

IN THIS ARTICLE

*Globalization, Managerial Competencies*

WHAT IS A GLOBAL MINDSET?  
WHAT DOES ONE LOOK LIKE?  
THIS SIX-PART FRAMEWORK LOOKS  
AT GLOBAL MINDSETS AND THE  
MANAGERIAL CHARACTERISTICS AND  
COMPETENCIES THAT GO  
ALONG WITH THEM.

BY STEPHEN H. RHINESMITH

# Global Mindsets for Global Managers

There is a great deal of discussion these days about global mindsets. The general feeling is that a global mindset is something a global manager must have, and that it represents a certain curiosity about the world and a willingness to deal with broad global and foreign issues. But few attempts have been made to define what a global mindset is and what a manager with a global mindset might look like.

Glen Fisher describes mindsets as "differing ways that the subject at hand is perceived, understood, and reasoned about." (*Mindsets: The Role of Culture and Perception in International Relations*; New York: John Wiley, 1988).

That is similar to what Joel Barker calls a "paradigm" in *Discovering the Future: The Business of Paradigms*

(St. Paul, MN: ILI Press, 1989). He defines a paradigm as a "set of rules and regulations that...establishes or defines boundaries and...tells you how to behave inside the boundaries in order to be successful."

For our purposes, we will define a mindset as a predisposition to see the world in a particular way that sets boundaries and provides explanations for why things are the way they are, while at the same time establishing guidance for ways in which we should behave. In other words, a mindset is a filter through which we look at the world.

A mindset is a way of being, not a set of skills. It is an orientation to the world that allows you to see certain things that others do not see. A "global" mindset means that we scan the world from a broad perspective,

always looking for unexpected trends and opportunities to achieve our personal, professional, or organizational objectives.

Warren Bennis differentiates between managers and leaders in an article in the May 1990 issue of *Training*. In "Leadership in the 21st Century," he captures many of the mindsets necessary to be effective globally. His list includes the following, among others:

- ▶ The manager administers; the leader innovates.
- ▶ The manager focuses on systems and structures; the leader focuses on people.
- ▶ The manager relies on control; the leader inspires trust.
- ▶ The manager has a short-range view; the leader has a long-range perspective.

- ▶ The manager asks how and when; the leader asks what and why.
- ▶ The manager does things right; the leader does the right things.

### Six approaches

In 25 years of management and research in this area, I have found that people with global mindsets tend to approach the world in six specific ways:

**People with global mindsets** drive for the bigger, broader picture. People with global mindsets are constantly looking for context. They are concerned about the backdrop against which current events are happening. This backdrop may be historical, but it is more likely to be concerned with current and future trends on a broad, global basis.

A global mind is never content with one explanation of an event, never satisfied with one task when it can manage a project, and never happy with a project when it can manage an organization. Likewise, people with global mindsets are constantly scanning the geographical horizon to learn more about potential markets and competitors, new technology, and new suppliers.

It should be noted that there is also a great need today for managers with global mindsets in "domestic" organizations. Many people will argue that there is no longer any such thing as a "domestic organization" of any consequence, because if your organization is successful domestically, there is an increasing possibility that a foreign competitor will enter your market to challenge your position.

Many organizations that market to domestic customers are also finding a need to be more globally oriented in order to find global sources for materials, technology, capital, and even people, to help them provide the best product at the highest quality and lowest cost.

Global scanning, therefore, is an important skill for any manager of any organization, whether domestic, international, or global.

**People with global mindsets** accept life as a balance of contradictory forces that must be appreciated, pondered, and managed. Most adults feel that the world is complex, but

global managers *know* it's complex. Demands of many constituencies in functional, geographical, and other business units are often in conflict. A global manager must learn to live with conflict management rather than resolution, and must learn to look for opportunity from adversity and creativity from diversity. Conflict management is a key skill for a global manager.

Ideally, a global mind does not coerce resolution from opposite forces in life. Priorities may be set, but the concept of balance requires continued nurturing even for the interests that are not chosen. This is central for a global mindset, because it entails the simultaneous appreciation of contradictory ideas in a way that energizes rather than paralyzes.

