

**CONSTITUENTS OF A GLOBAL MINDSET:
AN EMPIRICAL STUDY WITH JAPANESE MANAGERS**

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Overview

Based on government-inspired economic development in the Meiji Era and again in the aftermath of the Pacific War, Japan had quickly established itself as a major contributor to global business. In the case of the Meiji Era expansion, the dramatic advances have commonly been interpreted as resulting from the herculean efforts of a special group, namely ex-samurai leaders acting as agents of the administration, and in the post-war reconstruction period, a larger societal sub-group, Japanese “salary men,” functioned as the agents of change. Each of these groups has been associated with special qualities, in particular a single-minded dedication to hard work for nation and company. With this historical background in mind, and coming after a period of some two decades of economic decline, the current empirical research study was conducted in order to map out an appropriate global mindset “profile” for Japanese business managers engaged in contemporary global business.

After establishing the constructs by which “global mindset intensity” could be assessed, a questionnaire survey (n=71) and subsequent in-depth interviews (n=11) were undertaken with Japanese international managers in western Japan. Based on the findings from this pluralist methodology, the researchers have suggested that the ideal corporate role model of Japan’s post-war reconstruction and growth period, the “salary man,” was now effectively redundant, and that the currently accepted ideal profile for Japanese international businessmen was more worldly and individualistic, with expertise and “global mindset intensity” drawn from personalized international business experience, reminiscent of established Western business ideals.

Introduction

Modern Japanese industry is renowned for the speed and scale of the recovery made in the decades after the end of the Pacific War, as well as the way in which it was pivotal to the reconstruction, even the rehabilitation, of the Japanese economy and, as a by-product, Japanese civil society. Another way of interpreting this is to acknowledge that Japanese national pride was slowly but surely reinstated by the cumulative international successes of its flagship companies, such as Sony Corporation, National Panasonic, Seiko, Canon, Mitsubishi Motors, Nissan, and Toyota, to cite a few.

In many cases, very large Japanese companies such as these, as part of vertically or horizontally integrated industrial conglomerations, imported raw materials from around the world and manufactured a wide range of consumer products for domestic and global markets. With their unique approaches to the conduct of government relations, industry structure, corporate management, and inventory and production processes, they were highly successful. They excited protectionist sentiment around the world, and sometimes opposition in foreign markets; despite that, their approaches were also the subject of widespread admiration and emulation by Western managers, and their management techniques were often taught in universities and executive-level training courses by Western academics.

Indeed, the analysis of the Japanese approach to business, often broadly characterized as the “Japanese Management System,” was at the heart of a quite polarized debate in academic literature, especially as Japan seemed poised to take over world economic leadership from the United States in the late 1980s. McCormick has done an excellent job, not so much in taking up the argument from one perspective or another, but in setting out a detailed discussion, which showed that the Japanese “model” had been constructed and debated at factory, company, and national levels depending upon the perspectives of the creators of this model.¹

As with other fairly recent commentators, such as Pudelko and Mendenhall,² in light of the failure of the Japanese economy in the 1990s,

¹ Kevin McCormick, “Whatever Happened to ‘the Japanese Model’?” *Asian Business & Management* 3 (2004): 371–393.

² Markus Pudelko and Mark E. Mendenhall, “The Japanese Metamorphosis: What Western Executives Need to Know About Current Japanese Management Practices,” *Organizational Dynamics* 36/3 (2007): 274–287.

and slow economic growth beyond that, McCormick also turned his attention to the evolution of the Japanese management system and its influence on it apparently more successful Western approaches. In McCormick's case, he forecast that there might be less homogeneity in future management systems of Japanese organizations, while Pudelko and Mendenhall suggested that the well-established Japanese tradition of adapting foreign ideas and technologies might in the future come to the fore once again, likely resulting in unforeseen and effective innovations.

The Japanese struggle to adapt and shape their formerly ascendant management approaches to new global realities was cast into particular relief by a recent article about world management systems in *The Economist*.³ Here, a comparison was made between the multinationals of the emerging economy primarily based in China and India, which were utilizing so-called "disruptive" innovative technologies, and approaches to management. The article also detailed the dramatic ascension to world leadership of the Japanese motor vehicle industry some three decades earlier that had been based on revolutionary, innovative, contingency driven processes associated with what became known as "lean manufacturing" or "lean production."⁴ As is now well known, Toyota Motor Corporation achieved iconic status in this respect.

Ironically, in this emerging global context, the current trials and tribulations of Toyota Motor Corporation with respect to quality control issues and mass vehicle recalls represent a spectacular fall from grace that must have been a heavy blow to Japanese national self-confidence. Recent media discussions suggested that Toyota's difficulties were related to a competitive thrust to become the world's largest automaker (achieved in 2008), in which the legendary focus on quality was compromised, resulting in the recall of hundreds of thousands of motor vehicles around the world and financial losses running into billions of dollars. It has also been recently asserted that compounding this situation was a result of management and governance failures that restricted the detection and correction of such

³ "Accelerating into Trouble," *The Economist* Print Edition, February 11, 2010 (accessed September 24, 2010, <http://www.economist.com/node/15498249>).

⁴ "The New Masters of Management," *The Economist* Print Edition, April 15, 2010 (accessed September 22, 2010, <http://www.economist.com/node/15908408>).

problems at an earlier stage, creating obstacles in dealing with authorities in countries outside Japan in relation to the legal and regulatory consequences of the alleged omissions.

