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## A Comparison of Effectiveness of Global Leaders and Domestic Leaders in Electronic Retail Industry

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# A Comparison of Effectiveness of Global Leaders and Domestic Leaders in Electronic Retail Industry

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## I. INTRODUCTION

In this study, we aim at exploring why global leaders are more effective than domestic leaders in organisational settings in electronic retail businesses (hereafter e- retail). In order to achieve the aim, we consider roles, skills, and approaches differently demonstrated by both global and domestic leaders in a complex environment. This also provides a comparison of the effectiveness of global leaders with domestic ones in the consumer e- retail businesses. Since our approach includes a comprehensive literature analysis, the comparison of effectiveness of global leaders and domestic leaders have been diagnosed through investigating the challenges faced by leaders; identifying the competencies of global leaders and domestic leaders; assessing and evaluating the link between leadership competencies and challenges; and exploring the managerial effectiveness of global/ domestic leaders in consumer e- retail industry.

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We refer to effectiveness as the level to which identified and targeted problem is resolved and extent to which set objectives are accomplished. In present study, the effectiveness demonstrates the attainment of remaining competitive in the stiff competition. Thus, this concept provides an understanding in relation to the adaption of approaches to deal with complex global business environment.

According to the report of World E- retail Congress (2012), rising rental cost, adaption of changing habits of customer's preferences, providing consistent multichannel offerings and forming persuasive promotions are e- retailer's biggest challenges nowadays. In discussion with modern day successful leaders in the world, it is evident that the focus on the customers is kept constantly to overcome these challenges through board having talented team (ibid). In e- retail industry, global leaders' success is mostly credited to talented team on board (ibid).

However, global leaders confirmed that in modern e- retail, new technological advancement and e-commerce have been exciting aspects which further enhance challenges for e- retail industry in global context. Technology is effective but it cannot be regarded as an absolute competitive advantage for the organisations because technology can be replicated by competitors. Moreover, e-commerce has improved business efficiency but 56% customers were dissatisfied regarding online services in e- retail industry (Artificial Solutions White Paper, 2016). Based on the aforementioned discussions, a self- constructed framework for addressing the research question was formed as shown in Figure 1.

