

Global mindset and global corporate citizenship in a globalizing Japanese multinational pharmaceutical company



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1 Executive summary

Globalization is changing the world. Companies have to adapt to the rapidly changing world and environment. Two concepts which may contribute to the success of a globally operating company are global mindset and global corporate citizenship. Without a global mindset companies cannot become global corporate citizens. Global mindset is about openness and awareness about different cultures and societies. Companies with a global mindset are better adapting to changes in the rapidly changing environment.

Corporate citizenship is about the social responsibilities of corporations in society. Companies can be seen as citizens and are part of society with the same rights and duties as citizens. Corporate citizenship which is originating from corporate social responsibility (CSR) creates a stable environment which companies prefer doing business in. Companies and society are interdependent and successful corporations need a healthy community (Porter & Kramer, 2006).

Although the theories of global mindset which are originating from cognitive psychology and the theory of corporate citizenship which is a social political entity come from different disciplines, this research shows that there is a relationship between global mindset and corporate citizenship. A company first needs to develop a global mindset and culture before it can become a global or business citizen. Different stages of mindset relate to different stages of citizenship. Furthermore, a balance between local responsiveness and global consistency is preferred for creating both a global mindset and for companies to become a global citizen taking into account the different cultures and societies the company is active in. Cosmopolitanism, cultural awareness and a common company language are factors which contribute to the development of a global mindset and global citizenship.

This research is performed in Astellas pharma a Japanese multinational pharmaceutical company in which the presence of the Japanese culture and development of a common language are factors which affect the creation of a global mindset and corporate citizenship. The company is growing and developing from a historically regionally organized multinational company to become a global player. Creating a global mindset would contribute to the success of Astellas and the development of the company beyond a corporate citizen.

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2 Introduction: what is the purpose of this research

The world we live in is changing and is becoming global in a very fast pace. Modern communication technology and fast travel have changed the way in which companies work and operate. Country borders are fading and people maintain contacts all over the world. The way in which companies grow and operate has changed. “*The world is flat*” as Friedman (2007) would say. Global managers have to deal with a lot of challenges on a daily basis, there are external elements over which the manager has no control. These challenges came into existence when the world changed, became more reticulate and became dependent on sources which were managed by dissimilar people in various countries with a different cultural background Friedman, (2007).

Besides Friedman’ theory about a flattening world there also is another theory that is stating “The world is spiky”. Florida (2005) describes in his theory that globalization is concentrated in certain areas and cities in the World. These areas and cities have been partnering for many ages and both the economic power as well as the level of innovation is higher in these cities. Florida measured the innovation level based on the number of patents collected. The majority of the patents (58 %) was obtained by US, Japan, South Korea, Germany and Russia. Although, the flattening of the world is changing our world, it seems that the areas described by Florida benefit more from it since all knowledge is concentrated in these areas and these areas are very well connected through modern communication.

The world complexity and the complexity within organizations is increasing and in addition the context in which corporations are operating is getting more complex. Managers have difficulties to adapt to the changing relationship between the company they work in and the global environment as described by Friedman (2007) and Florida (2005). According to Kendia & Mukherji, (1999) there is proof that globalization is changing the way companies are doing business. Therefore, there is a need to have more global managers. Various scientists have mentioned that the leadership that was practiced in the previous century has to change in order to accommodate to the global world we live in today; Adler (2009); Uhl-Bien, (2007); Barlett & Ghoshal, (2008); Jeanett, (2000); Werhane, (2007).

In their research Levy, Taylor, & Boyacigiller (2010) have investigated the organizational culture in global companies and interviewed executives in various companies. They mention that multinational companies (MNCs) are stimulated to build a global organizational culture. This global organization culture will enable companies to deal with the complexity and rapidly changing environment. However, for most of the companies this is one of their biggest challenges and the number of global companies which have actually successfully implemented a global mindset is very limited. Most MNCs struggle with creating a global mindset.

Can companies adjust to the way society is changing and connect the outside world with the inside world. Logsdon & Wood, (2002) and Moon, Crane & Matten, (2005) have described the concept of global corporate citizenship. In brief their theory answers the question if corporations can be citizens and if people in corporations can be considered citizens. Therefore, one can imagine that in order to become a global citizen companies encounter similar challenges as compared to the creation of a global mindset. Investigating the relationship between global mindset and corporate citizenship is of importance because due to globalization companies are active in more countries. Country borders are fading and as a result companies take over more social responsibilities from governments. In order to be successful in this, openness and awareness about different cultures and societies is needed which may imply the importance of a global mindset which creates this openness and awareness. The concept of global mindset is

originating from cognitive psychology and describes how people and organizations perceive the world around them. This perception can be influenced and a global mindset may be created in a company. Strictly looking at the different disciplines these theories originate from there seems to be no relationship between the social/political theory of corporate citizenship and the social psychological concept of global mindset. However, for companies to become global citizens, they first need to build a global mindset and culture. Without openness and awareness about other cultures and societies it is not possible to become a global citizen and take into account the different individuals and societies across the world.

Astellas Pharma

The research will be conducted in Astellas Pharma which is a multinational pharmaceutical company headquartered in Tokyo. Astellas has a vision of creating exceptional medicines for patients with unmet medical needs that will increase their quality of life. Astellas was founded in 2005 due to the merger between Yamanouchi and Fujisawa. Both existing Japanese pharmaceutical companies with a vast experience in making innovative pharmaceutical medicines. It is often referred to that Astellas is a young company due to the merger in 2005.

Astellas has about 17, 500 employees worldwide and is a leader in the development of innovative new medicines. The focus of Astellas is to explore therapeutic areas in which there is a vital need for treatments that improve and lengthen patients' lives and refrain from making "me too" medicines¹.

After the birth of Astellas in 2005 the strategic vision 2015 was created in which Astellas focused on becoming a global category leader². With the new strategic vision Astellas is focusing on going beyond global category leadership and wants to grow and become global player. The new strategic vision 2015-2017 consists of maximizing product value, creating innovation and pursuing operational excellence. In addition two new disease categories are added; muscle disease and ophthalmology.

Since the merger between Yamanouchi and Fujisawa Astellas has not yet become a true "Global" company. Astellas is lagging behind in the globalization process. Historically, the company was organized in three different regions after the merger; Japan, Europe and the United States. The strong presence of these three geographical regions can still be noticed. Some of the departments have switched to a new global structure while other departments are still organized in three regions. Employees still think and act according to the previous structures and regions. Currently, there is no well-developed and commonly shared mindset.

The way things are organized in the different regions and business units differs. Besides that there are various business units across the three different regions (Astellas Pharma international (API), Astellas Pharma Europe BV (APEB), Astellas LTD (APEL), Astellas Inc., etc.), the processes and structures are different in the US than in Japan although the same tasks are performed. In addition the Astellas departments could be represented on a regional level, local level and global level with a very strict distinction between the roles and responsibilities of each group depending on regional requirements, culture or legacy.

¹ Source: www.astellas.com

² Global Category players are: *"players who possess overwhelming global strength in multiple highly specialized therapeutic areas/diseases (categories). Despite the decrease in the growth rates of conventional markets, they will continue to grow by carving out their own unique competitive advantage within an increasingly complex market."*
Source: Astellas annual report 2014

In 2015, for the first time since 10 years the CEO of Astellas Pharma has mentioned the company is “One Astellas”. In 2016 Astellas has launched a “One Astellas” campaign. The CEO and board of directors is actively sharing their vision on becoming one Astellas and a global event is organized to further emphasize the importance of acting as one Astellas.

In addition the Executive Board has decided that Astellas would “*drop the G*” which means that according to the Executive Board Astellas already is a global company and therefore the letter G (meaning Global) can be removed from the various business unit and department names. Departments which were previously called, e.g. global development are now called simply development.

In my view, employees and departments still think from their regional or local perspective and the current structure they are organized in. People working in the EU region would not take responsibility or interfere with the Japan or US region. Employees working in a regional function would refer to the other region or to global in case they think certain tasks do not fall under their responsibility. This may imply that people do not think global and there is no global company culture or mindset.

The different groups, regions and business units result in a level of complexity which makes it difficult to change and organize things. Some of the departments have reorganized and have become global. This means they have a global structure and global processes, procedures, roles and responsibilities, even though this has not been completely incorporated in the employee’s mindset. Not all employees think in a global way, taking into account the impact of their work and decisions on the other regions and colleagues in other countries. In a global organization it is important to be aware that decisions in a region or country can impact other regions and countries. Team or project members can be located all over the world and differences in culture and regulations should be taken into account.

3 Subject of research

In this thesis the relationship between global mindset, global corporate citizenship and the potential contribution to globalization in a multinational Japanese pharmaceutical company are investigated. Although much research has been performed in the past on global leadership, cross cultural leadership and globalization the relationship between global mindset and global corporate citizenship has not yet been investigated. Companies may need a global mindset in order to become global citizens and therefore this relationship is the subject of research. This research would potentially also contribute to the knowledge about globalization of companies and the contribution of both theories in the process of creating global organizations.

3.1 Context

Globalization brings challenges for managers in multinational companies. Managers in Astellas have to work across different time zones. It is for example difficult to set up meetings with representatives from each region (US, Japan, EU) because it is always at an inconvenient time for one of the regions resulting in very early or very late meetings or very long working days like in Japan. This is impacting the work life balance of the employees. Because managers have to work across various locations, they have to deal with different cultures. What works in Japan, may not work in the EU or US and vice versa. Managers need to have a good understanding of the different cultures. In addition, there are also language barriers that may lead to misunderstanding and miscommunication. Due to the globalization, the complexity of the organization is increasing and managers have to work in this environment which is rapidly changing and they need to take into account more factors and have to deal with more stakeholders when making

decisions. To change a company from a regional organization to a global organization not only has an impact on the structure but also on the way people think about the organization, their network in the organization and the people who they used to reach out to and involve changes. Managers not only need to change the organization but also the mindset of the people working in the organization. Managers now have direct reports not only in their home country but also outside their home country. Employees who are not used to the concept of working globally need to get used to the new global way of working. Finally, there are also tensions between the different regions. Global vs. local and affiliates vs headquarters. Managers need to take into account these forces when working in a global organization.

The level of complexity in Astellas is also increasing. The organization has become a network in which many activities have been outsourced to contract research organizations (CRO's) and other third party vendors. Next to that the number of strategic alliances with other partners is increasing and managers have to deal with this complexity. Besides influencing and building relationships within the company they now also need to do this with stakeholders outside the company across the world in different cultures. According to Lane, Maznevski & Mendenhall (2004):

“The international business environment provides companies with unprecedented opportunities but also formidable challenges because globalization is a manifestation of complexity”

The increasing complexity in companies in combination with the changes in our global society presuppose that a global mindset and global corporate citizenship play a role in the globalization process in companies.

3.2 Problem definition

Since the merger between Yamanouchi and Fujisawa which resulted in the birth of Astellas in 2005, Astellas is still struggling to become a global company. Compared to other companies in the pharmaceutical industry (e.g. Pfizer, GSK, J&J, etc.), Astellas is lagging behind when it comes to globalization. These companies have a bigger global footprint, are present in many countries, have solid global structure, English as a standard language and a global culture is present. Not having developed a global mindset and a global organizational culture is the main reason Astellas is struggling with the globalization and the reason this research. A globalization story explaining the importance of becoming a global company to employees is lacking. Many of the Japanese colleagues do not speak English and not all Japanese executives have experience outside their country or business unit. There tends to be a strong bias towards the home culture since in Japan Astellas is the second pharmaceutical company in size. Unconsciously, Astellas may not be fully taking into account the rest of the world and other cultures which are important for long term success with regards to globalization. There is no universal language (lingua franca). In order for a company to adopt to the changing environment it is of pivotal importance that the company develops a global mindset. In summary, Astellas has not yet developed a strong global network and culture which aligns employees worldwide.

Furthermore, management through CSR is important within Astellas. According to the 2014 Annual report Astellas uses CSR based management as:

“A means through which we strive towards sustainable enhancement of enterprise value while acutely aware of our social responsibilities and taking a broad view that considers business, society and humanity so we can exist not merely as a market entity, but also as a valuable member of society. Astellas has established five fields of CSR-based management: The economy, employees, society, the environment and compliance.”

According to Astellas CEO Yosihiko Hatanaka (2014 annual report):

“We aim to grow our business through contributing to human health and be recognized as a valued corporate citizen by society in general.”

As cited above Astellas wants to become a valuable member of society through corporate citizenship. Corporate citizenship plays an important role in the globalization process (Matten & Crane, 2005) as corporations have taken over certain responsibilities from governments. If a global mindset can be created and united with corporate citizenship, this may contribute to the globalization of Astellas. In addition CSR is important because authorities, activists and media hold companies accountable for the results of their activities on society (Porter & Kramer, 2006).

Corporate citizenship is important for Astellas and companies in general because corporate citizenship creates a stable and predictable environment (Logsdon & Wood, 2002) which companies prefer doing business in. It will also make Astellas more adaptable to changing social, political technological and economic conditions.

An indication on how Astellas is performing on corporate citizenship would be the top 100 ranking of Corporate Citizenship magazine³. Astellas is not listed in the 2015 top 100 list of corporate citizenship magazine. Other big pharma companies like Johnson & Johnson, Merck & Co, Abbott, Eli Lilly & co, etc. appear in the top 100 ranking and thus perform better with regards to corporate citizenship. In summary both on the field of global mindset as well as on the field of corporate citizenship there are opportunities for Astellas to improve and further develop towards becoming a global company with a global mindset.

3.3 Conceptual framework

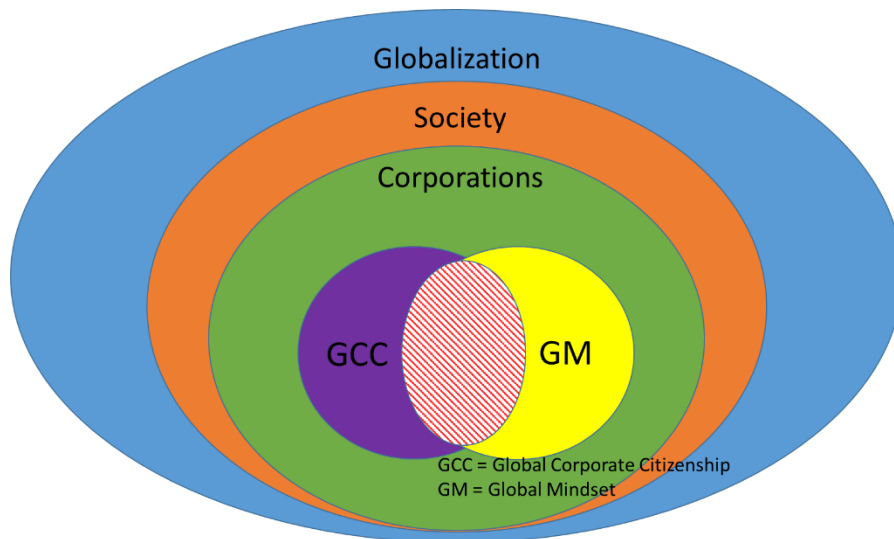
Due to globalization companies need to constantly adjust to the changing environment. Globalization not only has an impact on society but also on the companies operating in this global world. In order to adjust to globalization companies need to connect the outside world with the internal culture within the multinational in order to successfully operate in a global environment.

In this research the literature on global corporate citizenship, global mindset and globalization will be compared to the empirical data gathered to investigate the relationship between the both. The unit of analysis will be the company I'm working in, Astellas Pharma.

Figure 1 shows the relationships between globalization, society, corporations, global corporate citizenship and global mindset. As depicted in figure 1, globalization is a process which impacts both society and corporations where corporations on their hand can adjust to the globalizing society by using the concepts of global corporate citizenship and global mindset.

³ www.thecro.com/files/100%20Best%20List%202015.pdf

Figure 1: Conceptual framework



3.4 Why is the relationship between corporate citizenship and global mindset important?

It has previously not been investigated and it might seem controversial investigating the relationship between global mindset and corporate citizenship. The first theory originating from cognitive psychology and the latter is a social political entity. It may appear paradoxical but without a global mindset companies will not be able to become a global corporate citizen.

According to Porter & Kramer (2006) companies and society are interdependent. Companies that want to flourish need a healthy community. A healthy society creates a market for business. Due to globalization companies are active in many countries and due to globalization country borders are fading and companies are taking over more social responsibilities from local governments (Scholte, 2000) to create the healthy society as described by Porter & Kramer (2006). In order to become a global corporate citizen and make a contribution to society in the various countries the company operates, a good understanding of the different cultures is needed and therefore it is important for companies to have a global mindset and a global footprint. A global mindset creates awareness and openness about the differences between countries, cultures and societies and facilitates the company to become a global corporate citizen.

3.5 Research question

Question: *What is the relationship between global mindset and global corporate citizenship and how do these concepts contribute to the globalization of a Japanese multinational pharmaceutical company?*

Sub-questions:

1. *What is the effect of globalization on a company?*
2. *What is global mindset and global corporate citizenship?*
3. *What are the similarities between global mindset and global corporate citizenship?*
4. *What is the added value of global mindset and global corporate citizenship to companies?*

The sub questions will be answered based on literature research with additional information gathered from interviews.

3.6 Objective

Globalization brings challenges for companies and in order to maintain competitive they need to adjust to the changing environment. In order to adjust to the environment becoming a global corporate citizen and developing a global mindset may contribute to the globalization of the company. This research may contribute to understand what is the relation between global corporate citizenship and global mindset and how these concepts contribute to the globalization of a company such as in this case Astellas.

4 Theory

Astellas is lagging behind in the process of becoming a global company compared to other companies. Astellas wants to be a valued corporate citizen. In this chapter based on scientific literature, the theory about globalization, global mindset and global corporate citizenship will be described. Specifically these theories are described in this chapter because they may contribute to the successful globalization of a company. In section 4.1 it will first be described what globalization is and what effect globalization has on companies (sub question 4). Companies have to deal with differences in culture, language and knowledge management due to globalization. These differences are also applicable to Astellas. One of the theories to deal with these differences is the creation of a global mindset which is described in section 4.2 (sub question 2, 3). Furthermore, the theory of global corporate citizenship which in addition may play a role in the globalization process of a company will be described in section 4.3 (sub question 2, 3). Finally, in section 4.4 the theoretical link between global mindset and global corporate citizenship will be described (sub question 1, 2).

