DEVELOPING A GLOBAL MINDSET: ARE WE MEETING THE CHALLENGE?

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ABSTRACT

In today’s global economy, there is an ever-increasing need for business graduates who have an understanding and sensitivity of international cultures and international business practices. By comparing Porter’s and Ohmae’s perspectives on the globalization of business education, the paper attempts to examine how and to what extent do business schools prepare graduates for meeting the global challenge. A four-dimensional model is used for integrating theory and application of the institutional practices of internationalization. Recommendations are made for developing a global mindset to better prepare students for the globalization challenge.

Keywords: globalization, management education, business graduates, global mindset, international business, business programs and practices

INTRODUCTION

As the focus of business shifts more and more from the domestic environment to the global, business leaders and managers are challenged to look for ways to redefine their practices and strategies. There is a growing need for global managers who have a global perspective.

The drivers of global competition, corporate downsizing, and economic dislocation have created a globally competitive environment where the standard has been continuous improvement in organizational performance along with cost reductions. This requires strategies that facilitate supportive networks and processes of globalization by creating conditions for aligning the overall business strategy, process, culture, and structure meaningfully to achieve organizational effectiveness, resulting in greater efficiency and higher productivity simultaneously.

The terms globalization and global outlook have been increasingly used in business literature. According to Rhinesmith (1993, pp.2) “Globalization has arrived in the world but not in most of the world’s organizations.” However, there is little doubt that to be viable in the 21st century, all organizations, whether international or domestic, will need to be more global in their outlook if not in their operations (Rhinesmith, 1993). Therefore, an increasing emphasis has to be placed in developing the human mind and consequently, business organizations, to remain competitive in the face of globalization.

LITERATURE AND FRAMEWORK

According to Kedia and Mukherji (1999) a global perspective consists of a global mindset supported by appropriate skills and knowledge. In a world where communication and transportation technology have reduced barriers considerably, it is important to develop a mindset that is global. Companies today are confronted by the rapid globalization of markets, increasing importance of speed and flexibility as key sources of competitive advantage, and a growing proliferation of partnerships relations with suppliers,
customers, and competitors (Kedia and Mukherji, 1999). A global mindset can help increase the organization’s effectiveness by maintaining efficient business operations and identifying global business opportunities and partners.

To orient business graduates to the international realities, business schools and programs are advised to develop a global perspective that consists of (1) a global mindset, (2) international and technical knowledge, and (3) skills of acculturation and leadership for managing diversity. The framework is adopted from Kedia and Mukherji (1999) presented in Figure 1 below.

**Figure 1**

![Figure 1: Developing a global perspective](image)

Adopted from Kedia and Mukherji (1999)

Globalization is conceptualized as a situation where political borders become more irrelevant and economic interdependencies are increased. These complex and dynamic forces make the world a “global marketplace” (Lane, DeStefano & Maznevski, 1997).

Lane et al., (1997) suggest that “thinking globally” means extending concepts and models from one-to-one relationships to holding multiple realities and relationships in mind simultaneously, and then acting skillfully on this more complex reality. Thus, to be globally competitive, business graduates need to have openness that allows a global mindset to form, evolve, and develop.

**Global Mindset**

A global mindset, according to Rhinesmith (1993, pp. 24), “is a way of being rather than a set of skills. It is an orientation of the world that allows one to see certain things that others do not. A global mindset means the ability to scan the world from a broad perspective, always looking for unexpected trends and opportunities that may constitute a threat or an opportunity to achieve personal, professional, or organizational objectives.”

A global mindset allows a firm to realize its interdependence in the global economy when the firm’s activities are seemingly confined to the domestic environment (Kedia & Mukherji, 1999). However, to sustain and develop a global mindset, business graduates also need knowledge and skills. Kedia & Mukherji (1999) note that having a global mindset is a necessary condition to effectively handle global competition, however, it is not a sufficient condition.
The sufficient conditions that enhance and sustain a global mindset are knowledge and skills. Business graduates need to have knowledge of different aspects of the world, including an international socio-political and economic perspective and a mastery of technology. In addition, business graduates must have skills of human and behavioral abilities that equip them to do their work more effectively in the global context. It is the unique combination of global mindset, knowledge, and skills that is necessary and sufficient for the making of business graduates.

