

Global Mindset Index Study™



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“ Anecdotal data and experience have long pointed to the value of a Global Mindset, but for the first time, this study provides a statistical validation linking corporate performance with a Global Mindset.”

– MICHAEL SCHELL, CEO, RW3 CULTUREWIZARD

Executive Summary02

Detailed Findings09

Conclusion.....18

About The Study Sponsors19

Methodology.....20

Appendix24



Results of a new landmark study, The Global Mindset Index (GMI), show that companies which demonstrate a corporate commitment to intercultural skills achieve superior business performance.

While everyone says a Global Mindset is important, the data show that only companies that consistently act on that belief gain real business benefit. The key differentiator is to actively promote a Global Mindset as a corporate value. Employees, it turns out, can easily tell the difference, and will work to align their own behavior with corporate expectations.

The study, conducted by CultureWizard with market-research firm Seymour Insights, surveyed 1,362 business professionals from around the world and across all industries. Results clearly, and powerfully, show companies that have a Global Mindset are far more likely to achieve their most important strategic and business priorities than companies that do not.



A Global Mindset is the ability to recognize and reflexively adjust to cultural signals so that your effectiveness is not compromised when dealing with people from different backgrounds.

Stated simply, companies achieve far more of their top strategic business priorities when they are more effective at recognizing, and adapting to, other cultures' work styles and business behaviors, and when they support and promote employees who exhibit a Global Mindset.

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Among the most important findings, three underscore the rapidly-rising importance of intercultural skills:

- More than four out of every five respondents (82%) rated the international component of their companies' business as "extremely significant";
- Nearly half (45%) spend more than half their time on international business activity; and
- Nearly a quarter (24%) spend most of their time on it (more than 76% of their work time).



OVERACHIEVING COMPANIES:

Recognize and adapt to cultural differences

Are supportive of (and promote!) employees with a Global Mindset

Place value on employees with a Global Mindset

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Company Global Mindset attitudes and strategies make the difference

The GMI study differentiates between business performance Overachievers and Underachievers based on respondents' self-reported achievement of their most important strategic business priority. Executives who rated their organizations "excellent" in achieving that topmost goal are the GMI's Overachievers; those who rated themselves "fair" or "poor" are Underachievers, and all others are somewhere in the middle ("good" or "average").

Although nearly all respondents (91%) say they believe a Global Mindset is important to their success, only those companies that back it up with key behavioral/cultural characteristics end up as business performance Overachievers.



“The implications of the GMI study are quite far reaching. They demonstrate that high performing businesses promote and reward employees on the basis of global interpersonal skills and technical mastery.”

— MICHAEL SCHELL,
CEO, RW3 CULTUREWIZARD

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The 5 intercultural characteristics that are most difference-making when it comes to superior business performance:

Recognizing different cultural values and preferences in business activities.

01

84%

OVERACHIEVER

26%

UNDERACHIEVER

Adapting to other cultures' work styles and business behaviors.

02

80%

OVERACHIEVER

24%

UNDERACHIEVER

Supporting employees in developing a global perspective.

03

81%

OVERACHIEVER

38%

UNDERACHIEVER

Promoting leaders with a Global Mindset.

04

74%

OVERACHIEVER

34%

UNDERACHIEVER

Valuing employees with a Global Mindset.