It is easier said than done, but the ability to be simultaneously attentive to contradictory ideas, feelings, and interests is a mindset and a philosophy that must be developed to thrive in a global organization.

**People with global mindsets** trust organizational processes rather than structure to deal with the unexpected. Global minds trust process. It's that simple—and that difficult. It is hard to "trust process," because we have been taught to analyze, plan, structure, and control as the "normal" activities of management.

A global mindset recognizes and acknowledges that process is more powerful than structure and that organizational processes such as information and decision making systems, not structure, are the key to organizational adaptability. In this definition, we refer to organizational process as a series of activities that form the physiology of an organization. In other words, process includes the systems, policies, procedures, and norms of behavior that enable people and organizations to respond rapidly to changes in their environment.

**People with global mindsets** value diversity and multicultural teamwork and team play as the basic form within which to accomplish their personal, professional, and organizational objectives. Teamwork and team play are fundamental filters for a global mind. Global minds cannot conceive of operating successfully in

a global world by themselves. Teamwork and interdependence on others is a basic tenet of global management.

In the process, people with global mindsets find tremendous diversity in the world. Multicultural teams have a wide range of expectations concerning how their members work together and how they play together. The mindset necessary to manage a multicultural team requires sensitivity and flexibility in meeting the needs of diverse people while attaining project and organizational objectives.

**People with global mindsets** flow with change as opportunity and are comfortable with surprises and ambiguity. Global minds are comfortable with surprises, ambiguity, and change. Global managers have experienced enough of the world to know that it is unpredictable for many reasons. Sometimes it is unpredictable because it is too complex; sometimes because it is simple, but different; and sometimes because it is unknowable.

Feeling comfortable with ambiguity, accepting surprises, and seeing change as opportunity are all part of the global mindset necessary for success in a world in rapid evolution.

**People with global mindsets** continuously seek to be open to themselves and others by rethinking boundaries, finding new meanings, and changing their directions and behavior. They are constantly searching for improvement in their own lives and the lives of others. They are seeking to develop themselves—not against surprises, but for surprises.

James Carse, in his eloquent little book, *Finite and Infinite Games* (New York: Ballantine, 1986), contends that this is the difference between being trained and being educated. To be trained is to be prepared against surprises, and to be educated is to be prepared for surprises. That's not a bad definition. In this sense, global managers must be educated rather than trained, because global management is full of surprises.

Global mindsets are not exclusive, but inclusive. When global mindsets become exclusive, they risk alienating many people in the world on whom they are dependent. When

## Relationships Among Domestic and Global Mindsets, Personal Characteristics, and Competencies

Domestic mindset	Global mindset	Personal characteristic	Competency
Functional expertise	Bigger, broader picture	Knowledge	Managing competition
Prioritization	Balance of contradictions	Conceptualization	Managing complexity
Structure	Process	Flexibility	Managing adaptability
Individual responsibility	Diverse teamwork and play	Sensitivity	Managing teams
No surprises	Change as opportunity	Judgment	Managing uncertainty
Trained against surprises	Openness to surprises	Reflection	Managing learning

global mindsets think too small, they exclude purposes and goals that are important to others and they undermine their ability to be effective global leaders.

The six global mindsets form the foundation for global management competencies. One can tell as much by the verbs used to describe the mindsets as by the nouns. The verbs indicate that these people drive, accept, trust, value, flow, and seek.

Global managers are doers, yet they are willing to occasionally step back and "go with the flow." They trust process and accept paradoxes, but they also work to understand complexity in a way that has purpose and direction. They value teams and teamwork and continuously seek to improve the quality of life for themselves and others.

These are people who live life on many levels—physical, intellectual, emotional, and spiritual. The world is their playground and their school.

Global mindsets can be compared with the more parochial, domestic mindsets that are perfectly legitimate for domestic organizations, but that often fall short in organizations that operate globally. The first two columns of the box, "Relationships Among Domestic and Global Mindsets, Personal Characteristics, and Competencies," point out the contrasts.

