Creating Shared Value in Diverse Institutional Contexts:

A comparative case study of Novo Nordisk's activities in Japan & Bangladesh

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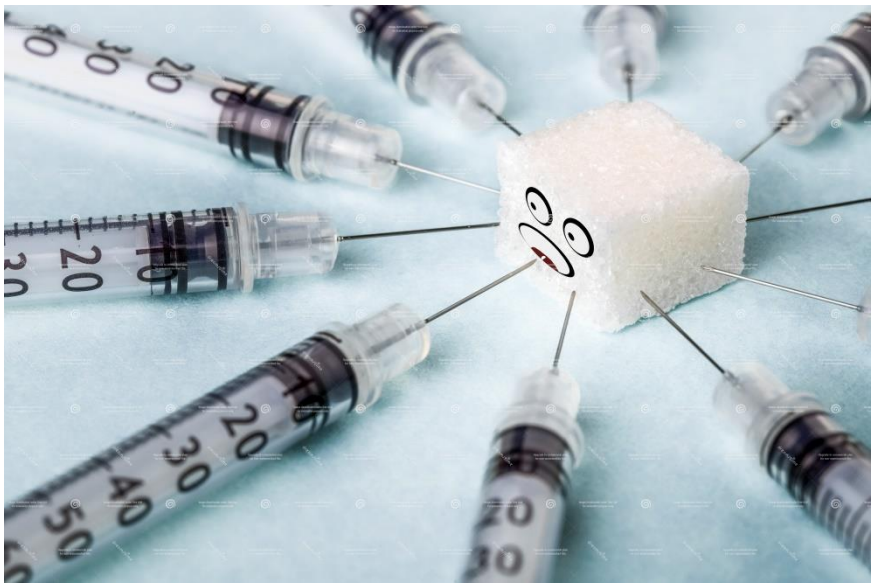

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Abstract

The problem addressed in this thesis is the gap between the number of people with diabetes and the number of people that are actually diagnosed and receiving adequate diabetes care. This is relevant to investigate since it is estimated that 402 million people with diabetes are either undiagnosed or are not achieving the desired outcome of their treatment targets. This problem requires collective action from the public and private sectors, in addition to civil society. This thesis focuses on the role of the private sector. Through a comparative case study, this thesis examines how Novo Nordisk, a multinational pharmaceutical company, addresses gaps in diabetes care in Japan and Bangladesh. Novo Nordisk's activities in both countries are examined using the framework of creating shared value and institutional strategies to uncover how and why Novo Nordisk addresses diabetes-related issues differently.

In Japan, Novo Nordisk mainly focuses on identifying and resolving the psychological issues related to living with and treating diabetes, using the institutional strategies of socio-cultural bridging and relational to create shared value through the strategy of building supportive clusters. Additionally, a relational strategy was used to create shared value through redefining productivity in the value chain, to a lesser degree. The most comprehensive activities predominantly address gaps in awareness and patient care. In contrast, Novo Nordisk mainly uses the institutional strategies of infrastructure-building and relational to create shared value through building supportive clusters and redefining productivity in the value chain in Bangladesh. The most comprehensive activities focus on patient care, economic cost and infrastructural gaps in diabetes care. This thesis concludes that Novo Nordisk has engaged in activities that display different combinations of creating shared value and institutional strategies in Bangladesh and Japan. The differences in how Novo Nordisk creates shared value in Japan and Bangladesh can be explained by local adaptation to institutional contexts. This is because the findings of this thesis indicate that Novo Nordisk's activities were devised based on consideration of the context specific needs related to diabetes care in each country. The findings of this thesis points to an under-emphasis in the importance of partnerships in the framework of creating shared value. This is due to the presence of relational strategies found in both Bangladesh and Japan, which indicates that social problems such as gaps in diabetes care require collective action to solve. This was an aspect of the findings the theory could not explain. This thesis also contributes to literature on creating shared value by building on the research of localised strategies.

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Abbreviations

BADAS = Diabetic Association of Bangladesh

BPC = Blueprints for Change programme

CSR = Corporate Social Responsibility

CSV = Creating Shared Value

CC = Corporate Citizenship

CCD = Cities Changing Diabetes programme

CCoD = Certificate Course on Diabetology

CDiC = Changing Diabetes in Children programme

DAWN = Diabetes, Attitudes, Wishes and Needs programme

DLP = Distance Learning Programme

EDC = Enhancing Diabetes Care programme

GDP = Gross Domestic Product

GNI = Gross National Income

HCP = Health Care Practitioner

HDI = Human Development Index

IDF = International Diabetes Federation

IP = Intellectual Property

ISPAD = International Society for Paediatric and Adolescent Diabetes

JADEC = Japan Association for Diabetes Care

JDS = Japan Diabetes Society

JV = Joint-Venture

LDC = Least Developed Country

MNC = Multinational Corporation

NGO = Non-Governmental Organisation

PPP = Purchasing Power Parity

QCA = Qualitative Content Analysis

SDGs = Sustainable Development Goals

TBL = Triple Bottom Line

TDCL = Transcom Distribution Company Ltd

TRIPs = Trade-Related Aspects of Intellectual Property Rights agreement

UCL = University College London

UN = United Nations

WDD = World Diabetes Day

WDF = World Diabetes Foundation

1.0 Introduction

With the introduction of the Sustainable Development Goals (SDGs) in 2015, the member states of the United Nations (UN) agreed to 17 specific goals to reach sustainable development by 2030 (UN, 2019b, p. 2). Even though member states have aligned their national development plans, policies and institutions towards reaching the targets set by the SDGs, there is still much to be done in order to reach all 17 goals by 2030 (UN, 2019b, p. 3). The goals set targets to be reached for sustainable development, such as zero hunger, quality education and good health and well-being (UN, 2019a). Although 10 of the SDG goals can be considered to have implications for health, the third goal is the one that mainly focuses on health related issues (WHO, 2018a, p. 4). The third SDG goal aims to "*ensure healthy lives and promote well-being for all at all ages*" (UN, 2019a). Thus, the third goal sets targets and indicators related to health challenges such as maternal health, infectious diseases, mental health and non-communicable diseases (UN, 2019a; WHO, 2018a, p. 4).

Non-communicable diseases accounted for 41 million deaths in 2016, which was approximately 70% of all deaths worldwide (WHO, 2018a, p. 7). One of the targets of the third SDG goal is to "*reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being*" (UN 2019a). If this goal is to be reached by 2030, rapid progress is required. This includes progress within alleviating diabetes, which is one of the four main non-communicable diseases. In effect, diabetes is the topic of this thesis, and particularly the challenges and issues associated with effectively alleviating it. There are significant and complex health challenges associated with diabetes, which will be explained further in the following section.

1.1 Problem definition

Every year, diabetes causes 1.6 million deaths which amounts to 4% of all deaths globally (WHO, 2018a, p. 7). As part of implementing the SDGs, and the third goal specifically, one third of these deaths must be prevented. Although progress has been made in improving the health of the world's population, significant challenges remain and improvements are not happening quickly enough to achieve the target within 2030. Specifically, financing and universal health care coverage are necessary to properly address the challenges of non-communicable diseases such as diabetes (WHO, 2018a, p. 7). Nearly half a billion people

currently live with diabetes and according to the International Diabetes Federation (IDF) "*millions of people are being destroyed by the current diabetes pandemic*" (IDF, 2017). Due to decades of investment into diabetes related research and development by numerous pharmaceutical companies, a wide range of effective treatments exist that can enable people with diabetes to live a relatively normal, healthy life (IDF, 2017, pp. 17-19). Yet, these life-saving treatments are not universally available. The Rule of Halves, a theoretical framework developed by Hart (1992), suggests that roughly half of all people with diabetes are undiagnosed; and half of those that are diagnosed fail to receive care; and half of those who receive care fail to achieve their treatment targets; and half of those who reach their treatment targets fail to achieve the desired outcomes. In 2017 Novo Nordisk estimated that 415 million people live with diabetes, a number which is expected to rise to 642 million people by 2014 (Novo Nordisk Cities Changing Diabetes, 2017). Following the *"Rule of Halves"* only around 13 million people, out of 415 million, achieve the desired outcomes of their treatment targets. Thus, the problem identified in this thesis is the gap between the number of people with diabetes and the number of people that are actually diagnosed and receiving adequate diabetes care.

Diabetes and its complications not only cause harm to the patients and their families, but also society at large, imposing a huge economic burden on nations (WHO, 2016, p. 4). Governments are struggling to finance the health care needed to properly care for patients with diabetes. This is a struggle that will continue and will become more difficult to overcome as the amount of people with diabetes is rising (IDF, 2017, p.6). Furthermore, the threat of non-communicable diseases is expected to shift from developed to developing countries. As such, it is expected that more than 80% of people with diabetes will be from a developing country by 2030 (Whiting, 2019).

In order to overcome this challenge, it is necessary for a number of actors to cooperate. For this purpose, governments must work together to alleviate diabetes challenges in cooperation with non-governmental and private actors. Civil society and companies that manufacture food, medicine and medical equipment are important actors in the issue of diabetes care (WHO, 2016, p. 4). Access to, and the affordability of medicine and medical equipment is a critical aspect of addressing the diabetes challenge. To achieve this, it is necessary to include private actors (IDF, 2017, p. 106). To this end, pharmaceutical companies are key actors that must be involved in addressing the growing problem of diabetes. In effect, the influence of pharmaceutical companies in diabetes care will therefore comprise the focus of this thesis.

1.2 Theoretical framework

In order to analyse the problem identified, the theoretical framework of Creating Shared Value (CSV) has been selected. CSV is a concept developed by Porter and Kramer in response to the growing legitimacy crisis of business. Highlighting the mutual dependency between business and society, heightened expectations of businesses globally have created pressure on companies to be more transparent and morally responsible. This global pressure and the need to regain societal legitimacy have coerced corporations to reconsider their responsibilities in relation to society. Corporations are increasingly viewed as a source of social, environmental and economic unrest (Zhao et. al, 2014, p. 655; Porter & Kramer, 2011, p. 4). This perception that corporations prosper at the expense of the broader community has over time led to a decline in public trust (Hansmeyer et. al, 2018; Porter & Kramer, 2011, p. 4). Consequently, the concept of corporate social responsibility (CSR) emerged as a way for corporations to treat those affected by their activities in an ethical and responsible manner, essentially mitigating and compensating for the negative social consequences of their activities. Today, the sole aim of business cannot be profit maximisation alone. The leading theories and frameworks within CSR literature provide justification as to why corporations should actively pursue a responsible role within society.

According to Porter and Kramer, however, the current CSR paradigm is missing the linkage between society and economic opportunities for businesses. This led to the proposition of CSV as an alternative to classical CSR, advocating for social issues to be considered from a business perspective. Porter and Kramer argue that by addressing social issues, companies can discover business opportunities while simultaneously creating value for society and alleviating the social problems identified (Porter & Kramer, 2011, p. 6). Following this line of reasoning, multinational pharmaceutical companies specialising in diabetes treatment should be able to create shared value by reducing the gap between the number of people with diabetes and the number of people receiving treatment, thus creating both societal value and economic value. By addressing the social problems related to diabetes, pharmaceutical corporations can create value to society by providing essential medicine, such as insulin, and by making diabetes treatment more effective, thereby saving lives. The economic value subsequently derives from the increased sales of diabetes related products and medicine as well as increasing market size. Hence, bridging the gap between those unwittingly living with diabetes, and those diagnosed and receiving treatment can create shared value.

However, multinational corporations (MNCs) operate in different countries that exhibit diverse local contexts. Therefore, it is unlikely that a standardised approach can be applied to bridge the abovementioned gap. According to institutional theory, companies must consider the institutional context in which they operate to create an effective business strategy. For this reason, the strategies that companies can employ to create shared value will be considered in combination with the institutional strategies companies can use to gain competitive advantage when operating abroad. Following the argument of the framework of institutional strategies, companies need to adjust their business strategies to adequately respond to the institutional challenges they face when they set up operations in another country. In effect, this thesis will combine CSV theory and the framework of institutional strategies to investigate the activities of a multinational pharmaceutical company and evaluate how and why the company employs CSV or institutional strategies to address gaps in diabetes care in two countries.

1.3 Cases

The activities of Novo Nordisk in two countries have been chosen as cases for this thesis. Novo Nordisk is a multinational pharmaceutical company that was selected due to its reputation as a company that actively pursues business solutions that maximise value to both business and society (Elkington, 1994; FSR, 2017; 3BL MEDIA, 2016; Valet, 2018). Headquartered in Denmark, Novo Nordisk is a global health care company with over 95 years of experience in diabetes care and currently offers its products in 170 countries (Novo Nordisk, 2019a). Approximately 72% of the company's revenue comes from sales of diabetes related products. For this reason, Novo Nordisk can be considered a multinational pharmaceutical company that specialises in diabetes care. For the purpose of this thesis, Novo Nordisk's activities in two countries, Bangladesh and Japan, have been chosen as cases. The activities Novo Nordisk engages in to alleviate diabetes issues will be considered and compared in the two countries in relation to their institutional context.

1.4 Research question

Based on the problem definition and theoretical framework above, the following research question has been formulated to guide the thesis: *How and why does Novo Nordisk address gaps in diabetes care differently in Bangladesh compared to Japan, and what kind of CSV or*

institutional strategies can be identified? In effect, this thesis sets out to examine the various activities Novo Nordisk engages in to alleviate diabetes in Bangladesh and Japan respectively, and to identify whether they constitute as a CSV strategy. The activities will then be examined to see whether Novo Nordisk simultaneously employs any institutional strategies to overcome institutional barriers. The differences between Novo Nordisk's CSV activities in Japan and Bangladesh as well as the underlying institutional structures will then be compared, analysed and evaluated.

1.5 Structure

This thesis consists of nine chapters. The first chapter is this introduction, which present the problem definition, theoretical framework and cases as well as outlines the relevance of the research question, and summarises the structure of the thesis. The second chapter provides a literature review in which some of the most prominent theoretical frameworks within the realm of CSR are considered. This is followed by the third chapter, which introduces and justifies the selection and combination of CSV and institutional strategies as the theoretical framework employed in this thesis. The fourth chapter is on methodology, which discusses the philosophy of science underpinning this thesis, as well as methods for data collection, and finally outlining the delimitations of the chosen methods and their implications for the findings. Thereafter the fifth chapter depicts the relevant background information underpinning the analysis. This is followed by the sixth chapter, which analyses and compares Novo Nordisk's activities in Japan and Bangladesh. The analysis is followed by a discussion which takes place in the seventh chapter. Then finally the eighth chapter concludes the thesis and the ninth chapter lists the references used throughout.

2.0 Literature Review

This chapter presents a literature review of CSR as a field of study, to provide a contextual understanding of where the research of this thesis is situated. The purpose of a literature review can also be to demonstrate a gap in the literature that a thesis attempts to fill (Brinkmann, 2013, p. 89). Thus, the literature review of this thesis also points to a lack of research into institutional adaptation and awareness when describing corporate CSR efforts.

Numerous CSR theories and frameworks attempt to explain and justify the social responsibility corporations owe society (Porter & Kramer, 2011, p. 4). They also attempt to solve the *"crisis of capitalism"*, which refers to the legitimacy issue corporations have been facing in recent years. Corporations are increasingly viewed as *"a major cause of social, environmental, and economic problems"* (ibid.). As such, the need to reinvent capitalism has emerged (Elkington, 1994, p.90), wherein the role of business cannot be understated. Multinational corporations must take lead in the absence of effective government action in resolving the systemic challenges facing societies and economies (Elkington, Zeitz & Branson, 2014, p.22).

The bewildering range of frameworks and theories in the CSR realm are difficult to navigate. There are a myriad of prominent and often to some extent overlapping theories to examine, each providing a different solution to the crisis of capitalism. This literature review explores the original position of CSR as well as theories such as Corporate Citizenship, Stakeholder theory, the Triple Bottom Line, Purpose-Driven Business and the Blended Value Proposition. The theoretical framework employed in this thesis will then be presented in the following chapter.

2.1 Corporate Social Responsibility

The idea that the responsibilities of corporations go beyond economically contributing to society lies at the core of CSR (Frederick, 2018, p. 6). The idea that corporations should bear social responsibilities emerged in the years after World War II (Carroll & Brown, 2018, p. 40). Prior to that, corporations only contributed to society through philanthropy (Carroll, 2008, p. 26). This has since evolved into the increasing social expectations of corporations that are observed today (Carroll & Brown, 2018, p. 40). Thus, CSR refers to when "*a business firm consciously and deliberately acts to enhance the well-being of those whose lives are affected by*

the firm's economic operations" (Frederick, 2018, p. 4). However, a single, universally accepted definition of CSR does not exist (Carroll & Brown, 2018, p. 41). CSR can be broken down into components to give a general understanding of the concept. The *"corporate"* aspect refers to all types of business organisations and therefore includes both small and large corporations. The *"social"* aspect refers to society and the well-being of society. The *"responsibility"* aspect refers to corporations being held accountable for actions that are within their control (Carroll & Brown, 2018, pp. 42-43).

According to CSR theory, the social responsibility of a corporation is relevant given that the outcome of its economic activities have both negative and positive impacts on society. On the positive side, businesses contribute positively to the economy of a society, but their operations can also produce negative externalities such as pollution. CSR aims to reconcile these two competing outcomes, and thereby merge the economic aspirations of the business with the social aspirations of society (Frederick, 2018, p. 4). The interest in CSR has increased in the past three decades and can be considered the result of corporate failures as well as financial crises in recent times (Menassa, 2010, p. 7). An increasing number of corporations have begun to embrace the term and have incorporated CSR into their operations (Wood, 2018, p. 406). CSR is furthermore becoming increasingly integrated with strategic management as well as corporate governance in many corporations. This has encouraged corporations to develop organisational mechanisms for reporting and controlling the corporation's social contribution to society (Carroll, 2008, p. 21).

Early research and literature on CSR initially developed in the US and has gained attention in Europe as well in the past decade (Carroll, 2008, p. 21). One of the first influential works on CSR is the book "*Social Responsibilities of the Businessman"* by Howard R. Bowen. Bowen's work can be considered the beginning of the modern understanding of the CSR field. Bowen is therefore referred to as the founding father of CSR (Melé, 2008, p. 51). Published in the 1950s, the book introduced the concept of social responsibility and argued that businesses must take actions that are in line with the values of society. This is how Bowen understands the social responsibility of the business. Bowen introduced the important question of *"What responsibilities to society should be expected of business?"*. This question remains relevant in the field today.

Although Bowen argued for the social responsibilities of the corporation, CSR was in the years up until the 1960s mainly seen in the form of philanthropy (Frederick, 2018, p. 7).

However, CSR literature picked up in the 1970s and included two influential studies by Bowman and Haire, and by Holmes. Neither study set out a clear definition of CSR, but both sought to understand how the term was used by businesses and corporate executives (Carroll, 2008, p. 33). The understanding of CSR and the related business practices changed significantly in the 1970s. CSR moved away from simply focusing on philanthropy emphasising that social activism was expected of businesses (Frederick, 2018, p. 12). This moved the focus towards management and a managerial approach to CSR emerged. Thus, managerial functions were arguably applied when corporations engaged in CSR, however, CSR was mainly a topic for academics and was not widely practiced by corporations (Carroll, 2008, p. 35). Even so, there is increasing pressure on corporations from society to engage with social problems (Frederick, 2018, p. 12). A social problem can be defined as "*a collective difficulty which the total public or some constituent group of the public thinks exists*" (Lauer, 1975, p. 123).

2.2 Stakeholder Theory

The focus in the CSR field shifted in the 1980s away from philanthropy and the managerial approach to the culture of the corporation. Since culture could influence the behaviour of both the executives and employees, corporate culture was considered crucial for achieving overall socially responsible behaviour of the corporation (Frederick, 2018, p. 16). This led to corporations adopting ethical guidelines to ensure responsible behaviour. These guidelines took the forms of mission statements, codes of conduct or codes of ethics (ibid., p. 19). Important research topics from the 1980s include areas such as environmental pollution, safety and quality of the workplace, and abusive practices by large MNCs (Carroll, 2008, p. 37). This was closely related to the renewed focus on human rights and related human rights issues and violations (Frederick, 2018, p. 18). Another research topic that emerged was the profitability of CSR (Carroll, 2008, p. 37).

The CSR field in the 1980s was also characterised by the emergence of new complementary and related theories. An influential theory that emerged out of the CSR debate was stakeholder theory (ibid., p. 35). This theory was first introduced as a new approach to management by R. Edward Freeman in his book *Strategic Management: A Stakeholder Approach* published in 1984 (Melé, 2008, p. 64). Stakeholder theory is built on the idea that the corporation is responsible for those affected by its operations – the *stakeholders* of the

corporations (Carroll & Brown, 2018, p. 49). A stakeholder of a given corporation can be defined as "*an individual or a group which either: is harmed by, or benefits from, the corporation; or whose rights can be violated, or have to be respected, by the corporation*" (Matten & Crane, 2005, p. 4). Hence, a stakeholder can be both negatively and positively affected by the activities of a corporation (Fleming & Jones, 2013b, p. 50). Stakeholder theory states that the corporation is obliged to take the interests of the relevant stakeholders into consideration and needs to consider its legal, moral and ethical obligations towards its stakeholders (ibid., p. 53). Stakeholder theory shifts the main focus of the corporation away from the traditional understanding that the purpose of the corporation is to maximise the benefits of the shareholders. Stakeholder theory therefore becomes more concrete than CSR in the sense that it seeks to address the specific interests and needs of specific groups affected by the activities of the corporations (Melé, 2008, p. 67). As such, stakeholder theory claims that salient stakeholder groups exert social pressure on corporations to engage in CSR. Stakeholders therefore influence corporate behaviour and CSR strategy (Lee, 2011, p. 282).

2.3 Corporate Citizenship and the Triple Bottom Line

Several complementary theories emerged in the 1990s, serving as a basis for the development of concepts and theories related to CSR (Carroll, 2008, p. 38). These theories reflected the increased focus of corporations' role in society that developed in the 1990s. Instead of focusing on philanthropy, management or corporate culture, CSR shifted to sustainability goals and globalisation (Frederick, 2018, p. 21-22). With globalisation, a number of new issues arose that were connected to corporations and led to greater pressure on corporations to take on social responsibilities (ibid., p. 24).

The concept of Corporate Citizenship was introduced by practitioners in the late 1990s, and builds on the notion that corporations are capable of behaving responsibly while pursuing profit-making activities and thus is obligated to do so. This is attributed to the fact that corporations are public, powerful actors that have a responsibility to respect citizen rights in society and are encouraged to view their social and environmental performance as a source of competitive advantage (Valor, 2005, p. 199). Thus, Corporate Citizenship attempts to explain how and why companies should, and increasingly do, internalise corporate responsibility practices into their business models (Waddock, 2008, p. 29). The practitioners that coined

Corporate Citizenship were hoping to solve the problem of operationalisation and implementation within CSR, by integrating corporate social responsibility and stakeholder management within a corporate social performance framework (Valor, 2005, p. 195).

In effect, Corporate Citizenship arguably describes the social role of the corporation in administering citizenship rights for individuals. This definition of Corporate Citizenship reframes the notion that the corporation has citizenship rights itself. Instead, a corporation could administer citizenship rights by taking over an arena that the government has ceased administering citizenship rights in, or it could pre-emptively enter an arena that the government has not yet begun to administer citizenship rights, for example in a developing country. Corporations could also administer citizenship rights in arenas that are beyond the reach of the government such as in the transnational arena or global market (ibid.).

Another theory that emerged in the late 1990s was the Triple Bottom Line (TBL) theory. TBL is a sustainability framework developed by John Elkington, which predicted the transformation of capitalism through a newfound focus on economic prosperity, environmental quality and social justice (1999, p. 70). TBL theory warns of an inevitable transition towards sustainability and claims that corporate success will increasingly depend on economic, social and environmental sustainability. Elkington attempted to overcome the ambiguity surrounding sustainability in terms of its infinite definitions, and broadly defines sustainability as *"the principle of ensuring that actions today do not limit the range of economic, social and environmental options open to future generations"* (Elkington, 1999, p. 20). Elkington envisioned seven sustainability revolutions that would drive the widespread global adoption of the TBL, leading to the *"creative destruction"* of the capitalist system (ibid.). However, 25 years after publishing his theory, Elkington wrote an article rethinking the TBL because his prediction of a breakthrough capitalist system change had not come to pass (Elkington, 2018). Although Elkington believes that his TBL theory has shaped the sustainability agenda and become firmly embedded in the business lexicon, he suggests that a new wave of TBL innovation and deployment will be needed to solve the current crisis of capitalism (ibid.).

2.4 Criticism of CSR

Research on CSR has come a long way since its emergence, and the idea that corporations have social responsibilities has been increasingly accepted by both corporations

and society (Wood, 2018, p. 406). The acceptance of CSR has, however, not led to a conclusive change in corporate behaviour, nor does it necessarily mean that CSR research is without flaws (ibid., p. 407). Milton Friedman is an infamous critic of CSR (Carroll & Brown, 2018, p. 43), who contests the idea that corporations can have responsibilities of any kind. Friedman argues that while corporations as entities cannot have responsibilities, the people behind the corporations can have responsibilities. Thus, the responsibility lies with the corporate executive, not the corporation. The corporate executive, as an employee of the owners of the corporations, has the sole responsibility of acting in accordance with the stockholders' interests, which presumably is to maximise profits (Friedman, 1970, p. 1). Friedman therefore argues that, although a corporate executive could be argued to have social responsibilities as an individual, it would go against the stockholders'– and thereby the corporate executive's employer – agenda to spend money on CSR (ibid., p. 2). In his book, *Capitalism and Freedom*, Friedman states that "*there is one and only one social responsibility of business - to use its resources and engage in activities designed to increase its profits (...)"* (ibid., p. 6). It could, however, be argued that if shareholders wish to spend their money on CSR, then Friedman argument does not eliminate the possibility of a corporation investing in CSR (Salazar & Husted, 2009, p. 139).

CSR has furthermore been accused of being illusory, "*designed to pull the wool over the eyes of the consumers, environmental protection groups and society more generally*" (Fleming & Jones, 2013a, p. 2). CSR has also proven difficult to implement in practice. Companies have struggled to unite social responsibility with economic responsibility (Wójcik, 2016, p. 35). In terms of CSR research, the field has been criticised for not being able to come up with a singular definition of the term and adequately connect the theoretical part of CSR to empirics (van Oosterhout & Heugens, 2008, p. 217). This is closely related to the criticism that a significant amount of research on CSR is simply not theoretical in nature. Instead, CSR research has been criticised for being too focused on how CSR can be beneficial. CSR research furthermore tends to rely on limited sources, given that quantitative data on CSR is difficult, if not impossible, to access (Wood, 2018, p. 409).

2.5 Recent developments

Recent research points to differences between corporate CSR strategies. External forces have been suggested as an explanation for these differences. As such, corporate CSR strategies can be shaped in response to external influences (Lee, 2011, p. 281). Organisational studies

suggest that corporations develop a CSR strategy in response to social pressure. These social pressures have subsequently been studied by scholars from either a stakeholder perspective or an institutional perspective (ibid.). The exact influence of institutions on CSR strategies can still be considered ambiguous. While it can be argued that CSR strategies can develop when companies operate in countries with weak institutional structures and therefore implement CSR strategies as a way to overcome institutional voids, which are vacuums or shortcomings left by formal institutions (Doh et. al, 2017). Yet it can simultaneously be argued that companies implement CSR strategies in countries with strong institutions. In such environments, the robust institutional setting enables stakeholders to exert additional pressure on companies which can lead them to adopt CSR strategies (Rathert, 2016, p. 859).

Institutional context has been increasingly used as an explanation for variations in CSR strategies and practices. However, only little is known about how institutions influence corporate CSR strategies (Rathert, 2016, p. 859). Only a few studies on the influence of institutions on CSR exist (Lee, 2011, p. 283). This is particularly the case for corporations which operate across nations (MNCs) and therefore across institutional contexts. The main body of studies on CSR in relation to institutions has revolved around the company's home country (Rathert, 2016, p. 859; Young & Marais, 2012, p. 434). This is surprising, since a plethora of CSR related issues arise when MNCs from developed countries move their operations to a developing country (Rathert, 2016, p. 859). Nevertheless, it was difficult to find studies on the variation of CSR strategies across countries, especially in terms of institutional contexts (Young & Marais, 2012, p. 434).

A significant amount of attention, however, has moved away from CSR and towards new, related concepts and theories in academia (ibid., p. 40). Recently, new concepts and frameworks have developed that are similar to CSR and overlap significantly with the classical understanding of CSR. The new concepts and frameworks, however, claim to offer new, improved understandings of business's responsibilities and relations to society. Creating shared value, the theoretical framework of this thesis, is an example of one of these newly developed frameworks (Carroll & Brown, 2018, p. 52). Another example is the Purpose-Driven Business approach, developed by a diverse group of academic and business leaders, to highlight the need to change the fundamentals of business and capitalism. This holistic business approach explains how businesses can reinvent themselves away from short-term profit optimisation goals towards long-term sustainable success that serves society (Hansmeyer et. al, 2018). Hence, by using this

framework, corporations can arguably deliver value to all stakeholders and society by finding a genuine purpose and embedding it in the core of its business strategy (ibid., p.163).

Another example is the Blended Value Proposition. Developed by Jed Emerson, the Blended Value Proposition questions the notion that *"doing well"* and *"doing good"* are mutually exclusive goals (2003, p. 36). Utilising a financial explanation of investment and return, Emerson suggests that corporations can simultaneously achieve high financial and social returns by pursuing an embedded value proposition composed of both (ibid., p. 37). Emerson recognises that tensions may emerge between the financial and social bottom line, subsequently requiring a new breed of 21st Century Managers that are capable of advancing the greatest maximisation of social, environmental and economic value within each firm (ibid., p. 38). The 21st Century Managers should create new knowledge and live within a higher level of economic, social and environmental integration (ibid., p. 39). The following chapter will describe the theoretical framework employed in this thesis.

