LCDB7008 - Visions for the Future: Theoretical Perspectives on Management

A report in relation to the retail sector justifies, “Technology advances – specifically in the areas of e-commerce and e-business – have rendered traditional models of organisational structure and theories of management roles obsolete in the light of the changing nature of 21st-century corporations."

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Table of Contents

Abstract *3*

Introduction *3*

Theoretical Background *5*

The Evolution of E-Commerce and Retail Transformation 5

Current scenario of Retail Business sector 6

Literature Review *7*

Digital Transformation and Organisational Structure 7

Organisational Structure and Flexibility in Digital Environments 7

Management Roles and Leadership Transformation 8

Structural Transformation on Retail Sector 8

Existence of Classical Management Principles 9

Artificial intelligence and the changing management role 9

Retail analytics and data-driven management 10

Critical Analysis and Discussion *10*

Arguments supporting the claim 10

Arguments against the claim 11

Theoretical Examination of Claim of Obsolescence 12

Management Theory Adaptation Rather Than Obsolescence 13

Examining Obsolescence claim in Retail Sector 13

Evaluation of the obsolescence claim 14

Analysis of Evidence Regarding Obsolescence 14

Managerial Implications *15*

Principles of organisational structure for the Digital Retail Sector 15

Change Management and Implementation Strategy 15

Leadership and Capability development 16

Data-Driven Decision-Making 16

Framework for governance 17

Recommendations 18

Future Research 19

Conclusion *19*

References *20*

Abstract

This report critically evaluates the claim that technological advancements have rendered traditional organisational structures and management philosophies obsolete. This approach, which draws on contemporary literature and retail sector evidence, questions a technologically deterministic understanding of organisational transformation. It contends that digital transformation has not led to the complete abandonment of hierarchical structures, managerial roles, or traditional management concepts. Instead, they have undergone extensive adaptation and reconfiguration to support higher organisational agility, omnichannel integration, data-driven decision-making, and digital ecosystems.

The analysis shows that hierarchical coordination remains vital even as firms adopt flatter structures, decentralised decision-making, and agile methodologies. Similarly, traditional management tasks, such as leadership, strategy coordination, human resource management, governance, and performance management, continue to be crucial, but they demand more digital capabilities.

Retail organisations are particularly good examples of this evolutionary process, as successful businesses progressively mix digital and physical channels while maintaining formal responsibility, governance and managerial coordination. The research suggests that while technology opens up new organisational possibilities, it does not decide organisational outcomes on its own; organisational culture, leadership, change management, and governance are still crucial to effective digital transformation.

The results show that the data favours adaptation over obsolescence. Traditional management theories retain explanatory and practical relevance when properly contextualised; however, modern retail businesses necessitate hybrid approaches that combine traditional management principles with digital, agile, and data-driven capabilities.

This study concludes that the central challenge for contemporary retailers is to strategically recalibrate organisational structures and managerial practices to capitalise on technological opportunities while maintaining accountability, coordination, and alignment with organisational objectives.

Introduction

The increasing popularity of e-commerce and e-business raises the essential question of whether traditional organisational structures and administrative procedures are still acceptable for twenty-first-century firms. On the one hand, the obsolescence argument asserts that digital technologies, online platforms, data analytics, automation, and linked supply chains have fundamentally altered how businesses generate value, coordinate their operations, and communicate with customers (Verhoef et al., 2021).

This perspective holds that traditional businesses are becoming less and less able to respond to real-time market information, digitally empowered consumers, and competition based on speed, personalisation, and platform participation due to their vertically integrated, functionally divided, and relatively slow-moving organisations. In contrast, the adaptation thesis argues that technology has required revision, integration with new organisational practices, and more flexible application of management theories and conventional organisational structures, rather than making them obsolete (Hanelt et al., 2021).

Conventional organisational structures use a functional hierarchy and division of labour to transfer authority and accountability. Managers define objectives, allocate resources, mentor employees, and monitor performance. However, digital transformation involves more than the adoption of "new technologies"; it includes the broader process by which companies use digital technology to alter business models, processes, capabilities, customer interactions and organisational arrangements (Vial, 2019).

According to Kraus et al. (2022), digital transformation impacts strategy, innovation, organisational skills, leadership, work habits, and performance assessment, making it a comprehensive business and management phenomenon rather than a solely technological undertaking. This distinction is crucial because a retailer does not instantly become a digitally changed organisation simply by implementing an online sales channel; rather, transformation occurs when digital technologies change how the business functions and add value. This study assesses the claim in light of the retail and e-commerce industries, where omnichannel retailing, platform ecosystems, algorithmic decision-making, online customer engagement, automated fulfilment, and data-driven supply chain management are among the areas where the effects of digitalisation are most evident. To analyse current evidence regarding evolving organisational structures and management responsibilities, it mainly focuses on journal articles published between 2022 and 2024. This essay contends that while the claim is partially true, it is ultimately exaggerated.

E-commerce has undoubtedly put pressure on traditional functional boundaries and hierarchical decision-making processes. Retail firms increasingly need cross-functional teams, quick experimentation, specialised digital leadership, integrated online and offline operations, data-driven decision-making, and cooperation with outside platforms, technology, and logistics partners. These developments have changed the traditional role of managers, which now includes coordinating organisational ecosystems, fostering innovation, developing digital capabilities, interpreting data, planning, and controlling (Shahzad, Imran, and Butth, 2025).

However, there is no proof that hierarchy, specialisation, or traditional management duties have disappeared. Formal authority, strategic planning, accountability, resource allocation, risk management, and performance control are necessary for large Internet merchants. Therefore, rather than being completely replaced, traditional structures are being hybridised with agile, networked, and platform-based arrangements.