Moving managers from a domestic to a global profile often depends on the degree to which an organization rewards behavior that falls under the heading of "global" rather than "domestic." That shift is the human resource challenge that is central to globalization activities in many corporations today.

### Global mindsets and personal characteristics

There is a definite connection between global mindsets and personal qualities or characteristics. It is possible that a characteristic may precede a mindset, or that a mindset may lead to a certain behavior that, in turn, creates a related characteristic.

Human resource managers have spent years trying to develop screening and selection procedures for identifying global managers. Most have used personal characteristics as the basis for testing, since it has been difficult to test mindsets and there has never been a well-developed theory or method of testing the relationship between personal characteristics, mindsets, competencies, and the capacity to manage globally.

The framework we are developing here is not empirically derived, but it provides a context—based on personal experience, global management training programs, and relevant literature—within which to grapple with the issue of global management and the ways that global managers can be selected and developed.

The second and third columns in the box, "Relationships Among Domestic and Global Mindsets, Personal Characteristics, and Competencies," outlines the relationship between global mindsets and the characteristics that are most often associated with them. The six characteristics are knowledge, conceptualization, flexibility, sensitivity, judgment, and reflection.

**Knowledge.** Constantly driving for the bigger, broader picture will expand one's knowledge. A global manager's technical, business, and industry knowledge is the most fun-

damental quality that allows him or her to successfully manage the competitive process, both domestic and foreign.

This knowledge must be broad as well as deep, and must have a well-developed international dimension that includes constant scanning of information and of competitive and market conditions on a global basis.

**Conceptualization.** A global manager must also have a highly developed conceptual capacity to deal with the complexity of a global organization. This conceptual ability needs to be present in two forms.

Global managers must be specialized and at the same time holistic in their thinking. As Peter Senge notes in *The Fifth Discipline* (New York: Doubleday, 1990), managers of learning organizations need to have a "systems view" of the world as well as personal mastery of their functions. A systems view requires an intuitive, right-brain ability to understand different levels of business vision, mission, and strategy and to grasp their implications for global structure, culture, and people.

Global managers must also have analytical, left-brain skills to be able to balance contradictory forces and get to the heart of the complex issues that are part and parcel of a global organization. Not only is it important to be able to live with a balance of irreconcilable demands, but it is also necessary to use analytical skills to break complicated issues into parts that can be managed and made actionable by others.

**Flexibility.** Global managers are constantly challenged to trust process rather than structure as the way to deal with organizational adaptability. This is not easy for someone who has become used to one way of life, one world view, and one comfortable skill set.

The management of a global corporate culture that is adaptable and capable of dealing with rapid changes in the environment requires flexibility. Flexibility allows managers to meet the needs of the organization by constantly adjusting to global and local demands through coordination and allocation of the organization's resources.

Dependence on a structured

process of decision making, or even on preset understandings of the relationships between different functions, often leads to failure. To achieve results, a global manager has to be able to work with decision making and problem solving processes rather than policies and procedures.

**Sensitivity.** Since global organizations conduct most of their creative and operational work in multicultural teams, global managers must have a sensitivity to cultural diversity that few people possess naturally.

Learning to be cross-culturally sensitive is not easy. It requires not only a sensitivity to others, but also a fairly well-developed ego and self-concept.

I have found that the people who adapt best cross-culturally are those who feel relatively secure with themselves. There is always some form of challenge in cross-cultural interactions. Often this challenge is directed at questions of who you are and what you believe in. When faced with such issues, the most successful people are those who have reasonably well-developed philosophies and approaches to life that are inclusive rather than exclusive of others.

The ability to operate cross-culturally comes more naturally to some than to others; in any case, it requires lifelong learning. There is a wide range of cultures and people in the world. Some will always be more difficult than others for any given person to deal with.

Those of us who work interna-

values, and beliefs about the world and the way it operates.

**Judgment.** Many global managers have gained their reputations for technical expertise. It is clear that the speed and complexity of change in global organizations leaves many such managers feeling overwhelmed by the lack of certainty.

