DEVELOPING A GLOBAL MIND –
SET DURING CULTURAL TRANSITIONS –
A CONCEPTUAL REFLECTION

Tina Bhat,

Research Scholar
The Business School,
University of Jammu, Jammu and Kashmir, India.

ABSTRACT

Technology, communication and globalization have made global markets irreproachable. The human capital required for exploiting these opportunities and managing the challenges has assumed importance for multinational corporations that are encountering matured market conditions in growing economies. Consequently, these organizations are emphasizing on emerging markets that have a high consumption pattern. India is one such nation considered by these multinational companies to diversify their operations.

Managers need unconventional cognition, foresightedness, and creative attitude in efficiently performing the business plans. Thus, effective leadership characteristics play a pivotal role. The success of managers is the outcome of their efficiency in the business practices, and a proactive thought process is required to cope with emerging challenges and local conditions. Business expansion, quality solutions, cultural and socio economic integration with ethical practices are a challenge for expatriate business managers. The on-going internationalization requires leaders with unique skills and a global mind-set. Expatriation has been considered as one of the most powerful ways of enhancing global mind-sets.

The present study investigates the impact of the set of variables responsible for the thriving performance of global leaders and to explore the effects of cultural norms, values, and/or beliefs and the state of cognition on leadership attributes in the international business environment. Various investigations have remarked that an intercultural competence of a leader lays the foundation for the development of intercultural sensitivity and cross-cultural proficiency. On the contrary, it is imperious for international managers to inculcate an attitude toward diversity across cultures to lead in the international context.

Keywords: Cross-culture management, global leadership development, leadership, culture, expatriation, internationalization, need for cognition.

INTRODUCTION:

Technology, communication and globalization have made global markets irreproachable. The human capital required for exploiting these opportunities and managing the emerging challenges has assumed importance for various multinational corporations. These organizations are encountering matured market conditions in growing economies. Consequently, these corporations are emphasizing on the emerging markets that have a high consumption pattern. India is one such nation considered by these multinational companies (MNCs) to diversify their operations, engaging their international human capital comprising of expatriates with business expertise, output, and proficiency of conducting business in the global environment.

The on-going internationalization has led to the demand for new market segments, cost imperatives, cut-throat competition and a variety of initiatives encouraged by information and communication technology (Sealy et al., 2010). These opportunities happen to be a significant challenge for the multinational corporations. Accordingly, governmental aid, infrastructure issues, and technical know-how are among the most important challenges that relate to the set of skills required by these trans-national managers in global corporations. Thus, the possession of a 'global mind-set' or "the ability to perform or execute effectively in a highly competitive and multicultural environment calls for leaders with a global mind-set that recognizes the possible opportunities and innovation in complexity" (Rogers and Blonski, 2010) results in a significant potential for the growth of MNCs.

However, not surprisingly, a great number of studies have focused on the growing importance of cross-cultural interfaces and the global mind-set development of international managers, encouraging their managerial talent and capabilities. Few studies have focused on the relative analysis of international competencies of managers, performing across varied sectors in both developed and developing countries. International managers performing across nations are struggling to understand the approaches to leadership that can have an impact on managing the local market and human resources. Innovative and critical thinking and a creative attitude are the prime requirements to meet the business objectives. Significantly, thus, the rising demand for global talent and effective leadership requires perfect knowledge and enriched insight into the role of cross-cultural interfaces and the influence of a global mind-set on leadership behavior in an international context. In light of this, the existing review, based on the author's point of view and the sequel of the international research review, attempts to explore the impact of the set of variables that are responsible for the thriving performance of the global leaders across cultures and to explore the effects of cultural norms, values, and/or beliefs and the state of cognition of leaders on leadership attributes in the international business environment.

REVIEW OF LITERATURE:

Cross-cultural studies provide evaluable in sights for an overview of leadership behavior in various cross-cultural and multicultural environments (Dorfman etal., 1997; Rao etal., 1997). These investigations extend utilitarian guidelines for researchers and practitioners to achieve leadership effectiveness in organizations with workforce and management teams that are getting ethnically, culturally and globally diverse. Thus, an increasing amount of knowledge about cross-culture leadership is being accumulated (Peterson& Hunt, 1997). Extending the research work conducted by Hofstede (2001) on the cultural values and leadership behavior across nations, various investigators and social and behavioral scientists have emphasized on the cultural attributes of organizational behavior, motivation and cognitive processes (Triandis, 2004). Several studies have discovered that the most preferred leadership styles are determined by cultural norms, practices, customs, values and behaviors across nations. Considering the increasing rate of globalization and the increasing interdependencies among nations, there is a need for a comprehensive understanding of cultural influences on leadership and organizational practices.