3.0 Theoretical Framework

As evident in the literature review, research on the influence of institutions on corporate CSR efforts seems to be in the early stages of development. Thus, it is relevant to investigate the effect of institutions on CSR efforts because MNCs are present in many different countries and it may be necessary to take these contextual differences into consideration. Yet, CSR literature lacks research on how corporations should approach different institutional environments (Young & Marais, 2012, p. 434). The social contributions that MNCs provide through their CSR efforts should be carefully considered in relation to the institutional context of each country they are operating in, considering how rules and norms that governs social issues tend to differ across national institutions (Rathert, 2016, p. 860). The literature review indicates that attention has increasingly shifts away from CSR towards new alternative frameworks.

The influence of institutions has seemingly not been investigated in relation to these newly developed frameworks of business responsibilities. This thesis therefore attempts to fill this gap by combining CSV theory with institutional strategies. CSV is a framework that provides an alternative reasoning for business's responsibility to society. This thesis therefore employs the theory of creating shared value and institutional strategies to examine Novo Nordisk's efforts to address gaps in diabetes care in Bangladesh and Japan.

The two frameworks will be introduced in this chapter. First, CSV theory will be introduced and the three CSV strategies will be defined. CSV theory will be used to examine Novo Nordisk's activities in Japan and Bangladesh to see if they can be categorised as any of the CSV strategies. This will provide an explanation for how Novo Nordisk attempts to create shared value in both countries. Second, the framework of institutional strategies will be introduced in this chapter. This framework will be used to examine whether the CSV strategies Novo Nordisk employs in Japan and Bangladesh are adapted to the local institutional contexts. This will be done by first defining the three institutional strategies and then investigating whether Novo Nordisk's CSV strategies correspond with any of them. If so, then it would indicate that Novo Nordisk has attempted to overcome institutional barriers in the two countries.

3.1 Creating shared value

The first theory to be considered is the theory of creating shared value. The term 'creating shared value' was first introduced by Porter and Kramer in the *Harvard Business*

Review in 2006 (Porter & Kramer, 2006) and was further developed in the following article in 2011 (Porter & Kramer, 2011). Porter and Kramer defined CSV as "*policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions of the communities in which it operates*" (ibid., p. 6). The concept was developed as a response to the declining perceived legitimacy of business. Corporations are increasingly seen as the cause behind economic, environmental and social problems in society. This is because corporations have viewed value creation in a narrow form over the past decades. In order to regain legitimacy, Porter and Kramer argue that corporations need to rethink value in a way that both address social issues as well as enhances economic performance (ibid., p. 4). Value is defined as the *"benefits relative to costs, not just benefits alone"* (ibid., p. 6). Therefore CSV theory aims to bring society and business together by acknowledging the close ties between the two spheres. A prosperous society is beneficial to business since that will create and increase demand for its product as well as provide a supportive environment for businesses to operate in. Similarly, societies are dependent on business as an avenue for job and wealth creation (Porter & Kramer, 2011, p. 4).

Porter and Kramer consider CSV as a new conception of capitalism. The old notion of capitalism views business as all about making a profit. By making a profit and providing jobs, business contributes to society. Social issues are therefore not viewed as falling within the scope of the business. Companies compete with each other for profits which will lead to budget cuts to remain competitive. This will show itself in the form of reallocating operations or reducing staff. Such consequences would therefore have negative influences on the community. The community may therefore view business as operating at their expense which leads to the current legitimacy issue companies face (ibid.., p. 6). In this narrow view of conducting business, companies have overlooked business opportunities related to the location of their operations (ibid., pp. 6-7). By connecting the company's operation with the needs of society, new avenues for innovation will open up, to the benefit of the company as well as the surrounding community. In this way, creating shared value will redefine capitalism (ibid., p. 7).

Porter and Kramer not only view the concept of shared value as a response to the legitimacy crisis of capitalism, but also as a solution to corporate struggles with CSR (Porter & Kramer, 2006, p. 2). Although companies have taken significant steps towards mitigating their social and environmental impact on society, Porter and Kramer argue that these efforts could be more effective if companies reconsider how they approach the issues. The prevailing approach

to CSR leads companies to view business and society as separate instead of interrelated (ibid., p. 1). The current approach is furthermore disconnected from business strategy which leads to missed business opportunities. By considering the creation of shared value as opposed to traditional corporate social responsibility, companies will be able to address these identified problems and create greater corporate and social value (ibid., p. 2).

Consequently, the most important ways in which CSV differs from CSR responsibility is through the different focus on business strategy and opportunities. Whereas traditional CSR only focuses on the creation of social benefits, CSV uses the value principle to address both economic and social impact. Hence, CSV considers benefits relative costs both in economic and social terms (Wójcik, 2016, pp. 38-39). CSV is a means to create new value by identifying new opportunities for business and society, whereas CSR focuses on sharing the value already created by companies with society. CSR will therefore lead to social gains, but not economic benefits for the company (Wójcik, 2016, p. 40). The only benefit the company will receive from CSR practices is reputational. As argued by Porter and Kramer, CSR is mostly disentangled from the business, making it difficult to justify CSR in the long run (Porter & Kramer 2011, p. 16). Since CSV claims to create sustainable value for both society and business, it differs from traditional CSR (Wójcik, 2016, p. 40).

3.1.1 Creating shared value strategies

In their article from 2011, Porter and Kramer lay out three different ways companies can employ to create shared value. The three ways are: 1) by reconceiving products and markets, 2) by redefining productivity in the company's value chain, and 3) by building supportive clusters (Porter & Kramer, 2011, p. 7). Hence, Porter and Kramer argue that companies can tailor their shared value creation strategy to fit the opportunities of the company (ibid., p. 3). As such, the three different ways to create shared value will be considered for the purpose of this thesis as three strategies companies can follow to create shared value. Although the three strategies to create shared value will be considered separately, they are closely connected. According to Porter and Kramer, working with one strategy can lead to other opportunities for creating shared value. Thus, by creating value in one area, further opportunities for creating value in another area can open up (ibid., p. 7). Each of these different, but connected, ways of creating shared value will be considered in this section. The strategies will be used to analyse specific instances of creating shared value in the analysis of the thesis.

The first strategy companies' can employ to create shared value is the strategy of reconceiving their products and markets. By employing this strategy, companies can create shared value by addressing unmet needs in society through the innovation of their products. Companies need to consider and analyse unmet needs in societies and consider how they can redesign their products to meet these needs. This encourages companies to consider if and how their products are good for their customers and society at large. Addressing an unmet need in the market creates business opportunities for the company which can lead to economic benefits. At the same time, while pursuing economic profits, the company can address a need in society that would otherwise go unmet. When companies reconceive products and markets, shared value is created (Porter & Kramer, 2011, p. 7).

The second strategy companies' can employ to create shared value is to redefine productivity in their value chain. The value chain is a concept developed by Michael Porter in *Competitive Advantage* (Porter, 1985). The value chain "*divides a firm into the discrete activities it performs in designing, producing, marketing, and distributing its product*" (Porter, 1985, p. 26). The value chain is illustrated in figure 1. The value chain can be used as a tool for companies to identify their competitive advantage and how to modify the value chain to further enhance their competitive advantage (Porter, 1985, p. 26). Companies' value chains are closely connected to a number of social issues. Social issues can be negatively affected by the companies' activities, but social issues can also inflict economic costs on the company. Shared value can therefore be created by identifying social issues connected to the company's value chain (Porter & Kramer, 2011, p. 8). An example of this could be energy use. Due to increasingly high energy prices, it is in the interest of the company to decrease their energy use. This could be achieved through improved technology or better recycling practices. This would in turn lead to lower carbon emissions, which is beneficial for society and creates shared value (ibid., p. 9).

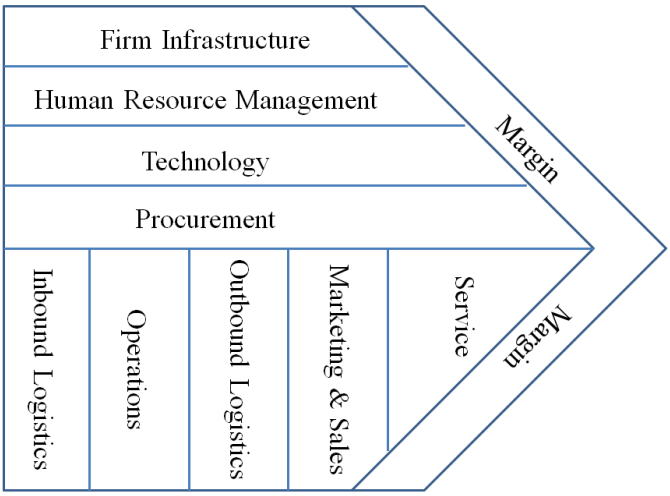

Figure 1: The Value Chain (Source; Porter, 1985).

The third strategy companies can employ to create shared value is supporting the development of local clusters. The term *"cluster"* was first introduced by Michael Porter in *The Competitive Advantage of Nations* (Ketels & Keller, 2015, p. 1) and refers to the environment surrounding the business. This includes other companies, organisations and public assets (such as schools, access to clean water, laws etc.). Clusters have a significant impact on the performance of a company, both in terms of productivity and innovation. With an effective framework surrounding the cluster, the company will have better conditions for success, whereas an incomplete and deficient surrounding framework will negatively affect the company's performance. Companies therefore have an interest in addressing issues in their surrounding environment to decrease the internal costs they create. Examples of such issues include poor educational systems that will negatively affect the pool of potential employees for the firm, or poor infrastructure, which will lead to higher logistic costs (Porter & Kramer, 2011, p. 12). By improving conditions in their environments, companies will achieve greater productivity and improve society and thereby create shared value (ibid., p. 13).

While CSV focuses on companies and their role, Porter and Kramer acknowledge that shared value can also be created by other types of organisations. As such, governments and NGOs are also able to create shared value. According to Porter and Kramer, NGOs and governments can enhance their contribution to society if they think more in terms of boosting productivity and creating value (Porter & Kramer, 2011, p. 12). It is furthermore acknowledged by Porter and Kramer that shared value can be created in collaboration with other actors (ibid., p. 13). Partnerships are particularly relevant when companies follow the third CSV strategy and

build supportive clusters. Hence, Porter and Kramer argue that the most successful cluster development efforts are the ones that take place in collaboration with the private sector and third parties, such as governments, NGOs or trade associations. Partnerships are particularly useful when focusing on areas such as infrastructure building or enhancing institutions (ibid., p. 15).

Porter et al. considered how to use and measure shared value by examining the emerging measurement practices at selected companies actively creating shared value (2011, p. 1). It was deemed necessary for companies to be able to measure the economic and social impact of their shared value strategies in order to determine the extent to which they are actually creating shared value. Besides tracking their own progress, measuring a company's creation of shared value can also be used to convince investors of the benefits of pursuing a shared value strategy (ibid., p. 2). Although measuring shared value creation should primarily be used for management purposes, it can therefore arguably also be used for communicative purposes for external stakeholders (ibid., p. 12).

In their article, Porter et al. recognise that the tools necessary for understanding and evaluating shared value creation are still developing. Companies that are currently pursuing shared value strategies are still struggling to measure their impact (ibid., pp. 1-2). Although a number of tools already exist and are employed by companies to measure financial, social and environmental activities, a measurement directly linking social progress with the economic success of a company is still needed to accurately evaluate the impact of creating shared value (ibid., p. 2).

Currently, there are three approaches that integrate social and economic results. The first approach seeks to correlate ESG (environmental, social and governance) performance with market value. The stock price of a company is thereby considered in relation to an ESG factors. This approach, however, cannot identify the factors that are most important in driving the economic performance of the business (ibid., p. 13). The second approach is to try to monetise ESG performance. An estimated cost of externalities is incorporated into the overall economic performance of the company. This approach, however, faces the issue of having to assign a value to environmental and social capital. As a current consensus does not exist, it will be difficult to agree on a value for externalities (ibid., p. 14).

Both of these approaches are insufficient for capturing shared value creation and cannot be used to inform shared value creation strategies (ibid., p. 12). Therefore, a third approach, the shared value measurement, has developed. Shared value measurement is not based on statistical

correlations or an estimation of value on ESG factors, but instead focuses exclusively on the link between business performance and social impact (ibid., p. 13). Importantly, this measure should distinguish between activities the company undertakes to improve their impact on society, and the activities the company undertakes as value creation. Only value creating activities should be measured as shared value creation and should focus on how investments simultaneously improve social conditions as well as the economic performance of the company. Activities that solely focus on improving the company's impact on society come at an additional cost to the company and can therefore not be considered to create value (ibid., 2011, p. 14).

3.1.2 Criticism

While CSV has become a popular term, it has also received criticism. The article by Porter and Kramer from 2011 has been heavily cited and CSV is now among the most cited business concepts (Corazza et. al, 2017, p. 417). Corporations are increasingly incorporating CSV into their corporate strategies, and consultants have started to offer CSV-related services to businesses. Furthermore, organisations that oversee reporting on social and environmental accountability have started to include CSV terms in their guidelines (ibid., p. 417). However, in academia CSV as a business concept has received mixed reviews. CSV has both been praised as a valuable theory as well as received criticism for being too ambiguous and weakly defined as a theoretical concept. CSV as a concept has therefore generated significant debate (Dembek et. al, 2016, p. 231).

Schumpeter (2011) published a critical response article, called *"Oh, Mr Porter"*, in which he questioned CSV theory's capacity to provide solid response to the crisis of legitimacy within the capitalist system. Moreover, Schumpeter warns that the theory warrants increased political involvement within the private sector and ignores the trade-offs that businesses often confront in terms financial profit versus societal impact. Additionally, Schumpeter (2011) argues that CSV regurgitates old propositions by encouraging long-term thinking and focusing on consumer development in emerging economies. This leads him to draw numerous parallels between CSV and the concept of *"blended value"* proposed by Jed Emerson in addition to Stuart Hart's *"Capitalism at the Crossroads"*. According to Schumpeter (2011), the predominant issue with CSV is the lack of empirical evidence to support the theory. Hence, Schumpeter (2011) concludes that Porter and Kramer's theory of CSV requires significant development.

Although Crane et al. (2014) acknowledges that CSV as a concept advances the understanding of the social role of business, they also point to a series of shortcomings CSV suffers. Crane et al. argue that CSV as a concept is *"unoriginal, it ignores the tensions between social and economic goals, it is naïve about the challenges of business compliance, and it is based on a shallow conception of the role of the corporation in society"* (2014, p. 131). CSV is unoriginal because it shares significant similarities to related concepts, such as CSR, stakeholder management and social innovation. Thus, CSV is not as new as Porter and Kramer claim (ibid., p. 134). This argument is corroborated in a study by Corazza et al. that investigated how a number of large, international organisations understand CSV as a concept (2017, p. 415). The findings of the study suggest that CSV is not viewed as a unique concept, but rather is used in close connection with other sustainability approaches, concepts and theories (Corazza et. al, 2017, p. 421). As such, CSV can also be criticised for its shortcomings in comparison to classical CSR theory. According to Michael Hopkins, a point of criticism is that CSV does not consider all relevant stakeholders. Hopkins therefore criticises CSV based on the fact that the concept mainly considers consumers and shareholders, whereas traditional CSR theory considers all relevant stakeholders, organisations and institutions (Hopkins, Interview, 19/07/2019). Crane et al. shared this view and criticises Porter and Kramer for consider rethinking CSR and corporations at the micro-level to be enough to solve the crisis of capitalism (Crane et al., 2014, p. 140). Crane et al. argues that CSV is too *"corporate-centric"* and should instead consider a broad, systemic approach to understanding and solving social problems (ibid., p. 141).

Crane et al. also claims that CSV deals with the inherent tension between economic and social goals. Porter and Kramer argue that corporations should focus on situations in which there will be a win-win between both economic and social goals insufficiently. Crane et al., however, points out that corporations may find themselves in situations in which there is a negative trade-off between economic and social goals (Crane et al., 2014, p. 136). de los Reyes et al. (2017) share this view and criticises CSV for not addressing how companies should handle cases in which a *"win-win"* situation cannot be identified. Managers cannot simply ignore situations in which only a win-lose situation is identified (de los Reyes Jr. et al., 2017, p. 150).

This issue can be related to all three CSV strategies. First, the issue of reconceiving products and markets when a company produces questionable social goods is ignored. In instances where the product leads to negative impact on society (e.g. tobacco products), it is not

clear how shared value can be achieved in a meaningful way (Crane et al., 2014, pp. 137-138). Second, redefining productivity in the value chain can lead to a number of struggles, since the complexity of a global value chain makes it difficult to achieve the desired outcome, even with the right intentions (ibid., p. 138). Third, cluster development is an unoriginal concept that does not necessarily lead to improved social conditions. As is the case with global value chains, cluster development is complex and can lead to unintended social outcomes (Crane et al., 2014, p. 138-139). Moreover, there are important social and environmental issues that remain elusive to CSV. These issues are simply too complex, isolated or broad for corporations to address profitably (Novo Nordisk TBL Quarterly, 2014, p.19).

The final shortcoming identified by Crane et al. is that compliance is not incorporated into the definition of CSV. Porter and Kramer presume that corporations comply with laws and ethical standards when they engage in shared value creation. According to Crane et al. such an assumption is unrealistic since many large multinational corporations do not comply with laws or moral standards. Compliance can therefore not be considered a given (Crane et al., 2014, pp. 139-140). de los Reyes et al. agree with the criticism and consider the issue of compliance as yet to be addressed by Porter and Kramer (de los Reyes et. al, 2017, p. 148). According to de los Reyes et al., simply assuming managers will comply with laws and moral standards does not mean actually will (2017, p. 150).

Based on a comprehensive literature review, Dembek et al. conclude that CSV is currently used more as a buzzword than as a theoretical concept and CSV is therefore a theoretical concept *"at a nascent stage"* (2016, pp. 232-245). Dembek et al., conclude that current studies on CSV are indecisive about what shared value is. Based on the literature review, Dembek et al. conclude that the means to create shared value is currently ambiguous. The definitions of CSV foster doubt about the scope of shared value. It is currently unclear if shared value is related to one particular project, all activities of an organisation or if it relates to the coordinated activities of more than one organisation. It is furthermore unclear what basis decisions on CSV are made upon (ibid., p. 236). Dembek et al. claim that the outcome of shared value is unclear, since many similar concepts have been used to explain the outcome of CSV (ibid., p. 237). Finally, Dembek et al. argue that it is unclear who should benefit from shared value creation (ibid., p. 238).

The issues identified with the definition and understanding of CSV as a concept has led to issues with operationalising and measuring shared value. Although Dembek et al. point to

related measures of economic and social outcomes, no universal method for measuring and evaluating CSV currently exists (ibid., p. 239). In addition to highlighting significant issues with the definition and measurement of CSV, Dembek et al. also point to the limited ways in which social issues can be addressed through CSV. The relationship between business and society in the CSV approach rests on the economic benefits for business. This means that only issues directly connected to the economic benefits of corporations can be addressed through CSV. Dembek et. al consider this to be a defining feature of CSV and therefore argue that only a limited amount of social issues can be solved through CSV. Hence, CSV can be useful for improving the current social conditions, but it is unlikely to solve any major social issues, such as poverty (ibid., p. 244).

3.2 Framework of institutional strategies

The theory of CSV will be combined with the framework of institutional strategies developed by Marquis and Raynard (2015). The purpose of combining CSV theory with this framework is to examine how Novo Nordisk approaches value creation in different institutional contexts. By examining how Novo Nordisk approaches different institutional environments, this thesis aims to identify whether Novo Nordisk has used any institutional strategies to create shared value in Bangladesh and Japan, using the theoretical framework by Marquis and Raynard.

With globalisation, it has become increasingly complex for organisations to navigate different institutional settings (Marquis & Raynard, 2015, p. 292). This has created a need for institutional theory to provide explanations for *"institutional variation on organizational behavior and performance"* (ibid.,, p. 321). Marquis and Raynard have attempted to address this need by *"defining a new frontier of research on institutional theories"* (2015, p. 321). Institutions were frequently depicted in early institutional research as playing a role of *"defining legal, moral, and cultural boundaries and distinguishing between acceptable and unacceptable behavior"* (ibid., pp. 294-295). Similarly, institutions can be defined as a range of "*humanly devised constraints that structure political, economic and social interaction*" (ibid., p. 292). Marquis and Raynard developed an integrative framework highlighting the ways in which corporations engage with, and shape, institutions through three distinct institutional strategies.

The framework was developed from reviewing and synthesising various streams of research on institutional strategies (ibid., p. 294).

Marquis and Raynard adopt a broad definition of institutional strategies as *"the comprehensive set of plans and actions directed at leveraging and shaping socio-political and cultural institutions to obtain or retain competitive advantage"* (ibid., p. 291). Institutional conditions differ immensely depending on the specific political, legal, socio-cultural and technological factors present in each context. Due to the particularities of local contexts, multinational corporations often operate in highly diverse institutional contexts that pose a variety of different opportunities and challenges. Thus, it is important that multinational corporations strategically manage their broader external environments in order to thrive. By effectively managing the institutional environments they enter, multinational corporations are able to enhance their competitive advantage and capture extraordinary rents outside of the marketplace. Therefore, organisations arguably adopt institutional strategies that differ between the different markets they operate in (ibid.).

3.2.1 Institutional strategies

Highlighting the dependency relationship between organisations and their local environments, relational strategies outline the importance of effectively managing relationships with both internal and external actors, as organisations require both social approval and legitimacy in order to survive and thrive in their social environment (Marquis & Raynard, 2015, p. 304). Relational strategies can be defined as *"the actions and activities taken to interact with and strategically manage important referent audiences, including political bodies and key stakeholder groups"* (ibid., p. 317). The first stream of research providing empirical support for the organisational need to employ relational strategies derives from stakeholder management. According to stakeholder management, organisations must effectively manage any group or individual who can affect or is affected by the achievement of an organisation's objectives as this contributes to financial performance, organisational learning and the development of intangible assets (ibid.). Moreover, cooperation from external relations is often necessary in order for an organisation to create and capture value. For example, according to Resource Dependence theory, which is the second stream of research bolstering relational strategies, organisations must continually assess and manage relationships with external actors that control critical or scarce resources. Thus, organisations face external environments comprised of other

actors and organisations with diverse agendas and interests, whose support and approval are vital to organisational proliferation (ibid., p. 305). This warrants organisational action to absorb, diffuse and co-opt external constraints for example via partnerships or agreements. Furthermore, according to corporate political strategy, organisations must carefully manage their government relations through a set of activities to, for example, enhance political legitimacy or shape favourable public policy outcomes or even defend against constraining political demands (ibid.).

Infrastructure-building strategies are employed to manage uncertainty as well as build societal legitimacy. Infrastructure-building strategies can be defined as *"the actions and activities taken to address marginally developed markets, and underdeveloped social, technological, and physical infrastructures"* (Marquis & Raynard, 2015, p. 317). These strategies are necessary when the commercial, technological and physical infrastructure needed to facilitate market interaction and transaction is absent or limited. This is most apparent in emerging economies or developing economies that often exhibit structural conditions subject to rapid change. Various solutions have been proposed to fill infrastructural gaps, such as the development of new organisational arrangements and the promotion of informal or formal regulatory structures. Organisations can develop intermediary institutions and processes to mitigate uncertainty, such as local capacity building programmes or credit agencies. The widespread use of existing global standards and practices can also act to supplement lacking state regulation, although the difficulty to distinguish between genuine and *"symbolic"* compliance with global norms raise some legitimacy concerns (Marquis & Raynard, 2015, p. 311). Nevertheless, multinational corporations must identify the infrastructural gaps and necessities relevant to their business activities that pervade the markets they enter, and compensate for the underdeveloped infrastructure by building or transposing it from abroad.

The primary purpose of socio-cultural bridging strategies is to enable corporations to engage with the complex socio-cultural and demographic characteristics in their operational setting. Socio-cultural bridging strategies can be defined as *"the actions and activities taken to address the socio-cultural and demographic issues/challenges, which shape the competitive environment"* (Marquis & Raynard, 2015, p. 317). The term socio-cultural relates to the context dependent social and cultural factors that indirectly *"impact every aspect of the overseas business of multinational companies"* (Masovic, 2018). Several definitions of culture exist. While the exact content of culture varies across definitions, all the definitions generally agree that culture is something that "*is shared and/or learned by a group of people*" (Birukou et al.,

2013, p. 4). As such, culture can be defined as "*the socially transmitted knowledge and behavior shared by some group of people*" (Birukou et al., 2013, p. 3). While culture has traditionally been connected to national or ethnic groups, it has in recent years increasingly been associated with organisations as well, leading to the development of terms like corporate culture (ibid.). Institutions can be considered an element of culture that connects the individual to a cultural group. As such, institutions organise individuals into groups and "*encourage an individual to comply with the rules in exchange for various rewards"*. These rules are dynamic and may change over time (Usunier & Lee, 2013, p. 7). As such, multinational corporations should be aware of, and sensitive to, predominant attitudes, values, and beliefs in each host country to prevent serious functional problems (Ajami et. al, 2006).

Also, corporations should consider their local conditions because factors such as population demographics and local norms may dictate the accessibility of physical and human resources. Normative and cognitive institutions are soft infrastructures that support market activity. These soft infrastructures can both enable and constrain organisational activity by defining the criteria for legitimacy as well as what is considered *"appropriate"* behaviour (Marquis & Raynard, 2015, p. 313). The greater the institutional and cultural distance between an organisation's home and host countries, the more difficult it can be for the organisation to understand and correctly interpret the local institutional requirements in the host country.

In effect, more adaptation is required to align with the practices, strategies and operations in local contexts. This explains why corporations have a tendency to enter markets that resemble their home country. However, through socio-cultural bridging strategies, organisations can act as cultural entrepreneurs and bridge institutional divides by leveraging social and cultural resources to legitimate new organisational structures and practices. Organisations must address residual societal expectations and pursue social embeddedness in the market economies they enter, which refers to *"the ability to create competitive advantage based on a deep understanding of and integration with the local environment"* (ibid., p. 314).

The review conducted by Marquis and Raynard (2015, pp. 292-293) focuses on emerging market economies because they are characterised by rapid industrialisation, economic liberalisation in addition to increased integration into the global economy, and thus provides fertile ground for testing existing theories as well as developing new ones. Moreover, emerging market economies typical exhibit conditions so challenging that shaping the institutional environment may be particularly critical to organisational performance and survival. Ultimately,

the comprehensive review produces three institutional strategies; relational, infrastructure-building and socio-cultural bridging. These three institutional strategies can arguably be generalised to businesses in contexts other than emerging economies (ibid.).

3.2.2 Adapting institutional strategies to local contexts

An organisation's institutional strategies are inextricably dependent on the specific social, cultural and political conditions as well as the relative quality and reliability of the market and regulatory infrastructure available in each context. In effect, organisations must adapt their relational, infrastructure-building or socio-cultural bridging strategies according to the level of development of the market economy they are operating in. This is because the relational strategies that are effective in developed economy contexts may be misaligned with the idiosyncratic conditions of an emerging market or developing market context (Marquis & Raynard, 2015, p. 306). Taking political relational strategies as an example, an organisation operating in a developed economy with formal regulatory infrastructures in place may seek to promote beneficial legislation. In contrast, an organisation in an emerging economy exhibiting a high degree of government control and a generally non-transparent political and regulatory environment, a more effective political strategy would be to seek government subsidies or tax exemptions.

Relational strategies are the most important in institutional settings where *"government involvement is pervasive and contract-enforcing mechanisms are weak" (*Marquis & Raynard, 2015, p. 308), as they are the only way to secure resources, support and social legitimacy from external actors. Similarly, infrastructure-building strategies differ depending on the institutional infrastructure that is both present, and needed, for commercial activity. In contexts where market information is unreliable and formal rules are elusive, there are high levels of uncertainty and challenges that need to be overcome. In such settings, organisations are forced to rely on a number of informal and collective mechanisms to fill the institutional voids (ibid., p. 310).

Similarly, socio-cultural bridging strategies differ between institutional settings. In developed economies characterised by an ageing workforce, an organisation's socio-cultural bridging strategy might include talent (knowledge) retention practices, whereas in emerging economies consisting of a young workforce and poor education levels, a more effective strategy would involve investing in and developing the workforce through skill building and knowledge transfer (Marquis & Raynard, 2015, p. 314). Thus, organisations must ensure that managerial

practices are not transported to incompatible social contexts without the necessary adaptation with local practices. Therefore, upon mapping the array of strategic actions organisations adopt to address institutional constraints, Marquis and Raynard conclude that local and regional institutional variations will persist and subsequently, it is of importance that organisations proactively diagnose and shape the diverse socio-political and cultural institutions in the external environments they navigate between.

In essence, developed markets exhibit a range of different needs and challenges to emerging economies, which also differ significantly from developing economies, and these differences are reflected in their unique yet interactive institutional environments. The different institutional conditions of developed and developing countries can be seen in Table 1. Since there is no official way to define developed or developing countries in accordance with the UN system (UNSD, 2019), this thesis will rely on the conditions presented by Marquis and Raynard for understanding the differences between the two groups of countries. Multinational corporations can employ institutional strategies to strategically exploit the markets they enter to engage in opportunistic behaviour to enhance their competitive position, but they can also facilitate mutually beneficial outcomes for both parties (Marquis & Raynard, 2015, p. 318). Nevertheless, Marquis and Raynard emphasise a shift away from a one-size fits all approach to institutional contexts, towards increased awareness of the impact of sometimes glaring and otherwise subtle nuances across local settings. It is important to note that the institutional strategies are not depicted as mutually exclusive and since they are compatible with each other, they can overlap. The following chapter will outline the methods used in this thesis.

Table 1: Institutional conditions of developed and developing countries (Source; Marquis & Raynard, 2015).