4.1 Globalization

Although, the term “global” might be relatively new the concept of globalization is not fundamentally new. Taylor (2004) describes medieval intercity courier networks in Europe and the Hanze network in Germany. Furthermore, Braudel (2008) depicts world economies on a global scale in the 18th century. In addition Steers et al. (2013) describe phases of globalization in history. Between 1400 and 1900 AD relationships between nations were built. In the 1950’ and 1960’s of the previous century the globalization of companies took place according to Steers et al. (2013) and currently the globalization on an individual level is taking place. Work is outsourced and off shored to low-wage countries. The work environment is constantly changing and people are connected all over the world. Society and companies are becoming more and more multicultural.

According to Steers et al. (2013) globalization is:

“The inexorable integration of markets, capital, nation states, and technologies in ways that allow individuals, groups, corporations, and countries to reach around the world farther, faster, more deeply, and more cheaply than ever before”

With the onset of globalization country borders have faded and companies have conquered the international markets. Not only externally but also internally companies are globalizing. Both the company culture as well as the structure needs to be adapted to the new global world. New products are introduced globally and more innovation and flexibility is required to survive in a global environment. Production and R&D processes can be deployed globally and the international trade increases. Subsequently, there is more foreign trade and direct foreign investment. With the increasing global presence and having production in many countries, there is also an increasing responsibility for companies to contribute to society in the form corporate social responsibility (CSR) in a global context.

4.1.1 Challenges of globalization

In the introduction both the theories of Friedman and Florida have been described explaining how the world has changed and how they see the impact of globalization on the world (flat or spiky).

According to (O'Connell, 2014) there are many challenges with globalization. A technological revolution is ongoing. There is more competition and more complexity in organizations. In addition there is more need for innovation and sharing of knowledge. Leaders need to adjust to this and have to develop in order to be successful in a complex global organization.

Culture plays an important role in the globalization process and there are two theories about the globalization of culture. According to Ritzer (2011), "*there is an over rationalization of life*". What Ritzer means with this is that the traditional emotions and values of the society are being replaced by rational values and emotions which can be calculated. According to Ritzer, there are four components of McDonaldisation: *efficiency, calculability, predictability and control*. The rationalization of culture can lead to homogenization of cultures.

The second theory about globalization originates from Huntington (1996). According to Huntington the growing contact between cultures results in a bigger self-awareness of cultures and a greater friction between these cultures and the number of conflicts will increase.

Globalization can have a converging effect leading to one rational global culture as described by Ritzer or have a diverging effect and lead to an increase in intercultural conflicts as predicted by Huntington.

This "globalization enigma" Steers et al. (2010), leads to cultural convergence and inclusion of all parties/cultures and it also leads to cultural divergence and exclusion of some parties/cultures.

4.1.2 Effects of globalization on companies

According to Steers et al. (2013) globalization leads to: increased customer demands, technological innovation and global financial markets. In addition emerging markets becoming more important and an increased use of R&D sharing (global sourcing) and developing of government trade policies. All these factors influence the environment in which companies operate.

Furthermore, Steers et al. (2013) described that with globalization, there is more pressure on companies to respond to change and competition. The changing environment is the first challenge for companies. The second challenge is to build a good work relationship with people all over the world to respond to the changes in the environment. Companies should develop a multicultural competence according to Steers et al. (2013), but the question is to which culture they should adopt.

4.1.3 Effects of globalization on management and leadership

One of the major effects of globalization is the need for cross cultural management. As managers have to deal with many aspects of globalization on a daily basis, they need to have a learning strategy for both long and short term development. They also need to have a good understanding on how culture works and what the main differences are between the various cultures they are interacting with. They have to work closely together with managers from different cultures who see things differently.

Furthermore, managers need to have an understanding of the competing interests and demands of various stakeholders throughout the company and what they would need to do to achieve the desired results. They need to understand how companies can be organized differently in other cultures and how this

affects management and the way they cooperate with managers from other cultures and how this impacts the competition.

Another important need for global managers is to develop cross-cultural communication skills, which will support them to communicate effectively across cultures. Besides communication an understanding of how leadership is perceived in different cultures and how managers can work with other managers across the globe to achieve results. The knowledge of cross cultural differences not only has an impact on the country of origin culture of the managers, but also contributes to the managers understanding of employee motivation in other cultures and what they can do to increase participation and performance. Working in a network of partnerships with various stakeholders and business partners, a global manager needs to have effective negotiation skills and use these skills to build partnerships globally. Finally managers should have a good understanding of the relationship that exists between ethical and legal conflicts and managerial and organizational effectiveness. Managers should be able to work in an ethical and socially responsible way creating a sustainable organization.

The effects of globalization on management and leadership are various but the main challenge reside in dealing with cross cultural differences and knowledge management.

4.1.3.1 Cross cultural communication

Cross cultural communication can be seen as one of the main challenges of globalization. According to Hall (1959) there is high and low context communication. In a low context language the message is to the point and the meaning is captured in the verbiage. In a high context culture e.g. Japan, the message is hidden in the context in a subtle way. Nonverbal communication and medium by which the message is shared affect the message. A request will only be declined by vagueness or body language and not by as “no” like in low context language.

For managers in global organizations it is important to become aware of these differences and not to fill in the blanks when it comes to unclarities in communication.

In addition translation and cross cultural negotiation form additional barriers for managers. Although translation can easily be arranged nowadays, according to Holden (2002) it is not just a matter of replacing words. It is an interactive process in which the social relations should be taken into account.

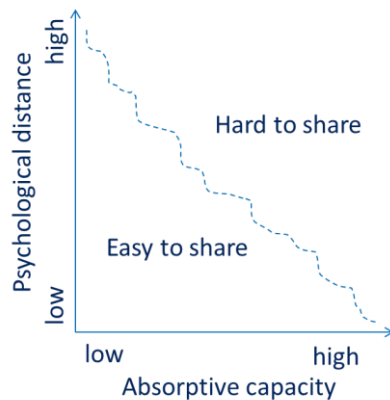
4.1.3.2 Knowledge management

Another aspect of globalization which managers have to deal with is knowledge management. Knowledge can be explicit (codified) and transferable or tacit (mental models and know how) and less easy to transfer. Nonaka and Takeuchi (1995) have described that there are differences in the preferences for knowledge creating in global multinational organizations. In summary the Japanese for example have more trust in tacit knowledge, while the American employees build on information specified explicitly. Cross cultural learning, knowledge sharing and networking differs per culture. For example Americans have a more individual style of learning and knowledge sharing while European and Asian cultures prefer learning and knowledge sharing in groups.

Holden (2002) uses two terms when he describes knowledge management in an organization. These are stickiness (of knowledge) and absorptive capacity. Based on these terms Holden (2002) has identified constraints for knowledge management in an organization which limit the stickiness such as ethnocentrism, a lack of common language, a lack of clear objectives to share knowledge or ideas for innovation and a dominant HQ culture which disregards local ideas and attitudes. Besides constraints there are also factors

which can facilitate the transfer of knowledge and increase the absorptive capacity. According to Holden dominant groups should not be promoting only their own ideas and values, the company should have a long term commitment to learning and innovation and networking should occur across borders regardless of the existing hierarchy. In addition there should be sufficient trust in the organization and the company should be able to work in multicultural groups. Holden depicts this by using **Figure 2** which shows that absorptive capacity and distance in relationship to knowledge sharing determine how easy or difficult it is to share knowledge across the organization

Figure 2: Psychological distance and absorptive capacity



Source: Holden, N., 2002, Cross-cultural management: a knowledge management perspective, London, Prentice Hall

The challenges for companies in this model described by Holden are the exchange of knowledge between employees in a company. How can knowledge be exchanged in an easy and effective way? What does make knowledge sticky and what determines the psychological distance?

4.1.3.3 *Creating a common language (Lingua Franca)*

According to Holden (2002), a common language (lingua Franca) should be developed to overcome the challenges with cross cultural knowledge management. There should be a distinct set of interactive tools for networking reasons. An illustrative lexicon for management responsibilities and a repository for (shared) company knowledge and vision. The idea behind this is that the knowledge from the different cultures can be captured in a new common language. This common knowledge will result in the company overcoming the local cultural diversity and create a new common language. The new language will be general, specific and contain cross cultural know how.

4.2 Global mindset and culture

Gupta & Govindarajan (2002) describe that the world economy is changing at a very high pace and becoming more and more global. The success of a company according to Gupta & Govindarajan (2002) is determined by the intelligence of a company in observing and explaining what is happening in the environment the company is active in. Having a global mindset is of key importance in developing this intelligence.

Also the increasing complexity where global managers have to deal with is having an impact on managers and organizations. Creating a global mindset would be one of the measures to deal with this increasing complexity.

Many other scientists elucidated on the importance for companies to develop a global mindset. Barlett & Goshal, (1990); Gupta & Govindarajan (2002); Levy, Beechler, Taylor, & Boyacigiller, (2007); Beechler & Javidan, (2007); Story & Barbuto, (2011). These and other authors have identified various factors which contribute to creating a global mindset. In this section the concept of a global mindset will be explained and an overview and relationship between the various concepts will be provided to get an understanding of the existing theories and literature on global mindset.

4.2.1 What is a global mindset?

Gupta & Govindarajan (2002) mention that the idea of a global mindset originates from cognitive psychology and organizational theory. Cognitive psychology and organizational theory are about the way people and organizations perceive and interact with the world around them. Gupta & Govindarajan (2002) have summarized this as follows:

1. **People are limited in receiving and processing information.** Since humans can only understand and process a limited amount of information we are in a constant struggle to deal with the complexity of the world around us.
2. **Incoming data from the external environment is filtered by our brain.** Certain cognitive filters determine how we perceive the world around us and thus our mindset.
3. **Our mindset develops over time and this is an iterative process.** Information is constantly compared with our current mindset and in case of a match the information strengthens the current mindset. However, when the information is new and differs from the current mindset, the mindset might change. Self-consciousness and the presence of subconscious cognitive filters plays a role in how quickly people can adjust their mindset.
4. **Organizations are a collection of individuals.** The mindsets of individual employees are constantly influenced due to interaction with other employees. This constant interaction and change between the different mindsets and the change of the global mindset depends on the interaction network, the division of power and the decision making level in the organization. It largely depends on the organization of the company.
5. **There are four ways in which organizational mindsets can change**
 1. New experiences of individuals in an organization which change the mindset
 2. A change in the power of individuals
 3. A change in the organization
 4. A change in the individual members

According to Levy, Beechler, Taylor, & Boyacigiller (2007) a global mindset consists of three complementary characteristics:

“Openness and awareness of multiple spheres of meaning and action, complex representation and articulation of cultural & strategic dynamics and mediation and integration of ideals and actions oriented both to the global and the local”

4.2.2 What are the benefits of a global mindset?

According to Gupta & Govindarajan (2002) the benefits of a global mindset are an advantage to be the early mover and quickly identify opportunities. They also mention that this will result in a better trade-off between local adaptation and global standardization. Furthermore, the coordination and transition of functional activities across countries and regions will be improved. In addition new products and

technologies can be developed and marketed faster. Finally, it results in a quicker and more efficient sharing of best practices between subsidiaries and headquarters.

4.2.3 Theories about a global mindset and culture

Several theories and frameworks for global mindsets have been developed by various scholars. Gupta & Govindarajan (2002) have created a framework (see figure 1 below) based on integration and differentiation. Differentiation means the amount of knowledge that a person or organization has in a certain context. E.g. a specialist who is working only in a specific area is less differentiated than a manager who works in different functional areas. Integration means how well an individual or organization can integrate different knowledge elements.

Besides the global mindset there is the parochial mindset which means that the company is highly integrated but there is a low differentiation and a diffused mindset which means there is high differentiation and low integration. An example of a company with a parochial mindset would be: Ikea which in the past had an executive board consisting solely of members with a Swedish nationality and trying to sell Swedish products globally not taking into account the local preferences. Astellas Pharma could be classified as having a diffused mindset. Astellas has a high differentiation the organization is open to diversity across cultures and markets, but Astellas seems not yet to be able to integrate the diversity across cultures and markets. The top management has a global mindset but this mindset has not yet spread across the company. Differences between regions, cultures and countries still exist. There are differences between global, regional and local.

Figure 3: Global, parochial and diffused mindset

Integration (Ability to integrate diversity across cultures and markets)	High	Parochial Mindset	Global Mindset
	Low	Not applicable	Diffused Mindset
		Low	High

Differentiation (Openness to diversity across cultures and markets)

Source: Gupta & Govindarajan 2002 (alternative mindsets a conceptual framework)

Levy, Taylor, & Boyacigiller (2010) have identified four patterns of a global culture. They describe the: “spearhead”, “outpost”, “disoriented” and “global culture”. In the spearhead culture core values and practices are common knowledge within the global headquarters while there is less awareness of these values within the subsidiaries. In the outpost culture there are struggles between subsidiaries based on the past. Strong subsidiary cultures tend to clash while there is less understanding of the company core values and lack of global corporate leadership. The global headquarters is having difficulties in leading and redesigning the firm. The disoriented culture is characterized by confusion and unrest. This may be the result of changes in the business environment, very intense competition, reorganizations or mergers and acquisitions. In this situation there is no mission and a lack of strategy in both headquarters as the

subsidiaries and employees lose faith in the organization. Finally, in the global culture the core values and working practices are well known throughout the entire company. There is a strong global network and culture which aligns the employees worldwide. This does not mean that there is no space for local initiatives, but there is respect and trust in local initiatives. In this framework Astellas could be classified as outpost culture. The tensions between the legacy regions and subsidiaries are still present while the global leadership team is designing a true global firm.

Levy, Beechler, Taylor, & Boyacigiller (2007) describe in their model two factors which influence a global mindset. The first is cosmopolitanism which is at the basis of a global mindset and is about openness and awareness of multiple cultures. The second is cognitive complexity which deals with the complexity in the organization and the differentiation and integration similar to what was previously described by as previously mentioned by Gupta & Govindarajan. Javidan & Walker (2012) have a slightly different model. According to them global mindset consists of three pillars: *“intellectual capital”*, *“psychological capital”* and *“social capital”*.

Although there are a number of frameworks and theories created by (Gupta & Govindarajan, 2002), (Levy, Taylor, & Boyacigiller, 2010), (Levy, Beechler, Taylor, & Boyacigiller, 2007), (Javidan & Walker, 2012), on global mindset as previously described. Story & Barbutto jr. (2011) have created a model of four mindsets (*“intranational mindset”*, *“global mindset”*, *“provincial mindset”* and *“international mindset”*) in which they describe the relation between global business orientation and cultural intelligence. Companies that score high on both cultural intelligence and global business orientation are described as having a Global mindset.

4.2.4 How can a global mindset be created?

According to Gupta & Govindarajan (2002) there are four factors which determine the pace in which a person or a company can build a global mindset:

“Curiosity about the world and a commitment to becoming smarter about how the world works, an explicit and self-conscious articulation of current mindsets, exposure to diversity and novelty, a disciplined attempt to develop an integrated perspective that weaves together diverse strands of knowledge about cultures and markets”.

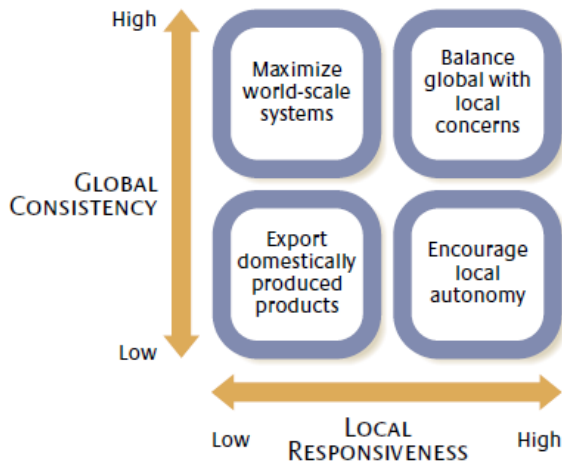
Furthermore, Gupta & Govindarajan believe that a global mindset can be created by creating knowledge at the individual level about cultural differences and building a diverse company which consist of people with different backgrounds originating from different cultures.

In research performed by Levy, Taylor, & Boyacigiller (2010) the organization culture of 10 global companies with headquarters in different continents was investigated. For every company the global headquarter and a minimum of two subsidiaries was included in the sample. The 10 different companies represented various sectors and industries and differed in both their global experience as well as in the size of the company. This research has identified two barriers for creating a global organizational culture. The first barrier is a *“headquarters-centric mindset”*. Which means that sometimes the culture is developed as a top down process form headquarters to the subsidiaries. The second barrier is that global cultural models are often seen as simplistic linear models which put culture in a range from weak to strong while the actual situation might be very complex in which small islands with a very strong culture exist in the bigger global organization. In addition Levy, Taylor, & Boyacigiller (2010) suggested that there are three ways to classify organizational cultures; how are the core values and working practices shared in the

company, how are the core values and working practices shared in the organization and is there a process for the exchange and reconciliation of core values between the global and the local organization.

