Global Mindset
A driver for global leadership and collaboration
Intellectual property

This material is based on the PhD-dissertation of Rikke K. Nielsen, Doctoral School of Organization & Management Studies at Copenhagen Business School. The dissertation is entitled:


The PhD project has been carried out in collaboration with the Global Leadership Academy.
Global mindset is more than a managerial competence

WHY:

• Organizations grow increasingly more global NOT less so

• Creating the right kind of organization to meet the global economy is key

• Talented managers with global mindset are not enough – it requires structures, processes and practices

Global mindset is a critical success factor for organizational outcomes
Objectives

1. Provide state-of-art knowledge on global mindset
2. Offer inspiration from “company-specific” global mindset practices
3. Assist in clarifying the potential contribution of global mindset in your own organizational context
4. Assist in identifying enablers and barriers that either contribute to or hinder the development of global mindset in own organization
Agenda – an overview

1. Introducing global mindset
   • Why global mindset? – definitions and value proposition
   • What is global mindset: Research state-of-the-art
     • Global mindset is both individual and organizational
     • Global mindset is a competence and capability
     • Strategic, organizational global mindset
   • The strategic global mindset capability model

2. Learnings from global mindset in practice
   • Governance and behaviors
   • Enablers and barriers

3. Exercise: Global mindset in your organizational context

4. Wrap-up
Agenda

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Why global mindset?

Countering the ‘globalization penalty’ that multinational organizations incur by:

• Identifying common ground that transcends differences, diversities, local specificities
• Lowering transaction costs of interaction
• Obtaining agility and smoothness in operations
• Building trust
• Facilitating cooperation across borders and boundaries
• Creating social architecture and ‘glue technology’
Why global mindset?

International mobility is a very important aspect in the process of creating a global mindset. In order to support the organisational strategy, companies must make intelligent choices among the many forms of mobility: expatriation from HQ to local subsidiaries or vice versa (i.e. in-patriation), short-term assignments etc.

Henrik Holt Larsen, CBS

Creating a global mindset is really about exploring and leveraging your employees' 'diversity of thought'. Management must take the lead on this and demonstrate how a global mindset improves innovation, productivity and employee satisfaction.

Charlotte Mark,  
Microsoft Development Center  
Copenhagen

You have to be able to embrace a global mindset and cultural diversity in order to successfully globalise your business.

Kenneth Mikkelsen, Controverse

The only way forward for Haldor Topsoe is to be even stronger at the international market. Working with our new strategy we really try to visualise this for our employees, so they understand that becoming more global is the only way for the company to grow.

Jesper Lemmich, Haldor Topsoe
What is global mindset?
A practitioner’s take

"Global mindset is being comfortable with being uncomfortable in uncomfortable places."

Source: Global mindset researcher Mansour Javidan quoting a practitioner participant at the Academy of Management, San Antonio 2011
What is global mindset?
A managerial competence

Introduction to Global Mindset Inventory

Source: Javidan et al. (2013) have developed the Global Mindset Inventory, a psycometric tool to help determine a global leader's ability to better influence individuals, groups and organizations unlike themselves. Read more
Individual vs. organizational/collective global mindset?

**Individual perspective**

1. “The functions of an individual global mindset to a global leader are a means to structure the complex global reality and to provide guidelines for appropriate leadership behavior like formulating a global vision and interpersonal skills.”
   (Dekker, Jansen & Vinkenburg, 2005, p. 2)

**Organizational perspective**

2. “… a highly complex cognitive structure characterized by an openness to and articulation of multiple cultural and strategic realities on both global and local levels, and the cognitive ability to mediate and integrate across this multiplicity.”
   (Levy et al., 2008, p.21)
Global mindset is more than a managerial competence

“The concept of mindset applies not only to individuals, but also to organizations”.

“Mindsets are the origination point of all workplace behavior.”