05

87%

OVERACHIEVER

47%

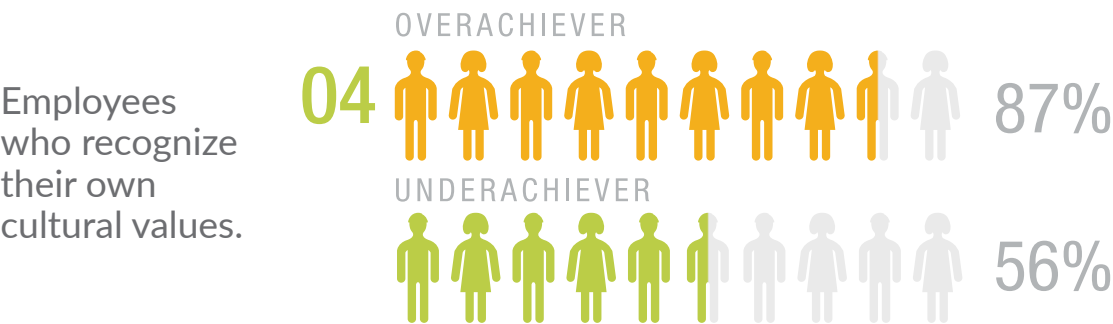
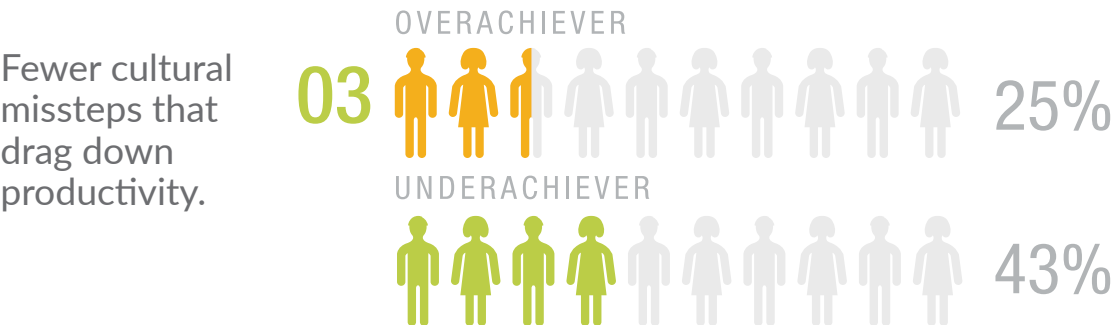
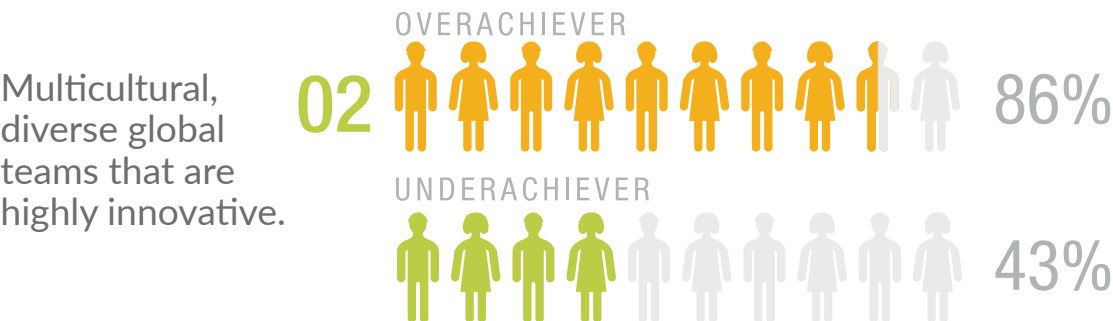
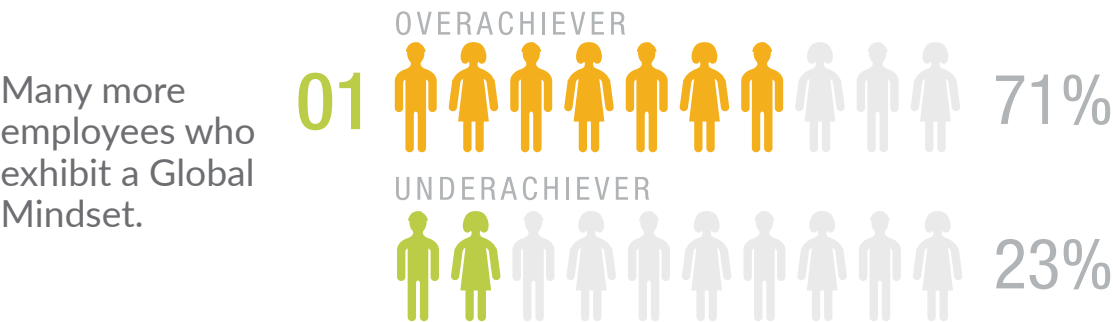
UNDERACHIEVER

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Companies exhibiting intercultural characteristics gain multiple operational benefits:



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The GMI research makes clear that it is necessary for companies to recognize that cultural differences exist—but that is not sufficient for superior business performance. Successful companies have employees who are more effective at adapting to other people's different cultural behaviors and work styles. Even more striking is that successful companies are very supportive of their employees developing a Global Mindset and place value on employees who exhibit such a multicultural perspective. Perhaps this is why successful companies tend to have more employees who have a Global Mindset than less successful companies and have fewer cultural missteps.



This research demonstrates that in today's dynamic, global marketplace, having a Global Mindset is as critical for business leaders as being able to read a balance sheet."

— MICHAEL SCHELL,
CEO, RW3 CULTUREWIZARD

Respondents provided a number of real world examples where having a Global Mindset provided tangible business benefits

“Creating multi-cultural teams is a hallmark of our company, and all the elements are high-performing.”

“Multicultural sensitivity is an element in the make-up of the “Tiger Teams” we put together to address challenges”

“Our engineering team naturally became very multicultural. Our external contacts relate mainly to suppliers (from around the world).”

“Our team is now able to expand its supplier base worldwide.”

