

# Global mind-set



**ASSIGN  
BUSTER**

## **Introduction**

A global-mind set is the ability to recognize, act upon as well as adapt to cultural signals so that the effectiveness of a manager is not compromised when dealing with people from diverse culture. It also refers to a collection of individual attributes that help a manager or any other individual to influence others. This is done irrespective of their diverse cultural and social institutional systems. A global-mind set allows people in an organization to embrace other diverse cultures as business opportunities that can be exploited for the benefit of the organization. This ensures that the people adopt successful practices and ideologies irrespective of their culture. As a result, of this ideological change and technological revolution, one of the key issues that are facing organizations today is the issue of globalization (Keogh, 2010).

Globalization refers to the process through which diverse cultures, regions, economies and societies are integrated through a global network. The impact of globalization on the world is pervasive. It thus leads to the emergence of new political, social and business models. The new global economic order requires the company to incorporate changes in its management. Therefore, a global mindset can be described as a state of mind that enables someone to understand a business, a particular market or a company on a global basis. To make sure this happens, organization has to teach their staff to focus on the commonalities across many markets when looking at different territories rather than focus on the differences that exist among the territories or countries (Hult & Lewin, 2007).

## Summary

A global mind set is the ability to not only recognize but also adapt cultural signals. This is so that managers can intuitively identify global opportunities as well as deal effectively with people from other backgrounds around the world. Through a global mind set, the managers are able to acquire the knowledge they need to integrate the seven cultural dimensions into another person's behavior and management techniques without compromising the authenticity of the individual. In order for any business to be successful, the organization must be willing to cultivate a global mind set in all its employees. This is a necessity for all organizations in the world today (Gupta, 2008).

## Benefits to the organization of developing a 'Global Mind-set'

In today's world, an organization cannot survive on its own without incorporating global ideas in its organization. This is because, almost all countries interact through trade at some point and therefore, organizations interested in expanding their businesses must be willing to include some consideration to their international consumers needs. In this century, there is a lot of global pressure imposed on organizations in order for them to succeed. Therefore, companies have to incorporate managers who are mind set to run the business. This means that they have to ensure that the people they entrust the organization to is someone who can easily identify business opportunities in other territories and effectively utilize them for the company's success. The greatest challenge companies are facing today is the fact that they have to create a seamless globally integrated system. This

will allow them to satisfy their diverse consumers' needs in the diverse global market (Singh, 2007).

Today, managers are encouraged to do away with the domestic mindset that earlier on existed and embrace the global-mindset. This is because; the global mind set will enable them to come up with new and better strategies to run the companies. A domestic mindset limits the organizations potential as well as the organizations targets (Punnet & Mendenhall, 1995). This is because, it makes organizations to underperform and waste resources that are availed to them. With the rate at which the world is changing, a domestic mindset will not be enough to run a successful business and soon, all companies will all be forced to embrace the global-mindset. Therefore, organizations must look at the new global mind set as a competitive advantage in the international market rather than a liability in the organization (Tihanyi, 2010).

During the past decade, there have been significant changes in the world that have as a result, affected the world economy. This has thus forced companies to adapt to the new business world that is comprised of a global economy. Globalization demands the adoption of a totally new managerial mind set - the global- mindset. Managing with a global mindset offers the international management community a major challenge. This is because it confronts the organization with innovative and new managerial concepts and research. This ensures that the companies succeed in this age of globalization (Hitt & Hoskisson, 2008). According to Dr. Henri B Meir," It is not sufficient to prepare your corporation for the global age by adjusting your organizational structure, your strategic skills and operational know-how. A <https://assignbuster.com/global-mind-set/>

change has to take place in the culture of your company, in the minds of your managers."

Therefore, a good manager is one who is open to diversity across cultures and markets, knowledgeable about diversity across cultures and markets and one who has the ability to integrate diversity across cultures and markets (Bhatawdekar, 2010).

A good example of an instance when global- mindset was used is in Microsoft's entry into the Chinese market. Microsoft, through a global mind set manager, was able to identify the huge market for software that was present in China and it capitalized in it. If Microsoft had been shallow in its understanding of what was happening in China, it would have lost the business opportunity that was in China hence another company would probably have taken the opportunity (Tallman, 2007). Microsoft did not limit itself to the domestic market, and this is what has triggered its success over the years. Microsoft was able to understand the fact that China was not the only country with software pirates or the only one with a nationalistic public policy. This is what helped Microsoft to excel over other software companies in the market.

Therefore, a global mindset enables a company to outpace its rivals in assessing market opportunities, in establishing its market presence in the region as well as in converting its presence across multiple markets into global competitive advantage. Therefore, the greatest objective of a global- mindset is to enable the company to have speed and accurate response when faced with a business opportunity. This means that the company has

insights on the needs in the local market and at the same time; it is able to fulfill the needs of the company's global customers (Witlox & Derudder, 2010).

An additional benefit of cultivating a global mind set in local companies and organizations is the fact that it helps in reducing the dependence of a company on expatriates for global coordination. This therefore, helps to reduce company expenses. Moreover, the company is able to get close to its customers globally. Establishing a personal relationship with customers is one marketing strategy that has really helped companies to develop and become successful (Schniederjans, 1998). For example, in the 1990s, Standard Chartered, which is a London based international bank, was employing approximately twenty-five thousand people. After cultivating and incorporating a global mind set in its employees and in its management system, the numbers of expatriates were reduced to approximately four hundred and twenty (420) from eight hundred (800). This was nearly a 50 percent reduction and it helped cut down the company expenses significantly (Wankel, 2008).

