

Developing Responsible Leaders and Employees in a Multinational BioPharmaceutical Company

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ABSTRACT

In a response to demands from various stakeholders and civil society, some companies develop ethics programs consisting of a code of ethics, ethics training and various procedures for reporting unethical conduct. The aim of this article is to contribute with a theoretically founded analysis of how an ethics program is recontextualized as it travels from an ethics office in Denmark into business units in Switzerland and China. Drawing on an ethnographic study within a multinational biopharmaceutical company, we demonstrate how its code of business ethics resembles ideals of empowerment and individual critical thinking that can be found within the Scandinavian socio-cultural context in which the ethics program originated. Further, we show how the way the entire ethics program is communicated through training with a focus on dilemma thinking becomes a liability when introduced into other business units and socio-cultural contexts. We conclude that in order to create sustainable ethics programs and develop responsible global leaders, companies must take into account the sociocultural heritage of the code of ethics they seek to disseminate. Seemingly universal values and preferred behaviors cannot merely be “transferred” within a multinational organization and transformed into responsible business practices without local adaptations.

DEVELOPING RESPONSIBLE LEADERS AND EMPLOYEES IN A MULTINATIONAL BIOPHARMACEUTICAL COMPANY

INTRODUCTION

Today's business is increasingly globalized and therefore requires companies to operate across multiple countries and cultures. Companies are met with demands from stakeholders and civil society to manage their business in a responsible and ethical way and social media channels will ensure widespread broadcasting of companies who fail to comply with these requests no matter where they operate. Companies are therefore keen to comply with corporate responsibility standards and communicate to the environment about their responsible business as already documented in the vast literature on Corporate Social Responsibility (CSR). Some companies have developed an ethics program consisting of a code of ethics, ethics training conducted by ethics officers and various procedures for reporting unethical conduct such as a whistleblowing scheme (Paine, 1994; Weaver et al., 1999).

Some scholars have studied the effectiveness of an ethics program (Kaptein, 2015), and some work has been done to demonstrate the challenges and unexpected outcomes of efforts to 'implement' elements of ethics programs within MNCs (Helin & Sandström, 2010; Nakhle & Davoine, 2016; Zakaria, Garanča, & Sobeih, 2012). One challenge is that seemingly 'universal' values and preferred behaviors cannot just be 'transferred' or 'transmitted' from headquarter to subsidiary or from one business unit to another. International business scholars have conducted empirical studies that show how values and behaviors are reinterpreted and given new meaning when introduced into new contexts and cultures (e.g. Brannen, 2004; Gertsen and Zølner, 2012; Sørderberg, 2015).

Helin and Sandström (2007) stated that there is a dearth of qualitative studies focusing on internationalization of ethics programs, and a recent literature review (Gosovic, 2017) confirmed that this is still the case. This paper contributes to filling the gap. We draw upon ethnographic fieldwork and explore how an MNC works to create ethical and responsible business practices by training managers in various locations and business units to become ethical and responsible global leaders who "lead with integrity".

The case company may be considered “a high reliability organization” (Weick & Sutcliffe, 2007) since it as a pharmaceutical MNC operates in an otherwise rule governed business reality. But contrary to many other companies, it does not only focus on how its behaviors comply with certain rules and CSR standards. It deliberately goes ‘beyond compliance’ and has set up a separate business function, the Global Ethics Office, to work with an ambitious business ethics program in order to make it resonate with both staff and managers across business units and locations. It motivated us to explore how this business ethics program is recontextualized as it travels from a major research and development site in Denmark to the headquarters in Switzerland and further to a foreign subsidiary in China.

Our central research question takes its point of departure in the theoretical concepts of travelling of management ideas (Czarniawska and Sevón, 2005) and recontextualization (Brannen, 2004). Through interviews, participant observations and company documents we study the negotiations, translations and local adaptations that ethics officers engage in when trying to give sense to the MNC’s code of ethics to various groups of employees and transform it into sustainable practices in different business units and socio-cultural contexts.

Perhaps due to the vulnerability of the pharmaceutical industry towards exposure of development processes and yet unpatented products, social science researchers rarely gain access to study within such companies. This paper therefore contains a particular empirical contribution based on ethnographic studies within a rare empirical context.

We aim to contribute with a theoretically founded understanding of recontextualization processes of a business ethics program. We demonstrate how the MNC’s code of business ethics resembles values that can be found within a Scandinavian socio-cultural context. However, these values and the way the business ethics program is communicated by ethics officers seem to become a liability when introduced into business units and socio-cultural contexts that differ from the Scandinavian context in which it originated. We conclude that in order to create effective ethics programs and develop responsible global leaders, MNCs must take into account the sociocultural heritage of the code of business ethics they seek to disseminate as well as the ways in which its inherent values are

communicated to staff and managers. Recontextualizations and local adaptations are needed to transform a business ethics program into ethical and responsible business practices.

In the sections that follow we, first, review studies of how management ideas travel and practices are recontextualized in order to develop a theoretical framework for the empirical study. Second, we introduce the field of study: the multinational corporation, Ferring Pharmaceuticals, and its Global Ethics Office. In the analysis section, we focus our attention on the so called Ferring Philosophy, and show how Ferring's initial approach to business ethics focuses on moral education and individual responsibility and thus draws on values that are widespread in a Scandinavian cultural context. Later, we demonstrate how this ethics program is sought recontextualized in various ways as the company's code of ethics travels from the ethics office in Denmark to the corporate headquarters in Switzerland and to a foreign subsidiary in China. Finally we discuss and synthesize our findings and point to avenues for future contextually nuanced research on business ethics.

THEORETICAL FRAMEWORK

Transfer of knowledge and practices

The concept of transfer is frequently used in international management discourse. We read about 'transfer of knowledge' across national and regional boundaries within the MNC (e.g. Kogut & Zander, 2003) and about cross-national 'transfer of organizational practices' from HQ to foreign subsidiaries in seminal IB literature (Kostova & Roth, 2002). We nevertheless find the use of the concept of 'transfer' in IB studies problematic, since it assumes a unidirectional and seamless transmission of knowledge, technologies and practices from HQ to foreign subsidiaries that are conceived merely as recipients of knowledge regarding corporate values, technologies or best practices.