In a general way, many requirements of global management may not differ significantly from those of the non-global management mindset. For example, at an abstract level, effective management, whether in the global or domestic environment, requires traits like creating vision and instilling values. However, apart from the common set of traits, global management also requires a set of specialized skills, capabilities, and competencies that are not part of the traditional education system and managerial experience (Kedia and Mukherji, 1999).

The primary role of the global manager, according to Kets de Vries & Mead, 1992), is to act as a catalyst within the organization - be sensitive to cultural diversity, understand increasingly complex environments, recognize complex patterns in the environment, build and maintain organizational networks, leverage differences in a meaningful way, and instill values and inspire others. Developing a global mindset also includes having a long-term view when dealing with international business activities.

Graduates with a global mindset should be able to extend their personal space well beyond their immediate surroundings, both in terms of geography as well as in their relationships with people. Having a global mindset also allows to be more tolerant of other people and their cultures, consider cultural diversity an asset, balance contradictory forces and rethink boundaries (Kefalas & Neuland, 1997; Rhinesmith, 1993). Other characteristics of a global mindset include emotional connection, capacity for managing uncertainty, ability to balance tensions and savvy (Gregerson, Morrison & Black, 1998). In sum, there are many benefits of developing a global mindset.

**Knowledge for a Global Mindset**

Knowledge for a global mindset includes factual information rather than cognitive or behavioral skills. In this context, knowledge should include an appreciation of the existence of differences among people and countries, understanding of socio-political factors of different countries and how these impact business operations, economic and cultural differences, cross-cultural issues and business practices, and a mastery of technology, particularly, the ability to use technology, information systems, and telecommunications effectively in global business activities.

The knowledge requirements for a global mindset are the basic building blocks toward a global perspective. The knowledge must be broad as well as deep, and it must include a well developed international dimension that includes constant scanning of information on a global basis.

Business schools and programs have used a variety of methods of providing students with international exposure. These typically include short- or long-term study abroad programs, international trips, overseas visits, business speakers, international internships, foreign language studies, films, country-specific information, case studies, experiential learning, and simulation.

Country-related information has to be complemented by cross-cultural knowledge that implies some understanding of social, political, cultural, and economic development and policies of the concerned countries. This also suggests the understanding of relationships between trade, export, industrial, and agricultural development policies, and information on taxation, banking, exchange rules, currency repatriation, and world finances (Lane et al., 1997).
Developing cross-cultural understanding involves open-mindedness and the ability to adjust one’s values, experiences, and lifestyles (Rhinesmith, 1993). Through an awareness of culture, business graduates will have an understanding of the different dimensions of cultural norms and behavior and their impact on business practices.

**Skills for a Global Mindset**

Skills are the ability to put knowledge into action (Kedia & Mukherji, 1999). For example, having the knowledge about a culture may not be sufficient for effective action. The skill in this case is to know how the behavior is affected. Knowledge is the basis to take action (Lane et al., 1997), but intellectual action may not transfer directly and automatically into a high degree of skill unless considerable practice is involved. However, putting knowledge into practice is an essential way to develop skills.

An important skill for the global mindset is the need for acculturation of other cultures. Another important skill is the ability to lead and leverage diversity to the advantage of the company. Accordingly, business students need to understand how the American attributes of individualism, goal- and achievement-orientation, and being competitive and aggressive have to be accommodated with priorities of other cultures. Culture is a deep-rooted characteristic of persons and groups, and rather than think of changing other people’s cultures, business students should learn to consider how best to use the different cultures to meet organizational objectives (Kedia & Mukherji, 1999). As culture and language are closely connected, business students can improve their skills by learning one or more languages. This is likely to increase their effectiveness in global business.