Another benefit companies derive from the global mind set is that the company becomes more proactive in bench marking and learning from products and innovations found outside the domestic borders. This can be illustrated in the case of Nucor Steel, which was a steel manufacturer in the late 1960s. The company has remained a domestic company up to date yet it applies the concept of benchmarking the most successful steel manufacturers in the world. Nucor was the first steel company in the United States to adapt the mini mill technology, to make flat-rolled steel and to

commercialize thin slab casting. All this new technology was copied from outside the United States yet they were being used by a company in the United States (Marcic & Daft, 2008).

Companies can derive from a global mind set the benefit that it helps the organization to be more alert to the entry of foreign competitors in its local market. A good example is the US beer industry. Until 2002, the majority of market shares in the US beer industry were owned by two domestic companies. These were Anheuser Busch which had 50 percent of the market shares and Miller brewing which had 20 percent of the market shares. In the month of July 2002, South African Breweries acquired Miller brewing. In three months time, Miller Brewing had been transformed into one of the greatest foreign player in the beer industry. In the three months that followed, Miller Brewing was notably no longer a mere competitor in the market but one of the most aggressive fighters in the beer industry worldwide. This was as a result of introducing management that cultivated a global mind set to the running of the company (Solomon & Schell, 2009).

One factor that is commonly misunderstood about cultivating a global mind set is determining who the organization ought to invest in and who not to. A global mind set is not necessarily limited for those individuals who are tasked with the responsibility of managing activities that span borders like a global product manager or individuals who interact with customers, suppliers and peers from foreign countries (Turley, 2010). A global mindset is suited for all employees in the organization irrespective of the position held. To avoid sidelining some individuals,, the company in question can invest in building a global learning community where the other employees can

interact with others as well as learn more about ways of doing their jobs. For example, a paint supervisor in Toyota Car Company might assist the company through his contributing to writing the company news letter.

Therefore, irrespective of the position an employee holds in an organization, the company is obliged to cultivate a global mind set in them (Wang & Gupta, 2008).

Moreover, employees are not permanent in one level throughout and can at times be promoted, therefore by applying global mind set to all employees collectively, the company is able to save time rather than educate one individual at a time. However, the global mind set imperatives can never be uniform in all employees as this will be determined by the position an employee holds in the organization. Those individuals, for example the companies CEO, who are directly responsible for managing the cross border activities of the company, are usually offered the strongest global mind set imperatives, followed by those employees who must interact with colleagues from other countries.

This is because; the highest returns come from focusing on those employees in senior levels than those in low ones. This means that a company must be systematic in its cultivating of a global mind set. Nonetheless, if a company is aiming at capturing and sustaining global market leadership, it must do so with regard to the development of a global mindset that will encompass each unit and each employee in the organization (Jackson & Schuler, 2007).

In this complex and dynamic world we are living in, no one can be able to put an upper limit to the extent to which a company should cultivate a global



mind set. This is because, no matter how developed the global mind set of a company like Nokia or Toyota may seem today, twenty years from now, it will be regarded as a naive global mindset. This is because; the development of mindsets can be equated to the path of development of all knowledge. For example, the growth and development process of a baby. Every day, the baby learns how to do something new. The same case applies. Every day, the global mind set develops a little in order to comply with the changing market trends and technological revolutions, both locally and internationally. Therefore, cultivating a global mind set is a long term process and it takes place through a series of S-curves (Jeanette, 2000).

For any company or organization to implement successfully strategies on a global scale, the managers running the company have to adopt the global mind set. Moreover, they have to have prior knowledge of the various issues that may arise in the implementation process for example resistance from other employees. Managers are face by the challenge of determining the proper 'mix' of global mind set in order to achieve the desired level of local responsiveness as well as global integration (Hitt & Javidan, 2007). The information, reward systems and control of the company have to blend with the incentives and values within the local culture. In order for managers to be effective internationally, they must apply a global perspective to their strategy implementation. For example, a multinational firm formed a task force made up of United States employees to assist in the reviewing and revising of the work force policies that were in connection with a new strategy. After much research and deliberation amongst the employees, they came up with a draft and submitted it to the top executives of the operation.

According to draft, the employees had reduced the number of policies from one hundred and twenty (120) to 10 (ten) core policies. This was met by resistance from other overseas units which were not included in the research. This was as a result of the manager's lack of a global mind set. This led them into thinking that the overseas units would accept whatever was handed down from the United States headquarters. This was used to demonstrate what lack of a global mind set can cause. Therefore, lack of a global mind set results in chaos as far as running of the company is concerned and should not be taken lightly (Gannon, 2002).

## Conclusion

Managers require a global mind set to create and maintain a corporate culture that is cohesive and supports the business strategy. All managers work towards creating a culture that will benefit the company. This is because; culture is the link between the company strategy and its performance outcome. A case study of some of the world's most successful companies revealed that the managers of these successful organizations lay a lot of emphasis on culture and the values that contribute to the company's success. All managers work towards achieving a culture that is oriented towards success and performance. They do so by encouraging all employees to adopt behaviors and attitudes that are needed to meet the company's strategic goals. This ensures that everyone is responsible for the company's success.