Frenkel (2008) encourages IB scholars to rethink the widely used concept of 'transfer' in international management discourse on cross-cultural interactions in the MNC and reflect on the assumptions embedded in the concepts of 'transfer of knowledge' and 'transfer of practices'. Her analysis of the cross-national transfer of knowledge and practices within the MNC shows that they are "not neutral

instruments that merely represent reality or signify the best or most efficient mode of conduct” (Frenkel, 2008: 926) and therefore something that just needs to be ‘implemented’ in another socio-cultural setting. She promotes an alternative understanding of the process, claiming that knowledge, values, technologies, and practices should all be understood as systems of classification that both represent and reproduce social hierarchies of the powerful Western HQ and the less powerful foreign subsidiaries that are dominated and forced to ‘develop’ in order to meet the standard set by HQ. In line with Frenkel (2008), we prefer to think in terms of *dialogue* between HQ and the foreign subsidiaries and between business units within the MNC. We look upon expatriate managers and local managers in a given foreign subsidiary as individuals actively engaged in sensegiving (Gioia & Chittipeddi, 1991) by translating and re-interpreting HQ values and practices and giving sense to them. This approach also offers individuals opportunities to *negotiate* and even *resist* imposed values and practices that do not fit into a specific local framework of meaning and/or do not match the socio-economic conditions in the specific local business context. There are several research approaches that in various ways support this understanding of individuals as actively engaged in translation and negotiation processes. Below, we will give a brief overview of how organizational scholars with institutionalism as their theoretical point of departure deal with the travel of ideas, objects and practices in a globalized world.

Practices travel and are translated

In their edited volume “Global ideas: How ideas, objects and practices travel in the global economy”, Czarniawska and Sévon (2005) look at the ways that ideas and models of organizations evolve and travel, both locally and globally, and they focus on how selected management ideas such as performance management, self-management or empowerment are materialized in processes, practices and ways of organizing and become global ideas through *translation* and *editing* processes and when *enacted* in new contexts.

Recontextualization

Brannen, Liker and Fruin (1999) introduced the concept of ‘recontextualization’ to cross-cultural management studies in their case study of a Japanese firm’s acquisition of a US firm. The acquisition changed the meanings attached to techniques and procedures when introduced in another cultural context. Brannen et al. (1999) define recontextualization as “the transformation of the meaning of firm’s offerings (e.g., technologies, work practices and products) as they are uprooted from one cultural environment and transplanted to another” (Brannen et al. 1999, p. 118).

Research within the field of recontextualization of corporate strategy, corporate values and management ideas is still scarce. However, a few studies should be mentioned. In the analysis of the empirical material, we will draw on the concept of recontextualization to understand how a code of business ethics is received and worked with as it travels across different business units. With theoretical point of departure in semiotics and empirical point of departure in the transfer of the theme park, Disneyland, to countries outside of the US, Brannen (2004) describes how Disney experienced great success when transferring the theme park to Japan but great failure when attempting to transfer it to France. Brannen concludes, that Disney’s unexpected failure in France illustrates that in the transfer process, organizational assets take on new meanings, caused by more than just differences in host country environments and hitherto understandings of cultural distance (Brannen, 2004: 594). The reason is that in the transfer, firm assets go through what Brannen terms ‘recipient cultural sensemaking filters’ in which preexisting meanings are attached to these assets, regardless of the intention of the sender (Brannen, 2004: 604). Brannen introduces the concept of semantic fit as a more significant factor in success or failure with transfer attempts than otherwise dominant notions of cultural distance. Sensemaking, she writes, occurs in context and when that (semantic) context is not shared between sender and receiver, the meanings can shift (Brannen, 2004: 603). Brannen’s concept of recontextualization thus focuses on the receiving historical, political and cultural contexts and the ‘receivers’ who try to make sense of the language, objects and symbols that are sought transferred (Brannen, 2004: 603–604).

The recontextualization concept is highly relevant in studies of corporate values and preferred behaviors in a global organization because it allows us to track shifts in the meanings attached to values and behaviors as they travel from the HQ context (see Gertsen & Zølner, 2012; Søderberg, 2015). At foreign subsidiaries, expatriate and local managers may play important roles as change agents when they try to *give sense* to preferred values and behaviors in various manners. However, just as important are the local employees, who bring their local frameworks of meaning into play when they try to *make sense* of an MNC's preferred values and behaviors and *transform* them into daily practices. Within this article, we will trace how an ethics program is recontextualized as it travels from the ethics office in Denmark into business units in Switzerland and China.

THE FIELD OF STUDY

Ferring Pharmaceuticals is a multinational, biopharmaceutical company focused on reproductive medicine and women's health. Founded in Sweden in 1950 by German born Dr. Frederik Paulsen, the company has a northern European heritage. Ferring's corporate headquarter is located in Switzerland, and its largest Research & Development site is located in Denmark. Ferring has nearly 7000 employees worldwide and has operating subsidiaries in nearly 60 countries. Moreover, it markets its products in 110 countries.

The Global Ethics Office is a corporate function which is currently managed from the corporate headquarters in Switzerland but with employees also located in Denmark, USA and Israel.

The Global Ethics Office is a corporate business unit assigned to work with business ethics within Ferring. We use the umbrella term "ethics program" to refer to the variety of tasks undertaken by the Ethics Office.

The role purpose statement for one of the job categories within the Office is "*Creating awareness about preferred business behaviour*" and "*having a strong informal influence on business behaviour and conduct within the company*". Thus, the Global Ethics Office has the task of informally steering the organization towards preferred business behaviours. And, as anthropologist Steven Sampson points out, "ethics officers" are not necessarily legal counsels with the aim to mitigate risk but rather a

normative corporate function put in place to distinguish right from wrong and encourage employees to do what is considered “the right thing” within the company (Sampson, 2016: 70). Organizationally, the office carries out the directions given by an “Ethics and Compliance Board Committee” under the Board of Directors, to which the head of the Global Ethics Office reports. The office is part of the Compliance, Ethics and Legal Team; a corporate unit consisting of 65 people, headed by the Group General Counsel.

The Global Ethics Office consists of five full time employees, a part time consultant and a head of the office, all of which will be referred to as “ethics officers”. Moreover, the office maintains a network of approximately 55 so called ethics coordinators who “act as local ethics ambassadors”ⁱ and whose managers have agreed to allocate up to 5 % of their time to ethics related tasks.

The Global Ethics Office carries out their work through a number of activities. First of all, they facilitate the mandatory “Ferring Philosophy Workshop” to which all level staff and managers in their local business units are invited. They also ensure that local ethics coordinators in the many business units worldwide are equipped to carry out these workshops. They do so by training the local trainers and by providing playbooks, training material, e-learning programs and a comprehensive facilitator kit on the intranet with various sorts of awareness material. Moreover, they have introduced an ethics workshop for managers named “Leading with integrity”. The Global Ethics Office is also responsible for the online learning material found on the intranet, which new staff and managers are likewise urged to complete. Moreover, ethics officers lead various communication and awareness campaigns, activities and newsletters. Another major task is maintaining the corporate whistle blowing scheme, the Ferring Alertline, where staff and managers can report any wrongdoing they see committed in Ferring or in Ferring’s name. Lastly, the office is responsible for tasks related to data privacy; an area of work that was added during the course of this research.

METHODOLOGY AND EMPIRICAL MATERIAL

The research was conducted with ethnographic methods, using multiple data collection methods documenting different perspectives on the phenomenon under study and continuing data collection

over time. The study was carried out mainly in Denmark, and this “focal ethnography” (Brannen (2011), was followed up by smaller ethnographic case studies at headquarters in Switzerland and in a foreign subsidiary in China to allow for comparison across sites.