These particular issues, in combination with the relative stagnation of the Japanese economy since the economic collapse of the late 1980s, inevitably lead to the following questions:

1. Did the so-called Japanese Management System cease to adapt to contemporary circumstances after the end of the 1980s?
2. Are Japanese multinational corporations in a position to effectively cope with contemporary global challenges?

Essentially, this study most directly addresses the second of these questions, in terms of the mental preparedness of Japanese international managers based in the Kobe region to effectively engage with the contemporary dynamic global business environment, with all its demands in terms of attitudes and values, skills and competencies. In short, the current study focuses on the “global mindset” of Japanese international managers. The general concept of “global mindset” is briefly introduced and examined, before the current empirical study is explained.

The Concept of “Global Mindset”

Globalization is the process whereby the political, economic, socio-cultural and technological structures and systems of nations around the globe are integrated into the world economy. National- and industry-level initiatives, such as the deregulation of industries, development of foreign direct investment policies, and applications to join trading blocs, provide organizations with the necessary impetus and institutional architecture to embrace globalization.⁵

These national and industry-level initiatives create a globalized business environment that compels organizations to foster global ambitions to reshape their structures, systems, policies, and processes in order to leverage the opportunities associated with globalization. In this context, Gupta and Govindarajan contend that the heightened business intensity, facilitated by initiatives linked to globalization, necessitates continuous

⁵ Jean-Pierre Jeanett, *Managing with a Global Mindset* (UK: Pearson Education Limited, 2000).

organizational level reform.⁶ They also explain that the number of researchers that have reported as organizations have been required to deal with a rapidly changing and dynamic complex global economic landscape, and thus a new breed and caliber of a multinational manager is required.⁷ It is clearly important for this new breed of manager to develop skills, values, and competencies that foster smooth functioning in the dynamic marketplace and contribute to the creation of efficient and effective global organizations.⁸

Within this context, a growing body of international management literature has emphasized the importance of the cultivation and development of a “global mindset” (see Table 1 below) as one of the critical elements in providing the human resource platform required to develop and nurture an intelligent global organization.⁹

Research	Conceptualization of a Global Mindset
Perlmutter (1969); ¹⁰ Heenan & Perlmutter (1979) ¹¹	Geocentrism is a global systems approach to decision-making or state of mind where “...HQ and subsidiaries see themselves as part of an organic worldwide entity...good ideas come from any country and go to any country within the firm.” (1979: 21)

⁶ Anil K. Gupta and Vijay Govindarajan, “Cultivating a Global Mindset,” *Academy of Management Executive* 16/1 (2002): 116–126.

⁷ Schon Beechler, Sully Taylor, Nakiye A. Boyacigiller, and Orly Levy, “Building Global Mindset for Competitive Advantage: A Conceptual Integration of Global Mindset, International Human Resource Management, and Organizational Performance in Multinational Corporation,” Reading, Annual Meeting of the Academy of Management, Chicago, August 1999.

⁸ Stephen H. Rhinesmith, “Open the Door to a Global Mindset,” *Training and Development* 49/5 (1995): 35–43.

⁹ Thomas P. Murtha, Stephanie A. Lenway, and Richard P. Bagozzi, “Global Mind-sets and Cognitive Shift in a Complex Multinational Corporation,” *Strategic Management Journal* 19 (1998): 97–114.

¹⁰ Howard V. Perlmutter, “The Tortuous Evolution of the Multinational Corporation,” *Columbia Journal of World Business* (1969): 9–18.

¹¹ David A. Heenan and Howard V. Perlmutter, *Multinational Organizational Development: A Social Architecture Perspective* (Reading, MA: Addison-Wesley, 1979).

Fayerweather (1969); ¹² Prahalad & Doz (1987); ¹³ Bartlett & Ghoshal (1998) ¹⁴	A transnational mentality is the capacity to deliver global integration, national responsiveness, and worldwide learning simultaneously (“a matrix in the minds of managers”).
Calof & Beamish (1994) ¹⁵	Centricity is defined as a person’s attitude towards foreign cultures. Geocentrism can be characterized by the following factors: “...all major decisions are made centrally...substantial co-ordination exists between offices...and focus is on global systems.”
Calori, Johnson, & Sarnin (1994) ¹⁶	“Global mindset” is viewed as a cognitive structure or mental map that allows a CEO to comprehend the complexity of a firm’s worldwide environment.
Sambharya (1996) ¹⁷	Study taps into the “cognitive state” or “belief and values” of a top team.
Murtha, Lenway & Bagozzi (1998) ¹⁸	“Global mindset” defined using Fayerweather (1969) and Prahalad and Doz (1987).
Rhinesmith (1993); ¹⁹ Jeanett (2000) ²⁰	“Global mindset” is a state of mind able to understand a business, an industry, or a particular market on a global basis.

¹² John Fayerweather, *International Business Management—A Conceptual Framework* (New York: McGraw-Hill, 1969).

¹³ C. K. Prahalad and Yves L. Doz, *The Multinational Mission: Balancing Local Demands and Global Vision* (New York: The Free Press, 1987).

¹⁴ Christopher A. Bartlett and Sumantra Ghoshal, *Managing Across Borders*, 2nd Ed. (Cambridge, MA: Harvard Business School Press, 1998).

¹⁵ Johnathan L. Calof and Paul W. Beamish, “The Right Attitude for International Success,” *Business Quarterly* 59/1 (194): 105–110.

¹⁶ Roland Calori, Gerry Johnson, and Philippe Sarnin, “CEO’s Cognitive Maps and the Scope of the Organization,” *Strategic Management Journal* 15 (1994): 437–457.

