

Global Mindset – a Requirement for Global Organizations and Global Leaders



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Executive Summary

Globalization has created several changes to the business environment. The organization's decision whether or not to compete with international competitors has become limited and is in fact nearly impossible to avoid. Global organizations have to build strategies and staffing policies that are in alignment with the organizational goals. Due to the changing business environment, global mindset and global leadership has become two phenomena frequently regarded as a prerequisite for global organizations' success in a globalized business world.

The literature on the global mindset and global leadership is extensive, where the two phenomena are used to describe way of conceiving the world and behaving, respectively. Derived from different types of literature, global mindset with a strong foot within cognitive psychology and global leadership from leadership, strategic and intercultural management literature, makes the two phenomena theoretically different. However, the crossovers between the two phenomena are used frequently.

This thesis aims at identifying the correlation between global mindset and global leadership and whether there is such a thing as a specific global leadership mindset. Global mindset and global leadership are two phenomena, which constitutes of several constructs explaining what is meant by the two phenomena. Global leadership literature has frequently used global mindset as a construct and global mindset usually takes a global leaders point of view when explaining the need for a global mindset. Recent literature has also proposed that a global leadership mindset must be developed, where I am left to wonder if this is possible. Hence, there is a need to understand what global mindset and global leadership is and how these are correlated and if there is such a thing as a specific global leadership mindset.

This thesis has a social constructive approach towards understanding how knowledge is created and how reality is perceived. Through using secondary data, an extensive understanding of how global mindset and global leadership has been defined, what constructs it is made up of and how the two are proposed developed is reviewed. This understanding enables the understanding of the two phenomena, which forms the basis for the discussion. The discussion will build an understanding of the need for a global mindset and what the determinants for global mindset development are, for global leaders, organization and employees.

Global mindset is seen as a phenomenon more encompassing than just a leadership characteristic. The correlation between global mindset and global leadership is global leaders need for a global mindset, e.g. an increased global awareness, both in terms of strategic and cultural awareness towards diversity acceptance. Global mindset is used as an integrated phenomenon, with a cognitive, psychological, behavioral and interactional dimension, which provides a complete picture of the required global leadership competencies. The development of global mindset is an organizational and personal responsibility, where socialization is the crucial point for development of global mindset and global leaders. The idea that a specific global mindset exists is rejected based on the notion that the requirements for global leaders will vary depending on the position in the organization and that global leadership is a contextual term, making it impossible to characterize a specific mindset for global leaders.

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1 Introduction

Globalization has increased proximity of national markets, where multinational enterprises have a clear dominance in the everyday life of the consumer. At the local supermarket Nestlé, Procter & Gamble, Kraft Foods, and Coca-Cola Company are only a few of consumer goods options that compete against national brands. McDonalds, IKEA, H&M, Zara, and Starbucks are chains that have a local, as well as a worldwide, presence. The national TV channel is no longer the only news provider. International news can be found through the Internet and foreign TV channels can be included in consumers' private TV channel package. Globalization has increased the consumer options as well as the possibilities and competition businesses experience. Businesses source for competitive advantage is no longer solely dependent on knowledge about the national market.

The 20th century is characterized as the era of globalization. The advancement in information and communication technology and means of transportation has reduced physical boundaries for engaging in international business. Czinkota et al. (2009) defines globalization as the description of “[...the increased mobility of goods, services, labour, technology and capital throughout the world]” (p.7). The increased mobility of goods and services has influenced national markets consumer goods options and expanded markets opportunities. Companies have greater mobility of production factors and are able to acquire the best knowledge resources for their operations.

Globalization has become a prime factor for obtaining a competitive edge and many companies' business strategies has a global scope. The ability to provide services and product development across borders is dependent on the market insights a company have. However, the presence in different markets will bring in valuable knowledge in order to survive (Hollensen, 2011:21). Globalization has made national markets small; the need to look beyond national borders becomes an integral part of business strategies. The reduction of physical distance is due to the enhanced and increased international trade, cultural exchanges and investment decisions (Ahlstrom and Bruton, 2010:2). International trade, understood as the “[...flows of information, technology, money, and people...]” (Leung et al., 2005:358) across countries, is a direct result of globalization. It is fostered through international trade agreements, international governmental institutions (e.g. EU and WTO), Multinational

Enterprises (MNEs) and international mergers and acquisitions (M&As) and joint ventures (Leung et al., 2005:358).

MNEs, small and medium sized enterprises (SMEs) and born globals are all representatives of a changing business environment, by their participation in international business. Where international business is a term used for describing businesses ability to move factors of production across countries in order to gain a competitive edge. International business opportunities illustrates the choices a business face today (Czinkota et al. 2009:8).

Rosen and Digh (2001) argue that “[...all business is global and competition comes from everywhere, requiring business of all sizes to develop a global perspective, strategy and skill base]” (p.72). It is still a companies’ choice to go global, where a global business is created when the business decides to expand its activities and starts trading using international business opportunities (Leung et al. 2005:363). However, it has become significantly difficult for businesses to seek refuge in national markets (Etemad, 2004:1). By joining an international market, the local company needs to reshape and create a global strategy reflecting what the company wants to achieve engaging in international business (Leung et al. 2005:363). The ability to create synergies between the home-country organization and the host-country is crucial for successful internationalization. Leung et al. (2005) focuses on an international subsidiary start-up, where the organization need to have grounded organizational values, attitudes and believes that can be transferred to the local subsidiary. In effect, the entire organization will be influenced by the internationalization decision. The business strategy and corporate values will be altered by the interaction between different nationalities (p.363).

Globalization has given rise to new means of internationalization. Traditional internationalization theories have described incremental steps towards international markets, exploring markets with low psychic distance (e.g. Johnson and Vahlne, 1977). Such models of internationalization are challenged by internationalization that happens soon after ‘conception’, e.g. born globals. Born globals use “[...resources and the sale of outputs in multiple countries]” (Jantunen et al. 2007:158). Globalization has decreased the perceived psychic distance, e.g. the “[...factors that make it difficult to understand environments]” (Johnson and Vahlne, 2009:1412). It has also created a larger ‘playing field’ for businesses,

both encouraging internationalization and making it practically impossible to operate without international influence.

Prior to globalization, societies have been able to develop without any influence/impact from other cultures. This enabled the creation of distinctive nationalities, cultures, norms, values etc. (House et al. 2002:3). Globalization has “[...enabled societies to quickly and easily learn about and from others]” (House et al. 2002:3). Hence, globalization has led to an increase in interaction across cultures. Communication and daily interaction with employees, business partners, customers and competitors are no longer centered in one country and one nationality. The business environment has become a multicultural arena (Ahlstrom and Bruton, 2010:8).

Internationalization means that organizations venture into an unknown situation (Sousa and Bradley, 2006:49). People in general do not easily venture into unfamiliar settings, hence preferring to operate in familiar surroundings (Child, Rodrigues and Frynas, 2009:200). The perceived difference between a home country and the foreign country must therefore be carefully evaluated. Cultural distance and psychic distance are two terms used to describe this perceived difference (Child, Rodrigues and Frynas, 2009:200; Shenkar, 2001:519).

The perceived cultural distance will influence the organization’s perceived business opportunities. Deciding to engage in international business, the firm needs to be prepared for meeting new challenges, “[...such as differences in language, lifestyles, cultural standards, consumer preferences and purchasing power]” (Sousa and Bradley, 2006:49). Culture affects how people interact and interpret situations, which can create a barrier for international business (Child, 2005:14-5). The cultural distance is experienced through the individual interpretation of information and knowledge creation. The cultural lenses people possess affects the way people communicate and share knowledge. Communicating and sharing knowledge across borders, where people wear different cultural lenses can create organizational challenges (Leung et al. 2005:360). To succeed in international business activities, it is important that the organization is able to make cultural diversity an advantage for its operations. Developing cultural synergies where knowledge, values and experiences are transferred, towards international success (Søderberg and Holden, 2002:105).

Globalization has developed a change in the way to conduct business. The need to create synergies between different cultural impulses and have a market outlook with a global horizon creates several new challenges for the organization, both in terms of strategy development and organizational culture. The need to create synergies across markets needs both a mindset and leadership orientation different from operating in a national market.

1.1 Global Organizational Challenges

Organizations that operate on a global arena are called a 'global organization'. A global organization is defined as "*[...organisations that operate as if the entire world were a single entity, and are integrated so that their activities capture linkages among countries]*" (Marquardt and Snyder, 1997:105). Global organizations exploit the geographical boundaries for obtaining and exploiting resources as best as possible. They use human capital, technology, and raw materials, facilities etc. in the part of the world perceived as best practice. The ability to create synergies across geographical boundaries is perceived as the global organizations strength (Marquardt and Snyder, 1997:105). To be an effective global organization, it needs to have an organizational culture that incorporates the diversity of market presences and have a leadership that reflects the multicultural perspective of the organization (Harris, 2002:420). Hence, major concern for a global organization becomes strategic adaption, staffing, leadership and mindset development.

Global Strategy

To internationalize the organization needs a global orientation. Even though physical boundaries are decreased and perceived psychic distance is diminished, countries are still different from each other. Hence, engagement in international business needs a global strategy. The business needs to carefully select markets based on "*[...their potential contribution to globalization benefits]*" (Yip, 1989:31). In 1989, Yip proposed three essential steps for developing a globalized corporate strategy: 1) develop and implement a good core strategy, 2) Internationalize this core strategy by expanding operations and local adaption and 3) Local adaption and international activities will integrate a common strategy across countries. These three steps make the business strategy global (p.29). The three steps – core strategy, internationalizing the strategy and making the strategy global – is crucial in order to build a coherent goal across the corporation. The aim of global strategy is to "*[...focus on*

similarities, standardization, homogenization, and coordination on a worldwide basis]” (Suutari, 2002:218).

A global strategy will build the strategic direction of the company in terms of international business. A global strategy is a weighted ratio between global orientation and local adaptation. The slogan ‘think globally and act locally’ is widely used to describe these global considerations (Hocking, Brown and Harzing, 2007:513; Paul, 2000:189; Hollensen, 2011:20-1). A global strategy is concerned with finding new markets, value chain distribution, product offering and marketing concerns, which can lead to significant benefits for the organization (Yip, 1989:31-2). To achieve the benefits from international business activities appropriate market knowledge is required to make the right decision on global standardization and local adaptation.

There is an interdependent relationship between headquarters and host country subsidiaries. The local subsidiary can benefit from the global company due to its ability to fight of competition and provide a standardized product line. For the global organization entering into new local markets can provide additional income, new and cheaper resource access (Paul, 2000:189; Hollensen, 2011:21). The company needs to find the right balance between global corporate control and freedom for local adaptation. Finding the right balance requires market knowledge and the ability to take advantage of business opportunities. Thus, the global strategy and internationalization will be dependent on the business itself (Paul, 2000:189-90).

Global Staffing

An additional concern to internationalizing is the role the people in the organization plays. The organization must be able to overcome internal cultural distance. Global staffing will influence the organizational culture. To create a synergetic organizational culture across international markets, global staffing is a primary concern for successful international business. Hiring practices in a global organization must reflect the global strategy. Harvey, Speier and Novicevic (1999) postulate that “[*Developing a multicultural, international workforce is considered to be one of the primary requisites of competing in the global marketplace...]*” (p.460). The need to develop employees that can work across cultures will be a key advantage in global operations (Harvey, Spier and Novicevic, 1999:460). Staffing becomes an international human resource management (IHRM) concern, where IHRM can aid the business to global success (Schuler, Budhwar and Florkowski, 2002:41,47). The

difference between domestic and global HRM is due to the need to establish policies and practices across a different range of socio-cultural, political, economical and legal nations (Schuler, Budhwar and Florkowski, 2002:42). Literature concerning global staffing focuses on expatriation and creation of global leaders (e.g. Bonache, Brewster and Suutari, 2001; Schuler, Budhwar and Florkowski, 2002; Harvey, Speier and Novicevic, 1999).

Global Leadership

With globalization global leadership is a necessity, as global organizations need to communicate their strategic intent across national borders and create synergetic affects across both cultural and strategic diversity. Traditionally, the development of global leaders has focused on the role expatriation plays in international subsidiaries. Where expatriates are used as a knowledge agent from the parent subsidiary to the foreign subsidiary, e.g. agents for transferring knowledge between home and host country (Hocking, Brown and Harzing, 2007:513-4, 518). As international activities grow, there is need for a leader that is able to work in multinational groups and be able to execute corporate global strategies and create common goals for performance achievement. The management is in charge of creating an encompassing strategy, but the leaders are responsible for leading and influencing a diversity of cultures in terms of employees, customers, competitors and suppliers (Bowen and Inkpen, 2009:239). Globalization has changed leaders into a knowledge worker, a person with the ability to initiate global networking and creation of team-activities (Søderberg and Holden, 2002:109).

Literature on global leadership has focused on the need for successful global leaders in order to be able to survive on a global arena. Competencies and constructs defining global leadership and how global leaders are developed are common focuses. Another focus is the distinction between global and domestic leadership (Bird et al., 2010:811; Osland, 2008:34), which is generally described as the increased complexity of a leaders work, “[...owing to the pressures and dynamics of global competition]” (Osland, 2008:35). Global leaders has been characterized as a leader that “[...has an advanced ability to adapt to cultural specifics, such that it becomes second to nature and subconscious]” (Sutton, Zander and Stamm, 2013:606). The global leader is responsible for disseminating and integrating the organizations global strategy as well as bridging an understanding between the team, subsidiary or department. The ability to interact in a diversified setting will be global leaders key strength.

In Stephen L. Cohen's (2010) postulates that global leaders "[...not only have to be effective in the traditional skills expected but also with additional knowledge, skills and above all mindset to navigate through complexities brought on by moving beyond one's traditional borders]" (p.3). He creates a notion that global leadership differentiates from leadership not only based on an increasing complexity of global competition, but adds the global leader's need to have a mindset more complex to that of a domestic leader. Proclaiming that a more complex mindset will aid the understanding of encountered cultural differences. The notion of a global leader's need for an increased cognitive complexity or a global mindset has not gone unnoticed in global leadership literature. Suutari's (2002) literature review on global leadership shows an emphasis on the link between global leadership and the notion of mindset. Four out of nine reviewed articles discussing global leadership competencies directly mention mindset, in terms of global mindset or cognitive complexity (pp.224-26). Leaving an understanding that global leadership requires a specific mindset.

Global Mindset

As there is a larger need for understanding of cultures and surroundings different from the home-country organization, the notion of a global mindset has become more prominent. Where global leadership uses global mindset as a necessary competence, global mindset literature use global leaders as a reference frame for explanation. Levy et al. (2007) explicitly state that in their attempt to examine the phenomenon global mindset they exclude topics "[...such as global leadership, expatriates, and expatriation]" (p.232), knowing fully well that this might limit the understanding of global mindset. Their following literature review discloses a focus on global mindset from different level of analysis. Global mindset can be an individual, organizational or a top management concern (p.234-37). To study the phenomenon global mindset, Levy et al. (2007) identifies two theoretical constructs – cognitive complexity and cosmopolitanism – that is frequently used to explain global mindset.

Cognitive complexity and cosmopolitanism are two general constructs that encompass many of the factors that describe a global mindset. In their explanation of global mindset, Kedia and Mukherji (1999) define a global mindset as "[...a state of being essentially characterized by openness, and an ability to recognize complex interconnections...]" (p.234), but postulates that supportive knowledge and skills are necessary in order to build a personal global mindset. Constructs such as cultural sensitivity, cultural diversity, networking, emotional connection and personal and business savvy (Kedia and Mukherji, 1999:236), are used to explain such

supportive knowledge and skills. The Thunderbird School of Global Management intensive research on global mindset have used other theoretical constructs to describe global mindset, using three core capitals – intellectual, psychological and social (Javidan and Bowen, 2013:147). Including supportive constructs as part of their understanding of global mindset. These constructs are similar to constructs developed in order to explain global leadership.

The creation of global mindset as a phenomenon is due to the impact globalization has had on organizational activities. The need to alter strategy and leadership practices due to an increasing international environment requires a mindset to go along with such changes. Literature describing global mindset has a clear focus on global competitiveness (e.g. Kedia and Mukherji; Nummela, Saarenketo and Puumalainen, 2004:51), leadership (e.g. Rhinesmith, 1992; Story and Barbuto, 2011; Javidan and Walker, 2012; Smith and Victorson, 2012) and organization (e.g. Gupta and Govindarajan, 2002; Begley and Boyd, 2009).

Global leadership and global mindset has stances from different streams of literature and it is natural that these two phenomena have developed independent from each other. The extensive literature on global mindset and the development of constructs such as global leadership mindset shows that there is a significant relationship between the two phenomena (e.g. Cohen, 2010).

1.2 Research Objectives

There is a link between having a global mindset and being a global leader. Global mindset and global leadership are derived from different types of literature, but the development of global leadership as something more than domestic leadership has integrated the notion that a global leader needs a more complex ‘frame of mind’. Many of the literatures’ attempt to describe either global leadership or global mindset, uses the other phenomenon as a basis for discussion or as a required construct. The explanation of global mindset is often done from an individual perspective, and then from a global leaders point of view. Global leadership uses global mindset as a capability to succeed in an international environment. The aim of this thesis is to develop an understanding of the two phenomena separately before answering the following question:

“How does global mindset and global leadership correlate? And is there such a thing as a specific global leadership mindset?”

The need to provide a clarification on how global mindset and global leadership correlate is necessary for the understanding and use of the two phenomena in future research. Through developing an understanding of the correlation between the two phenomena and how global mindset and – leadership development becomes both an organizational and personal concern, a model on global mindset development will be proposed. Displaying global mindset as an outcome of socialization based on the dynamic relationship between employees, global leaders and organizational factors. The notion that global leaders can have a specific global leadership mindset creates an unclear separation between the two phenomena. Hence, based on the correlation between global mindset and global leadership is it possible to create a specific global leadership mindset?