The first part of this report examines how e-commerce undermines the notion that organisations are independent entities and the functional hierarchy. Next, it considers the rise of new management roles and competencies, such as talent development, ecosystem governance, cross-functional coordination, and leadership in digital transformation. Finally, it assesses the limitations of the obsolescence thesis by examining why traditional management practices are still required in retail firms that have undergone digital transformation. Therefore, whether technology has made conventional organisations obsolete is not a primary concern.

Finally, all management practices are required in retail firms that have undergone digital transformation. Therefore, the key question is not whether technology has made traditional management and organisation outdated but rather how much it has altered the circumstances in which those conventional concepts continue to be useful. Based on this, this study concludes that while digital transformation is a major advancement in managerial practice and organisational design, it does not entirely replace traditional organisational theory.

Theoretical Background

The Evolution of E-Commerce and Retail Transformation

Hänninen (2023) claims that retail enterprises operate in a competitive landscape through computer networks and Internet infrastructure that are available at any time and from any location. This change resulted in entirely new business models and competitive dynamics that compelled established retailers to reconsider their fundamental approaches to value creation and consumer connection, going beyond shifting physical commerce to online platforms.

The retail industry has undergone unprecedented changes in this climate. Large-scale e-commerce sites such as Amazon and Alibaba have accelerated the decline of traditional brick-and-mortar retail dominance, forcing traditional retailers to implement omnichannel strategies that combine online and offline channels (Allagiannis, Lohiya, and Mirijamdotter, 2021). This shift was expedited by the COVID-19 pandemic, with the adoption of digital commerce and remote work technology evolving from strategic decisions into vital survival strategies. Organisations that had functioned under conventional hierarchical and functional structures for decades were consequently compelled to reevaluate their basic presumptions about how work should be conducted, choices made, and value created.

Figure 1: Growth of online retail as a share of total retail sales in Great Britain, 2007–2025

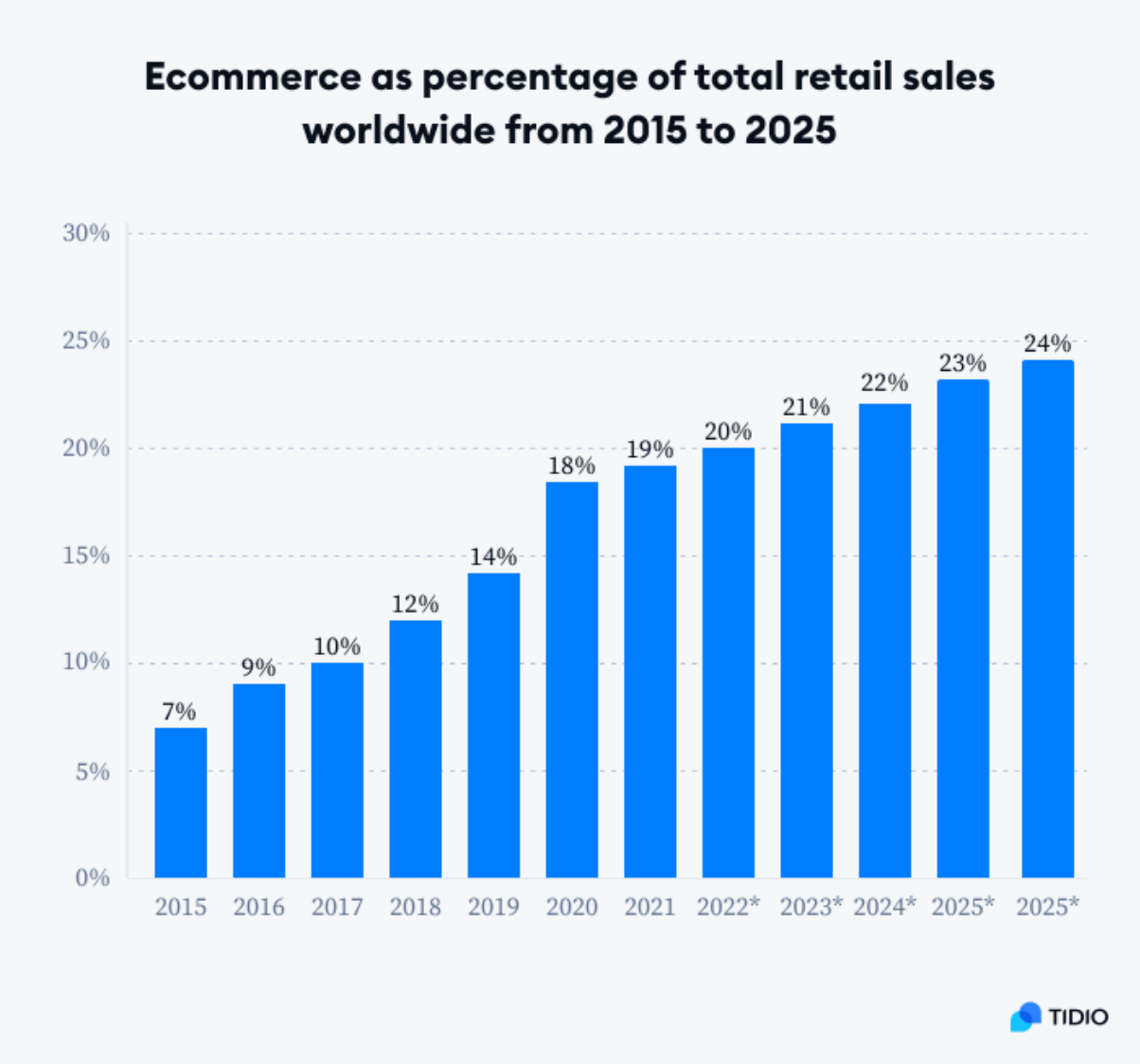
The findings show that retail markets have undergone significant structural changes. In 2007, online sales contributed to the pandemic; their share climbed significantly, reaching 28.1% in 2020 and 30.7% in 2021. Although the share of internet retail later declined, it remained substantially above pre-pandemic levels, reaching 27.4% in 2025 (Office for National Statistics, 2026).