Developed countries	Developing countries
Formal regulatory infrastructure	Lack of specialised intermediaries and/or regulatory systems
Advanced infrastructure	Low standard of living
Moderate-high standard of living	Low HDI score
Moderate-high HDI score	Poor educational system
High level of political freedom	High levels of unemployment
Low levels of government intervention in business	Lack of adequate health care
	Low level of political freedom
	Moderate-high risk of social unrest and war
	Economic development hindered by constraining government policies

4.0 Method

This chapter contains six sections on methodology. The first section presents the philosophical perspective underpinning this thesis. Then the second section describes the use of a comparative case study is described and justified. Thereafter, the third section details the data collection content and process. The fourth section elaborates on the interview process and the fifth section explains how the qualitative content analysis (QCA) was employed. Finally, the sixth section describes the general limitations of this thesis.

4.1 Philosophy of Social Science

This thesis subscribes to the critical realist philosophy of science. Critical realism is a relatively new perspective within philosophy of science that was developed by Roy Bhaskar in the 1970s (Bhaskar, 2008). Critical realism is specifically geared towards the social sciences and provides an alternative to the classical views of naturalism and constructivism (Moses & Knutsen, 2012, p. 12). Critical realism essentially combines the two main methodological positions of naturalism and constructivism, creating a middle ground by blending some of the central features of both (ibid., pp. 12-14).

Ontology is the study of the nature of reality. The ontological position of critical realists is arguably situated between constructivism and naturalism, although it leans more towards the naturalist side (Moses & Knutsen, 2012, p. 12). This is because critical realists agree with naturalists that a real, objective world exists and that social scientists can produce causal explanations for it. However, critical realists differ in that they consider the world to be observable (Hoddy, 2019, p. 113). Although critical realists believe there is a real world that exists independently of our knowledge or beliefs about it (Benton & Craib, 2010, p. 121), they do not believe it to be as directly observable as naturalists do.

Instead, critical realists view the world in terms of three layers: the *"real"*, the *"actual"* and the *"empirical"* layer (Benton & Craib, 2010, p. 125-126). The *"real"* refers to the inaccessible social or natural structures and powers of objects, whereas the *"actual"* refers to what happens if and when these powers are activated, and the *"empirical"* constitutes as the domain of experience (Sayer, 2000, p. 12). Thus, the *"real"* is the highest layer and consists of the various mechanisms and structures that generate events (Hoddy, 2019, p. 113). The real world therefore refers to everything that exists, both physical and social objects. These objects

have certain structures and powers, and therefore have the capability to behave in a certain way or exert power to enforce changes. Critical realists try to identify these structures and powers, and to identify what could happen, given the nature and capabilities of these objects (Sayer, 2000, p. 13). The events that these objects generate occur at the *"actual"* level. The actual therefore refers to what happens when the structures and powers of the objects are activated. The events may be either observed or unobserved by research (Hoddy, 2019, p. 113). The *"empirical"* layer consists of perceptions, experiences and observations. This level therefore reflects the observable events of the actual level. Since unobservable events will not appear at the empirical level, it can only be a smaller subset of the actual level that appears (Benton & Craib, 2010, p. 126). Therefore, critical realists do not make observability a criterion for something to be real. Moreover, powers can exist without being exercised at the actual level. For this reason, the ontology of critical realism recognises that changes may occur. What is currently not happening, could therefore potentially happen if and when such unexercised powers become exercised (Sayer, 2000, p.13). Thus, ontologically, this thesis subscribes to the notion that an objective *"real world"* exists that is independent of individual subjective perception, which mirrors the ontological building blocks of critical realism.

Epistemology studies what knowledge is and how it is generated (Moses & Knutsen, 2012, p. 5). Critical realism and constructivism share the same epistemological belief that knowledge is socially produced and reinforced. As mentioned above, since the world is perceived to consist of three levels, critical realists believe the world is layered, or stratified (Benton & Craib, 2010, p. 126). Thus, although a real world exists independently of our experience of it, it is highly difficult to access the real world, although it is possible (Moses & Knutsen, 2012, p. 12). In order to understand the real world, critical realists believe scientific approaches can be used to uncover deep and buried truths. Thus, scientific approaches can be used to uncover the deeper layers of reality. This is another feature critical realism shares with naturalism. However, unlike naturalists, critical realists do not make use of universal laws to explain the real world and are not convinced of the neutrality of scientists (Moses & Knutsen, 2012, p. 13).

Explaining the critical realist understanding of how knowledge and reality connect, Bhaskar divides knowledge into two dimensions, the intransitive and transitive (Sayer, 2000, p. 10). The intransitive dimension is constant and consists of the processes and phenomena that are studied regardless of whether they can be experienced empirically. In contrast, the transitive

dimension consists of the diverse methods and theories used to study phenomena, making it dynamic. Critical realism differs from both naturalism and constructivism in the use of methods. Whereas constructivism and naturalism have a rather set hierarchy of appropriate methods, critical realists believe research should be driven by transcendental questions rather than specific methods. Thus, critical realism is compatible with a wide range of methods and encourages mixed methods, where both qualitative and quantitative data are used. Researchers should decide which method to use based on the questions they are asking and what they are trying to uncover (Moses & Knutsen, 2012, pp. 13-14).

In this thesis the intransitive dimension is the constant complex reality relating to diabetes care that is occurring in Japan and Bangladesh, also known as the real and actual layers of reality. On the other hand, the dynamic transitive dimension occurs in the empirical layer enabling the subjective interpretation of reality, which in this thesis entails analysing how a multinational pharmaceutical company, Novo Nordisk, identifies and addresses gaps in diabetes care to create shared value in the two countries. The intransitive and transitive dimensions can be connected through transcendental questions, such as *"How must the world look like, in order for an observation to make sense?"* (Buch-Hansen, 2005).

The transcendental question of this thesis is *"How does Novo Nordisk adapt its activities to Japan and Bangladesh to create shared value, given the specific gaps in diabetes care that are present in each institutional context?"* In essence, the transcendental question of this thesis inquires into the adaptation nature of Novo Nordisk's activities to the context specific needs of Japan and Bangladesh by identifying and analysing the specific CSV and institutional strategies that describe the activities. Thus, this thesis seeks to uncover the social structures and mechanisms residing in the real layer, by examining the actual and empirical layer. In order to do so, the interactions between structures and agents must be analysed. Structure-agency relations can demonstrate an agent's ability to act independently within the constraints of their structural contexts. However, according to Bhaskar it is important to be aware that social structures differ from natural structures because they are context-dependent, human activity-dependent and also have a greater space-time dependency (ibid., p. 63).

In this thesis, the *"structures"* refer to the institutional arrangements present in Japan and Bangladesh that relate to diabetes care. In effect, the institutional constraints and opportunities that Novo Nordisk confronts in each setting they operate in. These include the quality of the health care sector and infrastructure, HCP competences, general access to

medicine and so on. These structures essentially determine the gaps in diabetes care that develop and thus shape the activities that Novo Nordisk pursues, being the primary *"agent"* in this thesis. According to Bhaskar structures are always considered pre-existing, however, structure-agency relations exhibit a cyclical pattern, due to a *"tensed difference; there was structure, there is now that agency; and there will be the structure that this agency produces"* (Buch-Hansen, 2005, p. 62). Institutional structures remain relatively constant, whereas the agent can behave dynamically and initiate change. In effect, as an agent, Novo Nordisk aims to create shared value by alleviating challenges to diabetes care in two very different yet robust institutional settings. In effect, these institutional structures are important to consider, not only in terms of their constraints but also in terms of their opportunities for change or upgrading. Thus, the aim of this thesis is to uncover how a multinational pharmaceutical company can facilitate change in highly different institutional settings.

4.2 Comparative case study

This thesis employs a comparative case study to assess the research question. A case study can be defined as *"the collection and presentation of detailed, relatively unstructured information from a range of sources about a particular individual, group or institution"* (Hammersley, 2003, p. 90). A comparative case study is a way to establish meaning and understanding by obtaining detailed, in-depth information about two cases.

Novo Nordisk was selected as the multinational pharmaceutical corporation to focus on for this thesis due to its reputation as a company that actively pursues business solutions that maximise value both to business and society (Elkington, 1994; FSR, 2017; 3BL MEDIA, 2016; Valet, 2018). For this comparative case study, Japan and Bangladesh were chosen as the two countries to examine Novo Nordisk's activities in, in their specific institutional contexts. Japan and Bangladesh were selected as the case countries for numerous reasons. For one, according to the IDF South-East Asia (including Bangladesh) and the Western Pacific (including Japan) regions are at the epicentre of the diabetes crisis (IDF, 2017, p. 7). Moreover, Japan and Bangladesh display a similar population size and Novo Nordisk has been active in both countries for a similar amount of time, entering Japan in 1955 and Bangladesh in 1957, and is also currently the market leader in both countries (Novo Nordisk, 2012; Novo Nordisk, 2017). However, the two countries are quite distinct in terms of their economic development and

institutional context, making them an interesting comparative investigation of Novo Nordisk's activities to see whether CSV or institutional strategies can be identified. Additionally, there is significant cultural distance between Novo Nordisk's headquarters, Denmark, and Japan and Bangladesh (Hofstede Insights, 2019). Cultural distance is defined as the degree to which cultural norms, world views, attitudes, perceptions and ideas differ between countries (Raza et. al, 2002). Thus, in order to uncover whether institutional contexts impact CSV strategy in a multinational corporation it is important to select two countries that differ significantly not only from each other but also the home country. Moreover, the Blueprint for Change cases that Novo Nordisk has created on Bangladesh and Japan provide data to analyse.

Therefore, this thesis uses the Comparative Method of Difference. The Comparative Method of Difference is one of four comparative methods identified by John Stuart Mill (Mill, 1843). The method involves comparing largely similar cases that exhibit polarising outcomes, with the aim of uncovering the explanatory factor (ibid., p. 454). This method is used because Novo Nordisk successfully enters two very different markets (Japan and Bangladesh) with the same competitive advantage using the same products (consisting of insulin) and seeking to address gaps in the treatment of the same chronic illness (diabetes) by creating shared value. However, Novo Nordisk does not employ a standardised CSV strategy in both countries. We wish to investigate whether the potential explanatory factor for this difference lies in the necessary adaptation to the institutional context in each case country. Moreover, since this thesis is essentially combining CSV and institutional strategies, to analyse empirical data (Novo Nordisk in Japan and Bangladesh), the comparative case study is of the hypothesis-generating type.

The single case study is often criticised by naturalists for only yielding limited results (Moses & Knutsen, 2012, p. 133). However, a comparative case study arguably combats this criticism since it analyses the patterns of similarities and differences across two or more cases, *"combining depth with a more extensive approach"* (Bergene, 2007, p. 7). Moreover, the comparative case study is encouraged by the critical realist philosophy underpinning this thesis, as it attempts to generate context-specific knowledge and understanding of the social structures and mechanisms causing phenomena in two particular cases. The two cases are purposefully selected to trace out the proposed causal mechanism in their natural contexts (Moses & Knutsen, 2012, p. 96). However, the lack of random selection creates underlying problems such as selection bias and problems of over-determination. Furthermore, from a critical realist

perspective, comparative case studies must be accompanied by significant reflection on the conclusions that are ultimately drawn (Bergene, 2007). These aforementioned issues affect the overall generalisability of the comparative case study.

4.3 Data collection

This thesis attempts to triangulate its research methods by using multiple sources of data in order to understand how Novo Nordisk creates shared value in Japan and Bangladesh in different institutional contexts. It is valuable to integrate different research methods as they may uncover contradictions or reveal new perspectives as well as extend the breadth of enquiry (Bryman, 2006, p. 105). Hence, both primary and secondary data was collected to improve the validity of the research in this thesis. Moreover, mixed methods are used as a range of both quantitative and qualitative data have been collected. Qualitative data collection can be understood as "*the selection and production of linguistic (or visual) material for analyzing and understanding phenomena, social fields, subjective and collective experiences and the related meaning-making processes*" (Flick, 2018, p. 6). Thus, the qualitative data that was collected for this thesis had the aim of empirically analysing a given phenomenon (ibid.). In addition to qualitative data, quantitative data expresses a certain numerical quantity, amount or range that can be counted or measured (OECD, 2006). The qualitative data that was collected for the purpose of this thesis was further analysed, while the quantitative data was used to support the findings of the analysis.

4.3.1 Primary data

Primary data can be considered as sources directly linked to a given event, whereas secondary data is sources once removed from an event. Primary data consist of sources such as eyewitness accounts or statistical data (Moses & Knutsen 2012, p. 122). The primary data that was collected for this thesis is in the form of interviews and is qualitative data. The interviews were conducted in the period from January to July 2019. The interviewees consist of various subject matter experts relating to the topic of this thesis, such as current and former employees at Novo Nordisk that are or were involved with the process of creating shared value through the company's activities. Primary data provides first-hand account of Novo Nordisk's CSV strategy as well as the different institutional contexts in Japan and Bangladesh. Thus, an attempt was

made to retrieve information directly from the source in order to form a more reliable basis to evaluate Novo Nordisk's CSV strategy and considerations of institutional factors. Ideally, we would have conducted all the interviews in person. However, due to geographical limitations and time constraints, most of the interviews were conducted at a distance either over the phone or in writing.

The three primary limitations of conducting interviews include bias, reliability and generalisability. Although in-depth interviews provide the opportunity to explore meanings, attitudes and perceptions, it is important to be aware of any potential bias that may impact the validity of the data (Saunders et. al, 2009). The interviewer can minimise potential bias by not presuming or predicting potential answers and remaining open to unexpected and perhaps counterintuitive outcomes (Mosley, 2013, p. 57). Moreover, interviews arguably lack reliability as they involve human judgement (Brinkmann, 2013, p. 143). In order to ensure reliability, the data was interpreted self-reflexively, ensuring sensitivity to the intrinsic opinions and expectations of the interviewer(s). Finally, since interviews are generally context specific, the generalisability of the findings is difficult. However, since the goal of this thesis is not to generalise based on the findings from the interviews, the lack of generalisability is not considered a major issue in this thesis.

4.3.2 Secondary data

Apart from primary data, secondary data was also collected for this thesis. Secondary sources provide tools to analyse and understand the institutional context in Japan and Bangladesh and also shed light on Novo Nordisk's strategic approach. Although secondary sources are more easily accessible, they are not direct evidence of phenomena. Secondary data consists of sources that process, interpret or summarise primary data. Secondary data therefore consists of sources such as articles or books (Moses & Knutsen 2012, p. 122). The secondary data used for this thesis primarily consists of reports. These reports can primarily be considered qualitative data, but also contain quantitative data in the form of statistics. The reports were written by Novo Nordisk as part of their Blueprint for Change (BPC) Programme. Novo Nordisk developed the BPC programme to document and measures their efforts to create shared value. For that purpose, a series of reports were written on BPC case studies. The case studies are based on data collected through field research and are developed through a common methodological approach. The case studies cover Novo Nordisk's efforts to create shared value

in the individual cases as well as evaluate the results of these efforts. Furthermore, the case studies consider challenges that remain as well as ways to improve future value creation efforts (Novo Nordisk, 2019a; Novo Nordisk 2017; Novo Nordisk, 2019b).

The Blueprint for Change case studies written on Japan and Bangladesh were heavily relied upon in this thesis. According to the Novo Nordisk website, the methodology for evaluating the CSV strategies in is the same in both Japan and Bangladesh. This indicates that the BPC cases on Japan and Bangladesh are directly comparable. However, an unfortunate discrepancy between the Japanese and the Bangladeshi Blueprint cases is the age difference. The Japanese case was published in 2017, whereas the Bangladeshi case came out in 2012. In effect, it is important to ensure that sufficient recent data is collected on Novo Nordisk's activities in Bangladesh to provide a balanced perspective on each case.

Additionally, reports written by the IDF, WHO, UNDP, WJP, Freedom House, Heritage Foundation, UN, Japanese Ministry of Environment and Novo Nordisk's 2018 Annual Report were collected as secondary data. Furthermore, to ensure as much validity as possible, a wide range of peer-reviewed documents such as academic articles and scholarly books were selected and used to support the findings of the analysed data.

4.4 Interviews

The decision to use the interview method was based on numerous reasons. For one, interviews are a useful and popular qualitative research method that can be employed to accumulate primary data (Moses & Knutsen, 2012 p. 131). Moreover, interviews are often applied in case studies to gather detailed context specific information (Brinkmann & Kvale, 2015, p. 143). Interviews provide a unique level of dynamism and fluidity of interaction with those whose behaviour they hope to understand (Kapiszewski et. al, 2015, p. 190).

The first step was to thematise the interview. Thematising involves formulating the purpose of the interviews, clarifying the *"why"* and *"what"* of the investigation (Brinkmann & Kvale, 2015, pp. 128-129). In this thesis, interviews were needed to obtain an understanding of Novo Nordisk's activities in Japan and Bangladesh, as well as an understanding of diabetes care in general in addition to the similarities and differences between the institutional contexts of the two case countries. Thus the interviews had a descriptive and exploratory purpose, posing open ended questions. The thematic focus of each interview differed depending on each interviewee's

area of expertise. For example the theme of one interview is on Novo Nordisk's CSV activities in Japan, whereas another interview revolved around the context specific challenges to diabetes care in Bangladesh.

The interviews were designed to be highly adaptable depending on the different needs and preferences of each interviewee. In total, ten interviews of varying length and type make up the primary data obtained for this thesis. The interview recordings and transcripts can be found in appendices 1-10. A purposeful sampling method was employed, as the interview participants are subject matter experts in a variety of different areas and were thus carefully selected. The interviewees can be seen in Table 2.

Table 2: Overview of interviewees (Source; Own).

Interviewee	Role	Appendix
Susanne Stormer	Current VP of Corporate Sustainability at Novo Nordisk.	Appendix 1
Ole Kjerkegaard Nielsen	Previous head of the Blueprint for Change Programme at Novo Nordisk.	Appendix 2
Towhid Ahmed	Current Public Affairs Manager in the Bangladeshi subsidiary at Novo Nordisk.	Appendix 3
Ryohei Yamagata	Current Public Affairs Specialist in the Japanese subsidiary at Novo Nordisk.	Appendix 4
Kamilla Pedersen	Type 1 diabetes patient using Novo Nordisk products in Denmark.	Appendix 5
Dr. Michael Hopkins	CEO of MHCi CSR/Sustainability Research & Advisory Services and published author on CSR and Sustainability.	Appendix 6
Masayuki Takahashi	Regulatory Affairs Professional, Medtronic Japan.	Appendix 7
Md. Tajul Islam	Diabetes Educator, Medtronic Bangladesh.	Appendix 8
Mohammad Habib	Programme Manager at BADAS, Bangladesh.	Appendix 9
Dr. Ejaj Bari Choudhury	Diabetologist & Head of Diabetes Center in City Hospital, Bangladesh.	Appendix 10

Susanne Stormer, Towhid Ahmed and Ryohei Yamagata are current Novo Nordisk employees that were contacted internally at Novo Nordisk, as being an intern in the headquarters provided access to detailed organisational charts and contact information. Ole Kjerkegaard Nielsen, Dr Michael Hopkins, Dr. Ejaj Bari Choudhury, Mohammad Habib, Md. Tajul Islam and Masayuki Takashi were contacted through LinkedIn whereas Kamilla Pedersen is a close

friend that agreed to be interviewed. All interviewees were given the option to sign a confidentiality agreement, however, none of the interviewees felt it was necessary.

Geographical and time constraints unfortunately prohibited a uniform approach to all the interviews. In effect, the interviews range from being short, highly structured written interviews to long in-depth one-on-one phone interviews and in-person interviews. Ryohei, Towhid, Masayuki, Dr. Choudhury, Habib and Tajul agreed to a written interview, which were of a highly structured form, as they were given a precise list of questions to respond to. In contrast, the rest of the interviews were of a semi-structured kind, allowing insights to emerge organically to an extent (Kapiszewski et. al, 2015, p. 195). The semi-structured approach provided interviewees with the freedom to go into novel directions. The interviews with Susanne Stormer and Kamilla Pedersen were conducted in person and recorded through note-taking, whereas the interviews with Ole Kjerkegaard Nielsen and Dr. Michael Hopkins were conducted over the phone and audio recorded.

A random sample was purposefully not employed, which may reduce external validity, but was considered necessary in order to access the expertise required. Susanne Stormer was pursued for an interview to provide insight into the current perception of creating shared value as a strategy, as well as understanding of the Corporate Sustainability department and their current priorities at Novo Nordisk. Ole Kjerkegaard Nielsen was considered a vital person to interview as he spearheaded the Blueprint for Change programme at Novo Nordisk from beginning to end, and thus shed light on the strategy behind the programme as well as his work with Michael Porter and general perspective on CSV theory.

Moreover, since this thesis involves a comparative case study on Novo Nordisk's activities in Japan and Bangladesh, we found it important to contact relevant employees working in each subsidiary. Thus, we managed to get in contact with employees within Public Affairs, which helped us understand the current strategy employed in the two subsidiaries to understand the institutional environment and how Novo Nordisk alleviates societal challenges associated with diabetes care.

In order to gain access to relevant data outside of Novo Nordisk, six additional people were interviewed. Masayuki Takashi provided insight into the diabetes challenges and solutions specific to Japan from a private company perspective (Medtronic). Md Tajul Islam, Mohammad Habib and Dr. Ejaj Bari Choudhury provided insight into the context specific challenges related to diabetes care in Bangladesh, from three different perspectives; Medtronic (a private

company), Diabetic Association of Bangladesh (BADAS) (an NGO), and public health care (being a Diabetologist working at a hospital). Kamilla Pedersen provided insight into the life of a Type 1 Diabetic in a developed country. Dr. Michael Hopkins was contacted for an interview because of his widely acclaimed academic and professional experience within the CSR realm to shed light on the influence of institutional contexts in MNC CSR strategy as well as general insight into CSR theory and standardised CSR strategy.

In recognition of the power dynamics surrounding each interview, all interview questions were open-ended and critically reflected upon and refined to ensure neutrality. As the interviewees are subject matter experts in different areas, the questions were personalised to each individual area. Examples of interview questions along with the theme of these can be seen in Table 3.

Table 3: Examples of interview questions (Source; Own).

Theme	Interview questions
Theoretical	How do you understand the concept of creating shared value?
	What do you think are the main weaknesses of the theory creating shared value?
Diabetes patient	How many check-ups do you have with a health care professional per year?
	What challenges do you face?
Novo Nordisk	How did you go about choosing the (BPC) cases?
Country specific	What are the biggest challenges for people living with diabetes in Bangladesh/Japan?
	What are the main barriers to treating diabetes in Bangladesh/Japan?
	Who are the key stakeholders that Novo Nordisk engages with in Bangladesh/Japan?
NGO in Bangladesh	Who do you think would be best able to address these barriers to diabetes care?
	What are the most important initiatives currently in place to alleviate diabetes in Bangladesh?

During the post-interview stage, the audio recordings with Ole Kjerkegaard Nielsen and Dr. Michael Hopkins were transcribed to ensure that all data was secured in written form. Then interviews were coded using the QCA method, which is explained in further detail below. Coding the interview transcripts provides an overview of all the data and ensures that all the details in the material are meticulously combed through (Brinkmann & Kvale, 2015, p. 228).

Thereafter the interviews were analysed through a theoretically informed reading, using the theoretical framework underpinning this thesis; the theory of CSV and institutional strategies.

4.5 Qualitative Content Analysis

Qualitative content analysis is a method for systematically analysing the meaning of qualitative data (Schreier, 2013, p. 170), with the purpose of providing a detailed description of the data (ibid, p. 173). QCA is therefore used to study the meaning of written texts, such as reports, documents or newspaper articles. Furthermore, content analysis can be used to analyse the meaning of material stemming from speech, such as recorded and written interviews (Prior, 2014, p. 361). QCA can be used to analyse a single interview, a group of interviews or documents (ibid., p. 364). QCA is a method that helps the research focus on the aspects of the material that is related to the research question. Hence, the method reduces the amount of data and sorts out the meaning of the material that is relevant for the purpose of the research. The data is subjected to a coding frame to help distinguish the meaning of the material (Schreier, 2013, p. 170). The coding frame contains predefined categories which segments of the material will be divided into. To ensure the quality of the category definitions, the coding of the material should be conducted twice to ensure consistency (ibid., p. 171).

QCA consists of a number of steps. The first step is to build the coding frame. The coding frame should consist of at least one main category and two subcategories. It can, however, consist of any number of categories, and can contain subcategories at several levels, meaning subcategories can themselves have subcategories. The main category should relate to a topic that is of relevance to the researcher. The subcategories should then be used to divide the material on that topic (ibid., p. 174). The main categories should be unidimensional, meaning they should only cover one aspect or concept of the material. The subcategories should be mutually exclusive so that each segment of the material can only be divided into one subcategory. Finally, all the relevant segments of the material should be coded. It is therefore important to ensure that there are enough categories to exhaust the entirety of the relevant parts of the data. The coding frame should be built based on the gathered data, but it is not necessary to consider all of the material when building the coding frame. It is sufficient to select certain parts of the material, if the data sample is too large (ibid, p. 175).

Once the coding frame has been developed, it should be tested out in the pilot phase. In the pilot phase, a sample of the data is selected and coded according to the defined categories. As with the main analysis phase, the pilot sample should be coded twice. This can be done either by letting two individuals code the same sample or by having one individual code the sample at different points in time. Once the pilot sample has been coded, the results of the two coding rounds should be compared. The result of the coding should be similar for the coding frame to be ready for the main analysis phase. If segments have been divided into different categories in the two coding rounds, then it is necessary to review and adjust the coding frame (ibid, p. 179). Once the coding frame has been completed, the entirety of the material should be coded and the findings of the coding should be recorded in a coding sheet (Schreier 2013, p. 180). The findings of the analysis can be presented through a description of the coding frame complimented with quotes (ibid, p. 180). It is important to remember that QCA only describes the content of the data. For this reason, the content of the data is considered *"as it is"*. The method is therefore not suitable for a critical analysis of the content nor is it suitable for an in depth understanding of the meaning of the content (ibid, p. 181).

QCA was chosen as a method for this thesis to identify the content of the collected data. The purpose of conducting the analysis was to identify the CSV and institutional strategies Novo Nordisk employs in Japan and Bangladesh, and thereby analyse how Novo Nordisk addresses the gap in diabetes care in the two countries. Several sets of coding frames had to be developed to analyse relevant data. First, a coding frame was created with the purpose of distinguishing the text parts of the BPC reports that were relevant for the purpose of this thesis from the text parts that are not (appendix 13). Additionally, coding frames were also developed for the interviews with the selected people from Denmark and the UK (appendices 12 & 15).

Another coding frame was developed for analysing the data in the two BPC reports. This coding frame was additionally used to analyse the data collected from the interviews with the selected people in Bangladesh and Japan (appendix 14). The coding frame was developed with seven main categories and 20 subcategories. The categories were created based on the theoretical framework used in this thesis as well as the content of the data collected. The coding frame with all main categories and subcategories is illustrated in figure 2. The first step of conducting the QCA was to define all categories. For the purpose of providing an overview, the categories that are most relevant for the analysis of this thesis will be considered further. Definitions of all the categories can be found in appendix 11. Based on these definitions, the

gathered data has been analysed. The coding sheets based on the qualitative content analysis can be found in appendices 12-15. The results will be presented in chapter six.

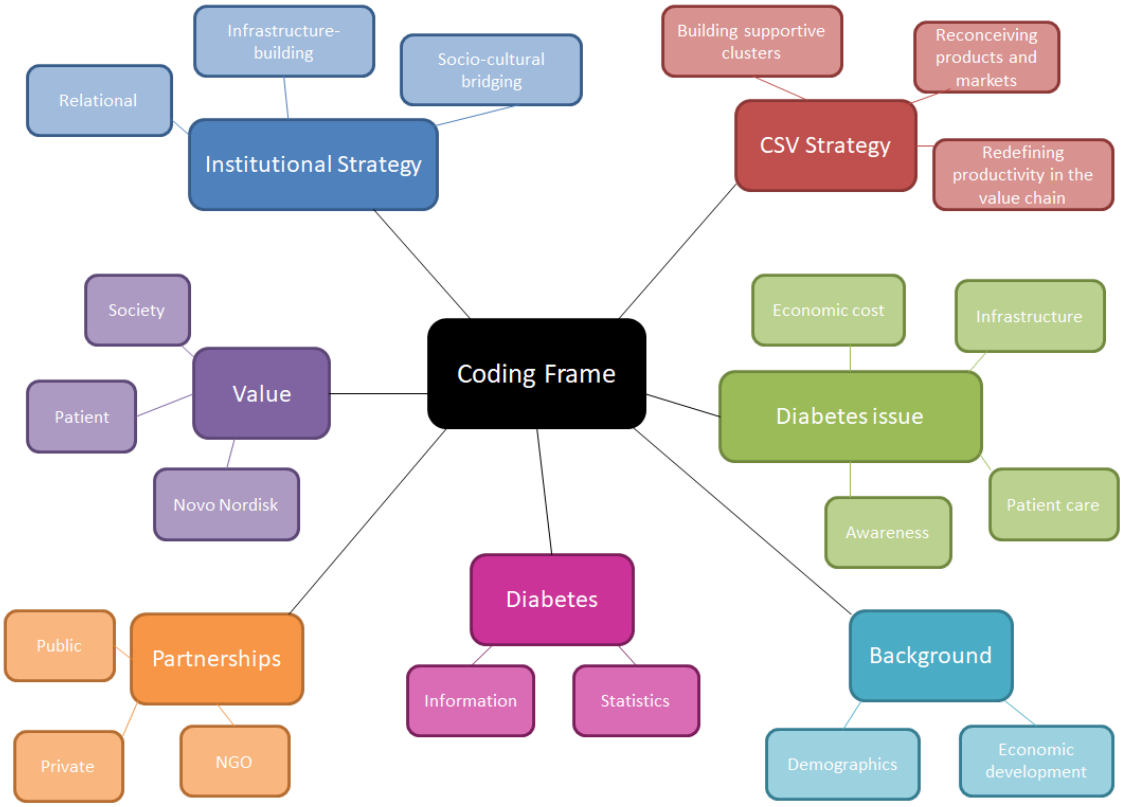

Figure 2: Coding frame used for the QCA (Source; Own).

