

Global Mindset Defined: Expat Success Strategy

Based on research conducted by the Worldwide ERC®
Foundation for Workforce Mobility and Thunderbird School of
Global Management
(offers a comprehensive analysis of the
Global Mindset as an expatriate success strategy.)

Global reporter and author John Pomfret once observed that “the difference... in an overseas assignment [is that] there is an emphasis on the facts, but there’s also a much greater emphasis on interpretation.” It takes a special blend of characteristics—a special kind of “interpreter,” if you will—to add up to an outstanding expat who can be productive and accepted in an unfamiliar setting. This combination of characteristics—the global mindset—is more crucial than ever, and can provide insight to companies that wish to hone their selection and assessment processes.

In early 2005, Thunderbird School of Global Management embarked on a project: a rigorous and scientific study of the drivers of expat success. There were many aspects to this issue—for example the role of the employer or the role of the family—however, we quickly recognized the importance of focusing exclusively on the individual expat and the attributes that led to an individual either underperforming or succeeding.

In designing our research program, our research team first reviewed all the literature on the topic to develop a basic foundation, and then interviewed almost 50 Thunderbird professors from different disciplines to understand their views on this subject.

Hundreds of hours of individual and focus group interviews gave the project further shape, and led to our next step: interviews with more than 200 Thunderbird alumni in international positions in the United States, Asia, and Europe. These individuals, who have significant experience and responsibility in various global corporations, also are nationals from many countries of the world.

Their perspectives on the elements of a global mindset gave us additional insight for our study. The next phase of our research involved organizing our findings into a framework to define and explain the drivers of expat success. An invitation-only “global mindset” conference at Thunderbird allowed us to bring together nearly four dozen of the most distinguished scholars in global business from all over the world. At this conference, we revealed our findings to our guests. We also recorded the outcome of discussions that focused on factors leading to success in global assignments; an exercise that was integral to the development of our understanding of the unique actions and thought processes of - successful expats.

In early 2006, we joined forces with the Worldwide ERC® Foundation for Workforce Mobility to expand our global mindset project to the workforce mobility industry. The partnership forged between Thunderbird and the Worldwide ERC® Foundation leveraged both organizations’ strengths and focus. Thunderbird’s work to develop global business leaders in the educational arena dovetails with the workforce mobility industry’s need to educate and network global human capital professionals. And the Foundation’s ability to connect us with senior international executives worldwide for in-depth interviews in such major cities as Hong Kong, China; Bangalore, India; Brussels, Belgium; and San Francisco, CA, broadened our research and extended our reach to individuals who actually manage international assignments. In some

cases, these interviewees also participated in the selection of candidates for overseas assignments.

International Assignments: Competition and Strategy

International assignments are hitting the mainstream as an integral part of a company's business strategy, and continue to represent a significant investment, as well. To make matters more complex, the assignment that brings the employee to work in another culture and country often brings family members, too... so when an assignment is unsuccessful, the scale of the "defaulted" assignment is much deeper and more costly than with a home country assignment.

Selecting the right individuals for international assignments, those with a higher-than-average likelihood of outstanding performance will provide a competitive advantage for the company that builds the competency to identify "success potential" in their new hires and/or current employees. With an already evident shortage of skilled labor, the competition for talent will grow even tighter in coming years.

Indeed, recent Worldwide ERC® benchmarking reports cite expected increases in nearly all types of international assignments. And most companies anticipate some difficulty in finding the talent to fill those assignments. In addition, the increasing difficulty in recruiting global talent in labor-depleted regions drives an increasing need for workers to be mobile.