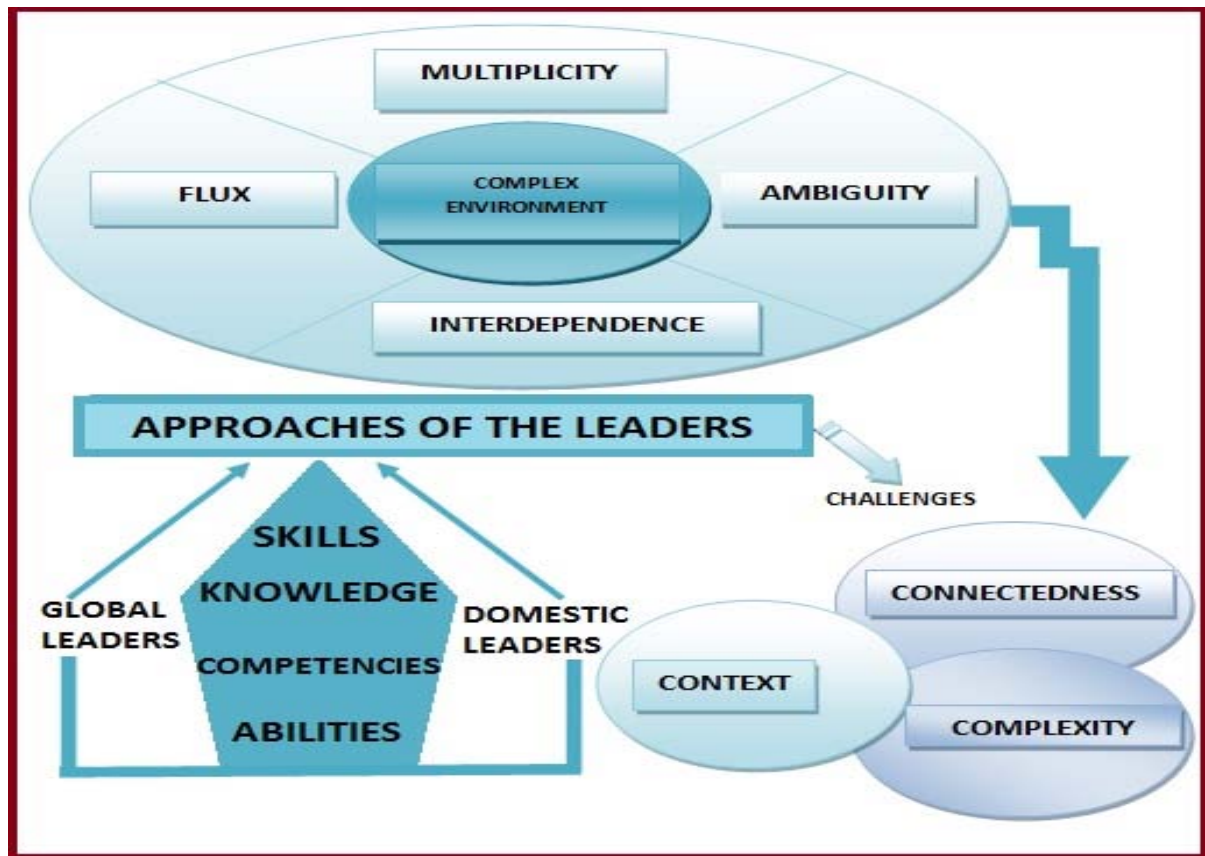


Figure 1: Self-constructed framework for addressing the research question

In order to create a comparison amongst leaders, this study is divided into five sections. In the first section, we provide a comprehensive literature review on global leadership through considering the concept of leadership, global mind-set, global leaders' competencies and complex environment framework including context, connectedness, and complexity. In the second section, we discuss the complexity in global paradigm in order to unpack the difference between global and domestic leaders. In the third section, we compare domestic leaders and global leaders in e-retail industry, fourth section includes the overall discussions for this study and finally in the last section there is conclusion and recommendations.

## II. CONCEPTUALISATION OF LEADERSHIP

According to Antonakis et al., (2004) in social science discipline, leadership is regarded as most widely studied phenomena. "Leadership is influential process of making others do things that are required of them in a right manner by ensuring that individual and collective efforts are supported to attain mutual objectives" (Yukl, 2006; P. 08). On the other hand, Northouse (2010) explained leadership as, "a management's practice to achieve mutual aim by motivating group of individuals through one person" (P. 03). From early leadership trait theory (Cowley, 1931) to

modern fourfold leadership typology (Grint, 2005) there is vast literature available on leadership however Western (2013) concluded that, various types of leadership definitions indicate towards four key attributes that are (a) Leadership emerges in group framework, (b) It involves influencing others, (c) It is a process, and (d) leaders and their follows share common interest therefore work for common aim. Nevertheless, Haque et al. (2015) investigated the domestic leadership in cultural-oriented workforce but there is no conclusive evidence regarding a comparison of contrasting leaders. These attributes are common for both domestic and global leaders. However, global leadership as a concept must be explored since it requires a broader perspective in comparison to the domestic leadership.

Harris, Moran, & Moran (2004) stated that, although there is no one single agreed definition about global leadership but it can be explained as acquiring the skills and capabilities to work in global setting efficiently while considering adequately attributes of cultural diversity. On the other hand, Osland, et al., (2007: P. 2) explained global leaders as, "individuals who effect significant positive change in organizations by building communities through the development of trust and the arrangement of organizational structures and processes in a context involving multiple cross-

boundary stakeholders, multiple sources of external cross-boundary authority, and multiple cultures under conditions of temporal, geographical and cultural complexity" (cited from Mendenhall, et al. 2012; P. 41).

In short, domestic leaders operate within home boundary whereas global leaders operate boundary less (globally).

In a broad perspective, the skills and capabilities to execute and perform certain tasks are denoted as overall leadership competencies. It is a general notion considered that better performance within the organisational setting will be brought by a competent leader (Qureshi, 2013). Berke, Kossler, & Wakefield (2015) stated that, in order to understand the competencies of leader, a leadership competency model suggested by Creative Centre for Leadership (CCL) is effective as it supports competencies in three important areas including, "leading yourself", "leading others", and "leading organisation" while each competency zone is elaborated through specific competencies. To narrow down the competencies of a global leader, it can be stated that individual having the capability to work in dynamic environment with attributes of diversity, globalization, and complexity (Qureshi, 2013). However, Hazucha et al., (2012: P. 219) argued that, "global leader is a leader therefore abilities and roles performed by domestic and global leaders are similar to large extent".