Further, MNCs must be prepared for enduring the risks while sending their managers on foreign assignments. The expatriate managers are assumed to be important stakeholders in influencing the accomplishment of the long term business goals (Takeuchi, 2010). The important risk in this

regard is 'repatriation'. However, repatriation is not the only reason for the lack of managers' success in global assignments. The expatriate managers need to develop a global mind-set while executing internationally. Expatriates act as knowledge transferors and they are not only new for their assignments, but also for their environments. Thus, these managers are expected to think and act both locally and globally to accommodate themselves effectively in the host nation, which would further result in their thriving performance.

Numerous investigations (Daily et al., 2000; Hills et al., 2001) have revealed that differences in human capital in the form of level of literacy, tenure of occupation, and employees' skill inventory, significantly contribute to variations in organizational output. While realizing the significance of human talent to the organizations' output, there is a need to cross-examine the nature of human capital required for individuals and organizations to become successful 'global culture capital' of the modern economy (Heckman, 2000). Kanter (1995) remarked that organizations striving to become leading global brands in the present economy must realize to develop brand employees who can play the three vital roles of 'assimilator', who is able to assess surface-level cultural differences to identify common grounds, 'cross-border ambassador', who is able to resolve conflicts and influence the host nationals to accept world standards, and 'cross-fertilizer', who helps to transfer knowledge and the best practices from one place to another (Kanter, 1999). Kanter (1995) termed these individuals as 'cosmopolitans'. Therefore, cosmopolitan human capital is defined as the experience and the skills that enable individuals to perform effectively in varied cultures (Haas, 2006; Tung, 1998).

The chief executive officer of the Economist Intelligence Unit (EIU) (2006, 2007) conducted an experiment on 1000 senior managers across 40 countries and concluded that lack of human capital that is able to execute effectively across cultures is one of the greatest challenges faced by multinational corporations. Therefore, with the rising demand of cosmopolitan human capital and its declining supply, it drives the attention of MNCs to build such talents internally within organizations to sustain its competitive edge.

Bourdieu and Passeron (1977, 1979) remarked that organizations' global culture capital has been distinguished between two important categories, i.e., intangible cultural components that represent firms' values toward internationalization and other cultural components that represent organizational practices in encouraging its global values. Intangible cultural element is explained as the firms' ethical and organizational beliefs and/or values that accept a 'global mind-set' and another vital variable that includes 'organizational practices', encouraging a global mind-set within organizations. Thus, the mind-set of global organizations is significantly characterized in the way it analyzes and interprets its international surroundings, which have a profound impact on its long term goals and business strategies (Gupta and Govindarajan, 2002).

Rogers and Blonski (2010) and Lovvorn and Chen (2011) associated global skill inventory and mind-sets to 'cultural intelligence' as well as emotional and social intelligence, and considered them as important factors of intercultural effectiveness and successful overseas assignment. The researchers recommended that emotional stability is "the ability to stay traditional in trying circumstances or tendency to exhibit sturdy emotional feelings beneath experiencing things." Thus, a direct inter link exists between emotional stability of global managers and the thriving overseas assignments and their intercultural effectiveness. They further advocated that the ability of global managers to accommodate themselves internationally depends upon their tolerance for ambiguity, broad prospective, and the ability to understand the lens of their own as well as other cultures. Thomas (2006) and Ananthram et al. (2010) associated individualistic traits with specific knowledge, skills, behaviors, and managerial activities. While inherent qualities are the global frame of reference, they can also be stimulated and/or strengthened through well-designed management development programs (Bhatnagar, 2006; Gaba, 2008). Such programs aim at developing and/or stimulating the ability to simultaneously think globally and locally as well as encouraging receptiveness and cultural agreeableness.

Scullion and Collings (2011) recommended that the wide range of management development initiatives comprised of experiential training, formal in-house learning, management

development programs, executive coaching and mentoring. Significantly, thus, developmental activities should be aligned with more conventional human resource management activities, such as focused talent attraction and career development strategies (Nankervis, et al., 2013).