Uncertainty requires new levels of judgment that enable us to see change as an opportunity rather than a threat. Global managers must be able to intuit decisions with inadequate information. They should be willing to make decisions based on their experience, rather than on refined empirical data. For that reason, most effective global managers have rather broad experience and have demonstrated the ability to operate under many different managerial, organizational, and international circumstances.

Effective global managers often display a good mix of self-confidence and humility. They are experienced enough to be confident in their judgments, but they are also experienced enough to know that there is seldom only one right answer to any issue of importance. They know that every major decision requires a certain amount of circumspection, questioning, and listening for new viewpoints.

An engineer, for example, may have been trained to believe that there are correct answers for many technical problems. Imagine how difficult it is for such a person to face

spective, for example, is one of many challenges of judgment that global managers face.

**Reflection.** All successful global organizations seek continuous improvement. Continuous improvement does not happen without managers who are also seeking constant improvement in their own and their organization's performance. And this improvement cannot be achieved without a capacity for reflection.

Reflection provides the perspective necessary for dealing with the next round of challenges. It enables us to weave some sense of development and progress into the fabric of our lives and the lives of the organization and people with which we work.

Lifelong learning and education drive successful global managers, because they recognize that they can never know enough to deal with the world around them. If they search correctly and long enough, their efforts may lead to vision and even leadership.

Now, let's examine the relationship of mindsets and personal characteristics to six global managerial competencies.

### **Competencies and characteristics**

If mindsets and personal characteristics are the "being" side of global management, then competencies are the "doing" side. This definition is somewhat at variance with Richard Boyatzis's definition of a competency as "the knowledge, motive, trait, self-image, social role, or skill essential to performing a job" (*The Competent Manager: A Model for Effective Performance*, New York: Wiley, 1982).

I have chosen to equate competency with "skill," and to denote Boyatzis's other factors—knowledge, motive, trait, self-image, and social role—as personal characteristics.

The last two columns of the "Relationships" box on p. 65 show how the six personal characteristics provide the backdrop for the six competencies. The six global management competencies are as follows:

■ **Managing competitiveness** means constantly scanning the environment for changes in market, competitive, and supplier conditions, as well as

## EFFECTIVE GLOBAL MANAGERS OFTEN DISPLAY A GOOD MIX OF SELF-CONFIDENCE AND HUMILITY

tionally must be constantly attentive to increasing the range of the skills and abilities that will help us work constructively with the broadest ranges of people and cultures. We have to be relatively well-integrated and emotionally stable, but we also must have a predisposition to hearing others' views and a willingness to question our own assumptions,

the challenge of becoming a global manager who must make decisions without information, with doubts about his or her expertise in making proper judgments about management operations, and with time pressure that will not allow adequate analysis.

The interpretation of ethical dilemmas from a cross-cultural per-

socioeconomic and political trends that may affect the organization and its strategic intent.

► **Managing complexity** involves the skills necessary for managing trade-offs among many competing interests, as well as managing the inherent contradictions and conflicts that exist in all global organizations.

► **Managing adaptability** entails developing a global corporate culture with the values, beliefs, systems, and norms of behavior that allow it to be responsive to constant change, and with the ability to deal with ambiguity.

► **Managing teams** within a multicultural environment requires cultural sensitivity and managerial skills to lead, understand, manage, and supervise people from a wide range of cultures in a broad range of work situations.

► **Managing uncertainty** is a fundamental skill for dealing with the increasing chaos of the environment in a way that provides for continuous improvement, while providing structure or taking advantage of opportunities that arise from a lack of structure.

► **Managing learning** requires managers not only to learn about themselves on a continuing basis, but also to train and develop others and facilitate constant organizational learning so that the organization can be responsive and adaptive to global change and challenge.

Next, let's pull all of this together into a framework that outlines the relationship between competencies, characteristics, actions, and mindsets.

The best way to understand the relationship between each of the variables in the global competency model is with a formula:  $C+Cb=f(A \times M)$ . In other words, *Competency plus Characteristic is a function of Action multiplied by Mindset*.

