

# 1 A Comparison of Effectiveness of Global Leaders and Domestic 2 Leaders in Electronic Retail Industry

3 Erhan Aydin<sup>1</sup>

4 <sup>1</sup> University of Wales Trinity Saint David - United Kingdom,

5 *Received: 10 December 2016 Accepted: 4 January 2017 Published: 15 January 2017*

6

---

## 7 **Abstract**

8 By the end of twentieth century 'global manager' emerged as a new managerial reality. In  
9 the sphere of cultural, geographical, and temporal complexity, global leaders come into  
10 prominence in terms of managerial skills and effectiveness. This study aims at demonstrating  
11 a comparison of the effectiveness of global leaders with domestic leaders in the electronic retail  
12 businesses. Fulfil this aim we investigated the competencies of both global and domestic  
13 leaders and the correlation between leadership competencies and challenges in global consumer  
14 electronic retail businesses and managerial skills against these challenges. The comprehensive  
15 literature review analysis in this paper shows that informational role, interpersonal, and  
16 decisional roles are carried out by both domestic and global leaders but 'global mindset' is  
17 additional attribute of global leader to work effectively in diversified and cross-cultural  
18 environment therefore global leaders are more suitable in dealing with issues of complexity,  
19 connectedness, and context. This study is unique to demonstrate global and domestic leader's  
20 approaches to challenges in electronic retail industry which enable to show the effectiveness of  
21 both leadership.

22

---

23 **Index terms**— leadership, global, domestic, effectiveness, e-retail industry.

## 24 **1 Introduction**

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

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

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

43 However, global leaders confirmed that in modern e-retail, new technological advancement and ecommerce  
44 have been exciting aspects which further enhance challenges for e-retail industry in global context. Technology is  
45 effective but it cannot be regarded as an absolute competitive advantage for the organisations because technology  
46 can be replicated by competitors. Moreover, e-commerce has improved business efficiency but 56% customers  
47 were dissatisfied regarding online services in e-retail industry (Artificial Solutions White Paper, 2016). Based on  
48 the aforementioned discussions, a self-constructed framework for addressing the research question was formed as  
49 shown in Figure 1. In order to create a comparison amongst leaders, this study is divided into five sections. In the  
50 first section, we provide a comprehensive literature review on global leadership through considering the concept of  
51 leadership, global mind-set, global leaders' competencies and complex environment framework including context,  
52 connectedness, and complexity. In the second section, we discuss the complexity in global paradigm in order to  
53 unpack the difference between global and domestic leaders. In the third section, we compare domestic leaders  
54 and global leaders in e-retail industry, fourth section includes the overall discussions for this study and finally in  
55 the last section there is conclusion and recommendations.

## 56 2 II.

### 57 3 Conceptualisation of Leadership

58 According to Antonakis et al., (2004) in social science discipline, leadership is regarded as most widely studied  
59 phenomena. "Leadership is influential process of making others do things that are required of them in a right  
60 manner by ensuring that individual and collective efforts are supported to attain mutual objectives" (Yukl, 2006;  
61 P. 08). On the other hand, Northouse (2010) explained leadership as, "a management's practice to achieve  
62 mutual aim by motivating group of individuals through one person" (P. 03). From early leadership trait theory  
63 (Cowley, 1931) to modern fourfold leadership typology (Grint, 2005) there is vast literature available on leadership  
64 however Western (2013) In short, domestic leaders operate within home boundary whereas global leaders operate  
65 boundary less (globally).

66 In a broad perspective, the skills and capabilities to execute and perform certain tasks are denoted as overall  
67 leadership competencies. It is a general notion considered that better performance within the organisational  
68 setting will be brought by a competent leader (Qureshi, 2013). Berke, Kossler, & Wakefield (2015) stated  
69 that, in order to understand the competencies of leader, a leadership competency model suggested by Creative  
70 Centre for Leadership (CCL) is effective as it supports competencies in three important areas including, "leading  
71 yourself", "leading others", and "leading organisation" while each competency zone is elaborated through specific  
72 competencies. To narrow down the competencies of a global leader, it can be stated that individual having the  
73 capability to work in dynamic environment with attributes of diversity, globalization, and complexity (Qureshi,  
74 2013). However, Hazucha et al., (2012: P. 219) argued that, "global leader is a leader therefore abilities and roles  
75 performed by domestic and global leaders are similar to large extent".