Thus, numerous studies draw the researchers' attention worldwide toward the positive correlation between the national culture dimensions and preferred leadership styles. Furthermore, a huge amount of empirical investigations identify the cultural values and characteristics of that nation (Hofstede, 2001). However, very few studies have focused upon the relevance of the mind-set on developing global leadership behavior. Thus, the present study recognizes the leadership expertise, cherishing diversity across nations, encouraging and developing technology savvy managers, establishing collaborations, alliances or affiliations and allocating effective leadership behavior. It also identifies the impact of culture and global mind-set on leadership behavior so as to provide further comprehensive knowledge of the leaders' experience in cross-border settings.

INTERFACE BETWEEN CULTURE, GLOBAL MIND-SET AND LEADERSHIP:

Klukhohn (1961) remarked that "Culture comprises of various forms of beliefs, perceptions, imagination, sentiments and/or emotional reverence that are transformed through symbols, consisting of different accomplishments of human groups, which encompasses comprehended antiquity; the essential core of culture incorporating conventional, i.e. classically extracted and selected notions, and beyond that their associated values." On the other hand, Hofstede (1991) describes culture as a perceptual mapping existing between human nature and personal disposition.

The dimensions that are common to Hofstede's framework and which can be theoretically associated with leadership are considered by the present study to establish the association between leadership and national culture. The cultural dimensions that can be scientifically determined and assessed were duly considered in the assumption of the 'etic' approach. Although the comprehension of the cultural clusters as well as the national culture is enabled by the 'etic' approach, it still requires the complementary dimensions for studying leadership styles. Hofstede (1980, 2001) discovered a strong correlation between the 'emic' and the 'etic' approaches and found them to be complementary. The researcher posited that 'etic' cannot be related to real life without 'emic' and that 'emic' cannot be generalized without 'etic'.

Increasing complexities and global challenges faced by nations have resulted into the obsolesce of traditional management practices and approaches which calls for the unique attitude, global mind-set and innovative strategies, so as to ensure the smooth functioning of global operations aligned with a new leadership paradigm that includes cross-cultural sensitivity. Adler and Bartholomew (1992) advocated that effective leaders possess a global frame of reference to execute effectively across nations. Thus, a global mind-set has been considered as an integral design for global leadership development and success. However, a distinct unanimity is yet to be derived despite several frames of global mind-set being referred to and recommended in the literature. Few research works have examined the possession of a global mind-set for efficacious leadership, despite the construct being vigorously examined by several behavioral researchers and scientists. Additionally, the significance of a global mind-set has not been empirically verified.

Most of the researchers and behavioral scientists across the globe have concluded that the national culture plays a pivotal role in influencing the leadership attributes and styles. According to the cultural approach, MNCs continuously encounter challenges as well as threats of dominating localization and/or local mind-set while operating globally. They are required to act both locally and globally. Therefore, the success of these corporations relies on the ability to cherish with the people from the host nations, managing effectively with socially diverse groups. Levy et al. (2007) rightly remarked that cultural intelligence, knowledge of various cultures, and global business orientation are effective ways to tackle the challenges of the worldwide operations and the development of a global mind-set. In this connection, the present piece of research proposes a conceptual reflection of the growth of universal leadership, derived

from the theoretical framework. A direct interrelation, enabled by the background, is established in the globalized world among the leadership styles, global mind-set and culture.

