

The diverse aspects of the global mindset

[Economics](#), [Globalization](#)



INTRODUCTION

As the business world has become more complex, so has the definition of global mindset. While some focus on the skills and knowledge required, others emphasise that psychological factors are also critical. Its relevance in global organisations has gone from being called “ the new competitive advantage” a few years ago (Cohen, 2010, p. 9), to being considered a requirement nowadays. Thus, questions that come to mind include: What does it take to run a global organisation? Is it global leaders? Likewise, it is also important to consider the most common dilemma for global organisations: finding the right global marketing strategy to succeed worldwide. The doubt is “ Think global, act local” or “ Learn local, apply global”. Which perspective would be a right mindset for the global leader? This review will address these doubts and look deep into the diverse aspects of the global mindset.

GLOBAL MINDSET: DEFINITION

Perlmutter (1969, as cited in Pucik, 2006) identified geocentric transnationals as the ones that carefully select managers, focusing on performance rather than nationality, oriented towards global and local objectives. He concluded that more “ geocentric” managers would be needed in the future and companies would need to find “ the best men, regardless of nationality, to solve the company’s problem anywhere in the world” (Perlmutter, 1969, as cited in Pucik, 2006). Even though global mindset was not referred to as such, it was clear that companies looking to succeed on a global level were missing a key element to face the implicating

challenges that would come along the way. Almost 50 years later, Perlmutter's views still stay valid.

Rhinesmith (1992, 1995, as cited in Andresen & Bergdolt, 2016, p. 180) defined it as " a way of being rather than a set of skills" and as the capacity to have a wide outlook on the world. Srinivas (1995, as cited in Andresen & Bergdolt, 2016, p. 180) said that it is " a way of approaching the world" and adds that it is the " a tendency to scan the world from a broad perspective". He also mentions that those who think on a global scale are more disposed to be open to themselves and others by reconsidering limits and varying their conduct. While both authors concur on viewing the world from a broad perspective and refer to behaviour as part of a global mindset, Srinivas sheds light on a key argument. When he mentions a change of behaviour, he refers to adopting new customs, as opposed to just valuing them.

Recognising that one's way of doing things is not the only or the best one in a certain context can be fairly difficult, particularly for those with a vast experience, coming to a new location, expecting positive results with the same strategy that has worked previously somewhere else.

Nevertheless, some authors separate behaviour from global mindset and call it cultural intelligence. Someone with cultural intelligence would be able to incorporate different cultural conducts to their own for personal interaction; whereas, global mindset is limited to acknowledging and understanding cultural diversity but does not have any manifestation in one's behaviour (Javidan, Steers & Hitt, 2007). This idea was supported by Beechler and Javidan (Javidan et al., 2007) stating that global mindset is a component of

the global leader's psyche. Likewise, depending on the management level, one element might be more critical than the other (Andresen & Bergdolt, 2016). Managers whose task is to come up with a strategy, need to have a global mindset more than they need cultural intelligence. Whereasthose on a more operational level would definitely require cultural intelligence since they would be in charge of implementing such strategy.

Another term frequently used when talking about global mindset is expatriate. Pucik's (2006) research revealed that expatriate managers have a more "balanced" perspective, and they understand better the importance of global and local forces working together. However, that same research showed that within six months of going back home, there were minimum differences between expats and domestic managers. While some value the expatriate experience as the best way to learn a new culture (Cohen, 2010), not every case is successful due to factors such as family issues, inability to adapt, long periods of time away from home, among others (Lovvorn & Chen, 2011). Therefore, expatriates can be seen at times as just managers sent overseas rather than global managers (Pucik, 2006). Consequently, it can be concluded that it takes more than just being relocated to another country to achieve a global mindset and become a successful global leader.

GLOBAL LEADERS: BORN OR MADE

There is an ongoing debate on whether leaders are born or made. While some believe they are born influential and motivated like Mahatma Gandhi or Nelson Mandela; others believe they are made and all it takes is acquiring the skills. Great man theory was the first that claimed people inherit certain

qualities that make them more suited to leadership. It also suggests that these incredible men were gifted and would change the globe somehow (Carlyle, 1840, as cited in Di Giulio, 2015).

Contrarily, Spencer (1896, as cited in Di Giulio, 2015) argued that it was the circumstances prevailing in society which made these great men, and that those contribute to creating a leader. Hyacinith (2014) explained that since every leader has great history behind, constantly learning from their difficult journeys, there is no such thing called born leaders. Also, Garic (2010) claimed that “ leadership DNA is a myth”. If an individual has a desire to lead or is ready to take responsibility, then there is nothing that would stop him. A desire to do anything cannot be taught, so it can be said that people are born with desire or they generate it.

Clawson (2014) mentions some important qualities in a global leader. They should be well presentable and well spoken, be able to make other people understand about their working strategy and not be sensitive to cultural diversity. They should treat every culture equally and should respect another person’s perspective, be ready to adapt to changes and never go with “ I am right; you’re wrong “ attitude. So, is there only one person who can solely handle a global business? According to Barlett and Ghoshal (1992), there is no such thing as a global manager. Instead transnationals require four kinds: business manager, country manager, functional manager and corporate managers (top executive at headquarters who creates a link between them and manages the communication between the three). While it is valid that

every step of a successful strategy should be divided accordingly, the objectives must be clear across all company levels.