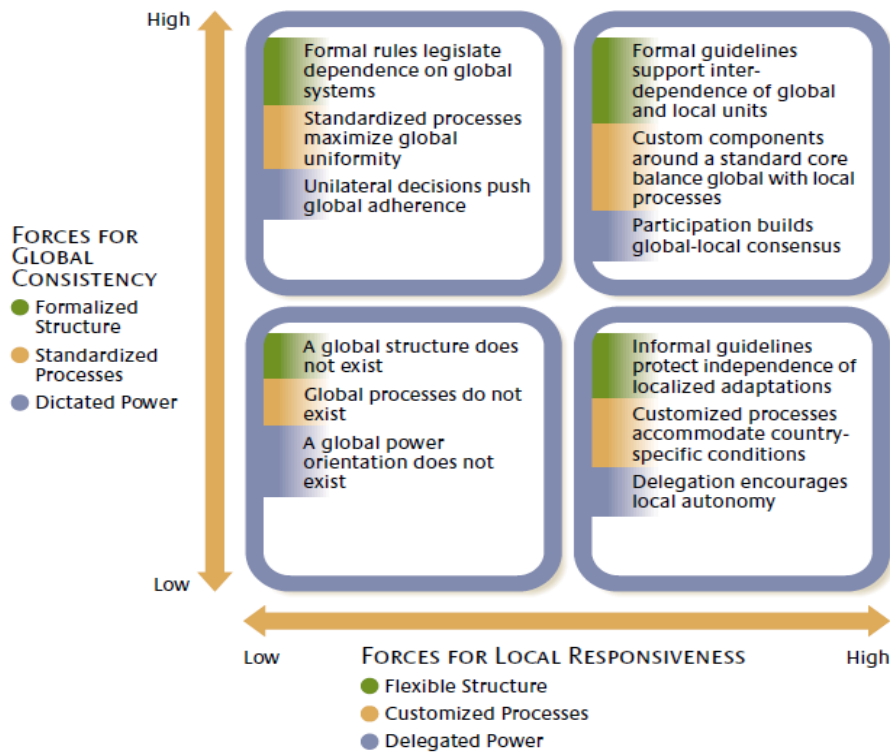
Begley & Boyd (2003) interviewed human resource executives in public companies in high tech global companies. They have identified two forces which managers should keep in balance in order to achieve success globally. These forces are global consistency and local responsiveness as depicted in the **figure 4**.

Figure 4: Global consistency versus local responsiveness. Source Begley & Boyd (2003)



In addition they identified three tensions; the “*structure*”, “*process*” and “*power tension*”. Structural tension is the relation between rules and guidelines. Process tension is the relation between uniformity and uniqueness power tension describes the relation between where the power is localized and the level of decision making. According to Begley & Boyd (2003) in order to reach a company global mindset these tensions must be balanced as shown in **figure 5**.

Figure 5: Structure, process and power tension. Source Begley & Boyd (2003)



4.2.5 Cosmopolitanism

Levy, Beechler, Taylor, & Boyacigiller (2007) have reviewed the literature on global mindset and have classified the literature in three perspectives: cultural, strategic and multidimensional. In addition they have identified two concepts from social sciences; cosmopolitanism and cognitive complexity.

Although cosmopolitanism is not mentioned by many authors, it is one of the underlying concepts of global mindset. Cosmopolitanism has been used in social sciences for many years (Gouldner, 1957).

Perlmutter (1969) was the first to describe the cosmopolitan perspective in business literature. At that time the importance of a global mindset was described in relation with global executives. Perlmutter described three major mindsets for managing a global company which he called “*ethnocentric*” (home country orientation), “*polycentric*” (host country orientation) and “*geocentric*” (global orientation). These mindsets according to Perlmutter effect various characteristics of the global corporation, such as organizational structure, strategy, sharing of resources and management processes. It is evident that leaders with a global mindset have a geocentric orientation.

According to Beechler & Javidan, (2007) many of the theories of a global mindset are based on Perlmutter's approach.

According to Vertovec & Cohen (2002):

“Cosmopolitanism is something that simultaneously: Transcends the nation-state model, mediates actions and ideas that are oriented both to the universal and the particular, the global and the local, is against cultural essentialism and represents variously complex repertoires of allegiance, identity, and interest.”

According to Hannerz (1996) the meaning of a Cosmopolitan is someone who has: *“willingness to engage with the other... openness towards divergent cultural experiences, a search for contrasts rather than uniformity”*. According to (Robbins, 1992):

“The word cosmopolitan immediately evokes the image of a privileged person: someone who can claim to be a citizen of the world”. Levy, Beechler, Taylor, & Boyacigiller (2007) frame that: *“cosmopolitanism does not denote an intrinsic value, but represents a state of mind that is manifested as oriented towards the outside, the other, and which seeks to reconcile the global with the local and mediate between familiar and foreign”*.

They also describe two other characteristics in their framework about cosmopolitanism. Cosmopolitanism is a state of mind. It is a way in which people are oriented on the outside and want to combine the global with the local and the familiar with the foreign. Cosmopolitanism is also openness, readiness to explore and learning from others. These concepts can also be noticed in the frameworks described in the previous section e.g. Begley & Boyd (2003) who describe the balance between global consistency and local responsiveness.

4.3 Global corporate citizenship

The term citizenship is borrowed from politics. Global corporate citizenship is originating from the concept of corporate social responsibility (CSR) which came into existence in the 1960's of the last century. The thought was that human rights should be more important than corporate rights. CSR was developed to do something about the power of companies and provide something in return to society. Companies should take responsibility for the environment, welfare of people and for society. According to Carroll's (1979) CSR model there are four responsibilities for a company: an *economic responsibility*, a *legal responsibility*, an *ethical responsibility* and a *philanthropic responsibility*. Over time various scholars have described the principles of CSR. According to Wood (1991) there are three principles of CSR. The first is the principle of legitimacy meaning that society gives legitimacy and power to corporations. The second principle is the principle of public responsibility which means that companies are responsible for the outcomes in relationship to their involvement in society. The third principle is the principle of managerial responsibility which means that managers are moral actors with a responsibility towards society. Although all these descriptions of CSR show that CSR is a very broad and robust concept, Logsdon & Wood (1999) are of opinion that the idea of CSR is gradually changing into a more welcomed idea of corporate citizenship.

4.3.1 What is global corporate citizenship?

According to Matten & Crane (2005) there are a few definitions of citizenship, one is that citizenship *“implies membership in a bounded political community”* (Hettne, 2000). The other is that companies are *“legal entities with rights and duties, in effect ‘citizens’ of states in which they operate”* (Marsden, 2000), (Seitz, 2002).

The term citizenship is originating from political sciences. According to the liberal tradition citizenship is a set of rights belonging to the individual. Marshall (1965) categorized three different rights of citizenship as social, civil and political rights. It is difficult to connect these rights of people to companies. This is not something one would expect to belong to the duty of a company. According to Wood & Logsdon (2001) companies participate in corporate citizenship not only because they have the rights of individual citizens, but as a strong communal player they can respect the individual rights of citizens.

According to the liberal view on citizenship, countries should protect the civil rights of their citizens (Hettne, 2000). Citizenship is closely related to the nation boundaries. As a result of the fading nation boundaries due to globalization, nations no longer by default guarantee the protection of civil rights (Falk, 2000). With the increase of economic, social and political interaction across country borders due to globalization there is less involvement of individual nations. Globalization has led to an increase in activities which are no longer controlled by governments. Due to this decreasing support of local governments for citizens companies have the tendency to partially take over these responsibilities (Scholte, 2000). In addition, Matten & Crane (2005) are of opinion that companies participate in the area of citizenship where governments fail to guarantee citizenship.

Corporate citizenship is an important term in management research. Corporate citizenship is about the social responsibilities of corporations in society. Matten & Crane (2005) describe that one of the important milestones for corporate citizenship was the joint statement on “Global Corporate Citizenship” which was endorsed by CEOs of the world’s largest multinational companies during the World Economic Forum in 2002. Since then a lot of companies have included corporate citizenship statements in their annual reports.

Astellas is committed to CSR based management and in 2011 the United Nations Global Compact was signed. The global compact addresses ten principles of CSR based on four key areas: Human Rights, Labor, Environment and Anti-Corruption⁴.

4.3.2 What are the benefits of global corporate citizenship?

It is difficult to judge the contribution of corporate citizenship. Of course no company wants to be a bad corporate citizen and it is difficult to distinguish between corporate citizenship and other company activities such as human relation, marketing, PR, knowledge acquisition etc. What is the social contribution of value of corporate citizenship and what is the financial value. Furthermore, it is not only limited to the company on its own but also; governments, shareholders, employees, consumers, NGO’s business consultants and other parties involved.

According to Porter & Kramer (2006) companies and society are interdependent. Successful corporations are in need of a healthy community. A good healthcare and education system are important for keeping qualified and productive personnel. Safe products and a healthy work environment not only increase the demand for products but also reduce internal costs of incidents. The efficient use of natural resources makes companies more productive. Furthermore, a good governance structure, adhering to laws, regulations and property rights are important for efficiency and innovation. Regulatory guidelines protect consumers as well as competitive companies against exploitation. A healthy society creates an increasing market for business. Companies which operate at the expense of society will notice that this strategy will only lead to short term success. A healthy community also needs successful corporations. No social program can compete to a company measuring up to generating jobs, economic prosperity, and innovation.

Corporate citizenship creates as stable and predictable environment (Logsdon & Wood, 2002) which companies prefer doing business in. It will also enable companies to be more adaptable to changing social, political, technological and economic conditions. This will bring companies also social benefits next to the economic benefits of doing business which companies are usually pursue. One of the principles of corporate citizenship is legitimacy (Wood, 1991). Various stakeholders provide this legitimacy to the

⁴ Source Astellas annual report 2014

company and if these stakeholders (e.g. consumers, employees, shareholders) lose confidence in the company or in the performance of the company they may withdraw the legitimacy. The same may apply to the principles of social responsibility and managerial responsibility. If not adhered to by the company this may have implications.

4.3.3 Theories about global corporate citizenship

The idea behind business citizenship is that companies are not independent institutions, they are part of the society and have the same rights and duties as citizens. Corporations could also be seen as citizens, just as people are seen as citizens of their country. The main question which Logsdon & Wood (2002) are asking in their research is if corporations can be seen as citizens. Does citizenship apply to corporations as well? In addition they have created various frameworks to explain this concept which will be discussed in the next section.

What Logsdon and Wood (2002) have created is a model based on the political perspectives of Parry (1991) to describe global corporate citizenship and business citizenship. Moon, Crane and Matten (2005) had a different approach and have used the four dimensional framework created by Stokes (2002). They build on the work of Logsdon & Wood and added some critical comments to their research. Furthermore, they state that corporate citizenship should not be taken literally. They refer to the underlying metaphor. It could also be interpreted that *"corporations are like citizens"*. They refer to Morgan's (1980) political metaphor.

4.4 Linking global mindset with global corporate citizenship

Logsdon and Wood (2002) have described the model of global corporate citizenship and have created a framework that shows the four states of citizenship (**figure 5**). Logsdon and Wood (2002) describe three transitions in the four states model of citizenship. The first transition is from an individual person as citizen to a corporate citizen (cell 1 to cell 2). The second transition is from an individual citizen to a universal citizen (cell 1 to cell 3). The third transition is from a local corporate citizen to a global business citizen (cell 2 to cell 4). The fourth cell, the business citizen would be the desired state. In this stage there is more freedom for companies and more responsibility. Many companies want this stage because there is a stable and predictable business environment in which they operate. This would also match with the adaptability of the company to the changes in the social, political, technological and economic environment. This adaptability to the environment would be what companies need to survive in a globalizing world in which companies need to adjust to the rapidly changing world around them. The principles of a global mindset contribute to the goal of companies to adjust to the changing global environment. In order to adapt to the cultural differences in the different countries the company operates similarities may be identified with corporate citizenship in which also a balance needs to be found between social responsibilities. This may be different in various cultures and the global corporate social responsibility.

Figure 5: The four states of citizenship according to Wood & Logsdon

**TABLE 1
FOUR STATES OF CITIZENSHIP**

Level of Analysis

Unit of Analysis	Local, Community, or National Scope	Global or Universal Scope
<p>The Individual Person as Citizen</p>	<p>CELL 1: The Local Citizen</p> <p>Key issues: Relationship of the person to the state; rights & duties of citizens, including fundamental civil liberties; national and cultural identity.</p>	<p>CELL 3: The Global Citizen</p> <p>Key issues: Common humanity, interdependence, universalism grounded in a few key rules or laws. Based upon philosophical ideas and social/institutional realities.</p>
<p>The Business Organization as Citizen</p>	<p>CELL 2: The Corporate Citizen</p> <p>Key issues: Business as a responsible player in its local environments. Emphasis on voluntarism and charity, as well as the organization's rights and duties in and for the community. Organizational identity reflects culture.</p>	<p>CELL 4: The Business Citizen</p> <p>Key issues: Business as a responsible local <u>and</u> global actor. Emphasis on the organization's rights and duties to individuals and to societies within and across national/cultural borders. Need for analysis of hypernorms and "moral free space."</p>

SOURCE: adapted from Wood & Logsdon (2001).

There are similarities between the framework described by Logsdon and Wood and the frameworks and theories about a global mindset.

The global mindset described by Gupta & Govindarajan (2002) has similarities with the Cell 4 Business Citizen as described by Wood & Logsdon (2001). In both concepts there is a balance the company has to find between the local and global forces, markets or cultures and also the alignment between the individual employees within and across their cultural boundaries. The global mindset which is the desired situation in the first framework corresponds with the business citizen.

Multinational companies are not only bound to the laws and regulations in one country but have to adhere to the legislation in many countries communities and societies. In the past multinational companies were complying with local laws and customs but nowadays most multinational companies have a global approach and have global policies. This balance between local and global is something which is also reflected in the global corporate citizenship and global mindset. In order to be a global corporate citizen companies have to move from the local rights and duties of citizens to a global actor. In order to create a global mindset companies have to think across borders as well and take into account the local customs rules and legislation.

One can be a good corporate citizen in the home country obeying to local laws and believes while from a corporate mindset one is seen as the other which is different and does not obey the global behaviors. For managers this can also be challenging. Should they act according to global law and company policies or should they take into account the local law and practice when they work across borders.

4.4.1 General

The concept that the root of a global mindset originates from the cognitive psychology and organizational theory and the subsequent meaning of these domains are about the way people and organizations interact with the world around them links to the idea of corporate citizenship and the concept that corporations are not autonomous isolated organizations but can be seen as global citizens. Becoming a global citizen as a company and creating global universal organization which takes into account the individuals and societies across cultures and borders can have similar challenges as creating a global mindset within a global company.

4.4.2 Local responsiveness vs. global consistency

The local responsiveness versus the global consistency as described by Begley & Boyd (2003) can be linked to the local community or national scope and the global or universal scope as described by Logsdon and Wood (2002) which describe in their framework individuals versus organizations and a local versus a global scope.

One of the interesting questions Logsdon and Wood (2002) ask is:

“Are managers operating across borders obliged to follow local practice in the spirit of cross cultural respect and tolerance, or should they act according to a commonly accepted set of values that apply everywhere?”

Within the literature about a global mindset which is built on the principles of cosmopolitanism, there is the concept that managers should have an open mindset, be open to other cultures, interested in cultural differences and combine local with global interests. This would contradict the idea of having a global set of values to which every company employee and manager should adhere. This tension between the local and the global is present in both the global mindset concept as well as in the business citizenship thinking.

Both Logsdon & Wood (2002) as well as Begley & Boyd (2003) speak of forces between global and local responsiveness. The model of Begley & Boyd describes three tensions (structural, global and power) and the model of Logsdon & Wood compares the “*multidomestic approach*” which describes the development of local practices with “*globally integrated strategies*” which drives economies of scale in their journey towards standardization of practices and global mission vision and values. What links these two theories are the forces between global and local responsiveness. The first model would describe the forces and tensions the second model tends to build on that and described the business strategies. It adds an additional level of universal ethical norms (hyper norms) to the first model. A challenge for managers is to know when these hyper norms apply and when other organizational behaviors are needed. When is there a conflict between the local norms and the global norms and values?

Cultural and ethical norms and moral free space are important factors in applying the “*multidomestic approach*” or “*globally integrated strategies*”. It is important for companies to learn what they should take into account when operate in their host countries. When should local cultural norms be taken into account and when can globally driven hyper norms be used? Taking into account cultural and ethical norms in host

and home countries is an important factor which is considered in theories of global mindset and global corporate citizenship.

4.4.3 Individual vs corporate

Logsdon and Wood (2002) speak about individual versus corporate citizenship which would link to the individual mindset versus the global mindset. How is the change of an individual mindset to a global mindset related to the change of individual citizenship to global or business citizenship? They use the political perspectives of Parry (1991) to describe the change from individual citizenship to corporate citizenship. The views Parry described are the “*minimalists’ position*”, the “*communitarian position*” and the “*universal ethical principles position*”.

The “*minimalist position*” is about protecting the liberal rights of the individual. Governance should only interfere when the liberal rights of the individual are threatened.

The “*communitarian position*” is about putting the interest of the community above the interest of the individual. This status is limited to a single national or cultural context

The “*universal ethical principles position*” takes into account the rights of all humans in society and strives for an equal distribution of welfare and responsibilities in society.

Next these political perspectives are used to describe the transition from individual citizenship via corporate citizenship and global corporate citizenship to finally business citizenship. The communitarian view which primarily focusses on a single culture contrasts with a universal ethical principles view in which there is a broader holistic view being part of a larger network consisting of individuals and society. This view in which the company’s identity is accepted in a large number of countries and cultures can be seen as a sort of global mindset which is shared across nations and cultures. The same set of corporate values would be shared by individuals in the company compared to business citizens who would show similar behavior. Similar views can be observed in the concept of a global mindset in which the individual mindset which is a cognitive set of filters which is developing over time and influenced by experiences, changes in power and changes in the individual and the organization can be observed on an individual level (the individual mindset) and on a company level (the global mindset). The transition from influencing single mindsets to become a global corporate mindset shows parallels with the transition from a minimalist position to a communitarian position and eventually a universal ethical principles position.

Also from a company level of analysis the principles of Parry can be applied. A company can react from a minimalist view only protecting the interests of the company and its shareholders, but from a communitarian view the company would also take into account the interest of other stakeholders and society and taking social responsibility as in corporate social responsibility.

4.4.4 Heterogeneity across cultures

Both the theories of corporate citizenship and a global mindset describe the concept that these theories need to deal with differences across cultures.

Multi-National Corporations (MNCs) are not limited to their home country or culture, but have to take into account many cultures and the differences between those countries in e.g. norms, rules, and local regulations. There are two views how MNCs can deal with this. In the first view companies should work according to the rules, cultures and regulations in each country. In the second view, MNCs should develop global policies which apply to all countries in which the MNC is active.

