

THUNDERBIRD

**Leading with a Global Mindset:
A Scientific Approach to Understanding
Global Leadership**

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The Globalized World of Business

NOTE: Generic example of how different countries could be involved in the making of a pair of jeans




Global Leadership

- *Global leadership is the process of influencing individuals, groups, and organizations inside and outside the boundaries of the global organization, representing diverse cultural/political/institutional systems to contribute towards the achievement of the organization's goals.*



Global Mindset Project (GMP) at Thunderbird

- **Define Global Mindset[®]**
 - **Identify the antecedents and consequences of Global Mindset[®]**
 - **Develop metrics for measuring Global Mindset[®]**
 - **Design scientifically based assessment tools for Global Mindset[®]**
 - **Conduct large scale studies of executives in large multinational corporations**
 - **Offer a suite of solutions to enhance the Global Mindset of managers and executives**
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Global Mindset

The ability to influence individuals, groups, organizations, and systems that are unlike the leader's.

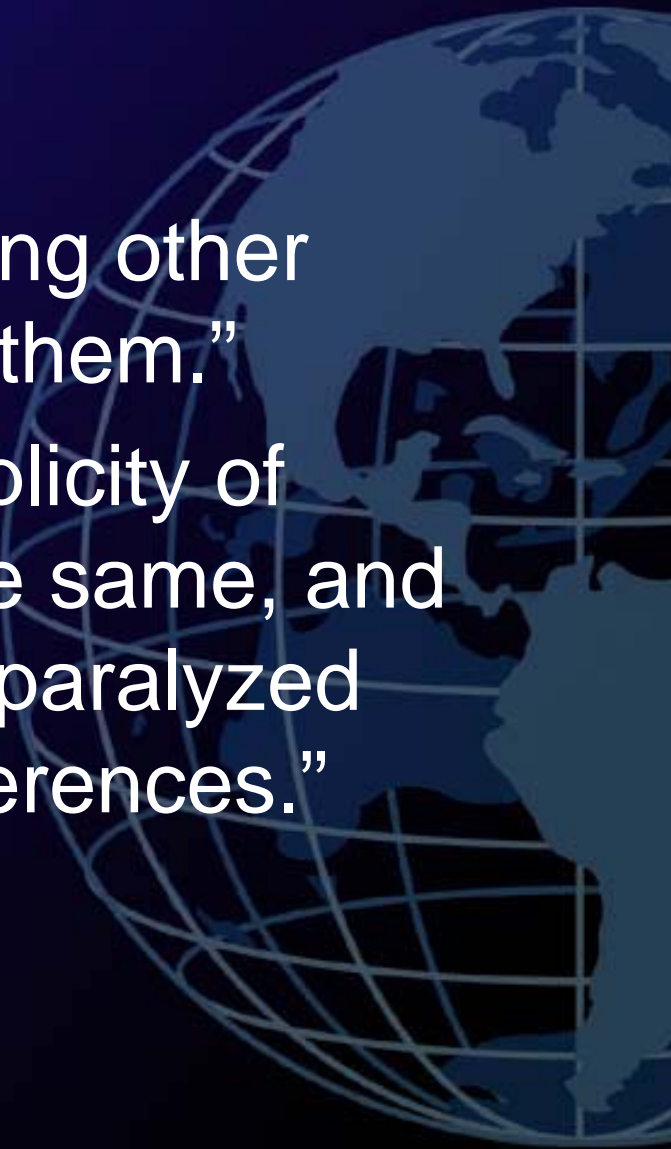


Global Mindset

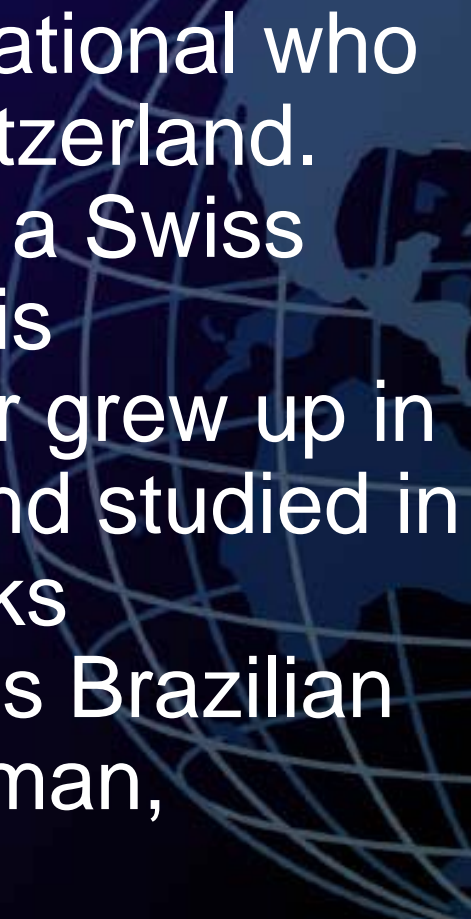
- “Global mindset to me means that the individual has a global passport, but in their head.”
- “It’s the ability to understand the similarities and differences among cultures and their reasons.”