Current scenario of Retail Business sector

In contrast to traditional single-channel operations, omnichannel business models have become increasingly popular among modern retail companies. Four main dimensions—Omnichannel Intensity, Organisational Structure Integration, Operations and Supply Chain Management Innovation, and Data Analytics and Intelligence—emerge from digitalisation and technological advancement, according to research on omnichannel retail (Ali, Wani, and Tyagi, 2022). These factors imply that successful retailers are radically rethinking how their businesses operate across interconnected ecosystems, rather than merely incorporating digital channels into their current structures.

Organisational structures have undergone a noticeable shift in response to digital demands. Research indicates that companies with greater remote work adoption rates have 31% fewer middle management layers and 23% flatter hierarchical structures (Subhadarshini, 2025). These structural modifications reflect real changes in the distribution of decision-making authority, the flow of information within organisations, and the process of strategic coordination; they are not merely administrative adjustments. However, the continued existence of management tiers, even in highly digitalised businesses, begs the question of whether the hierarchy has actually been replaced or only adjusted to work in digital environments.

Figure 2 : E-commerce as a percentage of total retail sales worldwide, 2015–2025



Source: Tidio (2026), based on Statista's data.

The graph illustrates the percentage growth of e-commerce in total global retail sales from 2015 to 2025. E-commerce accounted for 7% of retail sales in 2015, rising steadily to 14% in 2019 and then rapidly to 18% in 2020. This expansion continued steadily, reaching 20% in 2022, 22% in 2024, and a projected 24% in 2025 (Tidio 2026).

Overall, the figures show that the proportion of e-commerce in global retail sales more than tripled between 2015 and 2025, expanding by 17 percentage points. The asterisks beside the figures for 2022-2025 indicate that they are estimates or forecasts rather than confirmed historical data (Tidio, 2026).

Literature Review

Digital Transformation and Organisational Structure

A recent study on digital transformation reflects a more nuanced picture than technical determinism. Digital transformation is a critical organisational shift that necessitates the use of digital technology to design new organisational structures that would not have been conceivable without timely technological involvement (Zhang and Chen, 2023). However, research shows that this transformation process is more than just technology; it entails significant changes to business processes, human resource management, and organisational culture.

According to studies on digital transformation in industrial organisations, leadership, structure, and culture are critical enablers of operational performance objectives such as collaboration, customer-centricity, and agility (Imran et al., 2021). Significantly, these data indicate that technical deployment alone is insufficient for successful changes. Rather, the integration of technical and social systems—what scientists refer to as the sociotechnical perspective—appears to be critical for achieving significant organisational outcomes. This discovery calls into question the concept that technology simply dictates organisational structure; rather, it argues that technology presents opportunities that require conscious organisational choices and cultural alignments to be successful.

The literature on digital transformation in human resource management offers more evidence of the intricate connection between organisational structure and technology. Talent selection, training and development, performance management, and service delivery have all undergone noticeable changes as a result of digital transformation (Zhang and Chen, 2023). However, the data also show that switching from conventional HRM systems to digitally enabled systems is fraught with difficulties. Digital technologies have driven the restructuring of classic HRM activities rather than rendering them obsolete. For example, digital tools have improved rather than abolished selection procedures, with digital technologies increasing human decision-making capacities while decreasing the intensity of candidate analysis (Zhang and Chen, 2023).

Organisational Structure and Flexibility in Digital Environments

The link between traditional hierarchical structures and digital transformation success is a hotly debated topic in the contemporary management literature. Some scholarship highlights the importance of flattening hierarchies and decentralising decision-making, stating that traditional hierarchical organisations are increasingly insufficient when confronted with volatile, unpredictable, complex, and ambiguous (VUCA) situations (Munawaroh et al., 2026). This viewpoint indicates a shift toward flexible, networked, and platform-based models, which fundamentally differ from traditional hierarchical systems.

However, studies examining significant organisational changes show that severe flattening leads to dysfunctions of its own. According to research on large corporations moving from hierarchical to agile structures, strategic-level components serve as guiding frameworks for successful transformation (Pacheco-Cubillos, Boria-Reverter, and Gil-Lafuente, 2024). However, these organisations should avoid entirely flat hierarchical structures. Crucially, this study highlights that transformation processes are cultural challenges rather than just structural exercises and are dependent on particular

organisational circumstances. This result implies that rather than hierarchy becoming outdated, its proper calibration and role description need to be reconsidered, which is a process of reconfiguration rather than elimination.

A growing body of research on agile management supports this nuanced viewpoint. Agile management has matured from its software development roots in the 2001 Agile Manifesto to become a strategic skill that is applicable across industries (Başaran and Çelikkol, 2025). However, accurately describing agile management is challenging. Traditional management focuses on stability, hierarchical structures, and strict planning, whereas agile techniques emphasise flexibility, rapid adaptability, and continual improvement. However, effective agile adoption necessitates the integration rather than elimination of traditional management principles. According to the Agile Network Platform (ANP) Integration Framework, organisations should implement transformations that address team empowerment (operational agility), structural flattening (network coordination), and digital platform development (ecosystem orchestration) (Munawaroh et al., 2026). This three-layer architecture implies that agile, network-, and platform-based approaches supplement, rather than replace, traditional hierarchical coordination mechanisms.