Similar principles would apply for global corporate citizenship where the local societies, rules and regulations should be taken into account to become a global citizen and to works across cultures and boarders. Both for global mindset as corporate citizenship a cosmopolitan approach in which cultural and societal differences are considered would be beneficial for the company.

4.4.5 How can a global mindset and global corporate citizenship be implemented?

There are two ways of implementing a global mindset according to Gupta & Govindarajan (2002). The first is by developing this knowledge with individuals which can be a time consuming process. The second is by creating a diverse company consisting of people from different cultures and countries.

Logsdon and Wood (2002) have identified four forces/approaches that affect the implementation of a business citizenship strategy (**table 5**) that can be linked to the model of Begley & Boyd, (2003).

The “*multidomestic strategy*” supports the country and regional specific development. This would be similar to the balance between global consistency and local adaption. Having a multidomestic strategy would translate to encourage local autonomy and having high local responsiveness.

The “*global integration strategy*” would do the opposite and stimulate global responsiveness, which is similar to the maximization of world scale systems and the high global consistency.

Finally the “*Hybrid strategy*” would be similar to the balance between global and local concerns in a situation where there is high local responsiveness and high global standardization. Both the forces for local responsiveness and global integration strategies would be strong.

**TABLE 5
BUSINESS CITIZENSHIP STRATEGY
AND FORCES FAVORING GLOBAL/LOCAL RESPONSIVENESS**

Forces That Favor Local Responsiveness Strategies		
Forces That Favor Global Integration Strategies	WEAK	STRONG
WEAK	<p style="text-align: center;">AD HOC POLICIES</p> <p>Without strong forces for local or global responsiveness, companies have maximum discretion and policies can be ad hoc, arbitrary, unsystematic, & unexamined. If there is a code of conduct, it is likely to be pro forma and not central to operations.</p>	<p style="text-align: center;">MULTIDOMESTIC STRATEGY</p> <p>Strong forces for local responsiveness encourage business to emphasize local/national autonomy, unexamined respect for cultures, country-specific codes of conduct.</p>
STRONG	<p style="text-align: center;">GLOBAL INTEGRATION STRATEGY</p> <p>Strong forces for global responsiveness encourage companies to institute centrally controlled policies and practices, based upon a single code of conduct. Local variances are suspect; local autonomy is limited.</p>	<p style="text-align: center;">HYBRID STRATEGY</p> <p>Strong forces for global and local responsiveness encourage companies to develop uniform credos, or simple codes (reflecting hypernorms) that apply globally, and also to develop examined and well-defended local policies and codes to implement hypernorms appropriately.</p>

4.4.6 Summary of literature review

In this chapter literature about globalization, cross cultural communication, knowledge management, global mindset and global citizenship has been discussed. Based on the literature review it is expected that cross cultural communication, culture, knowledge management and a common language are factors which may influence the development of a global mindset and corporate citizenship.

Within the concept of global mindset: cosmopolitanism, global consistency vs. local adaptation, various tensions (structure, process and power tension) and the different mindsets (ethnocentric, polycentric and geocentric) were identified as important factors within may explain the relationship between global mindset and corporate citizenship.

Theories about corporate citizenship showed that there are four stages of citizenship and when comparing the two concepts based on literature there are similarities with regards to global consistency versus local adaptation, individual vs. corporate level, heterogeneity across cultures and the implementation of global mindset and corporate citizenship.

5 Research plan

This section will further elaborate on the research design, type, method, data analysis and limitations of this research.

5.1 Research design

This is a qualitative case study in a multinational Japanese pharmaceutical company. The focus is on managers in the company who work globally. The data will be collected in the period from April to May 2016 by performing semi structured interviews with managers in different countries and on various levels in the organization. Preferably managers with a different cultural background from the different regions will be included in the selection. A purpose sample is draw from the company population.

Managers are asked their opinion on definitions and topics from literature related to global mindset and global corporate citizenship.

5.2 Research type

Since a relation between global mindset, global corporate citizenship and globalization of a company has not yet been established in research and it is not clear if global mindset and global corporate citizenship are related to the problem why Astellas is lagging behind with globalization, the research has a “problem analytic” strategy (Verschuren & Doorewaard, 2010). It is not clear what the context of the problem is although there are indications that creating a global mindset and implementing global corporate citizenship may be part of the problem. The existing scientific knowledge on the contribution of global mindset and global corporate citizenship on creating a global company is limited. No previous research exist explaining the relationship between a global mindset and global corporate citizenship and the effect of these two factors on globalization.

5.3 Research method

The quality of data obtained by interviewing can vary. Easterby-Smith, Thorpe, & Jackson (2012) pose that because of lack of information, reliability of the data can be at stake. Also the comments, tone of voice or interviewer's verbal behavior can affect the way the interviewee answers the questions (Saunders, Lewis, & Thornhill, 2011). Cultural differences from interviewees from different countries can have an effect on

this. Preferably the interviews will be scheduled face to face but due to the size of the company and the travel limitations, some of the interviews will be per WebEx or teleconference to facilitate the geographical distance.

This research would be a narrative analysis which according to (Tsoukas & Hatch, 1997) *“would give us access to and appreciation for context, which is a vital requirement for the making of meaning and our understanding if a constructionist analysis is to be adopted”*. The purpose of the interviews is to get a better understanding of the concepts described in the theory and to discover underlying meanings and explanations. The interviews will be recorded and transcribed. The transcript will be analyzed and fragments from the text will be coded to identify trends and similarities and patterns.

5.4 Interviews

For the interviews the vignette method will be used, the respondents will receive various concepts from literature before the interview (**appendix 2**). The interview will start with a short introduction and during the interview the respondent will be asked for their opinion about the vignettes (**appendix 2**). If unclear, the vignettes will be further clarified. Based on the response to the initial questions about the vignettes more in depth follow up questions will be asked to further clarify. The vignettes serve as a trigger to initiate further conversation about the topic.

5.4.1 Operational concepts

Various operational elements from the global mindset and global corporate citizenship literature will be included in this research design. The purpose of including these concepts is to gather empirical data on the relationship between global mindset and corporate citizenship. These elements from literature were specifically selected because they described the potential relationship between global mindset and corporate citizenship based on the existing scientific literature. The first concept that is presented to the respondents is about global mindset. Elements from literature listed below are included in the vignettes which are used for the interviews.

Global Mindset

- Cosmopolitanism (question 2, 3)
- Ethnocentric, polycentric, geocentric mindset (question 2)
- Creation of a mindset (question 4)
- Global consistency vs. local responsiveness (question 5)
- Structure, process and power tensions (question 6)

The second concept will focus on corporate citizenship the 4 stadia of citizenship from Logsdon & Wood (2002) (**Figure 5**). Logsdon & Wood describe 3 transitions in their model. The first transition (Cell 1 → Cell 2) is the transition from an individual citizen to a corporate citizen. Organizations should change and become citizens of local societies. The next transition is the transition from an individual citizen to a corporate citizen (Cell 1 → Cell 3). In this step organizations should become world citizens and uphold universal ethical principles and protect human rights. In this stage of cross cultural universal citizenship also cross cultural awareness and a common language should be present. The third transition is from a corporate citizen to a business citizen. In this stage both companies and persons are global citizens. In this stage companies are not only dealing with one single community but have are facing the challenge of dealing with norms rules and performance expectations in multiple communities. Companies have to find a balance between local laws and customs and uniform policies across their operations. The following elements from the scientific literature are included in this vignette.

Global corporate citizenship

- Is Astellas a corporate citizen? (question 7)
- The 4 states of citizenship (question 8)
- Relationship between global mindset and corporate citizenship (question 9, 10)
- The contribution of global mindset and corporate citizenship on globalization (question 11)

5.5 Data analysis

The data from the interviews will be recorded and transcribed. The recorded audio files will be transcribed by a company (Mijntranscript.nl). The transcribed data obtained from the interviews will be analyzed using the QDA program Atlas TI. The data will be analyzed to search for recurrent themes, patterns in the data, respondent clusters, sequence of events and answers to the research question.

5.6 Limitations

This problem analytic research is based on one company (Astellas) and therefore is not generalizable to a population at large. There might be a specific culture in the company which is not representative for multinational companies in general. Having this one case research is a limiting factor, but in addition also the number of interviews (10) is limiting the research to come to a more generalizable approach. Ideally a larger preferably random sample should be taken to prevent bias. Being an employee of the company is another potential bias in this research. My own beliefs and interpretations should be taken into account during the interviews and analysis of the data.

Furthermore, language and cultural differences are other factors which potentially may influence the research. According to Hall (1959) The Japanese culture is highly contextual while the US culture is low contextual and based on Hofstede's (2001) cultural dimensions the high power distance and large uncertainty avoidance in Japan will contrast with the small power distance and weak uncertainty avoidance in the UK, and the Netherlands. Language should also be taken into account.

Although the interviews will be held in English or Dutch on some occasions. There is a language barrier since not all interviewees are native speakers and for some of the interviews with Japanese colleagues an interpreter may be used.

6 Results

During the period April-May 2016, 10 semi-structured interviews were performed. The interviews were performed with Astellas employees from different departments and different levels in the organization ranging from Associate Director to Vice President Level. Managers from different countries with a different cultural background were selected because cultural differences and country of origin may influence the opinion of respondents about global mindset and corporate citizenship. An overview of the interviews is presented in **appendix 1**. The data collected during the interviews was recorded and transcribed and analyzed with Atlas.TI. The concepts which were identified during the literature review and included in the vignettes are discussed per topic in this section.

Eight out of ten interviews were conducted in English and two interviews were conducted in Dutch not because the Dutch speakers could not express themselves in English but for convenience since both the interviewer and interviewees were native Dutch speakers. Only five out of ten of the interviews could be performed in the native language of the respondent. Although the interviewer is a native Dutch speaker who is fluent in English it should be taken into account that English is not his native language. As a result

of this some of the quotes presented in **appendix 4** are in Dutch which illustrates one of the challenges with globalization and global mindset. In order not to lose any meaning the Dutch transcripts are not translated. For the non-native speakers it might be more difficult to express themselves in English. These language barriers are an example of the challenges of globalization and global mindset. Even though English is the standard language is challenging for employees to express themselves in their non-native language.

Table 6 below shows an overview of the questions asked during the interviews and the answers provided by the respondents. The answers are categorized per region and the answers have been coded based the transcript of the interview. The respondents have been numbered in the table (e.g. 1, 2, and 3). If no clear answer was provided by the respondent or could not be identified in the transcript the number of the respondent was not included in the table.

The answers provided in **table 6** will be further described an analyzed and supported by relevant quotes which are presented in **appendix 4**.

Table 6: Overview of the questions and answers provided during the interviews categorized per region

Response→	EU region	JP region	US region
Question ↓	5 respondents (Germany, Netherlands)	2 respondents (Japan)	3 respondents (USA)
1. Does Astellas have a mindset?	<ul style="list-style-type: none"> 1 Astellas has a limited global mindset 2 Astellas is developing a mindset 3 Astellas does not have a global mindset 4 The willingness for a mindset is there, there are cultural differences and people from other cultures are not always understood 5 Astellas has a mindset, but not yet a fully developed global mindset 	<ul style="list-style-type: none"> 1 The mindset is depending on the culture/region 2 I think Astellas has it, is trying to have it as well 	<ul style="list-style-type: none"> 1 Astellas is developing a global mindset, but companies are made up of individuals and depending on their role they think global 2 Astellas has a mindset and it is pretty much cosmopolitan 3 Astellas has a mindset, but is developing, it has not fully matured we are in the adolescent phase
2. What do you think is the nature of Astellas?	<ul style="list-style-type: none"> 1 Ethnocentric mindset 2 Geocentric mindset 3 Between ethnocentric and polycentric 4 Geocentric but an ethnocentric view without realizing 5 A mix between ethnocentric and polycentric not yet geocentric 	<ul style="list-style-type: none"> 1 Polycentric mindset trying to be geocentric 2 Ethnocentric and geocentric, depending on the region 	<ul style="list-style-type: none"> 1 We are not polycentric, in the basis individuals are ethnocentric first. The purpose of the One Astellas program is to create a global mindset. We have become more geocentric 2 Between ethnocentric and polycentric, the Japanese culture is a predominant feature 3 On some places it is more polycentric on other places it is more ethnocentric
3. Which role do you think would cosmopolitanism plays in this?	<ul style="list-style-type: none"> 2 Adversity is an asset 3 A lack of cosmopolitanism plays a role 5 The concept is important 	<ul style="list-style-type: none"> 1 Yes, Japanese colleagues are trying to understand the other cultures 2 We definitely need to have a sense for cultural differences. There are big language and cultural differences 	<ul style="list-style-type: none"> 2 Absolutely, we need to be outward facing understanding the differences of cultures, the way you may be perceived or the way you perceive others 3 We need more cosmopolitanism

<p>4. What do you think is the way to create a global mindset in our company?</p>	<p>1 Build diversity in the organization 2 Build diversity in the organization 3 Create individual awareness and build diversity in the organization 4 Create individual awareness and build diversity in the organization 5 Create individual awareness and build diversity in the organization</p>	<p>1 Mutual understanding in communication and remove cultural barriers 2 Build diversity in the organization is ideal but very cost full</p>	<p>1 Create individual awareness and build diversity in the organization 2 Create individual awareness and build diversity in the organization 3 Create individual awareness and build diversity in the organization</p>
<p>5. How would you describe the balance between global consistency and local responsiveness within Astellas?</p>	<p>1 There are 3 different regions and the balance differs per region. EU, JP, US 2 There is a shift towards local responsiveness 3 There is too much local responsiveness 4 Although we don't favor it, there needs to be an element of local responsiveness 5 Astellas strives for global consistency, but we should recognize local responsiveness</p>	<p>1 This is a challenging area for Astellas. 2 We moved from regional to global, but need to trust regional decisions as well</p>	<p>1 It depends on the functional area's we should "think globally but act locally" 2 There is a shift towards global consistency 3 There is a struggle between global consistency and local responsiveness</p>
<p>6. How do you recognize this within Astellas?</p>	<p>2 Power tension 4 Power tension 5 Power tension</p>	<p>1 Process tensions 2 Power tension</p>	<p>2 Power tension 3 In the beginning there was more power tension, now more process tension</p>
<p>7. Do you think Astellas is a corporate citizen?</p>	<p>1 Corporate citizen 2 A company can be a citizen 4 Astellas is trying to be a corporate citizen 5 Astellas can be seen as a corporate citizen</p>	<p>1 Corporate citizen, Astellas received a lot of awards in Japan for it</p>	<p>1 Corporate citizen 2 Corporate citizen 3 Corporate citizen</p>
<p>8. Which state of citizenship would according to your knowledge best describe the situation at Astellas?</p>	<p>1 Astellas is a corporate citizen 3 Astellas is a corporate citizen 4 Astellas is close to business citizen 5 Astellas is a corporate citizen</p>	<p>1 Astellas is almost a business citizen 2 Astellas is a corporate citizen and in the US maybe a global citizen</p>	<p>1 Astellas is a corporate citizen 2 Astellas is a corporate citizen 3 Astellas is a corporate citizen</p>

<p>9. How do you think Astellas could best become a global business citizen?</p>	<p>1 Astellas should first focus on the inside and become a global citizen 3 From local citizen to corporate to global 4 A change in mindset and embrace global mindset and citizenship 5 Astellas should further develop its identity</p>	<p>1 Transparency between the regions and inclusion of Japanese colleagues 2 It is mainly the language barrier preventing Astellas to become a global citizen and people need to participate in global projects to learn to work with foreign people</p>	<p>1 To be a successful corporate citizen we need to be a successful business citizen. There needs to be a dual focus one on the business area and the other on the citizenship area 2 Some activities might include contributing their products in an underdeveloped area on a global scale or even with some major worldwide issue like the refugee situation and also into initiatives within underdeveloped countries 3 Astellas has not yet decided to become a business citizen. More education would be needed</p>
<p>10. What role do you think culture plays in the process of Astellas becoming a global business citizen?</p>	<p>1 The Japanese culture play an important role in this 2 Japanese culture 3 There is a strong presence of the Japanese culture. We should a better understanding of the Japanese culture 4 Understanding the Japanese culture (mutual understanding) 5 Develop its identity</p>	<p>1 Culture play a role in this 2 We can utilize of course the strong talent in the foreign countries like a big rocks and we also can utilize the Japanese talents, those talents and who can supply the – who can build the bridge between those big rocks</p>	<p>1 Our cultural background and education drives our default thinking or behavior 2 It part of our business culture some other companies like Pfizer are very generous in supporting all kinds of causes. 3 Culture would foster a sense of inclusion and diversity</p>
<p>11. How do you think global mindset and global corporate citizenship contribute to the globalization of Astellas?</p>	<p>1 Astellas first needs to become a global company with a global mindset before it can become a global or business citizen 3 Astellas should first create a global mindset and structure 4 A global mindset and tolerance for different cultures would contribute 5 The global mindset should be supported</p>	<p>2 There is a strong connection between the both. Without the business citizen we cannot achieve the global mindset</p>	<p>1 Astellas needs to become much more global in the way we are doing things. 2 global corporate citizenship is the framer for global thinking, global openness and an ease in which to communicate and make then define the common goal and work towards resolution of issues because we all think we're right on an individual level. 3 Global mindset and identity building and build and efficient and effective organization</p>

6.1 Cosmopolitanism and corporate citizenship

The respondents were asked the question if Astellas has a mindset and what role cosmopolitanism would play in this (question 1, 3).

In the majority of the responses it was mentioned that Astellas is developing a mindset although it is not yet a fully developed global mindset. No differences could be identified between the three different regions (EU, US, JP). Two of the respondents from different regions mentioned that it is depending on the culture and region and that people from other cultures are not always understood. Supporting quotes to illustrate this topic have been included in appendix 4.

Concerning cosmopolitanism, the respondents mentioned that cosmopolitanism plays a role in this either as a lack of cosmopolitanism or as something which is currently being developed in the company and something people need to be more aware of. Cultural differences were mentioned by several respondents (2 times JP and 1 time US) but no specific difference between the regions could be identified. Supporting quotes to illustrate this topic have been included in appendix 4.

