

**ADDIS ABABA UNIVERISTY  
COLLEGE OF BUSINESS AND ECONOMICS  
SCHOOL OF COMMERCE**



**Assessing the Global mindset of business leaders: the case of firms of  
the Ethiopian Freight Forwarder and Shipping Agents - EFFSAA**

**A research project submitted to  
The Office of Graduate Studies as a partial fulfillment of  
Masters of Business Leadership Program**

**By: Kokeb Ayele Tachibele**

**Advisor: Bahran Asrat (PhD)**

**March 2021  
Addis Ababa, Ethiopia**

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## **Statement of Declaration**

I, Kokeb Ayele declare that this project work on the topic entitled “Assessing the Global mindset of business leaders: the case of firms of the Ethiopian Freight Forwarder and Shipping Agents - EFFSAA” in partial fulfillment of the requirement for the Degree of Masters in Business Leadership is my original work prepared with the guidance and support of the research advisor Bahran Asrat (PhD). All sources of materials used for the project work have been duly acknowledged. I further confirm that the study has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

**Kokeb Ayele**

Signature \_\_\_\_\_ Date \_\_\_\_\_

Addis Ababa, Ethiopia

**Addis Ababa University**  
**School of Graduate Studies**  
**Statement of Certification**

This is to certify that the project work prepared by Kokeb Ayele, entitled: “Assessing the Global mindset of business leaders: the case of firms of the Ethiopian Freight Forwarder and Shipping Agents - EFFSAA” in partial fulfillment of the requirement for the Degree of Masters in Business Leadership complies with the regulations of the university and meets the accepted standards with respect to originality and quality.

Signed by the Examining Committee:

Examiner: \_\_\_\_\_ Signature: \_\_\_\_\_ Date \_\_\_\_\_

Examiner: \_\_\_\_\_ Signature: \_\_\_\_\_ Date \_\_\_\_\_

Advisor: \_\_\_\_\_ Signature: \_\_\_\_\_ Date \_\_\_\_\_

Chair of the Department / Graduate Program Coordinator

\_\_\_\_\_

## **Approval Page**

This is to approve that the study made by Kokeb Ayele, entitled: “Assessing the Global mindset of business leaders: the case of firms of the Ethiopian Freight Forwarder and Shipping Agents - EFFSAA” in partial fulfillment of the requirement for the Degree of Masters in Business Leadership complies with the regulations of the university and meets the accepted standards with respect to originality and quality.

**Signed by: -**

Advisor \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_

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## LIST OF ABBREVIATIONS

<b>AfCFTA</b>	Africa Continent Free Trade Area
<b>CC</b>	Cognitive complexity
<b>CO</b>	Cosmopolitan outlook
<b>CQ</b>	Cultural Intelligence
<b>DY</b>	Diplomacy
<b>EFFSAA</b>	Association of the Ethiopian Freight Forwarders and Shipping Agents
<b>FIATA</b>	International Federation of Freight Forwarders Associations
<b>GBS</b>	Global business savvy
<b>GM</b>	Global Mindset
<b>GMI</b>	Global Mindset Inventory
<b>IC</b>	Intellectual Capital
<b>IE</b>	Intellectual empathy
<b>PC/PSC</b>	Psychological Capital
<b>PFD</b>	Passion for diversity
<b>PI</b>	Interpersonal impact
<b>QFA</b>	Quest for adventure
<b>RAME</b>	Regional body for Africa and Middle East
<b>SA</b>	Self assurance
<b>SC</b>	Social Capital

## **ABSTRACT**

Organizations which have cross-border business operations are increasingly looking for leadership teams with heightened awareness and understanding of global business complexity and thinking. This study offers a contribution to understanding of global mindset for business leaders which have business operations in such an environment. It assessed the current understanding of business leaders about global mindset within the Ethiopia logistic sector, with special focus given to Ethiopian Freight Forwarders and Shipping Agents Association (EFFSAA) member firms' leadership, with the aim of identifying opportunities for global leadership mindset development or cultivation. The individual-level business leader's global mindset capitals and competences were assessed based on the Global Mindset Inventory model (GMI) of Thunderbird's Global Mindset Institute.

The quantitative findings were analyzed in reference to the three global mindset capitals and the nine competences of GMI. It was found that business leaders have a global mindset which helps them in their current size of global operation. On the other hand, given the sector growth and stage of transition to more globally focused interconnectivity, the qualitative assessment showed how it is imperative for sector leaders to cultivate/develop a global mindset in order to lead in a more sustainable way to survive in the fast-paced changing global context.

**Keywords:** business leadership, global mindset, global mindset capital, global mindset development

## **CHAPTER ONE INTRODUCTION**

Sustainability and success in business transactions beyond one's locality require knowledge of globalization, the trans-border business environment and global thinking. The business leader's global mindset can be assessed by a set of aggregated behaviours, skills, and knowledge collectively known as the global mindset inventories. These inventories have been extensively used to assess leaders' global mindset capitals before being assigned for global leadership role or help leaders identify development area as their global business engagement increased.

The reported research here assessed the global mindset of the business leaders in Ethiopian Freight Forwarders and Shipping Association (EFFSAA). The selected case subject of business leaders has trans-border business transactions. This introduction has eight sections that discussed the background of the study, statement of the problem, research questions, research objectives, significance, scope, limitation, organization of the study, and definitions of the key terms.

### **1.1 Background of the study**

In today's dynamic economic climate, many firms increasingly realize that globalization has made the world smaller and more competitive. Integration of the world economy leads businesses to compete beyond the national boundary at the continent and global scale. Thus, the impact of change in one country affects another one very rapidly. For instance, the transmission of Covid - 19 pandemic, shortage of getting medicine and medical supplies and development of vaccines, procuring and distributing vaccines are recent examples of change that affects a city in China, Wuhan spreading like wildfire to the entire world (2019-20). Customers' awareness about their need and choice improved, and they are looking for efficient -fast and accurate service and the best product that address their need.

To meet the demand of their customers, suppliers and understanding of their competitors, organizations look for business leaders who recognize and decide to follow global business

opportunities with adequate sensitivity to a local market and cross-cultural boundaries. It is also business leaders' such as managers' duties to know how to deal with overall challenges the environment they operate created. Thus, the organization's overall action heavily relies upon how good it perceives and acts on the dynamic and diverse global situations (Paul, 2000; Javidan and Bowen 2013). Business leaders' knowledge of these diverse global situations, its complexity, consequence and outlook are collectively labelled as a global mindset. One of its accepted definitions of Global mindset is that of Levy et al. (2007:21). It is "an articulation of multiple cultural and strategic realities on both global and local levels" and "a highly complex cognitive structure characterized by an openness." It is also the cognitive ability to mediate and integrate across this multiplicity" (Levy et al. 2007:21). Global mindset comprises what is called capitals; intellectual (IC), psychological (PC), and social (SC). These features, the global mindset capitals, in turn, factored into nine competencies; (1) global business savvy, 2) cosmopolitan outlook, 3) cognitive complexity; 4) passion for diversity, 5) quest for adventure, 6) self-assurance; 7) intellectual empathy, 8) interpersonal impact, and 9) diplomacy that reflect and help to assess the global mindset of the business leaders (Javidan and Bowen 2013: 148-149).

Business stakeholders located in different parts of the world are influenced by their backgrounds and environment, shaping their perspective. Thus, when managers interact with those stakeholders, the interaction became challenging as both the managers and the stakeholders have a different perspective. People's interaction with circumstances shaped by their country's cultural values and practices can also shape their business and leadership views. In contrast, a global mindset is a cognitive awareness of the world and used to identify the distinction between domestic and global leadership (Javidan and Walker 2012:39).

In brief, the global mindset is a combination of intellectual capital (IC), psychological capital (PC), and social capital (SC) availability in leaders. Possessing the global mindset features is increasingly demanded by businesses as the global connectivity between businesses increased. This increased connectivity requires managers with a broadened cultural awareness to be amplified (Story and Barbutto 2011:3). Effective global leadership requires a change of perspective on how

leaders see the global interconnectivity (Cohen 2010). As companies increase their dependence on global operations, they require many leaders with global mindset capabilities (Bettina 2014). Besides, global markets necessity leaders to handle high levels of uncertainty, complexity, and multiplicity, which will also help handle social and operational demand (Hitt et al., 2007; Javidan and Bowen, 2013). These global mindset features can be acquired, experienced and assessed in individuals or organizations level.

Studies after studies have stated the need for leaders possessing and cultivating/ developing a specific set of global mindset characteristics. Those researches identified various global mindset characteristics, such as cultural intelligence/-sensitivity, curiosity, openness, global intellectual capital, global business savvy, cosmopolitan outlook, cognitive complexity, global social capital, empathy, interpersonal impact, diplomacy, global psychological capital, diversity, a quest for adventure, self-assurance (Beechler and Javidan. 2007; Engesland 2014; Javidan and Bowen 2013; Javidan and Teagarden 2011).

Javidan and Bowen (2013:147) mindsets have usually been identified at the individual and the organization level. While individual mindset is related to one's mental reflection, the organization level mindset is an aggregated organization character. Since global mindset, recent phenomena individual and organizational global mindset development is getting prominence in various studies. Engesland (2014:46) identified top management composition, corporate vision, global thinking, education, international assignments, cultural activities/interaction, creating an organizational culture, career path planning, employee selection, motivation, and curiosity be constructs for global mindset development.

Logistics services are considered as pillars of international trade and have become one of the principal domains that affect economic growth (Arvis et al. 2018). Furthermore, their report stated how most countries, across the world, have pursued logistics-related reforms and investments to build infrastructure, facilitate transportation and trade, or develop modern services to improve the

sector role in the global market. Even though the report indicates the relevance of the sector's contribution to nations economic growth of developing countries the reality is far-fetched. For developing countries, the sector is yet not well developed. According to the report despite the variance on the workers skill and knowledge set, both developed and developing countries alike are facing challenge of labor shortage. While developing countries seek more managerial-level workers, developed countries face a shortage of blue-collar workers (Arvis et al. 2018). As Fekadu (2013) reported for various Ethiopia's organizations, it is apparent that leadership competency remains a significant challenge that organizations come across.

In conclusion, significant changes in business practices and leadership global mindset competence are necessary to survive and compete effectively in this new way of doing business. The Africa Continental Free Trade Area (AfCFTA) (launched in January 2021) intensifies the continental and global interconnectivity. Thus, Ethiopia businesses and business leaders will be required to reassess their capacity on many fronts in the transition process from local focused strategy to international.

In this research report, an attempt was made to assess the extent of global mindset of the Ethiopian freight-forwarding and shipping firms business leaders who are EFFSAA members' firms.