The box, "A Global Manager's Guide to Action," verbally relates the six competencies to their associated variables. By concentrating on the actions, you can see how to get to the competencies, characteristics, and mindsets.

These elements need to be the focus of human resource study and development in global organizations during the 1990s.

### **A Global Manager's Guide to Action**

1. Manage competitiveness through knowledge, by driving for the bigger picture.

2. Manage complexity through conceptualization, by accepting the balance of contradictions.

3. Manage adaptability through flexibility, by trusting process over structure.

4. Manage teams through sensitivity, by valuing diversity.

5. Manage uncertainty through judgment, by flowing with change.

6. Manage learning through reflection, by seeking to be open.

### **Integration of global competencies with the levels of globalization**

At this point it might be useful to describe the relationship between the global competencies we have identified and the levels of globalization I discussed in a February 1991 *Training and Development Journal* article, "An Agenda for Globalization." That article discussed three levels of globalization for organizations: strategy or structure, corporate culture, and people.

Each level of globalization requires a different set of the competencies and related characteristics of global managers:

► Level 1—Strategy or structure: competitiveness (knowledge)

► Level 2—Culture: complexity (conceptualization) and adaptability (flexibility)

► Level 3—People: teams (sensitivity), uncertainty (judgment), and learning (reflection).

In other words, to deal effectively with organizational strategy and structure (Level 1), global managers must learn to manage the competitive process. This is dependent on developing the technical, economic, political, and cultural knowledge to operate in a global environment.

Managing a global corporate culture (Level 2) requires the ability to simultaneously manage organizational complexity and adaptability. Global managers who successfully manage complexity are able to conceptually understand and focus the

organization on the priorities necessary to achieving its strategic intent. When the corporate strategy has been formulated, a manager must then be flexible enough to put into place the values, norms, systems, and procedures that translate strategic intent into corporate culture and organizational operations.

To ensure that global strategy is fully implemented also requires alignment of the people (Level 3) in the organization. This requires sensitivity, judgment, and reflection. It is carried out through managing multicultural teams, learning to deal with uncertainty, and developing methods and time for personal and organizational learning.

This integrated approach to globalization combines well-known theories of organization change and alignment with the specific competencies that global managers must master. Managers at all levels of a globalizing organization need to master the six competencies for their own units, departments, or divisions, in order to ensure that their organization's global strategy is successfully carried out.

### **Global competencies, practices, and tasks**

One of the most important pieces of our framework for global managers involves the translation of the six competencies to specific practices and tasks. These practices and tasks are what enable a global manager to affect his or her environment.

A competency is a specific capacity to execute action at a skill level that is sufficient for achieving a desired effect. Each competency requires certain practices that, in turn, translate into series of tasks that effective global managers execute.

For example, a global manager who is successful at managing the competitive process (a competency) will need to constantly scan the global environment for potential competitors (a practice). To accomplish that, the manager may need to read different publications (a task), perhaps taking out a subscription to the *Asian Wall Street Journal* or *The Economist* to supplement his or her current reading of a local or national newspaper.

From the editor of the  
**Training & Development Yearbook**  
comes a current awareness service  
for the literature of the HRD field:

## TRAINING AND DEVELOPMENT ALERT

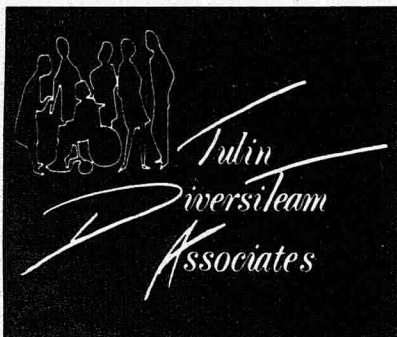
- Abstracts of HRD articles from over 200 journals, plus new books
- Each issue approx. 32 pages with 180 abstracts
- Easy-to-scan, easy-to-read summaries written from the practicing trainer's viewpoint
- Edited by Richard B. Frantzreb, published since 1979

\$95 per year, 6 issues per year

Call or write for a **free**  
sample issue and special offer:

Advanced Personnel Systems  
Box 1438, Roseville, CA 95678  
916/781-2900 (voice)  
916/781-2901 (fax)

Circle No. 104 on Reader Service Card

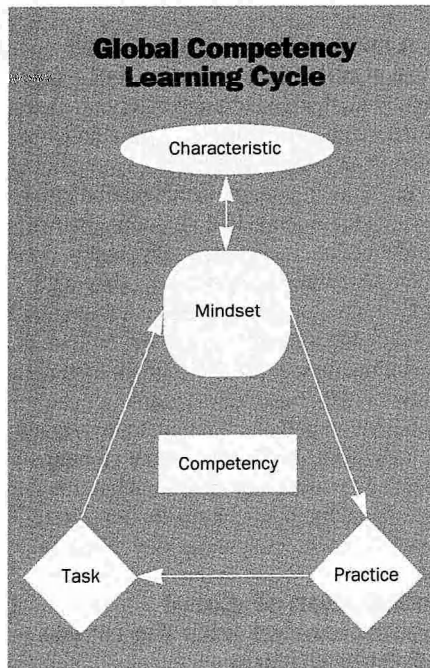


### HARNESS THE "BOTTOM LINE" BENEFITS OF YOUR DIVERSE WORKFORCE

*"Recognized for Dealing with  
Sexual Harassment  
and  
Diversity Issues  
in a Spirit of Camaraderie,  
Absent of Guilt and Blame, with  
the Focus on Professional  
Behavior, Productivity & Quality  
Organizational Change"*

**Tulin DiversiTeam Associates**  
5 Curtis Park Drive  
Philadelphia/Wyncote PA 19095  
215-884-7325  
Fax: 215-886-5515

Circle No. 173 on Reader Service Card



To manage complexity successfully (a competency), the global manager may have to manage relationships that are simultaneously cooperative and competitive (a practice), such as strategic alliances with foreign competitors. To do that well will require analytical skills (a characteristic) for determining which aspects of the relationship will be cooperative and which will be competitive, as well as the compartmentalization of information, decision making, and operations (a task).

The last link in our framework involves an explanation of how all these variables relate to one another. I will try to explain the relationships in a way that enables you to understand and develop the mindsets, characteristics, and competencies that are necessary for performing the practices and tasks of effective global management.

The box, "the Global Competency Learning Cycle," diagrams the relationship among the different elements of the framework.

In this process, a competency is developed by the constant flow of Mindset to Practice to Task to Mindset. In the application of mindset to behavior, a global manager develops a competency. A mindset is not a competency. One can only have a competency when mindsets are turned into applied behavior.

In the same way, a characteristic is not a competency until it is applied in some way. A person can be flexible, but flexibility does not become a global managerial competency until a manager uses his or her natural flexibility to adjust to changes in the organization and to adjust the organization to changes in the business environment.

Notice that characteristics are not part of the formal cycle. They exist either as contributing factors to the original mindset, or as a result of the competency learning cycle process.

### An integrated framework

The six development clusters represent the essence and focus of the leadership development and training that are necessary to support the global enterprise. This integrated framework for globalization encompasses organizational analysis of strategy and structure, corporate culture, and people, as well as managerial mindsets, characteristics, and competencies.

I hope the message is clear. Global management is a complex business, but it can be exciting, challenging, and rewarding.

Few people have adequate preparation for leading global companies. We must work systematically to develop strategic plans that outline the human resource and corporate culture implications of new global strategies and structures. When we do, we will take a major step toward enabling our organizations to be more globally competitive—and toward enabling our global managers to be more fulfilled and effective. ■

**Stephen H. Rhinesmith** is with *Rhinesmith and Associates*, Palmer Landing 506, 123 Harbor Drive, Stamford, CT 06092. Copyright 1992 by Stephen H. Rhinesmith. Not for reproduction or distribution without permission of the author.

This article is adapted with permission from *A Manager's Guide to Globalization*, co-published in October 1992 by the American Society for Training and Development and Business One Irwin. To order, call ASTD Press, 703/683-8129; order code RHAM. \$23 for ASTD members; \$25 for nonmembers.