2 Methodology

Globalization has affected national boundaries, influenced national cultures and provided new challenges for businesses. The need to interact within a multicultural environment provides new challenges not only for businesses, but also for business research. Global mindset and global leadership are two phenomena that are on the research agenda due to globalization. The understanding and use of these two phenomena are necessary to put words on the new challenges encountered.

Research is guided by the researchers' presumptions about the world. "*These presumptions differ between views, and the different views, therefore, present different ways to understand, explain and improve*" (Abnor and Bjerke, 2009:4). The researchers' understanding about the reality is determined by presumptions made and these will guide the research (Abnor and Bjerke, 2009:7). The philosophical grounds for any research and the research method will influence the results given and the later applicability of research.

The two terms global mindset and global leadership are two phenomena, which have been used in order to describe personal and organizational ability to succeed in a global environment. Deriving from two different grand theories, leadership and cognitive psychology respectively, global leadership and global mindset aims at describing personal skills and attitudes towards understanding and creating a social reality.

Led by an aim of creating an integrated understanding of the two phenomena, this thesis aims at building a theory based on previous research done on global mindset and global leadership. This chapter is structured as follows. First, an explanation of the philosophical foundations that gives premises for this research, using the objective-subjective continuum, will be given. Second, the paradigmatic foundation will be discussed. A socialist constructivist paradigmatic assumption will be taken and influence the development of the understanding of global mindset and global leadership. Third, the philosophical and paradigmatic foundations will have an impact on the theory building process. A review of the role theories plays and how theories are developed is crucial for the understanding of how to build a theory. Fourth, using secondary data will only give a general overview of a business problem. Hence, the use of secondary data needs to be discussed. The aim of this methodology chapter is to give an overview of considerations made writing this thesis.

2.1 Philosophical Foundations

Global leadership and global mindset are widely used in organizational theory and “*Like all other fields of inquiry, organizational study is paradigmatically anchored*” (Gioia and Pitre, 1990:585). The philosophical foundation within organizational studies has a focus on the creation of knowledge and how knowledge is interpreted differently across different paradigmatic presumptions (Gioia and Pitre, 1990:585). The paradigmatic presumptions are characterized by the distinction of “[...*fundamental assumptions about the nature of organizational phenomena (ontology), the nature of knowledge about these phenomena (epistemology) and the nature of ways of studying these phenomena (methodology)*]” (Gioia and Pietre, 1990:585).

In social sciences the distinction within the degrees of knowledge creation has been characterized by the objective – subjective continuum (Kuada, 2012:72). The objective and subjective approach to research are two extremes towards understanding the social reality. Ontology, epistemology, human nature and methodology are different in the two apexes, influencing the way research is conducted.

	Objectivist	Subjectivist
Ontology	Realism	Nominalism
Epistemology	Positivism	Antipositivism
Human Nature	Determinism	Voluntarism
Methodology	Nomothetic	Idiographic

Table 1: The Objectivist-Subjectivist Continuum in Social Science (Kuada, 2012:72)

The ontological presumption is concerned with the “[...*very essence of the phenomena under investigation*]” (Burrell and Morgan, 1979:1). The objective and subjective approach has two different views on how the social reality is to be investigated. Having an objective ontology means believing that reality is external to the individual. In contradiction, the subjective ontology has a nominalist approach, believing that reality is socially constructed through interactions (Kuada 2012:72; Burrell and Morgan, 1979:1). By postulating that global mindset and global leadership is a result of organizational and personal concern, individuals will be

able to influence their own realities. Global mindset and global leadership is not determined by nature and a characteristic given by birth. This thesis will pursue a subjective, nominalist, ontology.

The epistemological presumption is concerned with the nature of knowledge about phenomena. Whether knowledge is “[...something that can be acquired (...), or is something which has to be personally experienced...]” (Burrell and Morgan, 1979:2). Objective epistemology, positivism, search for knowledge through seeking causal relationships, explaining and predicting structures of the social world. Subjective epistemology, antipositivism, seeks to understand the world from an individual point of view. A subjective researcher will reject the possibility to seek generalizable patterns and objective knowledge (Burrell and Morgan, 1979:5; Kuada, 2012:73). Finding a general description or explanation of what global mindset is, will not determine how different persons and organizations will develop a global mindset. Global mindset and global leadership are phenomena that are developed through interactions and experience, as well as personal competencies, and the only true way global mindset or global leadership can be visible is through understanding the individual’s point of view and interaction with others.

The debate concerning the presumption about human nature is distinguished by the free will of the individual. The objective approach pursues a deterministic viewpoint. A person’s actions are determined by his/hers environment. The individual will be unable to break out of predictable patterns and structures (Burrell and Morgan, 1979:6; Kuada, 2012:73). In contradiction, the subjective voluntarism describes a human nature where the individual is “[...completely autonomous and free-willed]” (Burrell and Morgan, 1979:6). Global mindset and global leadership is dependent on the interaction between individuals, these are phenomena that can be developed. Having a voluntaristic human nature. Hence, global mindset and global leadership is part of a socially constructed reality.

The methodology the objective and subjective research approaches pursued reflects on their ontological, epistemological and human nature assumptions. The objective nomethetic approach focuses on a systematic approach to research, using methods from natural science (Burrell and Morgan, 1979:6; Kuada, 2012:73). The subjective ideographic methodology is concerned with “[...obtaining first-hand knowledge of the subject under investigation]” (Burrell and Morgan, 1979:6). It seeks to understand reality through investigating everyday

life, getting up close to the research subject in order to understand his/hers background story (Kuada, 2012:73; Burrell and Morgan, 1979:6).

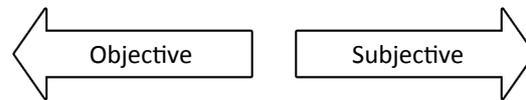


Figure 1: The objective-subjective continuum

The methodological approach to research is where this project breaks with the clean objective and subjective apices. These two approaches is a continuum towards research and hence there is a range of positions that can be taken. The aim of this thesis is to build an understanding of how the two phenomena global mindset and global leadership is related and whether there it is possible to develop a specific global leadership mindset. Hence, the aim is to provide a theoretical contribution to organizational and management literature towards the understanding of global mindset and global leadership. The methodological approach towards building this understanding will be built on presumptions about the social world, where literature on global mindset and global leadership will be used in order to develop an understanding and an explanation of the phenomena. Thus, a middle path on the objective-subjective continuum is applied aiming to gain a conceptualization on the correlation between global mindset and global leadership.

2.2 Paradigmatic Foundation

Following the objective-subjective debate, this thesis will pursue a subjective approach to research, with an ontological, epistemological and human nature that is clearly defined by individual ability to influence and developed their own reality. Hence, presuming that the social reality is subjective and therefore socially constructed. But what does it mean that the reality is socially constructed?

Social constructivism is a paradigm, where a paradigm describes presumption about reality, e.g. it is characterized as a 'belief system' (Kuhn, 1977, as cited in Hazlett, McAdam and Gallagher, 2005:34). It is a shared understanding, guiding a community towards conducting

research (Hazlett, McAdam and Gallagher, 2005:33). Social constructivist researchers believe that where human beings are unable to control the laws of nature, they are however able to control and influence the social world both consciously and unconsciously (Wadel and Wadel, 2013:49). To determine whether the phenomena under investigation are part of the natural and social world, it is necessary to ask what actually is under investigation (Collin, 1998:41)? Global mindset and global leadership are truly man made phenomena and an outcome of increasingly need for intercultural interaction and an understanding of multiple cultures. Hence, the two phenomena are developed and influenced by the social reality.

Berger and Luckmann (1966) in *“The Social Construction of Reality”* describe the social world as a construction of human interactions. They postulate the following *“Society is a human product. Society is an objective reality. Man is a social product”* (Berger and Luckmann, 1966:79). These three assumptions can be described in three processes – externalization, objectivation and internalization – that are three continuous and parallel running processes that both aid the development of the society and man. Externalization is the process that enables us to say that the society is the product of the human mind. Objectivation describes the process of institutionalization, where socially constructed ‘institutions’ develop their own reality and become *“[...a reality that confronts the individual as an external and coercive fact]”*, e.g. paternity (Berger and Luckmann, 1966:76). The internalization processes allow us to say that man and a man’s knowledge is a product of society (Wadel and Wadel, 2013: 50-1; Berger and Luckmann, 1966:78-9). The process is never ending. Failure to reproduce and disseminate knowledge to the next generation will end the development of a social world (Berger and Luckmann, 1966:79). Externalization, objectivation and internalization describe the activities a society goes through in order to develop institutions and create a common reality. Creating a stable society will depend on the ongoing human interaction (Berger and Luckmann, 1966:69).

Believing that the social world is socially constructed will mean that only through social interactions can humans develop their own reality. Humans create their own reality, all of which is equally true. Making it necessary to accept the fact that there exist multiple realities in the social world. The development of global mindset and global leadership, as will be shown, is dependent on interactions. If there is no face-to-face interaction how can a person perceive another’s reality? The creation of patterns through objectivation creates patterns that people repeat over time (Berger and Luckmann, 1966:71), e.g. the development of

organizations and organizational structures, which are part of creating an objective reality. Organizations are also a part of creating a society and developing human skills. Therefore, a global leader and a person/organization with a global mindset is a product of society itself and the humans that makes up the society.

2.3 Theory Building

“No researcher is a tabula resa upon which reality is imprinted” (Andersen and Kragh, 2009:50), meaning that all researchers are colored by previous knowledge.¹ In search for new knowledge, past experiences and training structures researchers’ approach to theory development (Andersen and Kragh, 2009:50, Bendassolli 2013). The aim of research is to build knowledge and search for the truth, where the truth can either be universal or situational. Social constructivist holds a truth constructed by interaction, hence the observed truth is situational, e.g. contextual.

Global mindset and global leadership literature are often published in journals such as the Academy of Management, Journal of International Management, Harvard Business Review and Organizational Dynamics, establishing the phenomena position in the field of organizational and management studies. Organizational and management studies is an eclectic field, borrowing from psychology, anthropology, sociology, economics etc., which has struggled to develop an original way of theorizing (Corley and Gioia, 2011:15). Theory building has become one such approach to give credibility to qualitative research.

Theory building is a way for researchers to be able to build knowledge (Zikmund et al., 2013:38). Theory, as defined by Gioia and Pitre (1990), is *“[...any coherent description or explanation of observed or experienced phenomena]”* (p.587). A theory explains a phenomenon, by describing how things are related to the phenomenon in question (Zikmund et al., 2013:38). Global mindset and global leadership are two such phenomena. Theory is constructed based on the interpretation of data collection, where theory originates from the researcher’s attempt to make sense of the observed facts (Timmermans and Tavory, 2012:167). The phenomenon, with a social constructivist approach to research, is *“[...directly determined by theory, and only indirectly confirmed by empirical evidence]”* (Bendassolli,

¹ Tabula resa – from latin: describing a clean slate

2013). Meaning that without theory development, global mindset and global leadership would not exist.

Andersen and Kragh (2009) define theory building “*[...as the process through which researchers seek to make sense of the observable world by conceptualizing, categorizing, and ordering relationships among observed elements]*” (p.50). The social world is constantly changing; developed theories are therefore always “*[...subject to revision, reconsideration and improvement]*” (Benadssolli, 2013).

The development of a theory is about the creation of an understanding and explanation of an observed reality, where constructs can provide a helping hand. A construct is “*[...a generalized idea about a class of objects, attributes, occurrences, or processes that has been given a name]*” (Zikmund et al., 2013:39). The identification of constructs to aid the explanation of phenomena is based on the researcher’s previous knowledge. The theoretical foundation within a field of research will improve the choice of appropriate constructs (Benadassolli, 2013). It is only through building a relationship between constructs that researchers can create an understanding between different constructs and how they affect the relevant phenomenon. Through developing propositions, e.g. statements explaining linkage between concepts, a relationship between constructs describing phenomena are developed (Zikmund et al., 2013:41).

The goal with theory is to understand and be able to predict outcomes (Zikmund et al., 2013:38). The constructs of global mindset and global leadership aid the explanation of what it means having a global mindset or being a global leader. An understanding of the phenomena would not be possible if it were not for constructs such as cognitive complexity, savvy, emotional and cultural intelligence etc. The constructs will aid to understand how mindset is developed and how different aspects influence the mindset development. Global mindset and global leadership shows part of what an eclectic field organizational and management studies is.

Global mindset and global leadership are two organizational and management phenomena. The extents to which they have been researched and theorized are extensive. However, the two phenomena and the constructs used to explain them have similar characteristics. Through a theory building approach an attempt to understand the correlation between the two

phenomena, through past contribution to global mindset and global leadership research would be made. Hence, trying to rethink the use of the two phenomena and provide an emphasis on the relationship between the two (Alvesson and Kärreman, 2007:1266). Theory building will provide an overview of frameworks developed by past research, categorize and build a correlation between two phenomena and their established theories (Poole and Van de Ven, 1989:563), which enables theorizing about the need for global mindset.

2.4 Data Collection

To provide an understanding and explanation of global mindset and global leadership previous literature on the two phenomena will be used. Meaning that this thesis will focus on providing a theoretical contribution based on secondary data. Literature will provide an understanding of what constructs are used to explain global mindset and global leadership and aid the thesis' discussion. To use secondary data solely is not optimal being led by socially constructivist presumptions. It will restrict the content validity of this thesis, as the propositions made will not be tested out through primary data collection. The attempt not to find empirical verification of theoretical findings breaks with the subjective apex. However, this is necessary in order to provide a theoretical link between the two phenomena.

The concern using secondary data, as a primary resource for knowledge is the fit of the data obtained (Witherside, Mills and McCalm, 2012:506). As the primary concern of this thesis will be on the theoretical understanding of the two phenomena, the primary data collection of the sources used will not be tested and reused. The use of secondary data as a theoretical basis is to provide an understanding of how global mindset and global leadership are defined, what constructs they constitute of and how they are proposed developed. Based on this and led by a social constructivist understanding of knowledge creation, a correlation between the two phenomena should be clarified. A clarification, that needs to be tested as this thesis is limited by the lack of primary data collection.

Secondary data is found using two search engines, Google Scholar and Aalborg University Library. Searching for keywords such as 'global leaders', 'global leadership', 'global leadership development' 'global managers', 'global mindset', 'global mindsets' and 'global mindset development' where used in order to create a general understanding in chapter 3

Global Mindset and in chapter 4 Global Leadership. As global mindset and global leadership is two nascent phenomena such literatures on the field are of a recent character. The oldest article in these two chapters is Perlmutter's (1969) "*A drama in three acts...The tortuous evolution of the multinational corporation*", which is seen as the first attempt to build a theory on global mindset (Levy et al. 2007). This article became a necessity to retrieve, due to its importance trying to provide a thorough understanding of a global mindset. Articles collected during the 1990s and the beginning of the 2000s in the review of the two phenomena is articles frequently cited by newer literature.

The global mindset and global leadership literature has a myriad of concepts explaining the two phenomena. Global mindset is also used as a construct explaining global leadership, adding to the confusion of what global mindset and global leadership is. Hence, the need for a theoretical contribution, using existing literature is required. This will hopefully aid to clarify the use of the two phenomena in literature and see how these two are related to each other.

2.5 Research Design

Based on this methodology chapter, this thesis will have a social constructivist approach towards understanding social reality. Led by a socially constructive approach to social science, this thesis will aim at understanding global mindset and global leadership as dependent on human interactions. The two phenomena are man made and it is up to the individual and organization to develop both global mindset and global leaders.

The next two chapters will discuss global mindset and global leadership separately. The aim is to provide an understanding of they are defined, identify constructs through the use of frameworks in global mindset and competencies in global leadership, before looking into how literature suggest that global mindset and global leadership is developed. Chapter 3 Global mindset will provide an overview of what a mindset is, define global mindset from a cultural, strategic and multidimensional perspective before looking at frameworks depicting the corporate global mindset. Last part of this chapter will review two approaches to identify constructs that explains global mindset, either using cognitive complexity and cosmopolitanism or intellectual, psychological and social capital, and provide an understanding of how literature suggest that global mindset is developed. Chapter 4 Global

leadership has a similar structure, first a short review of leadership and leadership theory will be given, before defining global leadership. The distinction between global leadership and global management is unclear in the literature, the two are frequently mixed, hence this will be given attention. An overview of constructs for global leadership and a review of how global leadership is developed will end this chapter. In the overview of global leadership the notion of a global leaders' need for a global mindset is purposely left out of the overview of global leadership competencies. However, this is provided attention in the discussion on how global mindset and global leadership correlates.

Chapter 5 Discussion will first focus on recent attempts to define global leadership on the basis of global mindset. This provides an understatement of global mindset and limits the applicability of a global mindset in the organizational setting. Global mindset is a necessity for global leaders to interact and understand people from different cultural contexts. This being the crucial integrator between the two phenomena, where global mindset is the cause for global leaders' success. Global mindset will be interpreted as something more than just a competence for global leaders. The development of global mindset is a necessity for the organization as well as for the global leader; hence arguing that global mindset development is important for the entire organization, from a top management level and down to the single employee. Further arguing that global mindset and leadership is dependent on social interactions.

The need for a global mindset both for global leaders and for global organization will project an understanding of whether or not a specific global leadership mindset exists. As globalization has initiated a stream of migration and 'self-initiated expatriates' this is crucial for the necessity of a changing mindset not only for leaders. Before concluding, the thesis limitations will be reviewed.