## 76 4 III.

### 77 5 Complexity in Global Paradigm

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

88 Increase in complexity is one constant element that drives global leader to strive hard to deal with it and  
89 survive in operating dynamics. In a global paradigm, complexity is apparent relative feature which exists and  
90 in order to survive and function in global paradigm, global leaders have to manage it in effective manner. This  
91 is where competencies and role of global leaders come in framework. In other words, to manage complexity in  
92 global paradigm, role and competencies of leaders are effective instruments.

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

---

## 98 6 a) Multiplicity

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

## 105 7 b) Interdependence

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

## 114 8 c) Ambiguity

115 In complexity framework, ambiguity is third condition. It is not just limited to uncertainty but involves inability  
116 to understand and infer information in sophisticated manner, which leads to delay in prompt action. "equivocality,  
117 nonlinear connections, and lack of accurate data are variables that are closely linked with ambiguity and lead to  
118 further enhance complexity" (Lane et al., 2006). Equivocality is resultant of unavailability of precise data and  
119 negation of linear relationship reflecting the situation where facts are not simple and various explanations can  
120 be made about facts (Meiss, 1995; Lichtenstein & Mendenhall, 2002; and Lane et al., 2006). This is a common  
121 situation that global leaders encounter in their routine jobs whereas domestic leaders are facing the lower level  
122 of ambiguity on scale of operations (Lane et al., 2006).

## 123 9 d) Flux

124 Flux is last dimension of global complexity indicating that it is condition where everything is in constant change  
125 (Lane et al., 2006). The whole universal system is moving constantly thus there is persistent fluctuation, and at  
126 times it seems like the fluctuation is changing at a high rate at continuous rate. Hence, when all these elements  
127 of complexity are combined, the multiplier impact is created that has been explained as; dynamic complexity  
128 = ambiguity x interdependence x multiplicity x flux (Lane et al., 2006). Theoretically, the mentioned equation  
129 indicates that complexity is inherent with the global leadership framework. From theoretical perspective, it is  
130 clearly evident that, complexity is a key factor that differentiates global leadership from domestic leadership.  
131 Now, as complexity exists in global paradigm which means additional competency is required by global leaders  
132 to deal with it on a global stage. 'Global mindset' is additional competency that gives global leaders advantage  
133 over domestic leaders in complex environment, especially to deal with all four attributes of complex environment.

## 134 10 IV.

## 135 11 Domestic Leaders and Global Leaders in E-Retail Industry

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

144 According to Gitsham (2012), some of the biggest challenges that global leaders face in e-retail industry  
145 include; developing awareness about existing cultural differences, understanding regional population's preferences  
146 and norms, and creating strategic plans to ensure smooth operations. However, same study argues that,  
147 both domestic follows the similar types of procedures and global leaders to ensure bottom line performance  
148 of workforce improve. In addition to that, domestic as well global leaders facilitate workforce by monitoring  
149 and communicating with them (ibid). Thus, this reflects that domestic and global leader perform Mintzberg's  
150 informational role in organisational setting. According to Minztberg managerial roles; managers in organisational  
151 settings to ensure effective management perform ten behavioural roles. Those roles are combined into three  
152 roles namely; interpersonal, informational, and decisional roles. While interpersonal role provides information,  
153 informational role processes the information and decisional role uses the information.

## 11 DOMESTIC LEADERS AND GLOBAL LEADERS IN E-RETAIL INDUSTRY

---

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

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

166 McNulty (2013) argued that, global leaders when commencing their operations in e-retail sector should  
167 not neglect regional store formatting. To further establish his point, McNulty (2013) consider the case of  
168 Korea's e-retail industry where 3000 sq/ftp would be considered a large-scale operation in comparison to USA  
169 where same area would fall under medium size scale operations. Thus, in case of Korea's e-retail industry,  
170 aforementioned area would be requiring efficient transportation operations as region would be regarded as higher  
171 price point (ibid). This also indicates that, due to regional geographic complexity, the approach of global  
172 leaders needs to be flexible and adaptable as per strategic plan's requirement. Cohen (2010) stated that, the  
173 operational style of global leader in accordance with the region needs to be adaptive. Li (2015) argued that in  
174 organisational settings, domestic leaders perform role of mediator while global leaders is involved in maintaining  
175 ethics and global standards at international workplace. Interestingly, Gitsham (2012) concluded that, flexibility  
176 and adaptability are two different attributes. Adaptability means ability to adapt or get accustomed whereas  
177 flexibility indicates adjusting in accordance with requirements. The work of Gitsham (2012) revealed that,  
178 domestic leaders demonstrate flexibility while global leaders exhibit high level of adaptability. Furthermore, it is  
179 evident the domestic environment expansion is affected in indirect manner when organisations decide to expand  
180 its operations in global environment. The ability to understand operations as part of whole strategy is core  
181 competency of global leaders in retailing and manufacturing sectors (ibid). Nevertheless, global leaders face  
182 huge challenges post by rapidly changing political, socio-economic, and technological environment. Moreover,  
183 global leaders are effective when it comes to sustaining competitiveness through strategic planning.

