

Journal of Business & Leadership: Research, Practice, and Teaching (2005-2012)

Volume 3
Number 1 *Journal of Business & Leadership*

Article 12

1-1-2007

Unearthing A Global Mindset: The Process of International Adjustment

Rachel Clapp-Smith
University of Nebraska-Lincoln

Larry Hughes
University of Nebraska at Kearney

Follow this and additional works at: <https://scholars.fhsu.edu/jbl>



Part of the [Business Commons](#), and the [Education Commons](#)

Recommended Citation

Clapp-Smith, Rachel and Hughes, Larry (2007) "Unearthing A Global Mindset: The Process of International Adjustment," *Journal of Business & Leadership: Research, Practice, and Teaching (2005-2012)*: Vol. 3: No. 1, Article 12.

DOI: 10.58809/FNTA5836

Available at: <https://scholars.fhsu.edu/jbl/vol3/iss1/12>

This Article is brought to you for free and open access by the Peer-Reviewed Journals at FHSU Scholars Repository. It has been accepted for inclusion in *Journal of Business & Leadership: Research, Practice, and Teaching (2005-2012)* by an authorized editor of FHSU Scholars Repository. For more information, please contact ScholarsRepository@fhsu.edu.

UNEARTHING A GLOBAL MINDSET: THE PROCESS OF INTERNATIONAL ADJUSTMENT

Rachel Clapp-Smith, University of Nebraska-Lincoln
Larry Hughes, University of Nebraska at Kearney

Using a grounded theory approach, the authors sought to understand the effects of international adjustment after short-term business trips on the process of developing a global mindset. Categories that emerged were personal characteristics, cognitive shifts and relationship building, to name a few. A process model identifies cognitive shifts as the core phenomenon with an outcome of global mindset. Global mindset is a reciprocal variable that accelerates adjustment. Implications and future directions are discussed.

INTRODUCTION

I suppose I take more of a learner perspective when I go abroad. . . . visualize a bit more, a little bit slower to react, perhaps because you're trying to soak up more information. So I think you have to go over with an open mind that you want to learn what's going on rather than understand what's going on (Manager of Corporate Strategy, Fortune 100 Firm).

The current business environment is one in which the word "globalization" is no longer novel. Additionally, communication technology interacts with globalization to further influence our day-to-day existence. And areas of the world that once seemed remote are now just a plane flight away. All of these phenomena are highly relevant to a company's business strategy.

With a globalizing and technically integrated business environment come changes in the way people interact, how they lead and how they are led. Business professionals face additional layers of complexity as new unknowns become part of their standard business interactions: what cultural norms must I be aware of when e-mailing with customer A? What regulatory policies must I consider when partnering with supplier B? How will I lead the employees located in countries C, D, and E? Each of these questions falls into the category of developing a mindset that through learning and awareness assists in adjusting to an international and diverse context.

To date, much of the cultural adjustment research has been within the context of expatriate assignments. In a recent meta-analysis, adjustment was defined as the "degree or absence of stress associated with being an expatriate" (Bhaska-Shrinivas, Harrison, Shaffer, & Luk, 2005: 257). However, what facilitates or hinders adjustment has not yet been established in the literature. Therefore, we engaged in this study to understand how adjustment occurs and determine variables that may facilitate or hinder the process of adjusting to new environments.

Many scholars in strategy and global leadership consider a global mindset to be a critical contributor to managers' success in the ambiguous complexity presented by the global economy (Black, Morrison, & Gregersen, 1999; Boyacigiller, Beechler, Taylor, & Levy, 2004; Gupta & Govindarajan, 2002, 2004; Levy, Beechler, Taylor, & Boyacigiller, 2007). While many researchers (Black et al., 1999; Earley & Peterson, 2004; Gupta & Govindarajan, 2004) have conducted qualitative studies to identify the global mindset, the critical developmental stages of

acquiring a global mindset have yet to be discovered. Therefore, in addition to understanding what facilitates or hinders cultural adjustment, we also seek to understand how a global mindset is developed and what relationship it has with the process of cultural adjustment.

Cultural Adjustment

International adjustment research has seen two major frameworks or theories in the last 50 years. Primarily, the literature may be categorized into theories of antecedents and outcomes of adjustment or theories of level of adjustment as a function of time (Church, 1982). Although, it has been noted that the adjustment literature had been conducted theoretically (Black & Mendenhall, 1991), there is some theoretical and empirical support for both categories.

The former category stems from Black, Mendenhall and Oddou's (1991) theoretical model of the antecedents of expatriate adjustment, which included previous overseas experience, training, selection, individual characteristics (self-efficacy, relation skills, cultural flexibility, perception skills, personality), and non-work factors (family adjustment, culture novelty) (Shaffer, Harrison, Gregersen, & Black, 2006). Accordingly, international adjustment occurs on three facets of adjustment: work, interacting with host nationals, and the environment or culture.