¹⁷ Rakesh B. Sambharya, “Foreign Experience of Top Management Teams and International Diversification Strategies of U.S. Multinational Corporations,” *Strategic Management Journal* 17 (1996): 739–746.

¹⁸ Murtha, Lenway, and Bagozzi, “Global Mind-sets and Cognitive Shift in a Complex Multinational Corporation,” pp. 97–114.

¹⁹ Stephen H. Rhinesmith, *A Manager’s Guide to Globalization: Six Keys to Success in a Changing World* (New York: Irwin, 1993).

Govindarajan & Gupta (2001) ²¹	“Global mindset” is defined as a “...knowledge structure...that combines an openness to an awareness of diversity across cultures and markets with a propensity and ability to synthesize across this diversity.”
Bouquet (2005) ²²	A behavioral approach to measure “global mindset” focusing on the actual (and more readily observable) time and effort that top team members devote to making sense of international issues, both for themselves and for the benefit of the multinational enterprise (MNE) overall.

Table 1. Different Conceptualizations of a Global Mindset

While many scholars agree that a global mindset is essentially a cognitive structure, and that human beings are highly dependent on cognitive filters to sort otherwise overwhelming complexity in the information environment, there is still considerable argument about the essential constituents of a global mindset and how it might be cultivated and nurtured.²³ Building on the existing theory in the international management literature, global mindset intensity is defined by the current study as: the ability and willingness of managers to think, act, and transcend boundaries of goals, values, and competencies on a global scale. The primary aim of this study is to identify and test some of the skill sets that are believed to be associated with the development and cultivation of a global mindset in a Japanese setting. The next section identifies these skill sets from the international management literature and develops hypotheses for empirical testing.

Literature Review and Hypotheses Development

Global managers need attitude and skill sets that facilitate their efficient and effective functioning in the complex and dynamic global business environment. In this context, a number of studies have recommended managerial level reform, with particular reference to the cultivation of a global mindset.²⁴ Harveston²⁵ contends that a critical

²⁰ Jeanett, *Managing with a Global Mindset*.

²¹ Anoop K. Gupta and Vijay Govindarajan, “Building an Effective Global Team,” *MIT Sloan Management Review* (2001): 63–71.

²² Cyril Bouquet, *Building Global Mindsets: An Attention-Based Perspective* (UK: Palgrave Macmillan, 2005).

²³ Ibid.

²⁴ Cited in Jeanett, *Managing with a Global Mindset*.

success factor for any organization is the level of global mindset orientation amongst its managers.

A number of studies have linked managerial global mindset with certain individual level and organizational level characteristics.²⁶ Individual level characteristics are certain innate traits and competencies, which are, to a certain extent, inherently developed by the managers and contribute towards the cultivation of a global mindset.²⁷ Managers are expected to possess these individual level characteristics, which they bring to the organization, and are later nurtured within the organization. These attributes develop as a by-product of upbringing, social interaction, psychological state, economic environment and technological interest and prowess. In addition, the internal and external environment to which an individual is exposed tends to have a strong correlation with the expansion and nurturing of these attributes.²⁸

Research has identified a number of individual-level characteristics, three of which include: knowledge and information (encompassing the three constructs of knowledge of socio-political differences across countries and regions; knowledge of organizational and societal culture and cross-cultural issues that impact management; and knowledge of information systems networks facilitated by the information and technological revolution);²⁹ personal, cultural and professional skills and abilities (which includes the three constructs of professional and managerial skills; personal and social skills; and cross-cultural and international skills) to work in multicultural environments;³⁰ and level of

²⁵ Paula Harveston, "Synoptic Versus Incremental Internationalization: An Examination of 'Born Global' and 'Gradual Globalizing' Firms" (Ph.D. diss., University of Memphis, 2000).

²⁶ Beechler, Taylor, Boyacigiller, and Levy, "Building Global Mindset for Competitive Advantage."

²⁷ B. L. Kedia and A. Mukherji, "Global Managers: Developing a Mindset for Global Competitiveness," *Journal of World Business* 34/3 (1999): 230–251.

²⁸ Cited in Bouquet, *Building Global Mindsets*.

²⁹ Kedia and Mukherji, "Global Managers: Developing a Mindset for Global Competitiveness," pp. 230–251.

³⁰ A. Ali, and D. Horne, "Problems and Skills in International Business," *Management Memo* 1 (1986): 34–38.

risk tolerance, which is defined as the extent to which managers are willing to make risky decisions about international activities.³¹ These traits enable managers to think, act, and transcend global boundaries, foster global thought and develop a global mindset.

These individual-level characteristics, when supplemented by certain organizational-level characteristics, enable the reshaping of managerial outlook such that globalization is embraced. Organizational-level attributes are skill sets that are instilled in managers with the help of certain actions and plans developed by organizations often resulting in formal and informal training programs and mechanisms for managers.³² This training, in turn, enables managers to develop skill sets that are essential for operating successfully in the global marketplace. These organizational-level skill sets are categorized as global identity, boundary spanning activities, and level of international experience.