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

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

199 In addition to that, in global context, global leaders have to ensure product's demand and market is greater  
200 among the consumers because of large investments done in international and global market. Therefore, in e-retail  
201 sector, domestic leaders and global leaders role may appears to be similar to large extent but in terms of scope  
202 global leaders' role is higher than domestic leaders because of the complex business environment. Moreover,  
203 maximization of revenue and growth in market share is prime objective for organisations to expand on global  
204 platform (Capgemini, 2012). Since, companies are moving its operations in global market where operations are  
205 significantly dynamic and different than domestic operations (ibid). Cohen (2010) argued that domestic leaders  
206 are most commonly linked with management of local workforce and their issues in e-retail and manufacturing  
207 industry.

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

213 In addition to that cosmopolitan leaders are not seen as most trusting individuals as peers. Colleagues do not  
214 confide in their bosses, as perceptions of bosses (Leslie et al., 2002)

---

## 215 12 Discussions

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

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

224 As also the study of McNulty (2013) shows that global leaders demonstrate high versatility whereas uniformity  
225 is key competency of domestic leaders. For instance, Kozai Group and View Sonic introduced 'Global Competency  
226 Inventory' and oracle to be more versatile in its approach whereas operations. Hence, when patterned work is  
227 going on, domestic leaders are effective but as there is change in situation, global leaders are effective to ensure  
228 versatile approach is used. Especially in situation of ambiguity and connectedness, global leaders are more suitable  
229 for the organisations to attain its objectives. For instance, General Electronics' global leader -Jack Welch was  
230 more versatile in his approach to deal with ambiguity and connectedness. It means that, global leader having  
231 global mindset is versatile to deal with complex situation in contrast to domestic leaders. This also reflects that,  
232 'change' as global leaders through versatility negotiate identified challenge in aforementioned literature.

233 According the work of Gitsham ( ??012) in eretail businesses, global leaders are facing bigger challenges of  
234 understanding cultural diversity and regional preferences so that overall strategic planning is done to have swift  
235 operations. Aim of both leaders; domestic as well global leaders work to ensure improvements in operations  
236 are to increase revenue for the organisations. Mintzberg's informational role including; communication and  
237 monitoring is evident by global as well domestic leaders in e-retail businesses however in complex environment  
238 where organisation is facing the challenges of globalization, context, connectedness, and cross-culture awareness,  
239 global leaders are more effective in comparison to domestic leaders in consumere-retail businesses. The challenge  
240 of e-retail industry is to remain competitive in the complex business environment is one significant factor that  
241 requires global mindset. This is a situation where global leaders have an advantage over domestic leaders.

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

251 The organisation aimed to enhance cultural intelligence of employees by providing them managerial level  
252 training and managers were given opportunity to communicate across the culture however; this does not mean  
253 that those employees or managers were dealing with the complexity that is faced by global managers. Hence,  
254 complexity is one consistent feature that determines the effectiveness of global leaders in comparison with domestic  
255 leaders as global leaders are performing managerial roles with global mindset to deal with the challenges of cultural  
256 diversity and globalization.

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

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

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

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

277 Domestic leaders are usually commencing traditional operating system when working in specific region (Cohen,

## 12 DISCUSSIONS

---

278 2010). For instance, BMI research report showed Daw lance operating in Pakistan is using traditional operating  
279 system to deal with suppliers and wholesalers. Thus, it can be argued that, global leaders are more multi-  
280 dimensional in approach in contrast to domestic leaders. For instance, Panasonic operating in Indonesia  
281 continuously change their way of interacting with the local vendors through 'Indosat'. Thus, Cohen's argument is  
282 supported by present study that domestic leaders have consistency in approach when dealing with stakeholders  
283 whereas global leaders have adaptability.