Adjustment as a function of time has been dominated by the U-Curve Theory, which encompasses four stages; honeymoon, culture shock, adjustment, and mastery. Lysgaard (1955) is credited with the first empirical test in support of this theory, however, subsequent research has been inconclusive. In their review of U-Curve literature, Black and Mendenhall (1991) found conflicting results among the various empirical studies, but also found no agreement in how to operationalize adjustment. As such, this study aims to uncover the process of adjustment in order to understand how it may be accelerated, rather than to predict who will successfully adjust.

Global Mindset

While a definition of global mindset has been relatively elusive, it is nonetheless a construct that most scholars agree must be present in any international capacity as internationalization is a domain for firms to create wealth (Ireland, Hitt, Camp, & Sexton, 2001: 56). Recently, a collaborative effort yielded this proposed definition: global

mindset is “the cognitive ability that helps individuals figure out how to best understand and influence individuals, groups, and organizations from diverse socio/cultural systems” (Clapp-Smith, Luthans, & Avolio, 2007: 110).

Arguably, the concept of a global mindset had its first manifestation in Perlmutter’s (1969) description of a geocentric attitude. As many firms are described as multi-national based on external metrics, Perlmutter noted that “the attitudes [people] hold are clearly more relevant than their passports” (11) thus indicating that the orientation towards “foreign people, ideas and resources” are more telling of a company’s multi-nationality than external metrics. Accordingly, Bartlett and Goshal (1998: 117) described transnational mentality as managers “thinking about strategy in a more integrated worldwide fashion.”

In a review of the global mindset literature, Levy et al. (2007) discovered three perspectives: cultural, strategic and a multi-dimensional combination of the two. They identify underlying dimensions for each perspective. Cosmopolitanism (Vertovec & Cohen, 2002) is the underlying component of the cultural perspective, which can be classified by openness, a willingness to engage, explore, and learn from meaning held by others. The underlying concept of the strategic perspective is cognitive complexity, or the ability to organize stimuli according to multiple dimensions and integrate information across dimensions in order to make meaning according to many paradigms (Kegan, 1983; Streufert & Swezey, 1986; Suedfeld, Leighton, & Conway, 2006; Weick, 1979). A multi-dimensional combination of the cultural and strategic perspectives is recommended for the study of a global mindset (Levy et al., 2007). This allows for greater understanding when in diverse socio-cultural groups.

Despite 35 years of existence in the management literature, and treatment by a number of conceptual and empirical articles, little work has been done to uncover how a global mindset is developed, or established (Ireland et al., 2001). In this study we seek to explore how a global mindset develops at an individual level.

Methods

This was an inductive, theory-building study focused on participants’ views of their own adjustment and perceptions of their firms’ roles in overall employee adjustment. The purpose was to understand how business travelers adjust to new environments, how this adjustment impacts the development of a global mindset, and how firms and contextual factors contribute to these processes. A theory building approach was used because little theory exists regarding this particular population and the more recent trend in conducting business via brief trips abroad.

In the following section, we discuss the methods of grounded theory suggested by Strauss and Corbin (1998). Additionally, we present a discussion of the data collection and analysis, which began with microanalysis and open coding, followed by axial and select coding.

Data Collection and Analysis

To reach a sample to capture the adjustment of a business traveler and the development of a global mindset, the first author sought employees of multi-national corporations (MNC) who had traveled in the previous twelve months. Specifically, alumni of a graduate school of international management were recruited for semi-structured telephone interviews. Nine interviews were conducted with managers who traveled internationally. Four of the managers were women and the average age of all participants was 34.6 years (Range: 29-53). The average work experience for this sample was 12.5 years.

Travel consisted from three to 20 trips a year for an average length from two days up to four months. Participants traveled to Western and Central Europe, China, India, Latin America, and the Middle East. With the exception of one participant all were American and fluent in at least one second-language. Participants were managers in firms from the pharmaceutical, automotive, supply chain management, electronics and education industries. Two of the firms had global headquarters in Germany and the rest were headquartered in the U.S.

