

# Changing Minds

## Mindset-driven Strategic Change and Executional Agility in Solar A/S

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# Changing minds – mindset-driven strategic change and executional agility in Solar A/S

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## **Abstract:**

This paper explores the practical and theoretical avenues for working with mindset as a strategic lever and method of securing business strategy executional agility. Taking the mindset development aspirations of Solar A/S as point of departure, the building up of a collective mindset conducive to strategy execution is explored as a method of securing implementation of business strategy. Reflecting the strategic priorities and internationalization process of the case study organization, the concept of global mindset is activated as an avenue of exploration (Chatterjee, 2005; Levy et al., 2007; Dekker et al; 2005; Bowen & Inkpen, 2009; Gupta & Govindarajan, 2002). A global mindset is the cognitive ability (of managers) to be open towards and navigating, integrating and mediating between multiple cultural and strategic realities on both global and local levels mirroring the Solar notion of group mindset supporting business strategy. It is argued that a knowledge gap exist with regards to creation and change of mindset in connection with strategy execution. Concepts of organizational learning are put forward as a possible point of entrance to mindset change. The paper is informed by the exploratory data from the initial phase of an ongoing industrial Ph.D.- project in Solar A/S with the working title “*A mindset for strategy execution -mindset-driven leadership development and strategic performance.*”

**Key words:** Business strategy, (global) mindset theory, strategy execution, internationalisation, leadership development, case study.

## Introduction

In collaboration with corporate HR, the top management of the Danish-based, international technical retailer Solar A/S has identified a need for a new type of leadership in the company, looking to improve the executional agility of the organization with regards to its business strategy. This has resulted in the initiation of the “Group Mindset”-project aimed at developing a mindset supporting strategy implementation through leadership development activities. This paper introduces the concept of (global) mindset (Chatterjee, 2005; Gupta & Govindarajan, 2002; Erwee, 2007; Levy, Beechler, Taylor & Boyacigiller, 2007) as a new avenue of addressing the increasing complexity that comes about as a result when companies have to coordinate, control and commit across “borders and boundaries” (Imagining the Future of Leadership-symposium, 2010) such as is experienced by Solar. Development of global mindset, predominantly of managers, is a way in which international companies may improve their competitiveness (Gupta, Govindarajan & Wang, 2008; Gupta & Govindarajan, 2001), pursue international business opportunities (Bower & Inkpen, 2009; Nadkarni, Herrman & Perez, 2010) and minimize their “globalization penalty” (Dewhurst, Harris & Heywood, 2011) often following suit of internationalisation processes. Taking a case study of a Danish-based international company as point of departure, this paper endeavors to shed light on how strategy and strategic direction can be seen as a particular mindset and that mindset can be seen as a strategic driver combining business strategy and executions. In Solar, a mindset shared by individuals in the company, locally known as group mindset, is seen as an origination point of workplace behavior (Paul, 2000) such as strategy execution believing that a mindset conducive to business strategy implementation can lead to improved strategic performance and hence realization of (financial) objectives.

## Strategic mindset management in Solar A/S

This section introduces the case company whose efforts to work with with mindset management and change to obtain strategic execution agility through leadership development is the focal point for exemplifying mindset management in practice, Solar A/S. It also introduces some of the unanswered questions that these efforts have given rise to as a backdrop for the theoretical discussion of mindset management in the following sections.

Solar A/S (previously Aktieselskabet Nordisk Solar Compagni) was established in 1919 and listed on the Copenhagen Stock Exchange in 1953. Although widely unknown to the general public, Solar is Denmark’s thirty sixth largest company measured on revenue (“Guld 1000”-survey of Denmark’s 1000 biggest companies, Berlingske Nyhedsmagasin, October 12<sup>th</sup>, 2011) and it employs a total of approximately 3,000 people. Solar is one of Northern Europe’s leading technical wholesalers within electrical, heating, plumbing, security, energy and ventilation products (see figure 1). Operating in a business-to-business market, the typical customer is small and medium sized businesses within plumbing or electrical installation, but larger industrial clients also represent a significant source of revenue.