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

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

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

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

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

310 Interestingly, Roberto (2002) argued that, global leaders rely on following the best practices that have already  
311 being demonstrated by successful organisations when they face the situation of uncertainty and ambiguity. In  
312 order to support his statement Roberto (2002) gave an example of Jack Welch, CEO of General Electronic who  
313 altered business procedures of GE that resulted into huge profits. Welch along with his management considered  
314 20 organisations that have increased its productivity in comparison to GE and eventually GE adopted Hewlett-  
315 Packard and Chrysler's innovative product development strategy while Wal-Mart's Quick Market Intelligence  
316 strategy was also considered (Roberto, 2002). This perspective strongly suggests that global leaders have the  
317 tendency to imitate strategic move that is being used by successful firms when come across ambiguous situation.  
318 On the other hand, domestic leaders mostly follow the basic methods linked with routine structured tasks. Thus,  
319 this strongly reflects that, global leaders are more effective than domestic leaders in situation of ambiguity.

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

326 In the situation of multiplicity where frequency of likely interacting attributes increases. As the organisation  
327 grows, the managerial roles are not confined to small number of stakeholders but the numbers of stakeholders  
328 multiply at constantly changing rate so decision-making, negotiation, action roles, communication, and even  
329 emotional stability are to be ensured by leaders. This is where global leaders have edge over domestic leaders.  
330 For example Siemens AG global engineering powerhouse has multiple stakeholders as it operates in more than  
331 190 countries with more than 400,000 employees. Thus, the multiplicity condition is high for this company and  
332 therefore it operates with global leaders because global leaders through knowledge, skills, and abilities in complex  
333 environment perform all aforementioned roles (Cohen, 2010).

334 Remaining competitive and sustaining position in market gives a global leader edge over domestic leaders (Li,  
335 2015). For instance, two e-retailing giants, 'Sony' and 'IBM' decided to stay competitive in business through  
336 mutual pacts. This is a decision taken by the global leaders of these organisations as knowledge, expertise, and  
337 information is shared thus interdependence is a condition that can be handled by global leader more often in  
338 comparison to domestic leaders.

339 Moreover, it shows that global leader's role is more dominant when it comes to sustaining competitiveness in  
340 global context. In addition to that, the role of mediator in such situations could be effectively played by global

341 leaders however, domestic leader's expertise are valuable to be considered when opting for mutual pacts as they  
342 are included in the interdependence condition to certain extent especially in addressing the challenges of drive,  
343 communication, and strategies in e-retail industry.

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

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

## 361 **13 VI. Conclusion And Recommendations**

362 To sum up, managerial reality has increased in terms of complexity with the passage of time thus previous  
363 managerial models became inadequate to deal with increasing complexity. Moreover, four conditions of complex  
364 environment include; multiplicity, interconnectedness, ambiguity, and flux respectively. While operating in  
365 complex environment, organisations face the challenges posed by these aforementioned conditions and in order  
366 to remain effective, the role and competencies of the global and domestic leaders are contrasting but both have  
367 certain advantages as well limitations to e-retail businesses.

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

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

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

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

390 Embracing rooted cosmopolitanism will be beneficial for global leaders instead of displaying global citizens'  
391 image while dealing with complexities in consumer e-retail businesses. Connecting with counterparts and domestic  
392 leaders will be effective as it will be a win-win situation for both leadership; domestic leaders will nurture  
393 knowledge, skills and abilities under their wings and in return culture of region will be embraced by global  
394 leaders to ensure organisation benefits in long run. In addition to that, global leaders would be more effective in  
395 performing their managerial responsibilities when identify host as well home cultures in positive manner because  
396 by being global leaders break free from one's roots and emerge everywhere with symmetric attachment.

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

## **13 VI. CONCLUSION AND RECOMMENDATIONS**

---

402 mindset is essential as it will enable the organisations to overcome the challenges faced by them in operating  
403 dynamics.