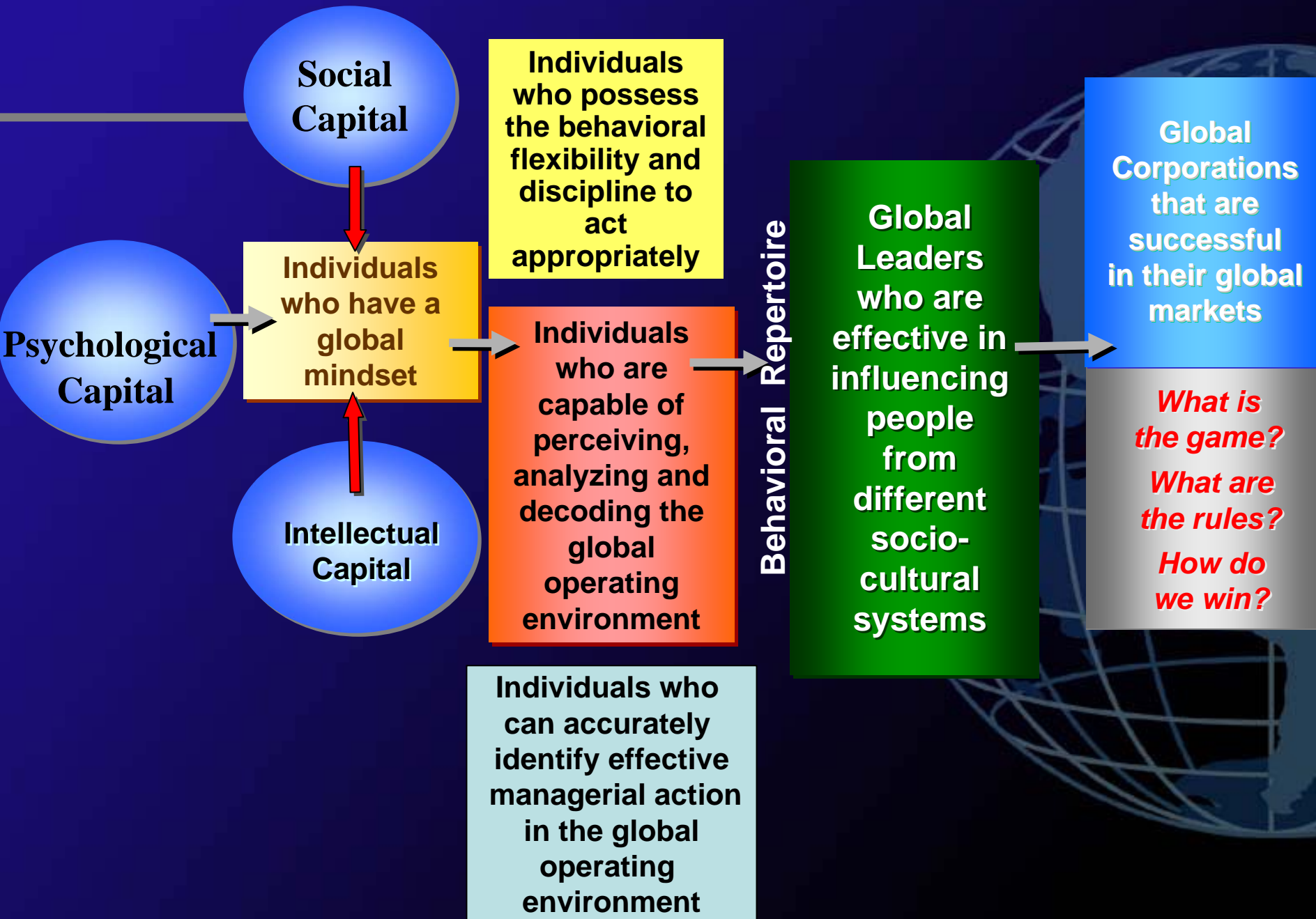
Global Mindset

- “understanding and respecting other cultures rather than judging them.”
 - “The ability to avoid the simplicity of assuming all cultures are the same, and at the same time, not being paralyzed by the complexity of the differences.”
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Gerald Schafer is a Swiss national who has never really lived in Switzerland. He was born in Budapest to a Swiss foreign-service officer and his Hungarian wife. Mr. Schafer grew up in Africa and South America and studied in the United States. He speaks Portuguese (at home with his Brazilian wife), Spanish, French, German, English and Hungarian.