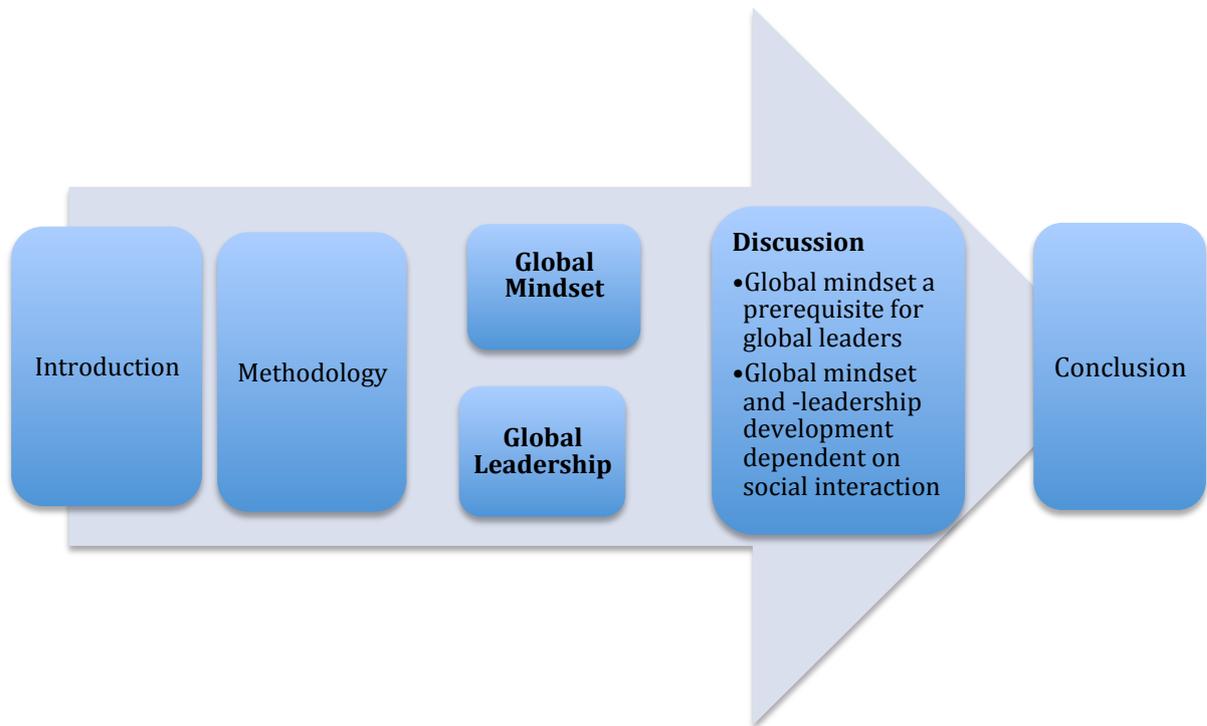


Figure 2: Research Design

3 Global Mindset

The success of a global organization is dependent on its ability to interpret and understand the assumptions for operation in a global setting. It is no longer sufficient for businesses to base market knowledge on knowledge from a single country. There is an increasing necessity to understand the market dynamics within different cultures (Begley and Boyd, 2003:25-6). It is not only market knowledge a global business needs to display it is also knowledge about how cultural backgrounds influence attitudes, beliefs, norms and values. The businesses' stakeholders will influence the approach of business opportunities and interacts with people (Smith and Victorson, 2012:43). A term used for describing a company and personal attitude towards dealing with these challenges is global mindset. Global mindset is a concern due the increasing international business and without globalization the phenomena global mindset would not exist today. Global mindset can be seen as “[...a critical component of globalization]” (Begley and Boyd, 2003:26) and is used to describe a cognitive structure needed to succeed with global operations.

This chapter will give an overview over how literature has viewed global mindset. This chapter is structured as follows. First, a general explanation of what a mindset is. Second, an overview of how global mindset is defined will be given, where different perspectives on global mindset will influence the definition. Third, global mindset has been reviewed from an organizational and personal perspective. An overview over organizational ‘mindset’ will be given before focusing on the normal constructs of global mindset: cognitive complexity, cosmopolitanism and intellectual, psychological and behavioral capitals. Fourth, an overview of literatures propositions of global mindset development will be given.

3.1 Mindset

The Oxford Dictionaries defines a mindset as “*The established set of attitudes held by someone*”. Generally, a mindset will be a cognitive orientation held by the individual. A cognitive orientation means an individual, or personal, way to perceive, behave and seek to achieve goals.

Bayer and Gollwitzer (2005) argue that when a person gets involved in “[...four consecutive tasks: choosing between potential goals, planning the implementation of a chosen goal, action

on the chosen goal and evaluating what achieved]” (p.314) different mindset, or cognitive procedures, will be activated. This cognitive procedure will create a decision and evaluation bias concerning interpretation of information (Bayer and Gollwitzer, 2005:315). They argue that a person’s ‘self-view’ will affect the development of a mindset. Whether the person has a low or high self-view will determine how the individual will choose paths, evaluate means to reach goals, goal setting and interact with others. Additionally, mindset will be affected by personal motivation, social anxiety and goal commitment (Bayer and Gollwitzer, 2005:315-16).

In her book, *‘Mindset: The New Psychology of Success’* (2006), Carol Dweck describes an individual mindset as neither a result of nature and genes or as an outcome of nurture and social environment; rather it is the interplay between these factors, which creates and develops a mindset (p.5). She argues, *”people may start with different temperaments and different aptitudes, but it is clear that experience, training, and personal effort take them the rest of the way”* (p.5). Her research shows that the individual view a person adopts will have a profound affect on life decisions. *“It can determine whether you become the person you want to be and whether you accomplish the things you value”* (Dweck, 2006:6). Hence, a mindset is therefore part nature and part socially constructed. The development of a personal mindset is dependent on experience, creating a wide knowledge base.

Dweck (2006) focuses on two types mindsets that can be traced back to the methodological debate concerning functionalism and social interactionism. The two perspectives on mindset that she describes is called fixed and growth mindset. A fixed mindset is *“[believing that your qualities are carved in stone...]*” (p.6). Meaning that your intelligence and personal abilities are unable to develop. Individuals are born with a specific mindset. This resembles the functionalist way of describing human interaction as predetermined by nature. The opposite is growth mindset. With a growth mindset, the individual believes that personal qualities can be fostered through individual efforts (Dweck, 2006:7), e.g. social interaction helps the development of individual mindset.

Individual attitudes and beliefs create a cognitive map or procedure for how to act. This is called a mindset. A personal mindset is influenced by both nature and social environment and will influence goal achievement and decision-making. Personal mindset will affect individual attitudes and influence interaction between people. Personal mindset and organizational

mindset will therefore be crucial in a global business world. As international business increases the complexity of business activities, it is important to achieve and maintain a competitive advantage to survive. A global mindset is a key for global organizations success in the global market (Levy et al. 2007:231; Massingham, 2013:232).

A mindset is a cognitive map or as Rhinesmith (1992) states a cognitive filter “[...through which we look at the world]” (p. 63). Hence, global mindset can represent both an organizational and personal cognition of the world. The explanation of global mindset describes a specific way of perceiving, understanding and interacting in the social world, that differs from the general notion of mindset. Literature concerning global mindset can be traced back to Perlmutter (1969) identification of organizational mindset, and has since then been defined as an individual characteristic (Nummela, Saarenketo and Puumalainen, 2004), an organizational feature (Perlmutter, 1969, Begley and Boyd, 2003) and as both individual and organizational characteristic (Gupta and Govindarajan, 2002). The attempts to define global mindset has been many and hence it is necessary to review and define what a global mindset is.

3.2 Global Mindset Definition

Global mindset is a phenomenon humanly created due to globalization. The last three decades the phenomenon has gained increasing attention as an approach necessary for both organizations and leaders in a globalized world. Levy et al. (2007) identifies three general approaches to define or interpret global mindset, either from a cultural, strategic or multidimensional perspective (p.232-33), in addition to an individualistic or organizational approach. Hence, the focus in defining the need for global mindset has been on the need to except diversity, have a ‘glocal’ adjustment to global business operations or both have acceptance for diversity and strategic adaption.

Cultural Perspective

The earliest attempt to identifying the need for a specific mindset doing global operations is Perlmutter’s (1969) explanation of a geocentric mindset. A geocentric mindset portrays an organization’s ability to have a worldwide approach to business without favoring nationality. The cultural perspective emphasizes the understanding, acceptance of and interaction with

diversity. The need to learn from different cultures, interact with people of different cultural backgrounds is of importance in order to display a global mindset (Adler and Bartholomew, 1992:53). For Story and Barbuto (2011), Lovvorn and Chen (2011) and Massingham (2013) the need to have an openness and ability to integrate across cultures and adapt to local cultural contexts becomes vital.

From a cultural perspective, global mindset can be characterized as the openness and awareness to diversity, where a global mindset is displayed in a person or organization who is able to understand and accept diversity of cultures and interact with multiple cultures simultaneously. The benefits of global mindset are the ability to enhance trust relationships, improve employee-leader communication and increase organizational commitment (Story and Barbuto, 2011:380). Global mindset becomes an outcome of the personal ability to adapt to cultural contexts, understand and create understanding across diversity. A keyword for global mindset is the acceptance of diversity. The display of a global mindset from a cultural perspective requires a cosmopolitan attitude, e.g. the ability to enjoy learning new things and interact with people different from themselves (Adler and Bartholomew, 1992:53; Levy et al. 2007:239).

Strategic Perspective

A strategic perspective on global mindset moves away from the necessity to interact and accept diversity, and rather focuses on an understanding of different markets competition and the evaluation of various market opportunities. From this perspective the organization or individual requires a cognitive complexity in order to be able to generate relevant knowledge about the global market. Gupta and Govindarajan (2002) define global mindset as the ability to combine “*[...an openness to and awareness of diversity across cultures and markets with a propensity and ability to synthesize across diversity]*” (p.117).

Whereas Gupta and Govindarajan (2002) have both an organizational and individual approach towards understanding global mindset, Begley and Boyd (2003) have an organizational approach towards the need for a global mindset. Focusing on business performance they define global mindset as the ability to use knowledge as appropriate in different market contexts. They deposits that organizations need to align the strategic intent of the company with the human capital it has. Building an organizational culture, which is grounded on the idea of a global mindset (p.26). They define global mindset “*[...as the ability to develop and*

interpret criteria for business performance that are not dependent on the assumption of a single country, culture or context and to implement those criteria appropriately in different countries, cultures and contexts]” (p.25-6). Hence, global mindset is a necessity in order to succeed in a global environment.

Arora et al. (2004:397) and Nummela et al. (2004:55) also pursue a strategic perspective towards understanding a global mindset, but then from an individualistic point of view. The ability to adapt to different contexts, be proactive against global competition and strategic thinking in order to succeed, where the ability to adjust the individual behavior becomes determinant for global mindset manifestation.

Global mindset from a strategic perspectives focus more on the mental capacity of the person or organization, than on portrayed behavior or attitudes. The ability to adjust the strategic approach of a company, create a global business direction and initiate a commitment towards the global organization, e.g. a ‘glocal’ strategy. This conveys a global mindset.

Multidimensional Perspective

The multidimensional perspective includes both cultural and strategic perspectives in their attempts to define global mindset. The multidimensional perspective provides a more encompassing definition of what global mindset is. Levy et al. (2007) identifies Rhinesmith’s (1992) work on global mindset as the basis for the multidimensional perspective on global mindset (p.243). Rhinesmith (1992) defines a global mindset as the individuals’ ability to “[...scan the world from a broad perspective, always looking for unexpected trends and opportunities to achieve our personal, professional, or organizational objectives]” (p.63). Global mindset is not just a way to interact with people or view the world; it is a way of being. From his point-of-view, global mindset is a cognitive filter that reflects a large capability to adapt to unexpected situations, different contexts and interpret information from a variety of sources. Hence, the person has a broad ability to gain and use new knowledge.

The multidimensional perspective does not only include the cultural and strategic perspectives in order to define global mindset, but also other constructs. Srinivas (1995) defines global mindset based on eight different components, which includes personal characteristics such as curiosity, opportunity seeking and risk taking, long-term perspectives and system thinking, as well as the appreciation for diversity and organizational processes (p.30-31). The long-term

time perspective is also part of Kedia and Mukherji (1999) identification of global mindset. The ability to have a unique time orientation is crucial for individuals with a global mindset. They also include constructs such as global and organizational knowledge and empathy (p.236). Global mindset is seen as a personal ability to conceive the world with an open mind, identifying and understanding complex situation, having a large curiosity, seeking out new opportunities and being able to take risks.

From an organizational perspective, Paul (2000) applies a multidimensional approach to global mindset. A global corporate mindset is the ability to have a balance between global standardization and local adaption as well as a top management aware of cultural predispositions (p.189-191).

The multidimensional perspective on global mindset merge the need to understand how people from cultural backgrounds differ from each other and how knowledge about political, cultural, social and institutional factors can create a global mindset opening for successful business activities as well as other constructs such as time orientation (Levy et al. 2008:243). Global mindset is a complex phenomenon. The definitions and constructs are many. However, with the general notion that a mindset is the way a person or organization perceives and interacts in the social world, an understanding of what global mindset constitutes of is developed. A global mindset is a description of a person or organization that is able to accept and interact in a global environment, create an understanding across diversity and to seek out new opportunities. Global mindset is ‘a state of mind’ that has the ability to handle diversity.

Authors	Definition	Perspective
Perlmutter (1969)	Geocentric mindset gives a worldwide approach to business activities (p.13).	Organizational
Rhinesmith (1992)	Global mindset is the ability to be open for new unexpected possibilities to achieve set objectives (p.63).	Individual
Adler and Bartholomew (1992)	Transnationals’ ability to interact and learn from multiple cultures simultaneously (p.53).	Individual

Srinivas (1995)	Global mindset is made up of eight components: 1) curiosity, 2) acceptance 3) awareness, 4) opportunity seeking, 5) organizational faith, 6) improvement 7) long-term perspective thinking and 8) system thinking (pp.30-31).	Individual
Kedia and Mukherji (1999)	Global mindset the ability to manage complexity, showing a glocal orientation, openness to diversity and ability to show empathy (p.236).	Individual
Paul (2000)	Global corporate mindset - a ratio between global standardization and local adaption; and the top management global strategy (p.189-191).	Organizational
Gupta and Govindarajan (2002)	Global mindset - a openness and awareness of diversity, being able to create a common understanding across diversity of cultures (p.117).	Organizational and individual
Begley and Boyd (2003)	Global mindset ability to interpret global strategic business opportunities and implement strategy appropriately in different markets (pp.25-26).	Organizational
Arora et al. (2004)	Global mindset is the ability to adapt to people different from you and approach new contexts with an open mind and adjust own behavior (p.397).	Individual
Nummela et al. (2004)	Global mindset is a proactive attitude towards international competition and the individuals international commitment is (p.55).	Individual
Levy et al. (2007)	Global mindset high cognitive complexity, characterized with an openness to diversity and an ability to merge understanding across such diversity (p.244).	Individual

Story and Barbuto (2011)	Global mindset is an global orientation to business and the ability to adapt to local context and culture (p.379-380).	Individual
Massingham (2013)	Global mindset is an openness to and the ability to communicate across cultural contexts, and be able to synthesize across diversity (p.234).	Individual

Table 2: Overview of global mindset definitions

3.3 Corporate Mindsets Framework

Towards understanding global mindset, frameworks conceptualizing global mindset have been developed. Literature has discussed global mindset with a focus on both developing a corporate mindset and an individual global mindset. Three frameworks used to describe corporate mindset are Perlmutter (1969), Gupta and Govindarajan (2002) and Begley and Boyd (2003).

Perlmutter (1969) is one of the earliest attempts to explaining the mindset of companies working in a multinational arena. He proposes that businesses can show three types of mindset – ethnocentrism, polycentrism and geocentrism (p.14). These three profiles makes up the EPG-profiles. The three mindsets show a weight on globalization and local adaption. An ethnocentric attitude favors the home-country culture and thinks it is superior to that of the host-country (Perlmutter, 1969:11; Kuada, 2010:16). Businesses will therefore apply home-country values in their venture abroad. A polycentric mindset values the difference among culture and appreciates local adaption. Business displaying a polycentric mindset will let host-country subsidiaries preserve their local identity (Perlmutter, 1969:12). A geocentric mindset shows a business that is able to have a worldwide approach, aligning cultural contexts with strategic decisions. A geocentric mindset will allow businesses to “[...establish universal standards and permissible local variations...]” (Perlmutter, 1969:13).

Perlmutter’s (1969) EPG-profiles has been used, both in management and strategy literature, to describe how international businesses relate to competitors, partners and local affiliates (Kuada, 2010:16). By using the business strategic direction and global orientation as a focal point, Perlmutter (1969) is able to give a quick overview over businesses potential mindset, or

perception of how to gain a competitive advantage in a global business world. The EPG-profiles are of many used as a forerunner to explaining global mindset (e.g. Sørensen, 2014; Gupta and Govindarajan, 2002; Story and Barbuto, 2011; Lovvorn and Chen, 2011; Vogelsang, Clapp-Smith and Osland, 2014).

Gupta and Govindarajan (2002) and Begley and Boyd (2003) have developed frameworks that resemble the mindset thinking of Perlmutter (1969). These frameworks use different terminology in order to display that a global mindset is a ratio between global standardization and local adaption.

Gupta and Govindarajan's (2002) focus on global and local adaption is visible through their focus on the balance between integration and differentiation. The balance between the ability to integrate different cultures versus being open to local diversity is their focus on development and display of corporate mindset. The three mindsets – parochial, diffused and global mindset – display different nuances of the ability to integrate and differentiate between cultures. Global mindset is displayed by high on both the ability integrate and differentiate between cultures. Global mindset is equal to geocentrism. Parochial mindset is high on integration and low on differentiation. With low levels of local adaptations and high on standardization, parochial mindset is similar to ethnocentrism. A diffused mindset is low on integration between cultures and high on differentiation. With a diffused mindset local subsidiaries are allowed local freedom, similar to polycentrism (Gupta and Govindarajan, 2002:117-118).

Begley and Boyd's (2003) framework focus on managers' balance between global consistency and local responsiveness. There is no right and wrong answer to what the balance between global and local response should be, but the company need to take a stand in terms of the balance between these two in order to create a corporate mindset that is consistent throughout the organization (Begley and Boyd, 2003:28).