Management Roles and Leadership Transformation

The evolution of management positions in digital contexts provides critical evidence of whether management ideas have become outmoded. According to research, digital leaders require distinct competencies compared to traditional leaders (De Araujo et al., 2021). Digital leadership requires the ability to navigate rapidly changing technological landscapes, build innovative cultures, and manage organisational transformation. However, this finding does not necessarily imply that classical management theories have become obsolete; rather, it suggests that current management requires augmentation with digital competencies.

The link between artificial intelligence and managerial hierarchies sheds light on the transition process. Artificial intelligence is gradually processing vast amounts of data and enabling data-driven decision-making at many organisational levels (Keshireddy, 2024). This feature may allow for more decentralisation and empowerment of frontline decision-making through augmented analytics capabilities. However, the adoption of AI within businesses demonstrates the enduring relevance of strategic leadership, cultural alignment, and organisational governance—all of which are addressed by classical management theory. The research demonstrates that, while AI capabilities may democratise certain decision-making procedures, the basic management difficulty of coordinating large enterprises toward strategic goals remains.

Structural Transformation in Retail Sector

Examining the retail sector transition provides clear evidence of whether traditional structures have genuinely been displaced. According to research on business model innovation in retail, digitalisation improves business agility, customer engagement, and operational efficiency, driving the movement of traditional business models toward more adaptable and data-driven frameworks (Louis and Eyo-Udo, 2024). However, it does not appear that existing structures will be completely abandoned as part of this process. Rather, successful retailers exhibit the ability to incorporate digital channels while keeping complicated retail operations well-structured.

An investigation into the omnichannel retail business model transition found that retailers work with specialised service providers to develop digital business models, resulting in meta-ecosystems in which retail firms interact with digital service organisations (Palmié et al., 2022). Significantly, the report stresses that physical contact with digital service providers, product suppliers, and customers are still the major means by which shops differentiate themselves. This conclusion directly opposes technological determinism: despite digitalisation, physical interactions and deep personal links remain crucial components of competitive differences in digital situations.

Research on food and fashion retail provides additional sector-specific findings. A study on digital consumer orientation and business model innovation in the cosmetics industry identified four dimensions: digital customer positioning, interactive value creation, ecosystem construction, and data analysis assistance (Jiang, 2024). Crucially, business model innovation mediates the association between digital customer orientation and organisational transformation performance, implying that organisational design decisions are still critical, notwithstanding technical capabilities. Organisational flexibility and environmental volatility emerged as moderating factors, underlining the continuous importance of adaptive management techniques rather than technology-driven structures.

Existence of Classical Management Principles

Despite technological disruption, research supports the enduring applicability of classical management ideas in digital contexts. According to research on employee satisfaction and organisational performance (Durrani, Jhariko, & Mushtaque, 2025). Critically, this relationship is dependent on cultural context and managerial consistency, rather than technology competence alone. This study openly contradicts the concept that Western-centric management methods transfer directly across contexts, arguing that management efficiency requires purposeful cultural adaptation and contextual alignment.

Despite the digital transition, power dynamics within organisations, which are core to classical organisation theory, remain fundamentally relevant. A thorough investigation of the function of power in modern businesses highlights the importance of understanding power relations in understanding organisational behaviour, strategic transformation, and employee engagement (Filippi, Peters, and Suitner, 2024). The study contends that management and organisational studies have engaged in a "forgetting of power", ignoring critical parts of organisational phenomena such as leadership, team behaviour, and resilience, all of which require power contrasts and conflicts. This result shows that, rather than becoming obsolete, classical theoretical concerns about power and authority hierarchies require renewed consideration within digitalised enterprises.

Artificial intelligence and the changing management role

AI is increasingly performing duties previously linked to managerial analysis. It can classify clients, provide demand projections, recommend items, detect fraud, optimise delivery routes, automate customer service, and assist with pricing decisions. AI can also be used in retail to provide computer vision systems for inventory management, automated checkout, and staff scheduling.

The most important argument is whether AI automates or augments the management. Raisch and Krakowski (2021) present an automation-augmentation conundrum in which technologies can replace some tasks while boosting the relevance of human labour in others. Routine information processing can be automated, but human intervention is required for judgement, accountability, interpretation, and relationship management.

Brau et al. (2024) show that human judgement remains important in digitalised retail supply chains. According to their findings, analytical and AI-supported decision-making is increasingly integrated with managerial judgement, with judgement becoming more crucial as decisions ascend the supply chain. This conclusion questions the notion that technology eliminates management. This implies that AI may alter the level of judgement.

Retail analytics and data-driven management

Retail analytics is one of the most obvious examples of technological advancement that alters management positions. Retailers acquire data from point-of-sale systems, loyalty programmes,

According to Rooderkerk et al. (2022), retail analytics research has been extended to cover a wide range of decision domains. This shows that technology expands managers' information-processing responsibilities. Modern retail managers must be able to interpret data, ask pertinent questions, challenge assumptions, and connect facts to commercial decisions.

However, data-driven management has limitations. Historical data may perpetuate such prejudices. Metrics may lead managers to prioritise short-term conversion at the expense of consumer trust or employee well-being. Correlations may be misinterpreted as causality. A forecast may be statistically correct on average but fail in exceptional circumstances. Analytics can improve decision-making and introduce new hazards.