The first two main categories relate to the two theoretical frameworks chosen for the purpose of this thesis, CSV and institutional strategies. The two main categories relate to the corporate strategies that have been identified within the two theories. These strategies account for two main categories along with six subcategories. The value created from these activities was also considered and a main category for value outcome was therefore created with three subcategories. To identify the CSV strategies Novo Nordisk makes use of in Bangladesh and Japan, it was necessary to first define what a CSV strategy is. Once the purpose of the main category had been defined, the subcategories needed to be defined. The subcategories consist of the three CSV strategies identified in chapter three of this thesis. Similarly, the second main category, institutional strategy, needed to be defined along with the three distinct institutional strategies the subcategories consist of. The definitions can be seen in Table 4.

Table 4: Definitions from the QCA (Source; Porter & Kramer, 2011; Marquis & Raynard, 2015).

Category	Definition
CSV Strategy	A corporate strategy with the aim of creating economic value by creating social value.
Reconceiving products and markets	The innovation of products and services that meet social needs.
Redefining productivity in the value chain	Addressing social issues in the value chain that cause economic costs to the company.
Building supportive clusters	Addressing deficiencies in the local cluster that create internal costs for the company.
Institutional Strategy	A strategy a corporation uses to engage with and shape institutions.
Relational	The actions and activities taken to interact with and strategically manage important referent audiences, including political bodies and key stakeholder groups.
Infrastructure-building	The actions and activities taken to address marginally developed markets, and underdeveloped social, technological, and physical infrastructures.
Socio-cultural bridging	The actions and activities taken to address the socio-cultural and demographic issues/challenges, which shape the competitive environment.

Additionally, a category was created to consider the diabetes related issues in the two countries that Novo Nordisk is operating in. The purpose of this category was to consider how different challenges in the two countries are addressed through the use of CSV and institutional strategies. The specific issues will be elaborated on in Table 5. Diabetes issues account for one main category and four subcategories. The four subcategories relate to diabetes issues identified from the collected data as well as supplementary reports on diabetes. The definitions of the four issues can be seen in Table 5.

Table 5: Definitions of diabetes issues (Source; Own).

Category	Definition
Diabetes issues	Gaps in diabetes care that prevent effective treatment.
Economic costs	Economic costs of insulin, health care and medical equipment that keep patients from receiving adequate diabetes care.
Awareness	Inadequate awareness of diabetes among patients, relatives, HCPs and society at large that lead to lack of or improper diabetes care.
Infrastructure	Inadequate physical, commercial and/or technological infrastructure in a country that affects diabetes care.
Patient care	Issues related to diabetes management in terms of health care, medicine and medical equipment that leads to inadequate diabetes care.

It furthermore became evident in creating the coding frame that the diabetes issues that were identified were occasionally addressed in partnerships with other stakeholders. For this reason, a main category was created for partnerships with three subcategories. Finally, two informational categories were created: diabetes and background. These two main categories each have two subcategories. The purpose of these categories was to provide an overview of the information on diabetes and the background information on the countries that was found in the data collected.

4.6 General limitations

Since Japan and Bangladesh are very different countries in terms of their economic development, socio-cultural norms and customs, political regimes and so on, there are likely to be numerous challenges associated with comparing the two countries. Initially, we considered comparing two relatively similar developing countries such as Indonesia and Bangladesh, however, unfortunately we found out that the key contact person working at Novo Nordisk's Indonesian subsidiary was on maternity leave for the whole duration of our thesis. Since we were able to get in contact with the Japanese subsidiary, we decided to opt for a more polarising comparative case study in the hopes of shedding light on the role and reach of CSV strategy in vastly different institutional contexts. It is important to note that although it has not been

difficult to communicate with the Novo Nordisk employees in the subsidiaries abroad, the language barrier has affected the data collection process to a certain extent, when trying to do research on and communicate with local diabetes associations such as the Japan Association for Diabetes Care (JADEC), as websites and reports are often only available in the local language.

Significant time and effort was put into researching and reaching out to relevant subject-matter experts outside of Novo Nordisk in order to triangulate the data sources. These include scholarly experts within CSR theory, certified Diabetologists in Japan and Bangladesh as well as relevant non-governmental organisations such as IDF, BADAS in Bangladesh, JADEC and Japan Diabetes Society (JDS) in Japan in addition to employees working in both Japan and Bangladesh for complementary corporations such as Medtronic and Abbott Diabetes Care. The only subject-matter experts that agreed to interview were Dr Michael Hopkins scholarly expert within CSR theory, an employee working at Medtronic Bangladesh, an employee working at Medtronic Japan, an employee working at BADAS Bangladesh and a Diabetologist working at a hospital in Bangladesh. A follow up interview with Ole Kjerkegaard Nielsen was also requested to discuss whether the findings of this thesis correspond with Novo Nordisk's original intentions, but unfortunately an interview could not be arranged before the deadline of this thesis.

A strong attempt was also made to formally cooperate with Novo Nordisk to gain access to internal data relevant to the thesis topic. However, in order to do so it is required to sign a Master Thesis agreement with Novo Nordisk. This requires that a current Novo Nordisk employee working in a department that is relevant to the thesis topic voluntarily commit to supervise the thesis. Typically, Novo Nordisk creates Thesis Student advertisements for projects specifically geared towards a Master Thesis, ensuring the relevant resources and access to data needed to complete the project. It is less common for students to successfully pitch thesis ideas independently. Moreover, achieving a Master Thesis agreement with Novo Nordisk based on an independent idea usually results in a lack of necessary resources, if the project does not derive or originate from a primary focus area.

The most relevant department for our thesis topic was the Corporate Sustainability department, which normally consists of six employees. Unfortunately during our thesis period the department was faced with extremely limited resources due to half of the department being away on maternity leave, sabbatical leave and an extended business trip abroad. Thus understandably none of the remaining employees felt able to commit additional time as a thesis

supervisor on top of their workload, especially seeing as CSV is no longer a primary focus area in HQ. As a result, it was not possible to sign a Master Thesis agreement, which is unfortunate as additional data would have likely strengthened the findings and credibility of this study. Fortunately, the VP of Corporate Sustainability Susanne Stormer agreed to an interview and we were also able to get in contact with the relevant employees in the Bangladeshi and Japanese subsidiaries.

It is important to note that since Lars Fruergaard Jørgensen took over from Lars Rebien Sørensen as the CEO of Novo Nordisk in 2017, the focus of the Corporate Sustainability department has completely switched from documenting its CSV efforts to focusing primarily on the Circular for Zero climate strategy. In effect, the Blueprint for Change working group, the sole CSV impact assessment programme at Novo Nordisk HQ, was retired in January 2018. The programme was headed by Ole Kjerkegaard Nielsen, who went on to direct a global advocacy strategy for obesity and eventually left the company a year later. Despite Novo Nordisk's self-proclaimed equal treatment of each of the three bottom lines, social economic and environmental, these developments arguably indicate a greater emphasis on the environmental bottom line compared to the social bottom line. Thus, given the timing of our thesis in combination with the fact that documenting CSV efforts is not a current priority at Novo Nordisk for the aforementioned reasons, it is plausible that the added value of obtaining a Master Thesis Agreement would have been limited. This is because most of the key stakeholders relevant to our topic have now left the company and little is often known about the availability and location of old data that has been collected, due to a general lack of overview caused by the busy schedules and short job tenures employees typically have in each position at Novo Nordisk. The following chapter will introduce background information, such as the institutional context and diabetes situation in Bangladesh and Japan, as well as Novo Nordisk.

5.0 Background

This chapter provides the background information that is relevant for the analysis. First, the country characteristics of Japan and Bangladesh are outlined. Then an overview of the diabetes challenges in both countries is provided. Finally, Novo Nordisk and the BPC cases are described.

5.1 Country characteristics

The characteristics specific to Japan and Bangladesh will be considered in relation to the characteristics of developed and developing countries provided by Marquis & Raynard (2015) as illustrated in Table 1. The characteristics of each country will be provided based on reports on development, rule of law and economic and political freedom. To describe the development of the countries, the Human Development Indices and Indicators will be considered. This report provides an overview of development based on indicators on health, education and income (UNDP, 2018, p. iii). Rule of law is considered based on the Rule of Law Index. This index evaluates rule of law in a country based on the perception of the general population as well as experts (WJP, 2017, p. 5). Finally, economic and political freedom is considered based on reports in the Index of Economic Freedom and the report on Freedom in the World. The Index of Economic Freedom evaluates economic freedom based on the average score of factors concluded to contribute to a free economy (The Heritage Foundation, 2019, p. 75), whereas the report on Freedom in the World evaluates freedom experienced by individuals based on indicators concluded to contribute to overall freedom (Freedom House, 2019b, p. 2).

5.1.1 Characteristics of Japan

Japan can be categorised as a developed country with a Human Development Index (HDI) score of 0.909 out of 1 in 2017, leading to a categorisation of very high human development (UNDP, 2018, p. 22). Japan has maintained a steady spot in this category for the past decades, with a slight increase in its HDI score from 8.16 in 1990 to the current score in 2017 (ibid., p. 26). In effect, Japan has a high standard of living, with a score of 5.9 out of 10 (ibid., p. 74). The life expectancy at birth in Japan is 83.9 years old, with 15.2 expected years of schooling (ibid., p. 22). It is estimated that 93.3% of population has at least some secondary education. The government expenditure on education is 3.6% of gross domestic product (GDP)

(ibid., p. 54). The health care expenditure is significantly higher at 10.9% of GDP (ibid., p. 50). Even so, only around 71% of the population are satisfied with the quality of health care in the country (ibid., p. 74). The population of Japan is 127.5 million people. The population is expected to shrink slightly by 2030 to 121.6 million (ibid., p. 46).

Japan has a GDP of $5.4 trillion with an annual growth of 1.7% (The Heritage Foundation, 2019, p. 242). This provides the country with a purchasing power parity (PPP) adjusted gross national income (GNI) of $38,986 (UNDP, 2018, p. 22). The Japanese economy has a combined value of exports and imports of 31.3% of GDP with an average applied tariff rate of 2.5% (The Heritage Foundation, 2019, p. 243). Japan has a high level of economic freedom which is strengthened by political stability and well-maintained rule of law (ibid., p. 242). Japan furthermore has a high level of political freedom (Freedom House, 2019c) with low levels of corruption, strong regulatory enforcement as well as an independent judiciary (WJP, 2019, p. 91) that enforces contracts and provides protection of property (The Heritage Foundation, 2019, p. 243).

Strong regulatory efficiency ensures that the process for establishing businesses is relatively easy, however, bureaucratic processes can pose a hindrance. The Japanese labour market is relatively inflexible due to lifetime employment guarantees as well as a wage system based on seniority (ibid., p. 242). Another challenge for the Japanese economy is that several areas are still heavily subsidised by the government. The biggest challenge for the country's economy, however, continues to be the demographic composition of the population. The population of Japan is characterised by an ageing population with a 34.5 million people at 65 years old or older (UNDP, 2018, p) and is thus declining, which remains a long-term economic challenge (The Heritage Foundation, 2019, p. 242).

The Japanese health care system is characterised by universal health care with *"excellent health outcomes at a relatively low cost with equity"* (WHO, 2018b, p. 23). The health care system is heavily controlled and regulated by the government at all levels, including at the regional and municipality level (ibid., p. 22). Everyone in Japan is required by law to be enrolled in a health insurance programme. Two types of insurance programmes exist in Japan: The Employees' Health Insurance System, which is for people in employment, and the National Health Insurance, which is for the unemployed or self-employed. Regardless of the type of health insurance, patients must pay a small fee (co-payment) for every visit to a clinic or

hospital. The co-payment range from 10-30% of the cost while the health insurance covers the rest of the expenses (ibid., p. 23).

5.1.2 Characteristics of Bangladesh

Bangladesh is categorised as a developing country (UNDP, 2018, p. 18), with a HDI score of 0.608 out of 1. Bangladesh is positioned at the low end of the score, although the country has improved significantly. The HDI score for the country was as low as 0.387 in 1990 and has thereby increased by 0.221 (UNDP, 2018, p. 28). The increase in the HDI score places the country in the HDI category of Medium human development (UNDP, 2018, p. 24). Even so, the UN still categorises Bangladesh as a Least Developed Country (LDC) (UN-OHRLLS, 2018). LDCs represent *"the less developed countries among the developing countries"* (UN, 2019c). Countries are categorised as LDCs based on low income, low levels of human assets and high economic vulnerability (UN-OHRLLS, 2019).

Bangladesh has a population of 164.7 million people which is expected to grow to 185.6 million by 2030. Of the current population, 8.4 million people are 65 years old or older (UNDP, 2018, p. 48). Life expectancy at birth is 72.8 years old (ibid., p. 24). The GDP of Bangladesh is $687.1 billion (The Heritage Foundation, 2019, p. 98), providing a GNI of $3,677 PPP adjusted (UNDP, 2018, p. 24). The standard of living in Bangladesh can be considered low, with a score of 4.3 out of 10 (ibid., p. 76). Moreover, 2.6% of the country's GDP is spent on health care, the quality of which 63% of the population say they are happy with (ibid., pp. 52-76). The government expenditure on education is at a similar level of 2.5% (ibid., p. 56), with 11.4 years of expected schooling at birth (ibid., p. 24). It is estimated that 45.5% of the population have at least some secondary education (ibid., p. 56).

The economy of the country is rather robust (The Heritage Foundation, 2019, p. 98), but considerable challenges remain. The government has implemented changes to the bureaucratic structures in place to reduce barriers to investment, but the progress of these implementations has been slow. The state is still accountable for a significant amount of interference in the financial sector and still maintains significant ownership. The government furthermore heavily subsidises selected sectors (ibid., p. 99). For this reason, government integrity and financial freedom remain the biggest challenges to the market economy (ibid., p. 98). Even so, Bangladesh has managed to reach a level of productivity with a rather low unemployment rate of 4.4% (UNDP, 2018, p. 64). The country furthermore has a high combined value of exports

and imports which amounts to 35.3% of GDP, but simultaneously has a high average applied tariff of 10.7% (The Heritage Foundation, 2019, p. 99).

Another significant challenge Bangladesh faces is the issue of poor regulatory efficiency. Bangladesh faces issues such as weak property laws, an inadequate judiciary that lacks independence, and inefficient contract enforcement. This creates an uncertain regulatory environment that challenges business activities. This is exacerbated by a high level of corruption (The Heritage Foundation, 2019, p. 99). The lack of regulatory enforcement combined with corruption and judicial inefficiency leads to a weak rule of law in the country (WJP, 2019, p. 42). These issues lead the Bangladeshi market to be characterised as an unfree market without effective institutions in place to develop and support the private sector (The Heritage Foundation, 2019, p. 99).

Even with these challenges, the economy of Bangladesh continues to operate robustly within a politically unstable environment (ibid., p. 98). Bangladesh suffers from a low level of political freedom and struggles with serious corruption issues. Efforts to combat corruption have declined in recent years, and the politicians charged with corruption now mainly belong to the opposition. In the latest election, a significant number of politicians from the opposition party were arrested as was a large amount of their supporters. For this reason, Bangladesh cannot be said to have fair and free elections. Violence is often associated with Bangladeshi politics, as violent protests have broken out due to political discontent, particularly before the latest election. Finally, the government is not properly checked due to weak institutions, and operate under a weak framework for rule of law (Freedom House, 2019a).

The health care system in Bangladesh is pluralistic in nature since health care is provided by a number of different actors. Although the government is obligated to provide basic health care according to the constitution, this obligation is in practice shared with the private sector as well as with NGOs since 1976. As such, the private sector and NGOs set out to compensate for the government's incapacity and inability to care for the general population, especially in rural areas. The private sector provides both western and traditional health care at a formal and non-formal level, meaning the quality of private services varies significantly. This is especially the case since the private health care sector is poorly regulated (WHO, 2015, p. 24). Moreover, the public sector's health facilities lack medical equipment and instruments and the health care workforce is characterised by shortage, inappropriate skill mix and inequitable distribution. NGOs also increasingly offer health care services and presently accounts for 9% of all health

care expenditures in Bangladesh. The government is furthermore increasingly partnering with NGOs either financially or in providing health care services (ibid., p. 25).

5.2 Diabetes

This section details the specific diabetes prevalence and treatment in Japan and Bangladesh. Diabetes is a chronic, currently incurable disorder that often requires life-long treatment. Diabetes is characterised by abnormally high levels of blood glucose due to defects in insulin production, resistance to insulin or both (Novo Nordisk Access to Health, 2011, p. 6). The two main types of diabetes are Type 1 and Type 2. Type 1 diabetes is an autoimmune disease characterised by insufficient insulin production. This form of diabetes develops rapidly and usually develops in children and young adults. In contrast, Type 2 diabetes is characterised by an insulin resistance that develops gradually over time, usually in middle aged people. Type 2 diabetes accounts for 85-95% of all diagnosed cases (Novo Nordisk Access to Health, 2011, p. 6). Once a person is diagnosed with Type 1 diabetes, treatment usually proceeds in the form of multiple daily blood glucose tests and insulin injections (Pedersen, Interview, 07/10/2019). Treating Type 2 diabetes is different. In the early stages, Type 2 diabetes can be managed through a healthy lifestyle and oral medication (IDF, 2019). Insulin injections are sometimes necessary. In both cases, multiple check-ups throughout the year are required to monitor the disorder (Pedersen, Interview, 07/10/2019). Consistent check-ups are necessary to prevent the development of diabetes related complications. Diabetes related complications include cardiovascular disease, kidney disease, nerve disease, eye disease, pregnancy complications and oral complications (IDF, 2019).

5.2.1 Diabetes in Japan

As of 2017, an estimated 7.2 million people have diabetes in Japan (IDF, 2017, pp. 126-127). It is estimated that around 3.4 million adults are unaware of their diabetic status (ibid.). In Japan, the percentage of people with diabetes Type 1 is low, and Type 2 is the most common type (Yamagata, Interview, 06/28/2019). The high prevalence of Type 2 diabetes in Japan can be connected to Japan's ageing population (ibid., p. 63). Japan ranks high on people with diabetes above 65, with 4.3 million people aged 65 and up with diabetes. This number is expected to increase to 4.8 million people by 2045 (ibid., p. 65).

Because so few people are diagnosed with Type 1 diabetes, the general public knows very little about this type of diabetes. Type 1 diabetes is often confused with Type 2, which leads to the public stigmatisation of people with Type 1 diabetes. It is generally perceived that diabetes solely derives from lifestyle choices such as poor diet or lack of exercise. This public stigma leads to self-stigma, which is *"the internalisation of society's negative perceptions towards an illness by someone who has that particular illness"* (Kato et. al, 2017). A study on patients with diabetes in Japan found that public stigma can be more influential to patients with diabetes than physical complications stemming from the severity of their condition (ibid.). In effect, patients with Type 1 diabetes are inclined to conceal their condition and to take their insulin injections in hiding (Yamagata, Interview, 06/28/2019). This highlights the issue of awareness as a gap in diabetes care in Japan.

Patients with Type 2 diabetes also struggle with their injections. Japanese patients are particularly averse to taking their insulin because they dislike injections (Yamagata, Interview, 06/28/2019). This leads to psychological insulin resistance, which encompasses the psychological barriers preventing the initiation of insulin therapy in adults (Okazaki et. al, 2019). Thus, even though most Japanese patients are aware that taking insulin would improve their health, they purposefully delay their insulin intake (Yamagata, Interview, 06/28/2019; Okazaki et. al, 2019). In effect, many patients in Japan fail to achieve their diabetes treatment targets. Only around 54% of people with diabetes are able to achieve the recommended blood sugar levels (Novo Nordisk, 2017, p. 10).

When patients are unable to properly handle their condition, it can cause lower quality of life and diabetes-related complications (ibid., p. 3). Many patients in Japan live with diabetes related concerns and distress, caused by limited time spent with a doctor (ibid., p. 2). Many doctors are only able to spend around 5-15 minutes with a patient per visit, which is not enough time to cover all aspects of diabetes management. When visiting a doctor, only 1 in 3 patients get to cover "*all aspects of diabetes, from blood sugar measurements and medications to advice on self-management and living with diabetes*" (ibid., p. 9). For this reason, not enough patients get the adequate care and time from the health care sector. This is also closely related to the low screenings for complications (Yamagata, Interview, 06/28/2019), especially for kidney and eye complications. The amount of screenings for kidney and eye complications is significantly lower in Japan than in European countries (Novo Nordisk, 2017, p. 10). This highlights the issue of patient care as a gap in diabetes care in Japan.

Treating diabetes as well as its related complications burdens society and increases health care expenditures in the country (ibid., p. 2). Japan is already one of the top ten countries with the highest expenditures on diabetes health care (ibid., p. 52). Japan has a mean diabetes-related expenditure per patient of $3,368 (IDF, 2017, p. 127). Including the costs of complications, however, the financial burden of diabetes is higher. The Japanese Ministry of Health, Labour and Welfare estimates that the costs of a patient with diabetes-related complications to be 2.5 times higher than for a diabetes patient without complications (Novo Nordisk 2017, p. 11). Therefore, patients that do not meet treatment targets and develop diabetes-related complications may lead to a significantly higher financial burden on society. This highlights the issue of economic cost as a gap in diabetes care in Japan. Climate change can also be considered an indirect threat to effective diabetes care. The government of Japan recognises climate change as a pressing issue that can have a negative health impact (Ministry of the Environment et. al, 2018). Moreover, a study by the IDF (2012) concluded that people with diabetes are more vulnerable to adverse health impacts of climate change. In effect, climate change arguably creates an infrastructural gap in diabetes care.

5.2.2 Diabetes in Bangladesh

As of 2017 an estimated 6.9 million people have diabetes in Bangladesh (IDF, 2017, p. 125). It is estimated that around 3.9 million adults are unaware of their diabetic status (ibid.). This places Bangladesh among the top ten countries in the world with the highest number of undiagnosed diabetes cases (ibid., p.48). Bangladesh is projected to rank among the top ten countries with the highest number of people with diabetes by 2045 with an estimated total of 13.7 million diabetes patients (ibid., p. 46). The increasing diabetes prevalence in the country is associated with costs to the health care sector (Ahmed, Interview, 07/07/2019). Even so, the overall diabetes-related expenditures in Bangladesh are low. Bangladesh accounts for a large portion of the total amount of people living with diabetes in South East Asia, but is also the country with the lowest mean diabetes-related expenditure per person in the region, at only $116 (IDF, 2017, p. 78).

As the amount of people with diabetes increases in Bangladesh, it limits the government's ability to care for diabetes patients (ibid, p. 12). Diabetes is not a priority to the government, even though it hinders development (Ahmed, Interview, 07/07/2019). Not only is the health care system underfunded (Novo Nordisk, 2012, p.7), it is also geared towards the

combat of infectious diseases. With the increase in income, population and life expectancy in the country, chronic conditions have become more common, but the health care system still needs to adjust to this shift (ibid, p. 4). Furthermore, many diabetes patients are unable to pay for basic medical care (ibid, p. 12). Especially poor families with diabetic children are challenged by the price of diabetes care and medical equipment (ibid, p. 14). This highlights the prominent issue of economic cost as a gap in diabetes care in Bangladesh.

Access to health care can furthermore pose a challenge. This highlights the issue of patient care as a gap in diabetes care in Bangladesh. The number of physicians is startling low in Bangladesh with only 1 physician for every 3,400 people. To compare, the neighbouring country of India has 1 physician for every 1,700 people (ibid., p. 10). This also means that patients struggle with long distances to health care facilities with long waiting times for treatment. It is therefore difficult to find treatment facilities, and even more difficult to obtain high quality treatment (Ahmed, Interview 07/07/2019). This highlights the issue of infrastructure as a gap in diabetes care in Bangladesh. Additionally, Health Care Professionals (HCPs) are not trained well enough in diabetes care, as only 58% of HCPs have received basic information on diabetes during their education (Novo Nordisk, 2012, p. 10). Diabetes patients in Bangladesh are also challenged by inadequate medication distribution networks (Novo Nordisk, 2012, p. 7), meaning it can be difficult for patients to gain access to quality medicine. This has led some patients to treat their diabetes with non-comparable biologic medicine that is not approved in the US or the EU (Ahmed, Interview, 07/07/2019).

For the reasons mentioned above, some patients in Bangladesh are unable to adequately treat their diabetes (ibid.) and *"only 1 in 3 people is treated, and roughly 1 in 13 achieves treatment targets*" (Novo Nordisk, 2012, p. 3). The challenge of ensuring adequate treatment of diabetes is significantly challenged by a general lack of awareness (Ahmed, Interview, 07/07/2019). Lack of awareness is also a significant problem among patients and their families. The majority of patients in Bangladesh are under the impression that diabetes is an infectious disease. Unawareness also leads to misconceptions about living with diabetes, such as mistakenly believing that women with diabetes cannot give birth or that diabetes should be treated by traditional healers (Novo Nordisk, 2012, p. 10). This highlights the issue of awareness as a gap in diabetes care in Bangladesh. Diabetes management is a particularly pressing issue, considering Bangladesh experiences approximately 97,600 deaths per year due to diabetes (IDF, 2017, p. 125).

5.3 Novo Nordisk & Blueprint for Change cases

According to Susanne Stormer, the Vice President of Corporate Sustainability, CSV is embedded in Novo Nordisk through its Articles of Association. The duty to create shared value was brought in via the Annual General Meeting and cannot be altered unless removed through a subsequent Annual General Meeting. This means that the CEO and the Board of Directors cannot change or dismiss Novo Nordisk's duty to create shared value (Stormer, Interview, 23/01/2019). In the past, Novo Nordisk has measured and reported on its shared value efforts through the Corporate Sustainability department. The purpose of the Corporate Sustainability department at the Novo Nordisk headquarters connects *"business in society, by initiating projects and being adaptable and looking ahead, it has a leadership role"* (Stormer, Interview, 23/01/2019). The most important thing that the department does is investigate where Novo Nordisk could be more intentional and scrutinises intent. Thus, the Corporate Sustainability department sets direction on how to measure value creation and finds catalysts in a forward-looking manner. Sustainability is a commercial issue, although it has not always been treated like one, and it is critical to figure out how to ensure that the people making decisions are well informed. Within the department the theory of CSV is considered a thriving concept, although it only focuses on the positive impact of business in society, whereas traditional CSR is perceived as dying (Stormer, Interview, 23/01/2019).

In 2010 the Corporate Sustainability department created the BPC programme, a shared value assessment programme, which ran until 2018 and was led by Ole Kjerkegaard Nielsen (Nielsen, Interview, 28/03/2019). Focusing on holistic value creation, the BPC programme looked at the historic and ongoing activities in specific Novo Nordisk subsidiary countries to explore how shared value had been created. This involved an assessment and prioritisation of the major barriers of access to diabetes care, as well as the initiation of cross-sector partnerships with government organisations, NGOs and civil society to address those (Novo Nordisk TBL Quarterly, 2014, p. 20).

According to Ole Kjerkegaard Nielsen the BPC programme provided empirical evidence of the social value that Novo Nordisk has created through its business activities within numerous countries. Each case country was selected based on their commercial success and future potential or the interest of the then CEO Lars Rebien Sørensen (Nielsen, Interview, 28/03/2019). According to Susanne Stormer, the BPC cases were initially created to justify Novo Nordisk business activities to investors. Since then the BPC cases have grown to become

a useful diagnostic tool internally, providing an important learning experience and illuminating specific topics to zoom in on, such as the implications of diabetes in an ageing society such as Japan (Stormer, Interview, 23/01/2019).

Ole Kjerkegaard Nielsen claims that the BPC cases demonstrated the social benefits of Novo Nordisk's business activities which achieved *"better, bigger market, better prices, more value to the company"* (Nielsen, Interview, 28/03/2019). As an example, the Turkish case was used to engage in favourable price negotiations that increased the local competitiveness of Novo Nordisk and strengthened local product development (Nielsen, 2019; Nielsen, Interview, 28/03/2019). Similarly, by highlighting the value that was created locally, the Bangladeshi case changed the government's stance on trade barriers. This enabled Novo Nordisk to stay in the market as the government required local production or evidence that a company was contributing to society. The Indonesian case resulted in a negotiated five percentage point increase in prices that increased Novo Nordisk's competitiveness while opening up the market (Nielsen, 2019; Nielsen, Interview, 28/03/2019). The following chapter analyses the background information provided in the chapter in addition to the findings from the QCA.

6.0 Analysis

The previous chapter outlined the relevant contextual information relating to diabetes care in Bangladesh and Japan as well as Novo Nordisk. This creates the necessary empirical foundation for this chapter, wherein Novo Nordisk's activities in Japan and Bangladesh are analysed and then compared. As mentioned, this thesis analyses the BPC cases published on Bangladesh and Japan by Novo Nordisk. Novo Nordisk has been active in both countries for a similar amount of time, since 1955 in Japan and since 1957 in Bangladesh (Novo Nordisk, 2012; Novo Nordisk, 2017). Moreover, the BPC cases are of the same length and are based on a common methodology (Novo Nordisk, 2012, p. 22). Despite these methodological similarities, the actual issues that are addressed in the cases differ. The main theme in the BPC case on Japan is the investigation of the impact of diabetes in a super-ageing society. In contrast, the BPC case on Bangladesh focused on changing diabetes through sustainable partnerships. The BPC case on Bangladesh provided country specific insight and information, whereas the BPC case on Japan focused relatively more on Novo Nordisk activities internationally (Novo Nordisk, 2017; Novo Nordisk, 2012).

In addition to the two BPC cases, primary data was collected in the form of interviews, as well as secondary data such as news articles and reports, as described in section 4.3.1 and 4.3.2, are analysed to uncover activities that Novo Nordisk has engaged in that constitute as CSV or institutional strategies in Bangladesh and Japan. First Novo Nordisk's activities are identified and examined against the three CSV and institutional strategies in isolation, starting with Japan in section 6.1 and then Bangladesh in section 6.2.