Author	Corporate Mindset Framework
Perlmutter (1969)	Three attitudes towards global business: <ul style="list-style-type: none"> • Ethnocentrism • Polycentrism • Geocentrism
Gupta and Govindarjan (2002)	Integration vs Differentiation <ul style="list-style-type: none"> • Diffused mindset (low I, high D) • Parochial mindset (high I, low D) • Global mindset (high I, high D)
Begley and Boyd (2003)	Global Consistency vs Local Responsiveness

Table 3: Corporate Global Mindset frameworks

Global mindset, and mindset in general, is described as a way of being (Lovvorn and Chen, 2011:276; Rhinesmith, 1992:63). Perlmutter (1969) and Gupta and Govindarajan (2002) describe different corporate behaviors. Explaining how the corporation looks upon the markets, they operate in. Begley and Boyd (2003) incorporate another crucial element in the discussion on global mindset. They say the balance between global standardization and local adaption has to be evaluated based on the context. Thus, global mindset in corporations is dependent on context, similar to a personal mindset. The organization would not exist where it not for its stakeholders. The sum of the employees' ability to create a common understanding and unified organizational culture determines the corporate mindset. Hence, the people of the organization determine the creation of a corporate mindset.

3.4 Personal Global Mindset

Global mindset by Massingham (2013) is described as the cognitive capability a person has, in order to perform in international business (p.232). Hence, personal global mindset becomes crucial in today's knowledge intensive society. With a low cognitive capability, people and

organizations will make mistakes due to their oversimplification of situations. Global mindset can make such mistakes avoidable (Massingham, 2013:232).

Vogelgesang, Clapp-Smith and Osland (2014, p.3) recent literature review on the concept of global mindset finds that there are two divergent understandings of what the global mindset should include. Global mindset can be described by cognitive complexity and cosmopolitanism or by these two and adding other capitals to the understanding. Capitals identified here are psychological, social and intellectual capital (Javidan and Bowen, 2013; Javidan and Walker, 2012) and Sørensen's (2014) additional capitals – situational, value and action capital.

3.4.1 Cognitive Complexity and Cosmopolitanism

Cognition holds a central part in the discussion of global mindset. A person that is assumed to have a global mindset will have a high cognitive complexity. As Massingham (2013) postulates a person with high cognitive complexity will avoid doing mistakes when interacting with people, due to oversimplification (p.4). Gupta and Govindarajan (2002) calls low cognitive complexity 'tunnel-vision' syndrome, a person with narrow knowledge and low ability to process information. A person with a 'tunnel vision' is unable to see the benefit of diversity (p.117). Story and Barbuto (2011) use cultural intelligence to describe cognitive complexity and global mindset. A person displaying a high cultural intelligence "*[...has the cognitive capacity to think and understand a new cultural environment and also to acquire behaviors that are needed in this environment]*" (Story and Barbuto, 2011:379). A person with high cognitive complexity is able to make "*[...sense of unfamiliar, novel, or foreign situations]*" (Vogelgesang, Clapp-Smith and Osland, 2014:4).

Cosmopolitanism is a wide terminology used here as explaining a persons 'state of mind'. Levy et al. (2007) defines cosmopolitanism in terms of social interaction, merging an understanding between global and local orientation. Cosmopolitanism is defined as "*[...a state of mind that is manifested as an orientation toward the outside, the other, and which seeks to reconcile the global with the local and mediate between the familiar and the foreign]*" (Levy et al. 2007:240). Cosmopolitans tend to see themselves as 'citizens of the world', being aware of global problems (Vogelgesang, Capp-Smith and Osland, 2014:4;

Pichler, 2009:706). A cosmopolitan can be characterized as having a “[*respect, tolerance and responsibility for the human kind...*]” (Pichler, 2009:707).

Having a global mindset, showing a cognitive complexity and a cosmopolitan worldview, does not mean that the person forsake his/hers local identity. A person with a global mindset will concentrate on building a new common social reality, through establishing new ‘communities of practices’ rather than enforcing ones culture upon others or integrating into one specific, preexisting cultural context (e.g. Pichler, 2009:706-7).

3.4.2 Global Mindset Capitals

The Thunderbird School of Global Management have focused on global mindset and explained global mindset in terms of three capitals – intellectual, psychological and social capital (Bowen and Inkpen, 2009; Smith and Victorson, 2012; Javidan and Bowen, 2013; Javidan and Teagarden, 2011). Each of the capitals have three underlying building blocks, which will enforce the understanding of what it means having the intellectual, psychological and social capital needed in order to portray a global mindset (Javidan and Bowen, 2013:148).

Intellectual capital

The use of global mindset capitals instead of the interplay between the constructs cognitive complexity and cosmopolitanism bares resemblances to each other. In terms of the capitals, the intellectual capital represents the cognitive side of global mindset (Javidan and Bowen, 2013:148). This capital refers to the persons’ knowledge about his/hers surroundings and how he/she interprets and analyzes the information and knowledge obtained (Javidan and Bowen, 2013:148; Javidan and Walker, 2012:39).

The three underlying building blocks of intellectual capital is:

- Global Business Savvy
- Cosmopolitan Outlook
- Cognitive Complexity

The cosmopolitan outlook in Javidan and Bowen (2013:148) and Javidan and Walker (2012:39) is the ability to gain knowledge about different part of the world in terms of historical, geographical, political and economic facts and be continuously updated on world

events. In terms of cognitive complexity the focus is on the ability to interpret and understand problems and having good problem-solving skills. Cognitive complexity will be improved by the cosmopolitanism and global business savvy (Javidan and Bowen, 2013:148; Javidan and Walker, 2012:39). Hence, cosmopolitan outlook and cognitive complexity is still an integrated part in the constructs explaining global mindset.

This capital's last factor, global business savvy, displays the know-how a person has about the business world and the opportunities that exist across the world. The know-how of global industry, marketing, risks, supplier options and business strategy will improve the potential impact a business has across the world (Javidan and Bowen, 2013:148; Javidan and Walker, 2012:39).

The three building blocks are interrelated. Being a cosmopolitan and having wide global business knowledge will increase cognitive complexity. Cognitive complexity can also increase curiosity; hence increasing the cosmopolitan outlook and business knowledge.

Psychological Capital

The second capital is psychological capital. Where the foregoing capital focused on the intellectual part of a person's behavior, psychological capital focuses on the willingness to understand and engage in cross-cultural interactions (Javidan and Walker, 2013:212). The psychological capital is the affective part of global mindset (Javidan and Walker, 2012:39). Without extensive psychological capital the success of cross-cultural understanding and trust building is likely to fail.

The three building blocks that is a part of the psychological capital are:

- Passion for diversity
- Quest for adventure
- Self-assurance

Displaying a passion for diversity a person shows a vast interest in exploration. Through travelling, meeting new people and networking a person will gain new experiences and new cultural impulses. The passion for diversity will enable an interest in a life full of variety (Javidan and Walker, 2013:215; Javidan and Walker, 2012:40).

A life full of variety, where the wish to explore, encounter unfamiliar things and situations and take risks, often increases the willingness to seek out new adventures. Quest for adventure goes hand in hand with having a passion for diversity. A global mindset means a wish to deal with challenging and unpredictable situations, take risks and test his/hers abilities (Javidan and Bowen, 2013:149; Javidan and Walker, 2012:40). As emphasized, a keyword to global mindset is diversity. The need to like, handle and feel comfortable in a diversified context is therefore a necessity in portraying a global mindset.

Handling and feeling comfortable is a factor that comes to show in the last building block. A person needs to have a high self-assurance to be able to master new and challenging situations. Self-assurance reflects on personal skills such as self-confidence and being energetic in order to be able to master a passion for diversity and to seek new adventures (Javidan and Walker, 2012:40; Javidan and Bowen, 2013:149).

Social Capital

The last capital used by the Thunderbird School of Global Management explaining global mindset is social capital. Social capital portrays the behavioral side of a global mindset. This shows that a global mindset is not only determined by a person's ability to gain and use knowledge, but also the personal ability to disseminate know-how. Social capital focuses on a person's ability to create trust relationship across borders and cooperate with people (Javidan and Walker, 2013:370). This is crucial for knowledge dissemination (Javidan and Bowen, 2013:149-50; Javidan and Walker, 2013:370).

Social capital's three building blocks are:

- Intercultural empathy
- Interpersonal impact
- Diplomacy

Intercultural empathy refers to the ability to emotionally connect with someone. Not only on a local scale, but across cultures where interest, values and beliefs are different from national culture. Intercultural empathy reflects on the ability of the manager to work well with people across cultures, understand nonverbal gestures different from his/her own, be able to emotionally connect with people and make people across cultures collaborate (Javidan and Walker, 2013:373-4).

The ability to emotionally connect with people will often enhance the interpersonal impact. Interpersonal impact is the personal ability to build an influential personal and professional network of people. It also reflects the ability to negotiate across borders. A global spanning network gives a person a vast cultural experience, in which he/she interacts. Having a intercultural empathy a person can create a reputation, be able to mediate understandings and gain credibility among diverse cultural contexts (Javidan and Bowen, 2013:150).

Diplomacy is concerned with the personal ability to understand and be understood. How the person is able to be seen and create an impression on its counterparts, hence, make use of his/hers intercultural empathy, interpersonal impact and intellectual and psychological capital. A person with the ability to start a conversation, hold multiple viewpoints, be a good listener and be able and willing to collaborate shows a high diplomatic capability (Javidan and Walker, 2012:40; Javidan and Bowen, 2013:150).

The three works together

The three core capitals proposed by the Thunderbird School of Global Management has a broad interpretation where it accounts for the cognitive, the affective and the behavioral side of a person. Hence, accounting for more sides of a person then just focusing on cognitive complexity and cosmopolitanism.

For a person to have a global mindset he/she needs to have the right mix of the three capitals. Breaking down the concept of global mindset into three capitals and nine ‘building blocks’ makes it easier to conceptualize what it means having a global mindset. It will also make it easier for a person and organization to acknowledge what competences and capabilities it needs to develop/improve. Out of the three capitals, the psychological capital is the hardest to develop. Lacking the motivation to go abroad or cooperate with others cannot be taught. Intellectual and social capital can be improved through learning and practice (Smith and Victorson, 2012:49).

Situational, Value and Action Capital

Sørensen (2014) adds three additional capitals to the foregoing capitals – situational, value and action capital. Adding these three capitals shows his focus on a socially constructed world, capturing the dynamics of culture (p.5). Situational capital, which is “[...associated

with flexibility and adaptability...]”, is by him seen as a way to “[...*proactively construct a new reality as a result of your interactions...*]” (Sørensen, 2014:5). Value capital focus on the set of values that shapes you as a person. The ability to be flexible in terms of personal values when facing new settings shows the openness of the personal mindset. The last capital Sørensen (2014) adds is action capital, depicting that action will foster experience and experience shared among a group of people will foster a shared culture (p.6).

Cognitive complexity and cosmopolitanism is part of the intellectual, psychological and social capitals, adding the three last capitals to the understanding of what a global mindset constitutes gives an understanding of global mindset as a contextual ability. As the definitions of global mindset postulates, displaying global mindset means having an openness and awareness for new and unexpected events (Gupta and Govindarajan, 2002; Rhinesmith, 1992). The interplay between the different constructs identified in global mindset literature enables the personal development of an awareness and openness to diversity and unexpected proceedings.

3.5 Development of Global Mindset

Global mindset is something that can be acquired; it is a learned phenomenon (Arora et al. 2004:397). The development of a global mindset however is a dynamic and iterative process (Smith and Victorson, 2012:51; Gupta and Govindarajan, 2002:120). Global mindset is characterized as a multidimensional phenomenon, consisting of intellectual, behavioral and affective characteristics (Nummela, Saarenketo and Puumalainen, 2004:55). The arguments toward the development of global mindset are concerned about developing the cognitive complexity through increased knowledge generation.

Experience is a crucial factor for global mindset development. Javidan and Bowen (2013) found that the amount of different countries a person has lived in, an international education and language proficiencies will be factors that will affect the display of global mindset (p.151). However, Lovvorn and Chen (2011) postulate that experience will not be enough for development of global mindset. It is determined by the amount of experience and cultural intelligence the individual displays. Global mindset is an outcome of the amount of experience and how the individual is able to transfer information gained from the experience

into knowledge (p.279). Cultural intelligence is necessary in order to increase knowledge, e.g. the cognitive complexity, and experience is needed in order to gain new knowledge. International experience and cultural intelligence are interrelated (Lovvorn and Chen, 2011:280). Hence, global mindset as a multidimensional phenomenon must be developed in this direction as well. Javidan and Bowen (2013) propose to develop the three characteristic of global mindset through experience, coaching and networking activities. Experience and coaching will increase learning activities, which influences and is influenced by personal motivation and self-awareness. Networking activities will help building relationships and therefore improve social characteristics of the individual (p.152-3).

Gupta and Govindarajan (2002) development of a global mindset focus on the need to cultivate the mindset, which is dependent on four variables: 1) the curiosity and commitment towards gaining new knowledge, 2) awareness of current mindset, 3) exposure to new, diversified, settings and 4) ability to integrate understanding across multicultural diversity (p.120). Personal attitudes towards new experiences and current mindset will influence the search for new knowledge as well as the acceptance for “[...*alternative interpretations of reality*]” (Gupta and Govindarajan, 2002:121). The two first factors are crucial for the outcome of experience and the ability to merge understanding across a diversity of culture. As the development of a global mindset is a lengthy processes, the exposure to different cultures can be done through formal education, international experience through travels and expatriate assignments, but organizations can also expand an employee’s knowledge about diversity through organizational staffing compositions (Gupta and Govindarajan, 2002:121). Being able to cooperate across diversity is crucial for the success of the organization. The interaction across diversity must be conceived as rewarding for all parties involved. Global mindset development requires the wish to interact with others. For organizational cultivation of global mindset, it needs to have people able to create social ties in order to find intercultural interactions rewarding (Gupta and Govindarajan, 2002:125).

Global mindset becomes an organizational requirement in an increasingly global business world (Gupta and Govindarajan, 2002:125). Global mindset is the ‘key factor’ for how organizations view business opportunities, creates strategies and develops the organizational environment (Paul, 2000:193). Paul (2000) propose that the organization’s ability to develop global mindset depends on 1) top management composition, 2) focus on vision, 3) networking and 4) employee selection and career path planning (p.193). The composition of the top

management should reflect the diversity, which the company operates in. The development of global mindset is also dependent on the involvement and communication in making the corporate vision, which will reflect an attitude towards working in the organization. Networking activities aids the change from a nationalistic way of thinking with that of an increased awareness towards global markets, hence building knowledge through social interaction. Employee selection and career path planning aids the organization's development of global mindset. Through hiring motivated talents and career path planning, organizations will be able to retrieve talents with global mindset (Paul, 2000:193-197).

Begley and Boyd (2003) provide a more strategic approach to development of global mindset in the organization. Global mindset development must have a balance between formalization versus flexibility and standardization versus customization (p.30). Development of global mindset, resolving tension between global and local expectation, can be enhanced through development of discussion forums. Opinions, decisions and other information can be shared through these settings, fighting of tensions (Begley and Boyd, 2003:30). To balance standardization versus customization, the organization must assess existing talents and be able to distribute decision-making to the local subsidiaries. A corporate vision that exerts global thinking will act as the glue for global mindset and trust building across the organization (Begley and Boyd, 2003:31). Top management is responsible for stimulating a global mindset, through the promotion of a corporate mindset, distribution of decision responsibility and strategic market presences to capture relevant market knowledge (Begley and Boyd, 2003:30-1).

Gupta and Govindarajan (2002), Paul (2000) and Begley and Boyd (2003) have a focus on the organization's role in the development or cultivation of a global mindset. Focusing on top down structures for developing not only a personal global mindset, but also an organizational mindset. However, the impact of personal experience in cultivation of a personal global mindset cannot be disregarded. Global mindset development is seen as a collective effort between personal motivation and knowledge generation and as the organizational effort to execute a global strategy, which is reflected throughout vision, organizational composition and distribution of decision-making power.

3.6 Global Mindset Summary

This chapter has reviewed what is meant by mindset and global mindset. Provided an overview of approaches to define and understand what global mindset is and how global mindset can be developed. Mindset is part of cognitive psychology, describing the way a person sees the world. Hence, a global mindset connotes a worldwide view on accepting and appreciating diversity, the enjoyment of exploring new things, encountering new people, face new challenges and interact with people across cultures, grasping and looking for new opportunities. A person with a global mindset is able to bridge cultures, making a situational understanding and act as an integrator across diversity.

Global mindset literature has had both corporate and personal approaches to global mindset understanding. Global mindset must be cultivated from a top management level, through communication of a global vision, employee selection and enabling networking for employees, fostering social interactions. Literature concerning constructs a global mindset constitutes of have identified cognitive complexity and cosmopolitanism or intellectual, psychological and social capital as an explanation of global mindset. Adding situational, value and action capital to this picture provides an understanding of the interactional element of global mindset.

Development of global mindset is in literature dependent on the organization's global strategy, human resource procurement and ability to provide training and experience to employees. It is also dependent on the person's psychological capital. The person's motivation and willingness to engage in intercultural interactions, learn and disseminate knowledge will influence personal mindset and the ability to develop a global mindset.

Table 4 gives an overview of the different constructs and development proposals for global mindset.

Global Mindset

Constructs	Development
<ul style="list-style-type: none"> • Cultural intelligence/-sensitivity • Curiosity • Openness • Global intellectual capital • Global business savvy • Cosmopolitan outlook • Cognitive complexity • Global social capital • Empathy • Interpersonal impact • Diplomacy • Global psychological capital • Diversity • Quest for adventure • Self-assurance 	<ul style="list-style-type: none"> • Top Management Composition • Corporate vision • Glocal thinking • Education • International Assignments • Cultural activities/interaction • Creating a organizational culture • Career path planning • Employee selection • Motivation • Curiosity

Table 4: Sum up Global mindset characteristics and development proposals

4 Global Leadership

Globalization opens up for new business opportunities. Businesses are able to expand and explore opportunities across countries, gaining new customers and competitors. As Javidan and House (2001) proclaims, despite all the opportunities globalization creates, it also creates new challenges. A challenge for organizations in a global business environment is to create global leaders (p.289).