(Paul, 2000, p. 187-188)
Benefits of global mindset

• “The content and processes of multinational firms’ sensemaking systems can be a distinct competitive advantage or disadvantage.” (Caproni, Lenway & Murtha, 1992, p. 2)

• The benefits of a global mindset is created because the organization not only has:

  “A grasp of and insight into the needs of the local market, it is also able to build cognitive bridges across these needs and between these needs and the company’s own global experience and capabilities.” (Govindarajan & Gupta, 2001, p. 118)

• ”A company’s ability to develop transnational organizational capability and management mentality will be the key factor that separates the winners from the mere survivors in the emerging international environment.” (Barlett & Ghoshal, 1987, p. 52)
1. **Global mindset also includes local mindset**: Not “either-or” but “both-and”

- A **dual perspective** on global mindset means that:
  - Being local is part of being global, not in opposition to or the opposite of being global
  - Global means holistic, all-encompassing, with a view to all aspects or parts of a situation
  - Being global is not only a question of crossing national borders or ‘being the UN’, but of boundaries in general - and how to span and bridge boundaries with a view to strategic performance
  - Think and act both global and local.
Global mindset governance: Nuancing the "global-local" dichotomy

Global mindset/group mindset
Ideal: ‘Just-enough’ cooperation with disciplined agility
- Heterogeneity
- Alignment as knowledge sharing on demand and voluntary best practice proliferation
- Simplification and amplification
- MM strategy co-creators

Global values/group values:
Ideal: Similar interpretation of values
- Homogeneity
- Alignment as harmonization, "third way" and syntethis
- Simplification
- MM Strategy implementors

Standardization/integration → Localization/differentiation
2. Global mindset is a meta-competence

• A meta-competence is generally "firm non-specific, industry non-specific and can be utilized in the accomplishment of a variety of different tasks." (Nordhaug, 2003, p. 58)

• Global mindset is a meta-competence in the sense that it supports and facilitates the appropriate use of other managerial competences in global collaboration or international strategy execution situations.
Global mindset is an individual meta-competence

• A meta-competence is generally "firm and industry non-specific and can be utilized in the accomplishment of a variety of different tasks." (Nordhaug, 2003, p. 58)

• Global mindset as a meta-competence supports and facilitates the appropriate use of other managerial competences in global collaboration or international strategy execution situations.
3. Global mindset: Generic or situational?

**UNIVERSALISM:**
- Best practice
- "one size fits all"

**CONTEXTUAL VIEW**
- Culturalism
- Comparative view
- International, "MNC view"
4. Global mindset is a both a competence and a capability

...which is the organizational ability to perform a coordinated task, utilizing organizational resources, for the purpose of achieving particular results. (Helfat, 2003, p. 1)

Global mindset facilitates:

1. **International strategy execution**

2. **Global leadership** as a practice, which develops between people rather than within people.
Strategic global mindset capability model
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4. Wrap-up
DRIVING FORCES: ENABLERS

- Language training
- Middle management communication cascading /managerial ‘human hub’
- International intro and training
- Common language and platforms (SAP/Microsoft, GLP)
- Corporate communications
- Discovery, courage, curiosity
- International exposure and interaction
- ‘One company’: Gross margin as common denominator
- Modular business model
- Blue ocean/’new normal’: First mover – business model
- Clear business case and ”what’s in it for me/us”
- Bottom-up sharing of success and competence communities

RESTRAINING FORCES: BARRIERS

- Lack of English skills
- Middle manager communication dead end
- Isolation
- ‘Cold canvas’ experience
- Disconnect from group as imagined community
- Lack of imagination
- Low employee mobility
- Conglomerate-outlook and fragmentation
- Non-home country and ‘electric-Goliath’ inferiority complex and challenger stigma
- Red ocean/back to normal: Traditionalists
- Local mindset performance management
- Poor quality of interaction

Development and enactment of ‘global/group mindset’ in PhD case company - an example
Drivers of global mindset - inspiration

Organizational drivers of global mindset capability

1. Foreign language proficiency
2. Common language
3. Being alert to “local” development situations
4. Diversity requirements for staffing
5. Short-term international assignments
6. Global career paths
7. Talent status and pipeline
8. Objectives and assessment
9. Technological bridge building
10. Learning through coopetition

Individual drivers of global mindset competence

1. Complex leadership role
2. Network
3. Recent, positive, global experience that has yielded results
4. English
5. Command of other foreign languages
6. Self-awareness
7. Personality
8. Dealing with complexity
9. Family life
10. Diversity on their home ground
4 drivers cultivating global mindset

