. Hence the structure reveals that chairperson Thomas J. Tierney has supreme command over rest of the positions while the director below the chairperson has no control to command below its position and is isolated and do not connect to any other level in the hierarchal structure of eBay. The organization structure of eBay consists of four levels, which indicates it as a flat organization, because it has limited layers in the organizational hierarchy.

The structure shows that manager on each level have wider span of control which enables them to work freely, 7 managers are directly accountable to the president. Numerous advantages of the wide span of control benefits the company, first of all delegation considered as a relatively essential part of the organizational management as subordinates are provided with a chance to establish their professional careers by taking extra responsibility. In this process of empowering the employees manager still have the responsibility to be accountable for his employee's actions. Last but not the least the most important aspect of any business comes in with the wider span of control, and that is communication, fewer layers in hierarchy provides a great chance of effective communication between employees and managers.

eBay operate on a decentralized structure, it empowers the managers to pass on responsibility of decision making to others in the organization. For instance the senior vice president of Human Resource, senior vice president of France on senior management levels makes decision without involving chairperson or president, who makes all the decisions alone. Whereas the CEO or chairperson still have authority to make decision for all segments of the company, so the decision making power is still concentrated and centralized in the hands of higher authority management. The decentralized structure as an e-commerce company benefits in many ways, first of all the employees are trained and their skills are exploited at the middle managerial level. Secondly the allocation of authority and responsibility enables the planning and execution become faster and efficient. Third advantages involve the people management and morality as the staff feels empowered and values in decentralized structure, this factor enhances the productivity of workforce.

So eBay as an e-commerce company possesses flexible structure and adapts and respond to the changes rapidly happening in the market. Internationally known successful business ensures their managers to have an effective control, communication methods and channels, including effective coordination for fast and precise decision making by following organizational structure.

ALIBAB'S MULTIPLE MANAGEMENT STYLES

AUTOCRATIC MANAGEMENT STYLE

Jack Ma the former CEO of Alibaba was the founder of the company, as a Chinese man, he was very much familiar with the concept of autocratic management (Bassett, 1966). A management style where unilateral decision is made by the managers without considering the opinions of subordinates. The reason to initiate the business with the traditional management style was clear as he was the first man to introduce utilization of internet in his social circle. Without any help around him, he was the ultimate source to make the decision for the company related to Alibaba.com (Bolton and Bolton, 1984).

Conductive management style

As the company grew, the people with different skills start to join alibaba.com, with the conductive management style the CEO started to share the responsibilities with co-directors and managers, people started to work with him who were initially working for him (Gough, 2014). The decisions became more employee oriented rather than business oriented (Hille, 2013), conductive management style benefits the company as it emphasize on the social needs of human beings, and ultimately enhances the employee loyalty (Guilford, 2014). The employee's loyalty easily gained with this management style but it does have same disadvantage like autocratic style where employees are dependent on leaders and follows dictations. In the hierarchy the communication flow was typically downward like other traditional managements and organization structure. In order to keep up with the change in company Jack Ma again changes his management style.

PERSUASIVE MANAGEMENT STYLE

When the company expanded the business and started the transactions on global scale, there was an inevitable need to make a change in management style to keep the stakeholders satisfied (Osawa, 2014). Persuasive management style was not traditional but was modern concept with a blend of traditional ideology for the businesses working internationally. He appointed the investors at higher ranks in the hierarchy and utilize manipulation to keep the investors satisfy. The feature of this management styles involves common characteristics of persuasive and autocratic manager as the managers maintain the control over the decision making process as a whole (Prez-Cerezo, 2013). But the difference lies in the process at involves manager to interact and spend more time with subordinates in comparison to autocratic style (Prez-Cerezo, 2013). The people issue was addressed in persuasive management style, but the decision making process was still in the hands of people in the higher levels of the hierarchy, the management style started to become out dated in the era of digital business with the popularity of e-commerce.