Traditional leadership theories are concerned with “[...*influencing, motivating and assisting followers to desired levels of performance*]” (Ahlstrom and Bruton, 2010:236). What traditional leadership theories do not grasp is the cultural aspect of leadership. How leadership is influenced by norms, beliefs and values of a society, and hence, needs to be adjusted from country to country. The approach to leadership is affected by culture, providing different perceptions and characteristics to how a leader should act (Suutari, 2002:230).

To create an encompassing understanding of what global leadership is, this chapter will first look at leadership, how leadership is defined and development of leadership theories. Second, literature has made many attempts to define what global leadership is, an overview over such attempts will be given. Third, the confusion of what separate leadership and management is persistent in global leadership literature as well, an issue that is of a concern for the future development of the global leadership phenomenon. Fourth, global leadership literature have identified several competencies necessary, such as global knowledge, leadership traits and cultural intelligence, for successful leadership. Lastly, a look at how literature proposes global leaders are developed will be reviewed.

4.1 Leadership

Leadership is a dominant field of research within organizational and management research (Sanzhez-Runde, Nardon and Steers, 2011:207). The attempts to define what leadership is are many (Yukl, 2010:20). Broadly defined, leadership can be seen as “[*the action of leading a group of people or an organization...*]” (Oxford Dictionaries). Yukl (2010) review over leadership definitions identifies one commonality. The general process of intentionally influencing other people in order “[...*to guide, structure, and facilitate activities and relationships in a group or organizations*]” (p.21) depicts what leadership constitutes of.

Hence, a leader is a person possessing the ability of leadership, where leadership can be defined as the ability to influence others.

The different leadership theories developed can be divided into three categories: trait theory, contingency theory and behavioral theory (Ahlstrom and Bruton, 2010:237), which are each classified with their own perspective on leadership development. Earliest attempt to theory development of leadership is trait theory. Trait theory posits that successful leaders will adopt a range of physical and personal attributes. Successful leaders should be able to adapt to new situations, be emotionally stable, trust worthy, self-confident and energetic (Kuada, 2010:11). Trait theorists believe that people that posit such traits can be directly recruited into leadership positions, without any further training and adaption (Bolden et al., 2003:6-7). Behavioral theories have a different approach to understanding leadership. Where trait theory assumes that leadership characteristics are determined by birth, behavioral theorist believe that leadership traits can be learned. Behavioral theorist assumes that it is possible to identify wanted leadership behavior and create such behavior through effective teaching (Ahlstrom and Bruton, 2010:240).

Contingency, or situational, theory takes the contextual setting into consideration. Where trait theory assumes that a leader most possess a certain set of attributes, contingency theory assumes that there are no such thing as a universal approach to leadership (Sanzhez-Runde, Nardon and Steers, 2011:208). Different settings will call for different leadership styles (Ahlstrom and Bruton, 2010:243). Contingency theories' benefit is that it is able to acknowledge that different cultural settings require different leadership styles.

A large confusion within leadership is the use of management. Leadership and management are ultimately two different things, depicting two different roles. As noted, leadership is about creating a meaning, motivating employees, achieving positive results and reach agreements. Whereas management is more concerned about impersonal organizational factors such as planning, stability, order, resource management and efficiency (Yukl, 2010:25, Ahlstrom and Bruton, 2010:236). Nothing denotes that a leader and a manager cannot be one and the same person, value efficiency and planning and motivate and lead people towards performance achievements.

Leaders today operate in a more and more global context and researchers have coined the term global leadership. Global leadership is a phenomenon that embraces the new challenges leaders face today. Leading people from different cultural, geographical, social and political contexts creates a new dimensionality to the general aspect of leadership (Sanchez-Runde, Nardon and Steers, 2011:207; Terrell and Rosenbusch, 2013:41). Hence, leaders in a global context have to accept an increasingly complex environment.

4.2 Global Leadership Defined

The phenomenon global leadership is a relative new field of research and has received less attention than domestic leadership (Morrison, 2000:117; Suutari, 2002:219). Global leadership literature has had different approaches to understand, define and develop global leaders. The necessity of global leaders is an outcome of globalization and the increasing demand of global competitiveness. Holt and Seki (2012) argues that *"[...most leaders today can be considered global leaders and that the transition from being an effective leader in a single-culture context to being an effective global leader requires more than adding a new competency or two]"* (p.197).

Global leadership has been discussed from a leadership (Sanchez-Runde, Nardon and Steers, 2012), strategic (Bücker and Poutsma, 2009), intercultural management perspective (Neary and O'Grady, 2000; Holt and Seki, 2012; Butler et al. 2012) or a combination of the three. Most definitions on global leadership have focused on identifying traits or competencies (e.g. knowledge, skills, abilities and behaviors) that a person leading in an international context must have (Jokinen, 2005; Mendenhall, 2006; Gregersen et al. 1998). Global leadership becomes characterized as something more than domestic leadership.

McCall and Hollenbeck (2002) provide an easy and simplistic definition of global leadership. Global leaders are defined as *"[...those who do global work]"* (p.32), where global work involves business and cultural complexity in work done on a global arena (McCall and Hollenbeck, 2002:30-2). To elaborate on this definition, Jokinen (2005) provides a more extensive definition, *"[...a global leader is anyone having global responsibility over any business activity...]"* (p.201).

Global leadership definition brings in the aspect of influencing others, as leadership theories do, but emphasize on the ability to influence others based on cultural diversity. Both Bird et al. (2010) and Sutton et al. (2013) use Osland (2008) definition of global leadership. Global leadership is seen as “[...the processes of influencing the thinking, attitudes, and behaviors of global community to work together synergistically toward a common vision and common goal]” (Osland, 2008, as cited in Sutton et al. 2013:606 and Bird et al. 2010:811). This definition provides an understanding of increasing complexity of leadership in a global arena and that the ability to influence employees from multiple backgrounds provides a comprehensive challenge to global leaders.

Constructs such as global business knowledge, business savvy, business expertise and vision are competencies related to many of explanations of global leadership. A global leader require a more explicit knowledge about the markets the business operates in, in order to handle the balance of the firm’s strategic direction (Bücker and Poutsma, 2010:829). The company’s global strategy and the need for global leaders are correlated. The larger global orientation, the more global leaders the company needs and vice versa (Morrison, 2000:119). To become a successful global leader, not only are extensive knowledge about business markets and strategic direction necessary, but also knowledge about how to lead and interact with people from diversified backgrounds showing cultural sensitivity (Javidan and House, 2001:292). Poor understanding of different cultures can lead to stereotyping, conflicts, misinterpretations and ultimately leadership failure (Alon and Higgins, 2005:506). This makes global leadership different from traditional leadership theories, as global leadership needs the ability to consider cross-cultural aspects.

4.3 Global Leaders versus Global Managers

As in leadership literature, the confusion concerning the distinction between global leaders and global managers exists. According to Bücker and Poutsma (2009), there is no consistency in the literature between global management and leadership skills, abilities, knowledge and other personality factors (p.830-1). Osland et al. (2006) proclaims that one of global leadership literatures’ weaknesses is the failure to distinguish between global leadership and global management (p.210). The different approaches to understanding what a global

leader/manager is, is normally based on understanding of expatriation, competencies or defining who in the organization is defined as a global leader/manager (Suutari, 2002:221).

Kotter (1990) distinguish leadership and management from each other, due to them being two separate but complementary set of actions where both are crucial for success in a dynamic business world (p.3). The distinction provided by Kotter (1990) is between managements need to cope with complexity and leaderships need to cope with change, which provides a set of different action points. Management uses planning, staffing and control as their methods of administrating an organization, whereas leadership is setting a vision, building a cohesive group and focus on motivating employees (p.4). Hence, distinguishing between leadership and management creates a separation between leaders' and managers' role. However, this distinction between management and leadership has not become prominent in global leadership literature. The use of the two terms provides confusion to what constitutes a global leader and a global manager. The failure to identify what a global leader is, whether positioned on the top level of the organization, expatriates or lower level positions also add to the blur of the phenomenon global leadership.

The role of global leaders and global managers are used interchangeably. Suutari (2002) acknowledges that the use of the global leaders have been applied differently, but do not provide any attempt to separate between global leaders and global managers (p.222). The conceptualization of how culture affects global leadership competencies provided by Sanchez-Runde, Nardon and Steers (2011) mixes the two concepts. Global managers are given the set of leadership activities (p.208). Kets de Vries and Florent-Treacy (2002) deliberately mix the concept of leadership and management in their explanation of global leadership. Seeing global leadership as both 'a charismatic and an architectural role' (p.304). Kets de Vries and Florent-Treacy (2002) choice to define global leadership based on leadership and management activities can add to the understanding that global leaders requires more complex competencies than compared to traditional leadership, and that is the reason for mixing the role of global leaders and global managers. However, a clear separation between global leaders and global managers should be made. In leadership literature, leadership and management are separated; hence global leadership literature should bridge a similar understanding.

The separation between leadership and management is concerned with the actions or set of activities the role constitute of. The distinction between a leader and a manager, and a global leader and global manager, will base on this set of activities. A global leader creates a vision, influence and motivates people in order to achieve set goals, while a global manager is concerned with the global planning, resource management and operational control. The distinction between domestic and global leadership and domestic and global management is the degree of internationalization and influence depicted. Global leaders tend to an increasingly complex environment, due to internationalization. They must influence employees from multiple backgrounds, rather than just the national culture. Global management must plan and build strategies dependent on different operational settings; hence an increased complexity from domestic management is evident. Global leadership and – management is distinguished from domestic leadership and management by internationalization, and leadership is distinguished from management by the degree of influence exerted.

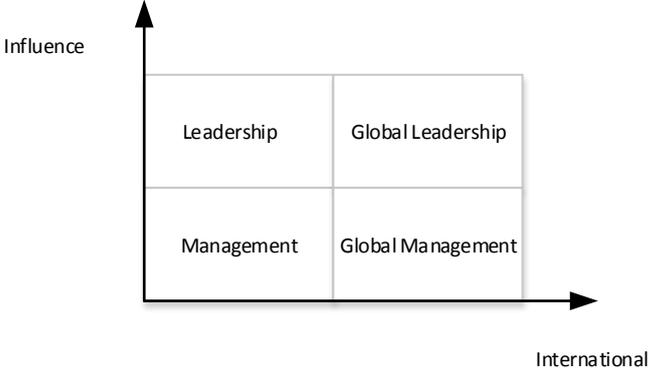


Figure 3: Leadership, Management, Global Leadership and Global Management dependent on degree of influence and internationalization

However, the separation between global managers and global leaders does not mean that, as with leaders and managers, the same person cannot posit both roles. Global managers and global leaders are roles that an individual have and there is no restriction on having both a global manager and global leader role at the same time. Both roles requires a understanding of the diversity global operations provides, but global leaders requires the ability to bridge understanding between different people while global managers needs a more technical insight in distributing resources correctly.

4.4 Global Leadership Competencies

The characterization of universal global leadership competencies is impossible. Global leadership styles are context dependent and hence the ability to influence employees across a cultural complex environment will need to have a flexible orientation towards leadership styles and methods. Hence, the identification of global leadership competencies will serve as a general picture of competencies needed to lead, understand and interact in a multicultural setting. Global leadership is based on the cultural context as well as the expectations towards leaders (Sanchez-Runde, Nardon and Steers, 2011:209). Global leadership literature might not agree on a common definition of global leadership and who can be characterized as global leaders, but literature on the phenomenon identifies common competencies that global leaders need to have. Competencies are defined as knowledge, skills, abilities and behaviors that allow a person to perform his/her job (Caligiuri, 2006:220). Global leadership literature has focused on several such competencies, which are both dependent on traits, knowledge and cultural interaction. Construct such as global knowledge, e.g. business and organizational knowledge, self-awareness, inquisitiveness, integrity, emotional and cultural intelligence are commonly used describing global leadership.

4.4.1 Global Knowledge

A factor separating global leaders from domestic leaders is the need for extensive global knowledge. Global knowledge constitute of business and organizational knowledge. Business knowledge is crucial for global leaders. To understand the businesses strategic direction, being able to understand markets and prepare for tomorrows leadership challenges (Rosen and Digh, 2001:74). Business knowledge will aid in balancing the strategic direction of the business, in order to meet the global markets challenges. It will aid to the identification and pursuit of new market opportunities. Global leaders with good business knowledge will be able to understand political, sociocultural and financial contexts of foreign markets and have an interdisciplinary business understanding (Gregersen, Morrison, and Black, 1998:26-7; Conner, 2000:149).

Global leaders not only need to understand the changes in business operations across cultural contexts, he/she must also understand how global operations affect the organizational environment. Hence, global leaders require organizational knowledge. The organizational

context changes due to global spanning activities. The global leader will need to understand how cultural diversity affects the organization, what resources the organization possess and how to effectively organize and lead multicultural teams (Rhinesmith et al. 1989:29; Gregersen, Morrison and Black, 1998:27-8).

4.4.2 Global Leadership Traits

Global leaders need to have a strong character in order to influence others unlike themselves (Conner, 2000:149) hence global leaders need to possess some specific traits. The focus on global leadership traits has been predominant in global leadership literature (Sutton, Zander and Stamm, 2013:606), and there are large commonalities in the identified traits. Self-awareness, inquisitiveness, integrity, and emotional intelligence are commonly used traits for explaining global leadership (Jokinen, 2005; Bird et al. 2010; Gregersen, Morrison and Black, 1998).

Self-awareness reflects a persons understanding of his/her own “[...emotions, strength and weaknesses, needs and drivers, sources of frustration and reactions to problems]” (Jokinen, 2005:205). Global leaders with a deep self-awareness is able to understand how he/she should tackle new and complex situation, knowing ones own abilities to such an extent that one know how to cope in different situation and also know what abilities that needs to be developed. Closely connected to self-awareness is the trait self-confidence. Global leaders must be self-aware in order seek out unfamiliar situations and challenge him-/herself (Kets de Vries and Floerent-Treacy, 2002:305). Otherwise leaders would feel uncomfortable in new and unfamiliar settings.

Inquisitiveness reflects a genuine curiosity towards the world. Displaying a willingness to pursue new things and be able to identify a meaning and avoid stereotyping (Bird et al., 2010:815). With ‘unbridled inquisitiveness’ the ability to learn from new settings will separate a successful global leader from the non-successful. The drives from exploring new settings, and challenging his/her own comfort zone, will enable the global leader to expand on his/hers global knowledge (Gregersen et al. 1998:23). Inquisitiveness is an important trait for global leaders; due to the influence it has on the willingness and the motivation to explore new challengens. Without motivation and the wish to seek out unfamiliar settings, global leaders will not succeed (Jokinen, 2005:206).

A third trait necessary for global leadership is the ability to show integrity. The need to have know-how in order to influence employees and create productive networks of people to produce desired outcomes (Conner, 2002:149), but to exert influence over others requires a consistency towards leadership. The ability for a global leader to show consistency in his/her actions can create a feeling of trust and commitment to his/her communicated visions (Gregersen et al., 1998:24-5). Integrity allows the leader to build trust and a stability towards his/hers leadership approach.

A global leader's emotional intelligence is the genuine ability to interact with others (Gregersen et al. 1998:24) also called empathy (Jokinen, 2005:207). Emotional intelligence is interlinked with self-awareness. One cannot be aware of and manage other people's emotion if not aware of one's own. Emotional intelligence is crucial for successful interactions (Alon and Higgins, 2005:504). Gregersen et al. (1998) identifies a three-step process to display of high emotional intelligence: 1) a genuine concern for others, 2) ability and effort to listen to others, and 3) ability and wish to understand different viewpoints (p.24). Hence, "*it means being participative and sensitive to others' needs and assumptions*" (Jokinen, 2005:207).

The four traits identified here are all interconnected. The degree of self-awareness will influence a person's inquisitiveness, integrity and ability to show empathy. Inquisitiveness will influence knowledge creation and the attempt to seek new opportunities, having a positive influence on the other traits. Global leaders require a more curiosity seeking nature than domestic leaders, in order to cope with the changing business environment.

4.4.3 Cultural Intelligence

Another crucial aspect of global leadership is cultural diversity. The need to understand and negotiate meaning across a multicultural context requires an extensive cultural intelligence, as the stakeholders a global business and leaders must relate to have increased numerously (Sutton, Zander and Stamm, 2013:616; Nardon and Steers, 2008:47). Nardon and Steer (2008) even go to the extent to say it is unavoidable to work without international competition or business partners in today's business world (p.56).

Cultural intelligence is necessary in order to have an effective emotional intelligence, due to the need to understand the meaning behind emotions in a cross-cultural setting (Alon and Higgins, 2005:506). High emotional intelligence enables the global leader to acknowledge

differences, whereas high cultural intelligence will enable the global leader to identify differences among people and groups (Earley and Mosakowski, 2004:140). Hence, global leaders are encouraged to develop a cultural understanding, by “[...*uncovering cultural assumptions and learning how to deal with them*]” (Nardon and Steer, 2008:57). It is no longer possible for leaders dealing with several different cultures on a regular basis to develop cultural fluency, thus, it is necessary to build a comprehensive cultural intelligence.

Cultural intelligence will avoid making bad judgments, based on stereotyping and failure to understand cultural paradoxes. A high cultural intelligence will allow global leaders to assess and use their senses to register how the different personalities in team and business environment interact. An understanding of interaction patterns will enable the leader to make good judgment calls without stereotyping (Earley and Mosakowski, 2004:140).

Cultural intelligence will aid the understanding of cultural paradoxes and the ability to make sense of interactions. A higher cultural intelligence will increase the global leaders knowledge and ability to build a consistent leadership style and exert a concern for others. The global leaders need to learn ‘cultural schemas’ in order to work effectively in a cross-cultural setting (Osland and Bird, 2000:78). However, cultural intelligence is context dependent. No matter how well one learns about other cultures, the major test is the understanding of people’s interactions. A person may act and create opinions based on his/her nationality or based on the specific role, e.g. job position, he/she has. Misinterpretations of a person’s behavior can lead to leadership failure (Earley and Mosakowski, 2004:140).