A Venn Diagram has been created for each CSV activity in each country, consisting of three intersecting circles to depict the categorisation of Novo Nordisk's activities in each country. The three intersecting circles each represent an institutional strategy, with a red circle depicting a relational strategy, a purple circle depicting an infrastructure-building strategy and a blue circle depicting a socio-cultural bridging strategy. The purpose of the Venn Diagrams is to help visualise the different relations between each Novo Nordisk activity and the respective CSV and institutional strategies. Each activity is arbitrarily numbered to demonstrate the chronological order in which they are presented and examined in this thesis. Section 6.3 compares and contrasts the activities and strategies that have been identified in Japan and Bangladesh, concluding with two Complex Issues Maps, which were created to connect the

issues relating to diabetes care for the patient and society with Novo Nordisk's activities and the subsequent partnerships involved.

6.1 CSV & institutional strategies in Japan

This section will examine the activities that Novo Nordisk has engaged in to address challenges to diabetes care in Japan. Based on the findings from the qualitative content analysis, the activities were first identified and then examined in terms of their possible resemblance with a CSV strategy. Thereafter the activities were examined in terms of their alignment with the three institutional strategies. Activities that exhibit overlaps between the CSV and institutional strategies would indicate that Novo Nordisk adapts its CSV efforts to the institutional context. Overlaps between institutional strategies in the same activity would arguably indicate a greater need to overcome institutional barriers. Overall, a total of 17 CSV activities of different sizes and reach were identified in Japan. One activity was identified as reconceiving products and markets, five activities were related to redefining productivity in the value chain, and 11 activities were found to build supportive clusters. These activities and their corresponding CSV and institutional strategies, if relevant, are listed below in Table 6. The activities have been numbered arbitrarily to provide an overview. Each activity will be considered in the following subsections and will be considered in relation to the institutional strategies.

Table 6: Novo Nordisk's activities in Japan grouped by CSV strategies (Source; Own).

Reconceiving products and markets		
Name of activity	***Description***	***Institutional strategy***
1. SyncHealth App	App developed in partnership with Health2Sync. Allows patients to log their data (e.g. blood sugar levels) and share it with their HCP.	Relational
Redefining productivity in the value chain		
Name of activity	***Description***	***Institutional strategy***
2. Renewable energy facilities	Wholly owned manufacturing facility which runs on 100% renewable energy.	Infrastructure-building
3. Extensive distribution network	Partnered with local wholesalers to provide insulin through an extensive national distribution network to reduce CO2 emission and ensure rapid delivery.	Relational
4. Hybrid cars & iSelling	Minimising CO2 emission through sales	

Platform	representatives traveling in hybrid cars and replacing physical sales with IT solutions.	
5. cLEAN initiative	Employee program that develops competencies to encourage the development of ideas for optimisation and improvements.	
6. Adequate supply chain & sufficient stocks	Ensuring an adequate supply chain and sufficient stock of insulin in case of emergencies.	
Building supportive clusters		
Name of activity	***Description***	***Institutional strategy***
7. Koriyama factory	Construction of a manufacturing plant.	Infrastructure-building
8. DAWN programme	Research programme created in cooperation with the IDF. Aim of uncovering psychological challenges of diabetes.	Relational & Socio-cultural bridging
9. Walk Rally	Exercise event created in collaboration with JADEC, HCPs and the government.	Relational & Socio-cultural bridging
10. CCD	Programme created in cooperation with research institutions. Seeks to establish new approaches to help communities understand their diabetes challenges.	Relational & Socio-cultural bridging
11. WDD	Annual event aimed at raising awareness of diabetes. Held in cooperation with JADEC.	Relational & Socio-cultural bridging
12. Local studies & dialogue	Support of local research at universities to increase knowledge on diabetes.	Relational & Socio-cultural bridging
13. DTR-QOL	Sponsor of App for HCPs that contains questions to ask patients to ensure better treatment.	Relational & Socio-cultural bridging
14. Scientific networking	Activities to support scientific networking.	Relational & Socio-cultural bridging
15. Local clinical research & trials	Sponsor of local clinical research and conducted various multi-regional clinical trials	Relational & Socio-cultural bridging
16. CLUB-DM	Webpage with information for patients on diabetes care.	Socio-cultural bridging
17. Team Novo Nordisk	All-diabetes sports team of cyclists, triathletes and runners.	Socio-cultural bridging

6.1.1 Reconceiving products & markets in Japan

The first CSV strategy is *"reconceiving products and markets"* as defined in Table 4. Based on the QCA, one activity was identified that relates to reconceiving the diabetes products available in Japan. Moreover, the activity can also be categorised as a relational strategy, defined in Table 4. The activity will be examined below.

Novo Nordisk decided to partner with the Taiwanese start-up company Health2Sync in Japan to support the distribution and adoption of an App called SyncHealth in addition to a web platform that helps HCP's manage their diabetic patients (Hale, 2019). The purpose of the SyncHealth App is to improve the treatment process and patient experience by bridging gaps between doctor visits through frequent digital touch points. In effect, patients are able to log their blood sugar, blood pressure, weight, medication, diet, exercise and mood through SyncHealth to monitor their trends and share the information with their families or HCP (Koh, 2019). Building on this, Novo Nordisk is currently working on a way to wirelessly connect its insulin delivery devices with the SyncHealth app to enable automatic data recording of the self-injections (Hale, 2019).

The activity is an innovative initiative attempting to improve outcomes for people with diabetes through digitalisation, and thus aims to create social value, thereby following the CSV strategy of reconceiving products and markets. Therefore, this digital health initiative attempts to improve patient care by providing the patient and their HCP with a better overview of the treatment progress. Moreover, by partnering with Health2Sync, Novo Nordisk is engaging in a relational strategy. For this reason, the activity can be categorised as both a CSV and an institutional strategy. The activity is illustrated as a relational strategy in figure 3 below. Since the activity is only considered a relational strategy it does not overlap with other institutional strategies in the figure. As mentioned in section 5.2.1, the inability to reach treatment targets in Japan has increased the prevalence of diabetes related complications, which increases health care expenditures in the country. If the SyncHealth App increases the rate of patients achieving their treatment targets then the development of diabetes related complications should also be reduced, improving the desired health outcomes of diabetes patients. As a result, this collaboration could benefit society. Moreover, healthy patients are valuable to Novo Nordisk because healthy people with diabetes are loyal to Novo Nordisk products (Novo Nordisk, 2012, p. 6), and thus create economic value. In effect this activity attempts to enhance patient care, which is one of the four main challenges to diabetes in Japan identified in the QCA.

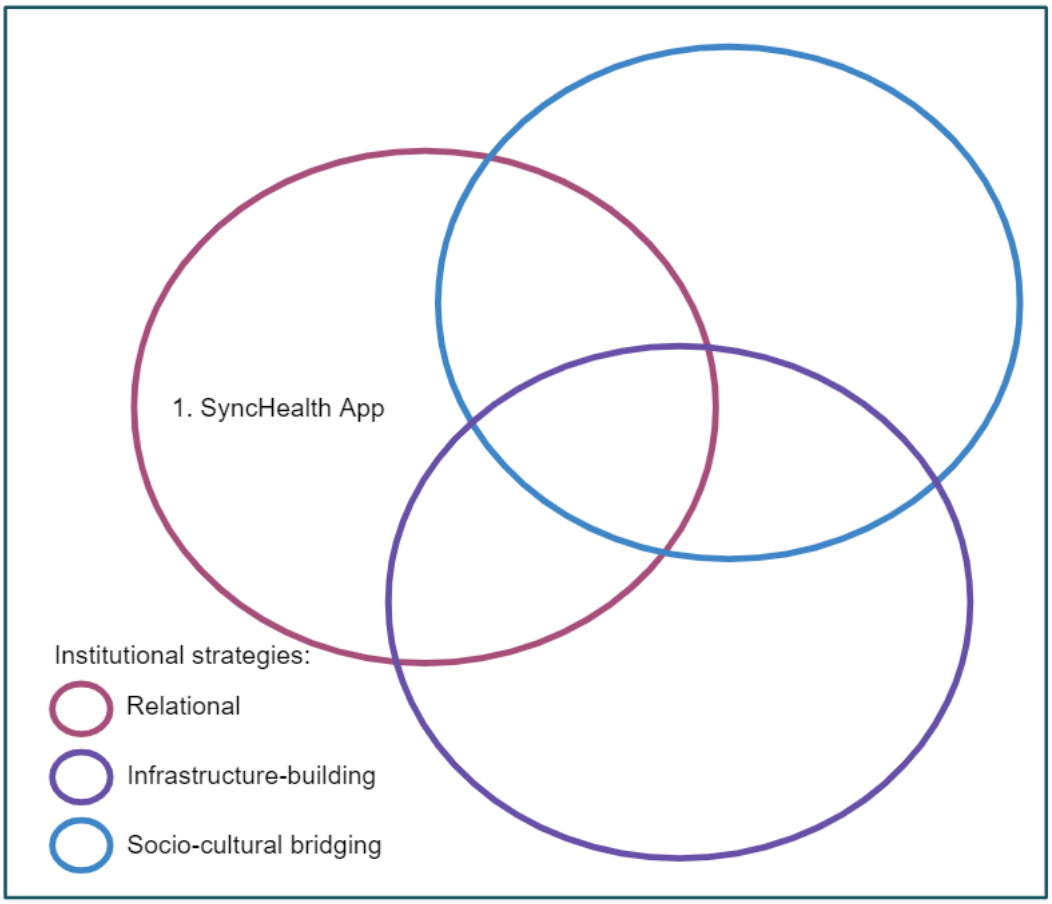

Figure 3: Venn diagram of Novo Nordisk's CSV strategies of reconceiving products and markets in Japan (Source; Own).

6.1.2 Redefining productivity in the value chain in Japan

The second CSV strategy is *"redefining productivity in the value chain"* as defined in Table 4. Based on the findings of the QCA, five activities were identified that redefine productivity in the value chain, two of which both correspond with the second CSV strategy in addition to an institutional strategy. The two institutional strategies that were identified include a relational strategy and an infrastructure-building strategy, as defined in Table 4. The overarching theme of Novo Nordisk's activities within the second CSV strategy is increased efficiency through environmental considerations.

Novo Nordisk's decided to set up a manufacturing facility in Japan in Koriyama in 1997, which was transformed into a 100% renewable power threshold in 2016 through the Japanese Green Power Certificate Scheme (Novo Nordisk, 2017, p. 18). The shift to thermal power generation was achieved four years before the set target, and actively contributed to the

reduction of the total energy consumption of the factory (3BL MEDIA, 2013). Additionally, more than 90% of all production waste at Koriyama is recycled (Novo Nordisk, 2017, p. 30). Novo Nordisk's decision to move towards renewable energy and increase its recycling rate is arguably evidence of a strategy that redefines the productivity in the value chain in addition to an infrastructure-building strategy. This is because it reduces the energy costs in the facility, which improves productivity in the operational part of the value chain (figure 1), creating economic value for Novo Nordisk. Moreover, a factory with a smaller environmental footprint benefits society by reducing pollution and it also promotes environmentally friendly infrastructure, setting an example for other manufacturing plants.

Novo Nordisk has also attempted to reduce the environmental impact of its product distribution. In order to prevent a rise in CO2 emissions as a result of its expanding business activities in Japan, Novo Nordisk has partnered with local wholesalers to provide its products through an extensive national distribution network. This network has ensured the rapid delivery and efficient use of resources for product distribution, ensuring no-stock out at the Koriyama factory since 2008 (Novo Nordisk, 2017, p. 19). This initiative constitutes as a combination of the CSV strategy of redefining productivity in the outbound logistics part of the value chain (figure 1), due to the increase in productivity as a result of the extensive national distribution network, which creates economic value for Novo Nordisk. The initiative is a relational strategy due to the partnership with the local wholesalers. Similar to the switch to renewable energy at the Koriyama facility, this initiative creates social value through environmental responsibility. By minimising the increase in CO2 emissions Novo Nordisk reduces the overall environmental impact of its business activities in Japan.

Novo Nordisk has also reduced the carbon emissions produced by sales representatives travelling to visit HCP's, as Novo Nordisk has purchased environmentally friendly hybrid cars that have resulted in a 19.6% reduction of CO2 emissions. Moreover, IT solutions such as the iSelling platform are increasingly being relied upon to replace HCP sales visits, further reducing the environmental impact of Novo Nordisk's sales activities in Japan (Novo Nordisk, 2017, p. 19). By reducing its environmental footprint, Novo Nordisk is improving the utilisation of its resources while minimising the negative externalities resulting from its business activities in Japan. Therefore, this initiative arguably redefines productivity in the marketing and sales portion (figure 1) of Novo Nordisk's value chain in Japan. As abovementioned, the social value derives from Novo Nordisk omitting less pollution.

Novo Nordisk has also used the cLEAN initiative to meet growing productivity demands. This activity takes place in the operations part of the value chain (Porter, 1985). Inspired by the Japanese LEAN methodology, cLEAN is the Novo Nordisk way of continuously improving quality, cost, delivery and the manufacturing environment (Novo Nordisk, 2017, p. 19). Thus, employees at Koriyama are encouraged to share ideas for optimisation and improvement. This has spurred creative problem solving, which has helped Novo Nordisk become more efficient and productive, for example by finding new ways to turn waste into resources (ibid., pp. 20-21). Hence, cLEAN projects constitute as an attempt to redefine the productivity in the value chain by optimising and upgrading operations based on internal feedback from local Novo Nordisk employees. This potentially creates both social and economic value if the final products are of higher quality, lower cost or faster delivery.

Additionally, Novo Nordisk has attempted to mitigate the risks associated with unpredictable events such as climatic shocks or disasters that may disrupt business operations. This was achieved by establishing an adequate supply chain that ensures sufficient stocks of finished products in Japan, which has successfully prevented product shortages for nine consecutive years (ibid., p.21). This initiative arguably constitutes as redefining productivity in the outbound logistics part of the value chain (Porter, 1985) because preserving product sales in Japan regardless of unpredictable events ensures stable sales, providing economic value to Novo Nordisk, while simultaneously creating social value by ensuring that enough medication is available for diabetic patients in Japan.

Thus, Novo Nordisk engages in five different activities that constitute as the second CSV strategy of redefining productivity in the value chain. However, only two of these five activities also reflect an institutional strategy and there are no overlaps between the institutional strategies. This is depicted in figure 4. The two activities that are both examples of a CSV strategy and an institutional strategy can be found within the circles of their respective strategies. The three activities that only exemplify a CSV strategy can be found outside of the circles, illustrating that they are not connected to any institutional strategies.

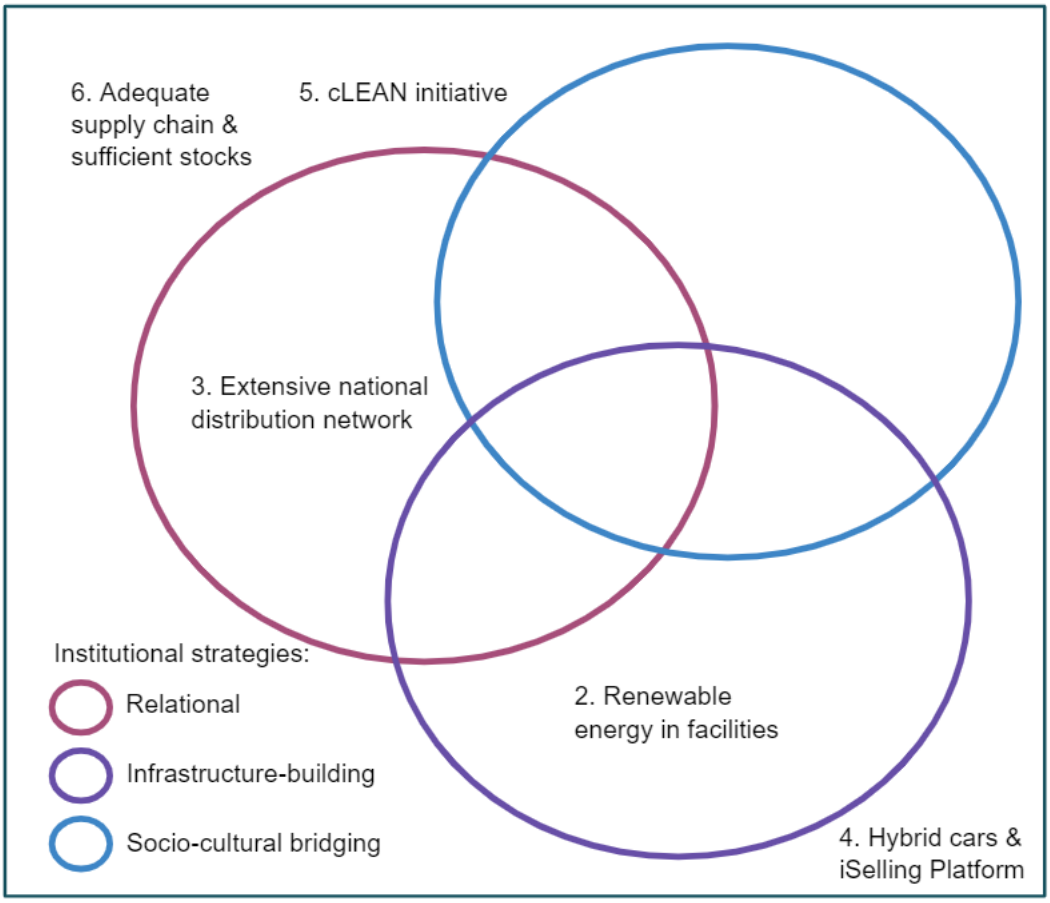

Figure 4: Venn diagram of Novo Nordisk's CSV strategies of redefining productivity in the value chain in Japan (Source; Own).

All five activities in this section attempt to adapt to climate change, which is arguably an indirect infrastructural challenge to diabetes care. As mentioned in section 5.2.1, a report by the IDF (2012) found that diabetes and climate change are interconnected issues that not only directly impact upon each other, but are also driven by the same global vectors and share common solutions through co-benefit strategies within Urban Planning Policies and Food Policies. As a result, climate change can be seen as a challenge to diabetes care in Japan (and globally). Thus, Novo Nordisk has sought to reduce the environmental impact of each step of the value chain, from the production of its diabetes products to their distribution and the related services. In effect, Novo Nordisk has seen a reduction in its total CO2 emissions in Japan despite expanding business growth (Novo Nordisk, 2017, p. 19). By voluntarily opting for environmentally responsible solutions in its value chain in Japan, Novo Nordisk may receive greater societal legitimacy and a better corporate reputation.

6.1.3 Building supportive clusters in Japan

The third CSV strategy is *"building supportive clusters"* as defined in Table 4. Based on the findings derived from the QCA, a total of 11 activities were identified that fall under the third CSV strategy in addition to one or two institutional strategies. These activities will be examined in detail below.

As the leading supplier of insulin in the country, Novo Nordisk has invested in and built a range of physical and commercial infrastructure in Japan. Novo Nordisk has established 54 sales offices throughout Japan, in addition to building a manufacturing factory, first in Atsugi in 1984, which was ultimately moved to Koriyama in 1997. As of 2016 Novo Nordisk employed 1,078 people in Japan (Novo Nordisk, 2017, pp. 4-6). As a result, Novo Nordisk has engaged in an infrastructure-building strategy that builds supportive clusters. Novo Nordisk benefits from investing in Japan and building supportive clusters by building physical infrastructure because it reduces reliance on external imports, which reduces import pollution, creating social value. It also increases the speed and efficiency of product distribution locally and local employees may provide necessary insight into the local context, which may aid societal integration and provide economic value. This might be necessary when operating in a country that exhibits significant cultural distance from the home country. Thus, subsidiaries are likely to increase societal legitimacy if successful. Moreover, by establishing sales offices and a manufacturing facility in Japan, Novo Nordisk not only creates jobs in Japan but also reduces the quantity of imported products, which benefits society in the form of less pollution (ibid.).

In collaboration with the IDF, Novo Nordisk launched the Diabetes, Attitudes, Wishes and Needs (DAWN) programme, which is a new global initiative to research and uncover the psychological challenges associated with living with diabetes. Approximately 12,800 patients, 700 HCPs and 380 family members have participated in four DAWN studies in Japan alone (Novo Nordisk, 2017, p. 9). These four studies revealed that one third of Japanese people with diabetes experience diabetes-related distress, which is the emotional burden of and reaction to managing a chronic illness, such as worrying about the future and struggling to cope with medical complications. Moreover, the majority of patients' families consider diabetes a burden and lack knowledge about the disease. Furthermore, 43.1% of people with diabetes said that their medication routine interferes with their ability to live a normal life. Yet only 15.9% of patients in Japan have been asked about anxiety or depression when visiting their HCP's, compared to 32.8% globally (ibid., p. 10). The average length of a diabetes related medical

consultation is only 5-15 minutes yet the findings of the DAWN study indicate a prominent communication gap in terms of what the HCP says and what the patient understands, which leads to patients often relying on the internet for diabetes education (ibid.).

The research done by the DAWN programme in Japan not only constitutes as a CSV strategy by building supportive clusters but also a relational and a socio-cultural bridging strategy. The initiative is a relational strategy due to the partnership with the IDF. The socio-cultural bridging aspect derives from the aim of the research, which is to increase the understanding of the context specific psychological aspects of diabetes that negatively affect patients and their families, creating social value. Moreover, by deepening the understanding of the psychological symptoms of diabetes in Japan, Novo Nordisk can better inform its R&D department in terms of developing innovative products that address these context-specific needs, which potentially creates economic value. As a result, the activity builds supportive clusters for Novo Nordisk's business operations in Japan.

Moreover, since 1992, Novo Nordisk has organised Walk Rally events in collaboration with JADEC, HCPs and the Japanese Ministry of Health, Labour and Welfare. Since the programme's inception, there have been approximately 125,000 participants in over 800 events. The events benefit society because they serve to motivate and inspire people with diabetes while generating a better understanding of diabetes and emphasising the importance of a healthy diet and exercise (ibid., p. 14). Thus, Novo Nordisk builds supportive clusters by raising awareness of diabetes with the goal of improving the health of people living with diabetes as well as attempting to reduce the number of people developing diabetes and its related complications which is a socio-cultural issue. Hence, this also constitutes as a socio-cultural bridging strategy. Furthermore, this activity is achieved through a relational strategy, by partnering up with JADEC, HCP's and the Japanese government. This activity is likely to create economic value for Novo Nordisk if it leads to more people getting diagnosed or committing to their treatment.

Koriyama has also joined the Cities Changing Diabetes (CCD) programme in 2017, being the first Japanese city to join (ibid., p. 17). Launched in 2014, the CCD programme is a partnership programme between Novo Nordisk, the University College London (UCL) and Steno Diabetes Center Copenhagen. The CCD programme was initiated by Novo Nordisk in response to the urgent challenge caused by the dramatic rise of Type 2 diabetes in urban areas and the programme is currently active in 21 cities worldwide (Novo Nordisk Cities Changing Diabetes, 2019a). The programme seeks to establish new approaches that help local

communities understand their unique set of diabetes challenges, identify areas and populations at greatest risk and design targeted interventions that can put change into motion.

The CCD programme provides an Urban Diabetes Toolbox to encourage and guide the development of local action plans to combat the rise of diabetes in urban areas. These tools are used to illustrate the value of engaging in activities focused on raising awareness of diabetes to encourage more people to get checked and treated successfully treatment. As mentioned in section 5.2.1, issues such as a fear of needles and a lack of understanding in Japan not only creates stigma but also induces shame and hinders the successful treatment of patients. Thus, by raising awareness, Novo Nordisk may be able to encourage more people that are living with diabetes unwittingly to get diagnosed and commence treatment, which would create both social and economic value. Moreover, Koriyama's participation in the CCD programme is evidence of a relational strategy, due to the partnership with UCL, Steno Diabetes Center and Novo Nordisk. It is also a socio-cultural bridging strategy because of the attempt to create context specific knowledge of the challenges to diabetes care in Japan in addition to raising awareness of the identified issues, such as the implications of a rising prevalence of diabetes in a super-ageing population. The knowledge generated from this programme should build supportive clusters for Novo Nordisk's business operations through increased understanding of the nuances and difficulties associated with the alleviation of diabetes in Japan. However, although the CCD programme in Japan sounds promising, the programme has seemingly not made much progress since joining two years ago (Novo Nordisk Cities Changing Diabetes, 2019b). This suggests that the ambitious intentions of some of Novo Nordisk's activities do not necessarily guarantee a significant outcome. Hence, the overall efficacy of Novo Nordisk's activities may be questionable.

Since 2007 Novo Nordisk has marked World Diabetes Day (WDD) on the 14th of November, along with JADEC in Japan. WDD is an annual event designed to raise awareness of diabetes (Novo Nordisk, 2017, p.16). This is achieved through a range of themes such as the importance of exercise in 2016, which was illustrated through a Sports Bike Experience event that was conducted in cooperation with a number of bicycle manufacturers. The day also included a cycle tour of Tokyo, talks from Team Novo Nordisk about cycling, exercise and healthy living and blood sugar tests. In 2016 the WDD had over 2800 participants and the message reached approximately 1.8 million people through the media in Japan. By partnering with JADEC and numerous bicycle manufacturers Novo Nordisk utilised a relational strategy to

engage with the complex socio-cultural environment in Japan to raise awareness of diabetes, which is arguably a socio-cultural bridging strategy. If this creates a more informed society then the activity also builds supportive clusters that should make the business environment easier to operate in.

Novo Nordisk has also partnered with local and international universities and key opinion leaders, which can be considered a relational strategy, to enhance cross sector collaboration and dialogue regarding diabetes as well as supporting local studies that aim to create a better understanding of diabetes in a Japanese setting (ibid.). This initiative builds supportive clusters by increasing the Japanese knowledge base of diabetes both for Novo Nordisk and society, which is also a socio-cultural bridging strategy.

Additionally, the results from the abovementioned DAWN study informed the development of an app for HCP's in Japan called the Diabetes Therapy Related Quality Of Life (DTR-QOL), which was sponsored by Novo Nordisk and created by Hitoshi Ishii, a Japanese Mathematician, and this collaboration can thus be considered a relational strategy. The DTR-QOL app is available on iTunes and features 29 questions that enable HCP's to build a better rapport with their patients and evaluate the efficacy of their treatment (Ishii, 2012: Novo Nordisk, 2017). The app has been downloaded by thousands of HCPs in Japan and this initiative arguably improves patient care, which not only benefits the patient and thus bridges socio-cultural issues hindering diabetes care indicating a socio-cultural bridging strategy, but also creates a more supportive environment for Novo Nordisk to operate in, which is indicative of the third CSV strategy.

Novo Nordisk has conducted numerous activities to support scientific networking, a relational strategy, such as hosting annual meetings that focus on how elderly populations and children can manage their diabetes. Moreover, Novo Nordisk has supported the Japan Diabetes Society's annual Hagedorn Award that rewards scientific work within diabetes in order to promote context specific scientific progress (Novo Nordisk, 2017). This is particularly important in Japan because, as aforementioned, Japan is a super-aged society and ageing is one of the major risk factors for non-communicable diseases. Subsequently the diabetes prevalence in Japan is increasing among the elderly population. By creating a knowledge building platform that promotes scientific progress Novo Nordisk not only benefits society, which is a socio-cultural bridging strategy, but also partners with JDs and HCPs, which is a relational strategy.

This creates a more conducive environment to operate in, thus creating economic value and constituting the third CSV strategy.

Novo Nordisk has also sponsored local clinical research and conducted various multi-regional clinical trials that provide HCPs and Japanese investigators with networking opportunities that enable them to learn from and share best practices with international peers (ibid., p. 7). These knowledge building initiatives make HCPs better equipped to support their patients, thus providing better patient care. Thus by partnering with HCPs, a relational strategy, Novo Nordisk builds supportive clusters in its surrounding environment by upgrading the skills of the HCPs, to the benefit of the patient, which is a socio-cultural bridging strategy. This potentially enhances the performance and competitiveness of Novo Nordisk because HCPs have reported a favourable perception of Novo Nordisk in Japan as a result of the clinical trials (ibid.), which is indicative of an increase in the societal legitimacy and reputation of Novo Nordisk as a pharmaceutical company in Japan. By investing in local clinical research activities Novo Nordisk creates social value by supporting knowledge generation that may eventually benefit diabetic patients.

Novo Nordisk launched a Japanese website in 2002 called www.club-dm.jp that currently receives 740,000 visits per month. The purpose of the CLUB-DM website is to support the informational, self-management and practical needs of patients with diabetes. Thus the website aims to raise awareness of diabetes while promoting healthy living and preventing patients from discontinuing their treatment (ibid., p. 16). This is in line with the findings discovered during the abovementioned DAWN studies in Japan, which revealed that patients living with diabetes increasingly rely on the internet for information about their condition, rather than asking their local HCPs (ibid., p. 9). This activity builds supportive clusters through a socio-cultural bridging strategy, by addressing the complex contextual socio-cultural drivers of diabetes in Japan and raising awareness of proper diabetes care, both of which facilitate a more supportive business environment for Novo Nordisk to operate in.

Team Novo Nordisk athletes have frequently visited Japan to share their experiences and life-stories in the hope of inspiring, educating and empowering people with diabetes in addition to sharing their reflections with HCPs and the public (ibid., p. 15). Team Novo Nordisk is the world's first all-diabetes sports team of cyclists, triathletes and runners. Since 2014 the professional cycling team has competed in the Japan Cup Cycle Road Race held in Utsunomiya. Moreover, the Team Novo Nordisk ambassadors Justin Morris and Scott Ambrose visited 10

cities across Japan conducting 12 Team Novo Nordisk Roadshow talks discussing their experiences as professional cyclists pursuing their dreams while living with diabetes. Team Novo Nordisk has also held various booths at the Japan Cup aiming to empower people with diabetes to lead a more active and healthy lifestyle, for example by conducting a smile with diabetes campaign. In an attempt to combat the negative associations with living with diabetes, the smile with diabetes campaign solicited smile photos with positive messages about living with diabetes (ibid.).