Empirical material

In this study, we have been inspired by anthropologist George Marcus’ review of multi-sited fieldwork approaches, where he addresses the question of how to delimit an ethnographic field site when studying global phenomena (Marcus, 1995). We have followed what Marcus terms a *thing*, an ethics program in an organization, which sometimes takes physical form in posters, workshops and digital content but to a large extent is a discursive object as well as a mode of thought. The empirical material has been generated through anthropological fieldwork, with participant observation, interviewing and shadowing (Czarniawska, 2007) as the main methodological tools. The main empirical setting for this focal ethnographic study has been Ferring Pharmaceuticals’ Research & Development facilities in Copenhagen, Denmark, where the Danish branch of the Global Ethics Office is located. As part of a PhD project, the first author has spent two years in the field, during which one year was dedicated to full time fieldwork. The company has not voiced any concern about being mentioned, but all interviewees are protected and anonymized, and the names used are fictive. The empirical material laying the basis for this paper is thus part of a larger study of internationalization of business ethics within Ferring Pharmaceuticals. However, for the specific purpose of this paper, we rely on the following sources: Participant observation at ethics workshops and daily activities in the Global Ethics Office as well as in China and Switzerland; written company documents and interviews. Thus, some of the interviews conducted serve as ‘direct’ data sources for the present article, whereas others contribute more ‘indirectly’ to the understanding of the studied phenomenon and are not part of the empirical descriptions and analysesⁱⁱ.

The Global Ethics Office was established in 2006 as a corporate function operating from Denmark, and the office and all its activities were developed by a Danish manager. In 2016, a new head of the office was appointed and based in Switzerland, and since then, the Global Ethics Office has been led

from here but with staff remaining in Denmark. This division is the reasoning behind the choice of the first two field sites in Denmark and Switzerland. The selection of China as the third field site was due to the first author getting an opportunity to follow colleagues from the Global Ethics Office on a business travel to China with the purpose to train Chinese managers in how to “lead with integrity”. A follow up fieldwork in China was conducted 6 months after this training. Moreover, the Chinese subsidiary is particularly interesting, as it has local autonomy to develop practices adapted to the local context and meaning system. Each fieldwork outside of Denmark has lasted 3 weeks.

Insider and outsider perspectives

The research was conducted under a funding scheme where the first author was hired by a private company to do the PhD project, and the researcher is thus legally an insider to the organization under study. This, the first author experienced, provided a unique position from which to conduct fieldwork, as it facilitated participation in activities and contexts which may otherwise have been difficult to access. Moreover, this paper is developed in dialogue between an insider (the first author) and an outsider (the second author and PhD supervisor) to the empirical material employed. Thus, throughout the analysis, the first author’s participant observations and interpretations of interviews and company documents have been challenged by the second author’s outsider perspective, which has strengthened the analysis considerably.

FAMILY VALUES AND “THE FERRING PHILOSOPHY”

The family heritage is a central trait that flows through the company and also ties into its ethical principles. For example, part of the onboarding of new employees in Denmark is a movie about the founder of the company and the island of Föhr from where he originates and whose inhabitants refer to themselves as *Ferrings*.

Back to the code of ethics, *The Ferring Philosophy*. The story told of the emergence of this particular document was told to the first author on several occasions and is also an integrated part of the aforementioned Ferring Philosophy Workshop conducted by the Global Ethics Office and their

counterparts across the globe. The Ferring Philosophy was launched in 2004, and as the Ethics Officers tell it, the story goes as follows: In 2003, the company had grown to become a worldwide operation with more than 40 subsidiaries, and the owner worried that not all employees across the world knew of the family values that the company was built on. To address this, he asked a friend to visit Ferring's many offices and explore what the employees around the globe found to be the core values in Ferring. After the friend came back, the owner sat down with him and another trusted advisor, and together they formulated the document which was launched in 2004 and is now known as *the Ferring Philosophy*.

The core of the story as it is told from the Ethics Office and written in their speaking notes for workshop facilitators is that the company was founded on family values and that *"when a company is small it is easy to maintain those values, but once you grow and enter different cultures, it becomes tougher to do that"*ⁱⁱⁱ.

The reason for creating this code of ethics then, the story tells us, was to maintain the family values of the company that started with the father and the mother of the current owner. Interestingly enough, Ferring has chosen to frame these values as *ethics*, where many other companies refer to their values as values. And this, we would argue, indicates the ambition of Ferring to work on a different level, which becomes visible in the way they have structured the work of the Global Ethics Office and the way this office works to communicate the Ferring Philosophy

The Ferring Philosophy

The Ferring philosophy is a one page document setting the expectations for employees' conduct and is generally referred to as the code of ethics of the company. The statement has one section addressing physicians and patients and what these groups can expect from the company, and another section addresses employees and what they can expect from the company.

The Ferring Philosophy in its entirety goes as follows:

People come first at Ferring

Because:

Patients using our products and physicians prescribing them have a right to expect:

- *that we will only make available those products in which we have full confidence.*
- *that we will offer the best possible products at the most reasonable cost.*
- *that Ferring's employees will always display courtesy and respect, and act professionally.*

Ferring seeks the loyalty of these patients and physicians, and we are prepared to earn this loyalty anew every day.

Ferring expects that its employees will create value for the company and its stakeholders.

Ferring employees, at all levels, have a right to expect from the company and their colleagues:

- *respect, support and encouragement.*
- *a work environment that is safe, stimulating and rewarding.*
- *the freedom to make mistakes and to admit to them without fear of retribution.*
- *that the highest standards of integrity will be maintained at all times.*
- *that colleagues will never knowingly do anything to compromise their position as Ferring employees.*
- *that all who represent Ferring will do so in ways that generate respect for the company and its employees.*

Ferring asks its employees to:

- *Always do what is right, proper and ethical, and encourage your colleagues to do so.*
- *Speak out when you think that wrongs are being committed in Ferring's name.*
- *Be loyal, but only to that which is just, equitable, honourable and principled - and true to the*

Ferring philosophy.

No statement of principled behaviour can ever cover every situation, or deal with every contingency. It can only set the tone, making each individual responsible for applying that tone to his or her everyday practice. We strive to set that tone with five simple words:

People come first at Ferring.

As the story on the emergence of the Ferring Philosophy illustrates, the document does not have a clear home in any nation state. The founder of the company having originated from Germany and later having lived in Sweden, his successor and son sharing this heritage and the company having been led from Sweden, Denmark and now in Switzerland prevents us from being able to connect the philosophy with any one country. However, the ideas behind this document, we argue, represent foundational ideas and values that can be found within a Scandinavian cultural community.

In order to illustrate our argument, we would like to start with the end of the Ferring Philosophy:

*“No statement of principled behaviour can ever cover every situation, or deal with every contingency. It can only set the tone, making each individual responsible for applying that tone to his or her everyday practice. We strive to set that tone with five simple words:
People come first at Ferring”*

The individual responsibility to make decisions that correspond with the Ferring Philosophy is noteworthy, as it resembles an idea highly prevalent in Scandinavia that civic virtues of making good choices can be instilled in people through freedom and enlightenment (Damsholt, 2015: 164). Rather than giving direct instructions for what is allowed and prohibited, the assumption is that setting the tone will be sufficient, and that employees no matter where they are located will act accordingly.