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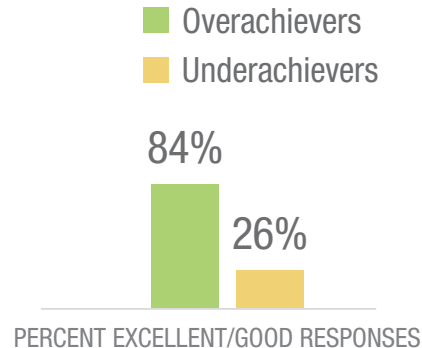


Recognition is the first step: High performing organizations are far more likely to recognize cultural differences in a business context.

A certain amount of ambiguity is unavoidable in all human communication, even among those who grew up in the same town. Sometimes, minor miscues go unnoticed and may never lead to difficulty. Other times, they cascade into *catastrophe*. When working with cultures different from your own, the potential for miscommunication rises exponentially. **The ability to recognize cultural values and preferences different from your own is an absolute requirement for companies wishing to conduct business on the global stage—**and so it should be no surprise that this capability is the most striking difference that our study revealed between Overachievers and Underachievers. Eighty-four percent of Overachievers rated themselves excellent at recognizing different cultural values and preferences in a business context, compared with only 26% of Underachievers—a 58-point gap.

01

How effective is your company at recognizing different cultural values and preferences in its business activities?

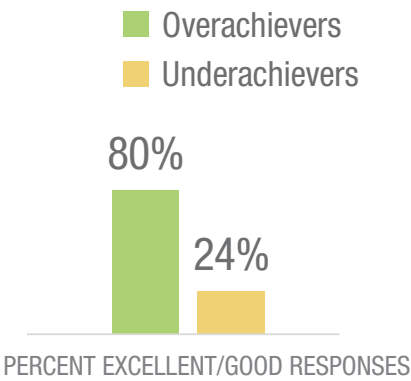


Adapting to other cultures’ business behaviors: A defining characteristic of high-performance multinational companies.

The action-oriented aspect of a Global Mindset in the best performing businesses can be seen clearly in the characteristic that showed the second-largest gap (56 points) between Overachievers and Underachievers: adapting to differences. Among Overachievers, 80% rate themselves excellent at adapting to other cultures’ work styles and business behaviors, but only 24% of Underachievers do. The ability to adapt to other business cultures is, of course, critically important given that nearly half the companies in the GMI study reported spending more than 50% of their time on international business activities. Of note, respondents generally rated their own adaptability more highly than their companies’—but the gap was much greater at underachieving companies. In other words, 64% of respondents from underachieving companies rated their personal adaptability as excellent, but only 24% rated their companies’ adaptability excellent. Among Overachievers, 90% rated themselves excellent, compared to 80% who rated their companies excellent.

02

How effective is your company at adapting to other cultures’ work styles and business behaviors?

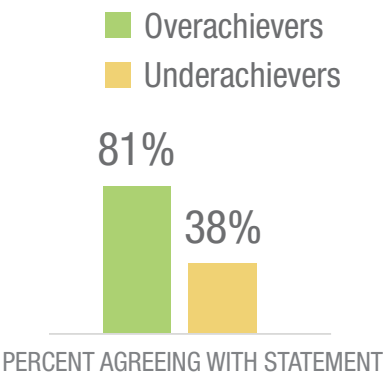


Employees respond: When companies provide genuine encouragement for development of their intercultural skills.

Importantly, it is clear that a company cannot just recognize that cultural differences exist. It is imperative that companies are supportive and encourage their employees to develop a Global Mindset. GMI study response revealed a 43-point gap between Overachievers (81%) and Underachievers (38%) who agreed that their companies were very supportive in helping them develop global perspectives. It's worth noting that the vast majority of respondents said it was extremely or very important that their companies invest in training employees to work effectively across cultures (74% of all respondents) and to provide continuous learning for that purpose (82%). But companies had to take action, by actually providing Global Mindset training, to get noted for being very supportive.

03

My company is very supportive to help me develop a global perspective.

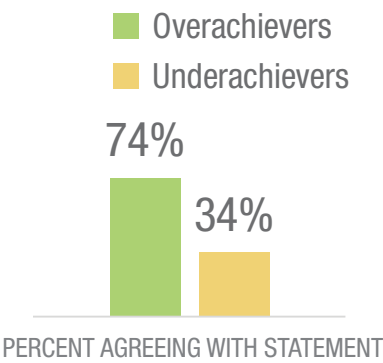


Putting values into action: High performance organizations promote employees with a Global Mindset.