In addition it is mentioned frequently that Astellas is not yet a global company and it is difficult to understand the other regions. Reference is made to three different regions (appendix 4).

6.2 Mindset and citizenship

The respondents were asked what is the nature of Astellas (question 2) based on the three different mindsets described by Perlmutter (1969) (ethnocentric, polycentric and geocentric mindset). These mindsets could link to the different stages of citizenship. A global mindset (cosmopolite) may potentially link to global business citizenship. Ethnocentric would be related to local citizenship and polycentric would link to corporate citizenship.

The majority of the respondents mentioned that Astellas is between an ethnocentric or polycentric mindset or mentioned that Astellas has an ethnocentric or polycentric mindset. The presence of the Japanese culture and dependency on the region where also mentioned. No differences between the regions could be identified. In addition the majority of the respondents mentioned that Astellas is a corporate citizen (see section 6.6). Quotes illustrating the mindsets are included in appendix 4.

6.2.1 Individual versus global mindset

Some of the respondents emphasized that there is a difference between the company mindset and the individual mindset (appendix 4). Companies are made out of individuals with their own mindsets. People are individuals first with different cultural and educational backgrounds.

6.3 The creation of a mindset and citizenship

The interviewees were asked what would be the way to create a global mindset (question 4). All of the respondents mentioned that one should build diversity in the organization and the majority of the respondents answered that one would need to do both, build a diverse culture and create individual awareness. Although the answers from the Japanese region were phrased differently, no differences between the regions could be identified (appendix 4).

6.4 Global consistency vs. local responsiveness

Global consistency and local responsiveness are described in both the concept of global mindset and corporate citizenship. The respondents were asked if they could describe the balance between global

consistency and local responsiveness within Astellas (question 5). The answers to this question were more diverse, but in summary it shows that there is a shift towards global consistency, which can differ per region or functional area, but it has to be balanced. Local responsiveness should be taken into account. No differences between the different regions could be identified (appendix 4).

6.5 Structure process and power tension

The interviewees were asked about structure process and power tension (question 6). Although all three tensions were recognized, the respondents put most emphasis on the power tension. No differences between the regions could be identified (appendix 4).

6.6 The four stages of citizenship

The respondents were asked if Astellas is a corporate citizen and which stage of citizenship according to Logsdon & Wood (2002) would best describe the situation at Astellas (question 7 & 8). In addition it was asked how Astellas could best become a global business citizen (question 9) and what role culture plays in this process (question 10). The response to these questions would link the stage of citizenship with the mindset of Astellas and would explain the possible relationship between the mindset and the stage of citizenship.

During the interviews it became clear that Astellas has an ethnocentric/polycentric mindset and according to most of the respondents Astellas is a corporate citizen. Only two respondents mentioned that Astellas is close to being a business citizen. No differences between the regions could be identified.

Pertaining to the question how Astellas could best become a business citizen and what role culture would play in this several topics were mentioned as depicted in table 6. These are all internal topics within Astellas ranging from focusing on the inside, changing the mindset, develop its identity, create transparency between regions, overcome the language barrier and create diversity.

According to the respondents, culture and especially the Japanese culture (question 10) plays an important role in the process of Astellas becoming a global business citizen. Although all three regions mention culture, the EU region more strongly emphasizes the presence of a Japanese culture in this process.

6.7 Globalization and culture

Finally the respondents were asked how global mindset and corporate citizenship could contribute to the globalization of Astellas (question 11). Globalization and cultural differences are factors which are impacting global mindset and corporate citizenship. The majority of the respondents mentions that Astellas should first focus on the inside and create a global mindset and culture before Astellas can become a global or business citizen. No differences between the regions could be identified (see appendix 4 for quotes).

6.8 Heterogeneity across cultures

Both the theories of global mindset and corporate citizenship describe that companies need to deal with different cultures. In the interviews the cultural differences were mentioned by all respondents especially the difficulties to understand the Japanese culture (appendix 4).

6.9 Language

Various respondents have indicated that language plays a role in developing a global mindset. There are insufficient Japanese colleagues who speak English and this is perceived as a barrier to create a global

mindset (appendix 4). On the other hand there are also insufficient colleagues outside Japan who speak Japanese. Language and the lack of a common language were perceived as a barrier to create a global mindset.

6.10 How can Astellas create a global mindset and become a global citizen

Several respondent have made suggestions on what Astellas should do to create a global mindset. Ambassador programs, increase transparency between the regions and the development of the company identity are mentioned as ways to create a global mindset and become a corporate citizen (see appendix 4). Furthermore, individual awareness in the form of cultural awareness programs, executive programs and building a diverse culture are mentioned as ways to create a global mindset. Building a global company and organization structure were mentioned as other drivers for creating a global mindset.

6.11 Other factors which may contribute to the globalization of Astellas

Besides the answers which were provided by the respondents on questions in the vignettes, many of the respondents elaborated on these topics and provided more information.

Astellas should enter in new opportunities outside Japan, EU and US and explore more activities in the emerging markets. Historically Astellas is not focused outwards. Astellas is risk averse and does not easily share its opinion or the wish to change a policy. It was mentioned by some of the respondents that Astellas should further develop its identity. In the past many people have not heard about Astellas since it is a relatively young company which was born after the merger of Yamanouchi and Fujisawa in 2005.

Several of the respondents have mentioned that Astellas is not yet a global company and in specific should become more global by improving the global footprint, and become an international worldwide player and act upon it as a globally integrated company (appendix 4).

Pertaining to the Japanese culture it was also mentioned that there was as strong Japanese element and the Japanese want to have the Japanese vision on how they want to do globalization. In addition it was mentioned that from an outside perspective Japanese companies are perceived as difficult to deal with (appendix 4).

6.12 Pharmaceutical challenges

Some of the respondents provided responses which are specific for the challenges currently experienced in the pharmaceutical industry. The pricing of products and the preference policy of the health insurance companies is currently a debate in many countries. The examples which were mentioned (appendix 4) relate to the reimbursement and pricing of medicines. In some countries the prices are higher and the debate about reimbursement is taking place in many countries. The pharmaceutical industry should prevent that it is perceived as only focused on profit and increasing shareholder value.

Another topic which was raised by some of the respondents is whether the company should be focused on its shareholders and create value and profit for its shareholders only or if there should be focus on social responsibilities the company has in society (appendix 4). One of the respondents quoted Friedman (1970) with “the business of business is to make money” and mentioned that it should be a dual responsibility also focusing on corporate citizenship, another respondent mentioned that companies potentially could participate in corporate social responsibility because other companies are doing this as well and it is not good being perceived as only business driven. There were other respondents who were of opinion that Astellas has a more long term vision and is not focused only on short term profit and

increasing shareholder value, but instead is focusing on other stakeholders as well and is developing when it comes to social responsibility and philanthropy.

Philanthropically, it is not clear based on the interviews if Astellas should do more or was doing less in the past as some of the respondents were stating. Another respondent mentioned that “*Astellas donates a lot of money to disasters in Japan and other countries*” while others are doubting where Astellas is high on the list when it comes down to CSR and philanthropy (appendix 4).

7 Conclusion & recommendations

7.1 Discussion

A relationship between global mindset and corporate citizenship was expected and is confirmed by the respondents in this thesis. However, during the interviews it was noticed that the respondents were more familiar with the topic of global mindset and less with the topic of corporate citizenship. This might be the result of the roles people have in the organization. In their daily tasks they might not be involved in corporate citizenship but they might have daily interaction with colleagues in various regions. The position in the organization might also have an impact on their knowledge about corporate citizenship. Executives and top managers might be more involved in determining the company CSR policies than managers on other levels in the organization. Although ten managers within different departments and on different levels in the organization were interviewed, it is difficult to arrange interviews with executives and top managers who might be more involved in corporate citizenship and CSR due to their busy time schedule and willingness to cooperate. Furthermore, the respondents received a brief introduction about the background of the interview and received the vignettes in advance, but nevertheless some of the respondents were insufficiently prepared and did not have the time to read the vignettes in advance. This could have influenced the results and in future research the importance of reading the vignettes in advance could be emphasized.

Pharmaceutical challenges

The reimbursement and pricing of medicines mentioned by some of the respondents reflects the current debate about the preference policy of the health insurance companies. This has changed market relations. Not only the influence of health insurance companies is changing, but also the number of hospitals that is co-operating and forming buying groups is increasing. The position of patient organizations is getting more important in the competitive healthcare market. The debate about reimbursement and pricing is an ethical topic which is closely related to CSR. Should pharmaceutical companies lower their prices in certain markets, societies or for certain patient groups? Should this be part of the CSR policy of companies? This would be a topic for future research.

Furthermore, pharmaceutical companies are facing two big challenges: The product portfolio should be balanced. Many products will be off patent during the coming years and there are less new products in the pipeline. Munos (2009) describes that since the 1950's about 1,222 new drugs have been approved by the Food and Drug Administration (FDA), while in 2008 only 21 new drugs were approved which is well below the level required to secure the future of the pharmaceutical industry. Companies also need to build new relationships with stakeholders due to the changes in the healthcare system. Health insurance companies, hospitals and patients are not only convinced by information about efficacy, safety and quality and regulators (health authorities) are putting in place more regulations.

These regulations and especially the differences in regulations between e.g. EMA, FDA and PMDA⁵ and other health authorities contribute to the differences between regions and countries which need to be overcome to create a global mindset and become a global citizen. Employees have different mindsets because they have to adhere to different regulations applicable to their region. US employees for example might be more focused on FDA regulations and less open towards requirements for the EMA and PMDA regulations.

How should Astellas and the pharmaceutical industry in general deal with these challenges? Without patents it would be impossible for pharmaceutical industry to drive innovation and develop new pharmaceutical entities. On the other hand pharmaceutical companies could contribute more to society in their efforts to become global corporate or global business citizens who take responsibility for society. What exactly pharmaceutical companies should do was not investigated in this research but would be a topic for future research.

From a philanthropic point of view it is not clear based on this research where Astellas is on the list of companies with regards to CSR activities. Astellas is not only focused on shareholders, but is focusing on other stakeholders as well and is developing when it comes to social responsibility and philanthropy. That there are opportunities to do more and that the pharmaceutical industry as a whole could do more with regards to CSR and taking more responsibility for society is a different debate. Astellas is committed to CSR based management according to the 2015 annual report but this has not been compared with other companies and would be a topic for future research.

7.2 Conclusion

Answering the main research question: *“What is the relationship between global mindset and global corporate citizenship and how do these concepts contribute to the globalization of a Japanese multinational pharmaceutical company?”*, there is a relationship between global mindset and global corporate citizenship and both concepts may contribute to the globalization of a Japanese multinational pharmaceutical company. What the relationship is between global mindset and global corporate citizenship can be explained based on the various topics identified in literature and observed during the interviews.

The mindsets according to Perlmutter (1969): ethnocentric, polycentric and geocentric can be linked to the four stages of citizenship (**table 7**). An ethnocentric mindset would correspond with a local/corporate citizen. A polycentric mindset would correspond with a corporate citizen and a geocentric mindset would correspond with a global or business citizen.

Table 7: mindset and the phases of citizenship

Mindset	Phase of citizenship
Ethnocentric	Local citizen/ corporate citizen
Polycentric	Corporate citizen
Geocentric	Global/ business citizen

The link between the phase of citizenship and the mindset described above is based on the answers provided by the respondents. Ethnocentricity was connected with local or corporate citizenship, but the

⁵ EMA European Medicine Agency, FDA US Food and Drug Administration, PMDA, Pharmaceuticals and Medical Devices Agency (Japan)

company in our case Astellas, did not yet have a global/geocentric mindset and did not yet reach the phase of a global or business citizen. A geocentric mindset would be needed to become a global or a business citizen.

Furthermore, it can be concluded that culture and mindset are important aspects which are needed for a company to become global corporate citizen or business citizen. First a global mindset or culture must be developed before the company can move from the stage of a local or corporate citizen to a global or business citizen. In addition the company should be focused on the outside instead of the inside and should be a visible entity to become a global or business citizen. A global mindset with a good understanding of the different cultures would facilitate this. The ethnocentric mindset which is present in the company limits the stickiness of knowledge within the company and in addition limits the development of a common language or lingua franca (Holden, 2002).

The combination between local responsiveness which is present in Astellas and the local/corporate citizenship shows that the relationship which was found in literature between these two concepts exist. The balance within the company is towards local responsiveness which can differ per region. This would match with the corporate citizen in which business is a responsible player in its local environment. The company is not yet in a stage of global or business citizenship where business is a responsible local and global actor. Therefore a global mindset should be developed. Astellas is heading towards becoming a more global actor, but the balance needs to be found. This would correspond with the “multidomestic strategy” described by Logsdon and wood (2002) in which local autonomy is balanced with high global consistency. Within Astellas there is a shift towards global consistency, but the balance between the both needs to be developed. In addition the presence of power tension influences the global mindset. The decision makers (top managers) where the power is localized need to have a global mindset themselves in order for the company to develop a global mindset.

Both culture and language are factors which influence the creation of a global mindset and becoming a global corporate or business citizen. Not only the Japanese culture which is present in the company but the other cultures as well play a role in this. Ritzer (2011) and Huntington (1996) describe that this can lead to respectively a homogenization of cultures or a clash of cultures. In the case of Astellas there should be awareness about this “*globalization enigma*” (Steers, Sanches-Runde, & Nardon, 2010) and this should be made explicit to in order to see the conflict which exists.

Furthermore, the lack of a common language (Lingua franca) is a barrier in the creation of a global mindset and culture and potentially may form a barrier for becoming a global citizen. In addition Japanese is a high context language (Holden, 2002) which conflicts with the languages in the other regions (EU, US) which are low context.

Building a global organizational structure and act upon it would be in line with the findings of Levy, Taylor, & Boyacigiller (2010) who indicated the importance of the presence of a global organizational culture for the development of a global mindset. The organizational structure of Astellas is developing to facilitate globalization. Astellas is gradually moving away from its legacy regionally oriented structure. The development of this organizational structure may contribute to the development of a global mindset and corporate citizenship.

Employees are all individuals first which originate from a certain country or culture with their own mindset and educational background. The majority primary feel Dutch, Japanese, American or whatever country

they originate from and not every employee can become a cosmopolite. It cannot be expected of every employee to become a global citizen with a global mindset. This corresponds with the local citizen in which the individual person can be seen as a citizen. The focus of the community is on the local community or national scope. There is a difference between the individual mindset and the company mindset. The individual perspective cannot be ignored and not in every role a global mindset might be required.

Probably the best approach to create a global mindset and culture is not solely an individual approach or a strategy focusing on creating diversity in the organization, but a combination between the two is described as the most ideal situation. In both theories of global mindset and corporate citizenship this balance between the individual and the company or society is present.

Both global mindset and corporate citizenship are needed to become a successful global company.

What comes first, a global mindset or corporate citizenship? Based on the data gathered during this research it can be concluded that companies should first focus on the inside and build a global culture and mindset before focusing on the outside and move from a corporate citizen to a global citizen or business citizen.

7.3 How to get there

Part of the research question is how the concepts of global mindset and global corporate citizenship can contribute to the globalization of Astellas. What should Astellas do to become a global citizen with a global mindset? The presence of the Japanese culture and the awareness of cultural differences in combination with the lack of a common language (lingua franca) are factors which affect the creation of a global mindset and corporate citizenship.

As mentioned during the interviews Astellas should first focus on the inside and the creation of a global mindset and global organizational structure. Having a global mindset and a well-organized global organizational structure are prerequisites for a becoming a global citizen. Currently, ambassador programs exist in which mainly Japanese employees are sent to oversee locations. This exchange should happen in both directions and the frequency should increase. Since not for every role it is relevant that a global mindset is present, a strategy should be developed to select employees for ambassador programs.

On an individual level more awareness should be created for cultural differences. Cultural awareness training should be made available for all employees and more awareness and understanding of the Japanese culture should be developed. Especially the understanding of the Japanese culture was perceived as difficult by the respondents. Employees should explicitly be made aware of the cultural differences and presence of the Japanese culture and how to best deal with this. The Japanese employees should also develop a better understanding of the other cultures.

Since speaking English is a problem for many Japanese employees, additional training and education could be provided and a requirement for new Japanese colleagues who join the company might be that they speak English at a certain degree. A more diverse organization could be created where needed. On critical positions and within departments which have to operate globally the team should be diverse and consist of employees with different cultural backgrounds. Finally, the presence of the “three silo’s” which are the three former regions (JP, EU and US) is limiting Astellas to become a global company. More transparency between the regions should be created. The organizational structure within Astellas could be adjusted to better support a global operating model.

7.4 Limitations

This research was performed in one company (due to time and resource limitations), Astellas Pharma, the company I work for. Astellas might not be a good example of a company which has a strong global mindset nor might it be a good example of a company which is a global corporate citizen or business citizen with a strong identity. In addition Astellas is a pharmaceutical company representing only one branch and it is a Japanese company with a strong presence of the Japanese culture. On the other hand a lot can be learned from cases in which the company is developing a certain skill. It might not be an excellent example of a global company but Astellas is becoming a global company and creating a global mindset and culture. The conclusions drawn from this research might only be relevant for Astellas or comparable companies in the pharmaceutical industry and cannot be applied to the general population.

7.5 Recommendations

As a result of this thesis some recommendations can be made. Concerning the design it is advisable to take a bigger sample size and include multiple companies from different branches to exclude the potential Astellas related effects or effects from the pharmaceutical industry. In addition a quantitative approach could be taken to further investigate the relationship based on large sample survey data.

Although Astellas might not be representative for the pharmaceutical industry or for multinational companies in general due to the Japanese culture. As a sample case it is interesting since Astellas is developing from a regional operating model to a global operating model. In future research it might be interesting to include both companies which have a strong global mindset and a global footprint and companies who are developing this mindset and footprint and make a comparison.