### **Background of the Association**

Ethiopian Freight Forwarders and Shipping Agents Association (EFFSAA) is a registered association of freight forwarders in Ethiopia which is established 1998 G.C. Currently, the Association has 79 member-companies. The governing bodies are: General Assembly, Executive Board and members. The association is governed by its board of directors which constitutes seven members. According to the EFFSAA website (<https://www.effsaa.org/>), the association has seven main objectives and three operational objectives: a vision and a mission. The vision and the mission focused on promoting the freight forwarding sector in developing rapport among stakeholders and striving to achieve excellence in the sector by knowledge acquisition. Although

the operational objective seems to be general as mentioning knowledge acquisition as "the endless pursuit of excellence" (Ibid), one of the seven main objectives, however, states that EFFSAA strives to "improve capacity and competency levels" (Ibid.) of the member firms. The EFFSAA states in its website (<https://www.effsaa.org/>) that to achieve these mission, vision and objectives of a progressive capacity and competency building by conducting international.

EFFSAA is endlessly working on advancing its role in the sector both local and globally. In 2016 fruitfully hosted the Federation of International Freight Forwarders Association (FIATA) Regional body for Africa and Middle East (RAME) conference in Addis Ababa. This chance was awarded to Ethiopia after EFFSAA representatives succeed in intense competition process among other countries. The association got recognition from FIATA and granted to establish logistics training center and currently are working closely with FIATA. The training programs includes FIATA diploma for individual career development and FIATA Foundation Train the Trainer Program (TOT).

Currently, the government of Ethiopia is taking economic reforms to align with the effect of globalization and as a result of demand from major players of the global economy. The openings of the logistic sector to foreign investors lead to fast-paced changes. There is an imperative and swift demand to cope with its implication. However, only having the most sought deregulation and infrastructure development, without giving due consideration of parallel assessment of the sectors business leader's capacity on the global business arena, might deviate the result from the initial intent. Thus, EFFSAA and its member have to assess the sectors leaders' capacity in the global environment.

## **1.2 Statement of the problem**

A nation's ability to transport goods quickly, economically and reliably is very imperative to its prosperity and capacity to compete in global market (Fekadu 2013; Sharipbekova and Raimbekov 2018). Ethiopia like other developing countries is navigating its way through all possibilities to

build its logistic sector capacity to meet the demand of the global movement of goods. The cross-border nature of the logistic operations and activities require firm leaders and their top leadership team to interact with various stockholders from different cultural backgrounds within complex business environment.

The cross-border nature of the logistic operations and activities requires business firm leaders and their leadership team to interact with various stockholders from different cultural backgrounds within the complex business environment. Global business complexity and the market information flow demand global thinking and mindset (Punkari 2013:11). The countries' exposure to globalization has obliged local leadership to engage in the complex global business operations. This exposure poses a challenge to business leaders' capacity to understand cultural and business orientation differences with their counterparts beyond their country's border.

In Ethiopia, various researches have pointed out problems of the sector such as outdated logistics management practice and lack of coordination of goods transport, being a landlocked country, low level of development of logistics infrastructure and inadequate fleets of freight vehicles, and mishandling of goods (Fekadu, 2013; Melkamu, 2016; Yirga, 2018). In these mentioned studies, the professional staff shortage and competence within the logistics sector, especially managerial-levels, are not addressed. The global nature of freight transport and shipping sector demands global mindset. Putting into consideration the sector's infancy in the country and opening of the sector for foreign investors, there seems to be a lack of explicit focus on the global mindset's assessment and development of leaders in this area.

### **1.3 Research questions**

Based on the urgent need of the sector, this study attempted to answer the following questions:

1. To what extent global mindset competences are established in EFFSAA/its members?
2. To what extent global mindset capitals are established in EFFSAA/its members?

3. Which global mindset capitals and competences are lacking the most in EFFSAA/its members?

#### **1.4 Research objectives**

This study attempted to assess the global mindset of business leaders of Ethiopian Freight Forwarder and Shipping firm's leadership at the individual business leadership level.

The study addresses the following specific objectives;

To assess the extent of these global mindset competences in the business leaders of the EFFSAA/its members.

To assess the extent of these global mindset capitals in the business leaders of the EFFSAA/its members.

To identify what is present and what is lacking in the global mindset capital and competence of business leaders of EFFSAA/its members?

#### **1.5 Significance of the study**

This study tried to assess the extent of global mindset in the case association and its members. The study's findings have tried to assist the sector's leadership to help them align their practice to the global business arena's demand and strategize their leadership development to reduce the challenge of lack of competency to match the complexity of the global business operation. It allows Ethiopian Freight Forwarder and Shipping member firms to gain in-depth knowledge of the global mindset area to cultivate an appropriate mindset for the Transworld business success. As the Ethiopian Freight Forwarder and Shipping Agents Association (EFFSAA) strives to promote the logistics industry's professionalism and excellence through continuous learning and professional development, this study findings will help identify gaps for members and sector development. Furthermore, it will shed light on business leaders' challenges that can be created due to lack of global mindset, cultural intelligence and global business orientation with their international business dealings. It also contributes to the current knowledge of global mindset and leadership development and will invite further research.

By bringing up the global mindset topic, the researcher wishes to increase the awareness of the global mindset within the business leader's community, researchers and human capital developers.

### **1.6 Scope of the study**

Although competency in the global mindset has paramount importance in business sectors that are cross-border by their nature such as, banks, universities, health sectors, this study focused only on freight- forwarders, those that belong to the Ethiopian Freight Forwarder and Shipping Agents Association (EFFSAA), particularly on their leadership. The sector has a direct impact on many businesses as it is of global operation by its nature. The EFFSAA Members firms' and their leadership role have been enhanced further with the country's recent new investment reform, which opened the sector for foreign investors to own up to 49% share and will intensify even further following the Africa Continent Free Trade Area launching (AfCFTA).

The research topic is vast in its scope and as it has an extensive area that needs empirical findings as it is a recent managerial phenomenon, especially for developing countries. However, due to time and budget constraints, the researcher could not address all the global mindset components and their impact at the organizational level. Future research could examine organizational-level global mindset for leadership effectiveness, development, and cultivation to increase organizations' global competitive advantage.

### **1.7 Limitations of the study and prospect of the future research**

This study has limitations that offer vital opportunities for future research. The first and significant limitation was the sample used for the survey, and semi-structured interviews were limited in size and sector. The second limitation was the study focused only on the individual level of global mindset and did not cover the organizational level global mindset assessment. The third limitation was assessing only a limited number of global mindset constructs, therefore future studies can address additional aspects of global mindset constructs. The inclusion of more sectors enhances the generalizability of the findings as the sample of the current study consisted of only top

leadership team of Ethiopian Freight Forwarder and Shipping Agents Association (EFFSAA) Members firms. Future studies should include global leaders working in different sectors to further validate findings in broader contexts. The fourth limitation was Ethiopia's newness's to research topic; there was no research work made before this study, which the researcher could easily find and used as a piece of empirical evidence for this research. Thus, the researcher has focused on the global experiences of the study topic.

### **1.8 Organization of the study**

This research study has five chapters. The first chapter set a general introduction to the topic of the study assessing the global mindset capitals of the business leaders of the Ethiopian Freight Forwarder and Shipping Agents – EFFSAA, the background to the research, statement of the problem; research questions and objectives, scope, significance, and the limitations of the study.

Chapter two reviewed relevant and current literature on the study's topic, which included the theoretical framework of the global mindset and the actual research reports of the global mindset inventory.

In describing the research methodology, the third chapter presented the research approach, research design, population of the study, data collection instruments and data collection procedure. The chapter also discussed data analysis methods.

The fourth chapter provided empirical analysis using statistical and additional data analysis tools. The chapter focused on the data collected through the global mindset inventory and the semi-structured interviews.

Finally, the fifth chapter concluded the global mindset assessment, reflected on the research questions and recommendations. It also provided suggestions for further research.

## CHAPTER TWO

### REVIEW OF RELATED LITERATURE

The literature review focuses on the conceptual and empirical aspects of the Global mindset. It has discussions, provides definitions, and presents topical arguments of interrelated concepts of leadership, global leadership, global mindset and global mindset development in the following seven sections.

#### 2.1 Leadership

The phenomenon of leadership has a long history, and its applicability is not time-bound. Studies after studies of leadership showed there is always room for improvement and efficiency (speed and accuracy); these studies also exhibit many leadership theories. Even though there are many studies on the area, there is no total agreement on the leadership key competencies; there is no one definition. Reflection of different views with those who consider leadership as part of management's role and with others who separate leadership from management is a common phenomenon (House et al., 2004).

Despite the ongoing argument and different leadership theories, most studies gave similar weight to leadership's role in influencing and motivating others for successful output. "The individual's ability to influence, motivate, and enable others, so they contribute toward the efficiency and productivity of the organizations of which they are members is known as leadership" (House et al., 2004). This ability can only be valid when leaders exercise their leadership capacity based on their leadership knowledge and skills to motivate and influence others. Therefore, as leaders deal with diverse people with different cultures and languages, they need to equip themselves with the skill and knowledge required to succeed, be it local or global (Ott and Michailova 2018; Talwar and Mittal 2014).

Globalization is forcing leaders to be more proactive in understanding the dynamic change in the leadership practice. Consequently, most leaders' engagement and sphere of influence have been

expanding beyond the domestic borders. Ciulla (2004) noted how globalization required a new leadership approach that gives weight to collaboration and further explained the inevitable demand of globalization demanding nation to economy and social transformation from domestic-focused "protectionism to liberalization and deregulations." Global demand requires leaders to have a global mindset. According to Den Dekker (2016), there is an increased predisposition to the notion, and many recent leadership models have included a global mindset as an essential leadership quality.

## **2.2 Global leadership**

Global economic integration and interconnectivity are increasing tremendously among nations. Even though there is no distinct definition of global leadership, attributes, and constructs (Vakilbashi et al., 2014:194), however, Mendenhall et al. (2012:6) discussed global leadership by "characterizing the role deference from domestic leadership and other similar roles position titles. Often it has been considered as an "opposite to the word domestic."

In line with the above definition of leadership by (House et al., 2014) Beechler and Javidan (2007:140) defined global leadership as it is "the process of influencing individuals, groups and organizations representing diverse cultural/political/institutional systems to contribute." The influence is geared toward "the achievement of the global organization's goals (Ibid)." Thus, global leadership perceived different from local leader by their global outlook and action both globally and locally (Javidan and Teagarden 2011; Mendenhall et al., 2018). Javidan and Teagarden (2011:18) further argued the leaders' practice in global arena requires more than the accustomed transitional lines of leadership approach.

