

# **GLOBAL MINDSET: ORGANIZATIONAL CONSCIOUSNESS; AND SUSTAINABLE LEADERSHIP: THE NEW PATH OF CORPORATE EXCELLENCE**

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## ***ABSTRACT***

*The new challenges and issues in global business environment have thrust upon huge pressures on organizational leaders. The evolving leadership challenges in terms of long term sustainability criteria has surfaced factors like living with uncertainty and complexity; managing diversity; developing socially networked organizations; identifying and acting on social opportunities; and developing the next line of leaders. This paper on one hand has revisited modern management concepts like MBO, knowledge management, and boundary less organizations propounded by management thinkers like Peter Drucker and Henry Mintzberg; whereas on the other side has explored leadership lessons from the ancient Indian scriptures like Vedanta and Kautilya's Arthashastra. Hence, it stands out to be an attempt to synthesize the Western and Indian thoughts in the context of organizational leadership and sustainable development through the integrative review of literature supplemented by authors' own explanations and comments. The paper concludes with drawing out the leadership competencies required for the new arena of business environment; imperatives for the Business School graduates; and by developing a triad approach model for sustainable organizational development.*

Keywords: Global mindset; corporate social responsibility; leadership competencies; sustainable leadership; sustainable development.

## **GLOBAL MINDSET**

Global mindset combines an openness to and awareness of diversity across cultures and markets with a propensity and ability to see common patterns across countries and markets. In a company with a global mindset, people view cultural and geographic diversity as opportunities to exploit and are prepared to adopt successful practices and good ideas wherever they come from (Phadnis, 2012). Chatterjee (2005) expressed that as work organizations expand and respond to competitors and collaborators regionally and globally, they need workforces and managers who can ride the waves of culture and diversity by learning and adapting in every sphere of organizational life. He added that Global mindset is a cognitive orientation anchored in any organization and expressed through its values and practices that demonstrate its ability to transcend the boundaries of immediacy. Developing a global mindset is a process of synthesis between the tangibles and intangibles in the cognitive domain, and then configured into corporate values, beliefs, strategies, culture, and competencies (Chatterjee, 2005).

Perlmutter (1969) conceptualized three types of mindsets namely *ethnocentric* (strong home country orientation in terms of organizational policies and practices); *polycentric* (strong host country orientation in terms of organizational policies and practices); *geocentric* (true global orientation without any bias towards home or host country). The issue remains to achieve the dynamic balance between the global efficiency on one hand, and the local responsiveness on the other following the 'GLOCAL' approach (Bartlett and Ghosal, 1989; Murtha et. al. 1998; Gosling and Mintzberg, 2003). Rhinesmith (1995) and Srinivas (1995) identified the key areas of managerial attention that help developing global mindset are holistic perspective; tolerance for ambiguity; people relations and positive social network; managing diversity; proactivity to change; organizational flexibility; long term orientation; and systems thinking.

*Vasudhaiv Kutumbhkam* (World as a family) is an ancient Indian thought wherein the entire world is considered a family – a global family. Advances in Information and Communication Technology (ICT) has reduced the world to a 'global village' which is essentially a market oriented economic metaphor and is indicative of reduction in market distances, where as ancient Indian concept of *Vasudhaiv Kutumbhkam* (Global Family) is a cultural, emotional, psychological, human relations and a spiritual concept. The global family concept aims at reducing 'heart to heart' distances. It emphasizes emotional & spiritual integration. People need to think beyond the concept of 'global village' to the concept of 'global family' for overall welfare of humanity and wherein there is no hegemony of any one family member. Imbibing this idea of global family would certainly lead to development of global mindset for practicing managers and corporate executives.

## **ORGANIZATIONAL CONSCIOUSNESS IN MODERN MANAGEMENT**

Peter F. Drucker has been widely recognized as one of the key proponents of modern management thoughts and principles. Some major observations from the works done by Drucker (1974) are described below –

- Management is about human beings. Its task is to make people capable of joint performance, to make their strengths effective and their weaknesses irrelevant.
- Because management deals with the integration of people in a common venture, it is deeply embedded in culture.
- Every enterprise requires commitment to common goals and shared values. Without such commitment, there is no enterprise.
- Every enterprise is learning and teaching institution. Training and development must be built into it on all levels.
- Every enterprise is composed of people with different skills and knowledge doing many different kinds of work. It must be built on communication and on individual responsibility.
- Neither the quantity of output nor the bottom line is by itself an adequate measure of the performance of management and enterprise.
- Finally, the single most important thing to remember about any enterprise is that results exist only on the outside. The result of a business is satisfied customers, and in the long run its stakeholders.