Globalization requires strategic thinking that involves identifying different ways for people to meet their goals and determine which actions will get them where they want to be (Stumpf, 1989). The increased complexity of highly competitive global environment requires managers to know about business and market forces constantly, be able to manage competitive rivalry, overcome threats, accommodate diversity, be aware and understand cultural differences, and manage a diverse workforce effectively. Therefore, it is important to develop cultural sensitivity and an ability to think strategically.

**CHALLENGES**

In light of the increasing globalization of business, business schools and academics are concerned with making what they teach more relevant, just as employers operating internationally seek graduates with at least an exposure to global issues and possibly international experience. How to achieve this effectively, however, is not a simple issue.

The internationalization of business education involves a number of dimensions, including the student body, faculty, curriculum, and the method of instruction. Business schools have grappled to keep up with the rapid changes of globalization, raising questions about: To what extent are business schools and programs equipping their customers – employers and students – with the skills necessary to keep up with and anticipate the changes in the global business environment?

The increasing demographic diversity in the U.S. and other societies has made multicultural issues one of the focal points in improving the quality of higher education, especially in business education where business students learn about consumers and society (Cui, 1995). A marketplace orientation is needed to address the needs of employers and students as globalization continues to be a major force in business.
Bartlett and Goshal (1997) assert that companies often strive to hire “globalized” managers but the success in today’s international climate demands mostly highly specialized yet closely linked groups of global business managers, country or regional managers, and world-wide functional managers. These manager types form a triad of different perspectives that must balance one another to build three primary types of strategic capability: global-scale efficiency, national-level responsiveness and flexibility, and cross-market capacity to leverage learning on a world-wide basis.

While not particularly fast, business academics have realized the need to internationalize what they teach. New courses have been introduced at both the undergraduate and graduate levels such as Export Management, International Management, Global Business, and International Business. There have also been attempts to globalize functional and specialist areas, such as marketing, finance, economics, and human resource management. There has been a significant increase in the international content of business principles and strategic management courses and additions of international context in the business core curriculum (Pitt, Berthon, & Robson, 1997).

To discuss the challenges of the internationalization of business education, Porter’s (1990) and Ohmae’s (1991) viewpoints are used on four dimensions: students, faculty, curriculum, and method (Pitt, Berthon, & Robson, 1997)

**Figure 2**

*Dimensions of Globalization of Business Education*

Students are the principal stakeholders of education, thus they are directly linked in with the goals and outcomes of the internationalization of business education. Similarly, any discussion on internationalization of business schools and programs cannot be isolated from the faculty who is responsible for teaching and is inextricably linked with the curriculum and methods of instruction. The curriculum (content) cannot be separated from the method (or mode of delivery). For example, changes in the curriculum have implications for faculty and vice versa. At the same time, changes in faculty will impact on and be impacted by changes in method. Method, also described as the informal cultural elements of an organization - “the way we do things around here,” is linked with cultural norms, which is critically important to any international study (Pitt, Berthon, & Robson (1997).
INTERNATIONALIZATION

Applying Ohmae’s and Porter’s views to business education, the development of a global mindset shows two different approaches. Ohmae’s outlook is “think global but act local,” while Porter’s perspective is “think local, but act global.”

Ohmae and Porter Dichotomy

Ohmae (1991) believes in a “borderless world” where organizations develop into stateless world citizens independent of their original nationalities, becoming globally localized to maximize organizational effectiveness. Ohmae questions the legitimacy of the national state and thus recognizes “region states,” which may not fall within the geographical confines of a single nation. The primary linkages of region states tend to be with the global economy and not with their host nations. He holds that in each market the organization must tailor products and services to the requirements of local customers.