Table 1: Cultural Adjustment: Sample Interview Questions

Conditions that accelerate cultural adjustment
Knowing what you know now about being in different cultures, how would you plan to accelerate your adjustment or accelerate the adjustment of someone who has never traveled to other cultures?
What are the organizational/job conditions that accelerate cultural adjustment?
Leadership that accelerates cultural adjustment
What type of leadership in your organization helps to accelerate cultural adjustment?
What does the leadership in your organization do to help address differences across national cultures?
Lessons learned about traveling in different cultures
How do you recognize norms and values of another culture?
How have the things you’ve learned changed the way you view your culture? Work environment? Relationships?
Self-view within other cultures
Do you view yourself any differently when you are in different cultures?
Did you behave differently than you usually do? How?
Did you think differently, process information differently, and make decisions differently?
Trigger moments that change personal view of culture and self
How does the trigger moment impact your current view of yourself and work environment, culture, national culture?
Who was involved in that trigger moment? What made their role so central?
Note. The full questionnaire may be requested from the first author.

asked open-ended questions (see Table 1), in which they described trigger moments that led to their adjustment and the impact of the trigger moments on their long-term development (Avolio & Luthans, 2006). Other questions dealt with descriptions of the work environment, organizational leadership and contextual factors that contributed to their personal adjustment. Participants also described organizational success in global markets. The first author followed the interviews with e-mails for information verification or clarification on questions.

Microanalysis and Open Coding

The processes of microanalysis and open coding were performed after each interview to enhance the subsequent interviews and uncover questions that may further develop the theory. Open coding is a qualitative procedure for analyzing data in which initial categories are identified. The researcher initially reads through all interviews to get an overview of the data and to record memos and reflections (Creswell, 1998). Then a line-by-line microanalysis further stimulates memoing and comparisons of words and sentences (Strauss & Corbin, 1998)...

The first author engaged in the process of open coding, during which categories started to take form. Certain recurring themes began to emerge from the data, which were grouped into eight categories: boundary testing, cognitive shifts, personal characteristics, authenticity, a state of inquiry, relationship building, organizational mindset, and global mindset.

Microanalysis affords one indispensable activity: to discover additional questions by recognizing trends. For example, properties of participants' backgrounds that appeared in the first two interviews were second language skill and previous study abroad experience (i.e., high school or college). Awareness of these subject variables allowed us to collect these data from the following interviews. Microanalysis also enables the researcher to ask questions that previously went unanswered. For example, one participant was followed up with regarding his comments about colleagues not adjusting when in new environments abroad. Microanalysis allowed the

first author to revisit this issue with the participant in order to bring to light that the impact or consequences of not adjusting was missing. This discovery helped to avoid a personal bias that a lack of adjustment would always be detrimental to successfully carrying out business objectives.

Strauss and Corbin (1998) advise researchers to be wary of phrases such as "always" and to think of situations in which an event could possibly not occur. Surprised by our own bias of "always," we decided to further investigate the idea of not adjusting to a culture without qualifying its benefits. In the follow up discussion with the above participant we were able to understand that there may not "always" be negative ramifications to not adjusting, but rather trade-offs. Some travelers are expatriated for their technical expertise. Remaining Ameri-centric, in this particular case, allows for an efficient trip. While the business objective may be reached, the trade-off is that opportunities may be missed or nuances overlooked.

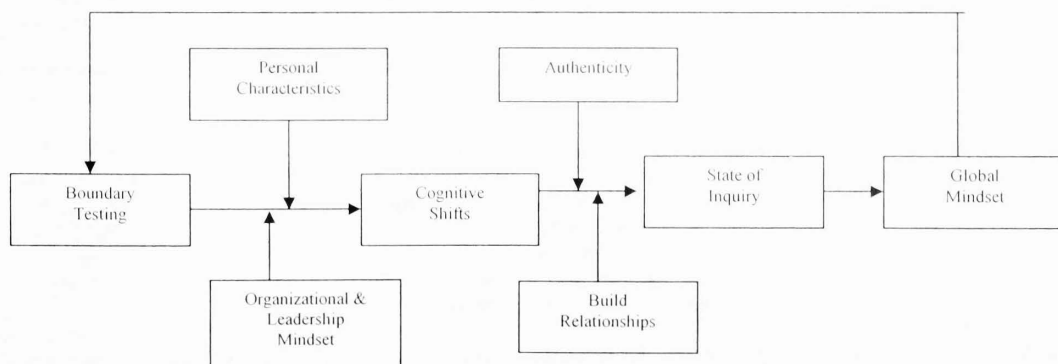
Axial Coding and Selective Coding

Once the data is fractured from open coding, the axial coding procedure helps reassemble data to understand the relationships between the categories (Strauss & Corbin, 1998). While different from open coding in purpose, axial coding does not necessarily follow open coding, but may occur simultaneously as relationships are conceptually considered and possibly validated through interviews. A critical step to axial coding is to identify the core phenomenon of the process. In this case, it became clear that cognitive shifts were at the heart of cultural adjustment. Selective coding is a procedure in which the researcher builds the story around a theory that evolves from the paradigm developed during axial coding.

Results and Discussion

In this section we clarify the relationships that emerged from the data, and provide propositions for testing the theory in future studies. The results and discussion presented below describe Figure 1, our process model for developing the global mindsets of managers.