Integral part of cultural intelligence is the ability to make sense of cultural contexts. Every individual is affected by presumptions about other cultures different from ones own and in order to influence people different from oneself leaders must be able to make sense of cultural interactions. Sutton, Zander and Stamm (2013) explore how global leaders can use sophisticated stereotyping to their advantage. In general, stereotyping is a negative loaded word and value-laden, and is often associated with prejudiced. Sophisticated stereotyping, e.g. stereotyping which is based on theoretical concepts and lacks negative connotations of cultures (Sutton, Zander and Stamm, 2013:610; Osland and Bird, 2000:66), is necessary for successful cross-cultural interaction. The ability to understand cultural sensemaking is vital for a global leader. Sophisticated stereotyping can provide a basis for understanding cultures, and aid the development of a deeper understanding of the national and organizational culture

that he/she is working in. However, dealing with many cultures at once will make it impossible to gain the deep experience needed to understand the context the culture is embedded into (Osland and Bird, 2000:68). Global leaders do not have the time to learn and build the experience needed to understand the cultural context of each culture he/she will interact with. It is the global leaders ability to understand not only the cultural variety, but also merge a common culture between people of different origins, that will bring performance.

Culture is part of the individual; hence the individual's norms and values are a part of forming any group of people team, subsidiary and organization. For global leaders to be effective they need be able to make sense of the meanings created from people of various backgrounds. They need to be able to apply the emotional intelligence in cross-cultural settings, display integrity, be curious about the new contexts and be aware of his/her own abilities. It is important when entering in a new setting that the global leader not only possess the right leadership traits, but that he/she also has extensive knowledge about the organizational culture he/she coming from and entering in to (Alon and Higgins, 2005:506). Thus, global knowledge, self-awareness, integrity, emotional intelligence, and cultural intelligence are all interconnected.

4.5 Development of Global Leaders

The issue of development of global leaders has been heavily discussed in global leadership literature. It is easier to find a proposal of how to develop a global leader than to find a clear definition of global leadership. Development of global leaders is broadly seen as a process of four factors: training, experience, personal competencies and ad hoc experiences (Rhinesmith et al., 1989; Gregersen, Morrison and Black, 1998; Alon and Higgins, 2005; Terrell and Rosenbusch, 2013; Mendenhall, 2006).

Globalization has changed the composition of the workforce and has created new management challenges. The need to maintain a competitive advantage in order to survive in a global context is prominent (Kiessling and Harvey, 2005:24). The most important thing organizations have is its knowledge and competencies (Stroh and Caligiuri, 1998:1). Globalization has created new issues, such as expatriation, inpatriation and a multi-cultural workforce both domestically and internationally, which businesses need to take into account (Kiessling and Harvey, 2005:39), creating a need for global leaders.

Due to this, traditional Human Resource Management (HRM) practices have needed to change. HRM practices can be divided into “[...four basic functions: staffing (or selection), appraisal, rewards and development]” (Torbiörn, 1997:43), which is aimed towards “[...finding, creating, keeping, moving (or relocating) and using competence]” (Torbiörn, 1997:44). The differences between domestic and global HRM is explained by the increased complexity of operating in different cultural environments, where attitudes and beliefs of a multicultural workforce and management will influence the outcome of operations (Kießling and Harvey, 2005:25). To succeed on a global business arena, organizations need to have leaders that are able and prepared to lead a multicultural workforce (Kießling and Harvey, 2005:25).

The development of global leaders requires an alignment of the global strategy and HRM policies for training and recruitment of potential leadership talents. An organization has two ways to develop global leaders, “[...either select leaders with the appropriate skills or develop its existing leaders in those skills...]” (Alon and Higgins, 2005:510). To be able to develop global leaders, the management need to identify what competencies are necessary, in order to achieve its strategic intentions (Suutari, 2002:223). The better the managements’ ability to recognize the strategic intentions and the needs for global leaders’ competencies, the better fit will there be between global leaders and the organizational strategy (Suutari, 2002:23; Kießling and Harvey, 2005:24). Recognizing the need for global leaders, the HRM department is responsible for training and recruiting activities. Rhinesmith et al. (1989) focuses on the need to find a systematic way towards global leadership development, in order to ensure that the organization captures the right global leadership talents. He proposes that learning and training programs will provide an insight in cultural perspectives and necessary competencies, but only through experience can the global leader develop these competencies (p.29-30).

Rhinesmith et al. (1989) postulates that many of the competencies needed can be acquired and developed. Gregersen, Morrison and Black (1998) follows the same general notion of believing that competencies needed in order to be a successful global leader can be learned. Their four strategies towards global leadership development are 1) travels, 2) teamwork, 3) training and 4) international transfer (p.24).

In their research, Terrell and Rosenbusch's (2013) found a similar development process, 1) first hand-experience, 2) cultural sensitivity training, 3) acquisition of global leadership competencies, 4) drive towards learning new things and 5) ad hoc learning ability (p.42). Training will only take global leadership competence development so far. It can prepare for travels or international assignments, but only through first-hand experience, e.g. international transfers/expatriation, can the individual make sense of the world. It is necessary for the development of global leaders that there are cultural interactions. The major difference between Rhinesmith et al. (1989) and Terrell and Rosenbusch (2013) focus is based on the role culture plays and the need for personal curiosity and motivation to engage in cultural interactions. Both of them identify the need for organizations to choose the right leadership talent, but only Terrell and Rosenbusch (2013) explicitly state the need to consider the importance of initial motivation and willingness to engage in intercultural interactions and foster learning (p.44).

Training can be used to provide 'cultural schemas' for the individual. The Global Leadership and Organizational Behavior Effectiveness (GLOBE) study is one such approach towards providing simplistic understanding of how culture affects behavior across the globe. It explores "*[...the cultural values and practices in a wide variety of countries, and to identify their impact on organizational practices and leadership attributes]*" (House et al., 2002:3). Through identifying nine cultural dimensions – performance orientation, future orientation, assertiveness, uncertainty avoidance, power distance, collectivism, family collectivism, gender differentiation, and human orientation - the GLOBE study aims to be a tool for global leaders to improve cultural understanding, the ability to make sophisticated stereotyping and exert necessary cultural sensitivity (Javidan and House, 2001:293).

Experience is the common denominator for successful global leadership development. Gaining theoretical knowledge will not improve emotional and cultural intelligence and prepare the leader for cultural paradoxes. Cultural development is an on-going, never-ending process and only through interactions can individuals be able to 'fully' understand that specific organizational or group culture. As group identity might differ from national culture (Kuada and Sørensen, 2010:32). Kuada and Sørensen (2010) argue that a leader should be able to "*[...provide vision, shape values and listen to the voices of members of their teams in order to manage the team effectively]*" (p.41).

Experience will enable specific learning, and develop global knowledge and cultural intelligence. Neary and O’Grady (2000) postulates that “[...experience is the most valuable teacher, the broader range of an individual’s past global experiences, the greater the likelihood that s/he will adapt to future global challenges]” (p.191). While experience is the crucial factor for development of successful global leadership, the competencies needed for global leaders should not be forgotten. Global leaders must have extensive knowledge about the organization and business environment as well as the right set of competencies.

Gregersen, Morrison and Black (1998) argue that, “Global leaders, like great musicians or athletes, need superior talent, abundant opportunity, and excellent education and training to succeed” (p.28). Development of global leaders requires organizations to select the person possessing the appropriate characteristics for global leadership. The individual’s personality cannot be taught, it can be improved, but not without individual effort. Hence, global leaders requires the right ‘state of mind’ in order to become successful leaders.

The program for global leadership development must include a focus on personal competencies. Personal competencies become the factor, which can determine the merit of training and experience. Global organizations can have the best global leadership development program using formal training, collaboration and international assignments but be unable to create successful global leaders. The success of training and experience is dependent on the leadership candidate’s personal competencies, whether he/she is motivated and willing to participate in intercultural training programs or interactions. Hence, firms ignoring competencies required to fulfill job positions as well as existing personal competencies will do so at their own risk (Mendenhall and Bird, 2013:172).

Author	Development of Global Leaders
Rhinesmith et al. (1989)	Global leadership development: 1) Learning and training 2) Experience Organizations need to build a systematic approach to identification of global leadership competences needed.

Gregersen, Morrison and Black (1998)	<p>Four strategies:</p> <ul style="list-style-type: none"> - Travel - Teams - Training - International Transfer
Alon and Higgins (2005)	<p>Global leadership development based on emotional and cultural intelligence, through</p> <ol style="list-style-type: none"> 1) Assessment 2) Education 3) Experience
Terrell and Rosenbusch (2013)	<ol style="list-style-type: none"> 1) First-hand experience 2) Cultural sensitivity training 3) Acquire global leadership competencies 4) Ability and motivation to learn new things 5) Ability to learn and develop on an ad hoc basis
Conner (2000)	<p>Global leadership development:</p> <ol style="list-style-type: none"> 1) Work experience 2) Global leadership competence
Neary and O'Grady (2000)	<p>Global leaders need:</p> <ol style="list-style-type: none"> 1) Formal training 2) Experience
Mendenhall and Bird (2013)	<p>Global leadership development:</p> <ol style="list-style-type: none"> 1) Existing competencies 2) Fit between competencies and job positions requirements 3) Personal motivation

Table 5: Development of Global Leaders

4.6 Global Leadership Summary

The focus in global leadership development literature has in some way or another been on global leaders competencies. Whether these are called competencies, intelligences or literacies (Rosen and Digh, 2001), the essence are the same. In order to succeed in the global business environment of today, businesses need to understand how markets' competitors, clients, and employees differ from the home country.

Global leadership differs from domestic leadership due to the increasing complexity of an international business environment, dealing with multiple cultures, markets, geographical distances etc. Global leadership becomes a critical component for business to stay competitive in a global world. Easily defined, a global leader is a person working in a global environment, e.g. a global leader works across multiple cultural and geographical settings (Terrell and Rosenbusch, 2013:41-2). In order to do so, global leaders require a set of competencies different from domestic leadership. The need for cultural understanding and interaction across nationalities needs personal competencies such as global knowledge, self-awareness, inquisitiveness, integrity, emotional intelligence and cultural intelligence. Where competencies are defined as knowledge, skills, abilities and behavior.

Global leadership development is reliant on the organization’s ability to carefully select individuals, give them training and the experience base needed to increase cultural intelligence and global knowledge, as well as the right personal competencies. Experience is a crucial point for organizational development of globally competent leaders. First-hand experience will expand business and organizational knowledge and allow the person to expand his/hers cultural intelligence. Global leadership becomes a contextual concept, due to the occurrence of cultural paradoxes, where the ability to adapt to the situation and integrate employees understandings and attitude to bridge a common culture becomes the crucial element for global business success. Table 6 gives an overview of global leadership constructs and development proposals.

Global Leadership

Constructs	Development
<ul style="list-style-type: none"> • Business knowledge • Organizational knowledge • Self-awareness • Self-confidence • Inquisitiveness • Curiosity • Emotional intelligence • Cultural intelligence 	<ul style="list-style-type: none"> • Training • Experience • Team-work • Selection • Cultural sensitivity training • Assessment

Table 6: Global Leadership construct and development proposals

5 Discussion

Global mindset and global leadership are derived from two different types of literature, where global mindset is a state of mind and global leadership is an act of being. The constructs that the two are made up of resembles each other, the need for market and organizational knowledge, extensive curiosity about the world and have social capabilities are both determinants for the display of a global mindset and being a successful global leader. For both of the two phenomena the hardest construct to develop is the individuals' personal character, i.e. the willingness and motivation to engage in global interactions, called psychological capital in global mindset literature and the lack of inquisitiveness in global leadership literature. Lack of curiosity, self-awareness/self-assurance, global knowledge and emotional and cultural intelligences are all constructs that inhibit the development of the two phenomena.

Global mindset and global leadership constructs have huge similarities. What was deliberately left out in the review of global leadership was the emphasis on global leaders need for global mindset. This was done in order to coin an understanding of the two phenomena separately before bridging them and see how these are related. Hence, this discussion aims at answering the question "How does global mindset and global leadership correlate? And is there such a thing as a specific global leadership mindset?"

In order to answer this question the chapter will be structured as follows. This chapter is three-folded; first the correlation between global mindset and global leadership is exemplified through 1) the integration of global mindset in global leadership definitions, 2) global leaders need for cognitive complexity and 3) global mindset dimensions and how these correspond to the knowledge of global leadership competencies. The second part is concerned with the development of global mindset. The development of global mindset is understood as 1) both an organizational and personal concern and 2) dependent on social interactions. Third, a discussion of whether such a thing as a specific global leadership mindset exists will be discussed.

5.1 Correlation Between Global Mindset and Global Leadership

Global mindset and global leadership is two phenomena used to explain how globalization has affected the global organization's need to accept diversity and gain a multicultural perspective on strategy, staffing and market opportunities. The two are seen as a prerequisite for global success, but how does the two phenomena connect with each other?

5.1.1 Global Mindset: a Part of Global Leadership Definitions

The explanation of a global mindset is normally taken out of a leadership perspective. A global mindset is seen as a personal competence necessary for global leaders. Some recent attempts towards defining global mindset have gone even further in the integration between the two phenomena (e.g. Smith and Victorson, 2012; Javidan and Walker, 2012; and Bowen and Inkpen, 2009). These definitions define global mindset on the premises of the global leaders ability to influence others different from themselves. Javidan and Walker (2012) define a global mindset as “[...the capability to influence others unlike yourself...]” (p.38). Instead of being a personal approach towards understanding, interpreting and acting in the world, it becomes a tool for leaders in a global context. Global mindset becomes the means for global leadership success. Smith and Victorson (2012) define having a global mindset as a mean to understand and apply individual “[...knowledge about attitudes, feelings and perceptions of different cultures and leveraging awareness of various continuums to influence others]” (p.51). This definition looks away from the ability to scan the world for opportunities and the extent of business knowledge global mindset constitute of. Hence, the strands from global leadership are more present than the development of personal global mindset. Bowen and Inkpen (2009) further enhance the confusion to the understanding of the correlation between global mindset and global leadership. Global mindset is seen as “[... a description of the leadership characteristics and behaviors associated with being able to influence others from different sociocultural systems” (p.240). Global mindset is used as a leadership competence that is required in order to exert influence over others. The notion that global mindset can become an encompassing term for all the competences needed for global leadership success, makes it even more important for literature to define and clearly distinguish between global mindset and global leadership.

Defining global mindset as a global leadership tool or means to exert influence upon others, removes some of the very essence of global mindset. Global mindset is a cognitive perception of the world. It is the personal ability to understand, interact and learn about the social world.

Javidan and Walker (2012) uses global mindset as a distinguishing factor between domestic and global leadership (p.38), a general approach that can be supported as global mindset builds on a similar set of competences as is required for a successful global leaders. Global leaders require a global mindset in order to operate in a global business world; arguing that global mindset is a prerequisite for global leaders' success. However, by defining global mindset based on global leadership's need to exert influence, the importance of global mindset in an organizational setting will be undermined. Global mindset is something more than just a global leadership competence.

5.1.2 Global Mindset a Necessity for Successful Global Leadership

Successful global leaders have a predisposition to a global environment; they have a global mindset. The crossovers between global mindset and global leadership literature are many. The two phenomena are often used in the description of the other. Global mindset explains an individual's mindset, most often from a leadership perspective (e.g. Kedia and Mukherji 1999; Javidan and Bowen, 2013) and global leadership literature uses constructs from psychology making cognitive complexity or global mindset a construct determining global leaders' success (e.g. Story and Barbuto 2011; Rogers and Blonski 2010; Nardon and Steers, 2008; Bücken and Poutsma 2009; Mendenhall, 2006; Suutari, 2002). The integration of the two phenomena has gone unnoticed as the phenomena can be naturally interlinked due to the fact that both are an outcome of globalization. Global mindset is not just a global leadership tool; it is something more than this. So, why is global mindset such a necessity for global leaders?

The identification of global leadership competencies emphasize on the need of a different mindset from domestic leadership, an increased cognitive complexity or a global mindset. Hence, global mindset is seen as a crucial part of global leadership. Neary and O'Grady (2000:192) proclaims that business leaders of today require another skill set than the 'last generation' leaders, where Vogelgesang et al. (2014:4) identifies cognitive complexity as the "[...imperative skill for global leaders...]". Also Arora et al. (2004) proclaims that "*a manager with a global mindset is an asset to an organization that wants to expand its operations beyond its national borders*" (p.394).

Global leadership is on the research agenda due to changes in the business environment. Necessitating new ways of doing business, which creates a need for a new mindset both as an

organizational and personal factor in order to become successful (Arora et al. 2004:395). Global leaders will therefore differ from domestic leaders due to the need for change in the 'state of mind' required for effective leadership (Cohen, 2010:3, 6-7). For a global organization to provide a strategic and visionary direction that is shared throughout the organization, creating a 'global team' (Kets de Vries and Florent-Treacy, 2002:299), it needs leaders with the right competences. Global mindset becomes that significant factor for success, as global leaders are in charge of the dissemination of goals and visions necessary for organizational mindset development.

Jokinen (2004) builds an integrative framework of global leadership competencies. Based on global leadership literature, she identifies core competencies, desired mental characteristics and behavioral competencies for global leadership that explains the constructs global leadership is made up of (p.204). Competencies such as being self-aware, engage in personal transformation and having a large inquisitiveness, being optimistic, self-regulated, good social judgment skills, accept complexity and its paradoxes, and have good social and networking skills and knowledge depicts global leadership competencies (Jokinen, 2004:204). These constructs resemble the constructs identified by the Thunderbird School of Global Management (e.g. Javidan and Walker, 2012 and 2013) global mindset capitals – intellectual, psychological and social capital – and the nine consecutive building blocks.