404 The competencies of global leaders should not be limited to focusing on cultural differences, as it is essential for  
405 the organisations to train their global leaders to understand administrative, economic, and political differences.  
406 The awareness about the slow versus fast-growth market, state intervention, etc should be explained to them so  
407 that global leaders are familiar with context and connectedness. Thus, domestic leadership should be used by  
408 the organisations to facilitate global leadership especially in distinct and unfamiliar context.<sup>1</sup> <sup>2</sup>

---

<sup>1</sup>© 2017 Global Journals Inc. (US)

<sup>2</sup>( ) 2017 © 2017 Global Journals Inc. (US) 1

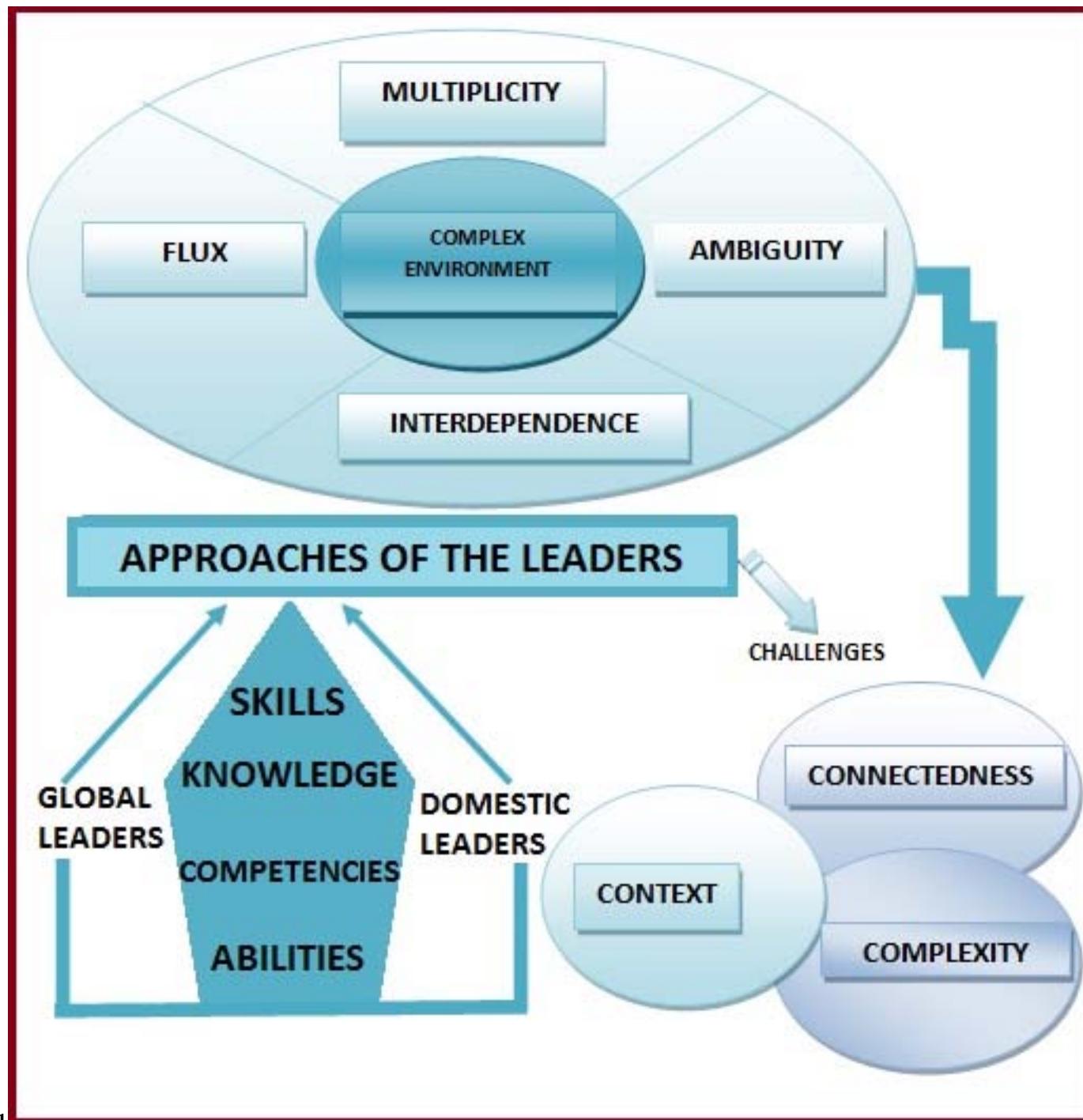


Figure 1: Figure 1 :

**13 VI. CONCLUSION AND RECOMMENDATIONS**

---

---

409 [Leslie et al. ()] , J B Leslie , M Dalton , C Ernst , J Deal . 2002.