Figure 1: Primary business and product areas

The group, which is based in Kolding, Denmark, has subsidiaries operating under the Solar brand in Denmark incl. the Faroe Islands, Sweden, Norway, the Netherlands (key markets); Germany, Austria, Belgium (regionalized markets) and Poland (emerging market). Furthermore, Solar's Aurora Group, working in consumer electronics, operates in Denmark, Sweden, Norway and Finland. Denmark is the enterprise in which Solar has the most employees with 29% of staff, while the Netherlands is the largest foreign subsidiary, representing 24% of staff. Denmark is the enterprise in which Solar has the most employees with 29% of staff, while the Netherlands is now the largest foreign subsidiary, representing 24% of staff (www.solar.eu).

### **“#1 in Technical Wholesale”: Solar business strategy**

*“It is essential that Solar strengthens its execution ability and agility to create growth”*

Solar CEO Flemming Tomdrup: Business Academy Board meeting, Brøndby, November 1, 2011.

The desire to work with execution agility through mindset development Solar is closely connected to the current Solar business strategy called “#1 in Technical Wholesale”.

The rationale behind the current strategy rests on the premise that Solar must grow to survive; maintaining status quo is not an option. In a Solar management strategy seminar in the spring of 2011, this top management perception of a burning platform was bluntly spelled out by a guest speaker from Solar's banking partner stating that Solar essentially has three options: "Die! Get acquired! Get better!" Going out of business is not viewed as an option, being acquired by one of the much larger, closest competitors a realistic scenario, but both the CEO and board (the family of the founder still maintains control of Solar with 51% of shares) currently have no intention of selling Solar. Consequently, Solar management favors the "Get Better"-version of the future.

The current business strategy represents the first long-term business strategy to be formulated under the leadership of current CEO Flemming Tomdrup who took over in 2006 from the former CEO retiring after a lifetime of employment with Solar. Flemming Tomdrup was recruited outside Solar ranks (but within the Solar supply chain) to grow, internationalize and professionalize Solar in terms of both management technology and leadership style. The strategy represents a break with former strategic objectives and is one of many changes under Flemming Tomdrup which also include implementation of a new ERP-group system, establishment of corporate communications and HR-departments, lean philosophy, acquisition of companies in both new and existing markets, use of employee satisfaction surveys, management performance evaluation, and mandatory management development just to mention some. Unsurprisingly, many Solarians see Flemming Tomdrup's appointment as an organizational ground zero, operating with “before and after Flemming”.

The refreshed group strategy for the period 2010-2015 is designed to ensure improved financial performance and continued advancement of the group's position as a technical wholesaler in a challenging market, where expectations for market growth in the first half of the strategy period are limited. This is to take place through both organic growth and acquisitions followed by active merger management based on the basic strategic assumption that organic growth must be combined with internal measures to improve efficiency and acquisitions. Also, Solar is intent on pursuing an acquisition strategy different from their competitors' in that Solar seeks to integrate new companies into the Solar way and business model to achieve synergies and economies of scale. Solar is adding new companies to the

group continuously, and the latest acquisition of four companies took place in September 2011 adding two new countries to the Solar map, Austria and Belgium. The refreshed strategy of both organic and acquisitive growth includes the following initiatives:

1. To outperform the market as the number 1 technical wholesaler by further expanding product range and knowledge base within electrical, heating, plumbing and ventilation products.
2. To capture organic growth opportunities by focusing on climate and energy segments as well as on facility management and utility.
3. To upgrade the group's business model to also encompass a business model for emerging markets. One model will be directed at consolidating our key markets and the other at emerging markets.
4. To enhance efficiency and profitability in all markets by capitalizing on the introduction of standardized processes supported by a new, common Group SAP IT platform.
5. ***To continue strengthening leadership and specialist competences as well as defining new ways of working across countries and functions. This is supported by the introduction of Solar Business Academy. Enhanced focus will be placed on employer branding to attract new employees with competences complementing those already available.***

#### **“Stronger together” with group mindset**

The current strategy is operationalized in ten company programs aimed at the realization of the above initiatives defined for the first half (2010-2012) of the current strategy period 2010-2015. The initiative at the centre of attention with regards to mindset development effort is the fifth group of strategic initiatives; especially the part concerned with *“defining new ways of working across countries and functions”* and *“the introduction of Solar Business Academy”* (cf. emphasis on number 5 above). According to Corporate Strategic HR Manager Claus Sejr, Solar's most urgent global leadership challenges of today are to build up an organization that moves from being primarily local with an international perspective to being an organization working globally and with a group mindset in order to harvest the maximum value for the Solar Group: *“As Solar is becoming even more international and global we see the need for capturing a leadership style where the strategic understanding, the leadership capabilities and the execution methods are grounded in a group mindset.”* (Internal Solar correspondence, December 2010).