### III. COMPLEXITY IN GLOBAL PARADIGM

In theoretical manner, it appears that there is not much difference between domestic and global leaders but in practical, there is a fine thin line that differentiates these two types of leaders. Some of the key features that have drawn this thin line include; cultural awareness, competencies, approach of performing tasks, and mindset respectively (Qureshi, 2013). Now, above features can be argued that, any domestic leader can develop one or all of these features with the passage of time so what else could be a reason that would make a leader global and others not. Simply, the complexity level is a reason that differentiates global leaders from domestic leaders in organisational settings. Complex environment could be understood by differentiating between complicated and complex environment. In complicated environment, features operate in patterned manner and interaction between them is also in consistent manner but in complex system features though operate in patterned manner but the interaction between attributes is constantly changing.

Increase in complexity is one constant element that drives global leader to strive hard to deal with it and survive in operating dynamics. In a global paradigm, complexity is apparent relative feature which exists and in order to survive and function in global paradigm,

global leaders have to manage it in effective manner. This is where competencies and role of global leaders come in framework. In other words, to manage complexity in global paradigm, role and competencies of leaders are effective instruments.

Lane, Maznevski, & Mendenhall (2004) explained in global complexity framework that there are four elements namely; ambiguity, interdependence, flux, and multiplicity. These four conditions communicate constantly in multi-dimensional manner and goes on to multiply the impact of variables emerging inside as well outside environment (ibid). As a result, leads to create preserves along with persistently altering complexity across the globe (ibid).

#### a) *Multiplicity*

Multiplicity dimension of complexity refers to practical stance where global leader certainly encounters it while they are performing their jobs (Qureshi, 2013). In simple terms, it is frequency of potentially interacting elements. It is linked with their job roles thus they are required to manage, control, and compete with it. Hence, complexity is not purely conveying that global leaders are handling the large frequency of people from different setups in contrast to domestic leaders but it is inevitable condition that is part of their routine tasks and it continuously multiply when mixes with other issues (Lane et al., 2006).

#### b) *Interdependence*

Lane et al., (2004) stated complexity's second dimension is interdependence which specifies that people, knowledge, capital's connectivity, and international movements in rapid manner. Since no one is self-sufficient and cannot commence in isolation whether it is individual, group, or any organisation therefore the condition of interdependence occur. Nowadays, with the advancement in modern technology, organisations, sectors, and countries are rapidly connecting with one another (Qureshi, 2013). According to Lane et al., (2006), organisations are now understanding that in order to sustain competitiveness, they should penetrate interdependent activities and engagements through networking, outsourcing, and alliances so that current value chain continue to create value or sustain price-competitiveness.

#### c) *Ambiguity*

In complexity framework, ambiguity is third condition. It is not just limited to uncertainty but involves inability to understand and infer information in sophisticated manner, which leads to delay in prompt action. "equivocality, nonlinear connections, and lack of accurate data are variables that are closely linked with ambiguity and lead to further enhance complexity" (Lane et al., 2006). Equivocality is resultant of unavailability of precise data and negation of linear relationship reflecting the situation where facts are not simple and various explanations can be made about facts (Meiss,

1995; Lichtenstein & Mendenhall, 2002; and Lane et al., 2006). This is a common situation that global leaders encounter in their routine jobs whereas domestic leaders are facing the lower level of ambiguity on scale of operations (Lane et al., 2006).

#### d) Flux

Flux is last dimension of global complexity indicating that it is condition where everything is in constant change (Lane et al., 2006). The whole universal system is moving constantly thus there is persistent fluctuation, and at times it seems like the fluctuation is changing at a high rate at continuous rate. Hence, when all these elements of complexity are combined, the multiplier impact is created that has been explained as; dynamic complexity = ambiguity x interdependence x multiplicity x flux (Lane et al., 2006). Theoretically, the mentioned equation indicates that complexity is inherent with the global leadership framework. From theoretical perspective, it is clearly evident that, complexity is a key factor that differentiates global leadership from domestic leadership.