Figure 1: Early (2002) Cultural Intelligence
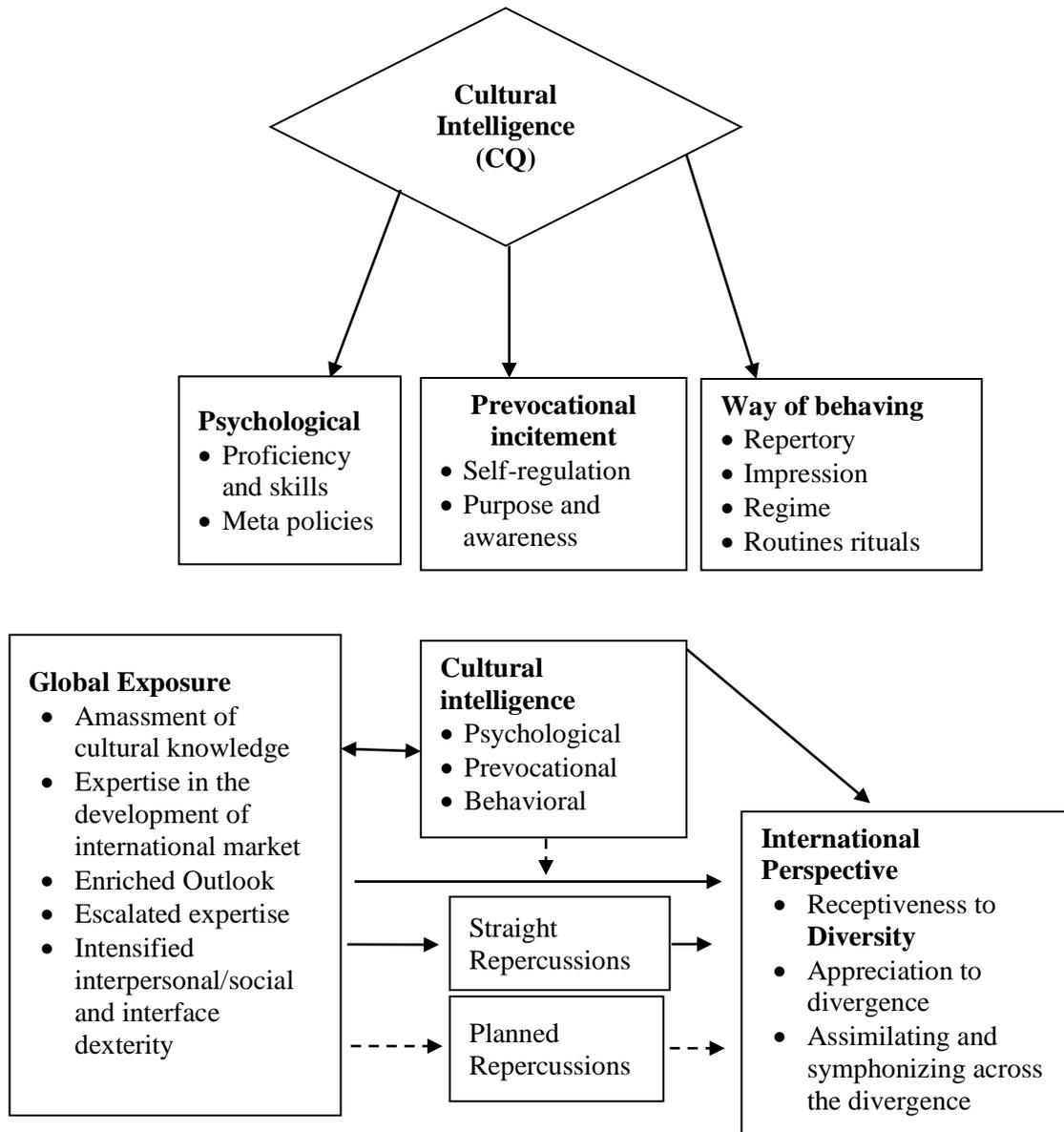
RESEARCH METHODS:

The present piece of paper is an outcome of the review of current literature and the sources available from secondary data. Although there are many studies that have examined the favorable relationship between cultural dimensions and leaders' attributes and/or preferred leadership style in the contextual structure that establishes the influence of cultural values, there is little scientific investigation that establishes the interlink between culture and leadership behavior across nations in a global setting. Therefore, the existing review is based on the author's point of view and the outcome of the international literature review.

RECOMMENDATION FOR FUTURE RESEARCH:

However, there is little scientific investigation that can establish the link between culture and leadership behavior across nations in a global setting. Additionally, there are limited factual studies and qualitative investigations that support the conceptual construction, thereby arousing the curiosity of various scientists, researchers, and human resource professionals across the globe in directing the international managers to encounter the complexities and challenges faced in discovering, visualizing and justifying the relevance of global cognition in a global context.

Creswell (1994) recommended that quantitative methods in the form of questionnaires and qualitative methods in the form of interviews should be conducted simultaneously to analyze the depth of cultural characteristics, global cognition variables as well as leaders' attributes.

Continuous research is also needed to examine the design of foreign relocations for international job assignments so as to ensure that it would result in an increase in capabilities. Therefore, future research needs to be carried out to determine as to how a global mind-set develops over time.

Significantly, thus, the growth of a global mind-set is facilitated by a higher level of cultural intelligence. Overall, it is suggested that a comprehensive approach is required and empirical investigations on global cognition in international level management must be carried out in various circumstances.

LIMITATIONS:

The main limitation of the present study is that it is the outcome of the literature review, thereby providing insufficient in-depth knowledge about the various factors that identify the impact of culture, global mind-set, and other cognitive traits on the leadership behavior of managers. Thus, more primary data in the form of interviews, questionnaires, surveys, comprehensive case studies, in-depth research methodologies, etc. on global cognition in diverse settings need to be procured to support the conceptual construct.