An accentuation of the corporate punch line “Stronger together”, the term *group mindset* was coined by top management in Solar to characterize the desired new ways of working in general and a style of management and leadership in Solar in particular: *“Group mindset is our way of thinking about what is best for Solar in everything we do and ensure that our initiatives and decisions help our colleagues across Solar.”* (cf. Solar Management workshop, Sept. 2010). The content of the notion of group mindset can be summarized in the following headlines:

- Promotion of best practice and sharing of competencies and knowledge across countries, functions and companies.
- Proactive managerial change agency and prevention of sub optimization/duplication of cost.
- Group alignment of ways of working, deference to group standards and creation of common platform.
- Capitalization on differences in culture, markets and ways of working; bridge building and boundary spanning behavior.

The perceived need for a group mindset mirrors a change of governance style taking place in Solar. Until recently, subsidiaries have been quite autonomous reflecting a belief in the necessity of vast local adaptation to customer needs in the different markets (Interview with corporate marketing director Magnus Dahlmann, April 2011). Now, back office functions are centralized, common business processes are being set-up across all operating units, and synergies in product development and customer knowledge are seen as critical success factors for the current strategy. Top management believes that this calls for a less decentralized mode of operation. The benefits of a group mindset are hoped to be a significantly improved rate of success with the achievements of strategic objectives, reduction of costs for sub optimization in different company programs and not least increased organizational agility in terms of better knowledge sharing possibilities and implementation of best practice in all parts of the group.

Approaching the strategy process and formulation of the business strategy for the last half of the current strategy period, 2013-2015, Solar top management seeks answers to a number of questions regarding the development of group mindset:

- What does a group mindset actually consist of in Solar?
- What drives group mindset amongst Solar leaders and in the organization?
- Is the current group mindset coherent with global development?
- What are the most important obstacles for developing a group mindset?
- How are specified “drivers” transformed into group leadership behavior?
- How can the development of a group mindset be monitored in daily behavior?

Solar does not stand alone with questions such as these in connection with working with mindset as a strategy implementation driver. Management “first movers” in global management consultancies (Thomas, Harburg & Dutra, 2007), bestselling business literature (e.g. Dweck & Culbert, 1996; Dweck, 2007), leadership blogs from Harvard Business Review and MIT Sloan Management Review (Gallo, 2010; Lahiri, Perez-Nordtvedt & Renn, 2008; Goldsmith, Xu & Dhar, 2010) workshops and seminars held by trendsetting management advisors such as HRM guru Dave Ulrich within and outside academia (Ulrich & Ulrich, 2010) testify to the interest in mindset. Theoretically, however, mindset theory applied on a collective level as a strategic business process remains underdeveloped. The challenges that Solar faces is to a large degree placed in a knowledge gap – a gap that the following section will address suggesting a collective version of the concept of global mindset as an avenue of exploration.

## **Mindset theory – when attitude is king**

A mindset can be described as a filter through which we experience and make sense of the world, the motto being along the lines of “you are what you think” so to speak. Mindset as an attitude or paradigm results in a cognitive bias that could be likened to selective hearing which alerts your attention to some inputs and let others go in one ear and out the other; pricks up your ears for some clues and identifies others as irrelevant background noise. Mindset as a general term, then, refers to an outlook, attitude, paradigm, mentality, schemata of the mind or pattern of thinking. When applied within the field of organization studies, Paul (2000) has offered the following definition: “...a set of deeply held internal mental images and assumptions, which individuals develop through a continuous process of learning from experience. They exist in the subconscious determining how an individual perceives a specific situation, and his or her reaction to it. So, mindset refers to a particular form of engaging with and making sense of the world, a bias or disposition towards experiencing in a

particular manner. In the case of Solar, a “group mindset” is sought after as the type of mental image best thought to support the execution of the current business strategy.