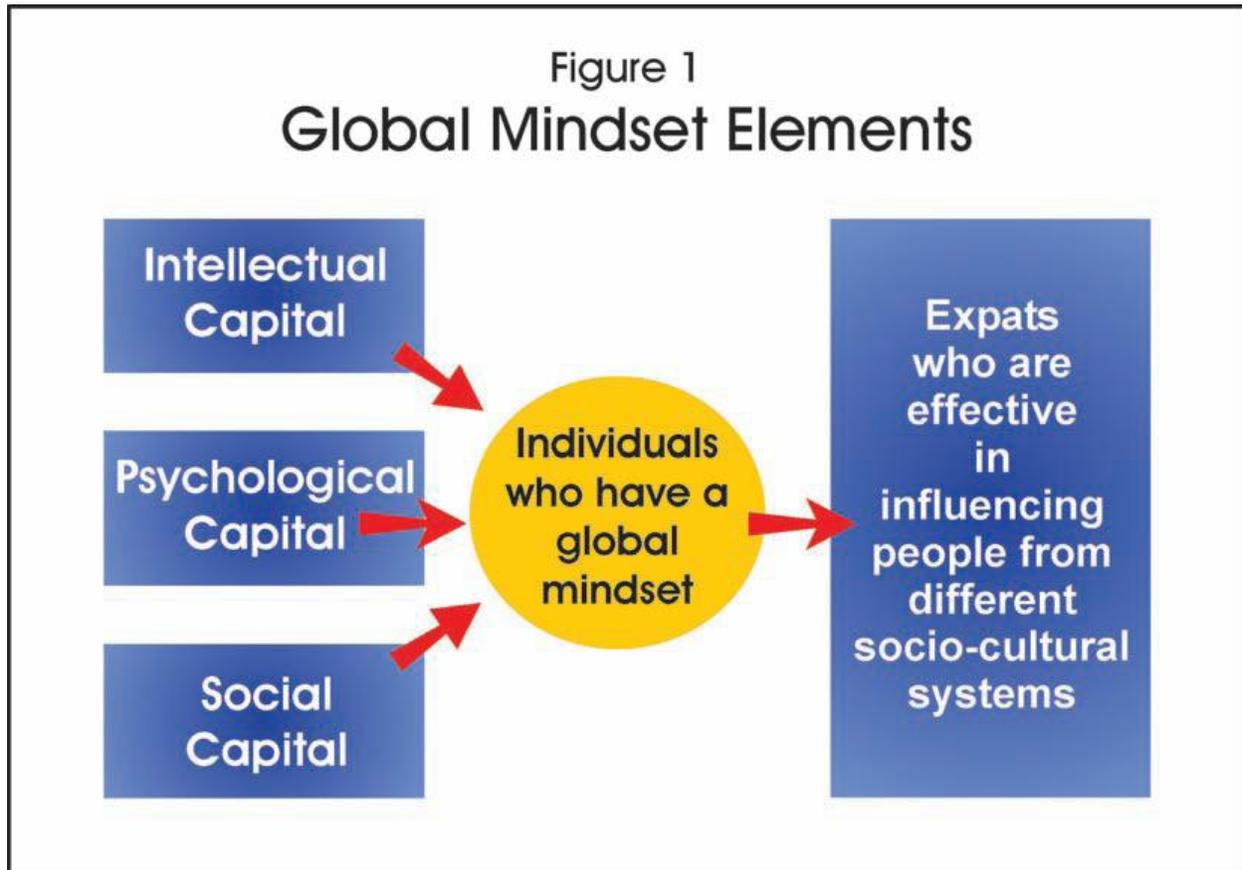
Worldwide ERC® statistics reveal that approximately 80 percent of companies said the available positions in their organizations require new hires to be more mobile now than three years ago. And with short-term international assignments on the rise in a number of companies and locations, the time frame for assimilating into a new culture is tighter and the demand for productivity in the host country more challenging.

The success of every expat is due, to a large extent, to the ability to influence individuals, groups, and organizations with a different cultural perspective in the host country to achieve the company's goals. Whether communicating with his or her employees, colleagues, supply chain partners, or customers; or different types of organizations in the host country, such as government agencies, regulators, or client organizations; the successful expat has a primary responsibility: to influence key stakeholders in the host country to help achieve company goals.