The correlation between global mindset and global leadership is the need for global leaders increased global awareness, both in terms of strategic and cultural awareness. Story and Barbuto (2011) framework based on global business orientation and cultural intelligence emphasis just this. The higher global business orientation and cultural awareness a global leader has, the more he/she develops a global mindset as his/her approach to understanding global challenges. Low global business orientation and cultural intelligence depicts a leader with a provincial mindset (p.380). Hence, their framework depicts similar understanding to global leaders' need for a global mindset as Perlmutter (1969) and Gupta and Govindarajan (2002) portrays in an organizational setting through their geocentric mindset and global mindset, respectively. The need for an increased global awareness is manifested through the phenomena global mindset.

The focus on global leadership as a prerequisite to global success adds an individuality focus on the global business' success. Baruch (2002) asks whether there is such a thing as a global

leader? Is there such a thing as specific leadership skills and abilities that distinguish a global leader from a domestic leader? (p.37). Where he concludes that what organizations are searching for are “[...good “conventional” managers with a global mindset who could succeed in the international marketplace]” (Baruch, 2002:36). Hence, the mindset of a leader becomes the determinant for success in terms of coping with a diversity of people, be able to merge understandings and create a shared reality among people.

A global leader needs to understand more than a cultural context at the time, which will distinguish global leaders from expatriates. Adler and Bartholomew (1992) define the difference between global leaders and expatriates as the amount of diversity a person needs to master at once. A global leader “[...must learn about many foreign cultures’ perspectives, tastes, trends, technologies, and approaches to conducting business. Unlike their predecessors [e.g. expatriates], they do not focus on becoming an expert on one particular culture]” (p.53). Global leaders are required to cope with a larger diversity and will be unable to acquire the same in-depth knowledge about all cultures and nationalities he/she is interacting with. The ability to manage multiple cultures requires a mindset that is different from traditional leadership models and expatriates. The personal mindset can help global leaders to effectively perceive and interpret behavior in a multicultural context (Caligiuri, 2006:222). Based on the emphasis on global mindset in global leadership literature the following proposition is drawn:

Proposition 1: to become a successful global leader, the leader must develop a global mindset, which aids to understand global challenges.

Successful global leaders have a different predisposition to diversity than traditional leaders. The openness and awareness towards diversity becomes crucial elements towards a global leaders job to influence others unlike him/her. Discussing global leadership without mentioning anything about the leaders mindset, cognitive orientation, intelligence, etc. seems impossible. Hence, the phenomenon of global mindset is a prerequisite of global leadership. If not explicitly articulated then implicitly. This provides the following proposition:

Proposition 2: global mindset will either be an explicit or implicit part of the explanation of global leadership, represented through global mindset or construct development.

5.1.3 Global Mindset Dimensions

The relationship between global mindset and global leadership rest on global leaders' need for an increased global awareness, described through the need for cognitive complexity or global mindset. The correlation between global mindset and the constructs describing global leadership is similar. Emphasized here are global knowledge, self-awareness, integrity, inquisitiveness, emotional intelligence and cultural intelligence, which resemble the nine building blocks, described by Thunderbird School of Global Management's definition of global mindset. Global mindset is a phenomenon that encompasses all the competencies a global leader needs to exert influence and lead others in a multicultural context.

Based on the overview of global mindset constructs, it is either based on cognitive complexity and cosmopolitanism (Vogelgesang, Clapp-Smith and Osland, 2014) or as an outcome of intellectual, psychological and social characteristics (Javidan and Bowen, 2013; Javidan and Walker, 2013). Adding the situational, value and action capital (Sørensen, 2014) to the understanding of what a global mindset constitutes of, provides a more complete picture of what global mindset is. Hence, I would propose an understanding of global mindset made up of four dimensions – cognitive, psychological, behavioral and interactional dimensions – integrating the perspective on global mindset as a phenomenon that constitutes more than just an approach to thinking and accepting diversity, but also be able to participate in diversified settings.

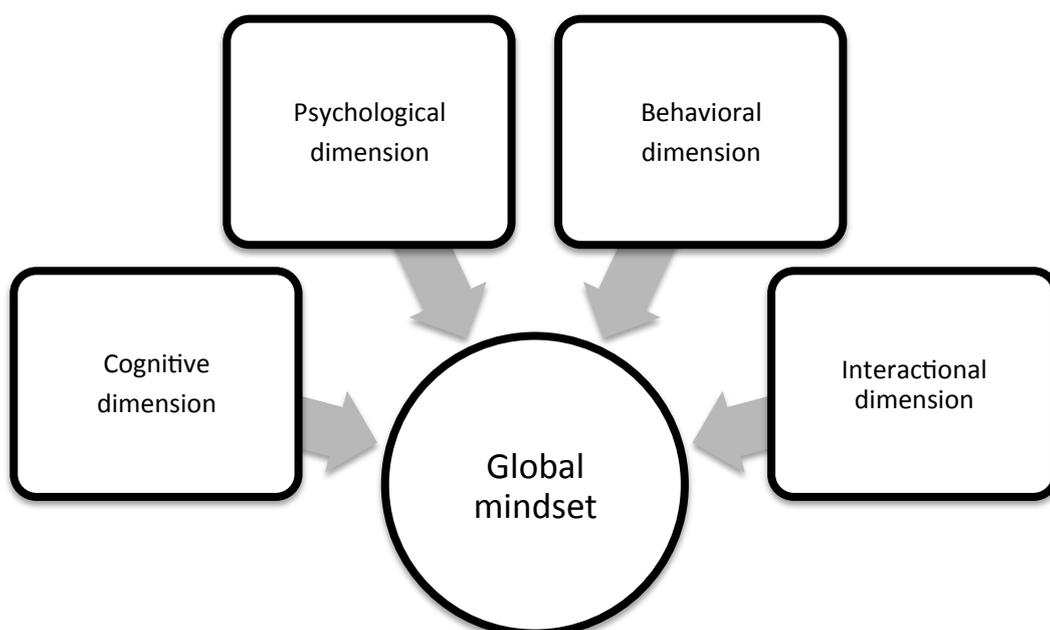


Figure 4: Global mindset dimensions

A personal global mindset will be influenced by global knowledge, both organizational and business knowledge, and have an awareness towards diversity, with the passion for seeking new opportunities and being self-aware, and be able to show both empathy and cultural intelligence across diversity. The interactional dimension emphasize that the global mindset and the three forgoing dimensions only can be developed through interaction. Interaction will create values and norms creating social identity (Sørensen, 2014:5-6). It also emphasizes the need for situational adaption. Situations across cultural settings will vary, influencing communication, understanding, and outcomes of interactions. Hence, global mindset needs to be perceived as a phenomenon that is made up of constructs depicting more than awareness to diversity. It is a phenomenon describing the way a person cope with diversity.

The four dimensions are equally important in the evolution of a global mindset. Lacking cognitive complexity and global knowledge will inhibit the development of personal inquisitiveness, self-awareness, emotional and cultural intelligence and the person will hesitate to participate in multicultural interactions. I therefore argue that global mindset is an outcome of the four dimensions and the dimensions will determine how an individual approach multicultural context.

Global mindset is a prerequisite for global leadership, as global leaders needs global knowledge, wanting to take risk and explore new things, being able to show empathy and cultural intelligence, and create common values and goals across teams, subsidiaries and organizations. Hence, global mindset is independent of global leadership, but global leaders are dependent on a global mindset. Global mindset, as Bowen and Inkpen (2009) use global mindset, can be used as a collective gathering of constructs portraying a global leader, but care should be taken. Global mindset is a conception, a way of interpreting the world, which is not particularly reserved for global leaders.

5.2 Global Mindset and –Leadership Development an Organizational and Personal Concern

The review of global mindset and global leadership development emphasizes on several similar factors. The need to provide training, experience and development of personal characteristics is of prime concern in terms of cultivation of the two phenomena. Global

mindset development is seen as an outcome of the organization's vision and strategy (Begley and Boyd, 2003; Paul, 2000), but also dependent on personal characteristics. Hence, to improve the current mindset and develop a global mindset, both the organization and individual needs to see the necessity of it. Hence, global mindset development should be viewed as an organizational and personal concern (Gupta and Govindarajan, 2002).

The interplay between the organizational mindset, concerning strategy, vision and staffing policies, will influence the composition of the organization, how new opportunities are explored and how different subsidiaries are staffed. Global mindset is displayed through company actions. Organizations with no local adaption will display an ethnocentric mindset (Perlmutter, 1969:11) and hence, pursuing similar staffing policies, e.g. not increasing the diversity within the organization. A global organization with a global strategy favoring global standardization and local adaption will have a global mindset approach as showed by Perlmutter (1969), Gupta and Govindarajan (2002) and Begley and Boyd (2003) frameworks for corporate mindset development. This 'glocal' thinking will create a vision that is applicable for the entire organization and have a global staffing policy both in terms of global leaders but also in terms of the general workforce in order to retain the best possible talents. An international workforce will bring an advantage towards global competition (Harvey, Speier and Novievic, 1999:460).

The top management is the crucial denominator for the initial development of the organizational mindset. Initial organizational mindset development can be done through establishing strategy and visions. The development of a corporate vision can act as the 'guiding star' of the business activities. The establishment of values and norms, e.g. the 'do's and don'ts', can establish consistency in dealing with occurring dilemmas (Maznevski, Steger and Ramm, 2007:1). The values and norms incorporated in the organization can influence the employees' attitudes and behaviors.

Kotter (1990) states that leadership is about coping with change (p.4). The need to cope with change and increasing complexity is of prime concern for global leaders. A global mindset will enable leaders *"to deal with complexity, identify the variables that create predictable outcomes when they're within a particular range, and unpredictable outcomes when they are not"* (Maznevski, Steger and Ramm, 2007:3). A global leader with a global mindset will be aware of and able to adapt to changing environments. The development of global leaders'

mindset depend on the organization's ability to identify the competences needed and selects the right personnel, and provide the appropriate training and experience opportunities for the potential global leaders (see figure 5). Hence, the development of global leader's mindset becomes an outcome of the mindset displayed through the organizational strategy and vision.

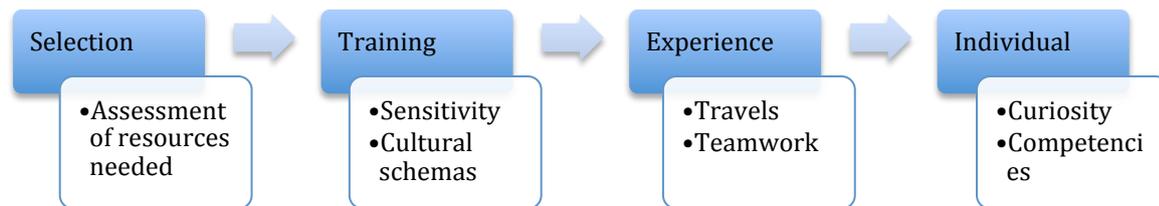


Figure 5: Global leadership development process

However, the vital component of global mindset development for leaders is still the individual competencies. Emphasized in the review of global leadership development, “[...*global leadership is an individual affair*]” (Mendenhall and Bird, 2013:172), the development of a global mindset for leaders success is as much an individual affair as it is an organizational concern. Thus, the success of global leadership depends on the organizations ability to recruit and train the right talents as well as the personal willingness and motivation to engage in intercultural interactions.

Due to the importance of interaction in a cross-cultural context, the evaluation and assessment of personal competencies, and especially motivation and willingness to engage in multicultural work, is crucial. In expatriation literature, the reason for expatriate failure is most often due to the lack of social competence, e.g. lack of intercultural adjustment, rather than technical knowledge (Paik and Sohn, 2004:63). For the organizational effort to bare fruits, the individual must possess the right competencies and have the right incentives to engage in global leadership. If neglected, leaders “[...*will tend not to choose to engage in the personal sacrifices that are necessary to develop global leadership competencies*]” (Mendenhall and Bird, 2013:172). Global leadership becomes solely dependent on the individual characteristics. If not willing, motivated or having the required self-awareness the individual will not become a successful global leader.

Cooperation across borders becomes more and more usual. The creation of global teams, using virtual remedies creates new challenges for businesses (Zander, Settling and Mäkelä, 2013:228). For global teamwork to be successful, the employees must be motivated, and be good communicators in terms of communicating internal goals. Diversity creates difference in norms, value and behaviors. The expectation of team members in terms of leadership and the organization of teamwork will influence the complexity of leading a multicultural group (Zander, Settling and Mäkelä, 2013:231). It is important that groups have a leader able to merge a common understanding among the team members as well as creating a common goal that is explicitly stated in the group. Team members should be carefully selected based on their knowledge as well as their social capabilities. A group identity has to be created in order to create a well functioning group.

Interaction will create social ties. It will also create common values, norms and goals for achievements (Zander, Settling and Mäkelä, 2013:231, 233). This will improve willingness and motivation for team members. Hence, employees working in multinational teams needs to have the ability to interact with people different from themselves, which increases the need for an increased cognitive complexity than in traditional work environments.

Hence, the need for an organizational mindset and the organizational awareness towards required competencies needed do not only extend to development of global leaders but also to evaluating the need for employees with awareness towards diversity. The need for human capital within the organization that can participate in multicultural teams is becoming increasingly necessary. The regular employee has to interact more and more across nationalities within their organization (Nardon and Steers, 2008:47-8). A global mindset will aid personnel awareness. A global organization's employees need to be willing and motivated to speak a second language and be able to understand and merge an understanding across multiple cultures. However, it is global leaders responsibility to effectively lead employees, but global challenges become more persistent in everyday work life. Global mindset development is therefore a must both for global leaders, but also a concern for the global organization. Strategy, staffing and training programs reflects the organizational mindset, and reflects the focus and importance of global mindset internal to the organization. The organizational mindset should not only focus on the development and retention of global leadership talents, but also focus on retrieving the most benefits of employees interaction and

knowledge creation. As Begley and Boyd (2003) postulates, the display of mindset is dependent on the organization (p.28).



Figure 6: Global mindset an organizational and personal concern

The figure portray how the levels of the organization influence the individual from a top down approach, but can also display how individuals affect top management decisions. Global mindset, hence, is an organizational as well as an individual concern. Through communication of strategies and visions, leadership development and style, team calibration and right hiring practices, individuals will create a common ground for creating a shared reality. Each individual will again influence how teams cooperate, the success of global leaders and the incorporation and understanding of top managements vision and strategies.

The development of a global organization's success is not solely dependent on the mindset of global leaders, but the ability of the global leader to converge an understanding within a multicultural workforce. The mindset should not be dependent on one person; it should be disseminated throughout the organization as a 'frame of mind' in order to create a cohesive organization (Adler and Bartholomew, 1992:57). Hence, global mindset is dependent on the organization's ability to create a corporate global mindset and the dissemination and incorporation of these values throughout the organization, but the employees' current mindset

will affect the organization's ability to create a global mindset. Hence, there is a dependent relationship between the organization and individual's mindset.

Mindset development for organization and the global leader will still depend on the individual's wish to and ability to seek new opportunities, take risk and learn from new contexts. The organizational mindset will be as good as the mindset of its employees. However, without a top management to facilitate for global mindset development, the employees may be discouraged to engage in intercultural interactions. Global mindset of the organization will be reflected throughout the organization by its global leaders, vision and strategy development, but the organization's employees will determine the success of the organizational mindset creation and of multicultural collaboration.

5.2.1 Social Interactions: the Crucial Factor for Global Mindset Development

Arguing that global mindset is a concern both for the organization and individual and believing that global mindset consist of four dimensions – cognitive, psychological, behavioral and interactional dimension – provides a new clarity towards the need for global mindset.

By adding an interactional dimension shows that global mindset is a dynamic phenomenon. The development or cultivation of a global mindset, both for the organization, global leaders and individuals are dependent on the degree of socialization, e.g. both past, present and future interaction. The criteria for global mindset and global leadership development emphasize on the need for practical experience. Experience, through travels, international assignments and teamwork, enabling first-hand knowledge, which enhances the individual mindset as well as personal competencies. However, teaching programs are not without purpose. Training can be a beginning, a reinforcement or a supportive aid in the development of a global mindset (Srinivas, 1995:45).

Global mindset can be acquired (Arora et al. 2004:409), however, not easily. It is a continuous and iterative process, where the development of global mindset is a result of continuous interaction. Interactions will continuously keep developing the mindset “[...as a result of learning and collected experience]” (Nummela, Saarenketo and Puumalainen, 2004:54). Even though the person or organization shows signs to be thinking and acting

differently, becoming more aware of diversity, the ultimate change in values, beliefs and attitudes will take time (Srinivas, 1995:45). The starting point of all interactions is the individual. Interactions will develop the personal mindset, which in turn affects the communities or contexts they interact in (Kuada and Sørensen, 2010:39).

Kuada and Sørensen (2010) argues that the “[...ability to perceive, interpret and evaluate phenomena is an individual ability, which is enhanced by the sustained and intensive interactions that we have with other people in a given community or context]” (p.27). Thus, the personal mindset is a reflection on past socializations and the experience base of the individual (Tsoukas, 1996:19). Through interaction the organizational mindset is developed, as employees shapes the values and norms of their organization (Kuada and Sørensen, 2010:32).

The creation of organizational values, norms and vision, needs to be embedded in the individual throughout the organization. The top management is responsible for setting visions and goals, but the global leader is responsible for disseminating and putting these into life. However, no matter how explicitly stated the organizational vision, norms and values are, they will never be free of individual interpretation (Nonaka and Peltokorpi, 2006:76). To ensure right interpretation of organizational visions, strategies and norms interactions are the most effective approach. Individuals hold different conceptions of reality, where reality is a contextual concept. Interaction between individuals will form the basis for the creation of a common reality, e.g. the development of an organizational mindset (Nonaka and Peltokorpi, 2006:80). The creation of a global mindset for the organization becomes a process of merging a common truth. Where social interactions between employees is a necessity.