Mindset is one of the solutions to the challenge of committing the human resources to executing business strategy in practice that increasingly receives attention. In this vein, mindset is seen as an alternative “glue technology”, a corporate mentality placed centrally between traditional such as compliance and coherence measures, strategic management and value-sharing. In Solar, collective mindset is seen as a vehicle for both control, coordination, and commitment with regard to strategy execution. While classical business strategy literature primarily focuses on the properties of formulation of a successful business strategy, more recent strategy literature represents the view that strategy content is not necessarily the biggest challenge (Kaplan & Norton, 2005, 2009; Miranda & Thief, 2007). The subsequent change, strategy implementation and execution process now receives ample attention (Bossidy & Charan, 2002; Johnson, 2004; Morgan, Levitt & Malek, 2007; Syrett, 2007). A change of scene has taken place from strategy content to strategy process (both with regards to strategy formulation process and strategy implementation) where the human resources of the organization, particularly managers, e.g. Ulrich & Smallwood, 2007, and the company’s strategic processes are central (Barney, 1991; Pfeffer, 1994; Huselid, 1995; Becker & Huselid, 2006). In Solar, group mindset is conceived of as such as strategic process of execution.

The notion of “group mindset” being a local Solar top management concept is not represented in current mindset research, but the idea that strategy formulation, if not explicitly execution, can be seen as a result of a certain frame of reference does exist. In the STROBE construct, Venkatraman (1989) present the strategic orientation of business enterprises as characterised and measured along six dimensions (aggressiveness, analysis, defensiveness, futurity, proactiveness and riskiness) illustrating how strategic choices are framed by different orientations in companies. Further, psychological research on individual cognitive patterns may influence both behavior in general (Armor & Taylor, 2003) and goal-directed behaviour in particular (Brandstätter & Frank, 2002). The existing research on the concept of mindset does not address mindset as a form of values-based governance practice vis-a-vis execution of business goals although the concept is activated within a highly diverse group of disciplines in relation to achievement of goals illustrated below.

### **The “right” mindset – and a mindset for every occasion?**

Even if not addressed as a collective frame of reference for executing business strategy, there are many examples of the “right” mindset being used as an explanation for attainment of goals at a lower level. There seems to be a mindset almost for every occasion, or at least one that is more appropriate in order to obtain particular goals. Examples of this practice include a highly diverse plethora of focal areas such as project management (Lechler & Byrne, 2010), personnel management (Dweck & Culbert, 1996; Heslin & Vandewalle, 2008), developmental psychology (Chaiken & Trope, 1999; Gollwitzer & Bayer, 1999; Gollwitzer, 2003), change management, (Nilakant & Ramnarayan, 2006), school governance (Kaser & Halbert, 2009), trust (Haselhuhn, Schweitzer & Wood, 2010) and spirituality (Highland, 2004). Thus, the mindset concept is activated as an explanatory factor in explaining a host of positive macro or micro level results.

Positive outcomes are seen to manifest themselves as a result of mindset operating on either individual (individual mindset) or collective level (organizational mindset). In both cases, the underlying rationale is that successful outcomes come about due to the existence of a particular attitude. A host of studies point to a positive connection between the existence of a

favourable mindset and wanted results; e.g. Talke & Hultink, 2010; Smith, Mitchell & Mitchell, 2009; Bowen & Inkpen, 2009; Nadkarni, Herrmann & Perez; 2010. Examples of this use of mindset theory includes concepts such as entrepreneurial mindset (McGrath & MacMillan, 2000), managerial mindset (Parisi & Hockerts, 2008), knowledge management mindset (Smith, McKeen & Singh, 2010) and talent mindset (Dattatreya, Kamath, Sharma & Williams, 2009). A common denominator of the existing studies is that they are usually quite silent about the way in which a detected favourable mindset came about in the organisation in the first place. So, mindset is as a positive factor bringing about desired results, but there is less guidance with regards to how the mindset is created or changed which makes it difficult to activate this knowledge in other organizations. The question is, however, if this is at all possible. It remains to be seen whether or not a type of mindset that worked well for one organization may also be a success factor in another organisation facing a different type of challenge or context in that few studies include more than a up to five organizations at a time.

So, literature generally supports Solar top management's idea that mindset may be an avenue for facilitating strategy execution results even if execution is not addressed explicitly. Also, the question of how to bring about a mindset is left unanswered, and the performance-mindset studies mentioned do not specifically address international or internationalizing organizations such as Solar A/S.