By being privy to numerous global activities, managers derive a psychological advantage, and essentially adopt a global identity.³³ Boundary spanning activities can be classified as internal activities (global responsibility designations, global team participation, ad hoc project groups, networks, and shared tasks or jobs across national boundaries) and external activities (international strategic alliances, joint ventures, international mergers, and international supplier agreements and joint marketing plans), which provide managers the necessary connections and channels to expand the business globally.³⁴ Lastly, the level of international experience is defined as the amount of experience that a manager has accumulated in an international context which includes foreign assignments, education, and vacations.³⁵ These organizational-level traits also enable reshaping of global thought and the cultivation of a global

³¹ Jeffrey Covin and Dennis Slevin, "Strategic Management of Small Firms in Hostile and Benign Environments," *Strategic Management Journal* 10 (1987): 75–87.

³² Beechler, Sully Taylor, Boyacigiller, and Orly Levy, "Building Global Mindset for Competitive Advantage."

³³ Ibid.

³⁴ Cited in Bartlett and Ghoshal, *Managing Across Borders*.

³⁵ Rosalie L. Tung and Edwin W. Miller, "Managing in the Twenty-First Century: The Need for Global Orientation," *Management International Review* 30/1 (1990): 5–18.

mindset. The above linkages provide underpinning for the following hypotheses:

- H1a. Knowledge of socio-political differences across countries and regions will positively influence global mindset intensity.*
- H1b. Knowledge of organizational and societal culture and cross-cultural issues that impact management will positively influence global mindset intensity.*
- H1c. Knowledge of information systems networks facilitated by the information and technological revolution will positively influence global mindset intensity.*
- H2a. Professional and managerial skills will positively influence global mindset intensity.*
- H2b. Personal and social skills will positively influence global mindset intensity.*
- H2c. Cross-cultural and international skills will positively influence global mindset intensity.*
- H3. Risk tolerance will positively influence global mindset intensity.*
- H4. Global identity will positively influence global mindset intensity.*
- H5a. Boundary spanning activities (importance) will positively influence global mindset intensity.*
- H5b. Boundary spanning activities (involvement) will positively influence global mindset intensity.*
- H6. Level of international experience will positively influence global mindset intensity.*

Empirical Research Methodology

Research Design

Scholars are applying both quantitative and qualitative, or pluralist, approaches to their investigations.³⁶ The main reason for this is the recognition of the need to complement quantitative studies with qualitative research, in order to provide researchers with a deeper understanding of the

³⁶ Mary B. Teagarden, et al., "Toward a Theory of Comparative Management Research: An Idiographic Case Study of the Best International Human Resources Management Project," *Academy of Management Journal* 38/5 (1995): 1261–1287.

pattern of statistical results.³⁷ Consequently, a pluralist research design was adopted for the current study.

The study was conducted in three major phases. In the first phase, a survey questionnaire developed by Ananthram was translated into Japanese and translated back into English with the collaboration of a professional bilingual translator.³⁸ In the meantime, professors at a prominent prefectural university in western Japan had accepted an invitation to collaborate in the research project, and part of their role was to mobilize industry networks for the purposes of survey data collection.

	%		%
Managerial Level		Gender	
Executive	36.6	Female	2.8
Senior	26.8	Male	97.2
Middle	23.9		
Supervisory	12.7		
		Industrial Sector	
Age (in years)		Manufacturing	59.2
Less than 30	2.8	Services	40.8
30 – 39	8.5		
40 – 49	32.4	Educational Background	
50 and above	56.3	Senior High School	7.0
		University	93.0
Tenure (in years)		International Dimension in Education	
Less than 10	16.9		63.4
10 – 19	19.7		
20 and above	63.4		

**Table 2. Demographic Profile of Questionnaire
Survey Respondents (N=71)**

³⁷ Cecil Pearson and Lanny Entekin, “Structural Properties, Work Practices, and Control in Asian Businesses: Some Evidence from Singapore and Malaysia,” *Human Relations* 51/10 (1998): 1285–1306.

³⁸ Subramaniam Ananthram, *The Logic of Globalization and Global Mindset Development: Insights from the Indian and Chinese Services Industry* (Germany: VDM Verlag, 2008).

In the second phase, 200 hard-copy questionnaires were mailed by the Japanese research collaborators to potential respondent managers employed in globally-oriented Japanese organizations in the Hyogo area of western Japan. By the end of a three month period, 82 questionnaires had been returned (the identity of the managers and organizations were kept anonymous), of which eleven were incomplete and assessed as invalid.

The final usable sample was 71, which provided a response rate of 35.5 percent. A brief description of the demographic profile of the respondents is presented in Table 2. The data was analyzed with various statistical tests with SPSS software.

The demographic information shown in Table 2 indicates that the great majority of survey respondents (and therefore focus group participants) were males above forty years of age who held managerial level posts, evenly divided between manufacturing and service sector industries. Most respondents held university degrees, and the great majority had more than ten years of experience in their respective organizations.

In the third and final phase, these empirical results were then presented to eleven Japanese managers at face-to-face and one-on-one interviews at on-site sessions in Japan. The managers at these qualitative sessions, who had participated in the quantitative phase of the study, were invited to provide further explanation to the survey data. One of the research collaborators from the Japanese university who was proficient in both Japanese and English was present at all the interviews and interpreted when necessary. Moreover, one of the Australian researchers was a Japanese language speaker who had considerable experience living and working in Japan. The interviewers made extensive notes at the qualitative sessions.

Measures, Factor and Reliability Analysis

Knowledge and Information

A scale developed by Ananthram³⁹ was utilized in the survey as a means of assessing the three dimensions of “Knowledge and Information;” namely, knowledge of information systems networks facilitated by the information and technological revolution (Knowledge 1), knowledge of socio-political differences across countries and regions (Knowledge 2), and

³⁹ Cited in Ananthram, *The Logic of Globalization and Global Mindset Development*.

organizational and societal culture and cross cultural issues that impact management (Knowledge 3). Three items were developed for each of the three constructs. Responses were given on a seven-point Likert scale (1=extremely unimportant to 7=extremely important).