According to Szukits and Móricz (2024), analytical culture and organisational frameworks are critical for data-driven decision-making. The data availability is insufficient. Employees require skills, supervisors must trust and comprehend analytical methods, and the organisation

Critical Analysis and Discussion

Arguments supporting the claim

The claim that traditional models are obsolete has several valid bases.

1. Many traditional structures are too slow for online shopping purposes. A hierarchical organisation with several approval steps may fail to respond to changing customer behaviour, competition pricing, or supplier disruption. E-commerce markets run on a continual basis, and sellers may need to quickly change product content, prices, promotions, and fulfilment arrangements. Digital competitors can test changes quickly, whereas a rigid organisation may postpone action.

2. Functional silos are not ideal for omnichannel retailing. Online sales, store operations, marketing, merchandise, supply chain, and customer support are interconnected. A structure that divides these functions may result in redundancy, conflicting agendas, and uneven client experiences. Cross-functional teams formed around customer journeys, products, or business concerns are frequently required for retail transformation.

3. Technology undermines the belief that managers must personally collect and process information. Enterprise systems and analytics platforms can generate real-time dashboards, warnings and recommendations. Routine scheduling, resupply, and reporting can all be automated. This alters the supervisory function of middle managers, particularly those whose previous employment consisted mostly of communicating information between top management and frontline personnel.

4. Digital enterprises typically rely on ecosystems rather than vertical integration. Platform companies organise external sellers and service providers without having all the resources necessary to deliver the customer proposition. Traditional organisational models, which focus primarily on internal boundaries, may be insufficient to describe platform governance.

5. Digital technologies enable decentralised decision making. Cloud solutions and shared data allow people close to clients or with operational difficulties to acquire information and respond more quickly. This may reduce reliance on centralised authority. Instead of large bureaucratic departments, digital merchants may use agile squads, product teams, and experimentation platforms.

6. Technology and digital leadership play increasingly important strategic roles. A retailer's IT architecture, data capability, and digital customer experience can influence its competitive position. Traditional management education, which views technology as a supporting function, is inadequate. Digital transformation necessitates executives who understand both business and technology.

These considerations support the notion that some traditional structures and positional definitions must be changed. A retailer that continues to treat e-commerce as a distinct technological endeavour regards shops and online platforms as competitors and relies on sluggish hierarchical approvals is likely to underperform.

Arguments against the claim

Despite these changes, the claim of complete obsolescence is too strong to be accepted.

1. Technology does not eliminate the need for cooperation between humans. This may result in growing interdependence as more functions share systems and data. Someone must establish priorities, resolve conflicts, and allocate the necessary resources. Cross-functional teams require authority, goals, and accountability. The absence of a formal hierarchy does not diminish power or decision-making authority; rather, it may obfuscate them.

2. Uncertainty and novelty are factors that limit the automation of these systems. Algorithms perform well when past patterns are applicable in the future. Economic shocks, cultural shifts, legislative developments, competitive actions, and unanticipated events all have the potential to disrupt retail markets. Managers must interpret situations in which no solid historical evidence exists.

3. Managerial decisions are about values, not just optimisation. An algorithm may recommend decreasing the number of workers to save money, raising prices amid shortages, or targeting vulnerable clients with tailored offers. Whether such practices are permissible depends on ethical judgement and stakeholder considerations. Data can help inform but not determine value-based judgements.

4. Accountability remains both personal and organisational. Customers, regulators, and employees must understand who is responsible for making decisions. If a retailer's algorithm discriminates against specific customers, generates unsafe recommendations, or results in unjust staff treatment, the company cannot avoid responsibility by blaming technology.

5. Governance is essential for all digital platforms. Platform companies may appear less hierarchical than typical enterprises; however, they frequently exercise significant centralised control over rules, rankings, payments, and access. Hierarchy does not dissolve; rather, it transforms into platform governance.

6. Established management theories remain relevant at a higher level of abstraction. Planning may evolve into scenario planning and continuous experimentation. Organisations may involve networks and agile teams. Leadership may entail digital inclusiveness and human-AI partnerships. Control may include real-time statistics and automated examinations. Although the activity changes, the fundamental management problem persists.

Theoretical Examination of Claim of Obsolescence

The topic of the report claims that technology has rendered traditional organisational structures and management theories outdated and deserves close examination in light of the available facts. This assumption implicitly presupposes a deterministic relationship between technological capability and organisational form; that is, because digital technologies permit certain organisational possibilities, businesses must adopt those possibilities or risk becoming irrelevant. However, research points to a more nuanced reality in which technology facilitates, rather than defines, organisational choices.

First, we examine the evidence for a hierarchical structure. Traditional thinking emphasises hierarchy as an essential component for guiding complex groups through fixed positions, specialisations, and separate authority levels (Imran et al., 2021). The statement of obsolescence is based, in part, on the idea that digital communication technologies reduce coordination costs by reducing the need for hierarchical structures in organisations. However, empirical evidence demonstrates that while hierarchies may flatten, removing middle management layers from old bureaucratic organisations, they persist in a modified form even in highly digitalised businesses. A 23% reduction in hierarchical flatness implies significant structural changes, although the hierarchy is not eliminated (Subhadarshini, 2025).

Furthermore, research on whether companies can function well with completely flat hierarchies exposes major limitations of radical delayering. According to a study on organisational structure transformation, "large companies should refrain from adopting a completely flat hierarchical structure" and that "strategic-level elements serve as a guiding framework for the transformation process" (Pacheco-Cubillos, Boria-Reverter, and Gil-Lafuente, 2024). This finding directly contradicts the obsolescence hypothesis. Instead, it implies that while hierarchical structures must be reconfigured in light of digital possibilities, some type of organised distinction in authority and decision-making authority remains functionally necessary.