### **Global mindset – “international matrix mentality”**

A stream of mindset research gaining increasing attention addresses the particular challenges of international/global organization looking to balance the need for company wide integration and standardisation with localisation and adaptation to local needs. With regards to mindset in international organisations, the concept of global mindset has emerged (Chatterjee, 2005; Levy et al., 2007; den Dekker et al; 2005; Bowen & Inkpen, 2009; Gupta & Govindarajan, 2002; Lane, Maznevski, DiStefano & Dietz, 2009) representing a hybrid or matrix mentality between traditional intercultural leadership and complexity/paradox leadership. Global mindset is defined as: “... 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.” (Levy et al., 2008, p.21). A global mindset expressed the way a person perceives of the world, globalization of markets, persons and companies: “*The functions of an individual global mindset to a global leader are a means to structure the complex global reality and to provide guidelines for appropriate leadership behavior like formulating a global vision and interpersonal skills.*” (Dekker, Jansen & Vinkenburg, 2005, p. 2). This stream is in keeping with the Solar intentions of creating a collective frame of reference that supports an execution mode of more integration, knowledge sharing and synergy pursuit against the backdrop of Solar's decentralised past. Gupta and Govindarajan claims that the benefits of a global mindset is created because the organization not only has “*a grasp of and insight into the needs of the local market, it is also able to build cognitive bridges across these needs and between these needs and the company's own global experience and capabilities.*” (Govindarajan & Gupta, 2001, p. 118). This reflects the strategic intentions of Solar group mindset.

With regards to companies such as Solar which may be characterized as multinational rather than global, it is worth noting that “global” in this context has wider connotations than merely “concerning or including the whole world”. Rather global is used in the sense of “involving or relating to all the parts or aspects of a situation” - a usage that is underscored in the definition of global mindset used by Javidan and colleagues, developers of the Global

Mindset Inventory: “Based in extensive research, we have operationalized the construct of global mindset as ‘an individual’s ability to influence individuals, groups, organizations, and systems that are unlike him or her or his or her own’”. (Javidan & Teagarden, 2011, p. 14). Words such as “culture”, “nations” or “international” are not included, opening up for the fact that a company need not be global in the sense of being dispersed geographically throughout the global to benefit from a global mindset. Empathy towards cultural differences and intercultural skill form part of most operationalizations of global mindset, but they are not the centre of attention. Cross-cooperation, coordination and the ability to leverage opportunities across the entire company are factors portrayed as just as central to the concept of global mindset as intercultural skill. Indeed, although not explored in the current literature, one might speculate that even local companies facing a complex reality may benefit from a global mindset. Research on internationalization processes has discovered that local companies with a global mindset (as opposed to a domestic mindset) are more likely to engage in international activities whether exporting, collaborating or seeking to establish themselves outside their country of origin (Nadkarni, Herrmann & Perez, 2010).

### **Global mindset – individual competence or organizational capability?**

It is important to note that many of the various constructs of global mindset (and other types of mindset) operate at the individual level. In a central article reviewing the literature on global mindset, Levy and his colleagues (2008) point to the fact that only a minority of studies on global mindset operate at the organization level. This group of studies is found among the group of global mindset conceptions referred to as strategic in that that address the connection between mindset and the overall performance and/or competitive advantage of international businesses.

Studies in this category include Jeannet (2000) who see global mindset as a state of mind potentially leading to global competitive advantage; Gupta & Govindarajan (2001, 2002) viewing global mindset as advantageous for the exploitation of global business opportunities, and Harvey & Novicevic (2001) viewing global mindset as a primary driver for securing an advantageous position in global markets. Also, included in this group is Paul (2000) emphasizing that “*the concept of mindset applies not only to individuals, but also to organizations. Mindsets are the ‘origination point of all workplace behavior’.*” (Paul, 2000, p. 187-188). Studies including global mindset at the organizational level predominantly activate organizational mindset in tandem with individual mindset, where the cognitive structures of the individual (manager) comes together to form an organizational capability – i.e. organizational mindset consist of the individuals’ mindset much in the same way as an organizational culture is made of up the values of the individual employees.