This approach resembles the management style found in most Scandinavian business contexts, where managers exert very little or no control over subordinates' work, since subordinates are empowered to take charge of their own portfolio and thus are individually responsible for it (Schramm-Nielsen, 2018: 30). Moreover, a cooperative tradition within Scandinavia lays emphasis on “help to self-help” and on empowerment and emancipation of people to make it on their own (Østergård, 2012, p. 46; see also Iversen and Andersen, 2008).

Tied into this is the Danish notion of “dannelse”. Not having an adequate English translation, the word refers to moral education, enlightenment and emancipation of the individual to be made morally and philosophically conscious enough to make sound judgments about right and wrong for the benefit of a common good. “Dannelse” is a concept tied to the ideological synthesis still found strongly represented within Danish cultural heritage and the institutions of the Danish welfare state. This ideology is often referred to as “Grundtvigianism” – named after priest, educational thinker and poet N.F.S. Grundtvig (1783-1872), who made a large imprint on public institutions in Denmark (Schramm-Nielsen, 2018: 15).

As Uffe Østergaard writes in his article on the Danish national identity, *“The teachings of Grundtvig spring from a fundamental optimism with regard to people’s capacities. He demanded economic and ideological freedom and the right to universal education”* (Østergård, 2012: 44). And this optimism, we argue, can be found within the Ferring Philosophy and, as will be demonstrated later, in the communication and dissemination efforts and activities of the Global Ethics Office, which were developed by a Dane. The mere fact that Ferring has chosen a one page document rather than the considerably longer codes of conduct adopted by many other companies seems like a reference to a similar optimism regarding people’s capabilities to understand, reflect and make the right choices in any given situation.

Moreover, the current educational traditions in the Scandinavian countries have developed along very similar lines (Gregersen, 2017; Korsgaard & Wiborg, 2006) and are founded on principles of critical thinking where challenging and questioning the teacher is rewarded rather than sanctioned and

considered a demonstration of individual reflection. Returning to Grundtvig, his thinking was largely anti-authoritarian and critical of the paternalistic educational system of the time, and many attribute the current Scandinavian educational system to Grundtvig (Korsgaard, 2006: 143; Schramm-Nielsen, 2018: 15). But not only in the educational system can these anti-authoritarian values be found. As Schramm-Nielsen notes, the Scandinavian countries have strong democratic values, and this is reflected within Scandinavian workplaces, where involvement in decision making processes and consensus-building are common traits (Schramm-Nielsen, 2018: 31).

Thus, another central imprint of Grundtvigianism on the Danish sociocultural context is informality, flat hierarchies and respect for individual initiative and input regardless of a person's status (Østergård, 2012: 45–46; Schramm-Nielsen, 2018: 33). Similarly, due to the flat hierarchies, anyone is approachable, and even the highest managers are being called by their first name. The Ferring Philosophy seems to reflect this informality and assumption about approachability. *“Speak out when you think that wrongs are being committed in Ferring's name”*, the philosophy urges Ferring's employees. Linked to this element in the philosophy is *“The Ferring Open Door Policy”*. Although not a policy per se, it is referred to in an Ethics Office owned policy document about Good Business Practice which states that:

Generally, if you should come across wrongs being committed in Ferring's name or any violation of these GBPs [good business practices], you are encouraged to speak up and report this to your immediate superior. Should he/she not be available, you shall report the incident to the superior's superior and so forth.”

Likewise, within workshops on the Ferring Philosophy, the Ethics Officers stress that all employees are encouraged to always approach the person with whom they have an issue or a concern before escalating it to the next level, but that any manager at any level is obliged to listen to employees' concerns. Sometimes, even the possibility of sending an email to one of the executive board members is mentioned. Within a Scandinavian business context characterized by flat hierarchies and informality, this approach is perfectly acceptable. But, as several scholars have demonstrated, this

poses a challenge in countries that are traditionally more hierarchical (See e.g. Gertsen & Zølner, 2012).

Returning to the Ferring Philosophy, it further states that all employees have the right to expect “*The freedom to make mistakes and to admit them without fear of retribution*”.

Within a context of flat hierarchies and informality and where problem-based learning is an integrated part of the educational system (cf. Gregersen, 2017), making mistakes, admitting to these, correcting them and learning from them is a risk-free part of any work process. However, as experienced by the second author during her fieldwork in a research and development (R & D) department of a Danish MNC in China, the expatriate managers struggled with creating such openness among their Chinese colleagues. In order to emphasize the importance of learning from mistakes, they placed a statement that “failure is the mother of all innovation” in a central area of the office space but despite such efforts, they had great difficulties in recreating the informality and openness that characterizes interaction and knowledge sharing among engineers in a similar Danish R & D setting (Søderberg & Worm, 2011).

In the following, we will describe how Scandinavian values are likewise reflected in how the Global Ethics Office approaches its work.

THE GLOBAL ETHICS OFFICE: WORKING IN THE GREY

Contrary to many other companies, within Ferring, Ethics and Compliance are two areas of work placed within separate corporate functions. As illustrated in the often used slide below when the company’s approach to business ethics is presented, compliance is understood as behaviors determined by the letter of the law, whereas ethics is understood as the behaviors that are determined by the spirit of the law and based on an individual moral assessment.

Ethics vs. Compliance



Ethics

- Prevention
- Principle based
- Values driven
- Implicit
- Spirit of the law
- Discretionary

Compliance

- Detection
- Law/rules based
- Fear driven
- Explicit
- Letter of the law
- Mandatory

As it is written in the speaking notes to this slide in one of the presentations created by the Ethics Office: *“in Ferring we think they are fundamentally different and therefore we keep the two functions separate. This also goes to show that Ferring really puts an emphasis on Ethics and does not want it to be forgotten in the face of all the new Compliance regulations”^{iv}.*

Within Ferring Pharmaceuticals, a distinction between compliance and ethics has thus been made, based on convictions of the insufficiency of solely having a compliance approach (cf. Paine, 1994). Moreover, the compliance department was only recently established as an independent business unit, whereas the Global Ethics Office has existed since 2006 and has been an independent business unit since 2010.

After having started to notice that “compliance” was being used by the ethics officers to distinguish themselves from other corporate functions and to explain their function by explaining what is not their function, the first author started interviewing about the perceived difference between ethics and compliance. Jane, an ethics officer, describes it as follows.

“There is a true belief at the board level that there is a difference between ethics”, she says and pauses as if to emphasize the difference, “And compliance”. Often times, there is the mindset that... ‘Well, the law says we can do this’. Or ‘it’s not against the law’. Or ‘there is really not a clear regulation, it’s a grey area, so we could do it’”, she says, imitating all the different arguments that could be brought forward for taking advantages of legislative grey zones. “Nobody says that you can’t. I think what ethics says is: ‘Should you?’ And that’s the difference”.