There is a particularly strong focus on raising awareness of Type 1 diabetes through Team Novo Nordisk's activities in Japan. For example, a Team Novo Nordisk Manga was published, which is a Japanese style graphic novel telling a story about a boy with type 1 diabetes and his journey to becoming a cyclist. The Manga reached tens of thousands of people in Japan (Novo Nordisk, 2017, p. 15; Team Novo Nordisk, 2017). Therefore, Team Novo Nordisk's activities in Japan target both the patient and society at large by raising awareness and fighting the stigma associated with diabetes in Japan. Stigma is a negative mark or representation that indicates disgrace or shame (Uchigata, 2018). As mentioned above in section 5.2.1, a prominent social issue concerning diabetes in Japan is the lack of differentiation between Type 1 and Type 2 diabetes, which has created stigma and misconceptions surrounding Type 1 diabetes. By attending to the socio-cultural issues embedded in Japan relating to diabetes, Novo Nordisk is employing a socio-cultural bridging strategy to build a supportive business environment for the marketization of its products.

As evident above, the vast majority of Novo Nordisk's activities in Japan that build supportive clusters are focused on raising awareness of diabetes which improves the surrounding community that relate to Novo Nordisk's business operations. The need to invest in building supportive clusters indicates that a lack of awareness and understanding of diabetes as a chronic disease seems to be a challenge in Japan. Moreover, the significant presence of socio-cultural bridging strategies could be due to the cultural distance between Novo Nordisk's home country, Denmark, and its host country, Japan. Significant cultural distance hinders the ability to understand and correctly interpret local institutional requirements, thus requiring adaptation to local contexts. Subsequently, by employing socio-cultural bridging strategies, Novo Nordisk might be attempting to overcome some of this cultural distance and understand the local challenges to diabetes care in Japan. By focusing on enhancing soft infrastructures, Novo Nordisk can improve market activity in Japan. As illustrated in figure 5, the majority of the

identified activities that fall under the CSV strategy of building supportive clusters can be placed within the strategy of socio-cultural bridging.

Additionally, the majority of these activities exhibit overlapping relational and socio-cultural bridging institutional strategies. This is illustrated by the overlapping circles representing the two strategies in figure 5 and arguably reveals a need for local adaptation. The presence of relational strategies in most of the activities indicates that partnerships are necessary in order to build supportive clusters. This relates back to the cultural distance between Denmark and Japan, as partnering with local NGOs and other actors may help Novo Nordisk integrate in Japan.

Finally, establishing a factory, as is depicted as activity 7 in figure 5, is consistent with the third CSV strategy as well as an infrastructure-building strategy. For this reason, all identified activities can be categorised as both CSV and institutional strategies. None of the activities therefore fall outside of the circles representing institutional strategies in the figure.

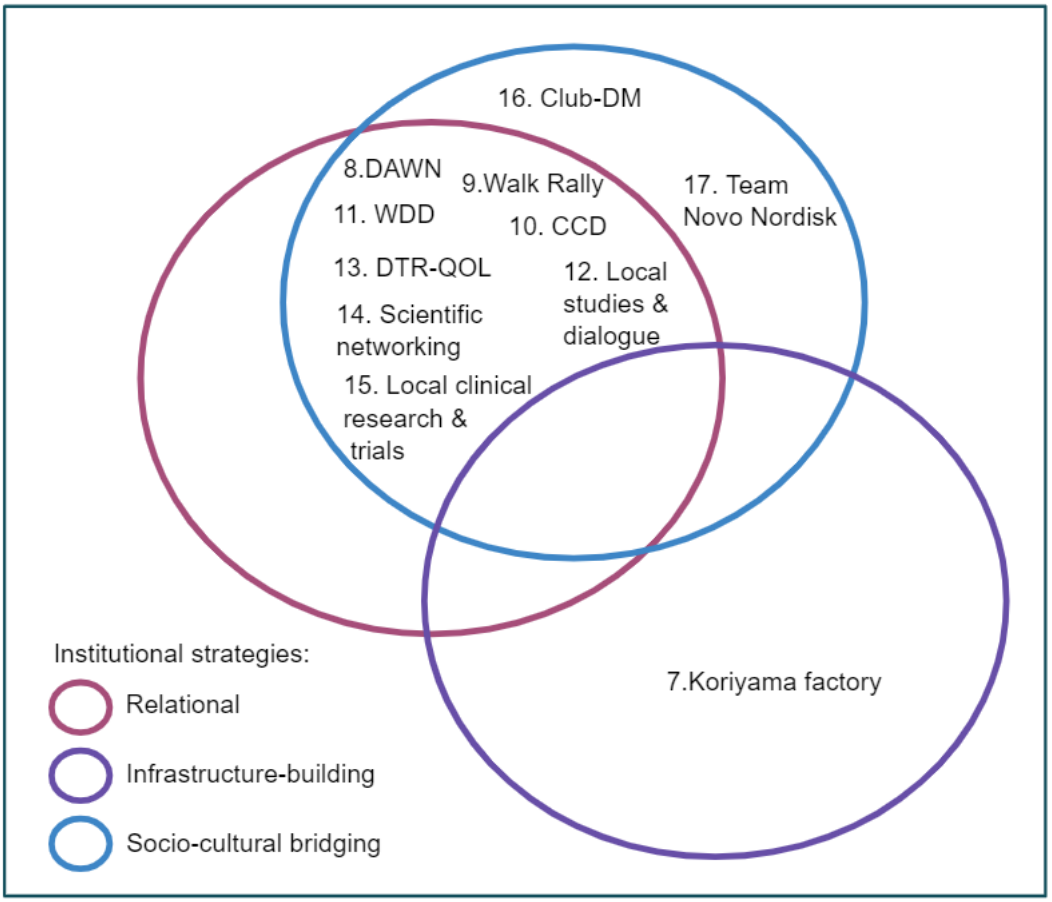

Figure 5: Venn diagram of Novo Nordisk's CSV strategies of building supportive clusters in Japan (Source; Own).

6.2 CSV & institutional strategies in Bangladesh

This section will examine Novo Nordisk's activities in Bangladesh that attempt to address gaps in diabetes care. Similar to section 6.1, this analysis is based on the QCA and identifies overlaps between CSV strategies and institutional strategies. This is done to examine how Novo Nordisk has adapted its CSV efforts to the institutional context in Bangladesh. Overall, a total of 13 different CSV activities were identified in Bangladesh, with zero activities reconceiving products and markets, four activities redefining productivity in the value chain, and nine activities building supportive clusters. The activities and subsequent CSV and institutional strategies that have been identified are listed in Table 7. Again, the activities are numbered arbitrarily to provide an overview.

Table 7: Novo Nordisk's activities in Bangladesh grouped by CSV strategies (Source; Own).

Redefining productivity in the value chain		
Name of activity	***Description***	***Institutional strategy***
1. New depot points	Delegating distribution to TDCL which led to more depot points and easier delivery of insulin.	Relational & Infrastructure-building
2. Local insulin production factory	Local production ensured by partnering with local manufacturer, Eskayef Bangladesh.	Relational & Infrastructure-building
3. EDC programme	Programme created in cooperation with BADAS and WDF. Seeks to make insulin and patient care more available throughout the country.	Relational & Infrastructure-building
4. Low insulin prices	Initiative of lower prices on insulin in LDCs.	
Building supportive clusters		
Name of activity	***Description***	***Institutional strategy***
5. CDiC	Programme launched in collaboration with the government and NGOs with the aim of improving the lives for children with Type 1 diabetes.	Relational & Infrastructure-building
6. Digital Patient Registry	Supporter of the digital patient registry, created by BADAS.	Relational & Infrastructure-building
7. DLP & CCoD	Educational programme, run in collaboration with BADAS, with the aim of educating HCPs in diabetes care and management.	Relational & Infrastructure-building
8. Changing Diabetes Dhaka Half-Marathon	Half-marathon held in collaboration with Sports International with the aim of raising awareness.	Relational & Socio-cultural bridging

9. Supporting BADAS awareness building activities	Support of BADAS' awareness building activities, such as rallies, art competitions or radio programmes.	Relational & Socio-cultural bridging
10. Collaborations with imams	Cooperation with imams who promote healthy lifestyles.	Relational & Socio-cultural bridging
11. Cricketer Brand Ambassador	Recruitment of cricketer Mashrafe Bin Mortasa as a brand ambassador.	Relational & Socio-cultural bridging
12. Collaborations with National Singers	Cooperation with national singers that promote healthy lifestyles when performing.	Relational & Socio-cultural bridging
13. WDD	Awareness building activities in connection with World Diabetes Day.	Relational & Socio-cultural bridging

6.2.1 Reconceiving products & markets in Bangladesh

The first CSV strategy to be considered in relation to Novo Nordisk' activities in Bangladesh is reconceiving products and markets. Upon reviewing the findings from the QCA, no activity could be identified that corresponds with the first CSV strategy specifically in Bangladesh.

6.2.2 Redefining productivity in the value chain in Bangladesh

The second CSV strategy to be considered in relation to Novo Nordisk's activities in Bangladesh is redefining productivity in the company's value chain. Novo Nordisk has arguably followed this strategy in four activities that attempt to enhance the distribution and cost of their products. This relates to the *"outbound logistics"* portion of the value chain (figure 1). This part of the value chain relates to the process of delivering the product. Thus, Novo Nordisk has "*increased the availability of high-quality medication by improving the distribution chain*" (Novo Nordisk, 2012, p. 9). This is in line with Novo Nordisk's overall goal of addressing barriers to high-quality diabetes care since the distribution of insulin affects the availability of treatment (ibid.). These four activities will be examined in detail below.

Novo Nordisk partnered with Transcom Distribution Company Ltd. (TDCL), the largest independent distribution network in the country, to increase its distributional reach. Novo Nordisk delegated its product distribution to TDCL in 2006 (ibid.). With the former distributor, Novo Nordisk only had one central depot in Dhaka. However, by partnering with TDCL, Novo Nordisk now has 25 depot points across the country. Moreover, TDCL is able to distribute Novo Nordisk products to any corner of Bangladesh within two hours, while maintaining a strict cold

chain, which includes proper storage temperatures of the insulin in drug-carrying coolers (Tuna, 2016). The change in outbound logistics has resulted in less transportation time and shorter distances for pharmacists that either currently keep or wish to keep Novo Nordisk insulin in stock (Novo Nordisk, 2012). Thus, by changing the outbound logistics portion of the value chain, Novo Nordisk has increased the reach of its product in Bangladesh (ibid., p. 16). Therefore, switching distributor has enabled Novo Nordisk to reach a larger customer base and made insulin more readily available (ibid., p. 20).

Novo Nordisk also improved its distribution system by partnering with the local pharmaceutical company Eskayef Bangladesh Ltd. to produce Novo Nordisk insulin locally in Bangladesh. The partnership strengthened Novo Nordisk's cooperation with TDCL since Eskayef Bangladesh is a subsidiary of the company (ibid., p. 17). Eskayef built and runs a manufacturing facility to produce Novo Nordisk insulin. The partnership ensured a steady supply of insulin in Bangladesh and also made it possible to adjust quickly to market demand (ibid., pp. 16-17). This change is related to the operational part of the value chain. This part of the value chain is concerned with the process of converting inputs into final outputs (Porter, 1985). Novo Nordisk has changed the operational part of its value chain by moving some production to the country as opposed to importing all products from Denmark. According to Sebnem Avsar Tuna, the CVP of Novo Nordisk Pharma Operations, insulin is highly temperature sensitive. Consequently, importing insulin from Europe to Bangladesh requires rigorous quality control and if the given temperature range deviates during any point of the transportation the insulin quality is considered jeopardised and the shipment must be destroyed (Tuna, 2016). Therefore, by partnering with Eskayef Bangladesh to produce human insulin, Novo Nordisk relies less on imports from far away destinations, reducing the risk of human insulin denaturation.

Moreover, Jesper Høiland, the SVP of International Operations in Novo Nordisk, claims that the decision to create a high-tech plant through a joint venture with Eskayef would ensure technology transfer to Bangladesh (The Daily Star, 2019a). This is because Novo Nordisk believes in a uniform global standard and the manufacturing facility must be able to produce insulin that matches global standards. In effect, the plant took three years to build as all global processes had to be implemented and internal Novo Nordisk guidelines had to be aligned with, in addition to full testing (Taylor, 2012). Upon the inauguration of the manufacturing plant, the various departments and facilities of the manufacturing plant passed inspections satisfactorily

(The Daily Star, 2019a). If the JV successfully upgrades the technology and skill level in Bangladesh through technology transfer, then that creates social value. However, since human insulin is considered an outdated treatment that was created in the 1970s (Farley, 2019), it is questionable how much technology is involved with producing human insulin in vials. The production of modern insulin is likely to create greater social value through knowledge transfer.

The current manufacturing facility only produces human insulin vials whereas modern insulin is still being imported to Bangladesh from Denmark. Novo Nordisk is, however, expanding its partnership with Eskayef Bangladesh. The two companies have signed an agreement to expand the production of Novo Nordisk insulin to include modern pen-filled insulin as well. A production facility will be set up at an existing Eskayef facility in Bangladesh that will be able to produce modern insulin. The agreement was signed with witnesses from the Bangladeshi government as well as the Danish ambassador to Bangladesh. Novo Nordisk aims to cooperate with the Bangladeshi government once the production facility is up and running to help improve the health care sector in the country (The Daily Star, 2018b).

Novo Nordisk also cooperates with BADAS to ensure insulin availability. BADAS has 99 centers across the country that distributes insulin to patients. By cooperating with BADAS, Novo Nordisk has been able to get its product to more patients that need it (Novo Nordisk, 2012, p. 16). Novo Nordisk is also aiming to reach more patients in rural areas by participating in the Enhancing Diabetes Care programme (EDC). The programme is a collaborative effort between Novo Nordisk, BADAS and the World Diabetes Foundation (WDF), which is an independent trust established by Novo Nordisk in 2002. The purpose of the EDC programme is to make insulin and patient care more accessible to patients across Bangladesh, including rural areas. Thus, the programme aimed to open 500 accredited diabetes centers across the country (Novo Nordisk, 2012, p. 16; Habib, Interview, 11/08/2019) of which 309 have been built to date (Diabetic Association of Bangladesh, 2019). Novo Nordisk contributes to the programme by providing the clinics with necessary equipment such as glucose meters, educational material and insulin storage (Saha, 2015). Through this programme, Novo Nordisk will be able to reach more patients and distribute its product more easily in rural areas (Novo Nordisk, 2012, pp. 16-17). This is related to the marketing and sales part of the value chain. This collaboration has enabled Novo Nordisk to make more patients aware of its products.

By strengthening the distribution of its insulin Novo Nordisk has been able to reach more customers and thereby increase their sales volume by 9.5% (Novo Nordisk, 2012, pp. 17-

20). By increasing its product distribution, Novo Nordisk has been able to broaden its customer base which enhances its competitive advantage in Bangladesh. This is because Novo Nordisk's insulin has become more widely available, also beyond urban areas. By tapping into unmet needs in rural areas, Novo Nordisk has been able to seize potential for economic growth (Novo Nordisk, 2012, p. 17). Thus, by improving the distribution of its product, Novo Nordisk has been able to redefine productivity in the value chain. Specifically, changing outbound logistics, marketing and sales, and operations have led to an economic advantage in the form of greater sales. Following the second CSV strategy has therefore has a positive economic impact on the company.

Reconceiving productivity in the value chain has not only created economic value, however, but also social value. By increasing distribution, Novo Nordisk has made their insulin available to patients that would otherwise not have been able to get it. The availability of high quality medicine has been identified as an issue in relation to effectively treating patients with diabetes in chapter five. Thus, by improving distribution, Novo Nordisk has made insulin available to patients that would otherwise either have gone without treatment or would have had to treat their diabetes with low quality insulin (ibid., p. 16). Novo Nordisk has also created social value by opening a manufacturing plant in cooperation with Eskayef Bangladesh, creating jobs as well as knowledge and technology transfer (Novo Nordisk 2012, p. 17; The Daily Star 2018b). Hence, it can be argued that Novo Nordisk has helped alleviate a social problem by increasing the company's ability to distribute insulin. Changing distributional practices have created both economic and social value which is therefore in line with a CSV strategy.

Novo Nordisk's strategy to improve product distribution in Bangladesh is also in line with an institutional strategy. Specifically, it can be identified as a relational strategy since Novo Nordisk cooperated with a number of relevant partners to improve distribution of insulin. Novo Nordisk partnered with TDCL and Eskayef Bangladesh to enhance the distribution of their product and has also cooperated closely with BADAS and the WDF. Furthermore, Novo Nordisk has worked with the Danish Embassy in Bangladesh, and expressed a willingness to cooperate with the government of Bangladesh. This would arguably mean that Novo Nordisk has pursued a relational institutional strategy in order to enhance insulin distribution in the country.

Following a relational institutional strategy is of particular relevance for foreign pharmaceutical companies in Bangladesh. The pharmaceutical industry is highly protected in

Bangladesh and there are restrictions on the importation of drugs that are also manufactured locally (EBL Securities Ltd. 2018, p. 3). To obtain a license to sell drugs in Bangladesh, approval must be given by a drug control committee in accordance with the Drugs (Control) Ordinance of 1982. Thus, approval must be obtained before a company can import drugs. The ordinance, however, allows foreign companies to manufacture drugs if they do so in partnerships with local manufacturers (Ministry of Law Justice and Parliamentary Affairs, 1982). As such, Novo Nordisk has used its local partnerships to stay in the market in Bangladesh. By following a relational institutional strategy and partnering up with TDCL and Eskayef Bangladesh, Novo Nordisk has managed to overcome institutional barriers to operate in the country while simultaneously creating shared value (Nielsen, Interview, 03/28/2019).

Novo Nordisk's strategy to improve product distribution in Bangladesh can also be considered an infrastructure-building institutional strategy, since it addresses both technological and physical voids. By opening clinics in Bangladesh in collaboration with partners, Novo Nordisk has attempted to bridge a physical void. Currently, the local company Eskayef cannot produce modern insulin, however by collaborating with Novo Nordisk, the company will be able to obtain the required technology to do so. As part of the partnership with Novo Nordisk to produce modern insulin, Eskayef is in the process of building a new facility. Transferring technology and knowledge will therefore result in construction of physical infrastructure.

Another way Novo Nordisk has redefined productivity in the value chain is by lowering the price of their insulin in Bangladesh. In 2001, Novo Nordisk decided to offer insulin at lower prices in all LDCs in which the company operates. Since then, insulin has been sold in Bangladesh at 20% of the cost in the developed world. Although Novo Nordisk has implemented this strategy alone, other organisations have worked towards the same goal simultaneously. This combined effort has led to a decrease in costs to patients of approximately 64%. As an example, BADAS provides free insulin to the poorest patients in Bangladesh. Besides insulin, patients also need equipment such as glucose meters and strips to measure blood sugar levels. These are now sold at a lower price and therefore contribute to the overall decrease in economic costs to patients (Novo Nordisk, 2012, p. 12). Although the economic costs to patients have been decreased by several actors, it cannot be classified as a relational institutional strategy since no official partnership was formed.

Although the strategy cannot be said to be institutional, it can be categorised as a CSV strategy since it has created value for both Novo Nordisk and society. By lowering the cost of

insulin in Bangladesh, Novo Nordisk has managed to increase its sales volume by 7% in the first year following the implementation of the strategy and an increase in market share by 8.4%. The change in prices is related to the marketing and sales part of the value chain. By lowering prices and thereby making the product more available, Novo Nordisk has redefined productivity in the value chain and gained an economic advantage. At the same time, the implementation of the pricing strategy has created value to society since it has enabled more patients to purchase insulin. While this has to be considered in relation to the efforts made by other actors, it is arguably also attributed to the price decrease implemented by Novo Nordisk (ibid., p. 13).

Novo Nordisk has worked towards improving the distribution of their product through three distinct activities, which all incorporate the second CSV strategy of redefining productivity in the value chain. Additionally, all three activities are also examples of relational and infrastructure-building institutional strategies. This is illustrated in figure 6 in which the three strategies are placed in the overlapping space of the circles representing the two institutional strategies. Moreover, Novo Nordisk has lowered the price of their insulin, which is an activity that only constitutes as a CSV strategy, in lieu of an institutional strategy. As such, the last activity is placed outside of the intersecting circles in the figure.

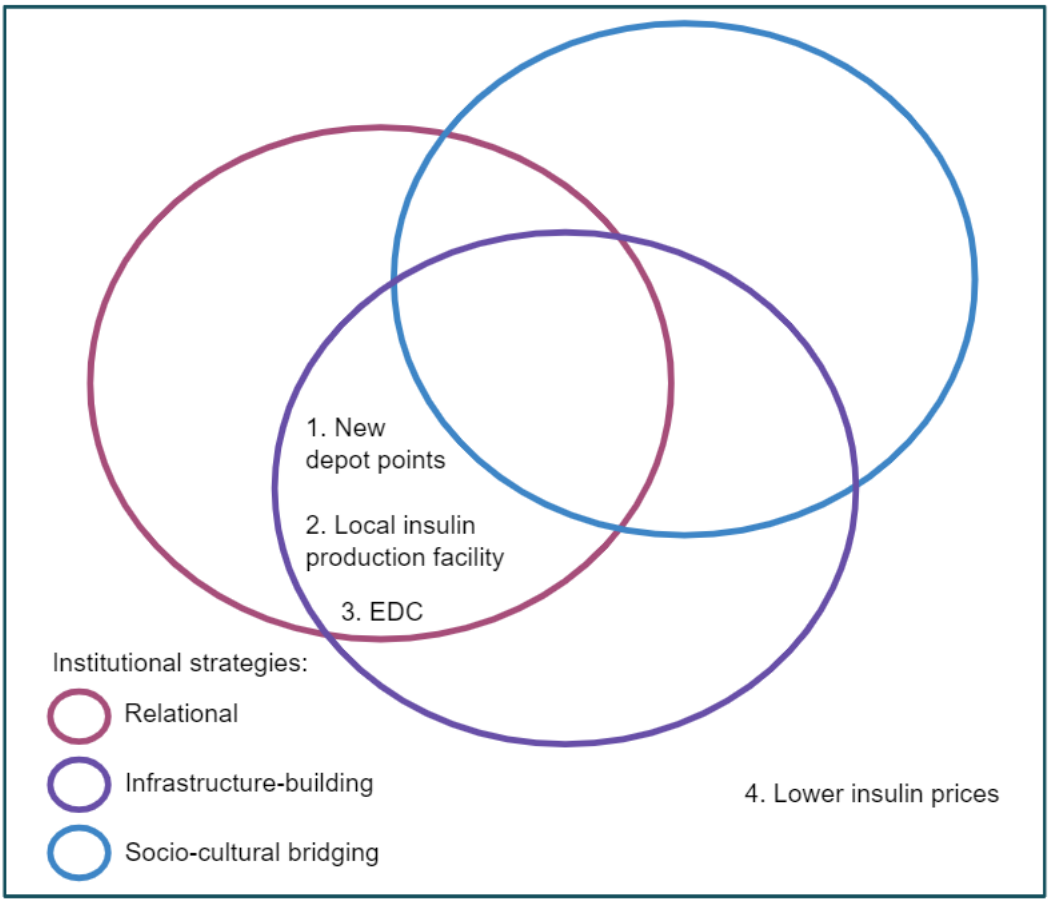

Figure 6: Venn diagram of Novo Nordisk's CSV strategies of redefining productivity in the value chain in Bangladesh (Source; Own).

6.2.3 Building supportive clusters in Bangladesh

The final CSV strategy that will be considered is building supportive clusters. Novo Nordisk has pursued this strategy in Bangladesh through several activities (Ahmed, Interview, 07/07/2019). Novo Nordisk has both managed these activities both alone and through partnerships. In total, nine activities were identified under the third CSV strategy. These activities will be examined below.

The global Changing Diabetes in Children (CDiC) programme, which is an initiative launched by Novo Nordisk in 2009, and implemented in Bangladesh in 2010, aims at building supportive clusters. The aim of the programme is to help children with Type 1 diabetes. Several barriers to effectively treat children with Type 1 diabetes exist, including poverty and lack of resources, lack of knowledge about the condition, and a relatively inadequate health care system. This combined leads to the risk that children either do not get a proper diagnosis or get

diagnosed late, and face inadequate treatment of the condition once diagnosed. With the implementation of the programme, more than 1,000 children have been enrolled, four clinics have opened across the country and 12 HCPs have been trained. The goal of the CDiC programme is to improve treatment and increase awareness of Type 1 diabetes in children (Novo Nordisk 2012, p. 14; Ahmed, Interview, 07/07/2019; Habib, Interview, 11/08/2019).

Novo Nordisk's partners in the CDiC programme include the Bangladeshi government, BADAS, the International Society for Paediatric and Adolescent Diabetes (ISPAD), LifeSpan and the WDF. Novo Nordisk provides free insulin to children in the programme, while BADAS provides facilities, ISPAD provides expertise, LifeSpan provides free glucose meters and strips, and the WDF, established by Novo Nordisk, develops training materials and activities for the program. Novo Nordisk has also contributed with financial donations to the programme that were used for medical equipment and administrations and to train HCPs (Novo Nordisk, 2012, p. 14). With its partners, Novo Nordisk worked towards creating an environment better suited to treat children with diabetes. Novo Nordisk is therefore addressing a problem in the local environment and attempts to address it by changing it. This can therefore be considered an attempt to build supportive clusters.

The CDiC has created social value through the detection and treatment of Type 1 diabetes in children. The results of the CDiC show that the programme has detected diabetes in children that were previously undiagnosed and has initiated treatment of children with Type 1 diabetes that were not receiving treatment. The results show that children in the programme demonstrate more stable blood sugar levels after entering the programme. Novo Nordisk has therefore contributed to society by treating and diagnosing children with Type 1 diabetes that would otherwise not have been able to afford treatment or were unaware of their condition. According to Novo Nordisk, intangible value has also been created in the form of an improved reputation. Novo Nordisk considers this evident in the company's high stakeholder support. The CDiC programme is furthermore influential for employees at Novo Nordisk that take pride in the company's efforts to contribute to society. According to Novo Nordisk, this leads to higher employee loyalty, motivation and engagement (Novo Nordisk, 2012, p. 15).

Novo Nordisk has also helped build a nationwide Digital Diabetic Patient Registry (Ahmed, Interview, 07/07/2019). An agreement between Novo Nordisk and BADAS led to the creation of the registry. The data for the registry is recorded through BADAS's institutions and affiliated organisations with support from Novo Nordisk (The Daily Star, 2018a). The registry

was launched by the Social Welfare Minister who intends to use the data from the registry to "*provide health outcome data to monitor patient needs and identify health problems that need prompt attention*" (The Financial Express, 2018). Until the registry was created, all records of diabetes patients were written manually and could be lost. For the same reason, the exact number of diabetes patients was uncertain (The Daily Star, 2018a).

The creation of a Digital Registry of diabetes patients is valuable to society since it creates knowledge. With the registry, information needed to improve treatment of diabetes patients has been provided. At the same time, it is arguably valuable for Novo Nordisk to know the exact number of the diabetes patients in the market to be able to judge the market potential and react to changes in the market. The lack of properly stored data can thus be considered a barrier within Novo Nordisk's business environment. By addressing this gap, Novo Nordisk is thereby investing in its environment to solve the problem. This is therefore another example of building supportive clusters. Since the creation of the registry is both valuable to society and to Novo Nordisk, it can be considered a CSV strategy.

Novo Nordisk has also invested in the training of HCPs through the Distance Learning Programme (DLP), which enables physicians to obtain a Certificate Course on Diabetology (CCoD). This activity helps improve HCPs' knowledge about diabetes. The activity addresses the problem that only one in four HCPs is trained to manage diabetes. Physicians get the certificate after participating in a six-month programme on diabetes care. The CCoD was originally free of charge, but is now self-sustaining due to its popularity. The CCoD has expanded and is now also aiming at reaching physicians in rural areas. In 2012, 4,500 HCPs had finished the CCoD. The DLP, including the CCoD, is operated by BADAS while the learning material for the CCoD is provided by the Open University in Bangladesh (Novo Nordisk 2012, p. 10; Habib, Interview, 11/08/2019).

The DLP and CCoD have created social and economic value and can therefore be categorised as a CSV strategy. The training programmes have increased the knowledge of HCPs on diabetes and thereby increased the quality of care that patients receive. By increasing the quality of care, patients become better equipped to handle their condition. This leads to better health outcomes in Bangladesh (Novo Nordisk, 2012, p. 10). Novo Nordisk believes an increase in the quality of care in Bangladesh leads to greater market potential for the company and thereby an increase in sales volume. Without proper knowledge about diabetes, doctors are generally more hesitant about prescribing insulin to patients (ibid.). By increasing the

knowledge of the physicians, it is therefore arguably more likely that they will prescribe insulin to patients. Without properly educated doctors, Novo Nordisk therefore faces a barrier in its environment that hinders its sales of insulin. For this reason, is beneficial for Novo Nordisk to address this issue. By addressing the problem, Novo Nordisk is building supportive clusters, which have created economic value to Novo Nordisk. Novo Nordisk furthermore considers the programme to have created intangible value in the form of improved reputation and stakeholder support (ibid., p. 11).

Novo Nordisk's involvement with the DLP and CCoD, the CDiC and the digital patient registry not only exemplifies building supportive clusters, but also demonstrates an infrastructure-building institutional strategy. In the case of the DLP and CCoD, CDiC and the digital patient registry, a technological gap is being addressed by Novo Nordisk and its partners. The knowledge and technology to correctly record diabetes patients was lacking. At the same time, the knowledge of the HCPs in Bangladesh manifest in a lower quality of care and worse health outcomes for diabetes patients. By addressing these barriers, Novo Nordisk and its partners worked towards filling a technological gap in the country's infrastructure. Moreover, by opening clinics in the CDiC programme Novo Nordisk is addressing a gap in physical infrastructure to treat diabetes in Bangladesh.