The ability to engage in interaction will affect the current individual mindset. Interaction creates learning opportunities and collects experiences. The development of the mindset depends on the individual’s ability to learn and whether the experience has had a positive outcome or not. The current mindset affects the success of intercultural interactions. The personal motivation and willingness to share knowledge, give of him-/herself and be an active part of face-to-face interactions, becomes crucial for creating a shared reality. Knowledge creation and learning process will not take place if the individual is unmotivated (Jokinen, 2004:213), hence global mindset development will not occur and global leaders will prove unsuccessful. A motivated person is able to improve both psychological capital and raise the

social capital, increasing trust among the people he/she interacts with (Osterloh and Frey, 2000:540).

Interaction allows for creation of shared experience and the ability to create communication, derived from both verbal and non-verbal cues, which can enable trust building among the interacting community (Zander, Settling and Mäkelä, 2013:230-1). Interaction enables knowledge dissemination and a rightful interpretation of common goals. Intercultural interaction is crucial in order for global leaders, and employees alike, to develop an acceptance towards diversity and ability to interact within a multicultural group.

The need to create a shared reality, among individuals, groups and within the organization is crucial for the success of the global organization. As interactions are subjected to constant individual interpretation, there exist multiple coexisting realities. Failure to synthesize across individual believes and creating a shared organizational mindset, global leaders will be unable to conjure meaningful interactions free from misinterpretations. The creation of a shared social reality is an ongoing process where individuals interact in order to create a common meaning, create an 'objective reality' and develop social patterns that is specific to that team, subsidiary or organization (Zander, Settling and Makela, 2013:232; Berger and Luckmann, 1966:69, 76-79).

As social interactions affect the mindset of individuals, teams and organizations, it will also have an impact on the creative outcome of teamwork. The ability to engage in intercultural interactions increases learning opportunities and creativity thinking from different cultural backgrounds and perspectives. Motivation of teamwork will increase as the group creates a common understanding of how the work should be organized and led (Zander, Settling and Mäkelä, 2013:230-1, 235). Global leaders play a crucial role for the outcome of teamwork. Global leaders give their teams a common direction by issuing well-articulated and emphasized visions, providing a mutual understanding within the team. A vision makes the leader able *“[...to set appropriate goals, support the project teams, and facilitate communication and interaction within the group]”* (Kuada and Sørensen, 2010:41). The global leader is responsible for giving the team or organization he/she is leading a common direction, in order to create successful outcomes.

Global mindset is needed in global organizations due to the integrative effect it has on the community. The organization is required to be able to build an integrative network of workers, competitors, suppliers, partners etc. in order to stay competitive. Hence, communication and knowledge dissemination plays a crucial role in the organization in terms of internalizing company norms and values. The ability to build strong ties will create trusting relationships between the business stakeholders, which can increase the willingness to share knowledge and engage in new experiences, crucial to improve the mindset of the employees (Inkpen and Tsang, 2005:156). Hence, global mindset provides a crucial advantage of personal interaction in a global organization.

Proposition 3: The development of global mindset for the individual, global leaders and organization is dependent on social interactions. The organizational structure and personal motivation to engage in intercultural interactions will determine the development of mindset.

5.2.2 Global Mindset Model

Global mindset development is an outcome of socialization and is a phenomenon not particularly reserved for global leaders, but necessary for the entire organizations. Based on the explanation of correlation between global mindset and global leadership and the necessity for global mindset to be acknowledged as an individual and organizational concern, the following model is proposed (see figure 7).

The model proposes that socialization of individuals will shape the mindset development. Through socialization the individual employee, global leaders and the organization will merge a shared reality. The organization's values, vision and strategies affect leaders, where both have an impact on the employees. Employees and global leaders will also influence the organization; hence, there is a dynamic relationship between these three internal levels. As argued, global mindset is an outcome of successful socialization. Where the outcome of socialization is dependent on the people participating in the interaction. The current mindset and competencies will affect the cultivation of a global mindset, where global mindset is an integrated part of the organizational mindset as well as for global leaders.

Hence, arguing that a global organization must be able to interact in a diversified work environment, even for employees without global leadership responsibilities. To have effective knowledge sharing internal in the global organization the general workforce should be encouraged to develop a global mindset, where the organizational design either act as a constraint or is helpful to the mindset development (Srinivas, 1995:46). The absence of an intercultural workforce, a global business strategy or a globally oriented organizational culture can obstruct the development of a global mindset.

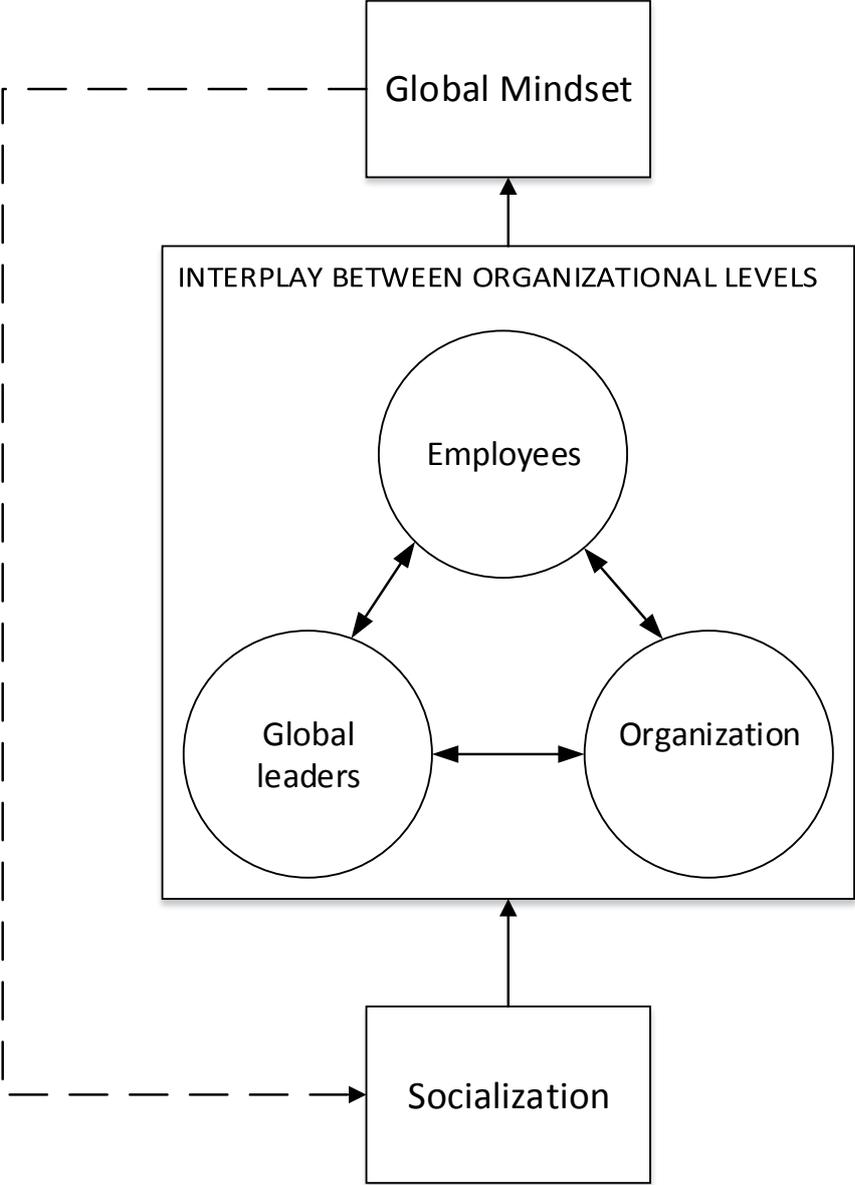


Figure 7: Global mindset model

The focus on global leaders' need for a global mindset, limits the understanding of how the individual mindset influence the organizational mindset and vice versa. Global organizations should focus on building a global orientation across the organization, in order to provide a linkage between the organization's operation and leadership strategies (Rosen and Digh, 2001:81).

As organizations turn global, the composition of the workforce changes. Hence, the social interaction and the dynamic between the organizational levels will influence the mindset development both for employees but also for the organization. The degree of development of global mindset depends on the individuals past cognitive structure, e.g. his/her past socialization, and current motivation to engage in intercultural interactions. Past socialization creates predispositions, which can hinder development of global mindset. The development of a global mindset, or the current mindset, will affect the willingness to engage in socialization. Hence, mindset development is a never-ending learning process.

5.3 Global Leadership Mindset

There is a correlation between global mindset and global leadership. However, global leaders dependency on global mindset development postulates that global mindset is a phenomenon that is of a concern not only for global leaders but also for the global organization. The need for diversity acceptance is not only global leader's responsibility, but also an issue for the global organization. The development of a global mindset is an outcome of the cultivation of the cognitive, psychological, behavioral and interactional dimensions, where social interactions becomes the vital turning point for global mindset. Global mindset is a concern for the entire global organization, spanning from management level, to leaders, to teams and down to the individual employee. If this is the case can there be such a thing as a specific global leadership mindset?

Large attention has been given to understand and define the mindset of global leaders (Kedia and Mukherji, 1999:232). Focusing on the need for cultural adaption and the need to understand complexity. Complexity as a buzzword for today's business environment, indicates a increasing need to be open and able to adapt to a continuously changing environment (Maznevski, Steger and Amann, 2008:1). The global leader's mindset has been a particular concern for global organizations. The ability for global leaders to act as a

‘chameleon’ (Earley and Mosakowski, 2004:145), being able to adapt to culture, create congruence between the national expectation to and execution of leadership style and the ability to get in-depth knowledge about one single country, becomes an impossibility leading a multinational group of employees (Zander, Settling and Mäkelä, 2013:231; Nardon and Steers, 2008:47).

The increased migration, as a result of globalization (Drechsler, 2008), changes the workforce composition. The European Union (EU), as an example, have dismantled trade barriers including free movement of goods and people, making it easier for EU citizen to seek job opportunities outside national borders (European Commission). The world sees an increase in the mobility of workers, e.g. ‘self-initiated expatriates’. Self-initiated expatriates are people in search for work outside of their own national borders. Hence, these employees have a different mindset than their peers and the new country of residence (Bonache et al. 2010:268). Such mobility of workers will affect the national organizational structure and the need for domestic leaders to accept the diversity inherent in the organization.

Globalization becomes an integrated part of the business environment, whether choosing to go global or not (Rosen and Digh, 2001:71). Literature raises awareness of the need for global leaders, global leaders with an eye for complexity and global business knowledge, e.g. having a specific global leadership mindset (Cohen, 2010:2010). What Cohen (2010) characterize as a global leadership mindset is the ability for a leader to balance between 1) global formalization versus local flexibility, 2) global standardization and local customization and 3) global dictate versus local delegation (p.6-7). These factors are both part of the strategic perspective on global mindset as well as the competencies need for a successful global leader. Hence, not adding anything new to the perspective of having a global mindset and being a global leader.

Integrating global mindset and global leadership into a global leadership mindset, will corrode the understanding of the two as two separate phenomena. Bartlett and Ghoshal (1992) argue that there is no such thing as a global leader. The ability to derive the benefit of global operations is dependent on the interaction between “[...*business managers, country managers, and functional managers*]” (p.125), where the role of the global leader is split between these three functions. Hence, the three factors proposed by Cohen (2010) will be a concern split among these three roles. Going even further in the dismantling of the myth of

the global leadership mindset existence, Baruch (2002) argue that the specific competencies that literature identifies with a global leader not in fact are different from what characterize that of a successful leader (p.37).

To be able to characterize a specific global leadership mindset, one needs to define who a global leader is. Whether a global leader is a team of leaders (Bartlett and Ghoshal, 1992:125), the top management level (Suutari, 2002:222), or a person having a global responsibility (Jokinen, 2005:201). Hence, the responsibility of a global leader will differ in terms of the position he/she holds and the job he/she is to perform. The need to clarify who a global leader is, is necessary in order to identify a specific global leadership mindset.

In addition to the need to define who a global leader is, leadership styles will differ from country to country, organization to organization and even across subsidiaries and departments. Hence, the leadership style is affected by the cultural context (Sanchez-Runde, Nardon and Steers, 2011:209). The necessity to adapt the leadership style to different contexts will influence the development of a particular mindset. The development of a global leader's mindset will be influenced by past experiences. To say that it is possible to identify a specific global leadership mindset would therefore be impossible, as who global leaders are is vaguely defined and global leadership is a contextual phenomena in need of situational adaption.

In understanding the phenomena global mindset and global leadership, one should distinguish between the two and clearly define what they mean. The notion that there exists a specific global leadership mindset remains void if the role of global leadership varies from the top management level to team leaders. Global leaders require a global mindset, but an identification of specific global leadership mindset will not prevail. Global mindset is not a way of interpreting the world specifically preserved for global leaders. The need for a global mindset by leaders and co-workers in the global organization is due to the enhanced ability to process information, make decision and interpret situational patterns. Whilst a specific global leadership mindset not exists, the need for a global mindset to interact, have an openness towards complexity and being able interact across these differences, will still remain crucial (Levy et al. 2007:244-5).

5.4 Limitations

This paper is not without limitations. The paper tried to discuss two phenomena and merge an understanding of the two. Global mindset and global leadership are two widely discussed phenomena, which are commonly integrated into the one or the other. A relationship between the two has been identified in relevant literature, but the explanation of what this relationship constitutes of, from either a global mindset or global leadership perspective has been neglected. I have attempted to give an overview of the two phenomena separately, before explaining how the two are related and develop a prerequisite for global mindset and global leadership development. In my attempt to do so, I have based myself on previous writing and not tested out the postulations in practice.

The social constructivist approach have colored the understanding of global mindset and global leadership and hence my emphasis on social interaction for development of global mindset. This has also made grounds for arguing the need for a common mindset throughout the organization. The thesis is based on prior authors and researchers' definition and research on the two phenomena. The similarity of constructs used to explain global mindset and global leadership, provide consistency to the understanding of the two phenomena and hence, helps the paper to establish credibility. This thesis's suggestions and theoretical understanding can provide grounds for understanding of the two phenomena. As the paper is not connected to a particular case or research context, it makes the future use of the postulations more transferrable (Guba, 1981:80-2). However, the fact that it is based on secondary literature and has not done separate research to prove the correlation between global mindset and global leadership limits the paper's credibility. Global mindset and global leadership is two phenomena that depend on the context it is derived from. The definition of a successful leader or organizations' internationalization success will be determined by what context the organization finds itself in. Hence, the predispositions I have concerning the two phenomena can and will differ from other cultural contexts.

Future research should focus on defining clearly who a global leader is and the requirement for a global mindset for the organization as well as for its leaders. Global mindset and global leadership will continue to be an issue in an increasingly integrated world, hence the definitions of the two phenomena needs to be in place as well as a common understanding of the constructs they constitute of and how the two aligns.

6 Conclusion

The speed of globalization and the advancement of communication technology have decreased physical boundaries. Global organizations are growing ever more complex, where strategy, staffing, management and leadership are concerns on a global scale and global markets is an unavoidable fact for organizations. As business markets are becoming increasingly interlinked, it becomes a near impossibility to not have a global perspective on business activities (Rosen and Digh, 2001:72).

A direct outcome of globalization is the two phenomena global mindset and global leadership. Global mindset is a way to think and approach an increasingly complex world, where global leadership is a role that makes use of this mindset in his/her leadership approach towards dealing with the diversity. Constructs that explain the two phenomena have similar characteristics. Both phenomena draw on personal competencies and cognitive complexity. The need for experience in order to develop a global mindset or the required competencies for global leadership is the crucial factor for development of the two.

With the aim to identify how global mindset and global leadership correlates, this thesis had a social constructivist approach towards understanding global mindset and global leadership. The two phenomena is correlated by the fact that globalization has increased the need to expand the current mindset towards an acceptance of and ability to interact in a diversified environment. For global leaders a global mindset becomes a prerequisite, but it is also a necessity for global organizations and individuals working in an intercultural setting. Hence, global mindset is not preserved for global leaders; it is an ability necessary to operate in a global environment. Global mindset builds on four dimensions - cognitive, psychological, behavioral and interactional dimensions – that shows the phenomena as more than simply a cognitive map and a behavioral guide. Global mindset is a way of thinking, openness towards new experiences and an appreciation for new challenges. The four dimensions are crucial for personal mindset development as well as the organization ability to foster social interactions. Argued here, global mindset development and global leadership success is dependent both on personal characteristics and socialization. Without socialization, or intercultural interaction, personal competencies and current mindset is unable to evolve. The act of continuously interpreting new impulses as well as expressing individual beliefs is important to create a shared reality (Berger and Luckmann, 1966:149). Global mindset development is iterative process. Hence, socialization is the cornerstone for mindset development, where the personal

competences of employees and leaders will, as well as the organization's visions, strategies and values, influence the affect of socialization in terms of a global mindset creation. The current mindset will then again affect socialization.

The integration of global mindset as a global leadership competence in order to exert influence must rest on an understanding of global mindset as a phenomenon separate from global leadership. A global leader portraying a global mindset does not mean that he/she is free from his/her national identity. Earley and Mosakowski (2004) description of a chameleon, possessing a high level of cultural intelligence, is a very uncommon leadership type. Where such a leader could be mistaken for a native (p.145). This type of mindset is inarguably hard to develop. A global leader with cultural fluency in today's global business world is practically impossible (Nardon and Steers, 2008:49). The notion of a specific global leadership mindset as a requirement for successful global leaders becomes void. As global leadership literature fails to define who a global leader is, a specific global leadership mindset cannot prevail. Global leaders need to adapt to different contexts, due to market difference and changing participants. Making global leaders need to adapt their leadership style depending on the context. Global leadership is also contextual. Speaking of global leaders and global mindset, care should be taken, as these two phenomena definition, development and operation depends on the context that the individual and organization operates in.

Global mindset, e.g. an openness towards diversity, ability to interpret and retrieve new knowledge as well as interact beneficially among an intercultural group of people, will become the crucial factor for both global leadership and global organizations. Global mindset and global leadership are two phenomena that are discussed jointly for a reason. However, to build an understanding of global mindset as a cognitive map for global leaders will diminish the perceived importance of global mindset within the global organization. Global mindset is not only a global leadership requirement. It is also a necessity for the global organization in terms of successful global operations.

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