An intermediate position is occupied by studies that look at the mindset of the top management team, often referred to as corporate mindset. As key decision-makers and change strategists/change agents managers are at the centre of attention and most conceptions of global mindset are more or less explicitly focusing on the mindsets of managers, even if managers at all levels are included in studies on global mindset on the organizational levels. With regards to international businesses, Perlmutter’s classical typology (Perlmutter, 1969; Perlmutter & Heenan, 2000) of HQ/corporate mindset towards subsidiary operations is an illustrative example of managerial mindset focus. Even the individual CEO is some time portrayed as the main driver of organizational mindset: “*...in some extreme cases the personal mindset of the CEO becomes the single most important factor in shaping the organization’s mindset*” (Paul, 2000). In Solar, the notion of group mindset originates in top management, but the aspirations of mindset development focuses on Solar managers in general. This mirrors the predictions of Govindarajan & Gupta (2001)

stating that: *"Although we contend that returns to investment in cultivating a global mindset would always be positive, we do not expect them to be uniform. The value added by global mindset, and the value subtracted by its absence, is likely to be strongest in the case of those individuals who are directly responsible for managing cross-border activities, followed by those who must interact frequently with colleagues from other countries"* (p. 124).

At presently, Solar has no concrete plans to include the entire organization directly in group mindset development efforts (although the entire organization may be included at a later stage) – an approach that is common in existing studies of mindset. The ordinary employee is usually conspicuous by his or her absence in mindset research even if management consultancies advance the idea that it pays off to work with so-called employee mindset: *"Once top executives become aware of the connections between employee mindsets, practices and outcomes, they can begin to leverage a culture for better business performance."* (Thomas, Harburg & Dutra, 2007). In a research setting, however, the concept of employee mindset is largely disregarded (Gupta, Govindarajan & Wang, 2008).

## **Mindset creation and change**

Ability to calibrate and change individual and organizational mindset on an ongoing basis to fit the current situation internally and externally is a key feature of modern international organization. As Peter Drucker puts it: *"Every organization has to prepare for the abandonment of everything it does."* (Drucker, 1992). In Solar, the CEO and top management has chosen a business strategy that goes against not only previous institutionalized patterns of decision-making in Solar, but also against the existing template and business model in the technical wholesaler industry where divisionalized structure with very little liaison and cross-unit cooperation is common. Leveraging the new strategy with the development of a Solar group mindset along the lines of the research based construct of organizational global mindset represents a mindset change. But how are mindsets changed and created?

Much of the existing literature on mindset examines a mindset that is already in place in an organization and explains successful performance with the presence of that particular mindset – how it all began is a different story that is left untold. In comparison with mindset theory in general, the concept of global mindset is the research stream that has come further in terms of conceptualization and operationalization. As an example, Levy et al., 2008, operate with mindset as an individual competence consisting of ability to cope with cognitive complexity combined with a cosmopolitan worldview. Javidan and Teagarden have developed the Global Mindset Inventory operationalizing global mindset as a combination of three types of capital: Psychological, social and intellectual capital (Javidan & Teagarden, 2011). Even if attempts at characterization of the constituent parts of mindset have been made, mindset creation is predominantly handled as if organizations were clean slates to be imprinted (by management) with new mental images, even if one has to presume that the organization already has a mindset whether it is articulated or not. (In the Solar case, it probably would not be necessary for top management to advance the idea of group mindset had the organization already had one.) One notable exception is Govindarajan & Gupta (2001, p. 124-140) who have ventured into the otherwise black box of mindset creation pointing to the following four drivers of global mindset:

1. Cultivating curiosity about the world and commitment to becoming smarter about how the world works
2. Articulation the current mindset
3. Cultivating knowledge regarding diverse cultures and markets

4. A disciplined attempt to develop an integrated perspective that weaves together diverse strands of knowledge about culture

The literature on organization learning may prove useful in the context of exploring mindset change as the concept of mindset closely resembles the concept of mental models advanced by learning organization god father Peter Senge: “*Mental models’ are deeply ingrained assumptions, generalizations, or even pictures or images that influence how we understand the world and how we take action.*” (Senge, 1990, p. 8). Mental models are central to organizational learning processes and Senge holds that awareness of the existing mental models is a prerequisite for instituting change and learning. This mirrors Gupta and Govindarajan’s argument that the cultivation of a global mindset starts with an articulation of the current mindset (2001, p. 127-129).