Similarly, Adler (2001) and Punkari (2013) also argued that global leaders' distinction from domestic leaders is that leading international people defers the philosophy of interaction of people and ideas among different cultures. Therefore, global leaders work across cultural boundaries globally with the nature of ambiguity and interdependence. Boyd et al. (2012), Mendenhall et al. (2012) and Janssens and Brett (2006) also emphasized the global leadership element of cross-

culture interaction. Those studies argued that successful leadership at the domestic level might not have a similar outcome at the global level. The dimensions of global leadership vary significantly from domestic leadership due to the diversity of issues addressed and their consequences. By entering into globally competitive environments, firms have faced challenges of greater complexity, and following the change a problem of integration and transfer of knowledge can be created or aggravated across the board (Moon, 2010). Being global goes beyond the notion of change of the market place and focuses on managing globally. The global leader's role applied and existed at all levels of the organization as long as the individual performs global responsibility of any business activity (Den Dekker 2016).

### **2.3 Global mindset**

As leadership and global leadership require leaders to work with culturally diverse people in various business settings, leaders must have a certain mindset different from domestic businesses' leaders. Ahmed defined a mindset as "... a personal approach for allowing ourselves to use the power of the brain based on perceived strengths and weakness (2018:1)." He further noted the source of individual leadership differences in using his/her supposed strengths and weaknesses to limit or create personal and professional growth. Besides, Ahmed discussed how mindset begins with individual thinking. He suggested that the global mindset with the same token also starts with global thinking without limiting the individual by borderlines.

A global mindset has no one definition. One of the operational definitions of a global mindset is Levy et al. (2007:15) "... a highly complex cognitive structure characterized by an openness to and articulation of multiple cultural and strategic realities on both global and local levels, and the cognitive ability to mediate and integrate across this multiplicity." Den Dekker et al. defined the Global mindset as "... a multi-faceted set of cognitive attitudes of an individual (2005:4)." The attitudes are towards globalization processes that are positively related to balancing. The balancing is between global and local developments in the business environment, organizational processes, cultural differences and time zones. Whereas, Clapp-Smith, (2009) referred to the Global mindset as "a process of reframing a cognitive reference point, shifting the leader's worldview and

developing a new paradigm of meaning or perspective-taking." The above global mindset's operational definitions repetitively stated global mindset as a cognitive attitude, structure or process. As emphasized in definitions, the global mindset has received much deliberation as a cognitive competency with a tendency and ability of leaders to synthesize a situation in the case and manifest an experienced leader chooses for the appropriate context (Beechler and Javidan 2007; Punkari 2013).

Beyond cognitive competency, researchers in the area of leadership pointed out characteristics of global mindset; "cosmopolitanism and cognitive complexity (Levy et al., 2007:5)", "attitude of managers toward globalization processes" (Den Dekker 2013, and Den Dekker et al. 2005:8). For Beechler and Javidan (2007:152), the global mindset has consisted of knowledge, cognitive and psychological attributes ("capitals") that help influence individuals and groups. Consequently, they developed a global mindset model with three dimensions: intellectual, psychological, and social capitals. The model's components/ capitals incorporate many global leadership competencies. Identification of these characteristics of global mindset led the researchers (mainly a group of academics at the Thunderbird's Global Mindset Institute at Arizona) to develop a Global mindset inventory (GMI), which claimed to assess individual leader's global mindset and his/her ability to influence at the global level. The inventory comprises competencies related to interactive skills, business intelligence and the ability to influence people from different backgrounds (Javidan and Bowen 2013). Beechler and Javidan (2007), Javidan and Teagarden (2011) and many others agreed that leaders with global mindset might not possess all the capitals and competences in full eternity but shows significant amount to help them work on global environment.

## **2.4 Global mindset Capitals**

The above review pointed out various researchers attempt to operationalize the dimension of the global mindset. In response to the demand for the global mindset assessment and the dynamic reality of global leadership development, Thunderbird Global mindset Institute developed a Global mindset Inventory model (GMI). The GMI has three blocks of capital, which in turn comprises nine competencies. Those capitals and competencies have been designed to be used as part and

parcels of the personal assessment tools as the capitals/ competencies become scalable and measured. As suggested by the GMI developers, the individual assessment score serves as a base to identify development areas for the leaders (Javidan and Teagarden 2011; Javidan and Bowen 2013). This same set of the GMI modelled by Punkari (2013) and Karlsson and Udden (2007) was also adopted for this study as instruments to collect quantitative and qualitative data from the business leaders of Ethiopian Freight forwarding and shipping firms.

Intellectual capital (IC) is a cognitive side of the global mindset. It is about leaders' knowledge of the global environment and ability to assess, analyze, comprehend and convert existing opportunities and threats into leverage. The intellectual capital of the global mindset component revolves around the notion of global business orientation. According to the GMI developers' (Javidan and Bowen 2013 and others), IC is composed of three building blocks, those are global business savvy, cosmopolitan outlook and cognitive complexity. They also identified competence elements which are 1) knowledge of the global industry, 2) knowledge of global value networks, 3) knowledge of the global organization, 4) cognitive complexity, and 5) the cultural acumen. These imply, leaders with IC believed to have a cognitive ability to cope with the global business environment (Javidan and Teagarden 2011; Javidan and Bowen 2013). However, to fully utilize this capital, managers rely on their emotional element of global mindset capital, which is psychological capital (PC).

Global leaders' intercultural skills translate into more effective results when the leaders able to use their emotional capital in conjunction. The psychological capital (PC)'s competencies are the leader's passion for diversity, the quest for adventure, and self-assurance. PC sub-competence elements are: 1) positive psychological profile, 2) cosmopolitanism, and 3) passion for cross-cultural and cross-national encounters. (Javidan and Teagarden 2011; Javidan and Bowen 2013). The psychological capital (PC) of the Global mindset component revolves around the notion of cultural intelligence.

According to Den Dikker (2016) and Hofstede (2001) the culture dimension is strong in the local mindset. Managers with local mindsets see and understand their business operation and intercultural interaction based on their national cultural values, norms, and overall experience. Their "ethnocentric perspectives" govern their intent on how they act to particular cross-cultural leadership behaviour requirements. They show a solid identity with their cultural groups and what they perceive it is for their leadership practice. Hofstede (2001) argued that even though leaders are influential in their domestic managerial role, which might not be the case when they engage in operation across the border. Unless the high "ethnocentric" attitudes are managed well, it might lead to cultural remoteness and misperception. These detachment and misperception can be improved depending on the extent of the managers' reaction when faced with diversity. The leaders may translate their and their organization mindset towards the demand of the change to help them improve the situation through understanding of other cultures, and global business orientation (Levy et al. 2007).

Hofstede (2001) further explains that when business leaders' sphere of operation expands into the global market, they eventually increase interaction with other cultures. Based on the extent of their cross-border interaction, they need to assimilate their viewpoint into the desired level. Leaders need to be culturally sensitive and connected with others both inside and outside the organization to create common goals and be more successful. However, for George (2015), leaders face a significant challenge of bringing different locally dominated individual mindset to collaborate for common goal on the global scale. Whereas, organization's global expansion business strategies require practical negotiation skills across cultures to establish partnership. (Adler, 2001) For instance, the recent deregulation of the logistic sector and Africa continental free trade area agreement (AfCFTA) demand intensive business to business and government to government negotiation. People with lack of effective communication, and ability to identify with other culture might face a challenge of losing cross-cultural business opportunities, being omitted from valuable information access and even a potential losing of revenue. (Janssens & Brett, 2006) Managers should be aware of other people's cultural preferences and work with their own cultural expectations so that they adjust their cultural knowledge when interacting with those from other cultures (Adler, 2001).

The third construct of the global mindset is social capital (SC), a behavioral aspect of the global mindset. According to Adler, (2002) business environment is getting very competitive and building trusting relationship can be a source of competitive advantage. The relationships are both internal and external to the organization. Social capital shows the individual's ability to interact with others from other parts of the world to attain trusting relationships. Hence social capital, according to Javidan and Bowen (2013), has the following three building blocks; intellectual empathy, interpersonal impact, and diplomacy. Social capital's competence element, 1) structural, 2) relational, and 3) cognitive social capitals reflect those blocks (Javidan and Teagarden 2011). The leaders' behavior shaped as a result of their social interaction and reflects on their relationship with others. This behaviour characteristic of the global mindset can be affecting and be affected during diversified and complex interaction.

According Den Dekker (2016) manager with global mindset see the world from broader perspective which in turn will help them to commit to international markets, build adventurous global engagement and relation-based character towards global business environment.

Figure 2.1 below indicates the global mindset and its structure of the three capitals and nine competencies:



Figure 2.1: Global mindset (Javidan and Bowen 2013:147)

## **2.5 Global mindset development**

According to Srinivas (1996), the third world's growing market will be put to the test to compete with more experienced competitors from the developed countries. Unless the third world managers assess and develop their global mindset and adapt to meet the demand, local business survival will be questionable. Therefore, as nations and their domestic businesses increase global operations growth, the quest for more leaders with a global mindset becomes necessary to persevere through the complex global market (Konyu-Fogel and Cole 2011). For instance, the integration of the African continental trade area creates both opportunities and complexity for the countries; thus, having leadership qualities which are relevant to meet the requirement are mandatory. Local business managers were molded by their scope of experience which mainly was dominated and also generated from their business demand and operation. However, due to the globalized nature of task and responsibility, it has changed to address other nations' demands (Miroshnik, 2002). Leaders' global responsibility integrates the notion of understanding the cultural and intellectual scope of leaders' skill development (Osland et al., 2006).

Global economic trends amplify the importance of increased business insight in leadership, which naturally depends on leadership development. Mendenhall et al. (2012) for managers and other employees with the Global mindset help respond to the challenge and develop more effective strategies on the global operation and working relationships among people from different values and mindsets. Organizations need an increased number of individuals with such capacity; thus, global leadership development and training are essential. The more training of leaders and exposure to a different way of doing and experience, they are most likely to change and grow a better mindset beyond and above the current mindset they have about the rest of the world. For Jokinen (2006), "Those universal qualities that enable individuals to perform their job outside their own national and organizational culture are global leadership competencies. Those individuals perform no matter what their educational or ethnical background is, what functional area their job description represents, or what organization they come from".