Other aspects to consider in global leaders are background and gender. Since most literature comes from a Western perspective, sometimes it is easy to forget that leadership varies in meaning and expected results depending on the country. (Chuang, 2013). Diverse backgrounds within an organisation might be considered problematic or difficult to handle at times, but it is essential to remember that the solution lies in focusing on similarities (Chuang, 2013). The gender gap among global leaders is very clear. On a global level, females in CEO positions represented only 9% in 2012 (Thornton, 2012; as cited in Javidan, Bullough & Dibble, 2016). Multiple texts elaborate on how males and females have specific traits of their own when it comes to leading. While males go for more of a competitive, aggressive and risky business approach, females tend to be gentle, sensitive and nurturing (Javidan et al., 2016). Considering the little participation females have in high management positions and the attributes they could bring to a business, Javidan et al. (2016) find that companies could highly benefit from having a mixed management team. It is undeniable that background and gender have a big influence on the performance of global leaders, but it is their duty to incorporate both in a way that leads to a successful path for the company.

STRATEGIES TO SECURE GLOBAL LEADERS

According to Quelch and Bloom (1999),

The key underlying idea is to satisfy your company's global human resources needs via feeder mechanism at regional, national and local levels and to leverage your current assets to the fullest extent by actively engaging people in developing their own careers.

One of the steps can be to set a structure according to the preferences of employees, (i. e. who is ready to move from one country to another), and, most importantly, companies need to identify their leadership capital. The main tool is to have a global database, so that they are aware about the performance of the employees enabling executives to find the hidden gems in the company, as well as providing training when needed. Leadership programs could be developed for youngsters and, after successful completion, they may start working as assistant managers. Lastly, employees' satisfaction is an important factor, not only in terms of monetary benefits, but also personal growth, working environment and motivation through high performance recognition.

“ THINK GLOBAL, ACT LOCAL” OR “ LEARN LOCAL, APPLY GLOBAL”

Here are three mindsets that should be considered. Firstly, global formalisation vs local flexibility means unifying an association in the client's eyes so they recognise what to expect from the worldwide brand, yet the goods might be in different forms accordingly to its local markets.

Standardise the protocols and procedures but be flexible to local requirements, which can be defined as global standardization vs local customization. Lastly, global dictate versus local delegation, the method of

operating business should be identical, but delegating the local implementation regarding to prevailing customers.

Taylor (1991), stated that “ it is important to heed the maxim “ think global, act local””. The firm should ensure that its structure fits in with its universal condition, while willing to adapt and implement the strategies toward local environments. In addition, Czinkota and Ronnenken (1995), supported Taylor by mentioning that it is important to alter and adjust the global marketing mix upon local culture in order to costume local preference and meet the special demands and requirements. It can also be referred as “ Glocal strategy”, summarised in the table shown below.

Without the adaption of local preferences and customs, the business may not be able to reach local market demands effectively.

McDonald’s is one of the successful companies that follows a mindset of “ Think global, apply local”. They adjusted the goods as a result of religious laws and traditions in a nation. In Muslim countries like Malaysia, they must follow the Muslim priests to guarantee custom neatness. The chain was given a halal endorsement, demonstrating there are no pork items in the menu. This means the host country plans the vital initiatives while allowing the locals to implement according to its culture. All in all, it can be described as a “ universal way that transcends the particulars of places”, which means perceiving worldwide or cosmopolitan as superior to local. (Kanter, 1995, p. 60).

In contrast, perhaps a contradiction of creating global leaders is about having a mindset of learn locally and act globally. It is important to look into a dualistic point, absorption in local aspects while staying open to a worldwide view. Johanson and Vahlne (n. d., as cited in Li, Easterby-Smith, Lyles & Clark, 2016) described local knowledge as “market specific knowledge”, covering general and specific details, as well as experientially-based types of learning as a requisite for outsiders to manage the complexities of various societies and socioeconomic systems. In addition, the Business Model of Intercultural Analysis Framework can be applied to improve culture diversity by assessing different impacts on business like culture theme, communication, group dynamic, glocalization, time orientation and processing engineer. The key of this approach is an exposure to learn from other’s experience as well as perceive and appreciate local people’s perception, the leaders should be able to identify the local specific needs and willing to adapt and understand local culture via local immersion. Learning locally can help averting conflicts and enhance communication when doing business globally (Hofstede, 1983; House et al., 1999). As a result, leveraging the power of culture may lead to successful global business.

Therefore, it can be said that the idea of “think global, act local” or “learn local, act global” is the mindset that benefits organisations and individuals. Yet, the studies are insufficient to conclude which one is the best for global leaders. It depends on the size of the business and activities to decide which mindset would suit best; adapting “outside-in” or “inside-out”. Perhaps, the big companies that already have franchises across the world may find “think

global, act local” is more accurate. Contrarywise, “ learn local, act global” may suit better in a smaller business that is still expanding internationally. Therefore, regardless of which one it is, “ think global, act local” or “ learn local, act global”, without locally related elements, a pure global mindset might not lead to a successful business.

CONCLUSION

Best answer is that simply encountering those things specified above does not ensure worldwide initiative. What is more imperative is the securing of a genuine worldwide mentality that will empower authority in a worldwide limit. Without getting such an outlook all worldwide pioneer involvement on the planet is probably not going to enhance one’s viability on the worldwide stage.