Over emphasis on earning profit as the sole motive of any business organization at the cost of business ethics and social welfare may lead to disastrous consequences like Enron, Lehman Brothers, and Satyam Computers. In the words of Peter Drucker “It is not enough to do well; it must also do good.’ But in order to ‘do good,’ a business must first ‘do well.” He further stated that “...If we want to know what business is, we have to start with its purpose. And the purpose must lie outside the business itself. In fact, it must lie in society, since a business enterprise is an organ of society. There is only one valid definition of business purpose: to create a customer. The customer is the foundation of a business and keeps it in existence. He alone gives employment. And it is to supply the customer that society entrusts wealth-producing resources to the business enterprise....” – (Pearce et al., 2010)

Lately there has been observed growing realization among the behavior that better societal relations foster a sense of trust in the relationship with stakeholders. From there it is being ultimately linked to the triple bottom lines viz. people, planet and profits. People in the form of suppliers, distributors, bankers, employees, agents, etc constitute our “living” stakeholders. “Planet” constitutes the natural resources and the larger environment, the “non-living” or abiotic component in the stakeholders’ domain. The living and non-living stakeholders are inter-related to each other through organizational systems and processes. Hence, the term “business ecosystem” at this level indicates this web of inter-relationships. Finally, global management is facilitated by promotion of free trade both on a trans-national and trans-continental basis. The rapid globalization and inter-mixing of cultures is leading to the creation of a common global culture, where people of the various countries are exhibiting certain common cultural traits leading to the formation of a uniform world order with every person being a citizen of this new world order. This has led to the concept of global citizenship and applying the same in the context of a work organization, has been labeled as the organization citizenship behavior.

Clearly, the business ecosystem model and the open innovation model have broadened the scope of business focus which earlier was only restricted to either shareholders or the consumers. Business expansion leads to more production facilities and higher consumption of natural resources as well as creation and accumulation of more residues and wastes which affect our “planet”. So, focusing on planet and creating more environment-friendly processes is also important. This has led to the promotion of the concept of “Triple Bottom Lines”. The three major factors for an organization’s overall success are: People, Planet, and Profit. After the ratification of United Nations & International Council for Local Environmental Initiatives (ICLEI) in early 2007, this has become the dominant approach towards creating a more responsible and larger reporting system in the various organizations. When an organization promotes any CSR initiative, it indirectly addresses its commitment to the TBL initiative for a more transparent and responsible mechanism of corporate governance.

### **Full Spectrum Consciousness**

Richard Barrett (2012) described full spectrum organizations display all the positive attributes of the Seven Levels of organizational consciousness. He has also expressed that at the present moment in time, there are very few full spectrum organizations. Whenever we do encounter them, they always have exemplary performance characteristics.

- They master survival consciousness by focusing on profit, financial stability, and the health and safety of employees.

- They master relationship consciousness by focusing on open communication, employee recognition, and customer satisfaction.
- They master self-esteem consciousness by focusing on performance, results, quality, excellence, and best practices.
- They master transformation consciousness by focusing on adaptability, innovation, employee empowerment, employee participation, and continuous learning.
- They master internal cohesion consciousness by developing a culture based on shared values, and a shared vision that engenders an organization-wide climate of trust.
- They master making a difference consciousness by creating strategic alliances and partnerships with other organizations and the local community, as well as developing mentoring, coaching and leadership development programmes for employees.
- They master service consciousness by focusing on social responsibility, ethics, and sustainability, and keeping a long-term perspective on their business and its impact on future generations, as well as embracing compassion, humility and forgiveness.

