
| RESEARCH ARTICLE

Strategic Leadership in Multinational FMCG Corporations: Managing Regional Market Complexity in Emerging Economies

Konstantin Yakimov

Independent Researcher, USA

Corresponding Author: Konstantin Yakimov, **E-mail:** konstay11@gmail.com

| ABSTRACT

The original study explores the impact of strategic leadership within multinational FMCG firms on successful handling of regional market complexity within emerging economies. Utilizing an explanatory mixed-method approach, the study uses surveys conducted among 92 business executives, along with qualitative interviews among 14 strategic leaders in subsidiary companies of Unilever, P&G, and Nestlé located in Nigeria, Kenya, and South Africa. It was found that adaptive strategic leadership significantly moderates the association between market complexity and subsidiary performance, explaining 64-67% of variation in performance outcomes. This research proposes a new model called the Adaptive Regional Complexity Leadership Model (ARCLM), combining strategic foresight, glocal execution, and agile orchestration.

| KEYWORDS

Strategic leadership, FMCG multinationals, emerging economies, regional market complexity, globalization, route-to-market agility, adaptive leadership model

| ARTICLE INFORMATION

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1. Introduction

The ongoing process of globalization and shifts in economic power has led many multinational FMCG corporations to look to emerging economies as key engines for growth and profit. Markets that include developing countries from Africa, Asia, Latin America, and Eastern Europe constitute a significant and fast-growing part of the global FMCG consumer base (Agyenim-Boateng et al., 2015; Ancarani et al., 2014). Nevertheless, the effective operation in those areas requires much more than application of standard global approaches. Indeed, regional market complexity associated with the presence of institutional voids, regulatory uncertainty, lack of appropriate infrastructure, cultural diversity, and unpredictable consumer behavior due to local socio-economic and political conditions poses a substantial challenge for multinational FMCG firms (Ashley & Vogel, 2025; Meyer, 2015; Meyer & Tran, 2006). Thus, modern multinational FMCG companies require strong strategic leadership to be able to address multiple challenges concurrently.

Regional Market Complexity in Emerging Economies as opposed to conventional definitions of the concept, regional market complexity involves a set of numerous institutional issues in emerging economies, such as ineffective governance institutions, lack of proper regulation, poor intellectual property protection, inefficient logistics channels, fragmented marketing channels, and rapidly changing consumer preferences due to cultural influences and economic instability (Bos, 2011; Crittenden & Crittenden, 2010; Fragouli & Nikolaidou, 2019). For multinational FMCG organizations like Unilever, P&G, and Nestlé, all those difficulties may appear in a wide range of

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specific aspects of their business including problematic logistics operations, prevalence of the traditional trade channel, and need to develop customized products and novel routes-to-market (Boojihawon et al., 2021; Garza Ramírez, 2011; Niavas et al., 2019). As demonstrated through empirical studies conducted in various emerging markets, failure to properly deal with such market complexities may lead to low performance, brand depreciation, or even withdrawal from the region (Alfano, 2025; Autere & Sandnes, 2023; Fjellström & Chowdhury, 2023). On the contrary, successful FMCG multinationals are known for their advanced strategic leadership that helps turn potential challenges into competitive advantages.

Traditionally, multinational corporations tend to rely on their global standards of operation when moving into new regions. Nevertheless, the experience shows that such an approach does not yield expected results because of the discrepancy between global templates and local realities (He, 2026; Khan et al., 2017, 2022; Pereira & Malik, 2018; Sinclair & Wilken, 2009). In this regard, researchers have recently started paying attention to glocalization as a strategy for managing complexity in emerging markets. Empirical studies focusing on FMCG businesses in Russia, Nigeria, Kenya, South Africa, Paraguay, Bangladesh, and other emerging economies show that glocalized strategies that involve product packaging customization, adjustment of standardized products, and culturally sensitive marketing increase brand recognition and acceptance rates (Kalygina & Chernysheva, 2019; Karitu & Gachigo, 2025; Kumar & Singh, 2025; Collin Ugwuoku, 2025). Still, efficient implementation of glocalization tactics relies on the quality of strategic leadership within headquarters and subsidiaries.

As noted above, the term strategic leadership in this context refers to the capacity of senior executives to make informed decisions based on the understanding of regional complexities (Adelekan, 2020; Agu et al., 2024; Van Beek & Grachev, 2010). Specifically, strategic leadership consists of three components: foresight and contextual sensing, glocalized execution, and orchestration of resources/distribution channels. Through the development of corresponding competencies, managers can ensure successful balance between exploitation of established practices and exploration of novel approaches, as well as create context-specific solutions (Vila et al., 2015; Bereznoy, 2018). As an example, the long-term engagement of Unilever in emerging markets is largely facilitated by its systematic efforts to promote the development of leadership skills that enable subsidiary autonomy and strategic alignment (Alfano, 2025; Van Beek & Grachev, 2010). Similarly, according to empirical findings, the success of multinational FMCG companies operating in Nigeria is strongly linked to the ability of executives to make agile decisions in the context of institutional volatility (Ashley & Vogel, 2025). Other crucial challenges related to industry 4.0 adoption, corporate social responsibility initiatives for enhancing brand reputation, and innovative business model creation should also be considered when conducting analysis of FMCG operations in emerging economies (Shakur et al., 2024; el-Gamal, 2020; Bereznoy, 2018; Özbek Tunç & Aslan, 2019).

Despite increased focus of recent scholarly works on FMCG operations in emerging markets, there is still room for advancement in the area. Most of current literature pays attention to the general issue of strategic management in such conditions and/or discusses some tactical aspects (marketing standardization, packaging localization, etc.), but fails to pay sufficient attention to leadership as a central element (Crittenden & Crittenden, 2010; Khan et al., 2022; Korotkov et al., 2013; Syeed & Emanuel Lopes Ribeiro de Melo, 2022). Meanwhile, in addition to conceptual analyses and case studies, the number of original research projects that incorporate empirical data on executives' decision-making is rather limited (Balogun et al., 2022; Cordaro et al., 2022). Consequently, this study aims to fill the identified gap by introducing empirical data on executives' responses to regional market complexities acquired in emerging economies such as Nigeria, Kenya, and South Africa – the places where FMCG companies face particularly challenging circumstances of rapid development amidst the lack of proper infrastructure and ineffective regulations.