Figure 1: The Global Mindset Model



While cognitive shifts emerged as a central phenomenon for cultural adjustment, it also seemed to be a critical component in developing a global mindset. Murtha, Lenway, & Bagozzi (1998) found that mindsets of corporate management influence the mindsets of operational managers. In the current study, organizational mindset, which encompasses the dominant logic (Bettis & Prahalad, 1995) of the organization and that of executive leadership, was found to be a contextual variable contributing to the occurrence of cognitive shifts. Therefore, the category of organizational mindset was found to be a context category during axial coding.

An intervening condition was personal characteristics, comprised of language skills, previous experiences (e.g., study abroad), and dispositions such as positive psychological states. A causal condition was boundary testing, an *in vivo* description capturing the experience of exposure to new and strange environments. Strategies included a state of inquiry and relationship building. Finally, consequences of the process were the development of a global mindset.

Boundary Testing

Boundary testing is an experience that one may seek or it occurs unexpectedly. Often initial experiences of boundary testing are accompanied by stress, which may serve as the catalyst for testing one's boundaries. It is also described as eye opening experiences and epiphany moments. In essence, these situations challenge peoples' current beliefs and help them to realize that there are other perspectives of the world.

For some participants the sharing of these moments was encouraged through discussion, feedback, and observations. For example, one participant said: "You have a stereotype and you're obviously butting up against it every moment. Every stereotype has a grain of truth in it . . . but everything you do challenges that on every basis." Another participant was quick to share a trigger moment that changed her views. She said she knew "exactly" the first time she saw something through someone else's lenses and realized that her viewpoint was influenced by a "Western paradigm." She proceeded to discuss an experience of living in a rural area in Zimbabwe and wanting to emancipate the women who "sat on the floor and served the men." She wrote a paper for a study abroad assignment to this effect and was surprised to receive a low mark and comments such as "try to find ways in which they are empowered."

Others experienced moments in which the stereotypical American presentation style was not working in Europe. Some simply witnessed or observed situations that were extremely foreign or unfathomable: extreme poverty in India, formality in Germany, and power distance in Mexico. Several participants discussed the role of information sources on their perspective taking, in other words, non-American news sources. Another source of boundary testing was challenges from other people. One participant described reaching a point at which she could no longer defend US foreign policy when challenged by European colleagues.

In the process of adjustment, experienced travelers sought boundary testing experiences in order to accelerate their own

adjustment, rather than waiting for the moments to present themselves. One participant said, ". . . on my business trip, rather than eat in the hotel, I walked . . . to a place; no English on the menus, no nothing. And just make my way. And that was my feeble attempt to go 'okay I'm trying it out like a local.'" This implies a recursive loop in the process of adjustment, in which the development of a global mindset accelerates the process of adjustment and the process of adjustment accelerates the development of a global mindset.

Proposition 1: Boundary testing will have a positive relationship with cognitive shifts.

Cognitive Shifts

While cognitive shifts are a core component of the global mindset literature (Gupta & Govindarajan, 2004; Levy et al., 2007; Murtha et al., 1998), they are relatively unexplored in the adjustment literature. Participants characterized cognitive shifts as recognition of one's own mental map, an awareness of other points of view, a self-awareness of other's perceptions of the participant, perspective-taking, sense-making, and an awareness of a "western paradigm." A participant summarized this: "The shocking thing to realize is you just don't know where you are. You don't know the rules anymore. It makes you question a lot of things you believe in."

Much of what participants described about the core phenomenon of cognitive shifts was similar to the meta-cognitive dimension of cultural intelligence. Individuals high in cultural intelligence can "generate accurate representations of others' social concepts." (Earley and Ang, 2003: 117). They integrate these representations with self-referent information and assess how others will react to their behavior. Thus, cognitive shifts represent moments when participants became aware of the existence of other social concepts and compared them with their own frame of reference. Gupta and Govindarajan (2004) describe the process of cognitive shifts as a series of S-curves, in which individuals recognize and articulate their current mindsets, are exposed to novelty, and integrate knowledge acquired from novel experiences to develop a new mindset. Hence, as the participants of this study show, they shift to a cognitive capacity of questioning their own beliefs, acknowledging the beliefs of others, and finding ways to make sense of possibly, incongruent information.

Proposition 2: Cognitive shifts will have a positive relationship with a state of inquiry.

State of Inquiry

I had to present to 16 countries and started to learn how to present in a way that "this is more of a collaboration, this is a draft program, we want your input and feedback." And start off the presentation asking about their specific market needs and their specific challenges (Director of Public Relations, Pharmaceutical Company)

Fredrickson and Losada (2005) discussed inquiry as a critical element of human flourishing and found it to characterize effective work teams. Thus, a natural

consideration is the role of positive emotions on the adjustment process and in developing a global mindset. It is fair to say that companies described as ineffective at promoting a global mindset or adjustment, had conditions within which employees reported experiencing frustration, anger, and anguish.