At the same time, the DLP, CCoD, CDiC and the digital patient registry also exemplify relational institutional strategies. This is because the activities are operated in cooperation with a number of other relevant actors. Novo Nordisk's partner in the CCoD program, BADAS, already had a programme that Novo Nordisk could improve. Similarly, Novo Nordisk worked with BADAS in establishing the digital patient registry, since the data recorded is gathered by BADAS at their facilities. In the CDiC program, Novo Nordisk's main contribution was insulin, but other medical equipment, knowledge and facilities were necessary and those were provided by relevant partners.

It is important to note that two interviews with subject matter experts in Bangladesh, both unaffiliated with Novo Nordisk, revealed a critical view of the programmes. Dr. Choudhury claimed that all of the comprehensive projects Novo Nordisk engages in such as the DLP and the CDiC are *"surrendered to the Diabetic Association of Bangladesh, with full control over all projects"* and as a result *"unethical selection, bribery, and partiality might be practiced"* in addition to nepotism. Moreover, Dr. Choudhury specifically criticised Novo Nordisk's partnership with BADAS, arguing that the DLP programme provides limited

opportunities for doctors outside of BADAS and the course itself is falsely advertised as a specialisation course on diabetes, when in reality it *"ensures only the basic conception"* of diabetes. In terms of the CDiC programme, Dr. Choudhury stated that the registration quota was filled a long time ago and that most doctors are unaware that the project exists due to a lack of publicity (Dr. Choudhury, Interview, 18/08/2019). Similarly, Dr. Choudhury accused BADAS of shifting away from a *"service towards humanity"* approach, towards *"business in the name of humanity"* and thus questions their true intentions and indicates that they focus disproportionately on monetary gains (Dr. Choudhury, Interview, 18/08/2019). Finally, a diabetes educator in Bangladesh highlighted the unethical behaviour of pharmaceutical companies in manipulating HCPs by bribing them with entertainment trips or money to obtain preferential treatment of their products (Islam, Interview, 28/07/2019). These criticisms shed light on some of the context specific complexities present in Bangladesh.

In addition to building supportive clusters, Novo Nordisk follows a relational and socio-cultural bridging strategy in six activities follows a strategy of building supportive clusters with the aim of spreading awareness of diabetes in Bangladesh. The day before WDD the Changing Diabetes Dhaka Half-Marathon is held in association with Sports International (The Daily Star, 2019b; Ahmed, Interview, 07/07/2019). The Managing Director of Novo Nordisk's Bangladeshi subsidiary, A Rajan Kumar, explained that *"the purpose of the Half-Marathon is to inspire people to engage, motivate and invest time on some kind of physical activity which we believe will help in building a healthier society tomorrow"* (The Daily Star, 2019b). Moreover, Novo Nordisk supports BADAS in their awareness building activities such as children art competitions, radio programmes, rallies and mass screening (Saha, 2015).

Novo Nordisk also cooperates with important local figures in Bangladesh to raise awareness of diabetes (Ahmed, Interview, 07/07/2019). Mashrafe Bin Mortaza, a national cricket player in Bangladesh acts as a brand ambassador. Novo Nordisk wishes to raise awareness about battling diabetes through Mashrafe Bin Mortaza (Rahman, 2017). Moreover, Novo Nordisk cooperates with imams in major cities in Bangladesh, who promote a healthy lifestyle. Novo Nordisk also cooperates with national singers, who promote healthy living when performing (Novo Nordisk, 2012, p. 9). Finally, Novo Nordisk partnered with Padma Textiles Limited and BADAS to launch countrywide campaigns for building mass awareness of diabetes in order to *"break the rule of halves in Bangladesh"* in anticipation of WDD (Bdnews24, 2018). In 2017, this included over 150 rallies across Bangladesh, more than 15,000 screenings for

diabetes and 100 medical education programmes to share knowledge with more than 5,000 HCPs (The Financial Express, 2017).

These initiatives are all examples of the third CSV strategy since raising awareness builds supportive clusters and as mentioned above, creates both social and economic value. Lack of awareness is a significant barrier to selling Novo Nordisk products in Bangladesh, and by addressing this issue, Novo Nordisk helps create an environment in which selling insulin is easier. For this reason, it can be considered an example of building supportive clusters. Thus, Novo Nordisk gains both tangible and intangible value from raising awareness. Tangible value is in the form of greater market potential, while intangible value is in the form of improving the company's reputation. Social value is gained because awareness of diabetes can lead to the diagnosis of patients that were previously unaware of their status. At the same time the initiatives are also examples of institutional strategies. The activities are all examples of socio-cultural bridging. By raising awareness through local sport idols, singers, imams and sport activities, Novo Nordisk arguably attempts to spread their message through local influencers that are socially integrated in Bangladesh. Thus, the activities are also relational strategies since Novo Nordisk cooperates with relevant local stakeholders to raise awareness. Therefore, Novo Nordisk arguably engages with the local culture of Bangladesh to gain legitimacy to spread the message of diabetes care.

All nine activities identified as building supportive clusters in Bangladesh reflect two overlapping institutional strategies. Three activities were identified as both relational and infrastructure-building strategies. These activities are therefore placed in the intersection between the two circles representing the two institutional strategies (activities 5-7) in figure 7. Additionally, six activities were identified as both relational and infrastructure-building strategies. These six activities are therefore placed in the intersections between these two institutional strategies in figure 7 (activities 8-13).

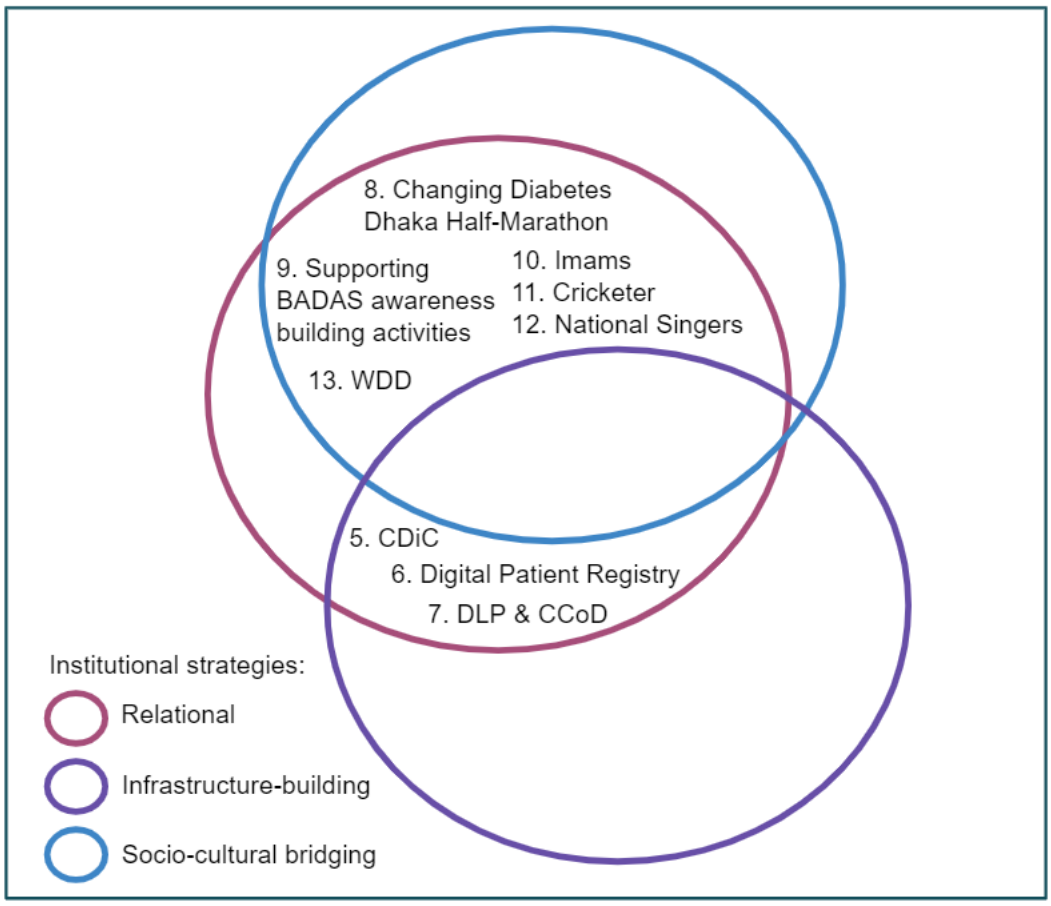

Figure 7: Venn diagram of Novo Nordisk's CSV strategies of building supportive clusters in Bangladesh (Source; Own).

6.3 Comparison of Novo Nordisk in Bangladesh & Japan

As analysed in section 6.1 and 6.2, Novo Nordisk has engaged in numerous CSV activities in both Bangladesh and Japan. Each activity can be categorised as a CSV strategy in addition to one or more institutional strategies, in most cases. However, the strategic patterns differ between the two countries.

As demonstrated in Table 8, the first CSV strategy of reconceiving products and markets only makes one appearance in Japan and none in Bangladesh. The second CSV strategy of redefining productivity in the value chain comprises four activities in Bangladesh and five activities in Japan, thus displaying a relatively balanced presence. The third CSV strategy of building supportive clusters is the most apparent, describing nine activities in Bangladesh and 11 activities in Japan. Thus, given the CSV strategy categorisation of Novo Nordisk's activities in Japan and Bangladesh, there seems to be a numerical and distributional resemblance. Novo Nordisk's activities seemingly focus predominantly on building supportive clusters in both

countries, while slightly redefining productivity in the local value chain and minimally reconceiving products and markets.

Table 8: Overview of Novo Nordisk's CSV strategies in Japan and Bangladesh (Source; Own).

CSV Strategies	Activities		Count	
	Japan	***Bangladesh***	***Japan***	***Bangladesh***
Reconceiving products and markets	1. SyncHealth App		1	0
Redefining productivity in the value chain	2. Renewable energy facilities 3. Extensive distribution network 4. Hybrid cars & iSelling Platform 5. cLEAN initiative 6. Adequate supply chain & sufficient stocks	1. New depot points 2. Local insulin production factory 3. EDC programme 4. Low insulin prices	5	4
Building supportive clusters	7. Koriyama factory 8. DAWN programme 9. Walk Rally 10. CCD 11. WDD 12. Local studies & dialogue 13. DTR-QOL 14. Scientific networking 15. Local clinical research & trials 16. CLUB-DM 17. Team Novo Nordisk	5. CDiC 6. Digital Patient Registry 7. DLP & CCoD 8. Changing Diabetes Dhaka Half-Marathon 9. Supporting BADAS awareness building activities 10. Collaborations with imams 11. Cricketer Brand Ambassador 12. Collaborations with National Singers 13. WDD	11	9

In addition to the three CSV strategies, there were numerous activities in both Japan and Bangladesh that also exhibited institutional strategies. Only one activity in Bangladesh and three activities in Japan can only be categorised as CSV strategies in lieu of any institutional strategy. Apart from those four activities, one or two institutional strategies could be identified in each of Novo Nordisk's activities in Bangladesh and Japan. An overview of the institutional strategies employed in the two countries can be seen in Table 9. The most common institutional strategy in

both countries was the relational strategy, which was present in nine out of 17 activities in Japan and 12 out of 13 activities in Bangladesh. These findings indicate that it must be important for Novo Nordisk to engage in partnerships in order to create shared value in both countries, particularly in Bangladesh. This also indicates that collective action might be required to overcome many of the challenges associated with diabetes care in Japan and Bangladesh.

Table 9: Overview of Novo Nordisk's institutional strategies in Japan and Bangladesh (Source; Own).

Institutional strategies	Activities		Count	
	Japan	***Bangladesh***	***Japan***	***Bangladesh***
Relational	1. SyncHealth App 3. Extensive distribution network 8. DAWN programme 9. Walk Rally 10. CCD 11. WDD 12. Local studies & dialogue 13. DTR-QOL 14. Scientific networking 15. Local clinical research & trials	1. New depot points 2. Local insulin production factory 3. EDC programme 5. CDiC 6. Digital Patient Registry 7. DLP & CCoD 8. Changing Diabetes Dhaka Half-Marathon 9. Supporting BADAS awareness building activities 10. Collaborations with imams 11. Cricketer Brand Ambassador 12. Collaborations with National Singers 13. WDD	10	12
Infrastructure-building	2. Renewable energy facilities 7. Koriyama factory	1. New depot points 2. Local insulin production factory 3. EDC programme 5. CDiC 6. Digital Patient Registry 7. DLP & CCoD	2	6
Socio-cultural bridging	8. DAWN programme 9. Walk Rally 10. CCD 11. WDD 12. Local studies &	8. Changing Diabetes Dhaka Half-Marathon 9. Supporting BADAS awareness building activities	10	6

	dialogue 13. DTR-QOL 14. Scientific networking 15. Local clinical research & trials 16. CLUB-DM 17. Team Novo Nordisk	10. Collaborations with imams 11. Cricketer Brand Ambassador 12. Collaborations with National Singers 13. WDD		

The second most common institutional strategy present in Japan and Bangladesh is the socio-cultural bridging strategy, which was found in six out of 13 activities in Bangladesh and 10 out of 17 activities in Japan. The relatively high prevalence of this strategy indicates that both countries display complex socio-cultural and demographic characteristics that were relevant for Novo Nordisk to engage in, albeit perhaps more so in Japan than in Bangladesh. The institutional strategy exhibiting the greatest discrepancy between Bangladesh and Japan was the infrastructure-building strategy, which was more prominent in Bangladesh, appearing in six activities, compared to only two in Japan. This indicates a relatively greater need to improve infrastructural conditions in Bangladesh compared to Japan. In terms of overlapping institutional strategies, a total of 13 activities in Bangladesh corresponded with two institutional strategies, compared to eight in Japan. The relatively greater frequency of two institutional strategies in Bangladesh perhaps indicates a greater need to overcome institutional barriers compared to Japan.

To briefly summarise, Novo Nordisk's activities in both Japan and Bangladesh primarily reflect the third CSV strategy, with the second CSV strategy coming in second place and the first CSV strategy only appearing once. At first glance, the numerical similarities in the distribution of the CSV strategies across Bangladesh and Japan may indicate that Novo Nordisk employs a standardised approach to creating shared value. However, when the corresponding institutional strategies are examined, differences emerge. The relational institutional strategy applies to most activities. However, Novo Nordisk's activities in Japan exhibit greater strategic diversity, since all three CSV strategies are found and the activities focus more on the socio-cultural bridging institutional strategy compared to Bangladesh. In contrast, Novo Nordisk's activities in Bangladesh are centred more around infrastructure-building and a relational strategy, often exhibiting two institutional strategies simultaneously. The next section of the comparison examines Novo Nordisk's activities in Bangladesh and Japan within each CSV strategy, beginning with the first CSV strategy.

6.3.1 Reconceiving products & markets in Japan & Bangladesh

According to the collected data, Novo Nordisk did not engage in any activities that correspond with the first CSV strategy of reconceiving products and markets in Bangladesh. In contrast, Novo Nordisk contributed to one such activity in Japan to improve patient care, which is the SyncHealth App. This activity displays a relational institutional strategy as the App was developed by Health2Sync. When asked about the collaboration with Novo Nordisk, Ed Deng, the Co-founder and CEO of Health2Sync, responded *"We are excited to be partnering with Novo Nordisk in Japan, where the market is receptive to innovation at improving treatment process and patient experiences"* (Koh, 2019). In effect, Japan is benefitting from this innovative digitalisation of diabetes care and Bangladesh is not.

However, there is arguably demand for innovative diabetes products and innovation within the diabetes care market in developing countries such as Bangladesh. This was highlighted during an interview with Ole Kjerkegaard Nielsen. Explaining why he was asked to leave Novo Nordisk in September 2018, Ole Kjerkegaard Nielsen said, *"there were several reasons, because I disagreed with the projects. Because I did not agree with them. I think we could do more to the people that Novo Nordisk truly serve. And that is just not the case."* (Nielsen, Interview, 28/03/2019). Ole Kjerkegaard Nielsen emphasised that nothing was done about the 12 million people around the world that are buying old fashioned human insulin in vials, and claimed that *"there are lots of opportunities at the base of the pyramid"* and innovative products are needed (Nielsen, Interview, 28/03/2019). This is particularly relevant to Bangladesh since according to Md. Tajul Islam approximately 70% of diabetes patients receiving treatment rely on human insulin vials, whereas only 29.5% use insulin pens and 0.5% use an insulin pump (Islam, Interview, 28/07/2019; Habib, Interview, 11/08/2019). In contrast, approximately 66-75% of patients receiving diabetes treatment in Japan use insulin pens (Zahn, 2011).

These statistics indicate that people living with diabetes in Bangladesh are relatively excluded from innovative medicine, which arguably conflicts with Novo Nordisk's self-proclaimed key contribution to *"discover and develop innovative biological medicines and make them accessible to patients throughout the world"* (Novo Nordisk Annual Report 2018, 2019). To this end, it seems that developing countries such as Bangladesh are underserved when it comes to the first CSV strategy. Innovation is needed in all resource settings, not just in developed countries. However, there are significant institutional barriers associated with

introducing innovative products to a developing country such as Bangladesh. For companies to recoup their investments in research and development, the resulting innovative products require intellectual property (IP) protection.

However, as presented in section 5.1.2, Bangladesh has weak institutions and a weak rule of law. This arguably creates institutional barriers to innovation as companies are not necessarily guaranteed IP rights. Moreover, new innovations are often expensive and may therefore be out of reach of the vast majority of the population in Bangladesh, due to the low income levels. Also, since Bangladesh is an LDC, the country is exempt from implementing the provisions of The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) pertaining to pharmaceutical products. The TRIPS agreement is the main international legislation enforcing different kinds of intellectual property rights (Saleh, 2018). In effect, Bangladesh may appear as a less attractive market for new pharmaceutical products. In contrast, hardly any institutional barriers to innovation exist in developed countries such as Japan, as there is a strong culture of IP rights protection and enforcement (The Heritage Foundation, 2019). Novo Nordisk has 10 research & development centres globally, most of which are concentrated in the developed world; Denmark, the US and the UK (Novo Nordisk, 2019). Thus, there are no research and development centres in Japan or Bangladesh focused on the development of context specific innovation.

Instead, Novo Nordisk generally pursues continuous innovation within diabetes care and is actively searching for a cure for Type 1 diabetes (Novo Nordisk, 2017, p. 4). Thus, Novo Nordisk claims to recognise the need for continued innovation and actively invests in research and development for innovative diabetes treatment (Pittard, 2018). The pursuit of innovative medication in addition to a potential cure for Type 1 diabetes arguably constitutes as an attempt to reconceive the diabetes products and market on a global scale, a result that should also affect Japan and Bangladesh. However, given the asymmetrical reliance on human insulin vials in Bangladesh, Novo Nordisk's innovations do not seem evenly distributed across countries. The following section will consider the activities that correspond with the second CSV strategy.

6.3.2 Redefining productivity in the value chain in Japan & Bangladesh

There are numerous similarities and differences in how Novo Nordisk redefines productivity in its value chain in Japan and Bangladesh. As illustrated in Table 8, a similar quantity of activities was identified in Japan and Bangladesh, with five found in the former and

four in the latter. The main difference between the activities in the two countries is the overall theme. In Japan, all five activities focused on minimising the environmental impact of Novo Nordisk's business activities, whereas in Bangladesh the four activities are premised on increasing the availability and accessibility of Novo Nordisk products by increasing the distribution of their products and lowering the prices.

In both Japan and Bangladesh, Novo Nordisk engages in activities that redefine productivity in the value chain in lieu of an institutional strategy. These activities are therefore only CSV strategies. In Bangladesh, the activity involves lowering the cost of insulin to diabetes patients, and by addressing the issue of affordability, Novo Nordisk has seen an increase in sales. In Japan, the three activities focus on redefining the productivity of the value chain by improving efficiency within the production facility through employee feedback, purchasing environmentally friendly cars, adopting software to reduce the environmental footprint of the company as well as ensuring sufficient product stocks in case of a climatic shock. The different themes reflected in these activities reveal different context specific challenges, highlighting the problem of affordability in Bangladesh compared to climate change in Japan.

The three remaining activities that fall under the second CSV strategy in Bangladesh exhibit a relational and infrastructure-building institutional strategy and are concerned with enhancing the distribution of Novo Nordisk's products. This is achieved through partnerships with TDCL, BADAS and Eskayef. Novo Nordisk also engages in one activity in Japan that constitutes as a relational strategy that helps redefine productivity in the value chain, by partnering with local wholesalers to create an extensive distribution network. Differentiating from Bangladesh, however, Novo Nordisk Japan demonstrates an infrastructure-building strategy redefining productivity in the operational part of the value chain by switching to 100% renewable energy in the Koriyama factory.

It is interesting to note that even though climate change is a global challenge that has been linked to diabetes, as mentioned in section 6.1.2, Novo Nordisk only explicitly addresses the problem of climate change in Japan, although it affects both Bangladesh and Japan. In fact, developing countries such as Bangladesh are considered highly climate-vulnerable countries despite being among the least prepared for its impacts (Parry & Terton, 2019). In effect, Bangladesh should arguably have a higher precedence than Japan in terms of addressing issues related to climate change. Yet, Novo Nordisk seemingly prioritises the issues of product cost and distribution over climate change in Bangladesh. Generally, issues such as climate change

are more commonly connected to CSR strategies in developed countries compared to developing countries (Visser, 2008, p. 484). The reason might be because Japan has a wider range of climate friendly solutions for private corporations to adopt compared to Bangladesh. In Japan, Novo Nordisk can switch to Hybrid cars, IT solutions and renewable energy with relative ease. Thus the institutional setting in Japan may encourage more climate friendly corporate behaviour than in Bangladesh.

Moreover, Novo Nordisk takes specific precautions to prepare for a natural disaster in Japan. This is presumably due to the fact that Japan has a history of numerous earthquakes, typhoons and is particularly vulnerable to natural disasters because of its climate and topography (Ministry of Foreign Affairs Japan, 2014). Yet, Novo Nordisk does not seem to take the same precautions in Bangladesh, despite their long history of natural disasters including frequent floods, cyclones, earthquakes, droughts and so on (ADRC, 2019). Nevertheless, the differences between the issues that Novo Nordisk chooses to address in Japan and Bangladesh arguably indicates that Novo Nordisk has considered the context specific needs of each country it operates in. The following section will compare and contrast Novo Nordisk's activities that correspond with the third CSV strategy.

6.3.3 Building supportive clusters in Japan & Bangladesh

The majority of Novo Nordisk's activities in Japan and Bangladesh have been found to correspond with the third CSV strategy of building supportive clusters. In total nine different activities fall under the third CSV strategy in Bangladesh, which is relatively similar to Japan, where 11 activities were identified. The overarching themes of Novo Nordisk's activities in both Japan and Bangladesh include raising awareness of diabetes, through different events and campaigns, and improving patient care, through various programmes, initiatives and tools.

All nine activities in Bangladesh exhibit a tripartite strategy of building supportive clusters, a relational institutional strategy in addition to a second institutional strategy. Of these nine activities, three correspond with building supportive clusters, relational strategy and infrastructure-building strategy. These activities focus on improving patient care by bridging gaps in knowledge, technology and physical infrastructure. The remaining six activities represent a tripartite strategy of building supportive clusters, relational strategy and socio-cultural bridging strategy. These activities focus on spreading awareness through partnerships with local figures.

Out of the 11 activities identified in Japan, eight exhibit a tripartite strategy of building supportive clusters, relational strategy and socio-cultural bridging strategy. These activities spread awareness of diabetes, improve patient care and facilitate context specific knowledge creation. There are two activities that only exhibit a combination of building supportive clusters and socio-cultural bridging strategy. Finally, there is one activity that was categorised as building supportive clusters and an infrastructure building strategy. This activity creates jobs and helps Novo Nordisk understand the local business environment through the investment in and building of physical and commercial infrastructure in the form of sales offices and a manufacturing facility.

As outlined above, a significant portion of Novo Nordisk's activities in both countries aim to raise awareness of diabetes. Thus, Novo Nordisk has engaged in numerous educational activities that encourage people living with diabetes to adopt a healthier lifestyle. These initiatives are endorsed by the IDF, which states that the cornerstone of Type 2 diabetes treatment is a healthy lifestyle (IDF, 2017, p.19). The need to raise awareness has been highlighted by numerous subject matter experts. Dr. Choudhury, Md. Tajul Islam and Towhid Ahmed have emphasised the need to create awareness of diabetes in Bangladesh (Dr. Choudhury, Interview, 18/08/2019; Islam, Interview, 28/07/2019; Ahmed, Interview, 07/07/2019). Maziar Mike Doustdar, Executive Vice President of International Operations, who oversees both Novo Nordisk Japan and Bangladesh has emphasised that a lack of awareness is the biggest problem in preventing diabetes in Bangladesh and that *"the number one tool to fight diabetes is better understanding"* (Saha, 2015). Similarly the issue of awareness has been highlighted as a significant problem in Japan (Yamagata, Interview, 28/06/2019; Takahashi, Interview 31/07/2019).

The strategy for building supportive clusters therefore shares a similar aim in Japan and Bangladesh. A number of differences, however, can also be identified. Specifically in relation to the activities aimed at strengthening the patient care in each country. The activities that influence patient care in Bangladesh focus mainly on addressing inefficiencies with the health care system. As previously stated, the health care system in Bangladesh is lacking relative to Japan, with a government that is unable to address the health care needs of the population. For that reason, NGOs and private companies are increasingly involved. As such, the activities Novo Nordisk engages in, in Bangladesh such as the digital registry, the CDiC and the DLP all aim at addressing patient care inefficiencies. The patient care related activities Novo Nordisk

engages in in Japan have a different aim. Japan has a more efficient health care system relative to Bangladesh, and the activities attempt to generate knowledge of diabetes. This is evident in activities such as the DAWN programme, local studies & dialogue, supporting scientific networking, local clinical research & trials and the CCD programme. These initiatives follow the recommendations of the IDF when it comes to action on diabetes, which is to *"promote high-quality research on national diabetes epidemiology"* (IDF, 2017, p.99).

6.3.4 Complex Issues Maps

A Complex Issues Map has been constructed for Japan (figure 8) and Bangladesh (figure 9) based on the findings. The Complex Issues Maps demonstrate how diabetes related issues incurred by the patient and society connect with Novo Nordisk's activities in each country, in addition to the related partnerships involved. The Complex Issues Maps demonstrate how interconnected the gaps in diabetes care are in both countries, illustrating the complexity of the institutional environment that Novo Nordisk confronts. Each Complex Issues Map is a four layered circle. The center represents diabetes related issues incurred by the patient, the second layer describes the diabetes related issues incurred by society, the third layer plots Novo Nordisk's activities and the fourth layer connects the relevant partnerships involved.

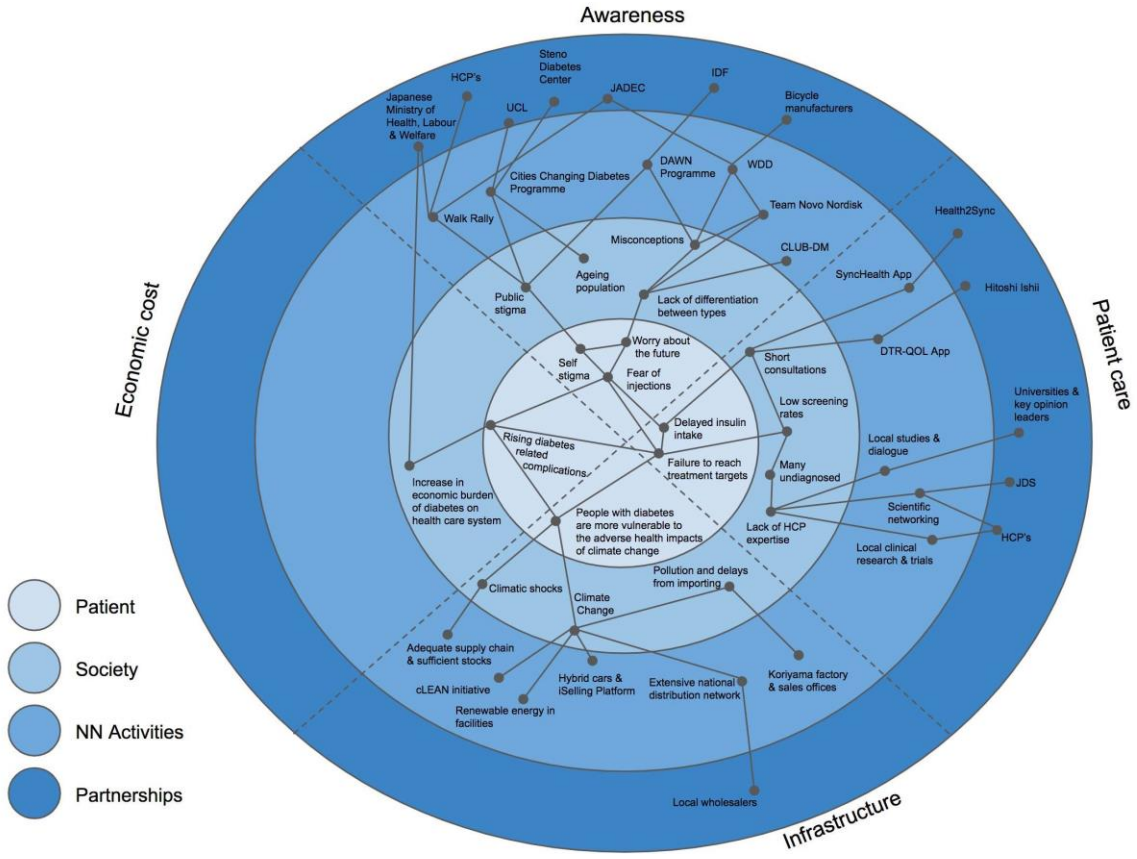

Figure 8: Complex Issues Map: Japan (Source; own).

The four layered circle is then further divided into four quadrants based on the four issues to diabetes care. The four issues related to diabetes care in Japan and Bangladesh that were identified through the QCA include; 1. Awareness 2. Patient care, 3. Infrastructure and 4. Economic costs. These gaps in diabetes care emerged as prominent themes in the QCA and have been defined previously in Table 5.