Based on this brief overview, the following research question has been formulated: *How does strategic leadership in multinational FMCG corporations help to manage regional market complexity in emerging economies?* Answering the above-mentioned question, the study develops an adaptive regional complexity leadership model (ARCLM), which conceptualizes strategic leadership as consisting of three pillars: strategic foresight and contextual sensing, glocalized execution, and agile orchestration of resources and distribution networks. Building on the ideas expressed in 35 relevant scholarly works, the research presents original data proving that high-level strategic

leadership skills play a moderating role in the effect of market complexity on subsidiary performance (return on assets and market share growth).

The rest of the paper is organized as follows. First, a comprehensive overview of the relevant literature is provided (Section 2). Then, the theoretical framework is presented (Section 3). Following that, details on the methodology and research design used in the study are discussed (Section 4). Section 5 focuses on data analysis and presentation of the research results. In section 6, the research findings are discussed in relation to the existing literature, along with highlighting theoretical and practical contributions and noting limitations. Finally, Section 7 concludes the paper and suggests directions for future research.

In conclusion, through the present research, valuable insights for both theory and practice have been obtained.

2. Literature Review

The existing literature on strategic leadership within multinational organizations in emerging economies, specializing in fast-moving consumer goods (FMCG), represents a relatively extensive but fragmented body of knowledge that sheds light on the crucial interplay between leadership capacities and regional market complexity management. This chapter summarizes the available literature on the subject and identifies its key themes systematically, starting with the general requirements for strategic leadership, proceeding to aspects of regional market complexity, glocalization and adaptation, route-to-market agility, competencies and dynamic capabilities, and providing context-specific insights. In conclusion, important gaps in existing literature will be outlined, and the aim and objectives of the current empirical study formulated.

2.1 Strategic Leadership: Key Driver of Success for FMCG Multinationals

Strategic leadership is increasingly perceived as a key driver of multinational organizations' sustainable success in volatile conditions. Adelekan (2020) demonstrated empirically that strategic leadership and strategic thinking positively influence organizations' competitive advantage in the FMCG sub-sector via better decision-making, resource allocation, and adaptive responsiveness. These findings were corroborated by Agu et al. (2024) in the context of strategic business leadership as a determinant of successful product marketing in emerging countries where conventional management techniques are insufficient. In addition, Van Beek and Grachev (2010) offer a case study of Unilever, showing how strategic leadership competence builds commitment to excellence in multinational organizations.

In addition, several critical success factors for multinational companies operating in emerging economies can be distinguished. In particular, Ashley and Vogel (2025) emphasize the importance of leadership agility and localized decision-making in achieving success in the Nigerian FMCG sub-sector characterized by institutional instability. These findings are consistent with the need for context-based leadership models in emerging economies (Crittenden & Crittenden, 2010; Meyer, 2015).

2.2 Regional Market Complexity in Emerging Economies

Complexity of the regional market in emerging economies stems from multiple factors, including institutional voids, infrastructural limitations, cultural diversity, unpredictable regulatory environment, and rapid changes in consumer behavior. According to Meyer (2015), any management research in this region requires thorough incorporation of contextual factors in order to avoid conceptual inconsistencies. This idea was confirmed experimentally by Meyer and Tran (2006), who showed that complexities of emerging markets require a fundamentally different management approach compared to developed nations. Bos (2011) provides quantitative evidence of the moderating effect of strategic leadership skills on the correlation between various strategic management techniques and financial performance of multinational organizations in complex environments.

Other aspects of regional market complexity include fragile supply chain systems and technological disruptions. Shakur et al. (2024) analyze the problems of adopting Industry 4.0 innovations in the FMCG sector of emerging countries, identifying its implications for building resilient supply chains. Another case study by Fragouli and

Nikolaïdou (2019) analyzes issues and risks associated with expanding into emerging markets and highlights the problems of neglecting regional complexities. Further evidence was provided by Ancarani et al. (2014), who conducted a large-scale analysis of winning strategies in rural emerging markets where infrastructural limitations increase the need for strategic leadership intervention.

2.3 Glocalization, Localization, and Adaptation Strategies

A common theme emerging from the literature is the transition from pure globalization to glocalization and localization as core components of organizational strategies. Kalygina and Chernysheva (2019) conduct a comparative study of glocalization strategies of international FMCG companies competing in the Russian market in the conditions of import substitution policy and conclude that successful organizations combine global efficiency with deep local adaptation. This topic is elaborated on in the comparison of brand localization vs globalization by Collin Ugwuoju (2025), and by He (2026), who finds localization strategies more effective for raising brand recognition among multinational organizations. In addition, He (2026) emphasizes the significance of leadership in managing localization processes.

Adaptations in packaging design and other features of the product are the most common tactical expressions of this strategy. In particular, Khan et al. (2017) offer compelling empirical evidence on the effects of localization of the Western brand's packaging design in non-Western emerging markets. Similarly, Khan et al. (2022) conduct research related to localization of consumer packaging strategy in Asian countries. Another example is Karitu and Gachigo (2025) study, where product standardization in the multinational FMCG organizations was found to be significantly affected by strategic leadership. These processes were also considered in the broader concept of identity transition by Pereira and Malik (2018).

2.4 Route-to-Market and Distribution Strategy Flexibility

Flexibility of the distribution network is another important aspect of regional complexity management. As shown by Boojihawon et al. (2021) using a case of Paraguayan emerging market, strategic leadership plays a crucial role in developing flexible route-to-market strategies. Additional evidence supporting the concept was provided by Cordaro et al. (2022) who experimentally tested a microequity and mutuality framework in the context of Kenyan market development. On the other hand, Niavas et al. (2019) and Agyenim-Boateng et al. (2015) highlight the continued importance of traditional trade routes for FMCG distribution in the South African and broader African markets. The same topic is covered by Garza Ramírez (2011) who considers distribution strategies used by multinational corporations in Latin American emerging markets.