Now, as complexity exists in global paradigm which means additional competency is required by global leaders to deal with it on a global stage. 'Global mindset' is additional competency that gives global leaders advantage over domestic leaders in complex environment, especially to deal with all four attributes of complex environment.

### IV. DOMESTIC LEADERS AND GLOBAL LEADERS IN E- RETAIL INDUSTRY

The business scope is limited for domestic leaders in e- retail industry therefore the style of management is traditional as store operation's format and business model for them are conventional type (Mott, 2014). Conversely, global leaders' uses contingent style of management due to design and structure of store format and operations are multidimensional to large extent (Mott, 2014). Moreover, the uniformity is a key competency demonstrated by domestic leaders in e- retail businesses while global leaders have high versatility in their approach (McNulty, 2013). This shows global leaders and domestic leaders have contrasting skills when operating in industry. However, there are various cases where domestic as well global leaders (Menhendall et al., 2008) demonstrate both types of skills.

According to Gitsham (2012), some of the biggest challenges that global leaders face in e- retail industry include; developing awareness about existing cultural differences, understanding regional population's preferences and norms, and creating strategic plans to ensure smooth operations. However, same study argues that, both domestic follows the similar types of procedures and global leaders to ensure bottom line performance of workforce improve. In addition to that,

domestic as well global leaders facilitate workforce by monitoring and communicating with them (ibid). Thus, this reflects that domestic and global leader perform Mintzberg's informational role in organisational setting. According to Mintzberg managerial roles; managers in organisational settings to ensure effective management perform ten behavioural roles. Those roles are combined into three roles namely; interpersonal, informational, and decisional roles. While interpersonal role provides information, informational role processes the information and decisional role uses the information.

Therefore both global and domestic leaders demonstrate managerial effectiveness through informational roles however global leaders are more effective in contrast to domestic leaders when dealing with the challenges of leading and inspiring other and training workforce to be more competitive in understanding cross-cultural awareness. In addition to that, Menhendall et al., (2013) argued that global mindset is vital to increase cross-cultural awareness.

Nevertheless, the work of Gitsham (2012) suggests that, comprehensive understanding of procedures and functionality of business is essential for global leader to ensure swift operations. In other words, global leader while operating in global consumere- retail industry have a global mindset that means competency to completely understand the local procedures undertaken by business while operating in certain environment. Moreover, in order to be effective, global leaders require in-depth knowledge about direct commerce and multi-channel e- retail operating in local regional areas (ibid). Hence, it is also the responsibility of top management of the organisation to ensure those strategic merchandising plans are designed in accordance with the relevant systems of the region.

McNulty (2013) argued that, global leaders when commencing their operations in e- retail sector should not neglect regional store formatting. To further establish his point, McNulty (2013) consider the case of Korea's e- retail industry where 3000 sq/ftp would be considered a large-scale operation in comparison to USA where same area would fall under medium size scale operations. Thus, in case of Korea's e- retail industry, aforementioned area would be requiring efficient transportation operations as region would be regarded as higher price point (ibid). This also indicates that, due to regional geographic complexity, the approach of global leaders needs to be flexible and adaptable as per strategic plan's requirement. Cohen (2010) stated that, the operational style of global leader in accordance with the region needs to be adaptive.

Li (2015) argued that in organisational settings, domestic leaders perform role of mediator while global leaders is involved in maintaining ethics and global standards at international workplace. Interestingly, Gitsham (2012) concluded that, flexibility and adaptability are two different attributes. Adaptability

means ability to adapt or get accustomed whereas flexibility indicates adjusting in accordance with requirements. The work of Gitsham (2012) revealed that, domestic leaders demonstrate flexibility while global leaders exhibit high level of adaptability. Furthermore, it is evident the domestic environment expansion is affected in indirect manner when organisations decide to expand its operations in global environment. The ability to understand operations as part of whole strategy is core competency of global leaders in e-retailing and manufacturing sectors (ibid). Nevertheless, global leaders face huge challenges post by rapidly changing political, socio-economic, and technological environment. Moreover, global leaders are effective when it comes to sustaining competitiveness through strategic planning.