Global Mindset and Effective Global Leadership



IC. Intellectual Capital

IC1. Knowledge of the global industry

IC2. Global value networks

IC3. The global organization

IC4. Cognitive complexity

IC5. Cultural acumen



PC. Psychological Capital

PC1. Strong psychological profile

PC2. Passion for diversity



SC. Social Capital

SC1. Structural social capital

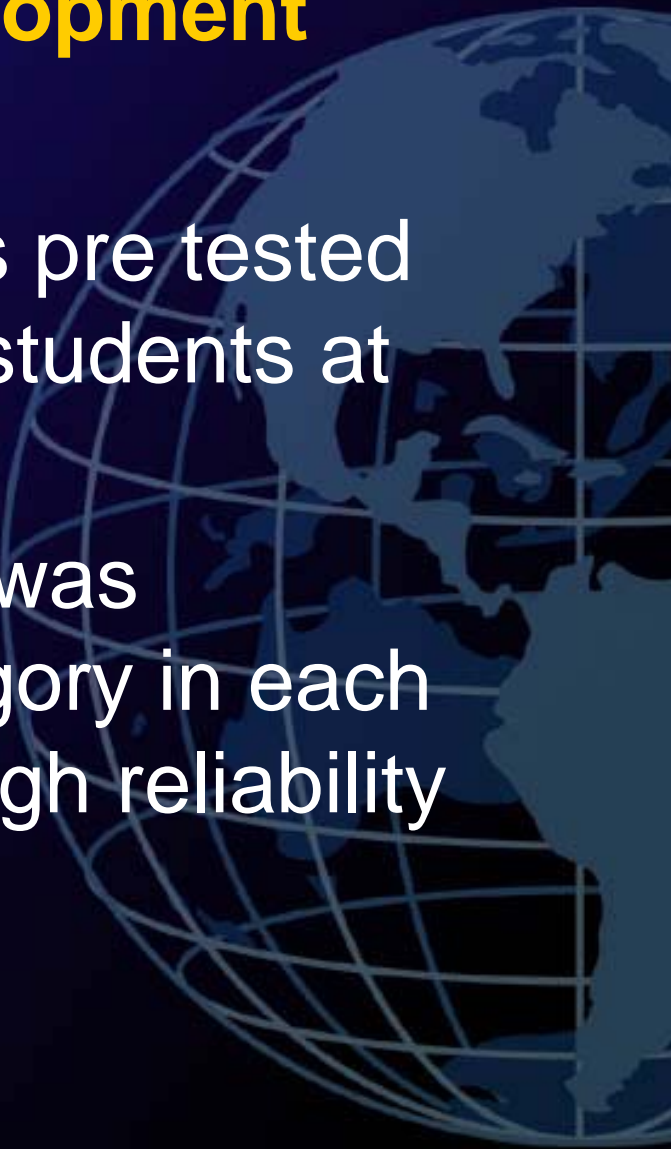
SC2. Relational social capital



Global Mindset Scale Development

1. A total of 30 Thunderbird scholars were interviewed.
 2. 217 global managers and executives were interviewed in 23 cities in Europe, U.S., and Asia.
 3. The domain of Global Mindset was constructed through 35 attributes.
 4. Based on the transcripts of interviews and summaries of literature and GMBA student input, The Dunnette Group generated items to reflect the 35 attributes.
 5. Three psychometric experts sorted the items into the three dimensions of Intellectual Capital, Psychological Capital, and social Capital. Items were grouped into specific categories within each dimension.
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Global Mindset Scale Development

6. The initial pool of items was pre tested with up to 207 Global MBA students at Thunderbird.