Organizations are looking for leaders who have a global mindset character to help solve global market operational complexity and develop distinctive advantage capacity. A global mindset is closely associated with a personal capacity. Moreover, integrating effectively with various cultures requires cultural intelligence (CI), "which is almost a sixth sense." Global mindset benefits leaders to succeed in working with their partners and stakeholders worldwide (Beechler and Baltzley, 2008; Cohen, 2010). The cognitive complexity spins as the core of the whole global mindset concept. Complexity arises when cultural, economic and political forces meet and individuals are forced to redefine their existing views or adapt to diverse ones. Those who can grasp the complexity at the organizational or individual level are the strongest to survive in global competition (Javidan and Walker 2012; Javidan et al., 2013).

According to Punkari, "Global leaders have to acquire new knowledge about the different contexts in which they work. The way they use knowledge and information to analyze a situation and act upon it entails a broader set of choices at a higher level of complexity (2013:19)." Thus, they should identify and build complementary skills and knowledge to gain a competitive advantage over others. The complexity of the global business environment provides both opportunities and challenges. However, for the organizations to succeed, they need to build insight to predict the business environment's indication and be agile and flexible to the change (Beechler et al., 2007:148).

To conclude, even though there are no agreed-upon global leadership skills and practices to lead effectively in the global arena, globalization necessitated reviewing, understanding, and developing new leadership practices to meet global circumstances effectively. Moreover, various researchers have considered leaders' ability to embrace other cultures and develop a global mindset as essential leadership skills and effective global leadership (Perez 2017; Punkari 2013).

## **2.6 Review of the empirical studies**

Global leaders must have specific skills in understanding the socioeconomic, political, regulatory and cultural essentials to influence individuals and teams and achieve their objectives. An essential leadership competency in global business is the leaders' global thinking (Javidan et al., 2013). As global mindset is a recent phenomenon, several frameworks of global mindset forwarded. The global mindset concept is still under development, and there is a vast difference in the theoretical and empirical studies among researchers and authors. Many researchers and writers are claiming the importance of global mindset for leadership effectiveness, but no consensus emerged on the frameworks and how it affects leadership effectiveness. Many agree that there is a limited empirical study focusing on global leaders and almost none on global mindset. When it comes to the empirical research, on most of the studies so far, the global mindset's apparent effect as a whole is not yet empirically determined on practice (Nummela et al., 2004).

However, research studies on constructs of the global mindset were indicated in various research studies, especially on antecedent, dimension, development, and global mindset constructs. For instance, Den Dekker and his colleagues found that findings were more on global leaders' quality and "openness" listed as the essential aspect of global leadership. Leaders with quality of "openness" are believed to have the ability to relate themselves to the world as cosmopolitan. They further identified four discrete attitudinal items reflected on the leader's approach towards the world, business, organization, and people. They summarized their findings as "business and organizational savvy," "cross-cultural competencies," "leadership skills," and "openness" being an essential element. Based on their findings, when it comes to the Global mindset, "openness to the world, positive attitude toward worldwide business, openness to the multinational organization, openness to people" were mostly indicated responses among participants. Other significant outcomes from the respondents were that leaders who have a Global mindset feel more useful, capable, and above all, they are satisfied in their job.

The study of Cseh et al., on the global mindset development identified that "... plasticity of the mind (flexibility, thinking differently, rebalancing, openness, having multiple frames of

reference), mindfulness, curiosity, and humility (2013:489)" appeared as a prerequisite for leading in the global environment. Also, learning and development of global mindset were characterized as informal learning from day to day work and life experience. The ability to self-reflection and reflecting with others were fundamental to global mindset development. The research further specifies that global leadership composes the leaders' desire for continuous learning and sharing what is acquired (Paul, 2000:188). The leaders' experience and ability to share the gained knowledge from the process to other got prominence in global mindset development.

When it comes to Ethiopia, especially in the logistic sector, Fekadu (2013) study found out that how sector lacks skilled human capital, including management level, which also aligned with the Arvis et al. (2018) on developing world lack of managerial level professional.

To conclude, global leadership, global mindset and its effect on leadership effectiveness are an ongoing source of interest for various researchers and authors. Those phenomena are recent, and there is no consensus on the what, how, why, and topics. Nevertheless, the above review contended how the global mindset is gaining recognition as quality of effective leadership. Developing and cultivating leaders with a global mindset who meet the global demand is a question of survival to most businesses, in this case to the logistic industry. The African continent's current reality and the Ethiopian economic reforms necessitate revisiting the existing leadership development approaches to elevate the global requirement's leadership capacity. The process of developing a global mindset is time taking and progressive. Thus, at this early stage of the country's reform, the global affair of mind should be cultivated from the policymakers to implementers, from the workforce to human resource managers, from small local business to business with a global presence.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

Chapter three reported the quantitative and qualitative research method, the data source, and data collection instruments: questionnaire and semi-structured interview questions. The report also included instrument validity and reliability.

#### **3.1 Research design**

The purpose of the study is to assess the global mindset of the business leaders in the logistics sector, particularly the case of Ethiopian Freight-Forwarder and Shipping Agents Association (EFFSAA) member firms using empirical-based descriptive model. This empirical study has been based on the global mindset inventory Javidan and Bowen's (2013) model of the global mindset constructs: capitals and competencies. As a quantitative study, it used a GMI questionnaire, and as a qualitative study, it uses a semi-structured interview as a base for global mindset development. Both the questionnaire and interview instruments were adopted from studies of Punkari (2013) and Karlsson and Udden (2007).

The research design helped in gathering, analyzing and presenting the collected data on the topic in order to get better insight about the research area, the global mindset of the business leaders and global mindset development. The explanatory approach was used to identify the extent and pattern of global mindset and to gain familiarity with the subject matter. Descriptive survey and semi-structured interviews were selected to gather data to allow the researcher to get insight into the topic under study.

Specifically, the study was designed to be a cross - sectional assessment of the leaders' global mindset both quantitative and qualitative in nature. The research used both qualitative and quantitative research methods as a strategy to assess the global mindset of the leadership of the Ethiopian Freight-Forwarder and Shipping Agents Association (EFFSAA) members' firms and to get insight from the leaders on the global mindset development. The mixed approach has been

utilized in collecting both the quantitative and the qualitative data so that qualitative data has helped to further explain the analysis of the qualitative data. The findings from both instruments and global mindset literature were triangulated to enrich the study's insight, validity, and quality.

### **3.2 Description of the study area and the target population**

The study aimed to assess the extent of the global mindset of the business leaders of the Ethiopian Freight-Forwarder and Shipping Agents Association (EFFSAA) members' firms. The EFFSAA currently has 79 member firms with its respective professional representation. Because the total population was finite and small in number, the study covered all the total population of the study and sampling technique was not applied. The questionnaire was distributed to the 79 members firms' leaders of the Association, EFFSAA, and the focus was given to the top leadership such as managing director, general manager, deputy general manager and operation manager. The six interviewees were selected for interview participation. Participants of the semi-structure interview were selected based on their role as current or previous a board membership of the association or for having active roles for the improvement of the association and the logistics sector of the country, Ethiopia in general.

### **3.3 Data collection methods**

The study used primary data, collecting first-hand data using questionnaires and interviews of the EFFSAA's member-firms top leadership, managing director, general manager, deputy general manager or operation mangers based on their organizational structure.

The primary data collection followed two procedures administering questionnaires and conducting interviews. Self-administered electronic copies of the questionnaires were distributed to the" entire 79 EFFSAA member-firms. The EFFSAA office graciously helped the researcher distribute the questionnaire survey via its email list to the 79 respondent leaders and semi-structure interview were conducted with six business leaders.

### **3.4 Instruments of the data collection**

The researcher has used two types of instruments in the acquiring the necessary data for the study. These were questionnaires, which is self-assessment questionnaire (of the Global Mindset Inventory to collect information from the leaders) and the semi-structured interview questions. The questionnaire comprised of items using a 5–point–Likert scale. And semi-structured interview also carried out to collect information from the leaders which supplement and cross-check responses acquired from the questionnaire.

The questionnaire consists of a series of closed-ended and open-ended questions that assesses the leader's global mindset inventory based on three global mindset capitals and their nine competencies. Besides, six members were selected for semi-structured interviews based on their engagement level in the association: the EFFSAA and the sector development and their role as current or previous board members. The semi-structured interview addressed the leaders' previous practice, experience and understating of their global mindset.

#### **3.4.1. The questionnaire**

Adopting the GMI questionnaire from Punkari's (2013) study, the inventory was used and filled by the managing directors, general managers, deputy general managers or operation managers, whichever position title applies to the firms. The self-assessment questionnaire constituted a series of closed-ended and open-ended questions to assess the leader's global mindset capital and competencies. The first part helped obtain information on the respondents' demographic characteristics, and items in the second part used to obtain information on the leaders' respective firms—the third part contained 31 lists of items based on the three global mindset capitals and nine associated competencies.

### **3.4.2. The interview**

Again by adopting the semi-structured interview content and format from the studies of Karlsson and Uddén (2007) and Punkari (2013)) on the global mindset, the 45-60 minutes long interview guide has been designed to extract the insight of the leaders on the global mindset, experience on global mindset development about the three global mindset capital and their overall perception of globalization and the role of a global mindset. Moreover, the interview questions had advantages to obtain additional information and cross-checking the reliability of the information which the questionnaire collected. Of the six interviews, four were face to face, while two were via zoom. Except the one face to face interview, which is captured by the hand writing, the rest were recorded and transcribed.

## **3.5 Data analysis**

### **3.5.1. Questionnaire analysis**

The questionnaire data obtained was analyzed by the aid of Statistical Package for Social Sciences (SPSS). The researcher analyzed the questionnaire data by the five-point Likert scale as 1= Not at all, 2= Small extent, 3= Moderate extent, 4= Large extent, and 5= Very Large extent and extraction of each item's mean values, and standard deviation, and coefficients for analysis and interpretation. This use of the SPSS extracts by categorizing and tabulating the responses to elaborate the presentation of data.

### **3.5.2. Interview analysis**

To organize and analyze what was obtained from the six interviews of the EFFSAA from the leaders, a summary sheet was prepared and responses to the open-ended questions were organized and analyzed and triangulated with the questionnaires' findings.

### 3.6 Reliability and validity of the analysis

The original Global Mindset Inventory has been developed through a very rigorous theoretical and empirical process. Exploratory and confirmatory factor analysis indicated three components of the GMI: (a) intellectual capital, (b) social capital, and (c) psychological capital. Each component had good internal reliability. Each component showed evidence for discriminant and convergent validity (Javidan et al., 2011). According to Kothari (2004), a measuring instrument is reliable if it provides consistent results.