Management Theory Adaptation Rather Than Obsolescence

Examining the evolution of management theory in digital situations demonstrates adaptability and augmentation rather than total obsolescence. Classical management theory, which includes Weber's bureaucracy, Fayol's administrative theory, and subsequent contingency methods, was primarily concerned with how to organise human activity within complex organisations to achieve strategic goals. Regardless of technological advancements, these concerns remain applicable to digital environments. The transition from hierarchical information flows to network-based communication does not reduce the need for a defined strategy, coordinated action, and performance accountability; it only changes the tools for achieving these goals.

Evidence from digital HRM transformation reveals this adaptive process in tangible terms. Traditional HRM tasks such as talent acquisition, development, and performance management remain, but their execution techniques have changed considerably (Zhang and Chen, 2024). Digital technologies improve these tasks—allowing for more comprehensive candidate screening, customised learning opportunities, and constant performance feedback—without making the core management functions obsolete. A recruiting manager now employs artificial intelligence techniques that did not exist a decade ago, yet the fundamental management challenge of identifying talent aligned with organisational goals remains unaltered.

Another good example comes from leadership philosophy. Classical leadership thought highlighted the importance of vision, culture formation, strategic direction setting, and stakeholder alignment. Contemporary leadership theory, addressing digital transformation contexts, highlights precisely these same mechanisms—while acknowledging that leaders must now function within digital ecosystem contexts and foster digital literacy among their businesses (Latifi, 2026). The discovery that businesses must nurture "emotionally intelligent and augmentation-orientated leadership" in order to enable "agile and fluid organisational structures" is an extension of leadership theory rather than a replacement (Latifi, 2026).

Examining Obsolescence Claims in Retail Sector

The retail industry, which has seen particularly intense digital disruption, provides critical support for the obsolescence claim. Traditional retail philosophy emphasises hierarchical channel control, product-centric organisation, and geographically distinct market divisions. E-commerce and omnichannel retail have profoundly altered basic organisational fundamentals. However, what has really transpired in retail businesses gives complex evidence of obsolescence.

Successful businesses have restructured existing structures to operate across integrated channels rather than doing away with them, according to research on omnichannel retail transformation (Ali, Wani, and Tyagi, 2022). Omnichannel Intensity (the degree of channel integration), Organisational Structure Integration (the way structures change to support integrated operations), Operations and Supply Chain Management Innovation, and Data Analytics and Intelligence are the four main dimensions that the research identifies as emerging from digitalisation. It is noteworthy that "Cross-channel integration and data analytics & intelligence have been discovered to be helping immensely toward the strategic expansion of omnichannel retailers." This result shows that shops have been able to successfully maintain structured organisational systems while modifying those structures to accommodate digital realities.

Furthermore, empirical study on various retail organisations demonstrates a consistent organisational structure and managerial job difference. An investigation of Cars24, an Indian used-car retail platform company founded in 2015, reveals that, despite operating as a digital-native e-commerce company, it retains traditional hierarchical management structures such as founder/CEO roles, departmental organisations, and strategic planning processes (Kulkarni, Sivaraman, and Agrawal, 2025).

No empirical evidence supports the claim that retailers have abolished traditional management responsibilities. Instead, evidence suggests that retailers have changed specific jobs: store managers now control both physical and digital consumer touchpoints, inventory managers oversee complicated omnichannel logistics, and data analytics positions have developed as new management tasks. These are examples of role evolution, not elimination. The underlying managerial challenge of coordinating complex retail operations across many channels, locations, and client segments remains, and it may have become more complicated rather than easier.

Evaluation of the obsolescence claim

How theoretical and structural relevance is measured is an important consideration when considering the obsolescence claim. If obsolescence means that traditional management structures are no longer effective in digital contexts, evidence strongly contradicts this interpretation; digital-native companies maintain hierarchical structures, and traditional retailers have successfully adopted digital channels while maintaining organisational coherence (Mustafa et al., 2022). If obsolescence means that classical structures remain completely unmodified, there is no empirical evidence to support this, as significant structural adaptation has occurred Warner and (Wäger, 2019). However, if obsolescence means that classical structures have become less conspicuous or that new structures have decreased the explanatory capacity of classical theory; this demands more sophisticated examination.

The data indicates that what has transpired is not classical obsolescence or unmodified persistence, but rather meaningful transformation and contextual refinement of classical principles. Digital technologies have permitted structural experimentation, such as the establishment of specific digital units that operate alongside traditional firms, the use of agile processes for software and product development, and the greater centralisation of data analytics capabilities (Ghosh et al., 2022). However, these trials have not resolved the fundamental structural and theoretical issues that conventional management theory addressed. Rather, they have added levels of complexity that require management attention.

Analysis of Evidence Regarding Obsolescence

Based on a thorough review of recent literature and empirical evidence from retail sector change, the argument that technological developments in e-commerce and e-business have rendered traditional organisational structures and management theories outdated is qualified. This conclusion must be carefully nuanced to avoid the impression that no significant changes have happened. Rather, the evidence suggests that classic organisational structures and management theories have undergone significant modification and contextual adaptation while remaining essentially relevant (Thenoz, Juteau and Rowe, 2024).

Traditional organisational systems have developed rather than disappeared. Hierarchical coordination survives in a modified form, with flattened middle management layers but retained strategic difference (Do Vale, Collin-Lachaud and Lecocq, 2021). Traditional management jobs have evolved to fit digital contexts—store managers now coordinate omnichannel experiences, buyers incorporate data analytics into assortment decisions, and supply chain managers oversee complicated logistics across channels (Eriksson Ahre, Norrman and Kembro, 2022). These indicate significant role evolution without the loss of the underlying managerial functions.