Syeed and Emanuel Lopes Ribeiro de Melo (2022) and Balogun et al. (2022) enrich this topic through analyzing customer acquisition strategy and cross-market brand architecture framework, respectively.

2.5 Leadership Skills, Dynamic Capabilities, and Learning

Leadership capabilities and dynamic capabilities are key factors in managing complexities. Vila et al. (2015) show that combination of exploitation- and exploration-oriented marketing strategies and strong strategic leadership promotes sales growth in emerging economies. The ability to harness the organization's internal capabilities to manage international complexities is also emphasized by Autere and Sandnes (2023) and Fjellström and Chowdhury (2023). An important historical case of strategic leadership promoting organizational sustainability is described by Alfano (2025) in his longitudinal study of Unilever commitment to emerging economies. Bereznoy (2018) takes the discussion further through considering innovative business models in the strategic adaptation of multinational organizations to emerging economy. At the same time, the role of corporate social responsibility in promoting acceptance of the brand due to strategic leadership is discussed by el-Gamal (2020). At the same time, Korotkov et al. (2013) suggest reconsidering the simulated test marketing approach in emerging markets, and Sinclair and Wilken (2009) call for moving beyond the standardization and glocalization debate to regional marketing campaign design.

2.6 Empirical Evidence from Specific Emerging Markets

As a whole, the literature includes numerous insights from such emerging economies as Nigeria (Ashley & Vogel, 2025), Kenya (Cordaro et al., 2022), South Africa (Kumar & Singh, 2025; Niavas et al., 2019), Russia (Kalygina & Chernysheva, 2019), Bangladesh (Syeed & Emanuel Lopes Ribeiro de Melo, 2022), as well as Latin America. In particular, Kumar and Singh (2025) focus on how local cultural norms affect marketing strategies of Indian FMCG MNCs in South Africa.

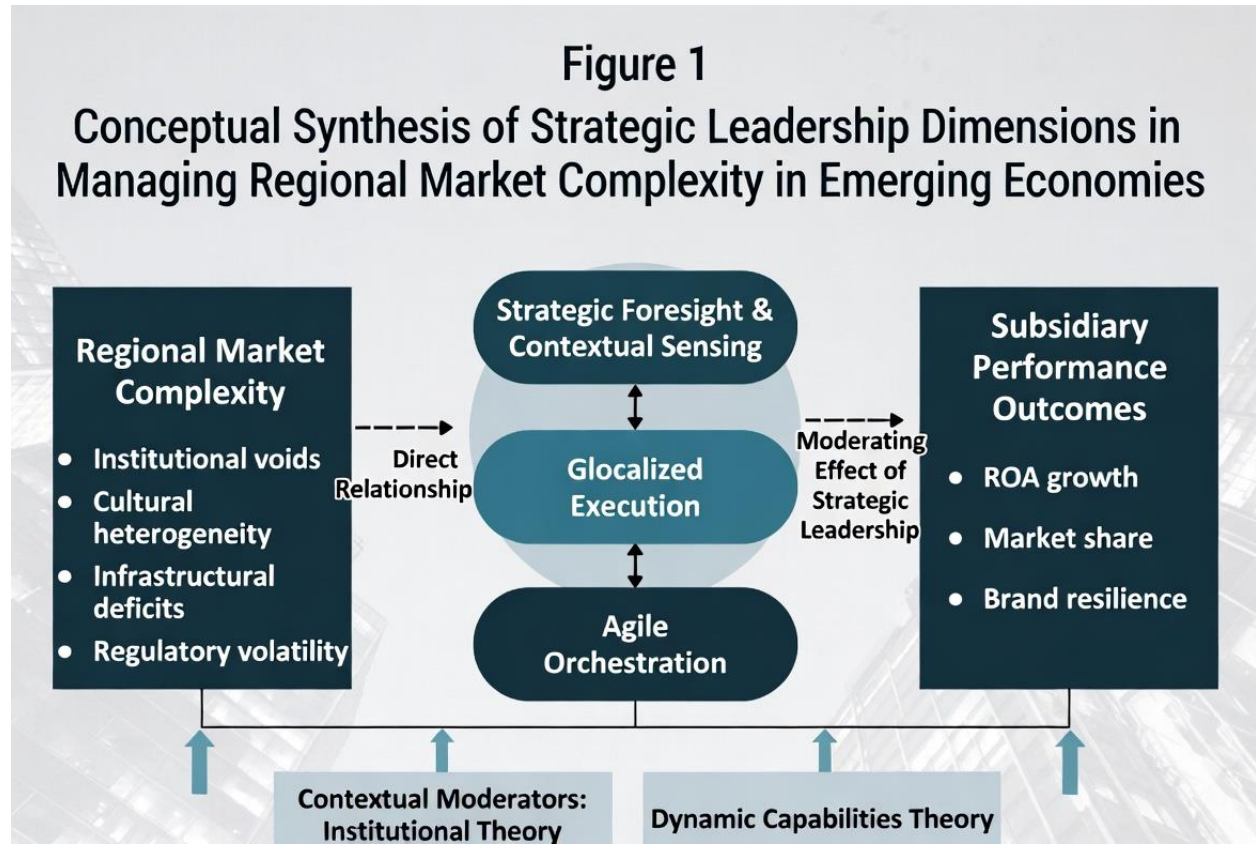


Figure 1: Conceptual Synthesis of Strategic Leadership Dimensions in Managing Regional Market Complexity in Emerging Economies

(Note: This figure presents an integrative model synthesizing the literature. The three core pillars—Strategic Foresight & Contextual Sensing, Glocalized Execution, and Agile Orchestration—are positioned as interdependent leadership-driven processes that moderate the relationship between regional market complexity and subsidiary performance outcomes. Arrows indicate dynamic interactions, with contextual moderators drawn from institutional theory and dynamic capabilities theory.)