Furthermore, Cohen (2010) argued that domestic leaders when operating in their specific regions usually undertake traditional operating system. This, indicates that, domestic leaders approach is mostly single dimension as they prefer to operate with same traditional operating system while global leaders may not remain effective if uses same traditional approach. Interestingly, this argument also reflects that to certain extent, while operating in e-retail sector, consistency is the core competency of domestic leaders to ensure effective operations while global leaders require adaptability as an important competency to make sure operations are running in effective and smooth manner. However, to large extent Mintzberg's (1994) identified role of 'innovator' is required competency by leaders to ensure effective operations and global leaders are using it more frequently due to context, complexity, and connectedness.

Moreover, domestic and global leaders face challenges in the e-retail business include; sustaining presence and availability of inventory (McNulty, 2013). In addition to that, Lane & Wallis (2009) argued that presence sustainability and inventory's availability are challenges for domestic leaders are limited to specific region while on large scale global leaders address these challenges. This means that, global leaders have to ensure that online and in-hand deliveries, customer engagement at all stages from product launching to feedback, and accessibility and availability of inventory to consumers through diversified channels are maintained in right way.

In addition to that, in global context, global leaders have to ensure product's demand and market is greater among the consumers because of large investments done in international and global market. Therefore, in e-retail sector, domestic leaders and global leaders role may appears to be similar to large extent but in terms of scope global leaders' role is higher than domestic leaders because of the complex business environment. Moreover, maximization of revenue and growth in market share is prime objective for

organisations to expand on global platform (Capegimi, 2012). Since, companies are moving its operations in global market where operations are significantly dynamic and different than domestic operations (ibid). Cohen (2010) argued that domestic leaders are most commonly linked with management of local workforce and their issues in e-retail and manufacturing industry.

According to Leslie et al., (2002), domestic leaders are more found in action role of Mintzberg's managerial roles. On the other hand, Cohen (2010) stated, global leaders' role is evident in strategic policies and conceptual model implementations. In addition to that, Mendenhall, et al., (2008) argued that internal experience and exposure are not leading to global managerial effectiveness but stabilizing emotions, decision-making, and negotiation are effectiveness managed by them in comparison to domestic leaders.

In addition to that cosmopolitan leaders are not seen as most trusting individuals as peers. Colleagues do not confide in their bosses, as perceptions of bosses (Leslie et al., 2002). McBer & Company (1995) conducted a research by interviewing fifty-five CEOs from Manufacturing, I.T & Communication, Engineering, & E-retail Industry to examine job role and it was confirmed that global and domestic leaders share similar platform in most of managerial tasks however, global leaders have additional responsibilities. Furthermore, 'driving for success', 'building commitment', and 'sharpening focus' are three competencies that are demonstrated by domestic and global managers (Mendenhall et al, 2008).

## V. DISCUSSIONS

The work of Mott (2014) showing the scope of business is determining factor in differentiating between domestic leaders and global leaders in the consumer-retail businesses as domestic leaders are mostly following traditional management functions as style and scope of business is limited to format of store operations while global leaders use contingent approach due to multi-format structure and design.

The challenge to remain effective is tackled by global leaders in complex environment through contingent approaches more adequately due to global mindset. In other words, in flux condition, global leaders are effective in attaining organisational objective in comparison to domestic leaders. Global leaders more effectively in contrast to domestic leaders deal the e-retail sectors' challenges in global context.

As also the study of McNulty (2013) shows that global leaders demonstrate high versatility whereas uniformity is key competency of domestic leaders. For instance, Kozai Group and View Sonic introduced 'Global Competency Inventory' and oracle to be more versatile in its approach whereas operations. Hence, when patterned work is going on, domestic leaders are

effective but as there is change in situation, global leaders are effective to ensure versatile approach is used. Especially in situation of ambiguity and connectedness, global leaders are more suitable for the organisations to attain its objectives. For instance, General Electronics' global leader - Jack Welch was more versatile in his approach to deal with ambiguity and connectedness. It means that, global leader having global mindset is versatile to deal with complex situation in contrast to domestic leaders. This also reflects that, 'change' as global leaders through versatility negotiate identified challenge in aforementioned literature.

According to the work of Gitsham (2012) in e-retail businesses, global leaders are facing bigger challenges of understanding cultural diversity and regional preferences so that overall strategic planning is done to have swift operations. Aim of both leaders; domestic as well global leaders work to ensure improvements in operations are to increase revenue for the organisations. Mintzberg's informational role including; communication and monitoring is evident by global as well domestic leaders in e-retail businesses however in complex environment where organisation is facing the challenges of globalization, context, connectedness, and cross-culture awareness, global leaders are more effective in comparison to domestic leaders in consumer-retail businesses. The challenge of e-retail industry is to remain competitive in the complex business environment is one significant factor that requires global mindset. This is a situation where global leaders have an advantage over domestic leaders.