410 [Hazucha et al. ()] *Can enterprise competency models reflect global leadership?* *Industrial and Organizational*  
411 *Psychology*, J Hazucha , E Sloan , P Storfer . 2012. 5 p. .

412 [Mendenhall et al. ()] 'Defining the "global" in global leadership'. M Mendenhall , B S Reiche , A Bird , J S  
413 Osland . *Journal of World Business* 2012. 47 (4) p. .

414 [Berke et al. ()] *Developing Leadership Talent*, D Berke , M E Kossler , M Wakefield . 2008. UK: John Wiley &  
415 Sons Inc. p. .

416 [Qureshi (2013)] *Domestic and global leadership*, S Qureshi . [http://www.academia.edu/16120715/Domestic\\_and\\_global\\_leadership](http://www.academia.edu/16120715/Domestic_and_global_leadership). Last accessed 2013. Mar 2017. p. 12.

417 [Cohen ()] 'Effective global leadership requires a global mindset'. S L Cohen . *Industrial and Commercial Training*  
418 2010. 42 (1) p. .

419 [Statista and Com ()] *Estimated growth rates for the global electronics industry from*, Statista , Com . <http://www.statista.com/statistics/268396/estimated-growth-rates-for-the-electronics-industry-by-region/>. Last accessed 2015. 2013-2015. 2013 to 2015. 19th Mar 2017. (Global Electronic Industry -Growth Outlook)

420 [Osland et al. ()] 'Expert cognition in global leaders'. J S Osland , A Bird , A Osland , G Oddou . *Proceedings*  
421 *of the Eighth International NDM Conference*, K Mosier, & U Fischer (ed.) (the Eighth International NDM  
422 ConferencePacific Grove, CA) 2007.

423 [Meiss ()] *Frequently asked questions about nonlinear science (version 1.0.9): newsgroup 'sci*, J D Meiss . 1995.  
424 p. . Department of Applied Mathematics at University of Colorado at Boulder

425 [World and Congress ()] *Global e-retail leaders share their insight into key issues affecting the e-*  
426 *retail industry ahead of the World E-retail Congress next month*, E-Retail World , Congress  
427 . <http://www.socialandcorporategovernanceawards.com/Images/Global%20eretail%20leaders%20share%20insight%20ahead%20of%20World%20Eretail%20Congress%20130812>. Mar 2017. p. 14.

428 [Lane et al. (ed.) ()] *Global talent: An anthology of human capital strategies for today's borderless enterprise*,  
429 H W Lane , M L Maznevski , M E Mendenhall . G. Scholz (ed.) 2004. Washington, D.C.: Human Capital  
430 Institute. p. . (Globalization: Hercules meets Buddha)

431 [Lane et al. ()] *International management behavior*, H W Lane , J J Distefano , M L Maznevski . 2006. Oxford,  
432 UK: Blackwell. (5th ed)

433 [Key Challenges Facing Eretailers in the Online World ()] *Key Challenges Facing Eretailers in the Online World*,  
434 <http://www.artificial-solutions> 2014.

435 [Gitsham and Pegg (2012)] 'Leadership in a rapidly changing world: how business leaders are reframing success'.  
436 M Gitsham , M Pegg . *Conference Presentation at Ashridge R Day* 2012. March.

437 [Western ()] *Leadership: A critical Text*, S Western . 2013. London: British Library Publication Data. (2nd  
438 Edition)

439 [Haque et al. ()] 'Leading Leadership Style to Motivate Cultural-Oriented Female Employees in the Developing  
440 Country: I.T Responses from Pakistan'. A U Haque , R Faizan , N Zehra , A Baloch , V Nadda , F Riaz .  
441 *International Journal of Academic Research in Business and Social Sciences* 2015. 5 (9) p. .

442 [Mcnulty (2013)] 'Learning the Leadership Lessons of E-retail'. E J Mcnulty . <http://www.strategy-business.com/blog/Lear-ning-the-Leadership-Lessons-of-Eretail?gko=ccf65>. Last  
443 accessed, 2013. Mar 2017. p. 24.