1. Cultivating curiosity about the world and commitment to becoming smarter about how the world works
   - Formal education (language skills, knowledge building regards markets and cultures)
   - Participation in cross-border business teams and projects
   - Utilization of diverse locations for teams and project meetings
   - Immersion experiences in foreign cultures (intern. assignments and expatriation)
   - Promoting geographic and cultural diversity among the senior management ranks
   - Dispersion of business unit HQs geographically

2. Articulating the current mindset
   - Defining and cultivating a set of core values in the org.
   - Widespread, global distribution of ownership rights
   - Cultivation of an internal labour market driven by meritocracy
   - Job rotation across geographic regions, business divisions, and functions
   - Cultivation of interpersonal social ties among people based in different locations

3. Cultivating knowledge regarding diverse cultures and markets
   - Arouse self-consciousness and explicitation of existing mindset; e.g. through benchmarking and knowledge of different practice (direct mapping and indirect mapping)

4. A disciplined attempt to develop an integrated perspective that weaves together diverse strands of knowledge about culture
   - Selection and demographic make-up of organizing
   - Criteria for promotion
   - Talent management
   - Performance management
   - Knowledge sharing
   - Communication

Source: Govindarajan & Gupta (2001): The Quest for Global Dominance, pp. 124-140
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Exercise: Global mindset in your own organizational context

Ask yourself the following questions:

1. **Business case & Benefits:**
   Global collaboration is difficult, so why bother? What’s the value proposition in your organization/team/function for collaborating globally?

2. **Borders & Boundaries:**
   What boundaries are particularly relevant in your practice? What are the sources of notable advantages/disadvantages?

3. **Behaviors:**
   What are the enabler/facilitators of global mindset in your practice? What are the barriers/detractors of global mindset in your practice?

4. **Bottom-line:**
   Based on your organizational practice, develop your individual global mindset force field (see Force Field analysis sheet).
Own Force Field Analysis

**Force-field analysis** is a framework for looking at the factors (*forces*) that influence a situation. It looks at forces that are either driving movement toward a goal (positive forces) or restraining movement toward a goal (negative forces).

**About the Tool**
Force Field Analysis was created by Kurt Lewin in the 1940s. Originally, it was used in social psychology but today, Force Field Analysis is widely used in business, e.g. for analyzing situations and making and communicating go/no-go decisions.

You use the tool by listing all of the factors (forces) that influence a situation, decision or change. Afterwards address:

a) strengthening the forces that support the situation or change, and/or
b) weakening the forces that work against it.
Own Force Field Analysis

Development and enactment of ‘global mindset’ in

(.....organization......)
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Wrap-up and concluding remarks

• Strategic global mindset: Why and how is global mindset necessary for achievement of business goals? Global mindset is not an HR task and is more than traditional cross-cultural training. Focus on business case vis-a-vis content and participants.

• Local is part of global – global is also local. Global mindset is not integration mindset.

• ”Reverse sub optimization”: Global mindset is not corporate/headquarter /HQ) mindset : Can you actually foster more global mindset by training HQ in ‘local’ mindset?

• Global mindset governance: Focus on behaviors, i.e. knowing-doing gap; thinking vs. acting; mindset vs. action

• Global mindset as proposed in this presentation is a proposal for ”glocal”-management practice and behaviors.
Who needs a global mindset?

#1 Hierarchical Levels
"The value added by global mindset, and the value subtracted by its absence, is likely to be strongest in the case of those individuals who are directly responsible for managing cross-border activities, followed by those who must interact frequently with colleagues from other countries."

#2 Managers vs. Employees
"Companies choose different approaches when setting up their organizational frameworks for global collaboration, but more and more managers and employees find themselves in complex cultural environments."

"...an increasing number of individuals require some degree of sensitivity to different cultural perspectives in order to do their jobs well and to successfully navigate within complex global organizations."

#3 Global vs. Local
"Some global managers may be expatriates; many, if not most, have been expatriates at some point in their career, but probably only few expatriates are global managers."

"At the same time, local managers in lead countries may not be expatriates, but they will need a global mindset."
Before you …

Ask us…

For further information or questions please contact:

• Ph.D. Rikke K. Nielsen at rkn.ioa@cbs.dk or
• Leadership Development Advisor, DI – Dansk Industri, Andrea Straub-Bauer at ansb@di.dk
More information about Global Leadership Academy

WWW.GLOBALLEADERSHIPACADEMY.DK