DEMOCRATIC MANAGEMENT STYLE

Jack Ma incorporated his knowledge about democracy very smartly and demonstrates his management style to be democratic occasionally (Shearer, 2012). His experiences and knowledge as a native of China acknowledges the significance of democracy, he was aware that a mix of democracy and power can bring effective outcomes (Shearer, 2012). The decision making process is shared in this management style where employees are being heard

and plays their part in formulating and implementing the decisions, the communication become intensive in both direction of the hierarchy. This style benefits the company with improved work quality, participatory contribution from subordinated increases (Sin-Kwok, 2010). Whereas, decision making process slows down if they are not updated. Jack Ma's blend of management style was phenomenal in a sense that it didn't let the company loose its worth at any stage of business when he was CEO.

MANAGING BY WALKING AROUND STYLE

This management style is self-explanatory; this is when the manager seems quite visible in the company (Steadman, 2013). This management style is one of the most unpopular but highly practiced styles in many successful e-commerce companies. This style is contemporary but has the philosophy of classic managers who were considered as proactive listeners. Jack Ma consistently roams around the company and experience informal interaction with the employees, which enables him to evade potential crises before it begins. Real-time information about the processes and policies gathered by Jack Ma that are often left out of formal communication channels (Watling, 2014). It enables the managers to have fastest possible response time, by leaving the decision making responsibilities to the employees. The management history of Alibaba is evident of managerial team, always handy before the problem or issue rises as happened with eBayⁱ, which is one of the fierce competitors of Alibaba in e-commerce market.

The company is successful because of the leader's approach towards rapidly changing environment and demands of the market. The dynamic and insightful leader steps downed as CEO of Alibaba Group, and handed over the company to fresh blood. The leader's quality of flexibility, utilization of skills and knowledge, an eagerness to get help in time of need doesn't make him a bad leader but an aware leader. Not just the leader but also a management team who was highly adaptive to change and left off rigidity was an ultimate reason for success of alibaba.com.

CONCLUSION

The organizational structure of the world's biggest e-commerce and e-business companies is structured. In my opinion the structures of organization have been innovated but the basis of that it still lies somewhere in the traditional structure and tracks us back down to traditional theories. Starting with the dimension of the traditional management dimension; the formalization process of rules, procedures and policies are still taking place in all the big, medium and small enterprises or businesses including, Amazon, eBay and Alibaba. The formalization process is updated and relaxed according to the changing environment in digital era. Furthermore the dimension of departmentalization is still followed by all the successful e-commerce companies (as discussed above) and people are been segregated according to the skills as mentions by Katz, but it is innovated in a way that the departments start to collaborate to solve the issue in the e-commerce companies.

The dimension of centralization is one the hottest issue in the management sciences nowadays. The emphasis on decentralization by Hamel and Zanini sounds very humanize but not practical in my opinion. The company's CEO with the vision of growing the company

would not rely holistically on the wisdom of his subordinate to make a decision, and YES all the e-commerce company have organizational structure that follows partially centralized decision making process, managing by walking around management style adopted by Jack Ma (former CEO of Alibaba) was a great example to innovation centralization process. All the e-commerce and e-businesses still follows partially centralized system to manage the companies effectively. The dimension of complexity is also considered traditional but still practices by the above mentioned e-commerce companies.

The organization structure and its innovation direct my attention to the traditional management theories and organizational structure. According to many authors the organization have innovated their hierarchal structure, which is more flexible, more decentralized and agile. The organizational structure of Amazon, Alibaba and eBay consist of flat organizational structure, but still has hierarchy in it. I agree that the hierarchy is not the same as in traditional management but still the functions of planning, commanding and controlling presented by Fayol, is practiced by majority of the e-commerce businesses as mentioned in the Alibaba's example above.

So I would conclude my opinion: yes the traditional management theories and traditional organizational structures are not holistically applicable in the age of internet but the successful companies are following the same traditional management philosophies with an innovation due to rapidly changing external and internal environment of the organizations.

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ⁱ When eBay petitioned to shut down taobao.com as it was encroaching on their user base and causing them to lose revenue (Zi, 2015). The situation was handled very quickly, with China Yahoo's founder sponsoring a huge investment sum to keep taobao.com running and finally ended with eBay being the one to stop their operations in China (Osawa, 2014).