When it comes to actions that demonstrate a company’s commitment to a Global Mindset, few are more powerful than promoting people who make positive use of their intercultural skills. As rank-and-file employees see their interculturally skilled peers consistently rising through the ranks, they get a clear message that the organization rewards a Global Mindset—and that such skills are likely important to their own success, as well. Nearly three out of four Overachiever organizations (74%) agreed that their companies promote leaders with a Global Mindset, but only 34% of Underachievers agreed (a 40-point gap).

04

My company promotes leaders with a Global Mindset.

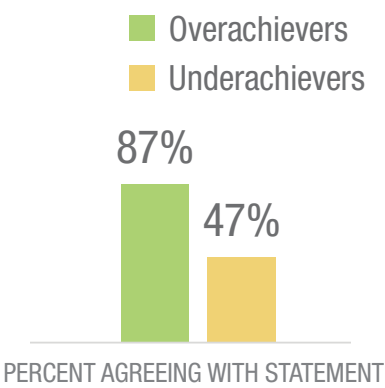


Employees who feel valued for their Global Mindset:
Do more to help their companies perform.

When a company recognizes cultural differences in business activities, works to adapt to different cultural perspectives, supports employees’ development of a Global Mindset and then promotes those who demonstrate the relevant skills, it is sending clear and powerful messages about how much it values global perspectives. Employees who feel that message are more likely to “go the extra mile”—to work harder, themselves, at adapting to other cultures and helping the business perform at a higher level. Few results in the GMI study come as high as the 87% of Overachiever respondents who say their companies value employees who have a global perspective.

05

My company values employees who have a global perspective.

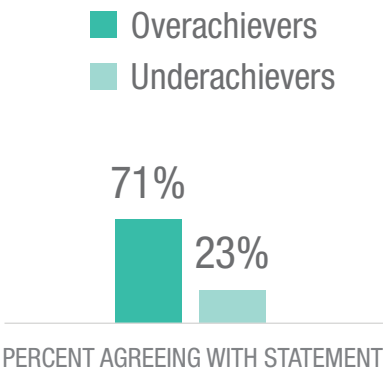


**The more people you have with a Global Mindset:
The better your organization performs.**

GMI study data show a clear and simple correlation between having a global perspective and operational benefits that lead to higher performance: the more respondents who agreed with the statement “many people in my organization exhibit a global mindset,” the more likely it was that their company made it into the ranks of Overachievers. Seventy-one percent of Overachiever respondents agreed with the statement, compared with only 23% of Underachievers, resulting in a 48-point gap.

01

Many people in my organization exhibit a Global Mindset.



High performing global businesses: Are twice as likely to have multicultural teams that are highly motivated.

As technology-enabled digital transformation sweeps through all industries and cultures around the globe, innovation is a factor necessary for business success. **GMI study business performance Overachievers are twice as likely as Underachievers to agree that they have multicultural diverse/global teams that are highly innovative.** While 43% of Underachievers agree, 86% of Overachievers do—43 points more. The operational benefit of a higher level of innovation in diverse global teams is a major contributor to why Overachievers are able to rate performance as excellent when it comes to their most important strategic business priorities.

02

My multicultural diverse/global teams are highly innovative.

Overachievers
Underachievers

86%
43%

PERCENT AGREEING WITH STATEMENT

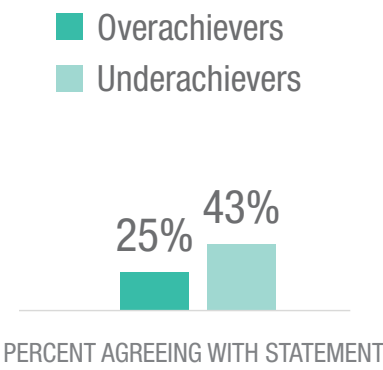


Avoiding downside risk: Fewer high-performance global businesses report cultural missteps that damage productivity.

Cultural missteps can be very expensive for a global business. They can derail a business deal, sour a partnership, and damage a brand. Further, cultural missteps are so difficult to avoid that they can even happen to high-performance global businesses: 25% of Overachievers report that their company’s productivity has suffered due to a cultural misstep. But that’s far better than the Underachievers who reported a 72% higher incidence of cultural missteps that led to lost productivity than did Overachievers.

03

My company’s productivity has suffered due to cultural missteps.

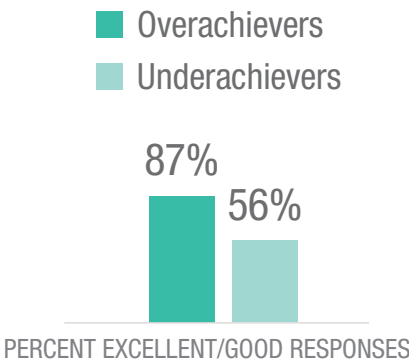


Employees who recognize their own cultural perspectives: Help drive Overachievers' global business performance.