**Table 3.1: Reliability Statistics**

Category	Cronbach's Alpha	No of Items
Intellectual capital	0.847	10
Psychological capital	0.774	10
Social capital	0.853	11

Adopting the constructs from Punkari's (2013) study on the global mindset, the researcher used Cronbach Alpha to examine internal consistency to assess the proposed constructs' reliability. As seen from the above table, the Cronbach alpha result (i.e., IC 0.847, PSC 0.774, SC 0.853) of all constructs is significant, and it shows there is high consistency between each item used to measure the variables. Generally, reliability coefficients of 0.70 or more are considered acceptable, and it is advisable to eliminate those items that diminish the coefficient value (Lance et al., 2006). Moreover, even sometimes, if Cronbach Alpha's value is more significant than 0.6, the survey results' reliability proves to be acceptable (Nunnally, 1967).

### **3.7 Ethical considerations**

The researcher has addressed the ethical considerations: the subjects' confidentiality and privacy and their demographic data with rigor. The researcher guarantees to the respondents that their names or their firms or other revealing data not be asked and publicized in any form. To maintain the bare minimum research's ethical standard, leaders' responses from both research tools, the questionnaire, and the interview remain anonymous and remain confidential. It has to be noted that EFFSAA administered the questionnaires. Thus, it created this confidentiality status, as the Association is the one that has detailed data of the 79 member- firms and their business leaders. Moreover, participants received a verbal and written description of the study, and they gave their informed consent before administering the research instruments.

## **CHAPTER FOUR**

### **DATA ANALYSIS AND RESULTS**

The questionnaire and interview data collection methods have been employed to conduct this research on the global mindset using quantitative and qualitative methods to extract relevant information from the data. The following three sections discussed the data and analysis of the questionnaire, the data and analysis of global mindset, and analysis and discussion of the interview results.

#### **4.1. Data and analysis of the questionnaire**

A total of 79 questionnaires (see Appendix 1) for the entire member –firms, 79 of the EFFSAA (the entire population) were distributed using the EFFSAA members' email list by the EFFSAA. A total of 50 (63%) were filled correctly and returned. The researcher expected higher respondent rate but only got 63% (50 of the 79) questionnaires were filled and returned. As the time activities are limited due to Covid-19 pandemic, and also because the researcher relies on the EFFSAA goodwill to administer and collect the questionnaires in time, it would not be easy to follow up reminding to get the business leaders responses. Time constraints on the business leaders filling the questionnaire and other human factors may be involved for the 63% return of the questionnaire. In order to illustrate the analysis in an organized manner, the demographic analysis and organization profile was presented, followed by global mindset attribute's statistical results.

##### **4.1.1 Demographic and organization composition of the respondents**

The demographic composition of the respondents and their organizations' profiles were analyzed and tabulated in six categories as follows:

As observed in Table 4.1.1 below, the respondents' current positions are 28.0 percent general managers, 22.0 percent operation managers, and 50.0 percent other leadership positions.

Regarding age, 4.0 percent of the respondents were under 25 years of age. 26.0 percent were from the age of 25-30. 36.0 percent from the age of 31-35, 18.0 percent from the age of 36-40. 8.0 percent from the age of 41-45, the remaining 8.0 percent of respondents were 46 years of age and above. 74.0 percent of the respondents were males, and the remaining 26.0 percent were females.

Based on the below Table, the firms' leadership constitute a majority of young leaders, which helps the leaders to be open and curious for new way of thinking and exposer for broader global perspective. A global mindset is a set of constructs that is not static but continually evolving; its constructs can be learned and experienced. The leaders young age is a clear advantage to adapt to any change in the global business environment. Also, most leaders have a tertiary level of education, enabling to improved understanding and eagerness for further development to handle the global market's complexity.

**Table 4.1.1: General demographic data of the questionnaires' respondents**

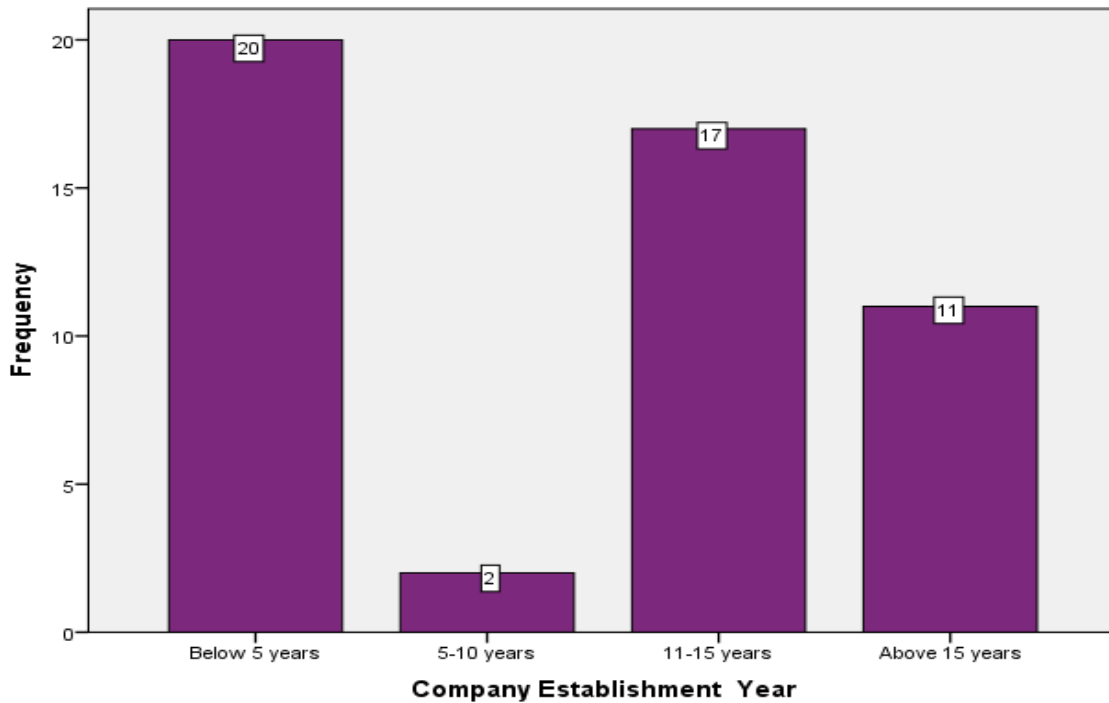
<b>Variables</b>	<b>Category</b>	<b>Frequency</b>	<b>Percent (%)</b>
<b>Current position/title</b>	General manager	14	28.0
	Operation manager	11	22.0
	Other leadership positions	25	50.0
<b>Age of respondent</b>	Below 25	2	4.0
	25-30	13	26.0
	31-35	18	36.0
	36-40	9	18.0
	41-45	4	8.0
	46- Above	4	8.0
<b>Gender of respondents</b>	Female	13	26.0
	Male	37	74.0
<b>Educational status</b>	Secondary education (Grade 8-12)	1	2.0
	College/ university first degree	28	56.0
	University second degree	21	42.0
<b>Year of service in the organization</b>	Below five years	26	52.0
	5-10 years	17	34.0
	11-15 years	5	10.0
	Above 15 years	2	4.0
<b>Year of participation in foreign business</b>	Below five years	22	44.0
	5-10 years	17	34.0
	11-15 years	3	6.0
	Above 15 years	8	16.0

In the same table (4.1.1), the respondents' educational status provided as; 2.0 percent had secondary education, 56.0 percent had college/ university first degree, and 42.0 university degrees. When it came to the organization's years of service, 52.0 percent have worked for less than five years, 34.0 percent from 5 to 10 years, 10.0 percent from 11 to 15 years, and the remaining 4.0 percent served above 15 years. The respondents' years of participation in foreign business indicated that 44.0 percent have worked for less than five years, 34.0 percent from 5 to 10 years, 6.0 percent from 11 to 15 years, and the remaining 16.0 percent served above 15 years.

It is observable that besides the top leaders of the firms' other leadership team members have a global task and responsibility that ensures the development and cultivation of a global mindset at the individual and organization level. Their first-hand experiences helped develop their psychological capital (adventure and self-assurance). In most cases, getting an opportunity to be coached and working with mentors contributes to developing their psychological capital.

However, only 22% of leaders have vast experience in foreign business activities, limiting the opportunity to coach and mentor the upcoming leaders. One interview participant noted that he benefitted a lot from his first-hand experience by witnessing how managers conduct day-to-day operations, manage employees, negotiate deals, and influence others. Global mindset and global leadership development put practical experience as an underline criterion for enhancing individual competence. This experience can be gained through travels, overseas assignments, working with different people, and exposure to relevant knowledge (Srinivas, 1996).

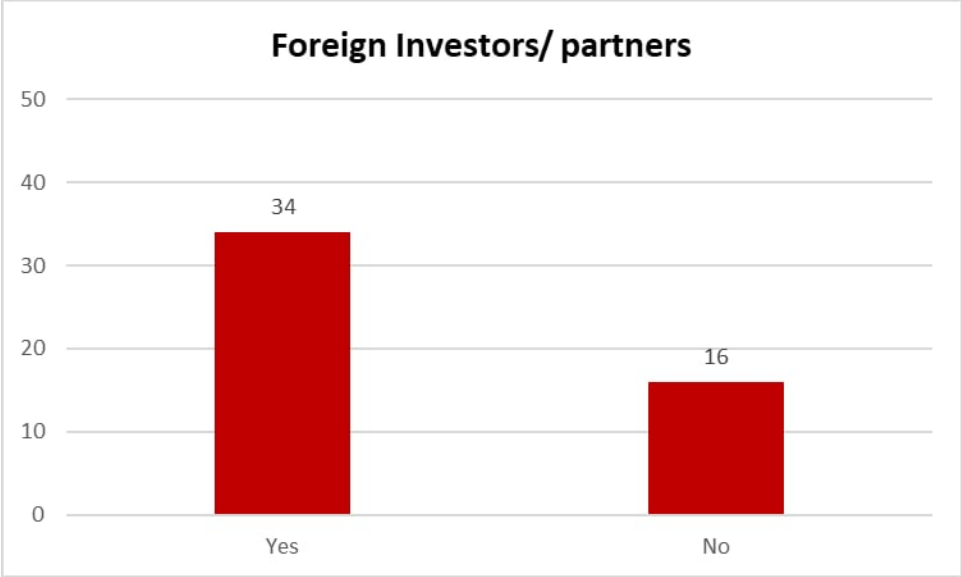
**Graph 4.1.2: Organization profile of the GM questionnaire respondents**



The above graph (4.1.2) showed 40 percent (20 firms) of the firms were running under five years, 4.0 percent (2 firms) from 5 to 10 years, 34 percent (17 firms) were running from 11 to 15 years, and the remaining 22 percent (11 firms) existed above 15 years. The majority of the firms are established either five years and below or between 11-15 years. The majority of the firms are established either five years and below or between 11-15 years. Despite the firms' establishment year, all interview participants share the sector's leadership challenge to understand the globally business complexity and diversity of culture.