CONCLUSIONS, SUGGESTIONS AND DISCUSSIONS:

Success or failure of foreign assignments relies on the ability of managers to adjust in the foreign nation. Thus, in the absence of sufficient evidence, there is a need to examine the case of global managers of MNCs in India with respect to their performance, execution and self-assimilation with the culture and the people of the host nation. Therefore, the performance of a company in the international arena is largely reliant on the performance of its managers with an international orientation. In light of this, the present research aimed at seeking, examining and drawing out a comparative understanding of the leadership behavior of managers of various nations across different sectors.

The review also highlights the necessity of better knowledge of the cross-cultural interface between cultural dimensions, global mind-set, and cognitive traits, responsible for leadership effectiveness in an international context. The conceptual reflection explains the amalgamation of the depth of cultural traits, leadership and global cognition theory. The research renders practicable perceptions in acknowledging the role of global mind-set and cultural values in behavioral effectiveness in relation to the effect of global mind-set growth on the thriving performance of global managers in cross-cultural situations.

The present investigation also projects the necessity of inner cognitive traits required on the part of global managers for their effective performance. The study reveals the global mind-set as an inner psychological characteristic and enables organizations to appreciate a competitive advantage over other MNCs across nations. Intercultural sensitivity or cultural intelligence is considered as the ability of managers to interpret and accommodate their strategies, policies and techniques to the local rather than purely global situations.

Skill inventories of international managers identified by the present study include adaptability, versatility, adjustability, alterability, flexibility, variability and dynamism, which are often expressed as both organizational and managerial characteristics. Similarly, the ability to speak and

understand effectively through verbal and non-verbal gestures was considered as a vital variable, particularly for understanding and adapting to cross-border settings. Finally, knowledge of market conditions was recognized as an important factor for effective organizational performance.

The present research also recognizes the need for the initiative in imparting cross-cultural sensitivity training that encompass pre-migration and post-migration procedures to the global managers who are required to relocate for foreign job assignments, thereby driving them to perform effectively in the host nation.

The most effective attitudes, actions and behaviors are considered as the basis for studying the attitudes, actions and behaviors of constructive dialog competency. The overall level of leadership effectiveness was found to be low. Efficient leaders are autonomous strivers who acquire the technological knowledge needed to succeed in future. Such people inculcate continuous self-development and demonstrate self-confidence as leaders. Employees do not play an active role in the decision making processes, as their leaders treat them as a tool of attaining the corporate mission (low marks: appreciating diversity, developing people, stimulating positive and/or effective dialog).

Significantly, thus, the existing investigation suggests that nourishment of global skill inventory is central to the successful performance of global business, regardless of the origin of MNCs. The study also offers practical implications for MNCs and their human resource management professionals in terms of evaluating the levels of global traits presently possessed by the middle and senior level managers, suggesting the prospective future global managers, framing the management development programs that identify skill deficit in these areas and control the effectiveness of their global human resource management strategies. In addition, researchers might conduct qualitative and quantitative studies based on the criteria for global managerial skill-sets in cross-border contexts involving more eastern and western countries across varied sectors. These investigations might prove to be more inclusive by using exhaustive research methodologies that include surveys, detailed case studies as well as face-to-face interactions with global managers of different nationalities.

REFERENCES:

Adler, N.J. and Bartholomew, S. (1992). Managing globally competent people. *Academy of Management Executive,* 6(3): 52-65.

Ananthram, S, Pearson, C.A.L. & Chatterjee, S.R., (2010). Do organizational reform measures impact on global mind-set intensity of managers? Empirical evidence from India and Chinese service industry managers. *Journal of Chinese Economic and Foreign Trade Studies,* 3(2), 146-168.

Bhatnagar, J. (2006). Measuring organizational learning capital in Indian managers and establishing firm performance linkages. *The Learning Organization,* 13(5), 416-433.

Bourdieu, P., and Passeron, J. (1977). *Reproduction in Education, Society and Culture.* London-Beverly Hills: Sage Publications.

Bourdieu, P., and Passeron, J. (1979). *The Inheritors: French Students and Their Relations to Culture.* Chicago: University of Chicago Press.

Creswell, J.W. (1994). *Research design: Qualitative and quantitative approaches.* Thousand Oaks, CA: Sage Publications.