### **Unlearning and learning from (a different) experience**

It forms part of the case organization’s self-perception (as articulated for instance in connection with an employer branding workshop in August 2011) that Solarians may take a while to decide on action, but when they do, they go all in. In a questionnaire on group mindset to the Solar top management team handed out at a workshop in May 2011, the Solar Management Team (SMT) unanimously states that they assess the general organizational willingness to change as medium to high. Levitt & March are less optimistic stating that an individual’s or groups of individuals’ existing frame of reference is indeed very resistant: “*It is imaginable that organizations will come to discard ineffective interpretative frames in the long run, but the difficulties in using history to discriminate intelligently among alternative paradigms are profound.*” (1988, p. 324). Seen from a learning perspective, top management is proposing unlearning of the existing mindset that Solarians have acquired through learning from former experiences and learning a new mindset along the lines of group mindset: “*Unlearning is a challenge because the human tendency to preserve a particular view of the world is very strong and the change to a new paradigm not only requires an ultimate act of learning but also of unlearning*” (Pourdehnad et al., 2006, p. 1). The amount of unlearning required can be defined at the perceptual gaps between the individual’s mindset and actual situations, and in this respect an individual’s mindset can be seen as a gatekeeper of the learning process in the brain (Pourdehnad et al., 2006, p. 3). Conner (2007) proposes that while individuals do not have the physiological ability to hit the ‘delete’ button and erase the existing neural pathways that have been created by learning, there is the ability to challenge one’s mindset through new skills, experiences, behaviors and knowledge.

So, changing people’s mindsets can be approached by companies such as Solar A/S by seeking to alter the skills, experiences, behaviors or knowledge of employees. In the case organization, different activities have been set in motion to achieve this end, mostly focusing on traditional class room learning activities that are to alter the skill and knowledge levels of managers most notably an internal leadership development program initiated in the autumn of 2010 under the auspices of a newly established corporate academy, Solar Business Academy. Also, plans have been made to include group mindset behavior measurements in the performance management system hoping to impact managerial behavior in this way. Seen through the lens of the Ability-Motivation-Opportunity- framework (Boxall & Purcell, 2003; Appelbaum, Bailey, Berg & Kalleberg, 2000) suggesting that the level of performance, e.g. actions and behavior, of employees depends on the mutual presence of employee ability, motivation and opportunity, Solar is currently focusing primarily on the “ability” and “motivation” parts and less so on the “opportunity”-part.

A central tenet in this respect is that the existence of a mindset that facilitates strategy implementation is not enough to secure strategy execution unless the mindset is enacted and practiced in everyday leadership behavior. In order to move from "espoused theory" to "theory-in-use" (Argyris & Schön, 1974), Solar employees must have the opportunity to learn from (a different) experience. In this light, it is a success criterion for the company's efforts to enhance cross-country and functional cooperation and standardization central to the conception of group mindset that the market and competitor context that the strategy takes as its point of departure actually emerges. If the necessity for a more holistic approach to everyday business along the lines of group mindset is to influence behavior and mindset, creating and designing learning opportunities in everyday business is central. Possible avenues for proactively creating learning spaces conducive to group mindset development supplements push from the external environment may include, but is not limited to, addressing job design, reporting lines, hierarchical structure, career paths and other structural arrangements to enhance the opportunity to experience and capitalize on behavior consistent with group mindset.

## **Conclusion**

The development of the concept of (global) mindset is very timely as the conceptual academic status of mindset theory is diffuse. This is especially preeminent with regards to mindset in internationally operating companies as well as mindset as a collective frame of mind that goes beyond cognitive bias and attitude of individual managers. Combining the concept of mindset with strategy execution offers a new perspective on both mindset and business strategy implementation that mirrors both theoretical and practical interests in general and in the case study organization Solar in particular. The Solar top management team's invention of the notion of group mindset resonates with mindset theory in general and especially the research concept of global mindset closely resembles the Solar concept of group mindset. Interestingly, the concept of global mindset does not merely reflect and mindset favorable towards cultural diversity, but also the complexity and potential paradoxes involved in navigating and integrating local and global into glocal. Current mindset theory does not, however, explore the particularities of a "strategy execution mindset" even if strategy formulation mindset is known in the literature.

In Solar, the current business strategy represents a break with former strategic objectives and a top management wished to advance a new mindset that is more in tune with their view of the current strategic situation of the company. Leveraging the new strategy with the development of a mindset along the lines of the research based construct of organizational global mindset represents a mindset change. A knowledge gap exists with regards to creation and change of mindset in general and in connection with strategy execution in particular. (Global) mindset literature does not have much to offer in terms of creation or change of mindset – especially not when operating at a collective level. Cross-fertilization with other fields of research is necessary to grasp mindset change and managerial enactment of change in terms of strategy execution. Organizational learning is offered as one possible avenue that may prove fruitful with regards to the behavioral effects of mindset in practice.

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