From the above graph (4.1.2) and table (4.1.1), the majority business leaders are young, and 40% of the firms are recently established. Being young and inexperienced were noted by interview participants as a direct factor for their and their staffs lack of global business orientation as they are not experienced enough to have extensive knowledge of the global industry, identifying and

working with/against their competitors and less experienced to transact business and prone to industry-related risks.

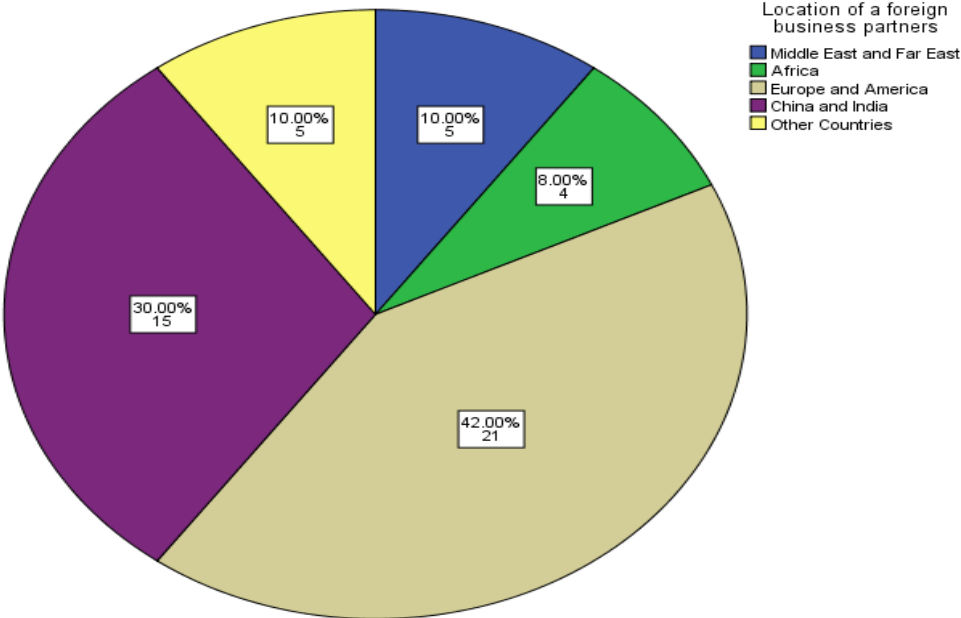


**Graph 4.1.3: Foreign investors/ partners**

As we have seen from the above graph 4.1.3, in terms of the foreign investor or partner, 68.0 percent had, and the remaining 32.0 percent said they did not have foreign investors or partners. Until the sector deregulation, the government regulation prohibited foreign investors in the Sector and the firms’ nature and scope of the partnership were very limited to that of commission agents and for very few exclusive agents. This regulation was a limiting factor for the leaders to grasp the bigger picture of global partnerships as possibilities were founded on concise projects and business activities. According to the interview participants, this is expected to change rapidly following the deregulation. For instance, out of the interview participants, two already formed joint ventures, the other is finalizing the joint venture, and two others are exploring partnership and expansion opportunities within Africa.

Working with foreign investors and partners has a direct consequence on the leaders' exposure to a global environment and thinking. It is a direct source for global mindset awareness and cultivation of intellectual, psychological and social capital. While the majority of firms (68%) have foreign business partners, it helps the leaders to acquire intellectual empathy, the ability to work well with other people, engage people from other cultures, affect their interpersonal impact, better insight on the global industry demand, negotiate, form a network with people of other cultures and the same can be said of diplomacy.

**Graph 4.1.4: Global distribution of the foreign business partners of the EFSAA firms**



As observed on the pie chart (Graph 4.1.4), global distributions of the foreign business partners of the firms are 8.0 from Africa, 10.0 percent of the respondents said their major foreign business partners originated from the Middle East and other ten percent from the Far East, 30.0 from China and India 42.0 from Europe and America. Most firms' business activities are with Europe, America, China and India. In the meantime, all interview participants noted that the sectors business interaction on those different locations and cultural diversity had been a challenge for the

leaders. This challenge is sourced from differences in intellectual, psychological and social capital to that of their counterparts. Given the continental proximity and economic, political and social interconnectivity and various continental agreements, the business engagement within Africa shows a low percentage.

#### 4.2. Discussion of the Global mindset inventory of the EFFSAA business leaders

The results obtained from the third session of the questionnaire have been discussed using various statistical data analysis tools such as mean, correlation, coefficients and standard deviations. Accordingly, detail of the analysis is presented as follows:

**Table 4.2.1: Arithmetic mean of individual constructs (GM Competencies)**

	Minimum	Maximum	Mean	Std. Deviation
GBS	1	5	3.31	0.752
CO	1	5	3.05	0.860
CC	3	5	3.60	0.551
PFD	1	5	3.45	0.910
QFA	2	5	3.55	0.695
SA	3	5	3.76	0.495
IE	2	5	3.84	0.614
PI	1	5	3.42	0.799
DY	3	5	3.86	0.574

As we have seen from Table 4.2.1, the GBS (Global business savvy)'s mean value is 3.31 with a standard deviation of 0.752. The mean value of the CO (Cosmopolitan outlook) is 3.05 with a standard deviation of 0.860. The mean value of the CC (Cognitive complexity) is 3.60 with a standard deviation of 0.551. The mean value of the PFD (Passion for diversity) is 3.45, with a standard deviation of 0.910. The mean value of the QFA (Quest for adventure) is 3.55, with a standard deviation of 0.695. The mean value of the SA (Self-assurance) is 3.76 with a standard deviation of 0.495. The mean value of the IE (Intellectual empathy) is 3.84 with a standard deviation of 0.614, the mean value of the PI (Interpersonal impact) is 3.42 with a standard deviation

of 0.799, the mean value of the DY (Diplomacy) is 3.86 with a standard deviation of 0.574. Those mean values indicate that the majority of participants have a moderate extent global mindset competence. Diplomacy (DY) is the highest, with a mean value of 3.86 and cosmopolitan outlook (CO) is the lowest, with a mean value of 3.05. Both Diplomacy (DY) and cosmopolitan outlook (CO) mean value of the global mindset competences show above average value. One supportive belief shared by all interview participants is on the value of knowledge of a language other than their native language. Though this is not surprising as most of the leaders have first and second degrees from universities (learning in a foreign language) and have work experience in foreign countries and international organization, one interviewee said that "at least one of our customers between origin and destination is out of Ethiopia which requires at least one additional language to communicate with." Four business leaders note that they hired people from other nations to mitigate this issue for cultural and language diversity. On another note, five interview participants strongly voiced the value of a global network in having a network of friends and colleagues from other parts of the world molding their global interaction. However, one participant admits that "he does not have a strong network in other countries other than his direct business interaction."

One participant's response emphasizes how foreign language, foreign culture, and foreign business environment can be inter-related and where one skill set feeds the other. The respondent says;

I lived and studied in two countries for 13 years, which helped me develop my curiosity and openness to other cultures. I explore new cultures and, in most cases, I can get along with people of different cultures. Before I meet people from other cultures for the first time, I have researched what matters in their culture; most of the time, I found knowing few words from their language, curiosity in their national food, sports activity, history, and trying their national food useful.

**Table 4.2.2: Arithmetic mean of the individual GM capitals and GM**

	Minimum	Maximum	Mean	Std. Deviation
IC	2	4	3.34	0.557
PSC	3	5	3.60	0.495
SC	2	5	3.73	0.520
GM	3	5	3.57	0.415

According to Table 4.2.2, IC, Intellectual Capital has a mean value of 3.34 with a standard deviation of 0.557, and PSC, Psychological Capital has a mean value of 3.60 with a standard deviation of 0.495, SC the mean value of SC, Social capital is 3.73. This value implies that the majority of participants have a large extent of Social capital. In this study, the GM Global Mindset three capitals' overall mean value is 3.57, which is relatively close to 4. This overall mean indicates that participants have a reasonable extent of the global mindset capitals.

Interview participating leaders indicated that efficient learn for different cultures can be enhanced through curiosity and openness to other cultures, by exploring new culture, having multinational team composition in their organization, knowledge of languages, and interest in foreign news, literature, newspapers. In addition, they also indicated the individual previous experience abroad, business trip, work experience, and being continuously updated about the industry as enabling factors for efficient learn about cognitive complexity. They also emphasize that they get industry-related updates from the EFFSAA, the FIATA, policymakers, and implementers.

All the interview participants stress that serving and working with multinational companies, international organizations, global network partners, and international freight forwarders have helped them improve their intellectual and psychological capital. They also indicated that job

rotation, coaching/ mentoring, work experience, formal education/ training, and upbringing as helpful in the development of psychological capital and social capital.

The following interview extract can exhibit the process of psychological capital of the leader:

For instance, on one occasion, I have received a some-what shocking email from a customer, but that can be a standard way of communication to that customer. An email from Netherlands or UK might not have the same tone. The way I handle each might require an understanding of each way of thinking as I needed to adjust my approach to help us communicate better. However, at first, it did not go that well.

In the development of social capital (having the ability to work with people from different cultures, engage and influence them), what has been helpful, local culture, community engagement upbringing and their family value are frequently mentioned factor. As one of the participants has reflected, "our thinking and perception mainly are shaped by our exposure. It is not about neglecting our local value and local mindset rather seeing what others have in order to understand them and able to serve them in a better way". For another participant, developing social capital is not highly reflective of the previous one but is grounded in working with culturally diverse co-workers'; "I am grateful to have contacts and colleagues globally. I have worked for 15 years with over 100 people globally in this sector. I have had the opportunity to build close relationships with friends from other countries." According to Srinivas, (1996) the degree of socialization and interaction make global mindset dynamic phenomena, and its development or cultivation at all levels depends on previous, current and future interaction and practical experience

Despite their believe in the value of global mindset capitals, all of them stressed the need for periodic training and updated themselves on the technical, professional, and leadership skills, as there is a vast knowledge gap among the sector business leaders and the international partners and even competitors. A respondent said;

Our partners, even our competitors, have vast experience and knowledge in the sector. Therefore, for myself and my organization, developing our professional and leadership capacity is crucial to our business. For example, the recent global health challenge has shaken my business and tested my organization's capacity, and it took valuable time for us to

understand the new way of doing business and realign with our customers and global business partners. The primary lesson for me and my leadership team was building a proactive business approach and understanding to bounce back fast from a complicated situation.