Factor analysis (used to uncover the underlying structure of a set of variables) revealed three constructs. However, the three items measuring Knowledge 2 and one item measuring Knowledge 1 were skewed and were deleted. Knowledge 1 was subsequently using two items with a Cronbach alpha (measure of internal consistency and reliability where a score of 0.70 or higher is considered acceptable) of 0.83. Knowledge 3 was measured using three items with a reliability alpha of 0.81.

Skills and Abilities, and Risk Tolerance

“Skills and Abilities” was measured using an adapted version of a scale initially developed by Adler,⁴⁰ shortened from 27 to 16 statements by Ali and Horne,⁴¹ and later adapted by Ananthram⁴² as a 14-item scale. The scale is linked to three sub-dimensions of the necessary attributes, namely, *professional and managerial skills*, *personal and social skills*, and *cross cultural and international skills*. The three dimensions were assessed by asking four, seven, and three questions, respectively. Respondents reported their perceptions on a seven point Likert scale (1=extremely unimportant to 7=extremely important).

“Risk Tolerance” was measured using a scale developed by Covin and Slevin,⁴³ later adapted by Roth⁴⁴ and then by Harveston, Kedia and

⁴⁰ N. J. Adler, “Cross-Cultural Management Issues To Be Faced,” *International Studies of Management and Organization* 13/1-2 (1983): 7–45.

⁴¹ A. Ali and D. Horne, “Problems and Skills in International Business,” *Management Memo* 1 (1986): 34–38.

⁴² Cited in Ananthram, *The Logic of Globalization and Global Mindset Development*.

⁴³ Covin and Slevin, “Strategic Management of Small Firms in Hostile and Benign Environments,” pp. 75–87.

⁴⁴ K. Roth, “Implementing International Strategy at the Business Unit Level: The Role of Managerial Decision-Making Characteristics,” *Journal of Management* 18/4 (1992): 769–789.

Davis.⁴⁵ This measure was then adapted by Ananthram.⁴⁶ Managerial risk tolerance was assessed through five questions. Respondents were asked to respond on a seven point Likert scale (1=extremely unimportant to 7=extremely important).

The above items were factor analyzed with four factors expected and four obtained. One item measuring skills and abilities and one item measuring risk tolerance were deleted owing to leakage. Some of the items comprising the three constructs for skills and abilities loaded onto different constructs. This was attributed to the change in context given that the instrument was developed in the West and the current study was being conducted with Japanese managers in the East. The Cronbach alpha scores for cross cultural and international skills, personal and social skills, and professional and managerial skills were 0.86, 0.74, and 0.71, respectively. The Cronbach alpha for risk tolerance was 0.82.

Global Identity, Level of International Experience, and Global Mindset Intensity

An eight-item scale developed by Ananthram⁴⁷ was employed to measure “Global Identity.” Respondents were asked to report on a seven point Likert scale to indicate the level of importance that each action had in working in the global marketplace. “Level of International Experience” was measured using an instrument developed by Harveston⁴⁸ that had been adapted from Harveston, et al.⁴⁹ The adapted instrument was later employed by Ananthram.⁵⁰ Level of international experience was assessed through four questions. Respondents were asked to respond on a seven point Likert

⁴⁵ P. D. Harveston, B. L. Kedia, and P. S. Davis, “Internationalization of Born Global and Gradual Globalizing Firms: The Impact of the Manager,” *Journal of Global Competitiveness* 7/1 (1999): 278–286.

⁴⁶ Cited in Ananthram, *The Logic of Globalization and Global Mindset Development*.

⁴⁷ Ibid.

⁴⁸ Harveston, “Synoptic Versus Incremental Internationalization.”

⁴⁹ Harveston, Kedia, and Davis, “Internationalization of Born Global and Gradual Globalizing Firms,” pp. 278–286.

⁵⁰ Cited in Ananthram, *The Logic of Globalization and Global Mindset Development*.

scale (1=very rarely to 7=very extensively) to indicate their level of involvement with each activity.

Following the work of researchers, global mindset intensity was assessed by asking managers a series of questions about their attitude towards globalization.⁵¹ Questions were adapted from William J. Burpitt and Dennis A. Rondinelli⁵² that were later employed by Ananthram.⁵³ Respondents were asked to report on a seven point Likert scale (1=strongly disagree to 7=strongly agree) to indicate their level of agreement with each statement. The 16 items were subject to factor analysis. Three factors were expected and three obtained. One item measuring global identity was deleted owing to its leaking across constructs and hence measured using a seven item scale. The Cronbach alpha scores were 0.84, 0.84, and 0.85 for global identity, level of international experience, and global mindset intensity, respectively.

Boundary-Spanning Activities

The study employed a ten-item scale developed by Ananthram⁵⁴ that asked respondents to indicate the importance and frequency of involvement with the “Boundary-Spanning Activities” identified from the literature. Respondents were asked to respond on a seven-point Likert scale (1=extremely unimportant to 7=extremely important) to indicate the level of importance each activity had, in working in the global marketplace. Respondents were also asked to report on a seven-point Likert scale (1=very rarely to 7=very extensively) separately, to indicate their level of involvement with each activity.