In companies that encouraged a more global view, employees described experiences abroad more positively. Emotions were also described as more dramatic, which may contribute to a heightened sense of inquiry. Fredrickson and Losada (2005) found that higher instances of positive emotions were connected with greater instances of inquiry, whereas greater instances of negative emotions tended to foster advocacy behaviors. Interviewees confirmed an inquiry versus advocacy environment, which will be discussed in the organizational mindset.

Inquiry was described by participants as asking questions and as taking more time to observe and to reflect on observations. One participant said that was like being an "open receptacle." The building relationships category is also critical to the inquiry dimension. Relationship building was often how participants bridged a gap between what they did not know or understand and yet connect with people and effectively carry out work objectives.

Proposition 3: A state of inquiry will have a positive relationship with a global mindset.

Relationship Building

Each participant discussed a need to "connect" with colleagues in other offices. They described building relationships as a means to further adjust as well as a success indicator for themselves that they were learning and understanding the culture and market. A participant captured this well in the following quotation:

Instead of feeling like I'm force feeding people and chasing after them about stuff, to actually have them call me and give me feedback and ask me about things, that's when I'm happiest. It makes me feel like I'm doing a good job and actually establishing quality relationships with people (Director of PR, Pharmaceutical Multinational).

Another participant described recognizing and respecting how colleagues in other offices have to do business differently and finding ways to support their different markets. Respect for local culture and local markets were an overarching catalyst for this dimension. Trust also became critical, as participants discussed the need to effectively work together and to establish trust in each market. Showing one's vulnerability was one aspect of establishing trust as well as showing that one did not fall into stereotypes of "American" or "corporate." By taking time, valuing social time, and not being focused solely on "getting down to business", participants found that they were more successful in understanding and learning about the nuances that were important to the market. Often, relationships were the only means of learning about nuances.

Proposition 4: Relationship building will have a

positive moderating effect on the relationship between cognitive shifts and a state of inquiry.

Organizational and Leadership Mindset

Hi, we're here from corporate and we're here to tell you how to do your job. And we're going to tell you how to do your job based on if your job were in Germany, so that's the way we do it in Germany (Director of Strategy, Automotive Multinational). . . . what I've seen is the major way that Company A is trying to tackle these cultural barriers is by locating people together and making people live in different areas (Director of PR, Pharmaceutical Multinational).

These two quotes provide juxtaposition for the organizational climate in which participants were embedded. Many described that the leadership of the organization either made clear the need to be a global company and took measures to foster a global mindset, or, on the other hand, leadership professed to be a global company, but managed in an ethnocentric or polycentric manner (Perlmutter, 1969).

Several participants described a process in which they discovered an organizational mindset of advocating home country values and that these were irrelevant to local markets. This mindset created animosity among local nationals. In the situations when the advocating mindset existed, participants described negative emotions among local nationals toward corporate headquarters, and vice versa. Such companies were described as having an Ameri-centric mindset, a German mindset, or executive leadership that was 'uncomfortable' with international. These companies did little to foster a global mindset or to support traveling employees in adjustment. Quite contrarily, they often hindered adjustment by rewarding ethnocentric behaviors and buffering against potential boundary testing experiences.

Companies that did reflect a more global mindset as an organization created structures in which more nationalities interacted in more locations, particularly at worldwide headquarters. They also encouraged employees to seek more international sources of news, encouraged greater market understanding of foreign markets, including regulatory environments. In other words, more globally minded firms fostered a mentality of inquiry, whereas more ethnocentric firms viewed international parts of the company as a necessary evil that was too difficult to understand.

One company utilized exchange programs versus an expatriate model. The European leadership of one global company sent people to worldwide HQ for a year long exchange to understand how to work with colleagues in that office. This is in contrast to another company that sent expatriate leaders all over the world and expected them to spread the corporate way of doing things, rather than understand local markets. The difference between these two models was an outcome of positive working relationships among the different worldwide offices in the exchange program, versus relationships of animosity in the expatriate model.

Organizational climate can foster or hinder the development of a global mindset. Bettis and Prahalad (1995) discussed how

a dominant logic may put “constraints on the ability of the organization to learn” (8). This best characterizes the toxic occurrence of “us vs. them” in some multinational firms. While a dominant logic can give an organization adaptive ability and allow it to anticipate the environment, this is a local, not a global optimum (Bettis & Prahalad). Therefore, the above quote from the automotive company strategy director indicates where the dominant logic inhibits the organization’s ability to adapt to the environment and stands in the way of individuals developing global mindsets.

Once the environment shifts (in this case, a new environment), the dominant logic must also shift if the organization is to survive. Conversely, in the firm where the dominant logic was to “locate many people from different cultures together” and encourage understanding of other markets, global mindsets seemed to accelerate. In addition, the dominant logic was then reflected in the structure of the company, in which teams were regularly assembled as global teams (“putting people together”) and leadership was not only demographically diverse (“new corporate marketing director [of US MNC] is German”) but also globally oriented.