 7. Exploratory factor analysis was conducted within each category in each of three dimensions. Very high reliability scores were produced.
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Global Mindset Scale Development

Pilot Test:

145 Global MBA students (average age= 29 years) and 820 managers (average age= 46) at three global corporations completed the revised survey. 191 items survived with very strong reliability scores for scales.

A series of factor analyses produced the second generation of the instrument. Intercorrelations among scales ranged from modest to high

The Final Instrument

Using the intercorrelations, scales were merged and items were deleted resulting in a survey with 91 items.

Very high reliability score resulted for the surviving 9 scales. The data did not fit the apriori model.

Exploratory factor analysis of the nine scales produced two factors with six scales.



The Final Instrument

- **Factor 1:**
 - Knowledge of Regional and Global Markets;
 - Knowledge of Macro-Environment;
 - Cultural Acumen
 - Global Connectivity
- **Factor 2:**
 - Strong Psychological Profile
 - Problem Solving



The Final Instrument

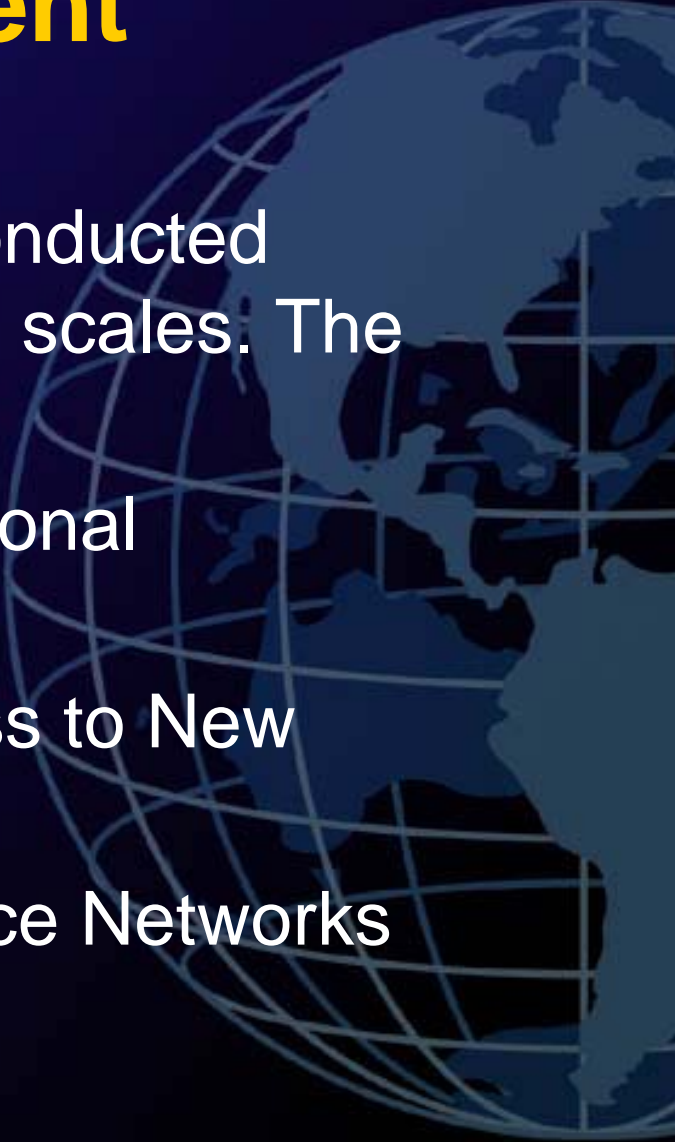
Three remaining scales loaded very highly on both factors:

- Interpersonal Competence
- Openness to New Ideas/Adventure
- Influence Networks



The Final Instrument

Exploratory factor analysis was conducted within each of the three polluted scales. The result was:

- Two new subscales of Interpersonal competence
 - Two new subscales of Openness to New Ideas
 - Three new subscales of Influence Networks
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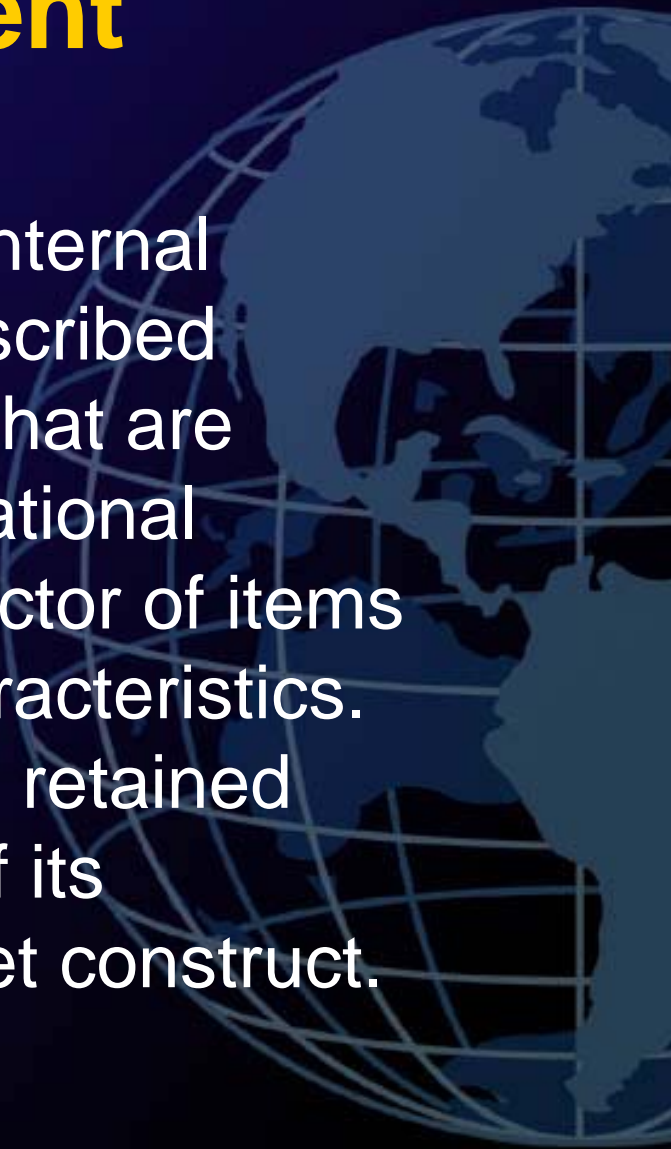
The Final Instrument

Exploratory factor analysis was conducted of the six clean scales and the new seven subscales



The Final Instrument

These analyses suggest that the internal structure for the GMI can be described primarily by one factor of items that are relevant to culture and/or international business experience and one factor of items that measure psychological characteristics. Despite some cross-loading, we retained Passion for Diversity because of its importance to the Global Mindset construct.



The Final Instrument

- Next, we undertook an exploratory factor analysis *within* each of the two new factors to determine the best new structure for each factor.



