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GLOBAL MINDSET INSTITUTE

Conceptualizing and Measuring Global Mindset®: Development of the Global Mindset Inventory

An Executive Summary:

Mansour Javidan, Ph.D.

Dean of Research,
Garvin Distinguished Professor, and
Director of Thunderbird
Global Mindset Institute

Leaetta Hough, Ph.D.

The Dunnette Group

Amanda Bullough, Ph.D.

Assistant Professor
Thunderbird
School of Global Management



Executive Summary

Thunderbird's Global Mindset Institute is the preeminent source of the science and practice of global leadership as it relates to: definition, measurement, and development of Global Mindset. The Institute is home of the Thunderbird *Global Mindset Inventory* (GMI), the world's first and only psychometric assessment tool that measures and predicts performance in global leadership positions. This report is a review of the development and testing of the GMI, including: development of the items and scales contained in the instrument, the internal reliability of the measure and its components, and the external validity of the instrument. The executive summary of this report explains Global Mindset, and then presents an overview of the findings tendered in this report.

Global Mindset is a set of individual characteristics that help global leaders better influence individuals, groups, and organizations unlike themselves. Eight Thunderbird professors interviewed over 200 global executives and collaborated with other distinguished scholars around the world to define the concept of Global Mindset and developed metrics and scientific instruments to measure an individual's and a group's profile of Global Mindset.

Thunderbird *Global Mindset Inventory* (GMI) is an Internet-based survey developed through a rigorous scientific process including a series of pilot tests with over 1,000 global managers. It takes an average of ten minutes to complete. It is designed to measure an individual's and a group's profile of Global Mindset in terms of Psychological Capital (PC), Social Capital (SC), and Intellectual Capital (IC). The instrument is available in two formats: self-assessment and 360°. More than 6,500 individuals and managers from more than 200 organizations around the world have completed the survey.

Our research has determined that Global Mindset can be developed and improved. To enhance development of a Global Mindset, the Global Mindset Institute has designed and offers a portfolio of executive education programs, coaching solutions, and individualized action plans to managers and organizations. Upon completing the GMI, participants can attend a one-day workshop to:

- Understand their own profile of Global Mindset
- Understand their group's profile of Global Mindset
- Examine the importance of Global Mindset to their organization
- Develop action plans to enhance their own, their direct reports', and their organization's Global Mindset

Development of the *Global Mindset Inventory*

Development of the Global Mindset scales was based on theory development and statistical analyses of the Global Mindset construct. Initially, the theoretical structure of Global Mindset consisting of nine scales was statistically verified. However, second-order factor analysis supported a two-factor structure rather than the theoretically developed three-category structure. Refinements were made to the initial item pool and reliable measures were determined for the Global Mindset construct. A third interim set of *Global Mindset Inventory* scales was created to provide insight into an individual's Global Mindset. Global Mindset therefore is useful for development and training of individuals. This third interim set of 91 GMI items was found to better discriminate between empirical factors than the earlier scales.

As shown in subsequent chapters, the 91 items were further reduced to 76 final items (50 Global Mindset questions and 26 demographics) in the *Global Mindset Inventory* through a process of confirmatory factor analyses. Internal and external reliability tests were then conducted on the final 76 items to verify the instrument.

Confirmatory Factor Analyses

Confirmatory factor analyses (CFAs) were conducted to confirm the structure of the Global Mindset construct. CFAs were also used in order to finalize the items in the *Global Mindset Inventory* (GMI). CFAs were run in two iterations: on a sample of 1,266 and on a larger sample of 6,071. Analyses were conducted on the nine scales by themselves, as well as on the targeted three-factor structure (Psychological Capital, Social Capital, and Intellectual Capital). Analyses revealed that the model fit was

stronger for the nine scales run separately, rather than run together in the three-factor structure. These nine scales combined comprise an aggregated Global Mindset score.

Internal Reliability of the *Global Mindset Inventory*

Further analyses were conducted to test the reliability of the nine GMI scales and the three overall categories. Reliabilities for the nine scales and the categories in which they each belong (Psychological Capital, Social Capital, and Intellectual Capital) were found to be very strong, verifying the strength and internal consistency of the measures. Findings also revealed, as found in the confirmatory factor analyses, that the three categories are not especially distinct from one another. We conclude that the PC, SC, and IC categories should be generally used for theoretical and conceptual purposes, when discussing the categorization of the nine scales and how to improve an individual's Psychological, Social, and Intellectual Capital. Additionally, the correlations among the nine scales are significant, but distinct, indicating proper membership within the Global Mindset construct.

External Validity of the *Global Mindset Inventory*

Univariate analyses conducted with demographic items in the Global Mindset (GM) database uncovered patterns in the nine GM scales, three overall categories, and the aggregate GM score (the average of the nine scales). Independent variables included: individual's level within the organization, size of the organization, education level, age, gender, individual obtainment of an international degree, English proficiency, number of languages spoken, number of countries lived in and length of stay, number of friends and family-friends from other countries, and board of director officer positions held. The results of these analyses were then verified alongside existing leadership and cross-cultural research streams.

In addition, criterion-related validity tests were carried out on the *Global Mindset Inventory*. The purpose was to determine the ability of the GMI to predict top talent in an organization and the extent to which the GMI is related to other existing measures of top talent. Acme 1 and Acme 2 represent two large companies that participated in the study, and both provided performance-related information from company participants. The relationships between Global Mindset scales and non-self-report data are

helpful in understanding the nomological net of the Global Mindset scales and thus the Global Mindset construct. Both Acme 1 and 2 were significant in verifying the criterion-related validity of the GMI.

To summarize, as detailed in the following chapters, the instrument called the *Global Mindset Inventory* (GMI) has been developed through a very rigorous theoretical and empirical process. It has followed a multiphase multimethod research methodology and has impressive psychometric properties as evidenced by its strong reliability scores and its multidimensional validity properties. More information on the construct, the instrument, and their related topics, please visit our Web site, www.globalmindset.com. We can be contacted at globalmindset@thunderbird.edu.