Classical management theories have demonstrated remarkable resilience and applicability in digital situations. Leadership theory's emphasis on vision-setting, culture-building, and stakeholder involvement is still directly applicable in digital transformation environments (Weber et al., 2022). Organisational change theory is effective in addressing digital transformation difficulties (Ekhsan et al., 2026). Human resource management theory's emphasis on capability development, performance management, and employee engagement is critical in digital retail situations. What has changed is the precise context in which these theories apply and the mechanisms by which they work, rather than their basic relevance or explanatory ability.

Managerial Implications

Principles of organisational structure for the Digital Retail Sector

Structural adaptation in digital retail necessitates careful balance of hierarchical flattening and coordinating needs. According to research on this transformation, while eliminating middle management levels helps speed up decision-making and minimise bureaucratic overhead, totally flat organisations can lead to coordination failure (Hanelt et al., 2021). An evidence-based strategy would involve decreasing hierarchical layers to the bare minimum required for strategic coordination and accountability, while ensuring that authority and responsibility connections remain clearly defined. This does not imply the abandonment of hierarchy, but rather the optimisation of hierarchical depth and range of control in digital operating systems (Reitzig, 2022).

Role redefinition has proven critical for retail managers managing the digital shift. Classic retail roles like store manager, category buyer, and visual merchandiser still exist, but they have altered significantly. Contemporary store managers must manage both physical retail experiences and internet customer interactions (McKinsey & Company, 2019). Buyers are increasingly incorporating data analytics into their selection processes. Visual merchandisers must now address product presentation in physical stores, e-commerce platforms, and mobile apps (WJEC, 2022). These role evolutions are sophisticated adaptations of traditional management principles—clear role definition, suitable authority-responsibility matching, and performance accountability—to digital contexts, rather than their abandonment.

Change Management and Implementation Strategy

The transition of retail businesses from traditional to digitally integrated models is a significant organisational change that classical change management theory effectively handles. According to the evidence on digital transformation implementation, "successful transformation requires careful alignment of technology, culture, and strategy" and "digital transformation is not a one-time event but a continuous strategic journey aimed at maintaining competitive advantage" (Koska, Akturk, and Cerasi, 2025). These recommendations reflect the application of traditional organisational transformation theory to modern circumstances.

According to research on employe management during organisational transformation, "agile performance management, characterised by flexibility and continuous feedback, is crucial for adaptability" and that "organisations need to implement comprehensive employe management strategies that resonate with their strategic goals to navigate transformation effectively" (Widjaja, 2023). These findings support conventional human resource management theory, which emphasises the need of goal alignment, performance feedback, and employe involvement within organised change management frameworks. The application of these concepts to digital transformation proves their continuous relevance, not their obsolescence.

Practical implementation in retail settings should include organised change management methods that clearly address opposition to change while developing new capabilities. According to research on resistance to change in digital transformation, four key factors exist: technology adaptation (Li and Erorita, 2025). To effectively address these sources, managerial competences like stakeholder engagement, cultural leadership, capability development, and clear communication are required, all of which are basic classical management duties. The data suggests that these traditional competencies are critical exactly in digital transformation scenarios.

Leadership and capability development

The transition of management positions in digital retail requires significant investment in leadership development that addresses both traditional management talents and digital-specific capabilities. Evidence suggests that successful digital transformation leadership necessitates what scholars call "agile leadership"—leaders who can encourage organisational agility while retaining strategic alignment and ethical accountability (Ngamsiri and Sriboonlue, 2026). This approach does not replace traditional leadership philosophy but rather augments it with digital-specific criteria.

Leadership training should clearly address digital literacy—understanding technological capabilities and limitations—while also reinforcing traditional leadership characteristics such as strategic vision articulation, culture building, stakeholder engagement, and ethical decision-making. According to the research, "Thai businesses should systematically enhance agile leadership competencies while increasing organisational agility and multi-generational team management practices" (Ngamsiri and Sriboonlue, 2026). This prescriptive guideline illustrates the application of traditional leadership development frameworks to digital transformation challenges.

Furthermore, research on AI-enhanced leadership shows that incorporating artificial intelligence into leadership practice necessitates a renewed focus on power dynamics, fairness perceptions, and employee well-being—exactly the human-centred concerns that classical organisational psychology emphasised (Essid, 2025). The discovery that "authoritarian leadership lowers the good benefits of AI-augmented leadership on reducing employee stress" illustrates that technology competence alone does not replace traditional concerns about leadership style and its consequences on organisational members (Essid, 2025). Rather, technological integration emphasises the significance of sophisticated leadership strategies that balance technical innovation with ongoing attention to human factors.

Data-Driven Decision-Making

The rise of data analytics as a significant driver of retail performance indicates the evolution, not replacement, of managerial decision-making theories. Classical management theory promotes rational and informed decision-making using the best available information. Although modern analytics supplies managers with significantly bigger volumes of data, the core management duty of analysing information and determining suitable courses of action remains the same. Managers in digital retail environments have access to detailed and real-time data on customer behaviour, purchase trends, inventory turnover, demand changes, and operational performance. This allows merchants to improve forecasts, tailor consumer interactions, optimise product assortments, and manage inventories more efficiently (Rooderkerk, DeHoratius, & Musalem, 2022).