Factor analysis was not conducted for this variable owing to the fact that boundary-spanning activities are reported in the literature to be comprised of independent, mutually exclusive activities enabling

⁵¹ Kevin Barham, “The Internationalisation of Business and the International Manager,” *Industrial and Commercial Training* 19/4 (1987): 6–11.

⁵² William J. Burpitt and Dennis A Rondinelli, “Export Decision-Making in Small Firms,” *The Role of Organizational Learning* 33/1 (1998): 51–68.

⁵³ Cited in Ananthram, *The Logic of Globalization and Global Mindset Development*.

⁵⁴ *Ibid.*

convergence of cross border informational boundaries.⁵⁵ The reliability assessment reported Cronbach alpha scores of 0.81 for the importance of boundary spanning activities and 0.91 for the involvement with boundary spanning activities.

Results

Multiple Regression Analysis

Table 3 presents the multiple regression analysis for the assessed skillsets with global mindset intensity. Multiple regression analysis was performed separately for the individual level and the organizational level skillsets. The results indicated that four of the ten assessed constructs were positively related to global mindset intensity; namely, personal and social skills, risk tolerance, global identity, and level of international experience. Therefore, hypotheses H2b, H3, H4 and H6 were supported.

Constructs	Global Mindset Intensity	
	B	T
Individual Level		
H1a – Knowledge of Information Systems Networks Facilitated by the Information and Technological Revolution	.031	.360
H1c – Knowledge of Organizational and Societal Culture and Cross-Cultural Issues that Impact Management	.049	.525
H2a – Cross-Cultural and International Skills	.018	.171
H2b – Personal and Social Skills	.328	3.208**
H2c – Professional and Managerial Skills	-.011	-.127
H3 – Risk Tolerance	.670	8.024***
Adjusted R ²	.569	
F	16.415***	
Organizational Level		
H4 – Global Identity	.296	2.739**

⁵⁵ Murtha, Lenway, and Bagozzi, “Global Mind-sets and Cognitive Shift in a Complex Multinational Corporation,” pp. 97–114.

H5a – Boundary Spanning Activities (Importance)	.124	1.007
H5b – Boundary Spanning Activities (Involvement)	.009	.084
H6 – Level of International Experience	.340	2.802**
Adjusted R ²	.213	
F	5.738**	
Notes: a. H1b – “Knowledge of organizational and societal culture and cross-cultural issues that impact management will positively influence global mindset intensity” was not included in the multiple regression model as the items were deleted during the factor analysis stage; b. b = beta, t = t value, F = F statistic; c. *p < 0.05, **p < 0.01, and ***p < 0.001.		

Table 3. Results of Multiple Regression Analysis

Quantitative Findings

The quantitative results were presented to eleven managers who had previously participated in the questionnaire survey at face-to-face interviews and focus group sessions. These eleven managers represented four different industry sectors, namely manufacturing (four managers), industrial gases (three managers), industry and commerce (three managers), and engineering (one manager). The managers were asked to explain the patterns recorded in the quantitative phase of the study based on their practical understanding and experience. They were also asked to identify all important skillsets that constituted a global mindset, which were outside of the six skillsets used in the quantitative phase of the study. The interviews were transcribed and analyzed manually using the content analysis methodology. The findings are presented in the following paragraphs.

Skills and Abilities

According to the interviewees, “personal and social skills” was the only construct that was significantly related to global mindset intensity. These soft-skills and values were somewhat unique to the Japanese context as explained by the managers, because the traditional Japanese management style encouraged managers to utilize *personal soft-skills* and values such as honesty, sincerity, loyalty, and sensitivity. The vice president and general manager of a leading Japanese manufacturing organization engaged in global business explained that the “affection and warmth of the heart for a Japanese manager was vital.” The manager went on to explain that it was

important for Japanese managers engaged in global business organizations to understand the core values of the organization and the history of the organization. That is, the importance of organizational culture. It was also important “to be honest and have a sense of integrity at all times.”

Managers also explained that certain additional personal soft-skills and values that were essential for Japanese managers to develop a global mindset included *family values*. The general manager of a leading Japanese oil and gas exploration company that had a global presence also explained that, “...in the end the human being is very important. Not just his/her ability or knowledge but the man/woman itself...to know how he/she was brought up, what value sets they bring in to the organization based on their up-bringing.” The manager explained the importance of these family value sets even when recruiting from overseas. He gave an example of a Vietnamese employee who was recruited to run the Vietnamese operations of their organization where: “...Our human resources officer visited the [potential] Vietnamese employee’s house in Ho Chi Minh City and met his family, talked with them, got introduced to the father and mother after personal exchanges and introductions. This [was] to assess the family background, values, etc. [instilled] in the potential employee as we want him to be part of our organization’s family.”

Risk Tolerance

Risk tolerance was positively related to global mindset intensity. The qualitative sessions provided support to this finding. The Vice President and General Manager of a leading Japanese manufacturing organization engaged in global business explained that, “...it is important to allow managers some kind of allowance that they make mistake [abroad]; learning from mistakes is very important. Maximum risk tolerance, freedom and discipline [comes together] and is very important.” This comment provided support to the fact that it was imperative for Japanese managers engaged in global business to possess a higher threshold for handling risk in business.

Global Identity

Global identity was reported as significantly related to global mindset intensity in the quantitative phase of the study. The view that global identity gave managers a psychological advantage because it enabled a perception of globalization as beneficial to the organization was confirmed during the qualitative feedback sessions.