IBM's example is undertaken where Sam Palmisano opted to make IBM a global organisation in 2008. To develop worldwide-incorporated enterprise, instead of opting for "one-size-fit-for-all" training programme, organisation came up with tailored leadership training programme for employees working at different level of the organisation. The objective behind this move was to create cross-cultural awareness among workforce operating at difference levels by facilitating them to have access to global resources and giving them knowledge about world issues thus present findings support the work Mendenhall et al., (2013) that cross-cultural awareness is attained through global mindset. However, It doesn't mean that domestic leaders cannot become global leader at any stage because domestic leader can always develop global mindset through interaction with complex attributes in environment whereas global leaders requires skills to embrace host countries' various attributes.

The organisation aimed to enhance cultural intelligence of employees by providing them managerial level training and managers were given opportunity to communicate across the culture however; this does not mean that those employees or managers were dealing

with the complexity that is faced by global managers. Hence, complexity is one consistent feature that determines the effectiveness of global leaders in comparison with domestic leaders as global leaders are performing managerial roles with global mindset to deal with the challenges of cultural diversity and globalization.

As supporting the notion of the study, Gitsham (2012) explains that global leaders are effective when they understand the functionality and procedures of business while operating in local environment. In global consumer e-retail businesses, global mindset enables global leaders to develop comprehensive understanding of local procedures in a constructive manner. However, there is no evidence that domestic leaders are anywhere less effective than global leaders when it comes to understanding local procedures because domestic leaders are more effective due to local mindset to understand the procedures. Competencies and skills are vital for dealing with challenges in operating dynamics.

Despite these arguments, when situation arises where organisation faces flux on regular basis than global mindset which appears to be more effective. In addition to that, consideration of relevant systems operating in region is vital, as organisation requires planning strategic approach to ensure organisational objectives are attained. In other words, the managerial role (Liaison & action role) identified by Mintzberg are likely to be achieved by global leaders through global mindset.

According to the argument of McNulty (2013) in such situations where global leaders are operating in host countries, they must consider regional store formatting in e-retail businesses. The example of Korea's e-retail industry is useful example to explain that regional formatting is essential for global leaders to consider when operating in any other region from home region (Cohen, 2010).

Example of Korea and USA e-retail industry in literature part also reflects that, global leaders have the competency of global mindset that makes them more adaptive when it comes to implementing procedures in local settings. The domestic leader can work as facilitator but knowledge, skills, and abilities of global leader in assessing and scanning environment is more valuable in transforming businesses in contrasting environments.

Domestic leaders are usually commencing traditional operating system when working in specific region (Cohen, 2010). For instance, BMI research report showed Daw lance operating in Pakistan is using traditional operating system to deal with suppliers and wholesalers. Thus, it can be argued that, global leaders are more multi-dimensional in approach in contrast to domestic leaders. For instance, Panasonic operating in Indonesia continuously change their way of interacting

with the local vendors through 'Indosat'. Thus, Cohen's argument is supported by present study that domestic leaders have consistency in approach when dealing with stakeholders whereas global leaders have adaptability.

In addition to that, global leaders demonstrate the role of 'innovator' (Mintzber's role; 1994) when dealing with the issues of context, connectedness, and complexity.

Both domestic as well global leaders require interpersonal skills (McNulty, 2013). However, domestic leaders are more in focus when they are dealing with lower level managers but their expertise are not limited to only sales growth in regional sectors as sales training and customer care is also their area of focus. By considering the example of Payless Pakistan Consumer Electronics where interpersonal skills especially training of employees are more the role of domestic leaders (Miller & Gisham, 2013). On the other hand, the findings of McNulty (2013) are also evident that strategic planning is an area of global leader's prime concern. For instance the case of Ricoh Japanese consumer electronic company demonstrates the global leader was involved in the decision of buying AnaJet, which shows the global leaders' ability to evaluate market dynamics in the situations of multiplicity and flux. The acquiring of Anajet will enhance the number of potentially interacting elements for Ricoh and this is the situation where context is being considered through global mindset.