Cohen description reinforce the leaders' viewpoints. Cohen (2010) described that "a leader who will not only have to be generally effective in traditional skills expected but also, with additional knowledge, skills and above all mindset to navigate through the complexities brought on by moving beyond one's traditional borders (p.2)."

The organization's vision and strategy are recognized as the factors for the development of a global mindset. Global mindset and global leadership share similar approached for the individual's development on both phenomena. Cultivation of global mindset and global leadership depends on the need for training, experience, and individual motivation for personal development. (Paul, 2000) Global mindset development can happen at the individual and organizational levels. However, to have successful results, both the organization and its employee need to see the value of developing a global mindset. At the individual level, it is dependent on personal characteristics (Gupta and Govindarajan, 2002).

In this study, the global mindset has overall mean value is 3.57. This value indicates that participants have an above average extent of the global mindset. Also, from the interviews, one can understand the business leaders have a fair understanding of the global condition of the business and strive towards maximizing their global mindset. Despite the statistical result, all interviewees stated areas of improvement on the sector professionals' global mindset. One participant shared concern regarding the sector's gap in the capacity as follows; "Sector and its leaders are not ready for what the change bring in terms of complexly, efficiency and multiplicity. We are already strongly challenged to develop ours and our employees understanding to that of our global partners, competitors and customers". This view also shared by Cohen (2010), Mendenhall et al. (2018), Moon (2010); leaders need to improve their leadership skills from traditional leadership skills to meet the demand of the complexity of the global market. Managers

have to demonstrate an understanding of how the business operates within their specific industry and in different international markets as opposed to just a single domestic market.

### **4.3. Analysis and discussion of the interview results**

Interview sessions were held with the six top leaders of the firms. Out of the six participating leaders, one was the firm owners; two were shareholders, one general manager, one deputy general manager and one operation manager. All except one were males. The range of their work experience in the industry is between 10-15 years.

The semi-structured interview that constituted eleven questions was conducted to understand the EFFSAA business leaders' insights into the global mindset and their global mindset development experience. Particular emphasis was given to the three global mindsets and their overall perception of globalization, and the role of global mindset on their leadership. The researcher followed the following procedure to conduct the six interviews to create rapport; the researcher communicated with interviewees in advance. They were asked for a convenient time to answer some questions on the GM. After the settled time, out of the total six, four were face-to-face interviews, and the other two via zoom for time and location convenience.

The interview guide (see appendix 2), which was adopted from the studies of Punkari (2013) and Karlsson and Uddén (2007); the interview was composed of eleven questions. The first five questions focused on the historical data exploring the BLs' companies, their managerial style, and their connection. The rest of the six questions focused on the global mindset three capitals. Questions 6-8 focused on the intellectual capital (IC), exploring issues such as whether the BLs were working abroad, their way of learning foreign cultures, and how they handled what is commonly called cultural shock or complicated factors they faced. Question 9 was about the psychological capital (PC), which focused on the behavioural side of working, such as self-confidence, the training, mentoring, coaching they attended, and what these six BLs have given values most. The last two questions focused on the social capital (SC) of the global mindset. They

frequently used social skills to get along with their foreign colleagues, engage these colleagues and their mechanisms to exert their influence.

To avoid any redundancy of responses and for convenience, the interview report extracted, and a summary table is as follows;

**Table 4.3.1: Interview Summary General**

<b>INTERVIEW QUESTIONS</b>	<b>CONSOLIDATED INTERVIEW RESPONSES</b>
View on local or global business approach	Strong belief in going global/international Globalization is an unavoidable Globalization has a benefit for business growth. The nature of the industry has a global character. A local business will be affected by foreign investors involved in the industry. Fear of lack of capacity of local business to compete
As a Manager	Has vast experience in the Sector Open to the employee's values and opinions Invest in staff development Expose employees for an experience abroad
Global Manager Should be	Self-assurance Visionary and futuristic Effective communicator Open-minded and curious Broader perspective about the globe Cultural intelligent Global business savvy
Learning from managers in other countries	Work ethics Effective communication Value for the profession and customers Value for continuous learning Value of time
Knowledge areas that can be improved	Work ethics Effective communication Value for the profession and customers Value for continuous learning Being proactive Negotiation skills Global business acumen
Strong Network	Have Co-workers in other countries Have network partners Have close friends from other countries

**Table 4.3.2: Interview Summary Global Mindset**

<b>Intellectual capital</b>	
Efficient learn about the different cultures.	Curiosity and openness to other cultures Exploring a new culture Having multinational team composition Knowledge of languages Interest in foreign news, literature, newspapers
Efficient learn about cognitive complexity.	Previous experience abroad Business trip Work Experience Being updated about the industry continuously
<b>Psychological capital</b>	
Helpful in the development of psychological capital	Job rotation Coaching/ mentoring Work experience Formal education/ training Upbringing
<b>Social capital</b>	
Helpful in the development of social capital	Upbringing Culture Coaching and mentoring Work experience
<b>Global mindset</b>	
How to cultivate a global mindset within the organization	Training Hiring people from a different culture Making it a part of the organization culture By being a role model Opening business in other countries
Contribution to global work	A stronger relationship with partners and customers Increase efficiency, customer satisfaction More business opportunities Improve understanding of people from different culture/ background Improved system, process and interconnectivity
How to improve the awareness among employees	Training Hiring people from a different culture Employee's overseas assignment for experience sharing

General note, when business leaders are asked about the importance of globalization, the central theme that has emerged from the leaders' stories is that embracing globalization is an avoidable

reality for any firm and any country to be successful and thrive. They have stated that embracing globalization promotes exchanging ideas, resources, technologies, systems and people; globalization facilitates knowledge transfer and growth. However, one business leader shows concern about local business's capacity to weather the competition, which can be created due to fast-paced globalization.

All leaders describe how significant change in the industry is happening in recent years. They have said following the increase of foreign investors and establishment of the industrial parks in the country, growth of the logistics sector in general and growth of the freight-forwarding and shipping sector, in particular, is moving at a faster pace as the service demand, project size, and process interconnectivity have shifted more to the global processes of freight forwarding.

As one of the business leaders noted, "from the inception of our company, the business strategy was to go global; thus, we crafted our steps in that line. Because of that at earlier years of our business, we were contracted for an exclusive agency agreement with the current joint venture partner". However, the other two participants mentioned that following up on the launching of AfCFTA, they are reassessing their current strategy to fit the opportunity it creates for business expansion in other Africa countries.

Freight-forwarding and shipping is not a locally bounded business activity. The origin of the goods to the destination can have transit-points of a minimum of two to three countries to the final delivery points. The business operation's nature does not allow the business leaders to have only a local mindset and be mindful and skillful in the global arena. The interview participants underlined the demand of their sector for acquiring a broader world view and understanding at every level of their business engagement. A quote from one interview record would illustrate that;

I believe mindset is a compass for our day to day being. The range of one's mindset limits the individual navigation and journey. For my organization having a global mindset and

me is an element of our business existence. It helped us build a globally excellent reputation in the industry; thus, we succeeded in achieving our revenue and market share growth.

In conclusion, this study sets out to describe the current situation as it exists with the specific objectives of assessing the global mindset of the EFFSAA member-firms' leaders using a measurable and scalable inventory of the global mindset. The scored result is an overall mean value of the global mindset 3.57. This assessment score indicates that participants have a fair extent of global mindset capitals. During the semi-structured interview with the business leaders, all respondents give high value about the relevance of global mindset to their potential business growth, stakeholder's relationship, organization efficiency, and capacity to strive through the business environment's complexity.

As stated above, the assessment of the business leaders' global mindset mean value is 3.57. This score shows that all three capitals and the nine global mindset competencies are slightly above neutral. The respondents' lowest capitals being IC with a mean value of 3.34 and the highest SC with a mean value of 3.73. The same comparison for the global mindset competencies shows CO the lowest with the mean value of 3.05 and the highest DY with the mean value of 3.86. On the other hand, all the interview participants strongly mentioned the business leaders' human resource challenges due to lack of capacity within the sector specially who have global perception and understanding of the sector. Furthermore, the business leaders have identified improvement areas for the leader's development, such as work ethics, effective communication, value for the profession and customers, value for continuous learning, being proactive, negotiation skills and global business orientation.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATION**

This chapter summarizes the significant findings, conclusions inferred from analysis and discussion of the analysis in chapter four, and recommendations.

#### **5.1 Summary of the findings and discussions of the results**

Studying the Global mindset (GM) of the business leaders (BLs) is a recent phenomenon. GM Inventory was used to measure the GM capitals and competencies spear-headed by the Arizona-based Thunderbird Institute of GM Studies. The institute designed the GM inventory (GMI) and various studies of how to analyze, classify, and interpret GMI findings and create remedial training programs and consultancy services. Various studies have been conducted to measure global mindset of the business leaders in developed countries. However, investigating and developing the global mindset of the business leaders in the developing countries is at infancy; in particular, as to the researcher's knowledge, none exists in Ethiopia. The present study attempted to provide one by studying the global mindset in the logistics sector, particularly freight-forwarding and shipping firms' (EFFSAA members) business leaders. The global mindset capital and competencies of these leaders were assessed both qualitatively and quantitatively, and the following significant findings were reached:

- This study sets out to describe the current situation concerning the global mindset of the EFFSAA member firms' leaders; hence, the three global mindset capitals' overall mean value is 3.57. This score indicates that participants have a fair extent of global mindset capitals.
- Assessment of the leaders' global mindset showed all of the three capitals and the nine competencies are slightly above neutral level with the mean value of 3.57. The respondents' lowest capitals being IC with a mean value of 3.34 and the highest SC with a mean value of 3.73. The same comparison for global mindset competencies shows CO the lowest with

the mean value of 3.05 and the highest DY with the mean value of 3.86.

- All participants of the interview strongly mentioned the overall significant challenge due to lack of human resources with a global mindset in the sector, and as a result, they are forced to hire ex-pats for their firm. They further identified improvement areas for the leader's development, such as work ethics, effective communication, value for the profession and customers, value for continuous learning, being proactive, negotiation skills, and global business orientation.
- Even though global work experience is considered a valuable means of global mindset development, most leaders (44 %) have experienced below five years of participation in foreign business activities.
- All interview participants valued the relevance of acquiring the global mindset to their potential business growth, stakeholder's relationship, organizational efficiency (speed and accuracy), and building capacity to strive through the global business environment's complexity.

## **5.2. Conclusion**

Business leadership aims to maximize efficiency (speed and accuracy), establish business relationships and productivity that accommodate the principle of thinking globally, and act locally. Global thinking, global awareness, and a global mindset, especially for cross-border businesses at this age of globalization, are crucial.