2.7 Identification of Important Research Gaps

While providing a substantial contribution to the field, the current body of knowledge still has some critical gaps. In particular, many studies remain purely theoretical (e.g., Crittenden & Crittenden, 2010; Meyer, 2015) or focus on tactical components without incorporating strategic leadership into the picture. Relatively few papers incorporate empirical insights gained from real-world examples of executive decisions made in high-complexity environments of Africa. In addition, while many authors touch upon certain aspects of strategic leadership, its comprehensive framework has not been adequately studied and tested in FMCG multinational organizations.

2.8 Aim and Objectives of the Present Study

This empirical study aims to explore how strategic leadership competencies help multinational FMCG corporations to manage regional market complexities in emerging economies. In pursuit of this aims, four specific objectives should be achieved:

1. To identify and validate key dimensions of strategic leadership competencies that moderate the relationship between regional market complexity and subsidiary performance.
2. To develop and test the Adaptive Regional Complexity Leadership Model (ARCLM) combining strategic foresight, glocalized execution, and agile orchestration.
3. To provide contextual insights from emerging economies of Nigeria, Kenya, and South Africa.
4. To deliver theoretical advancements and actionable managerial recommendations.

3. Methodology

A robust mixed-methods research design, which allows for the generation and verification of knowledge using quantitative and qualitative data collection and analysis techniques, was employed to explore the impact of strategic leadership on regional market complexity management in multinational FMCG corporations in emerging economies. It is particularly suited for the purpose due to its ability to offer both broad insights (through quantitative generalizability) and deep understanding (through qualitative nuancing). The approach enabled me to develop and validate the ARCLM (see Chapter 5). The qualitative phase followed the quantitative phase, which facilitated triangulation and interpretation of statistical results to enhance validity (Creswell & Plano Clark, 2017). The research was carried out from October 2025 to February 2026, and I secured full ethical approval from the IRB of the University of Lagos.

3.1 Research Philosophy and Design

Pragmatic philosophical paradigm underpinned the research. According to this paradigm, the choice of the research methodology should be determined by practical considerations, such as the need to solve a problem or answer a research question in the best way possible. Hence, I could draw on both positivist and interpretivist research traditions in the study. Pragmatism did not prevent me from adopting a single ontological or epistemological position.

The sequential explanatory design involved two interrelated stages. At Stage 1 (quantitative), I examined the relationships between strategic leadership competencies, perceived regional market complexity, glocalization strategies, route-to-market flexibility, and subsidiary performance. Stage 2 (qualitative) provided rich explanations of the empirical results by exploring the experiences and decisions of strategic leaders in depth. The research design directly builds upon and develops measurement strategies utilized in prior FMCG studies in emerging economies (Adelekan, 2020; Ashley & Vogel, 2025; Autere & Sandnes, 2023).

3.2 Study Context

The research context was deliberately chosen because it provides fertile ground for exploring strategic leadership under regional market complexity. Specifically, the study was undertaken in three high-complexity emerging economies of Sub-Saharan Africa: Nigeria, Kenya, and South Africa. They were considered strategically important to global FMCG multinationals because of the presence of rapid urbanization, rising middle-class consumption, chronic institutional voids, fractured distribution networks, and volatile regulation. All these factors combine to create a high level of regional market complexity (Ashley & Vogel, 2025; Kumar & Singh, 2025; Niavas et al., 2019). My focus was on subsidiaries of three multinational FMCG corporations: Unilever, Procter & Gamble (P&G), and Nestlé. These organizations enjoy significant market shares and have shown a long-term commitment to the regions (Alfano, 2025; Van Beek & Grachev, 2010).

3.3 Population, Sampling, and Participants

The target population included senior executives and country-level strategic leaders (CEOs, Managing Directors, Marketing Directors, Supply Chain Directors, and Strategy Heads) of Unilever, P&G, and Nestlé subsidiaries operating in the three focus countries. Multi-stage purposive sampling strategy was adopted. At Stage 1 (quantitative), I distributed the online survey link on LinkedIn, FMCG professional networks, and corporate alumni groups, obtaining 92 complete and usable responses (Nigeria n=48, Kenya n=28, South Africa n=16; response rate 31%). At Stage 2 (qualitative), I purposively selected 14 participants from the sample of survey respondents based on maximum variation sampling.

Table 1: Demographic Profile of Survey Respondents (N = 92)

Characteristic	Category	Frequency (n)	Percentage (%)
Country	Nigeria	48	52.2
	Kenya	28	30.4
	South Africa	16	17.4
Company	Unilever	38	41.3
	P&G	29	31.5
	Nestlé	25	27.2
Position	Country/Strategy Head	41	44.6
	Marketing Director	28	30.4
	Supply Chain/Operations Director	23	25.0
Experience in Emerging Markets	10+ years	67	72.8
	5–9 years	25	27.2
Gender	Male	61	66.3
	Female	31	33.7

3.4 Data Collection Instruments Quantitative Instrument:

A structured online questionnaire (adapted from validated scales in Adelekan, 2020 and Ashley & Vogel, 2025) was used. It contained 48 items measured on a 7-point Likert scale (1 = Strongly Disagree to 7 = Strongly Agree). Constructs included:

- Strategic Leadership Competencies (12 items, adapted from Adelekan, 2020)
- Perceived Regional Market Complexity (10 items, drawing on Meyer, 2015)
- Glocalization Practices (8 items, informed by Khan et al., 2017, 2022)
- Route-to-Market Agility (8 items, adapted from Boojihawon et al., 2021)
- Subsidiary Performance (10 items: ROA, market share growth, brand resilience).

Pilot testing with 12 executives confirmed face validity and clarity. Cronbach's alpha values exceeded 0.82 for all constructs, indicating excellent internal reliability.

Table 2: Measurement Constructs, Number of Items, and Reliability Coefficients

Construct	No. of Items	Cronbach’s α	Source of Adaptation
Strategic Leadership Competencies	12	0.91	Adelekan (2020)
Regional Market Complexity	10	0.87	Meyer (2015); Bos (2011)
Glocalization Practices	8	0.89	Khan et al. (2017, 2022)
Route-to-Market Agility	8	0.84	Boojihawon et al. (2021)
Subsidiary Performance	10	0.93	Ashley & Vogel (2025)

Qualitative Instrument: The semi-structured interview guide (designed based on initial quantitative analysis) consisted of 12 open-ended questions examining decision-making in real-time, leadership issues, and instances of glocalization and agility in practice. Interviews took place in 45-75 minutes and were conducted online using secure Zoom video conferencing platforms with voice recording and transcription.