More global oriented organizational and leadership mindsets will tend to enhance the link between boundary testing experience and perspective taking. These organizational climates tend to have more informal networks in which multi-cultural experiences are discussed, and more formal training programs to assist in perspective taking. Less global oriented organizational and leadership mindsets tend to inhibit perspective taking and foster a climate of viewing the world from the perspective of corporate headquarters.

When a shift in perspective does occur within low global mindset organizations, it may create a negative mindset. For example, one participant described a breakthrough in explaining to corporate why a project could not be implemented the same way in Mexico as in the U.S. Although the participant helped organizational leadership shift their view on this particular project, the cognitive shift did not elicit greater inquiry nor was it applied to other situations. The leaders accepted the reality, but condescendingly deemed it the “Mexico factor.”

Proposition 5: A more (less) global organizational mindset will have a positive (negative) moderating effect on the relationship between boundary testing and cognitive shifts.

Personal Characteristics

Several personal characteristics became apparent throughout the interviews. It is proposed that the presence of these characteristics will help bridge and accelerate the relationship between a boundary testing experience and cognitive shifts. Each participant spoke at least two languages fluently, and several spoke four or five. When fluency was not achieved, participants described nonetheless attempting to learn basic greetings as a way of showing respect. However, it is clear that with English as the dominant business language, many business travelers assume that communication is not a

problem. However, each participant described cultural nuances that they could only recognize because they understood the language. For instance, when faced with the formality of Germany, as well as the principle-based behavior, one participant did not find it unusual because it is embedded in the language. He noted an experience when he watched two colleagues address each other in the formal form, although they knew each other extremely well. “Aus Principe,” a German phrase meaning out of principle, describes why formality is used in the workplace despite a familiar relationship. Language skills helped to reconcile boundary testing experiences; less is lost in translation and a cognitive shift can more readily occur.

Personal history also was a characteristic that helped enhance bridging a boundary testing experience to a cognitive shift. Previous study and work experience abroad often gave participants more tools with which to reconcile stressful or unknown situations. This helps build self-efficacy. With prior successful adjustment came the confidence to overcome or internalize the boundary testing into a learning experience. Participants also described their preferred news sources and previous education in international management as accelerators of their own ability to shift their thinking and look at the world from other paradigms.

Proposition 6: Certain personal characteristics will have a positive moderating effect on the relationship between boundary testing and cognitive shifts.

Authenticity

Well I think you have to be fairly open-minded. You also probably have to go into every situation with a pretty warm heart, knowing that if you make mistakes people forgive you if you do it warm-heartedly (Manager of Corporate Strategy, Fortune 100 Firm).

Shakespeare said, “to thine own self be true, and it must follow, as the night the day, Thou canst not then be false to any man” (Shakespeare, 1973: 11). Whether it is being true “to thine own self” or having a “warm heart,” it is clear that authenticity is ever more important when reconciling differences in the adjustment process. Harter (1997) describes authenticity as “owning one’s personal experiences, be they thoughts, emotions, needs, wants, preferences, or beliefs, processes captured by the injunction of knowing oneself” (91).

Authenticity is comprised of four components: balanced processing, relational transparency, awareness, and action (Avolio & Gardner, 2006). These components draw the distinction between being completely open with every thought at every moment and being sensitive to the appropriateness of the environment and situation. Therefore, balanced processing and relational transparency help one interpret the environment and test possible selves that are congruent with his or her own values and appropriate for the given environment and situation.

Many of the participants also described the value of acquiring trust. This entails making oneself vulnerable, which is a characteristic of authenticity and often leads to trust. Respect was also a recurring theme, falls under the umbrella of authenticity, and often required displaying relational

transparency in a way that was appropriate for the situation. Cognitive shifts make an individual more aware of varying perspectives. The awareness that is embedded in authenticity is related to the self. Therefore, balanced processing allows an individual to reconcile the differences between one's own paradigm and the new paradigm they have come to understand through a cognitive shift. Relational transparency then enables action of vulnerability, which enhances the state of inquiry. Many participants described respecting another's paradigm as momentum to learning that there is value in multiple perspectives. Therefore, the authenticity will enhance the relationship between cognitive shifts and a state of inquiry.

Proposition 7: Authenticity will have a positive moderating effect on the relationship between cognitive shifts and state of inquiry.

Global Mindset

Global mindset encapsulates the experience of adjusting to a new level of development. Individuals do not experience new environments, challenge their core assumptions and return home to business as usual. The experience of adjustment changes an individual's worldview. It also expands self-awareness, cognitive complexity, cultural intelligence, cosmopolitanism, and a curiosity to experience more boundary-testing moments. This study suggests that the experience of adjusting to new environments initiates the development of a global mindset. Additional strategies can be utilized to accelerate the development such as informal networks in which boundary-testing experiences are discussed, or in more formal means of debriefing experiences.