The concept of global mindset was well understood by the respondents but respondents had less associations with the concept of corporate citizenship. In future research more focus could be applied to the concept of corporate citizenship and the different stages of citizenship. Approaching the situation from the corporate citizenship side may further strengthen the relationship between the two concepts. In addition to approaching the situation more from the corporate citizenship side, more focus could be applied to the specific pharmaceutical challenges for pharmaceutical companies with regards to CSR.

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9 Appendix 1: List of respondents

Respondent	Function title	Region
1	General Manager	EU
2	Vice President	EU
3	Associate Director	EU
4	Sr. Director	EU
5	Sr. Director	USA
6	Vice President	EU
7	Associate Director	Japan
8	Sr. Director	USA
9	Ex. Director	Japan
10	Sr. Director	USA

10 Appendix 2: Vignettes

Interview topics

Global Mindset

The success of a company according to Gupta & Govindarajan (2002) is determined by the intelligence of a company in observing and explaining what is happening in its environment. Having a global mindset is of key importance in developing this intelligence.

The idea of a global mindset originates from the cognitive psychology and the organizational theory. It is about the way people perceive and interact with the world around them.

According to Gupta & Govindarajan a global mindset is:

“A mindset that combines an openness to and awareness of diversity across cultures and markets with a propensity and ability to synthesize across this diversity”.

People are limited in receiving and processing information. Incoming data from the external environment is filtered by our brain (cognitive filters). Our mindset develops over time and this is an iterative process.

1. Does Astellas have a mindset?

Cosmopolitanism

An important concept within the global mindset theory is cosmopolitanism. Perlmutter (1969) was the first to describe the cosmopolitan perspective in business literature. At that time the importance of a global mindset was described in relation with global executives.

Cosmopolitanism can be described as:

“Willingness to engage with the other... openness towards divergent cultural experiences, a search for contrasts rather than uniformity” (Hannerz, 1996)

“The word cosmopolitan immediately evokes the image of a privileged person: someone who can claim to be a citizen of the world” (Robbins, 1992).

“Cosmopolitanism does not denote an intrinsic value, but represents a state of mind that is manifested as oriented towards the outside, the other, and which seeks to reconcile the global with the local and mediate between familiar and foreign” (Levy, Beechler, Taylor, & Boyacigiller, 2007)

Perlmutter described three major mindsets for managing a global company which he which he called **“ethnocentric”** (home country orientation), **“polycentric”** (host country orientation) and **“geocentric”** (global orientation).

2. What do you think is the nature of Astellas?

3. Which role do you think would cosmopolitanism plays in this?

Creation of a mindset

According to Gupta & Govindarajan: “Companies can create a global mindset and cultivate exposure to and increase knowledge of diverse cultures and markets in two ways: (1) The knowledge can be built at the level of an individual and (2) build diversity in the composition of the people making up the company.”

4. What do you think is the way to create a global mindset in our company?

Global consistency vs. local responsiveness

Begley & Boyd (2003) describe two forces which should be balanced in a company to achieve global success. These are global consistency and local responsiveness. Companies that favor global consistency are looking for cost advantage by creating world scale systems. Companies that favor local responsiveness choose for adjusting to country differences by allowing local autonomy. There is no one type solution. Companies must balance between these two forces.

5. How would you describe the balance between global consistency and local responsiveness within Astellas?

In addition Begley & Boyd identified three tensions; the “structure”, “process” and “power tension”. Structural tension is the relation between rules and guidelines. Process tension is the relation between uniformity and uniqueness. Power tension describes the relation between where the power is localized and the level of decision making.

6. How do you recognize this within Astellas?

Corporate Citizenship

Corporate citizenship is originating from the concept of corporate social responsibility (CSR). Companies should take responsibility for the environment, welfare of people and for society. According to Carroll's (1979) CSR model there are four responsibilities for a company: an *economic responsibility*, a *legal responsibility*, an *ethical responsibility* and a *philanthropic responsibility*.

According to Matten & Crane (2005) there are a few definitions of citizenship, one is that citizenship "implies membership in a bounded political community" (Hettne, 2000). The other is that companies are "legal entities with rights and duties, in effect 'citizens' of states in which they operate" (Marsden, 2000), (Seitz, 2002). According to Wood & Logsdon (2001) companies participate in corporate citizenship not only because they have the rights of individual citizens, but as a strong communal player they can respect the individual rights of citizens.

Corporate citizenship creates a stable and predictable environment (Logsdon & Wood, 2002) which companies prefer doing business in. It will also enable companies to be more adaptable to changing social, political, technological and economic conditions. This will bring companies also social benefits next to the economic benefits of doing business which companies usually pursue.

7. Do you think Astellas is a corporate citizen?

Four states of citizenship

Logsdon & Wood (2002) have created a model with four states of citizenship. The first state they describe is **The Local Citizen** in which an individual person is seen as a citizen within the local community or national scope. **Key issues** in this state are the relationship of the person to the state; rights & duties of citizens, including fundamental civil liberties, national and cultural identity.

The second state is **The Corporate Citizen** in which the business organization is seen as a citizen within the local community or national scope. **Key issues** here are that business is a responsible player in its local environments. Emphasis on voluntarism and charity, as well as the organization's rights and duties in and for the community. The organizational identity reflects the culture.

The third state is **The Global Citizen** in which the individual person is seen as a citizen within a global or universal scope. **Key issues** here are common humanity, interdependence, universalism grounded in a few key rules or laws. Based upon philosophical ideas and social/institutional realities.

The fourth state is **The Business Citizen** in which the business organization is seen as a citizen within a global or universal scope. **Key issues** here are that business is a responsible local and global actor. Emphasis on the organization's rights and duties to individuals and to societies within and across national/cultural borders. There is a need for analysis of universal norms and "moral free space". In this stage there is more freedom for companies and more responsibility. Many companies want this stage because there is a stable and predictable business environment in which they operate.

According to Logsdon and Wood there are three transitions:

1. From a local citizen to a corporate citizen
2. From a local citizen to a global citizen
3. From a corporate citizen to a business citizen

8. Which state of citizenship would according to your knowledge best describe the situation at Astellas?

9. How do you think Astellas could best become a global business citizen?
10. What role do you think culture plays in the process of Astellas becoming a global business citizen?

Globalization

11. How do you think global mindset and global corporate citizenship contribute to the globalization of Astellas?

11 Appendix 3: Example of a transcript

Interview 12-May 2016	
Aantal minuten:	51
Aantal sprekers:	2
Taal:	Engels

Interview starts at 0:00:07

SP2: [Introduction was left out to keep the interview anonymous]

SP1: Okay that's good. So the first thing I wanted to discuss is about global mindset and there are two authors which I have referred to here who came up with a definition of global mindset. Global mindset is really about openness and awareness to diversity across cultures and I was just wondering what your opinion about the mindset within Astellas is. Does Astellas have a mindset?

SP2: Yeah. I thought that was very intriguing. If you read that question literally it says really does the company as an entity have a global mindset. But companies are made up of individuals, made up of people, so my answer is two part; some people yes, very much. I work totally in a global footprint while I try to think globally all the time. But we have people here that for example like people up on 6th floor in your building that are Netherland affiliate on the market – they think the Netherlands, they think domestic. I think there are a lot of people here in the US, in every country, who really have a domestic region [ph 0:06:12] and think domestically but then as a company, yes overall I think we are becoming more and more global, we are adopting more and more of a global mindset but I don't think we are there yet, we are heading in that direction. Some of us I will say yes for sure, others no. But as a company we are going there; we are headed there.

SP1: Okay. What would be the limiting factors? We are not there yet – what do you need to do to get there?

SP2: I don't think it's any limiting factors how one shapes their thinking but how one enacts their thinking or how that thinking manifests into action. I think that's limited by the job that you are asked to do. Maybe just use people upstairs in your building, if they are responsible for sales numbers in the Netherlands, they frankly care about sales numbers in another country but since they are not responsible for them frankly they don't care that much. They care about making their sales quota, whatever is singled to them for that particular country. I think to degree it is the job we ask people to do, piece of work we ask people to be responsible for. In case of medical development in your case and my case my team supports only medical development. We live in a global world. You are supporting something going on today as we speak in Croatia several countries away from you. Not at all Netherlands, very different country, culture, language – everything but you and your team are supporting that. I will say we in medical development definitely have a global mindset that's what we've been asked to do. When I talk and ask questions on XX systems, XX matters he wants one way to do various XX processes as much as possible around the world. He doesn't want to have him or his leaders doing three different

systems do the same thing. We in XX, people in finance, people in IT or all the different support departments need to understand that because there are functions like M&D who have become global we need to help them become global. A lot of our support functions like IT and HR and finance are still regional. They still report to regional center head and their primary remit is regional so it's always reminding them that M&D is not regional. M&D sits in the region but they are not regional organization, they are global organization.

SP1: If I understand you correctly, it depends where you are in organization and what your job you are asked to do.

SP2: I think so, yes. Intellectually, people understand the idea that we are becoming global and what the global mindset it but they don't practice it every day because they are not required to. I think we will get there.

SP1: I fully agree. I think it's just a matter of time and something which is related to this is the term introduced I believe by Perlmutter and its called Cosmopolitanism – really being a citizen of the world and being open to cultural differences. Perlmutter also introduced three terms – ethnocentric, polycentric and geocentric. What do you think its nature of Astellas in that aspect?

SP2: I don't get the impression that we are polycentric. I guess some people are. For example, you've got a lot of Japanese expats that sit in Miraihouse. For a time being while they are sitting there, depending on the job they are doing – if they are working M&D, they probably have more of geocentric focus but if they are working in more of support services department they may be much more polycentric helping crunch the numbers in finance if that's their job. Ultimately those expats know in three years or five years they are going to their home country so I think in the end first and foremost they are ethnocentric. I think most of us as people are probably first ethnocentric. I think probably our first inclination or our default behavior is probably first ethnocentric but then I think it comes down to what is special about mindset is what is your job. My nature and my team in medical development is really geocentric. Now there are occasionally I would say regulatory people they have to make filings in individual country but they are still doing that when a geocentric mindset or geocentric nature first. I don't know if that makes sense but that's what I was thinking.

SP1: I think it's quite interesting to see in that way that every person in basis is ethnocentric behaving on home country orientation and based on role and position in your organization or where you have been in Japan or US that you can become poly or geocentric I think that's the quite interesting approach.

SP2: We always hear people say “Americans are always such and such” or “The Dutch people are always doing this” or “Japanese people are always think this way” I think that goes back to that ethnocentric root. Again, the more we each learn about diversity of culture around the world and the styles of people around the world I think we become more and more geocentric in our cognitive factions as we consciously think about it. What I find too is that they work with my either German, Dutch, Japanese colleagues I find the more we work tougher on a team and as a team

the more and more that the country orientation falls away or disappears than the differences become just the simple differences of people. Each person is different. Each person has its likes and dislikes and styles and characters and it becomes less and less about “That’s how the Dutch are” or “That’s how the Japanese are” or “That’s how the Americans are” and becomes more about “That’s how just John is” or “That’s just how Marry is” much more of a person focus difference. If that’s the case I think we’ve become more geocentric, more ignoring country boundaries and just thinking about organization as a whole.

SP1: That more or less relates to my next question and it’s about creation of a mindset. Basically there are two ways in which you can create a global mindset. One is to put all this knowledge about different cultures into the individual and the other is build diversity in composition or teams and people working together. What do you think is the best way to create a global mindset in a company?

SP2: I'm not sure there is the best way. I think it’s a different collection of ways. One is a lot of what you are seeing and hearing right now in Astellas is about the Astellas way which is really cultural statement. Not a cultural statement about counties but a cultural company. One caught in a whole notion of what you hear a lot now about One Astellas. That phrase and thinking behind One Astellas is really global mindset. When I started here ten years ago we didn’t have globalized medial development R&D function we had one in Leiden independent of the one in the US which is also independent of the one in Japan and sometimes we worked at odds with each other and now I did not cooperate but were in competition with each other or sometimes even clash with each other. Where’s now we have one global medical development organization under one set of leadership, one set of marching orders, all pooling in the same direction. Again, that’s one Astellas way of thinking. One Astellas was very aspirational it will take a while to truly become One Astellas but if we don’t put out a big goal to strive for, if the orange men say we don’t really care about winning the world cup we just want to play the football they won’t even make the world cup cutoff. You have to think you are going to win a world cup or European cup, you can’t set your goals low, you have to set your goals at the championship level. I think that’s what One Astellas is championship level type of goal to strive for.

SP1: One ambitions global goal.

SP2: That’s what One Astellas really is. Company way of saying global mindset.

SP1: Do you think they fall under first category like to build this goal into this individual or is Astellas also doing something to build maybe the diversity in entities and hiring people with different backgrounds to create this culture in a different way?

SP2: We are trying to do that both in the US as well in medical development and to some degree you just have it inherently built in within the Netherlands where there are 20 or 25 different nationalities represented in the workforce in the Netherlands so despite the very nature of the workforce you are bringing lots of different ways of thinking into the Mirai House. To a lesser degree we have here in the US people from many different counties, not as many as in Mirai

House but traditionally were we think about diversity in the US we think about either black people, white people, Asian people, Spanish people, men or women but we also try to look for diversity of thoughts, diversity of experiences, people who will challenge the status quo; Not just go along while still fitting in with our culture. Building that is tricky but something you have to focus on, can't just take it for granted and just think it will happen you have to crash and make it happen.

SP1: It's really diversity in a broader sense and also if I understand it correctly proactively building this diversity?

SP2: Yes.

SP1: Okay. There is also other article it's from Begley and Boyd and they describe a couple of forces which they think play role in development of a global mindset. The first force they describe is the balance between global consistency and local responsiveness. How would you describe this balance within the Astellas?

SP2: When it comes to our medicines that we develop and produce we do manufacture in different places around the world but we do ship to different places around the world I think from an actual manufacturing of our medicine we strive for maximize world scale system on a global consistency scale. When it comes to selling of those medicines we are high on local responsiveness we encourage local autonomy. In terms of actual delivery of our products, medicine helping patients. When it comes in to different functional areas like HR department or IT department then it's we are starting to move up global consistency continuum but we are maybe on a third of the way up. When it comes to local responsiveness we have traditionally been very high and we are starting to go down that continuum to become more global and more extortive of those things. There is that old saying "Think globally but act locally" we heard that for years and years. In not sure I agree with that view.

SP1: I think this is exactly what this definition is about. Some procedures and things within the company really need to be global like global policies and global systems but in a knee depth there needs to be some local flexibility; just local regulations, local needs, and this needs to be balanced for the mindset.

SP2: That is definitely true for the XX. In XX we do strive, especially my teams I work with that support M&D we came up with our own statements of mission. We state that we strive for constancy and alignment of velocity systems and processes that enable us to support the business to achieve their end game. We picked the words carefully. We strive for consistency because in our world of HR there are very different labor laws. We can easily fire somebody, terminate their employment in the US, that is much more difficult in Netherlands. In Netherlands you have employment contract, here we don't have employment contracts. Here we are employees at will. my boss doesn't need a good valid reason to fire me but she might say "You are fired" We have some protection scenarios but not to a degree that there is in the Netherlands. While we do strive to have different processes local system, local philosophies we do try to respect different counties

labor laws. You have a works council in the Netherlands, also Germany also France, we have such a thing here. If we want to reorganize department here we just do it. We just try to do it properly with good communication and so forth but we don't have to go to a work council to request for advisor permission. We have to respect that in Germany, Netherlands, France etcetera. To some degree we do think globally and act locally.

SP1: I think it's really good example of this. One final question about this topic about global mindset. Another thing Begley and Boyd describe is that they have identified three tensions. They have identified structure, process and power tension. Is this also something that you recognize within Astellas?

SP2: Could you say that again please?

SP1: Structural tension is relation between the rules and guidelines. Process tension is relation between uniformity and uniqueness. Power tension that describes relation between where the power is localized and the level of decision making.

SP2: I'm looking at your power point file – is that in here?

SP1: No. I also sent you word file with questions.

SP2: I must have missed it there.

SP1: We can skip it for now.

SP2: I don't have thoughts prepared on that one.

SP1: That's fine. The other topic is about corporate citizenship and I'm not sure if I need to explain a little bit more about corporate citizenship? Basically it's based on corporate social responsibility and nowadays many companies have included this in annual report and I believe in our annual report in 2014 CEO Mr. Hatanaka-san had said that Astellas wants to be a very valued corporate citizen. What is your opinion on this?

SP2: Coincidentally just yesterday here in Northbrook we had a corporate social responsibility or CSR day where we had lots of different charities in with displays and tables and then in the afternoon we had a town hall meeting where couple of them presented. Actually very proud moment to hear about all the volunteer hours that employees have given over the past year and to hear about some of the different money that company or the employees have donated to different charities. We are all in area of helping people lead better more healthy lives or respond to different natural disasters like earthquakes or tornados. I think that's one of things that people here in Northbrook at least really like about working for Astellas is the nature of giving back to the community. I think a lot of us work in this business and this pharmaceutical business and because of the nature of wanting to help others, helping people. When I first entered pharmaceutical industry 20 years ago I asked one of medics that I worked with "Why did you leave

your medical practice where you helped patients every day to come to work to develop medicine and not really deal with patients?” His answer was “Because when I develop medicine I help tens of thousands of people instantly every day.” He was really looking what’s the greater good what he can provide and I think a lot of us we are uniform in that service oriented mentality. Doesn’t hurt that it pays well, honestly, but below that is the idea that working in the service oriented industry that provides help to others. Again, that’s mindset of corporate social responsibility we have been very fortunate to be successful so I think Astellas thinking is it’s our responsibility to give back a little bit to the communities that we work in, to the communities that we live in and I’m proud of that; I’m proud that we do that.

SP1: That its really something that is really nice and also very good for Astellas. If you would compare Astellas with other companies that you worked for – are we doing better, are we better, different in CSR? Are we doing more?

SP2: I think better. We actually have a phrase Corporate Social Responsibility. It’s in our annual report, it’s in our website, it’s very front of mind for company and for people. I think we do better than most and I think that’s something that helps attract employees here and help to retain employees here is that people feel proud that we are a company that for example in the US we give people up to five days of paid time off to volunteer at some local charity. Doesn’t count against your vacation but if I want to take all next week to go do some charity work with Red Cross or some other charitable organization I can do that and not worry about my job or getting paid. I have those five days every year that I can take and support local cause and everybody has that ability to do that.