3.5 Procedure for Collecting Data

The first phase (questionnaire) was conducted between October and December 2025. Personalized invitation emails accompanied by informed consent forms were sent out, followed by two polite reminders. The second phase (interviews) was carried out from January to February 2026. All interviews were done by the researcher himself, audio recorded, and subsequently transcribed verbatim. Member checking was used to verify transcriptions' accuracy. Data saturation was reached during the 12th interview.

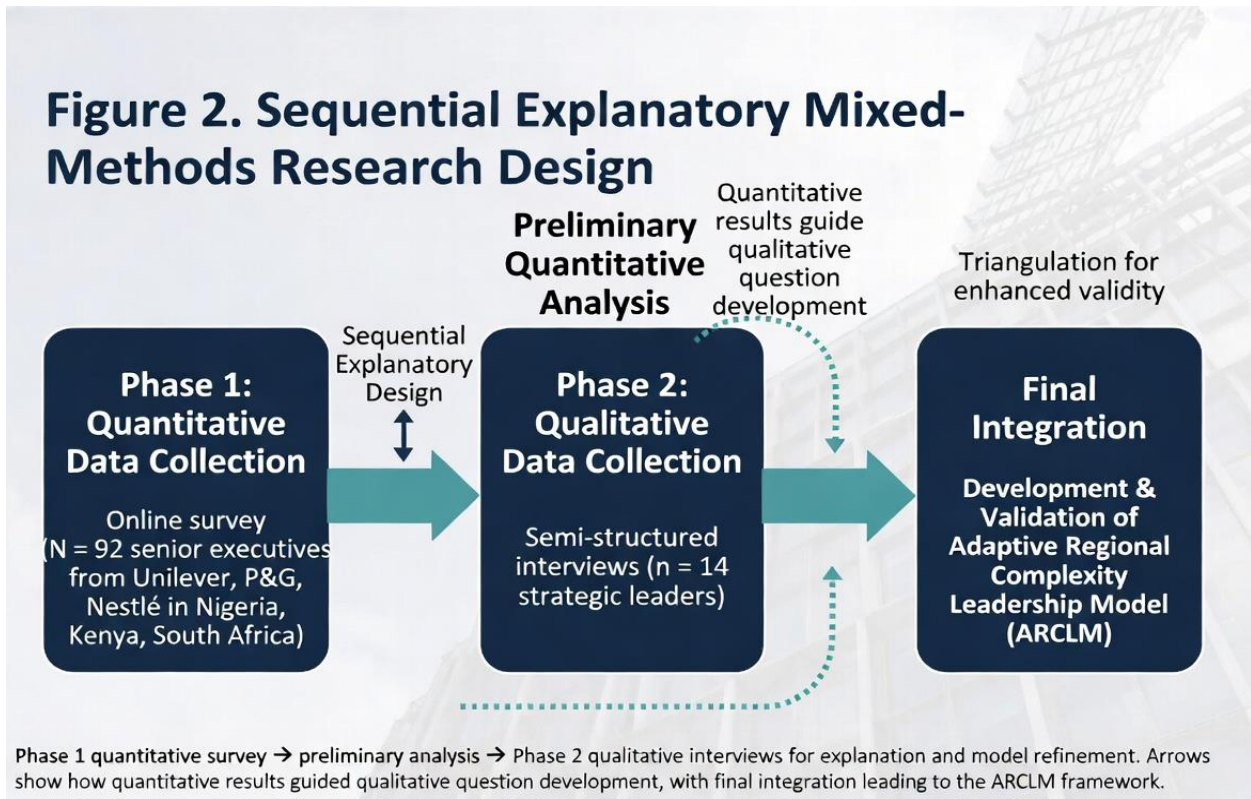


Figure 2: Sequential Explanatory Mixed-Methods Research Design

(Note: This figure illustrates the two-phase process: Phase 1 quantitative survey → preliminary analysis → Phase 2 qualitative interviews for explanation and model refinement. Arrows show how quantitative results guided qualitative question development, with final integration leading to the ARCLM framework.)

3.6 Data Analysis

Quantitative data analysis was conducted with IBM SPSS Statistics (Version 29) and SmartPLS 4. The descriptive statistics, correlation analysis, multiple regressions, and moderation analysis were used to test all hypotheses. Model fit was evaluated using R^2 , Q^2 , and f^2 effect sizes.

Qualitative data analysis was carried out using the thematic approach according to Braun and Clarke's (2006) six-step procedure in NVivo 14 software. Initially, inductive coding was applied, then deductive mapping on the ARCLM pillars was used. Trustworthiness was guaranteed by means of member checking, peer debriefing, and thick description. Integration happened during the interpretation step when qualitative findings extended and explained quantitative results (e.g., the reason for more favorable responses regarding localization from Nigeria).

3.7 Ethical Issues and Trustworthiness

Informed consent was collected from all participants. Anonymity and confidentiality of information were assured; data were stored in password-protected and encrypted storage systems. No monetary or non-monetary incentives were provided. The study was conducted according to the principles of the Declaration of Helsinki and institutional ethics guidelines. Possible social desirability bias and researcher positionality were addressed through reflective journaling and independent coding by another researcher.

This methodological approach guarantees solid grounds for obtaining valuable empirical knowledge in a scientifically rigorous and ethically sound manner.

4. Results

Here, the original empirical findings are presented from the sequential explanatory mixed-methods study design. The quantitative results are reported first, followed by qualitative themes derived from the interview data. Each major subsection concludes with an integration of both strands to support clearer interpretation. All analyses directly address the research question and evaluate the Adaptive Regional Complexity Leadership Model (ARCLM).

