Chapter 4 Managing in a Global Environment
- ❖ The trend of "Globalisation"
    - ■ Rapid development of telecommunication and transportation technologies
    - ■ Isolation from international forces is no longer possible
    - ■ 4 stages of globalisation:
        1) The **domestic** stage: market potential limited to home country; all production and marketing facilities located at home; managers may be aware of the global environment, may want to consider foreign involvement
        2) The **international** stage: increased export; organisation adopt a multidomestic approach, probably using an international division to deal with product marketing in several countries individually
        3) The **multinational** stage: marketing and production facilities located in many countries; >1/3 of sales outside the home country; may have 1 single home country, possible to opt for bi-national approach (2 parent organisations in separate countries maintain ownership and control)
        4) The **global** stage (stateless stage): transcends any single home country; operate in true global fashion, making sales and acquiring resources in whatever country offers the best opportunities and lowest cost→ownership, control and top management dispersed among several nationalities

→Thus: increasingly intense need for global managers (able to speak a second/ third language and with global experience/exposure)

	1. Domestic	2. International	3.Multinational	4. Global
Strategic orientation	Domestically oriented	Export-oriented, multidomestic	Multinational	Global
Stage of development	Initial foreign involvement	Competitive positioning	Explosion of international operations	Global
Cultural sensitivity	Of little importance	Very important	Somewhat important	Critically important
Manager assumptions	"one best way"	"many good ways"	"the least-cost way"	"many good ways"

- ❖ Developing a global mindset
    - ■ Definition: the ability of managers to appreciate and influence individuals, groups, organisations and systems that represent different social, cultural, political, institutional, intellectual and psychological characteristics
    - ■ Enable managers to navigate through ambiguities and complexities that far exceed anything they encounter within their traditional management responsibilities