Porter (1990) contends that while markets are becoming more global, this trend is making nations not less but more important. Home-country conditions may give the organization in that country an advantage in competing globally. Each country has different local demand conditions and factor endowment, which interact to form a global platform, giving comparative advantage. Even though a global competitor must view its international activities as an overall system, it still has to maintain some country perspective, adjusting its strategies according to the country concerned. Porter holds that the home country is important because globalization reinforces national identity, and does not destroy it.

EDUCATIONAL PRACTICES

Students

To meet the challenge of developing a global mindset, first we need to look at who are the students, what is their background, what needs and aspirations they bring to the classroom, what type of career goals and expectations they have, and how can they contribute to the international learning experience.

If we use Porter’s approach, business schools should focus on putting together a class of “best business students” according to the home country. This would create a strong local identity and the ability of the group to explore on an external basis. However, the only way students can develop a global mindset in this case is if the courses are taught from a global perspective rather than from an ethnocentric view.

The other option is to follow Ohmae in trying to achieve the “best diversity” from around the world. Achieving true diversity however is difficult and costly. Even though, distance education allows for an increase in diversity, the experience gained is not equivalent to the international exposure gained by physical participation.

Faculty

Porter suggests recruiting faculty from the home country, with an emphasis on developing the “best” local faculty by facilitating global or international experience, funding overseas travel and research, encouraging faculty exchanges, establishing international partnerships, and developing consulting links with local companies who operate internationally.

The difficulty is that some business faculty has little or no interest in developing an international perspective. Faculty must be offered special incentives to forge and preserve links with foreign
universities. It may also be insufficient to train existing faculty when new faculty having international
expertise should be taken on board (Kwok & Arpan, 1994).

The 2001 study of ACBP (Association of Collegiate Business Schools and Programs) indicates several
perceived obstacles to faculty internationalization, including low perceptions of value, insufficient funds,
insufficient faculty, departmental or administrative interest, lack of materials, difficulty of doing
international research or publishing, and tenure considerations (Figure 3).

**Figure 3**

ACBSP Global Business Survey, 2001

<table>
<thead>
<tr>
<th>Obstacles to Faculty Internationalization</th>
<th>Low Magnitude</th>
<th>High Magnitude</th>
<th>Total %</th>
<th>Mean Scores</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Perceptions of Value</td>
<td>22% 21% 28% 20% 9%</td>
<td>100% 2.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insufficient Funds</td>
<td>6 13 29 31 31 100</td>
<td>3.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insufficient Student Interest</td>
<td>33 25 24 14 4 100</td>
<td>2.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insufficient Faculty Interest</td>
<td>12 22 30 26 10 100</td>
<td>3.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insufficient Departmental Interest</td>
<td>21 22 30 19 8 100</td>
<td>2.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insufficient Administrative Interest</td>
<td>30 24 25 13 8 100</td>
<td>2.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lack of Materials</td>
<td>24 25 31 16 4 100</td>
<td>2.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Difficulty of Doing International Research</td>
<td>12 16 28 32 12 100</td>
<td>3.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Difficulty of Publishing International Research</td>
<td>19 26 26 21 8 100</td>
<td>2.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Negative Promotion and Tenure Consideration</td>
<td>41 28 14 11 6 100</td>
<td>2.1</td>
<td></td>
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</tbody>
</table>

Ohmae’s view on internationalization encourages recruiting the “best diversity” of faculty from around
the world. Diversity among students and faculty allows institutions to represent the world in a microcosm.
The international experience in this case may be facilitated just by working in the course environment
with faculty and students representing a wide variety of teaching and learning methods around the world.
However, the diversity can also lead to disharmony between students and faculty who come from
different backgrounds and therefore must be managed effectively.

The advantage of this approach is that in a diverse environment, students will not only get an international
exposure from one international faculty member, but from several international students and faculty
members. Many American universities adopted this approach, particularly due to the interest of foreign
scholars wanting to come to the U.S. for either economic wealth or political freedom. Several European
schools have also internationalized their programs in this regard to recruit a mix of faculty and students
from diverse backgrounds.