A manager from the planning department of a leading Japanese organization in the industrial gases sector suggested the following: “Understanding [globalization] is very important. Doing business – understanding where you are, why you are doing this [globalization], business background, and understanding the global market is very important.” The manager further ventured that unless they fully understood the merits of globalization and its impact on the organization and themselves, it would be very difficult to appreciate the associated benefits; and, in order to appreciate this, it was imperative that managers possessed a global mindset. Another general manager from the engineering division of the same organization explained that “global identity is a human feeling, a sense that globalization is important [for the organization].”

Level of International Experience

The quantitative results reported that the level of international experience was related to global mindset intensity. The vice president and general manager of a leading Japanese manufacturing organization engaged in global business confirmed these findings. He stated that, “experience/opportunity to work outside Japan is extremely important.” A senior manager from the same organization added, “...experience in overseas [postings] when they [managers] are young is vital. [We encourage] them [managers] to go overseas to subsidiaries, work with foreign managers and employees.”

A senior manager of a leading Japanese organization in the industrial gases sector stated, “In one division – subsidiary company in Singapore – we have a Japanese general manager. He encourages managers from Japan to [live and work] in Singapore, experience the business [culture].” The manager further explained that this overseas experience helps managers understand and appreciate the similarities and differences in business cultures across different countries and that this was vital towards the development of a global mindset.

Discussion

The current empirical research study, which was conducted in the Hyogo area of Japan, tested eleven hypotheses that were developed from an examination of the literature in relation to the concept of “global mindset intensity.” Out of eleven hypotheses tested, four were supported as being related to the existence of a “global mindset” in Japanese managers following a pluralist methodology. These were “H2b - personal and social

skills,” “H3 - risk tolerance,” “H4 - global identity” and the “H6 - level of international experience.” Interestingly, as opposed to various forms of knowledge, the supported hypotheses all essentially related to skillsets or other personal or individual characteristics of the managers under study. Each of these skillsets, “personal and social skills,” “risk tolerance,” “global identity” and the “level of international experience” could only have been realistically acquired through individual experience and personal development.

It is true that within the above hypotheses list that H2a (professional and managerial skills) and H2c (cross-cultural and international skills) were not seen as related to the existence of a global mindset, but these might well have been interpreted by respondents as being professionally, as opposed to experientially, acquired. This potential limitation on the interpretation of the results could really only be clarified with further interviews with the managers concerned, and logistical and financial constraints of the researchers have prevented this from happening, at least in the short term.

Given, then, that these results are pointing to personal characteristics and skillsets acquired through individual experience and related personal development as the determinants of a global mindset (which is really the antithesis of the common understanding of the collectivist, even regimented, Japanese managerial psyche) it seems that change may have taken place. Or, there might be a change in progress in Japan, as desirable managerial development is accomplished, at least in relation to the development of a global mindset. Then, if it can be assumed that such a paradigm shift has occurred, it is interesting to contemplate the timeline of such change and to consider these results in a temporal or historical context.

In his seminal article in which he outlined in great detail the formulation of a model for the understanding of “societal systems of capitalism,” Gordon Redding explained very clearly and convincingly that business and management systems should be understood in terms of their historical and relevant socio-cultural contexts.⁵⁶ The current situation, in which various constructs have been linked to the contemporary “global

⁵⁶ Gordon Redding, “The Thick Description and Comparison of Societal Systems of Capitalism,” *Journal of International Business Studies* 36/2 (2005): 123–155.

mindset intensity” of contemporary Japanese global managers, is no exception, and the following paragraphs will outline some important aspects of the relevant historical and contemporary contexts.

The Japanese have struggled with globalization for centuries, and their society has fluctuated between periods of dogmatic isolation and receptiveness to the outside world.⁵⁷ A classic example of this is the closed nature of some two and a half centuries of Tokugawa society, in which a new Meiji period administration oversaw the rapid transfer and assimilation of knowledge and technologies from the industrialized Western nations. The Meiji rulers dispatched former members of the samurai class – an educated but previously very inwardly focused group – to Europe and the United States to study foreign industrial and military technologies and to be the vehicles for the transfer of knowledge, skills and technologies to the fledgling Japanese industrial economy.⁵⁸

These newly-coined international businessmen were also commonly charged with the development of new industries in Japan, and they would have needed all their acquired diplomatic, risk management and international skills to be a central part of Japan’s transformation from an inward-looking agrarian economy, to a first-world industrial power in less than fifty years (1868–1912).

Following the period of extreme nationalism, which saw Japan engaged in a catastrophic conflict with the Western powers (1942–1945). While firmly closed to the world in many ways, Japan entered a highly significant period in its social and economic history in which it was, in many ways, open to the outside world, but in some important ways remained closed. That is, in economic terms at least, after successful economic reconstruction efforts, flagship Japanese global corporations began looking outward and conquering world markets, but at the same time, the domestic economy was largely the exclusive province of Japanese companies. Foreign companies were largely locked out of the Japanese domestic economy because of legislative and bureaucratic restrictions, as well as cultural obstacles.

⁵⁷ “No Country is an Island,” *The Economist* Print Edition, November 29, 2007 (accessed October 6, 2010, <http://www.economist.com/node/10169924>).

⁵⁸ Mikiso Hane, *Modern Japan: A Historical Survey* (Boulder: West View Press, 1986).

The foot soldiers of Japanese postwar reconstruction became idealized employees: the Japanese “salary men” who staffed the Japanese corporations engaged in both international and domestic businesses as the nation battled its way from post-war chaos to first-world industrial leadership and international respectability. These hard-working employees were, in many cases, willing to work long hours each week for decades, often commuting long distances on a daily basis and taking relatively few annual holidays, in the name of their country, their companies and their families.