In addition to that, sustaining presence in market and inventory's availability are challenges faced by domestic as well global leaders (McNulty's, 2013). Moreover, domestic leaders are facing challenges limited to specific region while challenges of similar types become complex due to ambiguous situations for global leaders (Lane & Wallis, 2009).

Global leaders are also performing similar managerial roles so it is not only domestic leaders who only acquire workplace knowledge, ability to coordinate, and skills to make things happen while operating in e-retail business but global leaders are also performing these tasks on broader level. This can be stated that domestic leaders are effective in traditional managerial roles whereas global leaders are more involved in overall strategic management because these tasks are complex requiring high flexibility and adaptability.

Therefore, the challenge of resolving conflicts and issues in e-retail industry require the competency and skills of leaders. These issues and conflicts may require the skills of inferring from the information and at times too much information may overburden the leaders to find a solution. In other words, operating in global environment means large information is available and at times, it is difficult to infer right information to use. It is a situation where leaders in businesses face high level of ambiguity.

Interestingly, Roberto (2002) argued that, global leaders rely on following the best practices that have

already being demonstrated by successful organisations when they face the situation of uncertainty and ambiguity. In order to support his statement Roberto (2002) gave an example of Jack Welch, CEO of General Electronic who altered business procedures of GE that resulted into huge profits. Welch along with his management considered 20 organisations that have increased its productivity in comparison to GE and eventually GE adopted Hewlett-Packard and Chrysler's innovative product development strategy while Wal-Mart's Quick Market Intelligence strategy was also considered (Roberto, 2002). This perspective strongly suggests that global leaders have the tendency to imitate strategic move that is being used by successful firms when come across ambiguous situation. On the other hand, domestic leaders mostly follow the basic methods linked with routine structured tasks. Thus, this strongly reflects that, global leaders are more effective than domestic leaders in situation of ambiguity.

It is evident that in domestic consumer e-retail industry, domestic leader is required to have good relation with vendors and manufactures because communication and negotiation skills are essential for them. This reflects that, action roles (Mintzberg's managerial role) performed by domestic leaders is frequently observed. The similar notion is also supported by work of Leslie et al., (2002) that domestic leaders are involved in action roles. In consumer e-retail businesses, domestic leader more often performs action role. The research report of BMI reflects BECO - Bscharwut Electronics Co Pakistan is an example of action role is performed by domestic leaders.

In the situation of multiplicity where frequency of likely interacting attributes increases. As the organisation grows, the managerial roles are not confined to small number of stakeholders but the numbers of stakeholders multiply at constantly changing rate so decision-making, negotiation, action roles, communication, and even emotional stability are to be ensured by leaders. This is where global leaders have edge over domestic leaders. For example Siemens AG - global engineering powerhouse has multiple stakeholders as it operates in more than 190 countries with more than 400,000 employees. Thus, the multiplicity condition is high for this company and therefore it operates with global leaders because global leaders through knowledge, skills, and abilities in complex environment perform all aforementioned roles (Cohen, 2010).

Remaining competitive and sustaining position in market gives a global leader edge over domestic leaders (Li, 2015). For instance, two e-retailing giants, 'Sony' and 'IBM' decided to stay competitive in business through mutual pacts. This is a decision taken by the global leaders of these organisations as knowledge, expertise, and information is shared thus interdependence is a condition that can be handled by



global leader more often in comparison to domestic leaders.

Moreover, it shows that global leader's role is more dominant when it comes to sustaining competitiveness in global context. In addition to that, the role of mediator in such situations could be effectively played by global leaders however, domestic leader's expertise are valuable to be considered when opting for mutual pacts as they are included in the interdependence condition to certain extent especially in addressing the challenges of drive, communication, and strategies in e- retail industry.

On the other hand, daily routine tasks and quality assurance is domestic leaders' managerial role while similar task is carried out by global leaders in broader spectrum so that quality meet consumer's demand and more than routine task, high level complex tasks are accomplished in strategic manner (Gitsham, 2012). The example of Pakistan Eltron Limited for domestic leadership where regional managers are responsible for quality assurance is assistive to this idea. On the other hand, Circuit City and Heir electronics Chinese e- retailers have included consumer demand quality in strategic roles where global leaders are involved in action role. Thus, when situation of flux arises, especially consumer's demand for quality is constantly changing than it is global leaders more effective in contrast to domestic leaders.