The conception of the global mindset in management studies, its history, its refined inventories, how to administer these global mindset inventories as tests, how to get results; organize the results, analyze and interpret the results for various business sectors is a flourishing area. However, assessing the global mindset of business leaders in developing countries is in infancy. The present

study attempted to fill this nearly non-existent area of focus as a case study of assessing the global mindset of business leaders of the freight-forwarding and shipping sector in Ethiopia. This study mainly assessed the global mindset capital and competencies of sector's business leaders, which the sector leaders' global mindset scored above average. However, echoing the deep concern of the sector business leaders, who participated in the interview, and given the observable reality on the sector's growth stage and its leaders on the global market, more work has to be done on their global mindset cultivation and development. Global mindset development cannot be a sprint; proactive identification of the current awareness baseline, challenge and practical development/cultivation approaches are an urgent matter to ensure the country's and its businesses increased role, survival and even building of competitive advantage in this fast-paced economic interconnectivity.

Studying the global mindset of the business leaders is a recent management phenomenon; it is mainly promoted to the center stage as globalization increased and the challenge following the complexity and cultural diversity. One way of enabling business leaders to be ready for globalization is to train them in programs such as acquiring a global mindset. Thus, leaders' cultivation and development start with assessing the extent of global mindset of the business leaders in order to design interventions which fits the sector and the country context. The global mindset inventories expect to reflect a baseline for the business leaders' global mindset's intellectual, psychological, and social capitals.

### **5.3 Recommendations**

These are the suggested recommendations relying on the study's findings and conclusions.

- The EFFSAA and its members have to evaluate the current leadership gap to implement data-based solutions, especially the leader's global mindset, to improve the capacity of members to survive and thrive in the challenges that incidentally followed the logistic sector deregulation and the deepening of global business collaboration.

- EFFSAA needs to work with the subject experts to get a consultation, support in designing and adapting a systematic, progressive and robust global leadership development program that comprises global mindset development for the sector existing and upcoming global leadership.
- Global mindset cultivation and development takes time; thus, leaders and their firms should invest in hiring young workforce, train, coach, mentor and expose them to global experience to minimize leadership vacuum.
- Till EFFSAA facilitate systematic and progressive leadership development programs to its members, there are areas which the business leaders identified for immediate intervention in leadership/ global mindset development such as work ethics, effective communication, value for the profession and customer, value for continuous learning, ability to be proactive, negotiation skills and global business orientation. Thus, individual leaders, firms and EFFSAA respectively must select and implement the most suitable training programs to improve the gap in those identified areas.
- EFFSAA has to boost its effort to create global experience sharing opportunities such as conferences and workshops for its members through its global network in order to build fostering environment for the leaders' global mindset development.
- EFFSAA's should incorporate information technology and information management systems for improve its own and its members global interconnectivity and information sharing in timely, consistent, and accessible manner.
- The study highlights unknown areas following local businesses and their leaders' transition to the international/ global business environments. Thus, in-depth research should be done urgently on the global mindset for academic and operational improvement in different sectors and on wider study populations.

#### **5.4 Suggestions for the future research**

This study is conducted only as a case of the global mindset assessment of the Ethiopian Freight Forwarder and Shipping Agents Association (EFFSAA) members' firms; however, the global mindset applies to sector and organization which their activities force them to be or to serve or to work with the trans-boundary organizations. Global mindset capitals can help diplomats, non-profit sector workers, individual who have global work assignment and working relations with other countries and their people. Therefore, more research should be done with quantitative and qualitative studies in the logistics sector beyond the EFFSAA members and on other applicable sector.

The current study only addressed the limited number of global mindset constructs and focused only on the individual level of a global mindset. Thus, future studies should address more global mindset constructs and the organizational level of a global mindset. The current data collection instruments and size of respondents' have limited scope; this research needs to be further strengthened using a critical combination of various data collection tools with larger population size.

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# APPENDIXES

## Appendix 1

### SURVEY QUESTIONNAIRE

#### AAU College of Business and Economics School of Commerce

#### Business Leadership Program

**Dear respondent,**

The objective of this questionnaire is to gather firsthand information that will help to assess the Relationship of Cultural Intelligence, Global Business Orientation and Global Mindset of Business Leaders; Case of Ethiopian Freight Forwarder and Shipping Agents Association (EFFSAA) Member firms. This study is undertaken as a partial requirement for the completion of Masters of Business Leadership Program (MBL). All data and information that will be gathered through this questionnaire will be used for the sole purpose of the research and remains confidential. Therefore, you are kindly requested to respond to the questions with utmost good faith, freely and to the best of your knowledge. There is no need to write your name on the questionnaire.

**Thank you in advance for your time and kind cooperation.**

**Section I General Profile** (Please put  $\surd$  or X on that best represent you in the selected box)

1. Current Position/title

- Chief Executive Officer
- General Manager
- Operation manager
- Other leadership position\_\_\_\_\_

2. Age

- Below 25
- 25-30
- 31-35
- 36-40
- 41-45
- 46-50
- Above 50

3. Sex

- Female
- Male

4. Educational Status

- Primary Education (Grade1-8)
- Secondary Education (Grade 8-12)

College/ University First Degree

University Second Degree

Other \_\_\_\_\_

5. How long have you been serving your organization?

Below 5 years

11-15 years

5-10 years

Above 15 years

6. How long have you been participating in foreign business?

Below 5 years

11-15 years

5-10 years

Above 15 years

**Section II. Firm/ organization background** (Please put  $\surd$  or X on that best represent your Firm/ organization in the selected)

7. Company Establishment Year

Below 5 years

11-15 years

5-10 years

Above 15 years

8. Where does your major foreign business partners originate?

Middle East and Far East

China and India

Africa

Other Countries \_\_\_\_\_

Europe and America

9. Does the firm have foreign investors/ partners?

Yes

No

**Section III. Global Mindset Inventory (GMI) Section**

Source Thunderbird School of Global management							
Global Mindset Inventory							
		Example	1	2	3	4	5
<b>Rate yourself on the following scale. Choose the alternative which best describe you.</b>						X	
1	Not at all						
2	Small extent						
3	Moderate extent						
4	Large extent						
5	Very large extent						
<b>Intellectual Capital</b>							
<b>Global Business Savvy</b>							
<b>To what extent...</b>			1	2	3	4	5
1	Have knowledge of global industry						
2	Have knowledge of competitive businesses and market strategies						
3	Have a knowledge of how to transact business and assess risk of doing business internationally						
<b>Cosmopolitan outlook</b>							
<b>To what extent....</b>			1	2	3	4	5
4	Have knowledge of cultures in different parts of the world						
5	Have a knowledge of geography, history, economic and political issues, concerns and hot topics, and important persons of different countries						
6	Have up-to-date knowledge of important world events						
<b>Cognitive complexity</b>							
<b>To what extent....</b>			1	2	3	4	5
7	Have the ability to grasp complex concepts quickly						
8	Have strong analytical and problem-solving skills						
9	Have the ability to understand abstract ideas						
10	Have the ability to take complex issues and explain the main points simply and understandably						
<b>Psychological capital</b>							
<b>Passion for diversity</b>							
<b>To what extent....</b>			1	2	3	4	5
11	Enjoy travelling and exploring other parts of the world						
12	Enjoy getting to know people from other parts of the world						
13	Enjoy leaving in another country						
<b>Quest for Adventure</b>							

<b>To what extent...</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>14</b>	Have interest in dealing with challenging situation					
<b>15</b>	Have a willingness to take risks and test one's abilities					
<b>16</b>	Enjoy dealing with unpredictable situations					
<b>Self-assurance</b>						
<b>To what extent....</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>17</b>	Energetic					
<b>18</b>	Self-confidence					
<b>19</b>	Comfortable in uncomfortable situation					
<b>20</b>	Witty in tough situation					
<b>Social Capital</b>						
<b>Intellectual empathy</b>						
<b>To what extent...</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>21</b>	Have the ability to work well with people from other part of the world					
<b>22</b>	Have strong analytical and problem-solving skills					
<b>23</b>	Have the ability to emotionally connect to people from other culture					
<b>24</b>	Have the ability to engage people from other parts of the world to work together					
<b>Interpersonal impact</b>						
<b>To what extent....</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>25</b>	Have experience in negotiating with other culture					
<b>26</b>	Have strong networks with people from other cultures					
<b>27</b>	Have reputation as a leader					
<b>Diplomacy</b>						
<b>To what extent....</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>28</b>	Find it easy to start a conversation with a stranger					
<b>29</b>	Have the ability to integrate different perspectives					
<b>30</b>	Have the ability to listen what others have to say					
<b>31</b>	Have a willingness to collaborate					

**Thank you for your cooperation**

## **APPENDIX: 2**

### **Interview Guides**

#### **AAU College of Business and Economics School of Commerce**

#### **Business Leadership Program**

##### **The interview guides**

1. Tell me about your current role in the company.
2. How about your history in the company (previous titles, roles and responsibilities, how many years in each role)?
3. What is your view on local or global business approach?
  - Where the focus is.
  - Where decisions should be made.
  - Importance of globalization.
  - Having Multicultural teams.
4. Tell me about you as a manager
  - Management style.
  - How a global manager should be.
  - Learning from managers in other countries.
  - Foremost knowledge areas that can be improved.
  - Openness to the employees' values and opinions
5. How strangle you are networked? In terms of
  - Contact with co-workers in other countries.
  - Close friends from other countries.

##### **Intellectual capital**

6. Have you ever worked abroad? If, what was the country and how long you stayed there?
  - A. Previous experience abroad.
  - B. Business trip
  - C. Knowledge of languages.
  - D. Interest of reading foreign literature, newspapers etc.
7. What is and has been the most efficient way for you to learn about the different cultures? Why?
  - A. Curiosity and openness to other cultures.
  - B. Exploring a new culture.
  - C. How to approach different nationalities.
  - D. If nationalities matter to the company.
8. What experiences/ practices have been helpful for you to learn cognitive complexity (ie. handling complex issues)?
  - On the sector
  - International Market and environment

- Legal and regulatory issues

### **Psychological capital**

9. What has been helpful in the development of your psychological capital (quest for adventure and self-assurance)? (rotation, expatriation, training, coaching/mentoring, work experience, formal education...)
- Give examples
  - Why was it effective?
  - What did it allow you to do?

### **Social capital**

10. What has been helpful in the development of your social capital (having the ability to work with people from different cultures, engage and influence them etc.)? (rotation, expatriation, training, coaching/ mentoring, work experience, formal education...)
- A. Give examples
  - B. Why was it effective?
  - C. What did it allow you to do?
11. Global mindset
- How to cultivate a global mindset within the organization.
  - Its contribution to global work.
  - How to improve the awareness among employees.