The Final structure of Global Mindset

- **Factor I: Culture and International Business**
 - Global Business Savvy
 - Cosmopolitan outlook
 - Intercultural empathy
 - Passion for Diversity (*cross-loading on second factor)
 - **Factor II: Psychological Characteristics**
 - Cognitive complexity
 - Self-assurance
 - Quest for adventure
 - Diplomacy
 - Interpersonal impact
- 

Validation Study- A Major Global Corporation- Fortune 15

- 450 managers participated in the survey
 - We correlated GMI scores with their PDI scores
 - PDI scores are based on multiple raters
 - Very strong correlations were found between PDI and GMI, especially in specific areas
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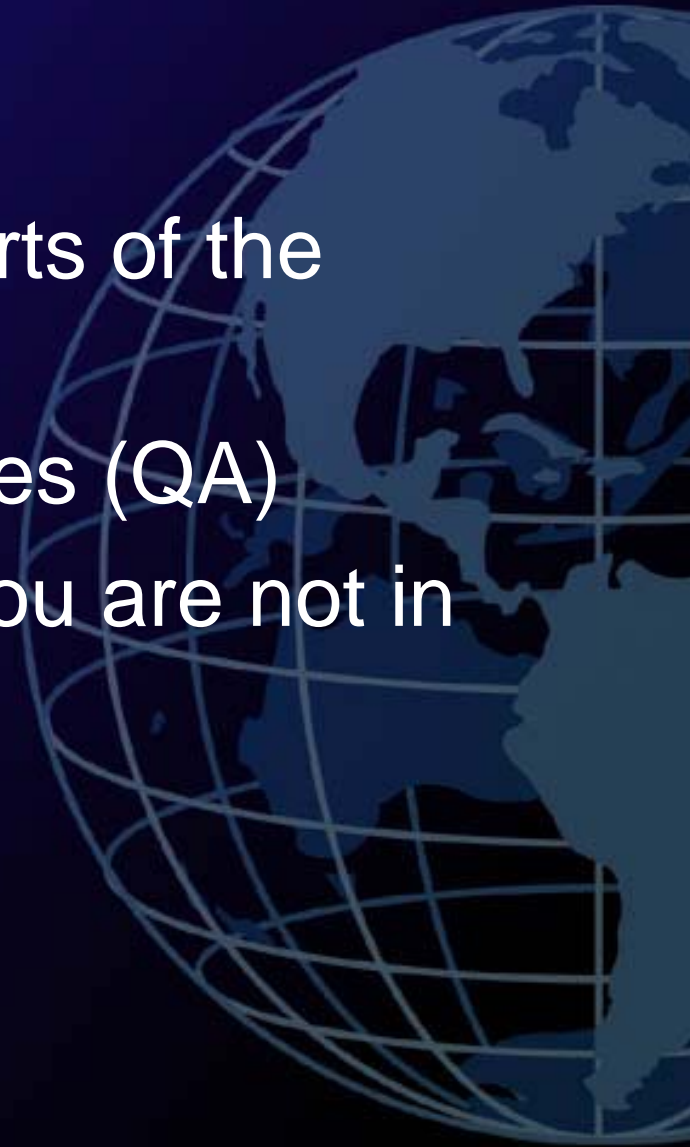
Sample Items

- Know about business strategies for expanding globally (GBS)
- Stay up-to-date on world news and events (CO)
- Grasp complex concepts quickly (CC)



Sample Items

- Enjoy exploring different parts of the world (PD)
- Test the limits of your abilities (QA)
- Comfortable even though you are not in control of a situation (SA)



Sample Items

- Emotionally connected to colleagues and friends from other cultures (IE)
- Respected by others for your leadership (II)
- Listen carefully to what others have to say(D)



GLOBAL MINDSET

**Intellectual
Capital (IC)**

**Global Business
Savvy**

**Cognitive
Complexity**

**Cosmopolitan
Outlook**

**Psychological
Capital (PC)**

**Passion for
Diversity**

**Quest for
Adventure**

Self-Assurance

**Social
Capital (SC)**

**Intercultural
Empathy**

**Interpersonal
Impact**

Diplomacy





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THE GLOBAL MINDSET

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THUNDERBIRD
SCHOOL OF GLOBAL MANAGEMENT

The Next Step



Grazie!

Merci!

Do jie!

Gmadlob!

Arigato!

Toa chie!

Tak!

Thank you!

Gracias!

Spasiba!

Go maith!

Tashakkur!

Danke!

Diolen!

Dank je!

Shakran!

Sayoi!