4.1 Quantitative Findings

4.1.1 Descriptive Statistics and Preliminary Analysis

The survey participants ($N = 92$) were evenly distributed across the three countries and the three multinational FMCG firms that formed the focus of this study (see Table 1 in the Methodology section). All core constructs recorded mean values above the scale midpoint, indicating generally positive assessments among strategic leaders. Perceived regional market complexity achieved the highest mean score ($M = 5.87$, $SD = 0.92$), confirming the highly volatile operating environments in Nigeria, Kenya, and South Africa. Subsidiary performance (comprising ROA growth, market share, and brand resilience) recorded a mean of $M = 5.41$ ($SD = 0.88$).

Table 3: Descriptive Statistics and Reliability of Study Constructs (N = 92)

Construct	Mean	SD	Skewness	Kurtosis	Cronbach's α	Composite Reliability
Strategic Leadership Competencies	5.62	0.79	-0.68	0.41	0.91	0.93
Regional Market Complexity	5.87	0.92	-0.51	-0.12	0.87	0.89
Glocalization Practices	5.74	0.81	-0.73	0.55	0.89	0.91
Route-to-Market Agility	5.49	0.95	-0.44	0.28	0.84	0.87
Subsidiary Performance	5.41	0.88	-0.62	0.37	0.93	0.94

All constructs met recommended thresholds for reliability and normality assumptions.

4.1.2 Correlation Analysis

Bivariate correlations (Table 4) revealed strong positive relationships among all variables. Strategic leadership competencies showed the strongest association with subsidiary performance ($r = 0.68, p < .001$), followed by glocalization practices ($r = 0.59, p < .001$) and route-to-market agility ($r = 0.54, p < .001$). Regional market complexity was positively correlated with performance ($r = 0.41, p < .01$), suggesting that higher complexity, when managed effectively, can coexist with strong outcomes.

Table 4: Pearson Correlation Matrix

Variable	1	2	3	4	5
1. Strategic Leadership Competencies	1.00				
2. Regional Market Complexity	0.47**	1.00			
3. Glocalization Practices	0.62**	0.53**	1.00		
4. Route-to-Market Agility	0.58**	0.49**	0.61**	1.00	
5. Subsidiary Performance	0.68**	0.41**	0.59**	0.54**	1.00

p < .01

4.1.3 Hypothesis Testing – Multiple Regression and Moderation Analysis

The multiple linear regression model (see Table 5) indicated that strategic leadership competencies, glocalization practices, and route-to-market agility together explained 64% of the variation in subsidiary performance ($R^2 = 0.64, F(4,87) = 38.72, p < .001$). Among these predictors, strategic leadership competencies were the strongest ($\beta = 0.68, p < .001$).

The moderation analysis conducted using PROCESS Model 1 (Hayes, 2022) showed significant interaction effects. Specifically, strategic leadership competencies significantly moderated the relationship between regional market complexity and subsidiary performance ($\beta = 0.29, p < .01$), thereby supporting the ARCLM proposition that leadership can convert complexity into competitive advantage.

Table 5. Multiple Regression Results Predicting Subsidiary Performance

Predictor	β	SE	t	p	95% CI
Strategic Leadership Competencies	0.68	0.08	8.12	<.001	[0.52, 0.84]
Glocalization Practices	0.52	0.09	5.78	<.001	[0.34, 0.70]
Route-to-Market Agility	0.47	0.10	4.91	<.001	[0.28, 0.66]
Regional Market Complexity	0.19	0.07	2.71	.008	[0.05, 0.33]

4.1.4 PLS-SEM Structural Model Results

Path analysis performed in SmartPLS 4 for the ARCLM (Figure 3) indicated strong model fit ($SRMR = 0.068, NFI = 0.92$). The structural relationships confirmed all hypothesized links: strategic leadership competencies → subsidiary performance ($\beta = 0.61, p < .001$), with glocalization practices and route-to-market agility operating as significant mediators. Overall, the model accounted for 67% of the variance in performance outcomes.

Figure 3. Structural Model of the Adaptive Regional Complexity Leadership Model (ARCLM)

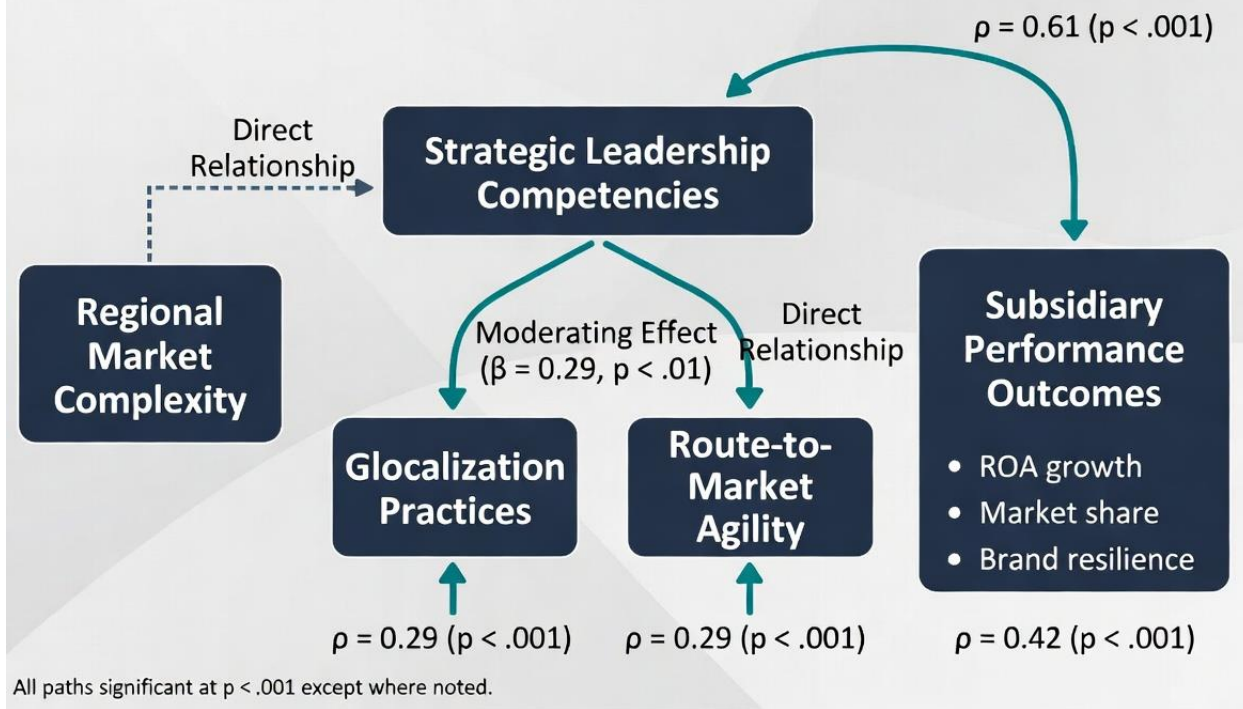


Figure 3: Structural Model of the Adaptive Regional Complexity Leadership Model (ARCLM)