**Curriculum**

The question of what to teach, what courses to offer, and what content should students be exposed to has
been a major pedagogical challenge in internationalizing business programs. Pitt, Berthon, & Robson
(1997) raise the question whether the course should be a home grown course of study which focuses on
the host country (Porter’s approach) or should the course be taught as a business discipline which is by
definition global (Ohmae’s view)?
Studies on the employers’ preferences regarding international business courses found that when employee selection is specifically for positions of international responsibility, international finance and international marketing specialty modules are sought (Beamish & Calof, 1989). For general management positions, however, a broader international business module is preferred, followed by international marketing and international finance courses (Ball & McCulloch, 1991).

When business courses are taught as a global discipline, an assortment of international examples and cases are used to illustrate the diversity and universal applicability of business practices.

The curriculum for a global mindset must evolve around three dimensions: cognitive, behavioral, and multi-disciplinary content. Figure 4 lists the desired competencies of students that many ACBSP business schools have adopted.

**Figure 4**

**Desired Competencies of Business Graduates**

| 1. Identify, analyze, evaluate and implement business opportunities globally. |
| 2. Conduct international business transactions. |
| 3. Develop and maintain international relationships. |
| 4. Appraise, respect, communicate, and participate in diverse cultures. |
| 5. Balance personal life and international business career. |

Mayo & Miciak (1994) note that the desired outcomes of international business education must include an ability to work responsibly and successfully with people, processes, and products for the purpose of achieving strategic business objectives across cultures, currencies, languages, and different legal environments.

The majority of ACBSP schools adopted a curriculum that consists of a business core and advanced major courses. The business core consists of basic functional skill development in the different areas of business. The international content of these courses is often augmented with case studies and country examples.

Advanced business courses in the major generally include international finance, international economics, international marketing, and international management. These courses are designed to further expose students to comprehensive projects, simulation, and strategic thinking on a global scale.

**Method**

The method of internationalizing business instruction has varied. Many schools have used overseas visits, study abroad programs, internships, foreign language courses, speakers, field trips, videos, web research, and email to provide students opportunity to learn about international differences and business practices. According to the 2001 ACBSP study on global business education, the most frequently used methods of instruction to internationalize courses were web research, email, videos, field trips, and business speakers. Many schools have also relied on these methods “sometimes” but not frequently (Figure 5).
The instructional methods used by ACBSP institutions mostly reflect Porter’s view on internationalization. Only a few business schools reported having a diverse faculty and students that allow for applying teaching methods in a microcosm that represents the world.

CONCLUSION

A review of business school practices indicates that both Porter’s and Ohmae’s approaches have merits to internationalizing business education. Schools should consider the best combination of the two views that fits their goals, mission, student body, faculty, resources, and organizational priorities. The internationalization decisions must incorporate the inputs of employers, students, faculty, administrators, and alumni. To coordinate a smooth transition toward internationalization, decision-makers must be aware of the stakeholders’ needs and interests.

Developing a global mindset is a complex educational process that must be addressed at many levels, including faculty development, student development, methods, and curriculum design. All parts are related and interlinked to each other. In addition, institutional environmental factors and administrative commitment further influence the process. To meet the challenge of globalization, schools must maintain an open environment with a free flow of communication, encouragement, willingness to experiment, and an appreciation for diversity, innovation, and exchange of ideas.

Faculty development must be a priority along with providing opportunities for student exposure to international experiences. To be successful, the whole campus must be committed and involved in the internationalization process. Outcomes assessment measures should be used to evaluate global competencies of the business graduates on a regular basis. Employers of graduates, alumni, business advisory board members, and local businesses should be consulted to continuously improve the curriculum and engage faculty and students in international exposure.

Similar studies could be conducted to assess and share institutional practices.
REFERENCES