Retail analytics has thereby increased businesses' information processing capacity. According to Rooderkerk, DeHoratius, and Musalem (2022), retail analytics has evolved to encompass strategic, tactical, and operational decision areas such as demand planning, assortment decisions, inventory management, and distribution. Similarly, business analytics can assist businesses in converting massive and complicated statistics into insights that enable better evidence-based managerial decisions. However, having more data does not necessarily result in better decisions. The value of analytics is determined by data quality, analytical capability, organisational culture, and managerial support (Szukits and Móricz, 2024).

Furthermore, analytics should be viewed as a decision-support tool rather than a standalone alternative for managerial discretion. Managers must continue to evaluate the reliability and significance of analytical outputs, identify limitations in prior data, and adapt to circumstances that cannot be correctly forecast. Strategic decisions frequently contain ambiguity, ethical issues, competing stakeholder interests, and long-term implications that cannot be reduced to numerical indicators. According to a recent study, managers frequently employ analytics to monitor performance and make operational adjustments, but they integrate analytical outputs with expert knowledge and stakeholder viewpoints when making complicated strategic decisions (Szukits and Móricz, 2024).

As a result, data analytics is an extension of management theory since it increases the speed, scope, and precision of managerial information processing. It does not eliminate the need for managers to make key decisions in difficult situations, balance opposing interests, or translate operational data into strategic direction. As a result, the most effective method combines analytical evidence, managerial expertise, and contextual judgement. In retail, analytics can identify what is happening and predict what is likely to happen, but managers are still responsible for deciding what should happen and how the organisation should respond.

Framework for governance

Data-driven decision-making implementation in retail firms should be embedded into traditional governance structures to ensure accountability and alignment with strategic goals. According to research on data-driven culture creation, "good leadership, along with an adaptive organisational culture and structured knowledge-sharing methods, can considerably boost the effectiveness of data-driven initiatives" (Nedelchev et al., 2025). This research illustrates that the amount of technical information does not erase traditional management problems such as organisational culture, leadership alignment, or knowledge management. Instead, those traditional features must be altered in order to efficiently use expanded information capabilities.

Retail managers employing data analytics should create clear governance frameworks that define who has access to what data, for what objectives, and with what authority. These governance enquiries replicate traditional organisational authority structures and role separation. The evidence suggests that businesses that effectively embed data analytics within classical governance frameworks get better results than those that consider analytics as merely technical tasks separated from management structures and accountability connections.

Recommendations

This report provides numerous evidence-based recommendations for retail companies managing digital transformation:

1. Retail executives should reject technological determinism while seizing technology opportunities. The research clearly shows that effective digital transformation involves significant organisational choices in terms of structure, culture, and management strategy, rather than technology implementation. This necessitates viewing digital transformation as a fundamental organisational challenge requiring intelligent management rather than just a technological execution.

2. Decisions about organisational structure in digital retail should be strategic rather than radical. Completely flat organisational structures are problematic; mild hierarchical flattening with retained strategic coordination and accountability linkages is beneficial. Instead of wholesale adopting fashionable patterns, each retail organisation should make specific structural decisions that reflect its unique competitive situation, operational complexity, and strategic goals.

3. Investing in management capability development should clearly integrate traditional management competences with digital-specific abilities. Retail managers must possess traditional leadership skills, such as strategic thinking, people management, and organisational culture development, as well as digital literacy and data analytics knowledge. Leadership development should highlight how traditional management practices must be adapted to digital contexts rather than replaced.

4. Retail organisations should establish formal governance frameworks for digital capabilities such as data analytics, artificial intelligence, and omnichannel operations. These governance frameworks should incorporate digital capabilities into existing management structures while maintaining clear power connections, accountability procedures, and alignment with strategic goals. This demonstrates the adaptation of traditional organisational governance norms to digital capabilities, rather than their abandonment.

5. Retail leaders should acknowledge the ongoing importance of non-technological aspects in digital transformation success. The research consistently identifies organisational culture, change management, stakeholder involvement, and leadership alignment as significant predictors of digital transformation success. These characteristics represent traditional organisational challenges that require ongoing management attention in addition to technological execution.

Future Research

Several major research gaps must be addressed in order to increase our understanding of management theory and practice in digital retail contexts. Future study should look into the long-term effects of digital transformation on retail organisational performance, determining whether observed structural changes result in enduring competitive advantages or are temporary disturbances preceding convergence toward new equilibrium structures. Delayering border conditions should be carefully examined in research to determine what levels of hierarchical depth are required for various retail operating models and settings.

Additional research should look into how management theory needs to be reconceptualised in the context of digital platforms. While this research shows that classical theory is still applicable, the specific methods by which classical principles function may require theoretical improvement. How, for example, does leadership function when most conversations take place through digital platforms? How do conventional authority structures function when crucial choices are based on algorithmic recommendations? These concerns demand ongoing theoretical and empirical investigation.

Finally, a comparative study examining management practice across retail firms at various stages of digital maturity could shed light on transition pathways and identify factors that influence transformation success. Understanding how retail businesses effectively navigate digital transition while preserving operational performance could provide significant practical advice that goes beyond what is already available in the literature.

Conclusion

The idea that technology has rendered traditional organisational structures and management theories obsolete fundamentally misunderstands the transition taking place in contemporary retail. Technology has not eliminated traditional management practices but rather produced new situations in which classical concepts must be recalibrated, as well as additional layers of complexity that demand managerial attention. Successful retail businesses do not abandon traditional management but rather use it with sophistication in digital contexts. This does not indicate the triumph of technology over management or the irrelevance of technical change, but rather the continuous importance of management in navigating technological upheaval for organisational reasons. For retail managers, this finding represents an opportunity: the tools and frameworks created over decades of management research remain potent and practical, necessitating modification rather than abandonment as businesses navigate the challenging transition to digitally integrated retail models.

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