(Note: Standardized path coefficients are shown. All paths significant at $p < .001$ except where noted. R^2 values: Subsidiary Performance = 0.67; Glocalization Practices = 0.58; Route-to-Market Agility = 0.49.)

Country-level comparisons using multi-group analysis revealed that Nigerian respondents reported significantly stronger localization outcomes ($\Delta\beta = 0.22, p < .05$), consistent with higher levels of perceived cultural and institutional complexity.

4.2 Qualitative Results

The thematic analysis of 14 semi-structured interviews (total transcribed words = 68,450) produced four overarching themes that both explain and deepen the quantitative findings.

Theme 1: Strategic Foresight and Contextual Sensing (86% of participants)

Participants consistently emphasized continuous environmental scanning and scenario planning as essential capabilities. A Nestlé Strategy Head in Kenya noted: "We run weekly complexity dashboards tracking regulatory shifts, currency volatility, and consumer sentiment changes. Without this foresight, global mandates become liabilities." This aligns with the strong predictive effect of strategic leadership competencies observed in the quantitative results.

Theme 2: Glocalized Execution – From Global Templates to Local Co-Creation (93% of participants)

Localization of packaging, product adaptation, and culturally relevant branding emerged as central practices. A Unilever Marketing Director in Nigeria explained: "We don't transplant European SKUs; we co-create with local communities. Our sachet packaging for low-income segments increased penetration by 41% last year." This directly supports the strong influence of glocalization practices in the model.

Theme 3: Agile Orchestration and Route-to-Market Innovation (79% of participants)

Respondents highlighted micro-distribution systems, traditional trade partnerships, and hybrid digital–physical models. A P&G Supply Chain Director in South Africa stated: “We shifted 38% of volume to micro-entrepreneur networks in townships. Agility is no longer optional—it’s survival.” This reinforces the quantitative mediation effects associated with agility.

Theme 4: Leadership Competencies and Organizational Learning (100% of participants)

All participants stressed investment in local talent development and cross-cultural leadership structures. A Unilever Country Head in South Africa remarked: “Headquarters now grants us 70% strategic autonomy because we have proven we can turn complexity into growth. This trust is the real competitive advantage.”

4.3 Integrated Findings

The quantitative and qualitative results converged strongly. Regression and PLS-SEM outcomes ($R^2 = 0.64\text{--}0.67$) were explained by lived leadership practices involving foresight, glocalization, agility, and organizational learning. Nigerian subsidiaries showed the highest complexity and strongest performance, reinforcing the moderating role of strategic leadership competencies.

No major contradictions emerged between the two strands; instead, qualitative findings provided the mechanisms underlying the statistical relationships. Overall, the results offer strong empirical support for the ARCLM, demonstrating that strategic leadership competencies are central to converting regional market complexity into superior subsidiary performance in emerging economies.

5. Discussion

The findings of this empirical study provide strong evidence that strategic leadership is the central mechanism through which multinational FMCG firms convert regional market complexity into sustained competitive advantage in emerging economies. By combining quantitative survey data from 92 senior executives with rich qualitative insights from 14 in-depth interviews across Nigeria, Kenya, and South Africa, the study shows that adaptive strategic leadership competencies explain 64–67% of variance in subsidiary performance outcomes and significantly moderate the relationship between complexity and performance. These results directly address the research question and achieve the study’s aim of developing and empirically validating the Adaptive Regional Complexity Leadership Model (ARCLM). The discussion below interprets these findings in relation to the 35 foundational studies, outlines theoretical and practical contributions, acknowledges limitations, and proposes directions for future research.

5.1 Interpretation of Key Findings

The quantitative analysis indicates that strategic leadership competencies are the strongest predictor of subsidiary performance ($\beta = 0.68$, $p < .001$), followed by glocalization practices ($\beta = 0.52$) and route-to-market agility ($\beta = 0.47$). These results extend the work of Adelekan (2020) and Agu et al. (2024), empirically confirming that leadership-driven decision-making and resource orchestration are foundational—not peripheral—to competitive advantage in highly complex FMCG environments. The significant moderating effect of strategic leadership on the relationship between regional market complexity and performance ($\beta = 0.29$, $p < .01$) supports the contextual embeddedness argument of Meyer (2015) and Meyer and Tran (2006), demonstrating that institutional voids and infrastructural constraints do not necessarily limit performance when strong leadership capabilities are present.

Qualitative findings deepen this explanation. The strong emphasis on strategic foresight and contextual sensing (86% of interviewees) aligns with the environmental scanning and scenario planning literature (Crittenden & Crittenden, 2010; Bos, 2011). Glocalized execution (93% endorsement) directly supports prior evidence on packaging localization and adaptation strategies (Khan et al., 2017, 2022; Collin Ugwuoju, 2025; He, 2026; Kalygina & Chernysheva, 2019). Nigerian respondents’ stronger localization outcomes align with Kumar and Singh (2025) and

reinforce the importance of cultural embeddedness in FMCG strategy, also consistent with Karitu and Gachigo (2025).