In addition to that, domestic leaders are more effective in handling disturbance and conflicts with manufacturers and vendors in e- retail sector while global leaders are more effective in handling the trends and analysis of entire industry along with interlinked sectors. This indicates that domestic leaders are only focusing on informational role like monitoring, disseminating, and speaking/communicating with concern parties while global leaders' informational role exceed in e- retail industry by using the same role during the vertical production chain not only in the specific region but interlinked setups. However, global leaders heavily rely on domestic partners and leaders' collaboration for successful operations. It is because; domestic environment is affected by global operations therefore global leaders need to ensure that strategic planning is done according to the domestic prevailing environment.

## VI. CONCLUSION AND RECOMMENDATIONS

To sum up, managerial reality has increased in terms of complexity with the passage of time thus previous managerial models became inadequate to deal with increasing complexity. Moreover, four conditions of complex environment include; multiplicity, interconnectedness, ambiguity, and flux respectively. While operating in complex environment, organisations face the challenges posed by these aforementioned

conditions and in order to remain effective, the role and competencies of the global and domestic leaders are contrasting but both have certain advantages as well limitations to e- retail businesses.

Informational role, interpersonal, and decisional roles are carried out by both domestic and global leaders but 'global mindset' is additional attribute of global leader to work effectively in diversified and cross-cultural environment therefore global leaders are more suitable in dealing with issues of complexity, connectedness, and context. There is no denial that in certain areas especially in local setups, domestic leaders have strong advantage over global leaders because they are more familiar with the culture, norms, and traditions in commencing routine structured tasks. However, as organisations decide to move on the scale from local to global platform, things start to become more complex which requires not only knowledge, skills and abilities but also a global mindset of a leader to carry out tasks, especially strategic tasks.

Global mindset enables leaders to be flexible as well adaptive by using contingent approach. Moreover, domestic leaders are effective in routine structured tasks due to limited management scope while global leaders are most suitable when non-routine structured tasks because the scope of management is not limited to traditional functionality. Especially, when number of potentially interacting attributes increases in the environment and there is situations of interdependence than global leaders are more adequate in performing informational, interpersonal, and decisional roles. In addition to that, when procedures and features are interacting constantly in environment and information is available in bulk manner, as per required situation 'suitable practice' is undertaken by global leaders which give advantage to them over domestic leaders to deal with challenges of retail industry.

Global leaders have versatility to work in interlinked setups but the importance of domestic leaders cannot be ignored as they can be significant by being facilitator to global leaders to understand and effectively operate within the environment. Thus both leaderships are effective however in complex environment global leaders have slight advantage over domestic leaders in dealing with various challenges retail businesses.

Based on the aforementioned discussion, following recommendations may improve the chances of consumer e-retail businesses to overcome the complexities and challenges in the e- retail industry through effective leadership:

Embracing rooted cosmopolitanism will be beneficial for global leaders instead of displaying global citizens' image while dealing with complexities in consumer e- retail businesses. Connecting with counterparts and domestic leaders will be effective as it will be a win-win situation for both leadership; domestic

leaders will nurture knowledge, skills and abilities under their wings and in return culture of region will be embraced by global leaders to ensure organisation benefits in long run. In addition to that, global leaders would be more effective in performing their managerial responsibilities when identify host as well home cultures in positive manner because by being global leaders break free from one's roots and emerge everywhere with symmetric attachment.

Only experience is not enough to make leaders effective in global environment therefore development of global mindset is essential requirement. For this purpose, it is essential for global leaders working in consumer e- retail businesses to consider the attributes required to shape global interactions by evaluating cross-country differences and their effects. In order to do so, global leaders should be connected with domestic leaders because domestic leaders have more knowledge about host country's culture. The creation of environment that supports global mindset is essential as it will enable the organisations to overcome the challenges faced by them in operating dynamics.

The competencies of global leaders should not be limited to focusing on cultural differences, as it is essential for the organisations to train their global leaders to understand administrative, economic, and political differences. The awareness about the slow versus fast-growth market, state intervention, etc should be explained to them so that global leaders are familiar with context and connectedness. Thus, domestic leadership should be used by the organisations to facilitate global leadership especially in distinct and unfamiliar context.

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