Daily, G. C., Söderqvist, T., Aniyar, S., Arrow, K., Dasgupta, P., Ehrlich, P. R., Folke, C., Jansson, A., Jansson, B., Kautsky, N., Levin, S., Lubchenco, J., Mäler, K., Simpson, D., Starrett, D., Tilman, D., & Walker, B. (2000). The value of nature and the nature of value. *Science*, 289(5478), 395-396.

Dorfman, P. W., Howell, J. P., Hibino, S., Lee, J. K., Tate, U., & Bautista, A. (1997). Leadership in Western and Asian countries: commonalities and differences in effective leadership processes across cultures.

Earley, P. C. (2002). Redefining interactions across cultures and organizations: Moving forward with cultural intelligence. *Research in organizational behavior,* Vol.24, pp. 271-299.

Gaba, A. K. (2008). *The role of distance education in the HRD of India,* Indira Gandhi National Open University, New Delhi.

Gupta, A. K., and Govindarajan, V. (2002). Cultivating a global mind-set. *Academy of Management Executive,* 16/1: 116-126.

Haas, M. R. (2006). Acquiring and Applying Knowledge in Transnational Teams: The Roles of Cosmopolitans and Locals. *Organization Science,* 17/3: 367-384.

Heckman, J. J. (2000). Policies to Foster Human Capital. *Research in Economics,* 54/1: 3-56.

Hills, G., Russell, P., Borgonovi, V., Doty, A., & Lyer, L. (2012). Shared value in emerging markets: How multinational corporations are redefining business strategies to reach poor or vulnerable populations. FSG. (Retrieved http://sharedvalue. org/sites/default/files/resourcefiles/Shared_Value_in_Emerging_Markets. pdf).

Hofstede, G. (1980). *Culture's consequences,* Sage, CA.

Hofstede, G. (1991). *Cultures and organizations: Software of the mind.* London: McGraw-Hill U.K.

Hofstede, G. (2001). *Culture's consequences: Comparing values, behaviors, institutions, and organizations across nations (2nd ed.).* Newbury Park, CA: Sage Publications. an Management Review, Fall, 21–32.

Kanter, R. M. (1995). *World Class: Thriving Locally in the Global Economy.* New York: Simon and Schuster.

Kanter, R. M. (1999). Change is Everyone's Job: Managing the Extended Enterprise in a Globally Connected World. *Organizational Dynamics,* 28/1: 7-23.

Klukhohn, C. (1961). *Universal Categories of culture.* In F.W. Moore (Eds.), Reading in cross-cultural methodology (pp. 89-105). Cambridge, MA: Anthropological Literature, Havard University.

Lovvorn, A.S. & Chen, J. S. (2011). Developing a global mind-set: The relationship between and international assignment and cultural intelligence. *International Journal of Business and Social Science,* 2(9), 275-283.

Levy, M. (2007). Culture, culture learning and new technologies: Towards a pedagogical framework. *Language Learning & Technology,* 11(2), 104-127.

Nankervis, A., Cooke, F.L., Chatterjee, S.R. & Warner, M. (2013). *New Models of HRM in China and India,* London & New York: Routledge.

Peterson, M. F. & Hunt, J. G. (1997). International perspectives on international leadership. *Leadership Quarterly,* 8(3), 203-229.

Rao A, Hashimoto K, Rao A. (1997). Universal and culturally specific aspects of managerial influence: A study of Japanese managers.

Rogers, E. M. & Blonski, D. (2010). *The global leadership mind-set.* Chief Learning Officer, June, 18-21.

Scullion, H. & Collings, D. G. (2011). *Global Talent Management,* London & New York: Routledge.

Sealy I., Wehrmeyer W., France C. & Leach, M. (2010). Sustainable development management systems in global business organizations. *Management Research Review,* 33(11), 1083-1096.

Takeuchi, R. (2010). A critical review of expatriate adjustment research through a multiple stakeholder view: progress, emerging trends, and prospects. *Journal of Management,* 4: 1040-1064.

Triandis, H.C., (2004). The many dimensions of culture. *Academy of Management Executive*, 18: 88-93.

Thomas, D. C. (2006). Domain and development of cultural intelligence: The importance of mindfulness. *Group and Organization Management,* 31(1), 78-99.

Tung, R. L. (1998). American Expatriates Abroad: From Neophytes to Cosmopolitans. *Journal of World Business*, 33/2: 125-144.

*****