### **Kautilya's Arthashastra revisited on Leadership**

Arthashastra viewed the man in leadership position as '*Vijigsu*', i.e. desirous of *vijaya* (victory/ achievement). It is an all encompassing phrase denoting 'overall achievement orientation'. However this achievement orientation is not guided by the narrow self interest but by the well-being, happiness, prosperity and security of the 'subjects' or the organizational members. A leader ensures that his team mates carry on their tasks successfully in a peaceful and undisturbed environment.

On the use of authority or power to punish, Kautilya contended that a leader is advised not to misuse his power or authority. Kautilya prefers to use the power to instill the order and protect the weak. He suggests that the leader (king) should have concern for protecting the weak. He prohibits excessive use of power and authority entrusted to an individual. He indicates that an unjust or improper use of authority may lead to strenuous relationship between the leader (king) and follower (subjects).

Arthashastra dealt in detail the qualities & disciplines required for a '*Rajarshi*'- a wise and virtuous king (a prudent and ethical business leader) as summarized by Rangarajan (1987) –

- Has self-control, having conquered inimical temptations of the senses
- Cultivates the intellect by association with elders (domain experts)
- Improves his own discipline by (continuing his) learning in all branches of knowledge
- Keep his eyes open through spies (vigilant about happenings in the business world)
- Is ever active in promoting the security and welfare of his people (organizational justice)
- Ensures observance by the people (employees) of their dharma (organizational rules, policies, procedures and systems) by authority and example
- Endears himself to his people (employees) by enriching them and doing good to them
- Avoid daydreaming, capriciousness, falsehood and extravagance
- Avoid association with harmful people and indulging in harmful (illegal and unethical) activities
- Practice ahimsa (non-violence) towards all.

Hence the king (leader) should always be energetic. Kautilya's leader is guided by reason and experience. Leader's action should be based on both reason as well as past experience. "With

the aid of former he analyses and with the help of latter, draws general conclusions (Garde, 2010). Thus, Kautilya emphasizes the importance of rationality as well as past experience in decision making. Further the need for bridging the theory-practice gap has also been emphasized. “One conversant with the science, but not experienced in practical affairs, would come to grief in carrying out undertakings” (Rangarajan, 1987). Thus the importance of the practical experience has also been emphasized.

The most important component of leadership is the futuristic vision. No planning succeeds without this vision. Chanakya said; “Ministers are those who can decide what should and what should not be done” (Rangarajan, 1987). A visionary leader must also be a missionary, extremely practical, and intensely dynamic, capable of transforming his dreams into reality. Manager should be a man of action, able to translate his ideas into action and young enough to keep working towards his goal for at least another decade. This dynamism and strength of a true leader flows from an inspired and spontaneous motivation to help others. A leader is one, who has learnt the art of drawing different kinds of people towards him and extracting the best from each one according to his qualities and aptitudes. This quality to draw all people towards one self is a function of few factors like (a) followers or team-mates must know that the leader sincerely feels for them, (b) they must see that the leader himself loves to share the work with team members, and (c) a leader must be pure in body and mind. A pure body and mind develops a rare bio-magnetism, which draws all people spontaneously toward him and compels them to do what he (leader) rightly desires.

## **SUSTAINABLE LEADERSHIP**

Managers have to face a dynamic business environment where change is the only constant and they have to keep adapting to these changes. But sometimes in situations of complexity or uncertainty, managers may get lost. It is then that someone has to show them the right direction. As Stephen Covey said: “Management is efficiency in climbing the ladder of success; leadership determines whether the ladder is leaning against the right wall.” (Covey, 1989)

Fullan (2005) stressed that the organizational leaders in order to be effective in the long run at all levels of a system must take moral purpose seriously in the sustainability process. He further added that humanity has the ability to make development sustainable. Such efforts can develop and increase leadership capacity locally, nationally, and internationally to create economic, environmental, and social sustainability. While a paucity of literature on leadership sustainability exists, one primary study done by Hargreaves and Fink (2003) indicated “that one of the key forces influencing change or continuity in the long term is leadership, leadership sustainability”. Furthering this and embracing the environmental stance, Hargreaves and Fink claimed that sustainability is more than merely making things last: Sustainable leadership matters, spreads and lasts. It is a shared responsibility, that does not unduly deplete human or financial resources, and that cares for and avoids exerting negative damage on the surrounding educational and community environment. Sustainable leadership has an activist engagement with the forces that affect it, and builds an educational environment of organizational diversity that promotes cross-fertilization of good ideas and successful practices in communities of shared learning and development. From this

definition, Hargreaves and Fink (2004) specifically cited seven critical principles of sustained leadership:

1. Sustainable leadership creates and preserves sustaining learning.
2. Sustainable leadership secures success over time.
3. Sustainable leadership sustains the leadership of others.
4. Sustainable leadership addresses issues of social justice.
5. Sustainable leadership develops rather than depletes human and material resources.
6. Sustainable leadership develops environmental diversity and capacity.
7. Sustainable leadership undertakes activist engagement with the environment.

Continuing the evolution of this concept in 2006, the authors promoted the depth, length, and breadth of sustainable leadership while reinforcing justice, diversity, resourcefulness, and conservation, which they clarified as learning “from the best of the past to create an even better future”. In fact, Hargreaves (2007) went so far as to say that sustainable leadership preserves and develops deep learning for all that doing no harm and creating positive benefits for others around the sustainable leaders, present and in the future. At the core of these principles is the need for leadership education to encourage leaders to know themselves, their hidden strengths and personality tendencies, as well as their leadership abilities within the organization.

**TABLE 1 : COMPETENCIES FOR SUSTAINABLE LEADERSHIP DEVELOPMENT  
(PROFESSIONAL COMPETENCIES)**

<p><b>External Awareness and Appreciation of Trends</b></p> <ul style="list-style-type: none"> <li>• Scans the horizon far beyond his/her own company and industry to understand what is happening in business and society at large. Able to interpret “weak signals” from many sources even when the impact of them might not be immediately obvious.</li> <li>• Spends the majority of their time with people, both inside and outside the organization, gathering information from both formal and informal channels (including blogs and other social media), and from networks of “different-thinking” people.</li> <li>• Interprets trends and signals in such a way that colleagues, customers, and other stakeholders can see how this might create opportunities as well as risks.</li> <li>• Explores “jarring notes” (signals that are uncomfortable, fairly undefined at the start, but that could be very important) without shying away from thinking the unthinkable, even if the implications might be bleak.</li> </ul>
<p><b>Visioning and Strategy Formulation</b></p> <ul style="list-style-type: none"> <li>• Leads the development of and communicates a compelling future (vision) for the business reflecting its social responsibilities, creating value for the many, and recognizing the varying aspirations and expectations of stakeholders.</li> <li>• Co-creates a strategy with people across the company and is informed by those outside it, recognizing the value of a broad-based, flexible, multi-stranded approach.</li> <li>• Leads the development of socially responsible products and services with a view to making a positive impact throughout the value chain.</li> </ul>
<p><b>Risk Awareness, Assessment, and Management</b></p> <ul style="list-style-type: none"> <li>• Identifies, assesses, and manages risks including as they relate to corporate reputation and to stakeholder relations.</li> <li>• Assesses low probability/high impact risks that could jeopardize the company’s future while</li> </ul>

recognizing that risks are not independent, and leads the organization in assessing intertwined risks (so-called “risk-ropes”).

**Stakeholder Engagement**

- Demonstrates an interest in and knowledge of evolving stakeholder sentiment and expectations, and is able to respond astutely and respectfully to competing stakeholder interests.
- Listens to people who question or do not agree with his/her or the company’s direction, and is able to extract valuable insights from such dissent.
- Builds action-oriented, mutually beneficial partnerships including those with unconventional stakeholders.
- Reads the political and opinion landscape, and represents the company’s interests to a broad range of stakeholders.

**Flexibility and Adaptability to Change**

- Demonstrates the ability to lead the organization when there is considerable controversy and ambiguity concerning the best way forward.
- Creates step-by-step strategies and “good enough” decisions flexible enough to be modified in the light of changing circumstances.
- Listens carefully and respectfully to voices inside and outside the company for new information that might require a change of direction and thinks creatively about possible new ways of doing things.
- Does not see own personal credibility as relying on being perceived as right all the time.