Thus, the point of the comparison with compliance is to emphasize that it will never be possible to create legislation that responds to all possible situations and grey areas that employees may find themselves in, and therefore, a moral compass must be nurtured. Similarly, in the aforementioned Ethics Office policy on “Good Business Practice” there is a section on *Integrity* that underlines this distinction between what is legal and what is right:

“Integrity is the key

At Ferring we build performance with integrity. By integrity we mean doing what is right. (...)

Therefore, before undertaking action, we must ask ourselves a few questions:

- *Is it legal?*
- *Does it follow company policy?*
- *Is it commercial?*
- *Is it right? (Is it ethical?)*
- *How would it look to those outside the company?”*

Interestingly enough, not only does Ferring ask its employees to consider whether an action is legal but also asks employees to consider whether it is the right thing to do despite it being legal.

In another interview, the first author asks Erin, an ethics officer, to describe the advantages and disadvantages of having Ethics and Compliance as two separate corporate functions.

“Well, I must say that I think there are only advantages to that (...) it shows the employees that both things have equal weight, and you don’t risk that less resources are put in the ethics part, because there is new legislation that needs to get implemented. Because there is always new legislation, always a new rule to comply with (...) You will never be able to cover everything with compliance, and I think that this is where we come in, because we say that there are some values, and if you are in doubt, then try to think of these values and try to figure out what would be the best solution in your own opinion”.

At a very early stage in the research, Maria, another ethics officer tries to explain the value of the Ferring Philosophy by comparing it to a code of conduct that many companies have and require new hires to sign. *“But it’s not like that in Ferring. The whole idea with ethics in Ferring is that you need to think out of the box and beyond the letter of the law (...) My opinion is that if we get a code of conduct, it will describe 70 % of the things that can happen to you in your everyday work life. And then there are still 30 % where you have to use your head to find the right solution. And then you need the ethical principles to support you anyway”*, she says to argue why the one page document is the most beneficial solution to the complex organizational challenge of ensuring that employees behave according to the values of the company. She admits that this approach is much more abstract than compliance and repeats that it requires people to “use their head” and “think for themselves”.

Returning to our description of the Scandinavian sociocultural context, this ability to “think for yourself” is a fundamental value and could be seen as a cultural reference to the ideal of critical thinking running through Scandinavia’s educational system. In fact, one ethics officer has directly referred to Grundtvigianism and how the concept of moral education (Danish: ‘dannelse’) has inspired how she works with ethics in Ferring. Moreover, the rhetoric surrounding this ideal of being able to “think for yourself” and “use your head” likewise underscores a valuation and legitimization of this particular approach and, perhaps, an implicit devaluation of other approaches.

As expressed in the excerpts, the point of the ethics officers is not to say that compliance is not necessary, as they all agree that it is an absolutely crucial part of running a pharmaceutical company. However, they plea that employees and managers think “beyond compliance” as they describe it. The ways in which the Global Ethics Office works to communicate this plea to employees and managers will be described in the following.

THE GLOBAL ETHICS OFFICE: COMMUNICATING COMPLEXITY

The approach taken by Ferring to ensuring responsible and ethical global leadership across the MNC is that the Global Ethics Office targets both staff and managers. As mentioned earlier, one of the main tasks of the Global Ethics Office is to create awareness of the Ferring Philosophy and encourage

employees and managers to recognize an ethical dilemma, to reflect upon it and to hopefully act upon it. The Global Ethics Office uses various channels to underline the complexity of an ethical decision and how it may often be difficult to decide what is right or wrong.

I participated in ‘the Ferring Philosophy Workshop’ – a three hour workshop about Ferring’s approach to ethics for all new employees. In this workshop, participants are presented with knowledge of the ethics office, its origins and family heritage, but most of the workshop is spent on the Ferring Philosophy. Participants are explained that Ferring has taken the standpoint that no code of conduct can ever cover everything, which is why the company has chosen a one page document to guide behavior. The last hour of the workshop is spent on discussing dilemma cases in smaller groups, followed by a communal discussion between all participants. Dilemma cases that are discussed derive from real and imagined situations that employees may come across in their work in the company, and the subject matter of these dilemmas range from questions of product safety over financial reporting to prioritizations between work and family life. The dilemma cases vary from one time to the next, as the ethics officers select dilemmas which may resonate with the group of participants and their positions in the company. Thus, some dilemmas are related to R&D and research ethics, others are directed towards marketing and sales personnel, whereas others underscore the aforementioned “Good Business Practice” which requires employees to not only consider if something is allowed or not but also if it *should* be allowed, as the dilemma below:

You are responsible for ordering office supplies. One of the companies that you order from is trying to bid to become Ferring’s sole provider. Their sales representative drops by one day and gives you an e-reader because you are considered to be one of their ‘special’ clients. After he hands you the e-reader, he makes a ‘joking’ remark that now you have to put in a good word about his company with the purchase manager.

The corporate policy about receiving gifts states that you may receive a gift from a supplier without needing permission if it is under the value of \$200.00. The value of the e-reader is slightly less than this amount.

Can you accept the e-reader?

In this case, the Ethics Office adds a self-interested intention to the gift-giving and asks you to consider if you can accept the e-reader when this intention is added to the equation, although the monetary limit has not been exceeded. And thus, the dilemma case asks employees to consider not only the rules but also to reflect upon if this *should* be allowed in this particular case, hereby reiterating the message from the “Good Business Practices” mentioned earlier.

What is interesting about the dilemma cases and the way they are presented in the workshops is that they point towards a multiplicity of right and wrong ways to handle them, depending on the information you have and the ways in which you consider the dilemmas. Common for all cases is that they are difficult to solve and that the right answer is not easily found and sometimes downright nonexistent. And this complexity is underscored by the workshop facilitators. For example, during a workshop attended by the first author and upon completion of a discussion on a dilemma case, Sara, an ethics officer, emphasizes that what is right depends on the particular person you are and the particular circumstances that you find yourself in and the knowledge you have at a certain point in time about those circumstances. *“There is not only one solution. Depending on the situation, there can be several ways to do the right thing”*, she concludes.

What is interesting about these dilemma cases is that they have the purpose of demonstrating complexity and raising questions rather than giving answers. They thus underline the aforementioned distinction between compliance and ethics by bringing forward the conviction that ethical dilemmas are complex questions with varying and complex answers.

And this conviction is very much reflected in the way the Global Ethics Office works. As an ethics officer told me early in the fieldwork. *“It is very much an educational model [in Danish: dannelsesmodel] that Ferring has chosen. And that’s the difference between ethics and compliance. Should we tell people [in Danish: “opdrage”] to do what they are told? Or should we educate [in Danish: “danne”] them to do what is right?”*.