Understanding Global Mindset

If we recognize that a global mindset is a mix of individual attributes that enable an expat to successfully influence those who are different from him/her, it is clear that without it, it is most difficult, if not impossible, for an expat to succeed in the international assignment. Experts have described global mindset with a range of language. One global mobility expert said it means "the ability to avoid the simplicity of assuming all cultures are the same, and at the same time, not being paralyzed by the complexity of the differences." Another noted that "someone with a global mindset enters a new and different situation, with many more questions rather than answers, assumptions, and presumptions." Still another said that "rather than being frustrated and intimidated by the differences," an expat with a global mindset ends up "enjoying them and seeking them out because [they] find them fascinating." Thunderbird professors, Thunderbird alumni, distinguished scholars, and the senior global executives we interviewed through our relationship with the Worldwide ERC® Foundation all pointed out some commonalities, and as

we distilled their views, we concluded that global mindset consists of three major components (Figure 1): intellectual capital, psychological capital, and social capital.



Intellectual Capital

Intellectual capital refers to knowledge, skills, understanding, and cognitive complexity. From our interviews, we know that there is an important body of knowledge—the employee’s subject matter expertise that expats must have to be successful in their tasks. We also learned that successful expats think differently optimism and resiliency. One of our senior executives expressed it this way: “You need a very positive attitude. [The expat gets] into situations that may look like they will never resolve. Without optimism and resiliency, you can’t survive. You need to look at every challenge as a learning opportunity.”

Social Capital

Social capital is the third and final piece of the global mindset, and refers to the expat’s ability to build trusting relationships with local stakeholders, whether they are his/her employees, supply chain partners, or customers. In our various interviews, trust emerged as a significant issue.

Many interviewees told us that building trusting relationships with those who are different from them is essential to the expat’s sustainable success. As shown in Table 4, the senior executives

from the Worldwide ERC® Foundation-sponsored interviews rated this particular dimension very highly—the average score on each item is more than 6 on a 7-point scale.

Table 4: Social Capital

1. Ability to generate positive energy in people from a different part of the world	6.50
2. Ability to excite people from a different part of the world	6.30
3. Ability to connect with people from other parts of the world	6.13
4. Collaborativeness	6.00

Referring back to the need to effectively influence those around them, senior executives pointed out that the expat cannot influence unless he or she builds trusting relationships. Successful expats generate positive energy and excitement among their local stakeholders and connect with them on a personal level. Stated one executive: “It is about bringing the best out of everyone... the ability to draw out each individual and build on their strength to move the process forward.”

Collaborativeness is also an important part of social capital— having the flexibility to address needs not only for you, but for other people. It was noted that the ability to be collaborative leads to a team environment in which trust flourishes. Expats who generate positive energy, collaborate, and connect with other people are more likely to build sustainable trusting relationships.

Global Mindset as a Business Tool

A global mindset and its three crucial components—intellectual capital, psychological capital, and social capital—is critical information for both expats and their companies. The Worldwide ERC® Foundation-sponsored interviews with senior executives revealed that in the compressed “climate” of a short-term assignment, expats have less of a chance to learn as they go and need to be prepared before they arrive. Therefore, it is essential to ensure that the screening process for expats includes an assessment of their global mindset.

Traditionally, companies have relied on technical skills as the main criteria for choosing expat assignments, but we now know that assessing global mindset is at least as important. Such an assessment will help to select and assign the right individuals to international assignments. Or, in the case of a company that must assign an employee with a low “global mindset stock,” there will be more awareness of the need to develop and prepare him or her for the assignment. Cognizance of the significance of the elements of global mindset will continue to shape an organization’s leadership pipeline— from hiring profiles to incentive structures. As Worldwide ERC® Foundation Chairman Jill Silvas, SCRP, notes, “This research is a compelling and significant business tool for our global workforce industry as the world’s talent base continues to diminish. Companies that are armed with the tools to identify the best candidates for global positions will be most successful in an increasingly open workplace.”