At the corporate level, they sublimated their personal desires and ambitions, and focused on the success of their companies and organizations for the greater good of the nation. As Chiavacci noted, “...a general middle-class model led to a solidification of the social basis of developmental capitalism by implying an ideal-life course and defining a successful life.”⁵⁹ For males, this success was based around studying hard to enter a highly-regarded university, and following graduation, entering a large corporation or government service at the beginning of a long and stable career with a single employer. For women, success meant marrying such a male, and rearing children to follow in the model of their parents, thus ensuring the continuity of the system.

It seems very likely that such mass dedication to work was a significant contributor to the situation where Japan became a contender for world economic leadership by the end of the 1980s: “The Japanese way of life was a formidable basis for developmental capitalism. It resulted in intense competition in education that provided the Japanese economy with workers and employees with excellent academic abilities and high labor productivity.”⁶⁰ As Chiavacci observed, in the case of the U.S. liberal capitalist system, the ideal person was the self-made entrepreneur, but for post-war Japanese society the ideal became the employee who toiled selflessly with big companies and government agencies.⁶¹

In stark contrast to the painstakingly constructed economic successes of the first three post-war decades, the spectacular collapse of the

⁵⁹ David Chiavacci, “The Social Basis of Developmental Capitalism in Japan: From Post-war Mobilization to Current Stress Symptoms and Future Disintegration,” *Asian Business and Management* 6 (2007): 35–55.

⁶⁰ *Ibid.*, p. 42.

⁶¹ *Ibid.*

Japanese economy in the early 1990s, the lost decade which followed this, the Asian financial crisis of 1997, the resurgence of the U.S. economy in the late 1990s and first years of the twenty-first century, the emergence of China and India as global economic powerhouses, and the Global Financial Crisis of 2008 all created a great deal of disruption to the previous social and economic order, leaving the Japanese unsure of their role in a rapidly globalizing world and looking for a way forward. At the end of all this – price deflation, relatively high unemployment, government indebtedness, negative or stagnant economic conditions – it must have seemed a bitter harvest in return for the decades of sacrifice of many Japanese salary or company men. Within a relatively short space of time, a central and established way of life had lost a significant proportion of its relevance and essential value.

Enter the global Japanese businessman of the contemporary era. According to the respondents in the current survey and interviews, a Japanese manager with the appropriate global mindset to tackle international business challenges in the contemporary, complex global arena, would have “personal and social skills,” “risk tolerance,” a “global identity,” and “international experience.” This twenty-first-century global businessman would be, by implication, an individualist bringing an array of personal, not culturally or collectively determined, attributes to bear in the battle for global business supremacy. This profile is the antithesis of the stereotypical Japanese salary man of the post-war era. Indeed, this new profile is reminiscent of the Japanese comic strip (*manga*) business man, Shima Kosaku, who attracted millions of avid readers in Japan, not because of his identity with a groupist instinct and unrelenting dedication to company and duty, but because of his worldliness, clever negotiation skills, and a propensity to take risks.⁶² In line with the results emerging from the limited survey and interviews conducted in the current, albeit modest study, it might be that the luster associated with the archetypal “salary man” of the post-war years has dulled, and a more worldly, risk-taking global businessman is perceived by many as an ideal role model.

⁶² “A Question of Character,” *The Economist* Print Edition, August 7, 2008 (accessed October 9, 2010, <http://www.economist.com/node/17673947>).

Conclusion

This paper began by very briefly reflecting on the human efforts that made possible the historic transformation that began in Japan after the middle of the nineteenth century when a domestically focused, essentially agrarian nation became a world industrial power within some fifty years, and again in the second half of the twentieth century, when Japan emerged from the chaos and trauma of defeat in the Pacific War to challenge for world economic leadership by the late 1980s. The champions of these herculean efforts were the ex-samurai chosen by the Meiji Administration to lead the initial economic transformation, and the more prosaic Japanese “salary men,” whose collective commitment and relentless energy dragged a dispirited Japan into the economic sunlight in the postwar period.

The current research study surveyed Japanese international managers in the contemporary age of globalism, which comes, of course, some two decades after the start of Japan’s relative economic decline. After establishing the constructs by which the so-called “global mindset intensity” could be measured, a questionnaire survey and follow-up interviews were conducted for the purpose of establishing how Japanese international managers conceptualized an appropriate mindset for the global business era. Out of eleven constructs offered to them, only four were supported, and these were “personal and social skills,” “risk tolerance,” a “global identity,” and “international experience.”

By placing this response in its temporal context, the researchers are tentatively suggesting that the most recent ideal business role model, the collectivist “salary man,” is now more or less redundant, and that the ideal is now a more worldly, individualistic, global business person, whose expertise and “global mindset intensity” is very much based on personalized international business experience, reminiscent of Western business ideals. For Japan, this is a radically different model, and one that might be quite challenging for many middle-aged and older Japanese. In making these tentative observations, the authors are very mindful of major limitations of the study—for example, the exploratory nature of the research, the fact that the data is really a perceptual “snapshot,” its regional focus, and the very limited size of the sample. Clearly repeated, larger scale and more broadly cast data collection would provide a stronger basis for asserting fundamental change in the nature of perceptions of global mindset intensity in Japanese international managers, but the current study at least provides some signposts for future research efforts.