SP1: Five days is indeed a lot of you compare it with other companies.

SP2: Yesterday in our CSR town hall I’m sitting next to women, they were showing some slides of what people have done this year and she leaned over and said “Next year I’m going to be up there” I said “What do you mean?” she goes “My sister and I are working on a project to build bathrooms.” I found this really intriguing. I said “What do you mean?” she said “In some South East Asian countries away from the cities people don’t have bathroom so they go out into the fields or into the woods to go to the bathroom. There has been really high incident of women being raped or attacked while going to the bathroom in the field or woods somewhere.” She and her sister are going to start a project, raise money, go to these countries and start building bathrooms because that will first of all provide sanitary way of taking care of our waste and also protect from getting molested or raped. Who would have thought of that?

SP1: Nice initiative and it’s not something you are thinking about.

SP2: I think a lot of our people think. We are going to give her five days to devote to do that, she can take personal vacation time if she wants as well, at least five of those days she’ll have with our support and who knows she may write a proposal and actually get a money donation as well – who knows? It’s just illustration on how people think and I think that’s sort of Astellas way of thinking.

SP1: That's really nice.

SP2: I've got a name for you. One of the colleagues that used to work here is moved away since, you might want to do a little research on him and maybe see if you can find his name if you look on LinkedIn for example or just some of the research databases. He did a PhD in organizational development and his dissertation was on global mindset.

SP1: That's interesting.

SP2: His first name.....

SP1: I will do some research. It will be very interesting to speak to him or to contact him.

SP2: He lives in Chicago area I'm not sure exactly where. He also lived for a number of years in Japan. He's actually fluent in Japanese as well as obviously English. His PhD dissertation was in global mindset so he might be able to provide some data. Maybe you can even find his dissertation online. I know there are dissertation databases out there. It's probably from about ten years ago.

SP1: I will definitely try to contact him or look him up. Thank you for this.

SP2: You are welcome.

SP1: There are two authors called Lockton and Booth and they have identified four stages of citizenship. The first stage is the local citizen really the individual that's part of the local community and it's about national scope, then there is the corporate citizen, the global citizen and the business citizen. Which states would according to your knowledge best describe situation at Astellas? That's another interesting concept as well – Organizations can be citizens as well.

SP2: Right. I think traditionally the business has always been business in the business the first thing you learn in your MBA degree the business of business is to make money. The business of business is to make a return and dividends for shareholders and stockholders. When people always ask me why are your medicines so expensive we are for profit business, we have shareholders that we have to return money to they invested. To be successful as a corporate citizen we have to be successful as a business citizen. I think we need to have dual focus. One foot in that business area and other foot in corporate citizenship area. You can't do one without the other. If you are not a good corporate citizen I don't think you will be successful in the business or vice versa. When it comes to individual it really comes back to the notion we talked about that mindset how you are citizen of the globe or the citizen of locality. I think I am really just repeating what we said earlier I think it depends on partly on your job.

SP1: That is also the reason I'm investigating this, because I think that there is some kind of relationship between citizenship and mindset.

SP2: Yes, which comes first? Citizenship drives mindset or does mindset drive citizenship?

SP1: What do you think?

SP2: I was afraid you'd ask that. I think citizenship comes first. I think we are born in certain country or certain locality but typically there are exceptions where people are raised to be Dutch or they are raised to be American or they are raised to be British. I think that's first default thinking or behavior. Then the person grows and matures and expands their thinking, some people expand their thinking many don't, I think the mentality is more globally. I think that is result of my education and my job frankly. If I change job tomorrow we have a very big insurance company across the street from us, if I went there tomorrow and my responsibility was human resources for the Chicago area my thinking would become much more local. I don't think it would take that job because I really like who I am now as more and more a global thinking person. If I were to take other job someplace in some company, I think I'd have to have global region I don't think I would take domestic only job. It gets under your skin, gets into your blood sort of speak.

SP1: You get used to it, addicted to it maybe.

SP2: It's addictive, yes.

SP1: Of the time I have been working in the pharmaceutical industry it's always global, always working with colleagues from different countries, different cultures and I also cannot imagine that would change and you would only have a local role.

SP2: I had many local roles. Its only here that I really become much more global. I guess you can teach old dog new tricks.

SP1: Speaking about global and about world is changing and we as a company do much to become global so do you think that is to concepts like global mindset and corporate citizenship do they contribute to the globalization or Astellas?

SP2: Yes. I think Astellas has to really even just for own survival as a company we need to become much more global in the way we do things. There are opportunities to save money by steeling global footprint and eliminating redundancies or processes and timelines by doing things different ways. I think frankly its good business you can make a strong business case around thinking and acting globally. That is the footprint of your business. When I first came to Astellas I described us as more of a multinational company. We have businesses in many different countries so we weren't really global company we were multinational company. Like I said earlier R&D in this country often had competed with R&D in Netherlands or R&D in Japan. I think that's for the most part gone away. Not only in R&D but across company. We are not so actively competing with each other but we are not quite yet One Astellas that have a way of doing that. I think we now have a focus and a direction and aspiration to achieve with a whole notion of One Astellas.

SP1: I think that's an interesting concept and also what you mentioned a difference between multinational company and being a global company.

SP2: I tend to think of it of being different. I'm not sure what the literature would say but that's just my own way of thinking. I tend to think of it as we lead it but different companies.

SP1: I think in literature both terms are used, both global companies and multinational companies but it's interesting to look at it.

SP2: I would argue that they are not synonyms; I would argue that they are related but they are not the same. That's just the personal opinion.

SP1: I think I have asked all my questions.

SP2: Thanks for the opportunity.

SP1: I would like to thank you very much for your input and sharing all your thoughts with me and I think this was very nice interview.

SP2: My pleasure. Good luck with your thesis.

SP1: Thank you.

12 Appendix 4: Supporting quotes from the interviews

Overview of quotes per topic described in the results section

1 Cosmopolitanism and corporate citizenship

Astellas is developing a mindset although it is not yet a fully developed global mindset:

“So therefore my conclusion would be that Astellas has very limited insight into what’s going on a global level and that’s what I experience almost every day. Almost every 6 months, somebody in some department in the headquarters is making certain decisions which would basically kill my whole affiliate”

“I would score Astellas very low when it comes to having the global mindset and in understanding what’s really going on and how certain decisions will influence the business outside Europe, US and Japan.”

“Als je zegt alleen mindset, ja. Is het echt een volledige global mindset? Zo kun je het niet altijd lezen, maar ik denk wel dat het support heeft.”

“Yes, Astellas may have some mindset. It depends on the regions. Astellas in Japan has a mindset and also other region may have mindset, I feel that and currently, it’s not one mindset. Every Astellas has some mindset. It’s depending on the culture or region.”

2 Cosmopolitanism

The respondents mentioned that cosmopolitanism plays a role in this either as a lack of cosmopolitanism or as something which is currently being developed in the company and something people need to be more aware of:

“I think the lack of cosmopolitanism plays a role.”

“So I think you kind of believe sort of where you are coming from, how you are sort of raised, how you are socialized. You can be mindful of that and take that into consideration when trying to achieve things but yeah, it should be open. Is that under cosmopolitanism, then yeah.”

“I think Japanese colleague is aware of those differences. I think they are trying to understand other people now. Whenever they don’t want to walk with other regions, they are trying to get familiar to other people in other regions.”

“Absolutely, I think in order to interface, communicate, and understand; and move projects forward. I think being smooth, you need that outward facing understanding the differences of cultures, the way you may be perceived or the way you perceive others. So you have to understand the world and I think in Astellas, it does a good job in orientation programs.”

3 Three different regions

Astellas is not yet a global company and it is difficult to understand the other regions:

“Ik zie nog te veel culturele verschillen en ook cultureel onbegrip tussen de verschillende regio’s. Natuurlijk het meest tussen het Westen en Japan. Dus US, EU en Japan. Ja, ik denk dat we met zoveel verschillende culturen werken dat ik vaak toch wel denk dat ik zie dat er onbegrip is voor waarom er in een andere cultuur of regio dingen worden besloten of georganiseerd door die andere regio.”

“In our leadership team meeting where we have the Dutch, German and then US and Japan are also present. I also observe situations where clearly the other regions or the individuals from the other regions are not understood or cannot get their message through. So I think it’s not a lack of willingness but it’s not easy to work across cultures and always understand what the intentions are.”

“Wij zijn wel all globally present, maar nog niet als één geïntegreerd bedrijf. Meer als oorspronkelijk regionaal georiënteerde organisatie die nu meer gaan opereren als een global company. In die zin denk ik dat wij daarin wat achterlopen ten opzichte van andere major companies, maar dat is ook logisch, denk ik, gezien de groei en de ontwikkeling van ons bedrijf.”

4 Mindset and citizenship

The majority of the respondents mentioned that Astellas is between an ethnocentric or polycentric mindset or mentioned that Astellas has an ethnocentric or polycentric mindset:

“With that, I think Astellas may be polycentric type company because I think Astellas is trying to be a geocentric one but currently for example in one of the organizations, there’s global organization which tends to be led by US or EU that means non-Japanese colleagues. It’s my impression. On the other hand, in one of the organizations in Japan has their own culture or procedure. So, at least there are two centers: Japan and non-Japan. I’m not sure if we can get together with the EU and the US but in that context, Japan and non-Japan are.”

“Not sure. Ethnocentric – at home country orientation, versus Polycentric –host country orientation. So there’s a little bit of Ethnocentricity in this occasion. It’s a company as a whole. Ethnocentric.... I would say the Japanese culture is predominant feature in this corporate culture. It’s a holy embrace, it’s a gentle approach, slow approach.”

“I don’t get the impression that we are polycentric. I guess some people are. For example, you’ve got a lot of Japanese expats that sit in Miraihouse. For a time being while they are sitting there, depending on the job they are doing – if they are working M&D, they probably have more of geocentric focus but if they are working in more of support services department they may be much more polycentric helping crunch the numbers in finance if that’s their job. Ultimately those expats know in three years or five years they are going to their home country so I think in the end first and foremost they are ethnocentric. I think most of us as people are probably first ethnocentric. I think probably our first inclination or our default behavior is probably first ethnocentric but then I think it comes down to what is special about mindset is what is your job.”

“between ethnocentric and polycentric’. We willen wel geocentric zijn, maar dat is weer in woorden en mission statements, maar qua gedrag, beslissingen en hoe het geregeld is: ethnocentric and polycentric, of daartussenin.”

5 Individual vs. Global mindset

Some of the respondents mentioned that there is a difference between the individual mindset and the company mindset:

“Yeah. I thought that was very intriguing. If you read that question literally it says really does the company as an entity have a global mindset. But companies are made up of individuals, made up of people, so my answer is two part; some people yes, very much. I work totally in a global footprint while I try to think globally all the time. But we have people here that for example like people up on 6th floor in your building that are Netherland affiliate on the market – they think the Netherlands, they think domestic.”

“Yeah I think but it is also difficult due to human nature so to speak. I mean you can try to establish things like the one Astellas or other companies are doing similar things but on the other hand, I think we are all individuals. So we all have our other life outside the company. We are dependent on our salary. So it is not completely there. We can sort of eliminate all of these thoughts because I mean we can't expect someone to say, oh that's great for the company that I've been laid off because the company saves a lot of money when I am gone. I mean there is always a personal perspective that sort of has an effect over the individuals.”

6 The creation of a mindset and citizenship

All of the respondents mentioned that one should build diversity in the organization and the majority of the respondents answered that one would need to do both, build a diverse culture and create individual awareness:

“Daar zit de zwijgdiversiteit. Dus eigenlijk zou je daar ook... Het is natuurlijk moeilijker. Maar toch meer ambassadorship programma's. Ja, het is wel heel duur, maar ik denk dat als je daar vijf mensen naartoe verscheept, dat de hele afdeling dan meer leert dan dat je hier af en toe mensen naar toe laat komen. Dus dat zou helpen. Dus meer mensen naar Japan. Amerika, Europa, zijn hele diverse: er worden hier op de afdeling 50 talen gesproken ofzo, ik weet niet hoeveel, maar heel veel.” “Ik heb ook heel veel geleerd van die cultural awareness programma, toen viel het kwartje,...”

“I think the first is very important. The individuals need to be knowledgeable about what it means to be global and what the cultural differences are and that's linked into the global mindset discussion that we've had earlier, the awareness of the cultural differences and what it means ideally and I think the Japanese are doing that probably partly with that intention to send people abroad and to send people to the other regions and have them work there for a while but also they are accepting these – what do we call them, ambassadors into Japan probably just in order to achieve that which is a very good step but I think it helps. So the second one is helpful but taken in isolation and I've seen some examples in the past, taken in isolation, you will always have in any country where you have an office, you will with a certain likelihood if you don't go to Luxembourg or a small country like that, you will always have a majority of staff or at least an important part from the host country and you will always then have a perception that how they behave, how they act is normal and everything that is different is strange and I personally experienced quite a couple of situations I've had.”

“Ik denk dat beiden belangrijk zijn. Er zit vaak heel veel misverstand, onbegrip op basis van het feit dat onvoldoende informatie beschikbaar is bij mensen. Ik denk dat sowieso kritisch is, één. Maar ik denk je het met één alleen niet redt. Mensen blijven voor een groot gedeelte onderdeel van hun eigen cultuur en hun eigen heritage. Dus is ook niet verkeerd. Ik denk dat er maar een heel beperkt aantal mensen in die cultuur dat gaan overstijgen. Ik denk dat een groot gedeelte van die mensen daarin blijven hangen en zich meer Nederlander, of misschien zelf Brabander, voelen bij wijze van spreken, ten opzichte van een Europeaan of een global citizen. Ik denk dat één kritisch is om in ieder geval een openheid te creëren en begrip te creëren. Alleen ik denk dat je het daar alleen niet mee redt. Ik denk dat het tweede aspect absoluut kritisch is en zeker voor bedrijven zoals wij betekent dat expats, ambassador programs. Je ziet het voor een stuk, met name in de Europese organisatie waar ze al mensen van verschillende landen hebben. Ik denk dat dat hier soms makkelijker is dan in Amerika of Japan.”

“I'm not sure there is the best way. I think it's a different collection of ways. One is a lot of what you are seeing and hearing right now in Astellas is about the Astellas way which is really cultural statement. Not a cultural statement about countries but a cultural company.”

7 Global consistency vs. local responsiveness

The answers to this question were more diverse, but in summary it shows that there is a shift towards global consistency, which can differ per region or functional area, but it has to be balanced:

“I think there's a global shift. The shift is towards the global. I mean basically that's because they were autonomous regions and the affiliates and in that particular medical affairs for an example there are 500 people willing. Nobody knew for sure what and not anyone person knew what all 500 people were doing. It takes 2 or 3 years to organize those med-affairs on a global level.”

“Again there are those three silos. There is Japan, Asia, Europe and the US and I think for your analysis, you might even think about saying Astellas is not one company, Astellas is three companies or even four because the different regions, they are different in what and how they do it. So I think at least before we had our management change in Europe, the power was more localized. So the country which is the affiliate, they could basically do whatever they want as long as they deliver the numbers.”

“I think it is a bit shifted more at the moment still towards local responsiveness and I think depending on the area of responsibility, that maybe very much programmed for let's say as a marketing because then markets are different, people are different.”

8 Structure, process and power tension

The majority of the respondents put emphasis on power tension:

“Here it's a lot different but there is a lot of fighting in the background and a lot of the same wrestling background as well but it's not as obvious as you know in US company when someone says, go”

“What I perceive at the moment in Astellas is the power tension and I can still assume or my current assumption is that this is because of the quite recent restructuring. I still consider it was quite recent where some people got new areas of responsibilities and one cannot completely let loose of what they've done in the past and what they were responsible for in the past maybe also for the mistakes

or wrong decisions taken in the past or they may have ambitions that create additional tension because they in principle would want something different than what they have now and instead of working in the current framework, they work towards a different own goal. And then of course we have people who had to find their way in their new positions and then we had people who had ambitions in the past and were cut back and put into a completely different bucket who may accept that or may at least try to fight the perceived adversaries and by nature, I think anyway in a reorganization that there is some interfaces that we made and cleared and I think many have been cleared out recently. So I still think this is an improving situation but if any of the three were a problem at the moment, my personal assessment would be, it's the power tension."

"Mensen, zeker aan de top, willen korte lijnen hebben en het is gewoon makkelijker om te praten met mensen die om de hoek zitten, waar je even snel mee kan praten. Ik denk dat iets is wat te allen tijde ... Het is centralistisch om te denken natuurlijk, wat ook efficiënt is. Wat denk ik heel erg de global mindset tegenwerkt. Ik herken dat heel duidelijk binnen Astellas en ook bij andere bedrijven. Die denken, we zijn een global operating company, maar de power is gecentraliseerd in een beperkt aantal centra of landen."

"The power tension, that's very tricky because, I think we all deal with it because the power really is located in Japan but there's other power centers that we all struggle with, I think from one level to the next."

9 The four stages of citizenship

During the interviews it became clear that Astellas has an ethnocentric/polycentric mindset and according to most of the respondents Astellas is a corporate citizen:

"So therefore I think Astellas as we said is more maybe at – in my opinion more a corporate citizen and before it would become a business, I think it first needs to become a global one in the sense that it first creates a global mindset and a real global structure and culture and that will be really quite a difficult process."

"Want Astellas vind ik nog steeds een local citizen. Ze willen heel graag global, of corporate, ze willen dat andere heel graag zijn... Nee. Ik denk dat het nog steeds local citizen is. En ik denk dat het makkelijkst is om naar corporate citizen te gaan. Dus daarom zeg ik corporate, want dat lijkt me makkelijker. Global lijkt me te ver, te hoog gegrepen voor dit bedrijf."