As expressed in the excerpt above, doing what one is *told* to do just because you are told to do it fits less within the Scandinavian ideal of making informed individual decisions based on moral education and therefore holds less legitimacy within the approach of the Global Ethics Office. Thus, not only the Ferring Philosophy but also the way in which it is conveyed by the Global Ethics Office resembles ideals of empowerment and moral education that can be found in a Danish sociocultural context.

RECONTEXTUALIZING THE FERRING PHILOSOPHY

As described so far, the way in which the ethics office has structured its efforts seems grounded within an approach that is simultaneously shaped and constituted by three main elements. Firstly, it seems shaped by the Northern European heritage of the company founder. Secondly, by the Ferring Philosophy developed by his son, and thirdly within the location and Danish leadership of the Global Ethics Office from 2006 to 2016.

Recontextualizations in the corporate headquarter

Although still in Europe, within the corporate headquarters in Switzerland, the Ferring Philosophy and the ethics program around it enters a different sociocultural context from where it originated.

However, the corporate headquarter is inhabited by staff and managers from various countries, and the arguments made in the following do thus not necessarily point towards traits of Swiss particularity.

As mentioned earlier, the Global Ethics Office is an independent business unit, separated from the compliance department, the legal department, the human resources department or wherever one might imagine it to belong. However, the aforementioned local ethics coordinators in charge of facilitating the Ferring Philosophy Workshop and getting the message across locally are placed within these related departments. At headquarters, the local responsibility for ethics is placed within Human Resources; a business function that is keen on developing global processes and standards. Moreover, headquarters as an empirical context is where global decisions are made for the entire company, which, we would argue, has an impact on how the ethics program is recontextualized. When discussing the Ferring Philosophy at headquarters, both within and outside of the HR department, one

of the most prevalent comments is its lack of “operationalizability”, and there is doubt about how to put it into practice, what it looks like exactly when put to practice and what behaviors would reflect that it is being followed or not.

As Benjamin from HR in the global headquarter described in an interview:

“This is where I struggle in Ferring since I arrived. I think the Ethics Office is somehow dealing with a piece of the culture (...) So when you think about culture and more specifically a company culture, you are talking about a number of different things. You are talking about how people talk to each other, how they behave with each other, how leaders are role modelling, how their managers see that, interpret that and behave like that with their own people, so that it’s cascaded, right? And then you have the whole management or evaluation of that. So, what behaviors are accepted, acceptable or not at all? And when we get to Ferring, what is very interesting is that in the Ferring philosophy, behaviors are not described very easily to understand. They are not measured. And there is no consequence”.

What is particularly interesting in the quote above is firstly how Benjamin defines and expects what he describes as company culture to be measurable, and secondly how the Global Ethics Office and the Ferring Philosophy do not live up to this ideal because of a perceived lack of clear behavioral guidance, measurability and consequence. In the excerpt above and the conversation surrounding it, Benjamin explains an idea about cascading culture down from the management level into the organization and that such a dissemination of a preferred company culture will be successful if there is a proper management and evaluation system in place. For him, management and evaluation of behaviors is the obvious way to shape company culture, in which the Ferring Philosophy, according to him, plays a central role.

Built into the ethos of the HR function is to consider employees as resources with which the company can increase its (financial) performance, and performance management systems and various ways to render employees’ activities in the workplace accountable are key tools in what seems like a

universalized HR toolbox. Within this realm, as expressed by Benjamin, if something is important, it must be ensured through what he terms “clear guidance” and structures if leaders follow this guidance.

In a response to their own request for behavioral guidance, at the time of the interview, Global HR was working on a set of leadership principles that were launched during the course of this research, and these principles illustrate quite well what Benjamin understands by behavioral guidance. As Benjamin points out later in the interview, these leadership principles are not intended to challenge the Ferring Philosophy but rather to define the preferred behaviors expected from the company and to render these behaviors accountable:

“If we want to drive a company from here to there”, he says and shows with his hands the distance between here and there, “we have – and this is one of the projects that we are working on – to identify what are the behaviors that will allow us to get there? When we look at what we have come through up to now, they [the new leadership principles] link very much to the Ferring philosophy, there is no contradiction there. They are very much aligned. But they [the leadership principles] are spelled out in a much easier way that people can understand. And how you embed that is that you work through systems and structures to embed that in... Every.... Single... Process... That you can...”, he says with emphasis on each word. “and then you identify how you are going to measure it and how you are going to make sure that that measure has a consequence.”

Within the local framework of meaning in the headquarter where more operational and strategic tasks are traditionally undertaken, performance management is considered a valuable tool to ensure that performance - or the lack thereof - has consequences. But rendering measurable the mindset of moral education that the Global Ethics Office promotes is not an easy task, and in response to this perceived shortcoming, it seems, the new leadership principles are created.

As Brannen writes, firm assets such as policies, objects, events or behaviors, can be understood as consisting of two different components: a signifier and a signified (Brannen, 2004: 601). Within the context of Ferring Pharmaceuticals, the signifier is the Ferring Philosophy and the signified is the ethos of moral education described earlier in this paper.. However, when the signifier travels from one system of signification to another, the signified is often left behind (Brannen, 2004). And thus, where the signified (the notions of moral education and individual critical thinking) is held in high esteem in

the context from which the Global Ethics Office operates, a new meaning is attached to the signifier (the Ferring Philosophy) as it travels into the system of signification of the corporate headquarter. Here, the Scandinavian cultural context that gives resonance to the approach of the Global Ethics Office is lacking. And thus, as the signifier is detached from its original signified, what was originally perceived as valuable is now seen as a liability.

Going back to the introduction of the Ferring Philosophy and the family values behind it, the private ownership, the origin of the Ferring Philosophy and the Global Ethics Office become important once again. As Lauren, another employee from HR in Switzerland says in an interview about the process of developing the leadership principles:

“One of the things we didn’t want to do since the beginning is to have anything that would somehow look as a stain into the Ferring philosophy. Right? Neither putting it down or pushing it aside... It’s the heart of Ferring, and the owner is very... vigilant to that. So it needs to be something that is complementary to the Ferring Philosophy but that gives more guidance. (...) but how can we work around it in a way that expresses it to people in a more obvious way?”, she asks, implicitly referring to the leadership principles as the answer.

Thus, within the ethos and logic of the HR function with its “goal setting”, “measuring” and “consequences”, the HR group tries to “work around” the Ferring Philosophy by developing a set of leadership principles that express Ferring’s preferred behaviors in what they consider a more “obvious way”.

However, it is important to note that the quest for operationalizability does not necessarily mean that the Ferring philosophy is disregarded in the headquarter or by HR.

Later in the fieldwork, in a video conference held by HR for local counterparts globally, Phil, an HR business partner, describes the connection between the mission statement, the leadership principles and the Ferring Philosophy: *“The Ferring philosophy defines the values and ethical standards and it’s there in everything we do. And it has a pretty high level identity focus, where the [leadership]*

principles help to put it into practice. The Ferring mission sets clear direction for the future, guides our decisions and what we need to achieve. The Ferring leadership principles define what kind of leadership we need to be able to achieve the mission. And also what are the behaviors that we need to put in place to enable the mission. So everything fits together with these three different roles. All interlinked and supporting each other”.