Many participants described discussing experiences abroad with colleagues over lunch or, in the case that they traveled with someone, they collectively debriefed experiences. One participant described how colleagues helped her understand subtle differences among Asian cultures. On the other hand, very few described the efficacy of company sponsored training programs or at a minimum deemed them helpful but insufficient. Most development took place in the informal discussions, which, through social network analysis, companies could leverage as a more effective means of developing global mindsets and accelerating adjustment.

Individuals with a global mindset do not experience as much stress from boundary testing experiences; rather they welcome the experiences and have a much shorter adjustment process as a result. Participants do not view adjustment as something they go through; they see each boundary testing as an opportunity to learn.

Implications for Management

This study contributes to a new area of research in global management. Given the rapid pace of globalization, an accelerated adjustment and development of a global mindset have implications for multinationals. Many multinationals have noted that a hurdle to their internationalization is a scarcity of global leaders (Black et al., 1999). It is our contention that a global mindset provides organizational leaders the capacity not

only to recognize global trends but also to benefit from opportunities in local markets around the world. In addition, a workforce with global mindset may work in global virtual teams more efficiently and interact with colleagues in offices around the world with a greater understanding and respect for each other and the context within which they operate. This ability will allow multicultural teams to spend time on performance as opposed to negotiating misunderstandings due to varying cultural norms and practices. Therefore, developing a workforce with a global mindset has implications for multinationals in strategy formulation as well as human resources practices.

In terms of strategy, such multinationals may not only recognize opportunities before their competition does, but also understand how to execute strategies in a culturally appropriate manner. In terms of human resources, multinationals will not only be able to select talent regardless of nationality, but also instill a culture in which employees accommodate various cultural norms, making interaction among employees void of cultural friction.

Overall, the study lends evidence for linking important streams of research in order to better address some of the challenges that multinational corporations face. Most notably, if firms are to successfully find sustainable growth in other markets, they will need to cultivate a culture of global thinking and to develop a global mindset at the executive level in order to more effectively discover opportunities abroad.

Limitations and Suggestions for Future Study

A primary limitation of this study was the small sample that, although diverse in many regards, was nonetheless homogeneous in terms of other characteristics. Namely, all participants in this group were multilingual and elected to engage in careers that involved global travel. The motivation of the participants may have reflected a bias toward acquiring a global mindset. Although theoretical sampling encourages sampling the population that can best inform the process of inquiry (Strauss & Corbin, 1998), a result of this limitation is that the generalizability of the sample to other populations is not easily inferred, which is a common concern with qualitative research. A helpful next step in the study of global mindset would be to study a diverse group which contains a wider representation of executives and managers of firms from different countries. For example, not all managers embrace the notion of global travel and, as a result, their resistance might influence the development of a global mindset.

Another limitation is the proposed direction of causation among the various mediating variables. For example, future research may reveal that states of inquiry may reciprocate with voluntary boundary testing experiences to result in cognitive shifts. Additional work must be done to clarify the directions of influence as well as reciprocation among the variables.

By exploring the beliefs and attitudes of these managers and executives, researchers might draw conclusions about differential effects of international experiences on global mindset and the potential mediating influence of the motivation to acquire broadening experiences.