444 [Roberto (2002)] 'Making Difficult Decisions In Turbulent Times'. M Roberto . <http://iveybusinessjournal.com/publication/making-difficult-decisions-in-turbulent-times/>. Last  
445 accessed IVEY Business Journal. Available 2002. Mar 2017. p. 5.

446 [Managerial Effectiveness in a Global Context] *Managerial Effectiveness in a Global Context*, North Carolina;  
447 Greensboro: Center for Creative Leadership.

448 [Harris et al. ()] *Managing cultural differences -global leadership strategies for the 21st century*, P R Harris , R  
449 T Moran , S V Moran . 2004. Oxford: Elsevier. (6th ed)

450 [Mcber and Company ()] *Mastering Global Leadership: Hay/McBer International CEO Leadership Study*, &  
451 Mcber , Company . 1995.

452 [Mendenhall et al. ()] M E Mendenhall , J S Osland , A Bird , G R Oddou , M L Maznevski . *Global leadership: Research, practice, and development*, (London) 2008. Routledge.

453 [Mendenhall et al. ()] M E Mendenhall , J S Osland , A Bird . *search of global leadership*, 2013. 42 p. .

454 [Antonakis et al. ()] 'Methods for studying leadership'. J Antonakis , C A Sehriesheim , J A Donovan , K  
455 Gopalakrishna-Pillai , E K Pellegrini , J L Rossomme . *Antonakis, J. Cianciolo, A. T. & Stemberg, R. J. The nature of leadership* 2004. Sage Publications. p. .

456

## 13 VI. CONCLUSION AND RECOMMENDATIONS

---

466 [Mintzberg ()] P G Mintzberg . *Leadership: Theory and practice*, (Thousand Oaks, CA) 2010. Sage. (5th ed)

467 [Lichtenstein and Mendenhall ()] 'Nonlinearity and response-ability: Emergent order in 21st century careers'. B  
468 B Lichtenstein , M Mendenhall . *Human Relations* 2002. 55 (1) p. .

469 [Lawrence and Lorsch ()] *Organization and environment: Managing differentiation and integration*, P R  
470 Lawrence , J W Lorsch . 1967. Boston. Harvard University

471 [Bmi Research (2016)] *Pakistan Consumer Electronics Report*, Bmi Research . <http://store.bmiresearch.com/pakistan-consumer-electronics-report.html>. Last accessed 2016. Mar 2017. p. 31.

472 [Grint ()] 'Problems, Problems, Problems: The Social Construction of Leadership'. K Grint . *Human Relations*  
473 2005. 58 (11) p. .

474 [Mott (2014)] *Role of a Team Leader in E-retail Industry*, A Mott . <http://smallbusiness.chron.com/role-team-leader-e-retail-17324.html>. Last accessed 2014. Mar 2017. p. 22.

475 [Mintzberg ()] *Rounding out the manager's job*, Sloan Management Review, H Mintzberg . 1994. 36 p. .

476 [Lane and Wallis ()] 'Strategic management and public leadership'. J E Lane , J Wallis . *Public Management  
477 Review* 2009. 11 (1) p. .

478 [Gitsham ()] 'The Challenging Role of Global Leaders'. M Gitsham . *Harvard Business Review* 2012.

479 [Li ()] *The Influence of Leader Prestige on Subordinates' Job Attitude and Behaviour: mediation and moderation  
480 effects*. SHS Web of Conferences, H Li . 2015. EDP Sciences.

481 [Mintzberg ()] *The nature of managerial work*, H Mintzberg . 1973. NY: Harper & Row.

482 [Millar and Gitsham ()] 'The role of management development in achieving organisational change for sustain-  
483 ability'. C J M Millar , M Gitsham . *Journal of Management Development* 2013. 32 (3) .

484 [Cowley ()] 'The traits of face-to-face leaders'. W H Cowley . *The Journal of Abnormal and Social Psychology*  
485 1931. 26 (3) p. .

486 [Thorn ()] M I Thorn . *Leadership In International Organizations: Global Leadership Competencies*, 2012. 15 p.  
487 .

488 [Yukl ()] G Yukl . *Leadership in organizations*, (NJ) 2006. Pearson-Prentice Hall. (6th ed. Upper Saddle River)

489 .

490 [Yukl ()] G Yukl . *Leadership in organizations*, (NJ) 2006. Pearson-Prentice Hall. (6th ed. Upper Saddle River)