It makes logical sense: you must be able to understand your own cultural values and preferences before you can recognize differences between that and other cultures' work styles and business behaviors. Overachievers' success in global business performance likely starts with the fact that 87% can rate themselves excellent in their ability to recognize their own cultural values and preferences (compared with only 56% of Underachievers). A critical corollary statistic from the GMI study is that 88% of Overachievers also rate themselves excellent at adapting to other people's culture, work styles and business behaviors (compared with 64% of Underachievers). Recognizing behavioral and style differences is the first step; being able to adapt to other styles and perspectives allows you to work most effectively with those from different perspectives.

04

How effective are you at recognizing your own cultural values and preferences?



A Global Mindset Drives Competitive Advantage

We've realized for a long time that a strong corporate culture can help overcome national cultural differences and be a strong unifying and empowering tool for a global workforce. The GMI study goes further, pointing out that the corporate culture also needs to embrace a Global Mindset, rewarding and recognizing employees who demonstrate intercultural competencies.

Further still, study results clearly demonstrate that when a company has a Global Mindset, it also gets significant competitive advantages. GMI data not only makes clear that companies with a Global Mindset perform at a higher level, it also shows how they do it.

By genuinely fostering a Global Mindset among employees, investing in intercultural training, and promoting those who most effectively use their intercultural skills, the GMI Overachievers become far more likely to consistently accomplish their most important business priorities, achieving and sustaining a long-term competitive advantage. The workforce becomes empowered to play a pivotal role in achieving the organization's envisioned future. As such, the aspirations of the organization and its people become boundless.

The International Institute for Management Development has identified five sources of competitive advantage that can be derived from a Global Mindset. These are:

- 1] Earlier identification of emerging opportunities**
- 2] Superior analysis of tradeoffs between local adaption and global standardization**
- 3] Better sharing of best practices across subsidiaries**
- 4] Faster development and introduction of new products**
- 5] Better coordination of related work occurring across borders¹**

¹ Developing a Global Mindset: The Five Keys to Success, International Institute for Management Development, © 2014 IMD



We believe the IMD-defined sources of competitive advantage are, indeed, the factors that set apart GMI Overachievers as the highest-performing businesses in the Global Mindset Index Study™.



About the Study Sponsors



CultureWizard is a powerful blended-learning system that develops the intercultural expertise necessary to succeed in a global marketplace. Owned by RW3, with offices in New York, Los Angeles, London, and Hong Kong, CultureWizard is known for its culturally-based training solutions supporting a Global Mindset, global teams, business travelers, and the understanding of the importance of diversity and inclusion in achieving much needed intercultural proficiency and organizational success. Through an effective combination of online learning, in-person courses and access to a vast multimedia library, business professionals master doing business across cultures with an ease and confidence that dramatically improves personal and company performance.

SEYMOURINSIGHTS

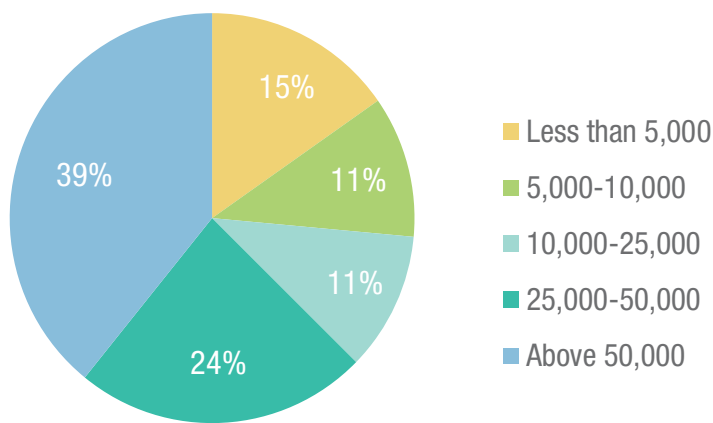
Seymour Insights is a full-capabilities market research firm that also provides research resources, analytics and strategic insight. They are focused on designing, executing, and delivering timely, high-quality analyses to support business decision-making. By working closely with the client, Seymour Insights provides the services to help marketing and market research teams reach their full potential. Seymour Insights has extensive experience in understanding the market issues of Consumers, Small/Medium Businesses and B2B.