REFERENCES

- Avolio, B., & Gardner, W. 2005. Authentic leadership development: Getting to the root of positive forms of leadership. *The Leadership Quarterly*, 16: 315-338.
- Avolio, B., & Luthans, F. 2006. **The high impact leader: Moments matter in accelerating authentic leadership development**. New York: McGraw-Hill.
- Bartlett, C., & Ghoshal, S. 1998. **Managing across borders: The transnational solution**. Boston, MA: Harvard Business School Press.
- Bettis, R., & Prahalad, C. 1995. The dominant logic: Retrospective and extension. *Strategic Management Journal*, 16: 5-14.
- Bhaska-Shrinivas, P., Harrison, D., Shaffer, M., & Luk, D. 2005. Input-based and time-based models of international adjustment: Mate-analytic evidence and theoretical extensions. *Academy of Management Journal*, 48: 257-281.
- Black, J., & Mendenhall, M. 1991. The U-Curve adjustment hypothesis revisited: a review and theoretical framework. *Journal of International Business*, 22: 225-247.
- Black, J., Mendenhall, M., & Oddou, G. 1991. Toward a comprehensive model of international adjustment. *Academy of Management Review*, 16: 291-317.
- Black, J., Morrison, A., & Gregersen, H. 1999. **Global explorers: The next generation of leaders**. New York: Routledge.
- Boyacigiller, N., Beechler, S., Taylor, S., & Levy, O. 2004. The crucial yet elusive global mindset. In H. Lane, M. Maznevski, M. E. Mendenhall, & J. McNett, (Eds.), **Handbook of global management: A guide to managing complexity**. Malden, MA: Blackwell.
- Church, A. 1982. Sojourner adjustment. *Psychological Bulletin*, 91: 540-572.
- Clapp-Smith, R., Luthans, F., & Avolio, B. 2007. The role of psychological capital in global mindset development. In M. Hitt, R. Steers, & M. Javidan, (Eds.), **Global Mindset: Advances in international management**. Oxford: Elsevier: 105-130.
- Creswell, J. 1998. **Qualitative inquiry and research design: Choosing among the five traditions**. Thousand Oaks: Sage.
- Earley, C., & Ang, S. 2003. **Cultural intelligence: Individual interactions across cultures**. Stanford, CA: Stanford University Press.
- Earley, C., & Peterson, R. 2004. The elusive cultural dimension: Cultural intelligence as a new approach to intercultural training for the global manager. *Academy of Management Learning and Education*, 3: 100-115.
- Fredrickson, B., & Losada, M. 2005. Positive affect and the complex dynamics of human flourishing. *American Psychologist*, 60: 678-686.
- Gupta, A., & Govindarajan, V. 2002. Cultivating a global mindset. *Academy of Management Executive*, 16: 116-126.
- Gupta, A., & Govindarajan, V. 2004. **Global strategy and organization**. Hoboken, NJ: John Wiley and Sons, Inc.
- Harter, S. 1997. The personal self in social context: Barriers to authenticity. In R. Ashmore & L. Jussim, (Eds.), **Self and identity** (pp. 81-105). Oxford, England: Oxford University Press.
- Ireland, R., Hitt, M., Camp, S., & Sexton, D. 2001. Integrating entrepreneurship and strategic management actions to create firm wealth. *Academy of Management Executive*, 15: 49-63.
- Kegan, R. 1983. **The evolving self: Problem and process in human development**. Cambridge, MA: Harvard University Press.
- Levy, O., Beechler, S., Taylor, S., & Boyacigiller, N. 2007. What we talk about when we talk about 'global mindset'? Managerial cognition in multinational corporations. *Journal of International Business Studies*, 38: 231-258.
- Lysgaard, S. 1955. Adjustment in a foreign society: Norwegian Fulbright grantees visiting the United States. *International Social Science Bulletin*, 7: 45-51.
- Murtha, T., Lenway, S., & Bagozzi, R. 1998. Global mindsets and cognitive shift in a complex multinational corporation. *Strategic Management Journal*, 19: 97-114.
- Perlmutter, H. 1969. The tortuous evolution of the multinational corporation. *Columbia Journal of World Business*, 4: 9-18.
- Shaffer, M., Harrison, D., Gregersen, H., & Black, J. 2006. You can take it with you: Individual differences and expatriate effectiveness. *Journal of Applied Psychology*, 91: 109-125.
- Shakespeare, W. 1973. **The tragedy of Hamlet**. New York: Hayden Book Company.
- Strauss, A., & Corbin, J. 1998. **Basics of qualitative research: Techniques and procedures for developing grounded theory**. Thousand Oaks: SAGE.
- Streuert, S., & Swezey, R. 1986. **Complexity, managers, and organizations**. Orlando, FL: Academic Press.
- Suedfeld, P., Leighton, D., & Conway, L. 2006. Integrative complexity and cognitive management in international

confrontations: Research and potential applications. In C. Stout, (Ed.), **The psychology of resolving global conflicts: From war to peace: Nature vs. nurture** (Vol. 1, pp. 211-237). Westport, CT: Praeger Security International.

cosmopolitanism: Theory, context, and practice. Oxford: Oxford University Press.

Weick, K. 1979. Cognitive processes in organizations. In B. Staw, (Ed.), **Research in organizational behavior.** Greenwich, CT: JAI Press.

Vertovec, S., & Cohen, R. 2002. **Conceiving**

Rachel Clapp-Smith is a Ph.D. candidate in leadership and organizational behavior at the University of Nebraska-Lincoln. She received her MBA in international management from Thunderbird, The Graduate School of Global Management. Her current research interests include global mindset, authentic leadership development, and positive psychological capital. She has presented papers at a number of conferences, including the Academy of Management, and has published a chapter in *Global Mindset: Advances in International Management*.

Larry Hughes is an assistant professor of management at the University of Nebraska at Kearney. He received his Ph.D. in leadership from the University of Nebraska-Lincoln. His current research interests include humor and leadership development. He has published in *Journal of Leadership and Organizational Studies*, *Leadership and Organization Development Journal*, and has published chapters in two academic books on leadership.