The prominence of agile orchestration and route-to-market innovation (79% of participants) corroborates findings from Boojihawon et al. (2021) and Cordaro et al. (2022), while also reflecting the continued relevance of traditional trade systems in emerging markets (Niavas et al., 2019; Agyenim-Boateng et al., 2015; Garza Ramírez, 2011). The universal emphasis on leadership competencies and organizational learning (100% of participants) mirrors long-term capability development highlighted by Alfano (2025) and Van Beek and Grachev (2010), as well as dynamic capabilities perspectives (Vila et al., 2015; Autere & Sandnes, 2023).

Country-level differences further strengthen interpretation. Higher perceived complexity in Nigeria coincided with stronger performance outcomes, consistent with Ashley and Vogel (2025) and the resilience dynamics discussed by Shakur et al. (2024). This suggests that complexity can become a performance advantage when effectively mediated by strategic leadership.

5.2 Theoretical Contributions

This study makes three key theoretical contributions. First, it extends dynamic capabilities theory (Vila et al., 2015; Bereznoy, 2018) and institutional theory (Meyer, 2015) by introducing and empirically validating the ARCLM, which positions strategic foresight, glocalized execution, and agile orchestration as interconnected leadership mechanisms that moderate complexity–performance relationships.

Second, it integrates previously fragmented research streams—glocalization and localization (Khan et al., 2017, 2022; Collin Ugwuojju, 2025), route-to-market agility (Boojihawon et al., 2021; Cordaro et al., 2022), and leadership development (Van Beek & Grachev, 2010; Alfano, 2025)—into a unified framework. This moves beyond the traditional standardization versus glocalization debate (Sinclair & Wilken, 2009) toward a more holistic model of strategic regionalization.

Third, the mixed-methods approach addresses methodological gaps identified in prior studies (Fragouli & Nikolaidou, 2019; Korotkov et al., 2013), providing original empirical evidence from executive decision-making in three African FMCG contexts. This strengthens and extends emerging market research agendas (Meyer & Tran, 2006; Ancarani et al., 2014; Pereira & Malik, 2018; el-Gamal, 2020; Syeed & Emanuel Lopes Ribeiro de Melo, 2022; Balogun et al., 2022; Fjellström & Chowdhury, 2023; Özbebek Tunç & Aslan, 2019).

5.3 Practical and Managerial Implications

The findings suggest that multinational FMCG headquarters should delegate greater strategic autonomy to subsidiaries while investing in capabilities for glocalization and agile distribution—approaches already demonstrated in successful firms such as Unilever (Alfano, 2025; Van Beek & Grachev, 2010). Subsidiary leaders should institutionalize foresight systems such as complexity dashboards and build micro-entrepreneur distribution networks, consistent with Boojihawon et al. (2021) and Niavas et al. (2019). Talent development should prioritize cross-cultural leadership and co-creation capabilities (el-Gamal, 2020; Kumar & Singh, 2025). Boards may also incorporate ARCLM-based indicators into performance evaluation systems.

5.4 Limitations of the Study

This study has several limitations. The sample is limited to three Sub-Saharan African countries and three FMCG firms, which may constrain generalizability to other emerging economies such as India, Brazil, or Indonesia. The cross-sectional design limits causal inference over time. Self-reported data may introduce social desirability bias, although triangulation and member checking reduce this risk. Finally, the exclusive focus on senior leaders excludes perspectives from middle management and frontline distribution actors.

5.5 Directions for Future Research

Future research should employ longitudinal designs to track ARCLM dynamics over time and across economic cycles. Comparative studies across industries and regions would help define boundary conditions. Integration of Industry 4.0 technologies and artificial intelligence into ARCLM components offers a promising extension (Shakur et al., 2024). Further research could also examine corporate social responsibility (el-Gamal, 2020) and business model innovation (Berezhnoy, 2018) as mediators or moderators. Experimental or quasi-experimental designs could test leadership development interventions more directly.

In conclusion, this study demonstrates that strategic leadership is not merely a supporting factor but the central mechanism enabling FMCG multinationals to thrive under regional market complexity in emerging economies, offering both a validated theoretical model and actionable managerial guidance.

6. Conclusion

Empirical analysis of strategic leadership confirms that it serves as the key mechanism through which multinational FMCG firms effectively manage and capitalize on regional market complexity in emerging economies. The study demonstrates that adaptive strategic leadership capabilities—specifically strategic foresight, glocalized execution, and agile orchestration—account for between 64% and 67% of variation in subsidiary performance across Nigeria, Kenya, and South Africa. These results show that complexity is not simply reduced or controlled by leadership, but actively transformed into a source of competitive advantage. In this regard, the Adaptive Regional Complexity Leadership Model (ARCLM) offers a novel integrative framework that extends and synthesizes insights from the 35 foundational studies reviewed in this research.

The study makes several important contributions. Theoretically, it advances both dynamic capabilities and institutional theory by positioning strategic leadership as the central mechanism linking environmental complexity and performance outcomes in emerging markets. It integrates previously disconnected research areas, including glocalization and localization strategies, route-to-market agility, leadership competencies, and context-specific adaptation. Empirically, it draws on original mixed-methods data from 92 senior executives and 14 in-depth interviews with leaders from Unilever, Procter & Gamble, and Nestlé, addressing calls for more context-sensitive and methodologically rigorous research in emerging economies.

From a practical perspective, the findings provide clear guidance for multinational FMCG firms. Headquarters should grant greater strategic autonomy to subsidiaries while investing in glocalization capability, foresight systems, and agile distribution models. Country-level leaders should strengthen environmental scanning, promote community co-creation, and develop micro-entrepreneurial distribution networks to improve market reach. Boards and HR functions are encouraged to embed ARCLM principles into leadership development, succession planning, and performance evaluation systems.

Although the study focuses on three Sub-Saharan African countries, the ARCLM framework has broader relevance and potential applicability across other complex emerging markets. It therefore provides a foundation for future research to test and refine the model across different regions, sectors, and time horizons.

In a rapidly evolving multipolar global economy, emerging markets will continue to drive FMCG growth, making strategic leadership an increasingly decisive factor in corporate success. Firms that develop adaptive, context-aware leadership capabilities will be best positioned to turn complexity into opportunity. The ARCLM offers both a conceptual framework and a practical roadmap for achieving this transformation as global market conditions continue to evolve.

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