Here, the understanding of the Ferring Philosophy as “pretty high level” is reiterated and used as an argument for why more spelled out leadership principles are needed. In the video conference, Phil explains that the launch of the leadership principles entails descriptions of each principle and of its preferred behaviors as well as role model stories for each. All of which with the aim of making the principles more tangible for employees. And thus, the ways in which these principles are communicated as well as the principles themselves express a response to the criticism that has been raised about the Ferring Philosophy and its perceived lack of operationalizability.

Thus, the Ferring Philosophy as a firm asset gains new meaning when it is recontextualized within the corporate headquarters. In the Scandinavian sociocultural context in which it originates, the moral educational approach is perceived as not only legitimate but also preferable to other, more instructing approaches, as exemplified in the emic distinctions between ethics and compliance and the ideals of emancipation and “thinking for yourself”. In the headquarter context described above, however, this ideal is turned into a shortcoming as exemplified in Benjamin and Lauren’s call for more clear behavioral guidance and the development of the global leadership principles. In the following, we will analyze how the Ferring Philosophy and the efforts of the Global Ethics Office that surround it are recontextualized within a subsidiary in China.

Recontextualizations in a Chinese subsidiary

As mentioned in the beginning, the first author travelled to China on two occasions during the fieldwork within Ferring, and the voice of the first person in the ethnographic descriptions below thus belongs to the first author.

“In a meeting with Catherine from the Ethics Office, we discuss the forthcoming trip to Asia that I will be going on along with colleagues from the Office. The purpose of the trip is for the Ethics Officers to facilitate the workshop “Leading with integrity” for local managers and to train local counterparts in how to facilitate this workshop themselves as well as the aforementioned Ferring Philosophy Workshop.

As described earlier, a central element of these workshops is a number of dilemma cases that are discussed by participants in the workshops. And these dilemma cases, Catherine tells me, are often difficult for the local counterparts to grasp. Not because they do not understand the dilemmas but because of the approach with which they are discussed in the workshop. Many of the local ethics counterparts in Asian subsidiaries, I am told, have asked for a list of results for these dilemma cases, which – *of course* – has not been supplied. When inquiring why results have *of course* not been given, the Ethics Officers explain that if you provide the results, then people may think that the answers given will always be the right ones. But if the circumstances change, they explain, then another answer might be the right one. So, they fear, providing answers for the dilemma cases might instill what they term a “compliance approach” into the dilemmas, referring to the distinction between ethics and compliance described earlier. Rather, they explain, the point is to educate people to reflect on the ways in which dilemmas change, hereby also changing the right way to handle them.

Later, having arrived in China an ethics officer is conducting a “train the trainer” seminar with local ethics counterparts on how to facilitate the Ferring Philosophy Workshop. Jane, the Ethics Officer, has thoroughly prepared a guidebook for how to facilitate and takes us through facilitation skills as well as the content of the workshop. As the dilemma cases are an important part of the workshop concept, Jane also spends time explaining how to facilitate these. During this training, we are reminded that the dilemma case discussion itself is valuable and that we must never tell a participant that they are wrong. Instead, we should challenge them with counter arguments or try to make them see things from a different angle. Within the guidebook for facilitators that accompanies the training, it is likewise emphasized that we must challenge the participants and ask them to challenge each other’s beliefs

when discussing the dilemma cases, and it is underscored that depending on the circumstances, there might be several ways to do the right thing. *“There is no right or wrong answer, but it’s interesting to listen to people’s ideas”*, Jane says when explaining the importance of challenging people instead of telling them directly that they are wrong.

We discuss one particular case which is used for all the workshops, and Charlie, a local ethics counterpart asks to confirm: *“So there are no right or wrong answers for the case? You just have to facilitate the discussion?”*.

Jane replies: *“Yes, but it’s difficult because you have your own opinion also, but try to keep that out of it... but of course, if someone suggests something illegal, you can say that I as a Ferring employee would maybe to this...”*.

The next day, in a different train the trainer workshop – this time about the Leading with Integrity workshop for managers, we again discuss the dilemma cases. Ken – another local ethics counterpart – asks what we should do as facilitators if there are disagreements about the right way to handle the dilemma cases. Jane replies that we can try to challenge the different approaches and make them reflect on it. *“So we don’t have to give them the final answer?”* asks Jill, another local counterpart. *“Noooo”*, Jane replies while shaking her head. *“We don’t?”*, Ken asks, and Jane shakes her head again. They all nod but look a bit confused.

Six months later, I return to China for 3 weeks; this time alone. In an interview with Charlie, who participated in the abovementioned training sessions, we start talking about the Ferring Philosophy Workshop, and he is struggling a bit with the Ethics Office approach of not supplying answers for the dilemma cases. He says that *“Actually, I have also thought about that since the last time, and Jane also mentioned that there is no right or wrong answer for every dilemma (...) but for some things, we should have a right or wrong answer”*.

He explains that after the training 6 months ago, they had an internal discussion within the local participants group where they discussed and shared a fear of confusing the employees, and that employees might think that there will be no right or wrong answer for anything and that it is up to

them to choose. *“We say that it all depends on your judgment, but sometimes, personal judgment is not always right, so...”*, he says and gives me a serious look. His concern is, he tells me, that people will think

people will think that they can do whatever and that it all depends on their own judgment. *“Because every scenario [dilemma case] we finish, we don’t tell them what kind of thing they need to do. So I’m just afraid after a lot of rounds of... that people – especially senior people – will think why are we doing this (...) because at the end there is no answer for this, because everybody can be right”*.

Thus, within the ethnographic description above, the approach to dilemma case discussions that echo the ethos of empowerment and moral education which is held in high esteem in Scandinavian societies is perceived as liability in the Chinese subsidiary context, since it does not offer the employees clear guidance on what is right or wrong.

Literature on the Chinese educational system and the Chinese learner often describes the teaching style found here as more instructing and less encouraging of critical reflexivity than Western teaching styles (cf. Chen & Lee, 2008). While such dichotomist stereotypes surely contain numerous nuances (cf. Ryan, 2010), the difference between the Chinese subsidiary context, into which the ethics program enters, and the Scandinavian context from which the Ethics Program originates may be the reason why the signified (notion of moral education) and its value changes as the signifier (the workshop) enters this context.