"Ik denk dat we in een hele belangrijk mate in deze definitie wel gezien kunnen worden als een corporate citizen. Er zijn een aantal aspecten waar we in het verleden minder aandacht aan besteden. Ik denk dat we die criteria moeten begin, het filantropische wat minder deed in het begin. Niet zozeer heel (... 00:27:42) symbool, maar meer op economische legal and ethical responsibilities richten. Dat doen we nog steeds en steeds beter denk ik. Dat daar de intentie is, maar dat meer in ons gezicht naar buiten toe aan het doen zijn. Je ziet het ook in de campagne met CNN, in een aantal regionale campagnes, dat dat de afgelopen twee jaar meer benadrukt is. Ik zeg ja, maar dat is iets wat nog in ontwikkeling is. De hele maatschappij is in dit aspect aan het ontwikkelen dus de meetlat verandert bij wijze van spreken per maand in dit aspect."

"Astellas is sort of really making efforts in that direction to be a corporate citizen."

“Therefore for me, it’s first all the internal staff first become a global citizen and then maybe one day a business citizen but I think the whole Japanese culture and mindset is basically not really made for this. They are very much stick on their own culture and they are not really open to the outside world. So that will make it quite difficult.”

10 Globalization and culture

The majority of the respondents mentions that Astellas should first focus on the inside and create a global mindset and culture before Astellas can become a global or business citizen:

“We will continue to look at the inside maybe for another 2 years or even longer with all those things going on and that will not really help to become a global business citizen or at least a global citizen. So if you need to open up to the outside world and not be busy with yourself. Therefore for me, it’s first all the internal staff first become a global citizen and then maybe one day a business citizen but I think the whole Japanese culture and mindset is basically not really made for this. They are very much stick on their own culture and they are not really open to the outside world. So that will make it quite difficult.”

“Die moet doorbroken worden. Het moet een Astellas cultuur of een global cultuur worden. Dat is nu nog Japanse cultuur. En ik denk dat als je dat doet, dat de rest dan heel snel daar op in kan spelen. Maar wat ik zeg, dan gaan wij ook hun begrijpen, dan gaan we soepeler samenwerken, je gaat ook de goede dingen overnemen en de slechte laat je misschien vallen.”

“In dat opzicht denk ik dan dat het geen effect heeft op de globalization. Ik denk dat dat corporate citizenship, waar heeft dat effect op? Voor de werknemers is het wel een effect van soort van motivatie, ik werk voor een bedrijf dat veel goed doet, dat je werk misschien meer toegevoegde waarde heeft voor jezelf, intrinsieke motivatie. Maar ik weet niet of ik. Misschien is er wel bewijs voor dat dat effect kan hebben dat mensen zich globaler op gaan stellen. Maar wat ik zelf zie is veel simpeler. Alles wat buiten Astellas gebeurt, moet binnen Astellas veel meer kruisbestuiving plaatsvinden qua cultuur. Door letterlijk mensen aan te nemen uit andere culturen. Of van ons daarnaar toe vliegen, wat je wil.”

“Ik vind Astellas vooral intern gericht, omdat wij nog niet global zijn. Dus op die vraag heb ik nog wel een antwoord, we zijn... Dat bewijst al dat je met man en macht, global dit, global dat, drop the G, One Estellas. Men probeert heel erg global vanuit een corporate ding door te drukken. Terwijl je ondertussen gewoon meerdere... om het toch weer over die spanningsvelden, je ziet dat er meerdere CEO’s zijn, meerdere legal entities, affairs en GDO zijn er meerdere, zeker wel een spanningsveld tussen beslissingen., of mensen of actoren waar de beslissing gevestigd is, dus je hebt meerdere entities die kennelijk al beslissing kunnen nemen, dus hoe kun je dan global worden, als je eerst nog moet overleggen?”

“I think and if we go back to the corporate citizenship to the cultural differences, I don’t think there is much more that Astellas could do than what they are currently doing. I think what is now missing is the change in mindset in the individuals but it is necessary maybe not for all but for some to really truly embrace the business citizenship within Astellas and the global mindset and I think Astellas is providing training by enhancing that cross regional fertilization is actively attempting to push people to that stage as well.”

“Wat ik zei, ik denk dat er hard gewerkt is en wordt om die mindset te stimuleren. Alleen ik denk om werkelijk een volledig goed opererende global te zijn, met name dat corporate citizenship, wat als je naar de corporate citizenship kijkt nog niet eens global is, maar global citizen of business citizen. Dat dat iets is wat waarschijnlijk samen met die kosmopolitisch ... Dat dat meer gesuppordeerd moet worden. Daar lopen we nog wat achter. De vraag is, moet dat allemaal? Of is juist een stuk wat je eerder noemt, dat local responsiveness, helpt ons dat juist wel? De wereld is niet overal hetzelfde. Sommige aspecten zie je wel steeds meer overal hetzelfde terugkomen, als het bijvoorbeeld gaat om de hele reimbursement. Is iets wat steeds op dezelfde manier problemen gaat opleveren, de manier door mee om te gaan en moeten voorkomen dat je gezien wordt als de Pharma die graait. Dat vraagt meer een consistente manier om daarmee om te gaan, maar het blijft een balans.”

“I think Astellas has to really even just for own survival as a company we need to become much more global in the way we do things. There are opportunities to save money by steeling global footprint and eliminating redundancies or processes and timelines by doing things different ways. I think frankly its good business you can make a strong business case around thinking and acting globally. That is the footprint of your business. When I first came to Astellas I described us as more of a multinational company. We have businesses in many different countries so we weren't really global company we were multinational company.”

“I think that the global corporate citizenship is the framer for global thinking, global openness and an ease in which to communicate and make then define the common goal and work towards resolution of issues because we all think we're right on an individual level. I mean when we say something we didn't it had merit right.”

“I think citizenship comes first. I think we are born in certain country or certain locality but typically there are exceptions where people are raised to be Dutch or they are raised to be American or they are raised to be British. I think that's first default thinking or behavior. Then the person grows and matures and expands their thinking, some people expand their thinking many don't, I think the mentality is more globally.”

11 Heterogeneity across cultures

Cultural differences were mentioned by all respondents:

“Ik zie nog te veel culturele verschillen en ook cultureel onbegrip tussen de verschillende regio's”

“I would say the Japanese culture is predominant feature in this corporate culture.”

“Currently we are moving more into a global organization but for Japan, global means either the position is based in Japan or in the US. And then you talk again about two islands. I mean after you have Japan, then you may have no clue what's going on outside the Japan and they are living in their own world also from the culture and the US, it's almost the same. I mean Americans who have never been out of their country in their whole life and they know Europe is a romantic place somewhere far, far across the sea and the Middle East is where we usually drop our bombs.”

“Yeah there is a strong influence of the Japanese culture because that is what is more sort of typical Japanese”

“Zeker naar Japan toe begrijpen we echt niet veel van waarom ze zo werken, waarom ze een aantal dingen beslissen.”

“En ik weet dat wij vanuit een bedrijfswetenschappelijke, sociotechniek en multidisciplinaire teams dat komt wel oorspronkelijk uit Japan, maar dat is hier ook een beetje part of the culture geworden in sommige bedrijven. Maar dat hebben wij niet binnen, als Astellas, leren wij niet van Japan over hun manieren van werken en wat daar goed aan zou kunnen zijn. En ik denk dat daar wel een soort van mogelijkheden zijn, zeker op het gebied van...”

12 Language

Various respondents have indicated that language plays a role in the mindset:

“I mean, yes there are people from Europe and from US working in Japan but it’s still not maybe at the level it should be which again is also not easy because you need to speak Japanese in Japan. Otherwise you can work in certain functions but if you really want to understand what’s going on, you need to speak the local language and therefore it is of course a bit difficult because most of the people in Japan don’t speak proper English.”

“I think the Japanese per definition are a little more inclusive in their way how they collect information and then bring it to a decision but also they are suffering from the fact that they don’t have sufficient English speakers in Japan who could run the show on their own.”

“One big reason is language barrier and that has impact on our colleagues. They feel there are difficulties to communicate with English-speaking colleagues. That’s one big barrier.”

13 How can Astellas create a global mindset and become a global citizen

Ambassador programs

“Then looking at Japan but also they are trying it but what they have is, they send Japanese to Europe or to the US in order to – that Japanese people get the opportunity to see what’s outside in my opinion but they don’t have the other way around. I mean, yes there are people from Europe and from US working in Japan but it’s still not maybe at the level it should be which again is also not easy because you need to speak Japanese in Japan. Otherwise you can work in certain functions but if you really want to understand what’s going on, you need to speak the local language and therefore it is of course a bit difficult because most of the people in Japan don’t speak proper English. So therefore Astellas is trying to move people around but it is not at the level I think where it should be especially when you have the ambition to become a global company, then what the Japanese also done is related to their culture.”

“We went to Tokyo for 4 to 6 weeks. We have diversity programs et cetera. That’s a good start but I think in order to be more effective, you should think about a framework of how you do that. How do you select people or why do you select someone when you know that program.”

“Maar toch meer ambassadorship programma’s. Ja, het is wel heel duur, maar ik denk dat als je daar vijf mensen naartoe verscheept, dat de hele afdeling dan meer leert dan dat je hier af en toe mensen naar toe laat komen. Dus dat zou helpen. Dus meer mensen naar Japan. Amerika, Europa, zijn hele diverse: er worden hier op de afdeling 50 talen gesproken ofzo, ik weet niet hoeveel, maar heel veel.”

“The individuals need to be knowledgeable about what it means to be global and what the cultural differences are and that’s linked into the global mindset discussion that we’ve had earlier, the awareness of the cultural differences and what it means ideally and I think the Japanese are doing that probably partly with that intention to send people abroad and to send people to the other regions and have them work there for a while but also they are accepting these – what do we call them, ambassadors into Japan probably just in order to achieve that which is a very good step but I think it helps.”

“Alleen ik denk dat je het daar alleen niet mee redt. Ik denk dat het tweede aspect absoluut kritisch is en zeker voor bedrijven zoals wij betekent dat expats, ambassador programs.”

Transparency

“the reason is there is invisibility between Japan and non-Japan colleagues. For example, Leiden people may not be aware of all procedures or what they are doing in Japan. Also, Japanese colleague in the same.”

“Ja, weer, JP colleagues zijn nog steeds georganiseerd op de Japanse manier. Zonder uit te leggen waarom, of soort van transparency daarin.”

14 Other factors which could contribute to the globalization of Astellas

Astellas should enter in new opportunities

“So Astellas is a Japanese company and therefore at least in my opinion by definition very prudent and quite shy to enter into new opportunities and explore new opportunities outside. I think for Japanese companies, it’s already an adventure to go to Europe because they know the US. That’s where they are linked closest and then Europe, yeah okay but everything beyond US and Europe is already considered a dangerous territory and has to be looked at very cautiously. Therefore when you look at the activities of Astellas in the emerging markets, there is not much. We are basically at least 15 years behind all other big multinational companies in being active in countries like especially in Middle East, Africa region, in Asia and in North America, and so is South America. So therefore my conclusion would be that Astellas has very limited insight into what’s going on a global level and that’s what I experience almost every day.”

Astellas is not focused outwards

“We zijn per definitie niet een bedrijf wat heel erg naar buiten toe trad. Wat conservatief, risk averse, niet voorop lopen met opinies of wens om policies te wijzigen. Dat past niet helemaal bij de business cultuur van Astellas denk ik. Dat is iets waar we nog aan moeten werken. Iedereen kan zich goed voelen bij de doelstellingen van het bedrijf en hoe die behaald worden. En het feit dat we een health care company zijn. Daarbij de patiënt centraal staat en dat doel willen doen. Dat zijn sterk bindende factoren, maar of dat het specifieke Astellas aspect maakt. Dat is iets waar we meer aan kunnen bouwen.”

Identity Astellas

Het is en relatief jonge naam. Heel veel mensen wisten überhaupt niet wat Astellas was. In die zin was het lastig om identiteit uit te stralen en als het al iets was dat er is, dan was het sterk regionaal, lokaal

bepaald. Die entiteit was niet zo sterk dan als je praat over een Pfizer of over een BMW, IBM, Apple of Google.

Global structure

“Dat wordt wel in corporate mission statements en One Astellas de hele tijd benadrukt. Dus ik vind dat we dat wel veel doen, maar dat is alleen maar in naam en mission statements en als je kijkt naar. Wat ik bij een ander bedrijf heb meegemaakt, is het niet echt global. Dan moet nog heel veel gebeuren.”

“I think Astellas has to really even just for own survival as a company we need to become much more global in the way we do things. There are opportunities to save money by steeling global footprint and eliminating redundancies or processes and timelines by doing things different ways.”

“Astellas is iets wat natuurlijk in een organisatie die oorspronkelijk Japans is, maar inmiddels op alle continenten aanwezig is en waar vanuit een business streven is om een internationale, wereldwijde speler te worden. Om dat te kunnen zijn er een aantal van deze elementen heel erg belangrijk.”

“Ik denk dat het echt acteren als een global operating company, loopt Astellas relatief gezien achter. Wij zijn wel all globally present, maar nog niet als één geïntegreerd bedrijf. Meer als oorspronkelijk regionaal georiënteerde organisatie die nu meer gaan opereren als een global company. In die zin denk ik dat wij daarin wat achterlopen ten opzichte van andere major companies”

Japanese want to be in the drives seat

“We already see a strong Japanese element there and I think this is by design and this is not intended to damage globalization but it’s intended to have little more of the Japanese vision how they want to do globalization as opposed to if it were a US company. So I think this is to me, it’s my interpretation and a symptom of that the Japanese want to be in the driver’s seat.”

Japanese companies are difficult to deal with

“Astellas is one of the least preferred partners for business partnering or for the local operations with other companies because they recognize that our company is still Japanese and it’s still quite difficult to deal with. So that was the feedback from the outside world.”

15 Pharmaceutical Challenges

Pricing and reimbursement

“Lokaal gezien heb je een current Dutch debate heb ik hier, on pricing for oncology products, waar letterlijk xxxxx werd genoemd”

“Folks who need.....beginning to offer the more assistance with access and reimbursement.”

“Economic responsibility vind ik dat van Nederland een goede, we vragen dus een hogere prijs hier dan kennelijk in andere landen.”

“De wereld is niet overal hetzelfde. Sommige aspecten zie je wel steeds meer overal hetzelfde terugkomen, als het bijvoorbeeld gaat om de hele reimbursement. Is iets wat steeds op dezelfde

manier problemen gaat opleveren, de manier door mee om te gaan en moeten voorkomen dat je gezien wordt als de Pharma die graait.”

Profit versus citizenship

“I think traditionally the business has always been business in the business the first thing you learn in your MBA degree the business of business is to make money. The business of business is to make a return and dividends for shareholders and stockholders. When people always ask me why are your medicines so expensive we are for profit business, we have shareholders that we have to return money to they invested. To be successful as a corporate citizen we have to be successful as a business citizen. I think we need to have dual focus. One foot in that business area and other foot in corporate citizenship area. You can't do one without the other. If you are not a good corporate citizen I don't think you will be successful in the business or vice versa.”

“I think you can't see beyond the short term financial gain to the broader impact, not only on your business and your employees but on the world and on society, if you're in that short term, narrow minded, profit driven mentality. I think, whether you're focused on short term financial indicators only, or whether you're willing to look beyond to other less tangible metrics, or ways to measure the health of your business, is in large part driven by the culture. I do think that Astellas, does have that long term perspective.”

“Yeah I have been in other companies where there were similar programs et cetera. They got to me as an individual to see, well, is that something that you do because you really care or is that something you do because all the others do it and you have to view it more or less as a company because if someone says you know value of just making interest in profit, then you have something to say, well, no, no, no we are doing additional things.”

“For me, it also depends on how you define mindset. I think it also has to do with values. So what do you see as your values. Is it to make the biggest deal, is it to make the most profit and it's probably different than if you say, well, I want to be respected and as a company, I want to be – as if my main goal is, of course I need to be profitable, remain profitable because as I would be out of business but sort of it is more important for me to be regarded and respected as a company, who cares! I am trying to sort of set the extremes here. And that has to do with [0:35:23]. I mean even a company that is just going for profit can say, well we did a couple of programs because that will sort of increase or make our credibility better which will allow us to make even more business because otherwise if we are regarded as only being sort of business driven, then no one wants to do business with us. So we need to sort of do some painting here. It's really what are your values. And it's – for me it's difficult to relate it to that.”

Philanthropy

“Some of the activities might include contributing their products in an underdeveloped area on a global scale or even with some major worldwide issue like the refugee situation and also into initiatives within underdeveloped countries. I'm trying to think about our products and I was like why they gave tons of free baby formula to underdeveloped countries in Africa. Pfizer gave tons of free Zithromax for infection and for blindness, more along those lines of human conditions, just with human conditions.”

"I don't know the list but Astellas not on top of it but if I listen to your example, I can also think that other companies are doing more so to say."

"API donates a lot of money to disasters in Japan and other countries."

"Er zijn een aantal aspecten waar we in het verleden minder aandacht aan besteden. Ik denk dat we die criteria moeten begin, het filantropische wat minder deed in het begin. Niet zozeer heel.. symbool, maar meer op economische legal and ethical responsibilities richten. Dat doen we nog steeds en steeds beter denk ik. Dat daar de intentie is, maar dat meer in ons gezicht naar buiten toe aan het doen zijn. Je ziet het ook in de campagne met CNN, in een aantal regionale campagnes, dat dat de afgelopen twee jaar meer benadrukt is. Ik zeg ja, maar dat is iets wat nog in ontwikkeling is. De hele maatschappij is in dit aspect aan het ontwikkelen dus de meetlat verandert bij wijze van spreken per maand in dit aspect."

"Ik vind dat meer een marketing ding, van: 'ik koop..' Of voor aandeelhouders, of consumenten. En wij als.. ja, ik snap wel dat je intrinsiek gemotiveerd kunt zijn omdat je bedrijf heel veel doet, maar zelfs daar vind ik, wat ik zei, dat we steken laten vallen in Nederland zelf. Waar daar een duidelijk mandate ligt waar we dan gewoon niet aan mee doen. Dat is dan alleen Nederland. Misschien doen we er wel wat aan, dat wordt in ieder geval niet geshared."