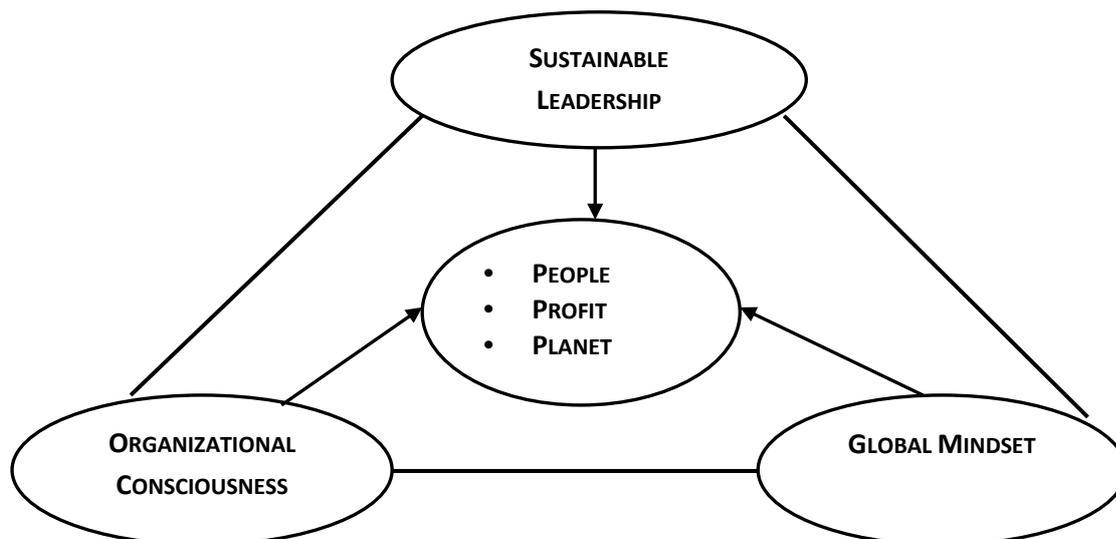
**Source:** Faruk and Hoffmann (2012), BSR

Finally, the cognitive framework of sustainable leadership can be related to the eight fold path conferred by the holy preaching of Lord Gautama Buddha. The conscious practice of them lead to the mental development, ethical conduct, and the wisdom on the part of the leaders intend to mark their holistic vision and welfare achievement.

**TABLE 2: EIGHT PATS FOR HOLISTIC DEVELOPMENT (PERSONAL COMPETENIES)**

1.	Right View	Wisdom (Spiritual Quotient)
2.	Right Intention	
3.	Right Speech	Ethical Conduct (Emotional Quotient)
4.	Right Action	
5.	Right Livelihood	
6.	Right Effort	
7.	Right Mindfulness	Mental Development (Intelligent Quotient)
8.	Right Concentration	

**FIGURE 1: TRIAD OF SUSTAINABLE ORGANIZATIONAL DEVELOPMENT**



Source: Developed by Authors

## CONCLUSION

A good number of Business Schools have introduced courses on business ethics, corporate social responsibility, sustainable development, social leadership and the like in their business management programmes. This indicates the growing realization among the academicians, educationists, and industry practitioners for the significance of educating and exposing the budding managers or executives to the positive path of development that meets the criteria of individual aspirations and careers; organizational survival; social commitments; and ecological responsibility in legitimate manners. The B-School graduates must be sensitized to appreciate one's relationship with nature, fellow human beings, society and collective welfare, and concern for all. In the present age of global business environment, organizational functions and processes are highly interconnected. It requires practicing managers to remove the mental barriers and getting prepared to culturally adapt themselves in diverse clusters of business environments. At the same time, there is tremendous pressure on today's organizations to perform and sustain in legally and socially satisfying ways. This change in operational practices and managerial mindsets has made the organizations rethink their business strategies in alignment with corporate social responsibilities and community welfare. The anchoring point to this dynamic balance is sustainable leadership that integrates people, profit, and planet together. New leadership competencies focused on holistic concern for the internal and external organizational factors should be developed among the efficient and well performing managers in order to make them as well as their respective organizations sustainable in the long run. A quality approach to our life, organization, community, society, and the planet at large can bring about this change for the betterment of all concerned.

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