What is interesting is the request for more guidance; a request that is also repeated when discussing the Ferring Philosophy in the Chinese subsidiary, which in interviews is labelled as “broad”, “high level” and “philosophical”, similarly to how it was perceived in the headquarter. Even more interesting is it that this request for more guidance has been translated into a similar object as in the headquarter, and that the recontextualization results in the introduction of a new tool to supplement the signifier whose signified has become detached during its travels from Denmark to China: During the three week field visit to the Chinese subsidiary, local management was in the process of launching a new set of ‘local values’. And interestingly enough, accounts of the need to make preferred behaviors more

explicit and operational were driving this work. Similarly to the communication plan surrounding the global leadership principles developed at headquarters, along with each value thus also comes a detailed description as well as role model stories and a list of “do’s and don’ts” to exemplify the values. The use of role model stories is a common trait in Chinese business contexts as a didactic means to convey a message in a very concrete yet indirect manner (Miller, Wiley, Fung, & Liang, 1997; S oderberg, 2015: 248); it may thus have contributed to respond to the need for more explicitness about preferred behaviors. While such a didactic tradition is fairly established in a Chinese context, such kind of storytelling may not take place in a headquarter context.

Regardless of the difference between them, these new initiatives can be considered responses to similar requests for operationalizing Ferring’s ethics program. And thus similar recontextualizations of it seem to occur in China and Switzerland, despite general notions of foreignness in which a Western headquarter located in Switzerland would be closer to Scandinavian culture than a Chinese subsidiary. Hereby, we further reiterate Brannen’s argument that static notions of foreignness and similarity are less useful to foresee the ways in which values based objects will be received and worked with when introduced into contexts that differ from where they originated.

CONCLUDING REMARKS

In this paper we have demonstrated how a code of ethics, the Ferring Philosophy, and an ethics program meet severe challenges when they travel across different business units and sociocultural contexts within a multinational pharmaceutical corporation and are met by employee expectations that differ significantly from those ideals of empowerment and reflexivity at an individual and an organizational level that are engrained in the Scandinavian context and also permeate the Ferring Philosophy.

We began by demonstrating how an ethical management idea of responsible business has travelled into Ferring Pharmaceuticals and materialized in its code of business ethics and in the Global Ethics Office. This office that initially was located in Denmark and later moved to Switzerland has as its purpose to disseminate the Ferring Philosophy within the MNC through various communication efforts, workshops and leadership development activities. In an in-depth analysis of the Ferring

Philosophy we showed how the MNC has chosen an approach to business ethics that focuses on fostering a culture of ethical behavior and responsibility among all staff. Ethical and responsible leadership is, moreover, sought obtained through dialogue, exercises that stimulate individual reflexivity and responsibility and overall moral education of all staff levels within the organizational hierarchy. Then, we argued that the Ferring Philosophy, as well as the ways in which ethics officers seek to convey it, rests upon values widespread and deeply engrained within a Scandinavian sociocultural context where the employees also accept it and seem to perform it in their daily activities. However, our participant observations and interviews revealed that the Ferring Philosophy and the ways in which it is communicated by ethics officers was perceived very differently within the corporate headquarter in Switzerland and within a subsidiary in China.

The values of empowerment and individual thinking and the related training practices that functioned well in the original Scandinavian context could not easily be “transferred” when the ethics program travelled into business units in Switzerland and China. At headquarters they were met by considerations in the HR department about how the Ferring Philosophy could be incorporated into or linked with new global leadership principles that were expected to provide employees with clearer guidance of preferred behaviors and management with better measurement tools for evaluation of employees’ degree of ethically correct performance. In China, ethics officers were met with expectations voiced by both local managers and employees of getting ‘the right answers’ to deliberately open questions in exercises that invite to and stimulate individual reflexivity among employees. In the Chinese business context, local managers and employees wanted clearer directions of what is right and wrong behavior. Once more the ideas inherent in the Ferring Philosophy were in conflict with local efforts to formulate preferred values and behaviors through a list of ‘do’s and don’ts’. What started out as a business ethics program clearly separated from the compliance office tends to develop into thinking closer to compliance when travelling to corporate headquarters where employees have ambitions to develop standardized leadership principles, and when travelling to a Chinese subsidiary where local managers and employees do not have experiences, neither from the educational system nor from workplaces, that their individual reasoning and maneuvering in relation to ethical issues are appreciated and encouraged.

These findings highlight that a code of ethics, in this case the Ferring Philosophy, contains specific cultural traits that should be considered and reinterpreted when seeking to move it to other sites with other frameworks of meaning. But not only the ethics program itself, but also the ways in which it is sought disseminated within the MNC through exercises and training efforts rest upon culturally embedded ideals of how to teach and train people and make them develop into globally responsible managers and employees, in this case through a Scandinavian understanding of moral education towards a stronger responsibility both at an individual and an organizational level developed through dilemma thinking and individual reflexivity.

Lastly, another point that we have only briefly elaborated on is the noticeable fact that the global headquarter and the Chinese subsidiary have developed similar tools in the shape of leadership principles and locally preferred values, perhaps to compensate for the perceived shortcomings of the ethics program and the ways in which it is communicated by the Global Ethics Office. This outcome, we find, reiterates Brannen's (2004) argument that the semantic fit between the object and the context into which it will be recontextualized must be considered. Moreover, it underscores the need for MNCs to take local contexts seriously when seeking to internationalize their ethics programs. We expected to encounter a local adaptation of the ethics program and the code of ethics, but what we found was that this adaptation did not actually happen. Rather, the ethics program introduced by the Global Ethics Office was deemed too far away from local needs and thus an entirely new approach was developed, as exemplified in the local China values and the leadership principles. Thus, it seems that the strong focus on disseminating one approach to business ethics resulted in a rejection of the ethics program altogether and the development of alternative, more culturally suitable programs.

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Table 1 – Overview of research activities and data sources for this paper

Activity	Location	Data source
One year fieldwork in Denmark June 2017-June 2018	Denmark	Direct
4 Ferring Philosophy Workshops 2017-2018	Denmark	Direct
1 Train the trainer workshop February 2018	Denmark	Direct
Interviewing 3 ethics officers	Denmark	Direct
Interviewing 19 other staff members and managers	Denmark	Indirect
3 weeks fieldwork in the global HQ November 2017	Switzerland	Direct
Interviewing 2 ethics counterparts (HR)	Switzerland	Direct
Interviewing 1 ethics officer	Switzerland	Direct
Interviewing 3 HR staff members	Switzerland	Direct
Interviewing 13 other staff members and managers	Switzerland	Indirect
3 weeks fieldwork in a Chinese subsidiary April 2018	China	Direct
2 Train the trainer workshops October 2017	China	Direct
1 Ferring Philosophy Workshop October 2017	China	Direct
2 Leading with Integrity Workshops October 2017	China	Direct
Interviewing 3 ethics counterparts (HR)	China	Direct
Interviewing 1 HR staff members	China	Direct
Interviewing 4 staff members and managers	China	Direct
Interviewing 14 other staff members and managers	China	Indirect
2 Leading with integrity workshops October 2017	India	Indirect

ⁱ www.ferringresponsibility.com/pillars/business-ethics accessed 15th of August 2017

ⁱⁱ Please see table 1 with data sources used in this specific paper (direct) and the broader research activities (indirect)

ⁱⁱⁱ Excerpt from speaking notes for the facilitators of “The Ferring Philosophy Workshop”.

^{iv} Excerpt from speaker notes from a presentation about business ethics within Ferring.