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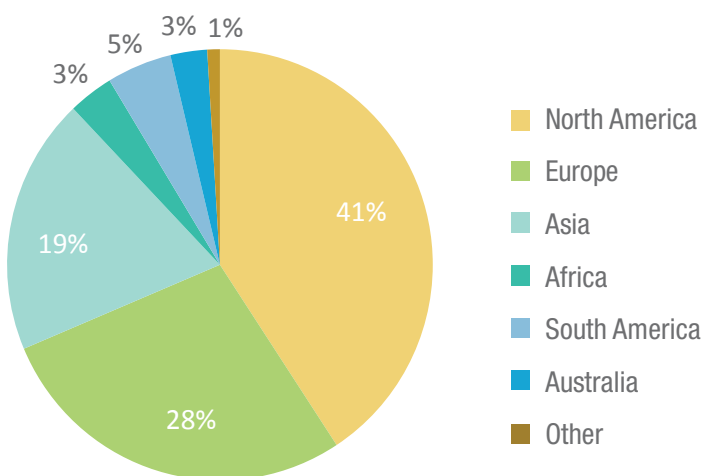
In September and October 2017, RW3 CultureWizard conducted a global online survey of 1,362 business professionals in very large global companies. Eighty-five percent were from companies of more than 5,000 employees; 63% had more than 25,000 employees; and 39% had more than 50,000.

► How many employees does your company/ organization have at all locations?



.....

Respondents came from all regions of the world: including North America, Europe, Asia, Africa, South America, Australia and others.

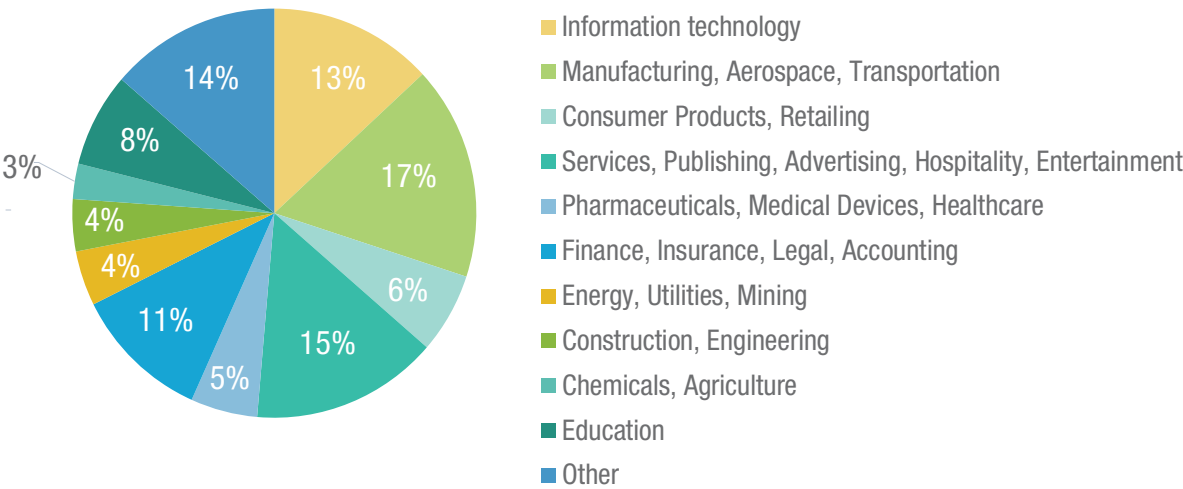


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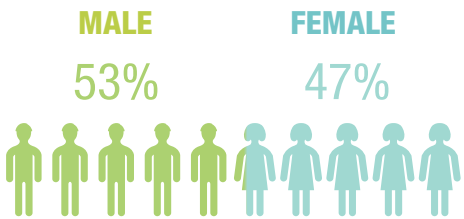
Ninety-five percent of respondents rated their international activities as either “extremely” (82%) or “moderately” (13%) significant to their company’s business. Those businesses spanned a full spectrum, including information technology, manufacturing, aerospace, finance, consumer products, energy, construction, chemicals, education, and more. All global regions were represented.

What is the principal business of your company or organization?

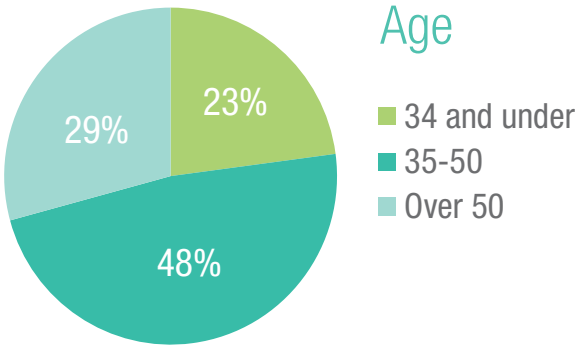


Study Respondents were well-balanced in terms of men (53%) and women (47%) and reflect diverse age groups as well.

Gender

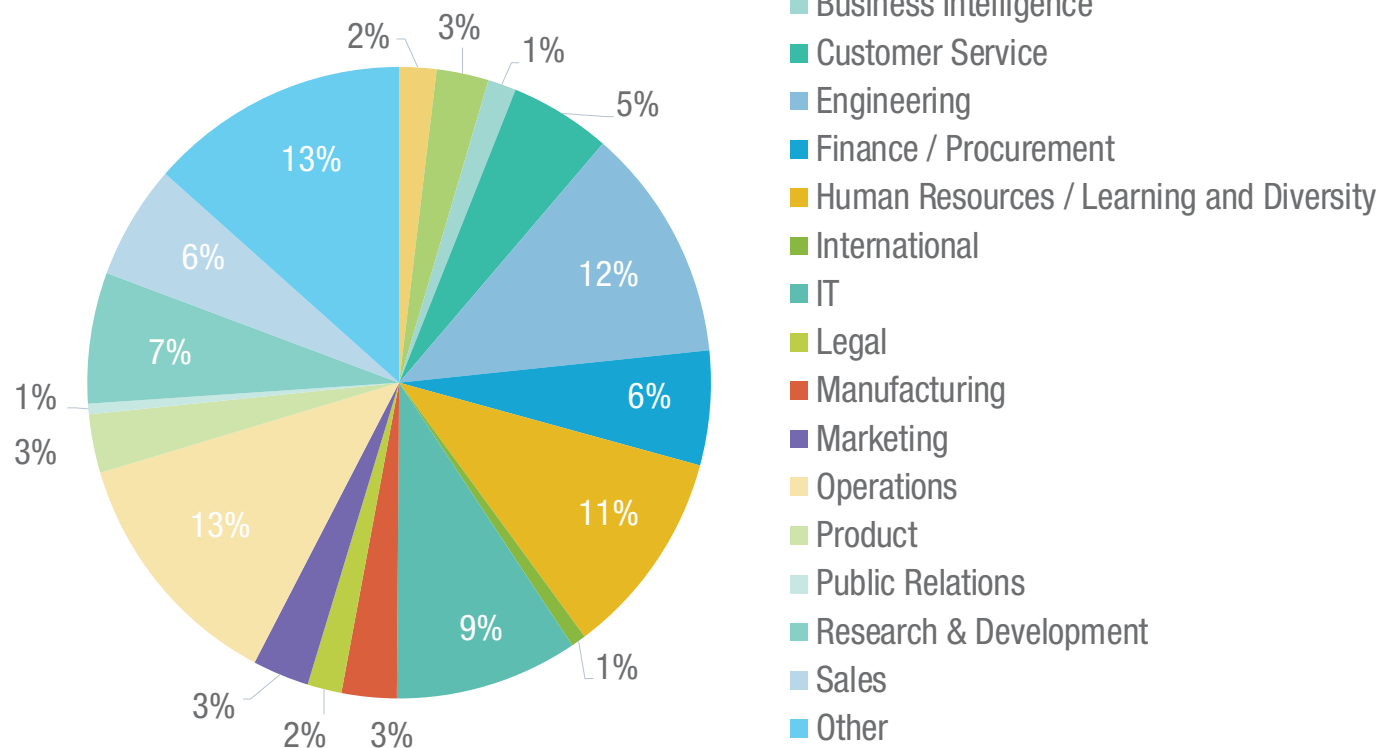


Age



Likewise, study respondents represented a diverse mix of different corporate departments and functions.

What department do you work in?

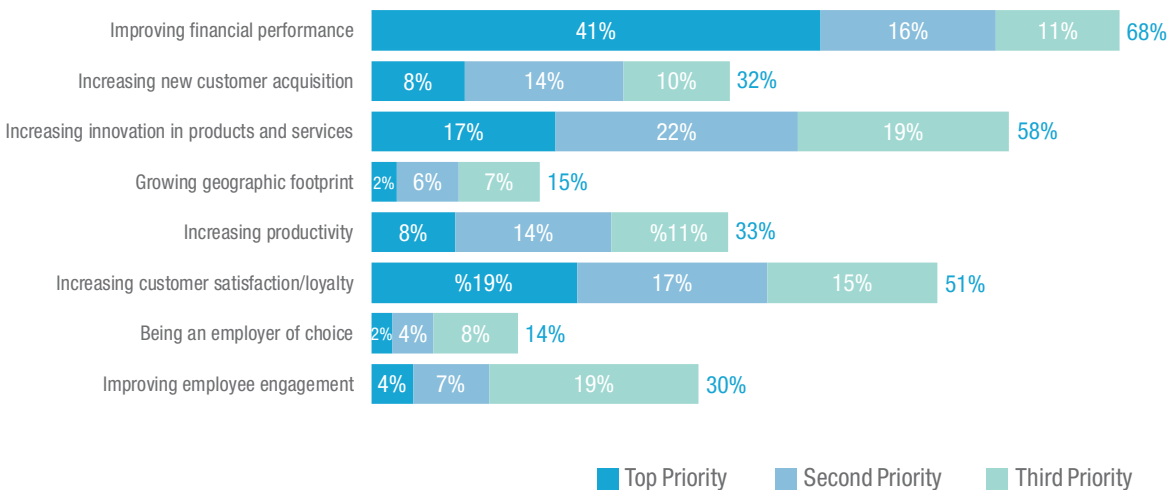


Identifying Overachievers and Underachievers

We identified Overachievers and Underachievers for subsequent analysis based on their response to the question, “How do you rate your organization’s performance in terms of your company’s number one most vital strategic priority?”:

- Overachievers (21%) rated their performance as “excellent” in achieving their most vital strategic priority during the past year.
- Middle-of-the-roaders (73%) rated their performance as “good” or “average.”
- Underachievers (6%) rated their performance as “fair” or “poor” in achieving their most vital strategic priority.

What were your organization’s top three most important strategic priorities/objectives this past year?



One of the surprise benefits we received from conducting the study was to accumulate an array of operational strategies and tactics that companies are currently using to foster a Global Mindset.

They ranged from ideas for helping organizations create a Global Mindset to strategies for virtual teams to solve business challenges. Below are some of these verbatim responses from survey participants.

Can you think of examples where your company actively supported the creation or development of multicultural high-performing teams?

01 “Sponsoring the creation of business resource and interest groups that support the initiative of developing a Global Mindset.”

02 “Yes, best examples are the teams traveling internationally for product transfer and training support.”

03 “Creating a position for Global Inclusion and Diversity and starting to talk about the topic more openly.”

04 “Training with people coming from different countries and functions, with a small project assignment to be fulfilled by a heterogeneous team after the training.”

05 “Annual global strategy session to jointly identify opportunities, improve processes, and build team understanding and relationships.”

06 “The company has a program to integrate executives into a global culture using specific training for this purpose.”

07 “Learning and Development function sits with twelve colleagues across nine different countries and five continents.”

08 “Creating Global Business Services centers.”

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- 09 "I always hire from a diverse talent pool and actively seek diverse perspectives. Of the ten employees I have hired, only three have been white and from my country. I seek subcontractors and project partners from diverse communities and nominate cultural leaders for awards and prizes in my community. Many have received the awards I nominated them for."
- 10 "Developed HR portal for global use. Huge global effort to align style and tone, and involved a very diverse global team to create/implement."
- 11 "All training for new customer care agents is tailored in a way so they would understand the differences with US customers so they can provide appreciable customer service."
- 12 "Widely conducted Value and Culture training to develop an organization culture that has not only helped get a single effective culture, but also made employees sensitive towards culturally accepted behavior!"
- 13 "In my company, diversity is valued tremendously since we take care of guests coming from all over the globe and we endeavor to create personal, memorable experiences for each of them. Knowing their preferences and their culture help us accomplish many great experiences."
- 14 "Roll out of Culture and Values program, encouraging support for different ways of working."
- 15 "I was asked by my manager a few months ago to make a presentation about the benefits of diversity at work, as well as the different ways of working depending on your personality (left and right brain approach, problem solving approach, etc.). My nationality is French and I was proud of making this presentation in order to promote diversity and multiculturalism."
- 16 "Job rotation to different geographic location of the company is a fine example. Recruitment of people with different cultural background is another example."
- 17 "Diversity and Inclusion campaign has been promoted within the organization to increase the awareness on diversity as strength, and that it can lead to synergy between a team and the organization."

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- 18 "We have many key employee groups based around the globe. Many teams therefore have global participants, and the company supports employees traveling to spend time in different countries to help the performance of those global teams."

- 19 "We developed a Cultural Diversity and Inclusion program for all new employees as part of their induction program."

- 20 "Our company is global and I was recently assigned to a global, ex pat assignment. I was provided great cultural training and part of my role was to try to adapt the ways of working with the two cultures. So you could say my position was meant to help in the development of multicultural high performing teams."

- 21 "We routinely put together global project teams."

- 22 "We offer International Rotation Assignments to give people experience in offices other than their primary location. (We have US, UK, Hong Kong, and several smaller offices.)"

- 23 "We have Global Talent Mobility program where our talent can learn cultural differences via assignment to other country/company in one group."

- 24 "We have employees and clients all over the world. And where someone lives or is from is not a consideration in creating teams as we work and meet with global team members every day. It's just part of our culture here."

- 25 "The company promotes sharing of ideas by having a buddy system where peers around the world have regular calls to share best practices."

- 26 "Many teams are multicultural, with people from different countries or even small groups from different areas and functions (in a committee for example), and in many of those the results are outstanding."