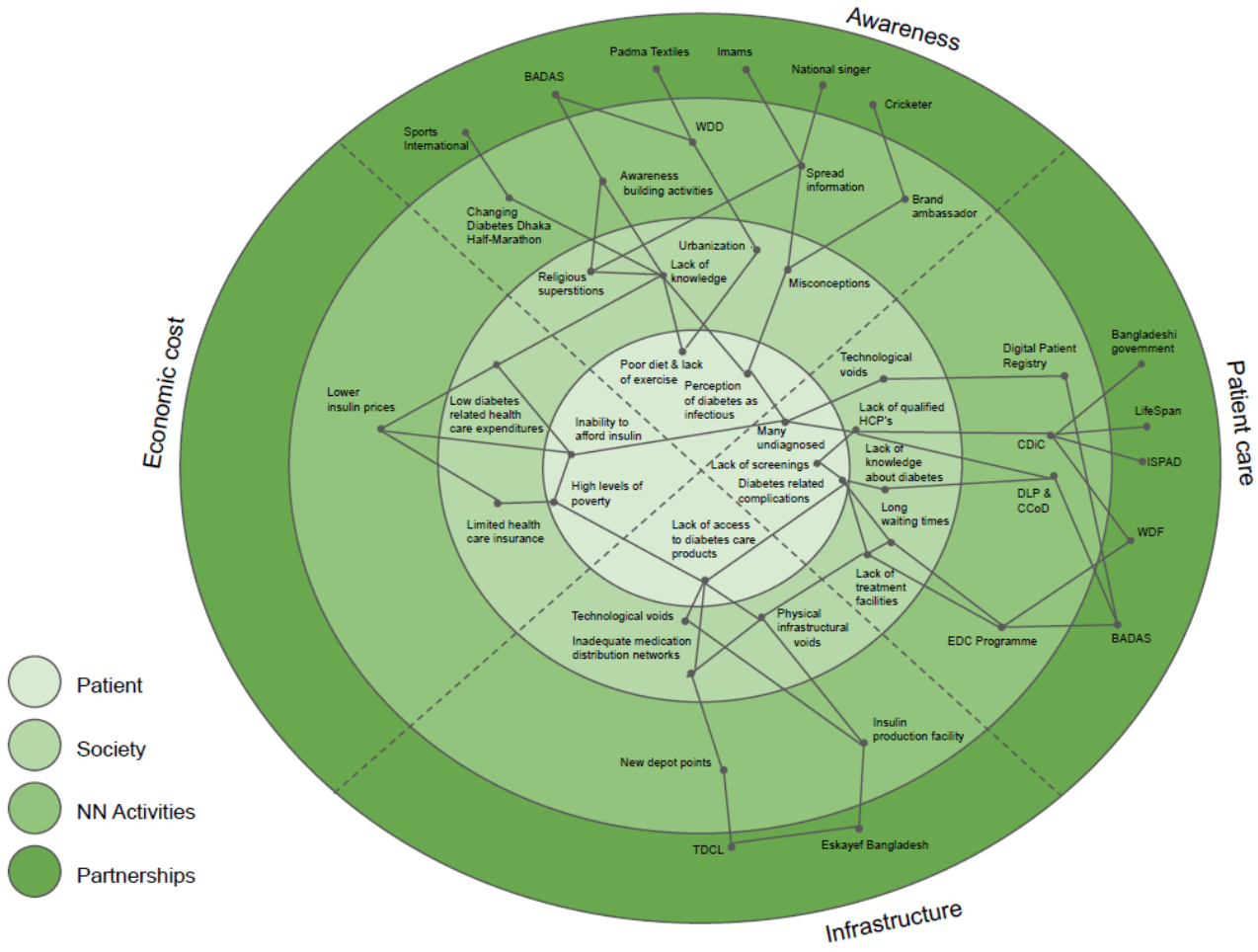

Figure 9: Complex Issues Map: Bangladesh (Source; own).

As evident in the individual Complex Issues Maps, the four issues of Awareness, Patient Care, Infrastructure and Economic Cost manifest in different ways in Bangladesh and Japan, and Novo Nordisk addresses the issues through different activities and in combination with different partners. In Bangladesh, the activities are spread out across the issues and Novo Nordisk therefore engages in activities to address each identified issue. In contrast, Novo Nordisk does not engage in any activities related to the issue of economic cost in Japan, and therefore only focuses on the remaining three issues. In comparison, Novo Nordisk's activities in Bangladesh attempt to address all four issues to diabetes care to some degree, although the activities predominantly focus on the issues of patient care and awareness. In contrast, Novo Nordisk omits the issue of economic cost in Japan yet displays a rather even number of activities addressing the three remaining issues of infrastructure, patient care and awareness.

The Complex Issues Maps highlight that a wide range of public and private stakeholders are needed to address the gaps in diabetes care in both Japan and Bangladesh. This corresponds

with the relational strategy being the most common institutional strategy identified, appearing in 53% of Novo Nordisk's activities in Japan and 92% of activities in Bangladesh. However, although Novo Nordisk's CSV activities in both Japan and Bangladesh reflect numerous relational strategies, there are important differences, which also become apparent when looking at the Complex Issues Maps above. Whereas Novo Nordisk relies on partners in all of their activities related to the issues of awareness, infrastructure and patient care in Bangladesh, this is not the case in Japan. In Japan, the majority of activities aimed at addressing the issue of infrastructure are conducted by Novo Nordisk alone. In comparison, the only activity Novo Nordisk manages without partnerships in Bangladesh is related to economic costs.

Moreover, in Bangladesh, Novo Nordisk often plays a financing role and delegates the implementation of its activities that build infrastructure and bridge socio-cultural issue to its partners, identified as *"local champions"* such as BADAS (Novo Nordisk, 2012, p. 5). However, in Japan, Novo Nordisk is more actively present and plays less of a financing role, engaging with a wide range of partners to bridge socio-cultural issues, for example through Team Novo Nordisk, the Manga, the Club-DM website and the DAWN programme, which are all largely independently driven initiatives. Moreover, Novo Nordisk directly employs hundreds of people and built a wholly owned subsidiary in Japan. All of this indicates that Novo Nordisk is more actively present in Japan than in Bangladesh.

Another difference between Novo Nordisk's activities in Bangladesh compared to Japan is the focus on lowering the cost of insulin in Bangladesh. There is hardly any emphasis on pricing or affordability in Novo Nordisk's activities in Japan. This might be due to the fact that Japan has provided comprehensive health care coverage to its citizens. Thus, the lack of Novo Nordisk's emphasis on the affordability of insulin and other diabetes related treatment in Japan may be due to the universal health insurance. According to Masayuki Takahashi, the health insurance system in Japan is beneficial for patients with diabetes at the expense of hospitals and medical companies, as the government controls prices (Takahashi, Interview, 31/07/2019). Moreover, the WHO has argued that universal health care is necessary to adequately treat diabetes (WHO, 2018a, p. 7). Despite this, the BPC case on Japan acknowledges that diabetes is an economic burden to society and rising diabetes related complications have increased in health care expenditures. Moreover, the Japanese health care system does not absorb the entire cost of diabetes treatment as Japanese citizens pay up to 30% in co-payment fees. This indicates that

economic cost may be an understated issue related to diabetes care in Japan that seems to be overlooked by Novo Nordisk.

However, in Bangladesh Novo Nordisk actively lowers the cost of insulin. The health care system in Bangladesh differs from Japan in that the government is not the primary health care provider and various actors have stepped in to attempt to provide basic health care to the citizens of Bangladesh. The lack of universal health insurance places a burden on the individual patient with diabetes. Unsurprisingly, the issue of affordability is a point that is reiterated not only in the BPC case, but also in the various interviews with subject matter experts in Bangladesh. For instance, Dr. Choudhury notes that *"of course affordability is the major headache of our diabetes patients. Even relatively rich people too get tired or frustrated after some years bearing the huge cost of treatment and investigations. Poor patients stop taking medicine after some months and surrender to Almighty"* (Dr. Choudhury, Interview, 18/08/2019). Similarly, Md. Tajul Islam notes that *"the price of insulin is a big issue"* in Bangladesh (Islam, Interview, 28/07/2019). Thus, even though approximately 70% of patients with diabetes receiving treatment in Bangladesh rely on human insulin vials, the cheapest insulin treatment available, affordability is still an issue and barrier to diabetes care in Bangladesh.

As evident, the level of involvement of the government in tackling the burden of diabetes differs between Japan and Bangladesh. In Japan, the government takes an active role in addressing the burden of diabetes, launching a health strategy that sets concrete targets for addressing the challenge of diabetes (Novo Nordisk, 2017, p. 3). In effect, Japan has become a regional leader in terms of diabetes public health policies, promoting public awareness and embracing preventative policies (Kingston, 2016). In contrast, the government in Bangladesh has failed to prioritise the growing problem of diabetes (Ahmed, Interview, 07/07/2019). Instead, BADAS in addition to various other actors have stepped in to fill the institutional void for diabetes care in Bangladesh. Dr. Choudhury stated that in lieu of a government hospital or center for people with diabetes, the government has started to financially support BADAS (Dr. Choudhury, Interview, 18/08/2019). Mohammad Habib corroborates the claim that BADAS receives government support (Habib, Interview, 11/08/2019). In effect, it seems as though the Bangladesh government outsources some primary health care services. Hence, it is not surprising that many of Novo Nordisk's CSV activities in Bangladesh involve cooperating with BADAS.

As evident in the Complex Issues Maps as well as section 5.2.1 and 5.2.2, both Japan and Bangladesh struggle with stigma associated with diabetes. However, this awareness issue manifests differently. In Bangladesh, the stigma seems to have religious roots, as diabetes is often perceived as an infectious disease and a *"call of death"* that many try to combat with herbal medicine or witchcraft treatments instead of insulin (Islam, 2018). Moreover, walking is commonly perceived as a viable alternative to medication and insulin is often villainised and perceived as an *"end stage treatment"* (Dr. Choudhury, Interview, 18/08/2019). This leads patients to avoid insulin prescriptions in Bangladesh, especially due to a widespread belief that insulin inevitably leads to hypoglycaemic shocks and sexual impotence (ibid.). In Japan, the stigma derives from the societal prejudice against laziness and gluttony, and their erroneous attribution as the sole cause of diabetes. Novo Nordisk arguably addresses these two different sources of stigma by attempting to connect with patients through local cultural features in Japan and Bangladesh. These cultural features are different from Novo Nordisk's home country, Denmark, such as creating a diabetes related Manga for distribution in Japan and partnering with Imams in Bangladesh to minimise superstitions and spread information about treatment.

Mangas have cultural significance in Japan as they play an important role in how Japan perceives and presents itself. Manga is part literature, part graphic novel and part comic book, drawing out meaning with images as well as words, which corresponds with the Japanese communication style that relies more on showing and reading complex emotions through facial expressions rather than words (Rash, 2014; Ito & Crutcher, 2013). Similarly, Imams are important cultural figures in Bangladesh, as Bangladeshi people have strong attachments to Islam. Imams are religious leaders and their duty is to lead prayers in mosques and to raise consciousness of the Muslims against injustice and other social evils (Huque & Akhter, 1987). Thus, Imams are held in high regard and can play an influential role in raising awareness of diabetes. This is corroborated by an independent study that found that religious leaders play an important role in diabetes prevention and management among Bangladeshi people (Grace et al. 2008). By partnering with Imams in Bangladesh and creating a Manga in Japan, Novo Nordisk arguably demonstrates cultural sensitivity and awareness in their activities that address gaps in diabetes care.

Moreover, Novo Nordisk has opted for local production in both Bangladesh and Japan, however, a different approach is employed in each country. Novo Nordisk chose to build a wholly owned manufacturing subsidiary in Japan, whereas they opted for a joint-venture (JV) in

Bangladesh. From an institutional perspective, a JV is a low-control foreign entry mode that retains flexibility against environmental changes and shifts risks to outsiders, making it favourable in situations of contextual uncertainty such as in terms of political and economic stability, legal ground rules and so on. In contrast, a wholly owned subsidiary is a high-control foreign entry mode that ensures the protection of technology and trade secrets and is therefore more commonly used in cases where intensive research and development is present (Yiu & Makino, 2019, p. 669).

Novo Nordisk's decision to partner with Eskayef in Bangladesh was not entirely voluntarily, as the law requires foreign drug manufacturers to partner with local manufacturing companies to produce locally. However, it may be beneficial for foreign corporations to engage in a JV in a developing country such as Bangladesh. MNCs often use JVs as a strategic way to mitigate political risks in developing countries. This is because local partners can contribute local knowledge of the business environment and may have ties to the government (Iftinchi & Hurduzeu, 2018). Bangladesh exhibits a high level of political risk due to low levels of political freedom and general political instability, as described in section 5.1.2. In effect, it may be beneficial for Novo Nordisk to pursue a JV in Bangladesh. In contrast, it may be less necessary to pursue a JV in Japan, due to the high level of political stability. Moreover, since Novo Nordisk produces a wide range of its patented products in Japan, they arguably benefit from the protection a wholly owned subsidiary provides, which may explain their decision to build the Koriyama factory.

Novo Nordisk fills institutional voids in both countries, however the voids are different. In Bangladesh, Novo Nordisk seemingly focuses on bridging *"hard"* infrastructural voids, such as building clinics, distributional networks and so on. In contrast, Novo Nordisk arguably pursues social embeddedness in Japan by filling *"soft"* infrastructural voids through various awareness building activities as well as activities that address psychological issues. Thus, Novo Nordisk focuses more on identifying and addressing psychological issues relating to diabetes care in Japan compared to Bangladesh. This is evident in the greater presence of socio-cultural bridging strategies in Japan relative to Bangladesh. However, this discrepancy does not necessarily indicate that psychological issues are not also present in Bangladesh. Instead it seems that Novo Nordisk is prioritising upgrading the physical infrastructure and HCPs' competences to increase access to diabetes care. Dr. Choudhury stated during an interview that an important aim towards alleviating challenges associated with diabetes care in Bangladesh

would be *"to ensure at least 10 minute consultations between HCP and patient"* (Dr. Choudhury, Interview, 18/08/2019). This comment revealed a stark difference between the diabetes care in Bangladesh compared to Japan. This is because the BPC case on Japan criticises the 15 minute average length of HCP consultations, claiming the length to be inadequate to ensure proper treatment and consideration of the psychological issues suffered by patients living with diabetes.

In effect, a goal related to improving diabetes care in Bangladesh is considered a gap in diabetes care in Japan. This arguably explains why Novo Nordisk focuses on infrastructure-building CSV activities. In Japan, Novo Nordisk attempts to connect local HCPs with external experts, create context-specific knowledge on the cognitive repercussions of diabetes to inform HCPs as well as provide them with innovative tools such as the DTR-QOL app that encourage them to be more sensitive to patients psychological issues. Thus, Novo Nordisk seemingly tries to bridge gaps in diabetes care necessities in Bangladesh and tries to advance the comprehensive care in Japan. Of course, there are numerous similarities as well, such as a seemingly equal emphasis on distributing diabetes information and encouraging diagnostic screenings in both countries. However, overall Novo Nordisk's seems to display two different approaches to create shared value in Japan and Bangladesh.

To briefly summarise, the differences between Novo Nordisk's CSV activities in Japan and Bangladesh include an asymmetrical emphasis on pricing, different institutional voids being addressed, polarising approaches to local production, and a greater delegation of activity implementation in Bangladesh in addition to different cultural features being harnessed to change the misconceptions surrounding diabetes in each country. The Complex Issues Maps are useful in visually illustrating the relationship between these activities, the relevant partners and the different issues related to diabetes care. The following chapter will discuss the findings of this thesis.

7.0 Discussion

In this chapter, the findings of the analysis will be evaluated and explained in relation to the research question. First, the main findings will be presented. This will be followed by an interpretation of the results reflecting on both expected and unexpected findings. Furthermore, the implications of the results will be considered in relation to the literature review and the theories from the previous chapters of this thesis. This will outline why the results matter. The limitations of the results will then be evaluated and considered in terms of how the limitations have impacted the research. Finally, recommendations for further research and practical recommendations will be given.

The main findings of this thesis are both expected and unexpected. The expected findings is that Novo Nordisk demonstrates local adaptation in its CSV activities and therefore addresses gaps in diabetes care differently, depending on the institutional context of the country in which they operate. Although Novo Nordisk creates shared value in both Bangladesh and Japan, using the same strategies to do so, Novo Nordisk's approach to value creation differs in the two countries. This is the case even when the CSV activities have the same aim or address the same issue within diabetes, such as patient care. These differences are explained by looking at the institutional context of the two countries, and thereby determine how Novo Nordisk adapts its CSV activities to shape and respond to local institutions. As such, this thesis identifies the specific CSV strategies that Novo Nordisk employs in each country and examines how these strategies overlap with institutional strategies as well. Accordingly, the findings show that Novo Nordisk's CSV activities in each country are shaped by the institutional context. The institutional characteristics of Bangladesh and Japan have therefore been used to identify differences between Novo Nordisk's CSV activities in the two countries. This indicates that Novo Nordisk does not employ a standardised approach to shared value creation across all of its subsidiaries. Instead, Novo Nordisk attempts to consider the local needs in Bangladesh and Japan, and tries to cater to them through activities that are designed for that purpose. This finding introduces a nuance to shared value creation that is not highlighted in the theory.

Chapter three explored a few studies that related institutional settings to CSR. The studies used institutional theory to explain differences in CSR strategies and practices across countries. These studies only focused on CSR, as we were not able to find any studies connecting differences in CSV activities to different institutional settings. However, since CSV was placed under the CSR umbrella term in the literature review, we can deduce that similar

explanations for variations of CSR strategies could also be applicable to CSV strategies. Based on the literature review, it was therefore expected that differences in CSV activities in different countries could be explained by differences in the institutional context. As such, it was considered likely that any differences identified in CSV activities in Japan and Bangladesh could be explained by differences in the two countries' institutions. The overall findings in this thesis were therefore in this sense expected.

However, an unexpected result of the analysis was that Novo Nordisk made little use of the first CSV strategy, reconceiving products and markets, in their CSV activities. In Bangladesh, none of the CSV activities identified from the gathered data could be categorised as an attempt to reconceive products or markets, while only one activity could be considered to fall into this category in Japan. According to CSV theory, engaging with value creation in one area should lead to possibilities for value creation in others. As such, it would be expected that all three ways for creating shared value would be identified in Novo Nordisk activities in both Bangladesh and Japan. Instead, there is a relative overrepresentation of only two ways of creating shared value: redefining productivity in the value chain and building supportive clusters. Novo Nordisk's activities aimed at redefining productivity in the value chain and building supportive clusters are specific to each country and can therefore be perceived as addressing context specific gaps in diabetes care. The innovation and development of Novo Nordisk's products, however, only takes place in select countries, and are not specific to each country's setting. As highlighted in the analysis, there is a need to reconceive products and markets to target patients that are either not using insulin or are only using human insulin in vials. This need is seemingly not being addressed. This will be considered further later on in this discussion.

Another unexpected finding of the analysis was the number of partners involved in Novo Nordisk's CSV activities. Although CSV theory mentions the relevance of including partners, particularly when engaging in cluster development, the importance of partnerships have not been explained further in the theory. While it should be expected that Novo Nordisk's CSV activities aimed at cluster development should include partnerships, in accordance with the theory, it was not expected in the CSV activities related to other CSV strategies. As such, it was unexpected that CSV strategies of redefining productivity in the value chain or reconceiving products and markets also included partnerships. Generally, the majority of all CSV activities identified in both countries included partners, which indicates that partnerships are useful for the

implementation of CSV strategies in Bangladesh and Japan. The need for collective action to address the issues associated with diabetes has also been highlighted previously, both by Novo Nordisk as well as diabetes organisations. Additionally, as mentioned in the introduction, reducing the mortality of non-communicable diseases such as diabetes is among the SDG targets. To achieve the SDGs, collective action is required. Therefore it is necessary for public and private actors to work together, with civil society, to alleviate gaps in diabetes care.

While the differences that have been identified between Novo Nordisk's CSV activities in Japan and Bangladesh have been attributed to differences in the institutional context of the two countries, other explanations for the findings could be considered. For example, differences in market share could influence Novo Nordisk's CSV activities in the two countries. As such, if Novo Nordisk's market share was significantly different in one country compared to the other, the concentration or focus of the CSV activities might differ between the countries. This explanation has been dismissed, however, since Novo Nordisk is a market leader in both countries. Based on the findings of the analysis, institutional differences appear to explain the differences in CSV activities between Japan and Bangladesh.

The results of the analysis imply that institutions influence corporate CSV strategies beyond what is claimed in the original outline of CSV theory. While Porter and Kramer acknowledge that companies can influence institutions through the implementation of the third CSV strategy of building supportive clusters, the findings of this thesis would suggest that local institutions are more influential than stated in CSV theory. Porter and Kramer argue that shared value can be created in all country settings, but that the opportunities will differ. The results of this thesis can therefore provide a possible explanation for how and why opportunities may differ across countries. Institutions have been used to explain differences in CSR strategies across countries. Since CSV is a theory under the CSR umbrella, the findings therefore also have implications for the field of CSR. While the connection between CSR and institutions is still developing, a few studies have argued that institutions can be used to explain variations in CSR strategies. These studies have mainly focused on the institutions of companies' home country. Even fewer studies were found on the influence of host countries' institutions on companies' CSR strategies. The results of this thesis would indicate that host countries' institutions can influence the type of value creation companies engage with. Thus, the findings contribute to the understanding of the connection between CSV and institutions. This may point to a general lack of consideration of local institutions in the CSR realm.

The results also have implications for understanding Novo Nordisk's CSV efforts generally. According to the results of this thesis, Novo Nordisk uses different strategies for creating shared value depending on the context of the country in which they operate, at least in Japan and Bangladesh. This indicates that the company targets their CSV efforts based on different institutional contexts. As such, Novo Nordisk addresses issues of diabetes depending on country specific needs. This leads Novo Nordisk to address similar challenges differently across countries. As such, while the aim remains similar across countries, the CSV efforts differ.

Finally, the results have implications for understanding the importance of partnerships in creating shared value. Although partnerships are acknowledged in CSV theory in relation to building supportive clusters, the findings of this thesis indicate that partnerships are more important in practice for Novo Nordisk than predicted by CSV theory. This is because partnerships are present in the two other CSV strategies. This indicates that Porter and Kramer under-emphasise the importance of partnerships and this lack of emphasis was uncovered by the inclusion of institutional strategies in this thesis. In effect, the theoretical triangulation employed in this thesis uncovered deficiencies in one of the theories applied in explaining the cases. As such, the results could indicate that external actors are more relevant for CSV strategies than predicted by the theory.

However, Porter and Kramer claim that CSV opportunities differ not only across countries, but also across industries and companies. For this reason, it cannot be ruled out that partnerships are more important to Novo Nordisk than it would be to another company, or that partnerships are more relevant in the pharmaceutical industry compared to other industries. Nevertheless, the findings indicate that Novo Nordisk relies on partnerships in its CSV efforts in both Bangladesh and Japan, which deviates from CSV theory. This corresponds with other studies that have used stakeholder theory to explain the influence of external actors' on corporate CSR activities, as mentioned in the literature review. As such, the results may indicate a need to revisit the importance of stakeholders in CSV theory. This corresponds with the criticism by Michael Hopkins in chapter three. Hopkins highlights that CSV theory only considers two stakeholders, consumers and shareholders, which neglects other relevant stakeholders.

This issue could be overcome by combining CSV theory with an institutional framework and stakeholder theory. According to Min-Dong Paul Lee (2011), both institutional theory and stakeholder theory are useful in explaining external influences on corporate CSR strategies,

however, neither theory offers a full explanation by themselves (Lee, 2011, p. 285). Hence, Lee proposes to combine institutional theory with stakeholder theory to explain differences in corporate CSR strategies. Lee argues that corporate CSR strategies are *"constructed in response to the intensity and coherence of external influences"* (Lee, 2011, p. 285). The external influences that shape a company's CSR strategy can thereby be explained by *"the nature and strength of combined external pressures stemming from institutional and stakeholder forces"* (Lee, 2011, p. 282). The combined strength of institutional and stakeholder forces depends on the interaction between the two (ibid.). Although the framework by Lee was developed to analyse CSR strategies, it may be applicable to CSV strategies as well, given that the literature review situates CSV within the same field of research as CSR. A way to strengthen this analysis could therefore be to combine the framework of institutional strategies with stakeholder theory to analyse the interaction between institutions and stakeholders in more depth. This relationship could then be used to explain how external forces have shaped Novo Nordisk's CSV strategies in Bangladesh and Japan.

As mentioned in chapter four, the data used in this thesis constitutes the main limitation. Since the analysis is mainly based on data generated by Novo Nordisk, the results may be biased in Novo Nordisk's favour. Additionally, not all information may have been included by the company. To support and expand on the findings from the data provided by Novo Nordisk, additional data was sought out. This resulted in interviews with people outside of Novo Nordisk as well as reports created by other organisations. Despite this, the majority of the information on the CSV activities derives from Novo Nordisk sources. This limits the results since Novo Nordisk's CSV activities inform the thesis throughout, and are of particular importance to the analysis and thereby the results. Thus, the results may be influenced by potential bias, errors or omissions. In instances where the data from Novo Nordisk lacked detailed information on specific activities, additional information was collected in the form of news articles and the webpages of relevant actors, such as BADAS. However, it was not possible to find additional information on all CSV activities. Hence, not all activities have been considered in equal detail. Moreover, there is a risk that not all of Novo Nordisk's CSV activities have been identified and included in the analysis. The risk of this is determined to be small, however, since any significant or important activities Novo Nordisk engages in to alleviate diabetes is likely to have been mentioned during the interviews with Novo Nordisk employees in both Japan and Bangladesh. As such, it is unlikely that major activities have gone undetected.

Based on the results of this thesis, a recommendation for further research would be to look further into the link between CSV activities and external influences. Specifically, it would be relevant to further investigate whether shared value is created differently by other MNCs or across other countries, as a result of different institutional settings and barriers. Studies connecting CSV to institutions were difficult to find during the research process. This could indicate that such studies have yet to emerge. Given the results of this thesis, institutions may influence CSV efforts, and thus it may be relevant to investigate further. Since CSV opportunities tend to differ across industries and companies, according to Porter and Kramer, it could also be relevant to investigate potential similarities or differences across industries in the same country. Since the results furthermore indicate a particular emphasis on partnerships in the two selected cases, it could be relevant to investigate the influence of other actors on corporate CSV efforts.

Finally, a practical recommendation based on the findings of this thesis is directly related to Novo Nordisk's operations. The findings revealed that Novo Nordisk only engages in the first CSV strategy of reconceiving products and markets in very limited terms in Japan and not at all Bangladesh. However, a number of issues related to diabetes remain unsolved. One issue, as pointed out in the analysis, relates to the vast amount of people with diabetes that still rely on human insulin in vials. Superior treatments are too expensive for the poorest patients, which amounts to a significant pool of people. Thus, Novo Nordisk could potentially engage in further shared value creation by addressing this social issue. This could potentially create economic value for Novo Nordisk as well, given that this issue affects a significant amount of people. This could therefore be an avenue to further explore to create shared value by reconceiving products and markets. The following chapter will conclude this thesis.

8.0 Conclusion

This thesis has sought to answer the research question: *How and why does Novo Nordisk address gaps in diabetes care differently in Bangladesh compared to Japan, and what kind of CSV or institutional strategies can be identified?* In order to answer the research question, data was collected on Novo Nordisk's activities aimed at creating shared value in the two countries. This led to the collection of BPC reports produced by Novo Nordisk as well as a number of interviews with subject matter experts, including current and previous employees at Novo Nordisk as well as employees at complementary firms and organisations. Based on the collected data, a qualitative content analysis was conducted to identify the gaps in diabetes care present in Japan and Bangladesh, as well as the specific strategies Novo Nordisk used to create shared value. The content analysis revealed interesting similarities, such as four gaps in diabetes care across both Japan and Bangladesh, which include patient care, awareness, infrastructure and economic cost. Moreover, a relatively similar number of CSV activities addressing these gaps were identified in both countries. The CSV strategies used for these activities were also relatively similar. In both Bangladesh and Japan, Novo Nordisk mainly made use of the third and the second CSV strategies, meaning the company mainly focused on creating shared value through building supportive clusters, as well as redefining productivity in the value chain albeit to a slightly lesser degree. The first CSV strategy of reconceiving products and markets was found to relate to one CSV activity in Japan, but was absent in Bangladesh. As such, the activities identified in the two countries were generally not found to follow the first CSV strategy.

In addition to identifying CSV strategies, the aim of the content analysis was also to identify the institutional strategies Novo Nordisk used to overcome institutional barriers when engaging in value creating activities. As such, the identified CSV activities were also categorised into three different types of institutional strategies. This revealed important differences between Japan and Bangladesh. The relational institutional strategy was present in many of the activities in both Japan and Bangladesh. However, a notable difference was that a relational strategy was used in all but one activity in Bangladesh, but was only used in slightly more than half of all CSV activities in Japan. This indicates that following a relational institutional strategy was of particular importance in Bangladesh, although it was relevant in both cases. A similar pattern emerged when the second institutional strategy of infrastructure building was examined. This institutional strategy could be identified in Japan in relation to a

few CSV strategies, but was mainly found in Bangladesh. In contrast, the opposite was the case when it came to the third institutional strategy, socio-cultural bridging. This strategy was used in both countries, but was comparatively overrepresented in the activities in Japan. As such, while the two countries share a similar pattern when it came to the use of CSV strategies, asymmetrical proportionality was identified when it came to the institutional strategies.

The reason for these differences was investigated by looking at the underlying institutional structures in the two countries. A difference was identified in diabetes related issues of the four gaps in diabetes care in the two countries. While the issues can be categorised similarly, the underlying problem that needs to be addressed differs. As such, stigma related to living with diabetes could be identified as an issue in both countries, but the issue had different underlying reasons. While stigma in Japan seemingly stems from a societal aversion to laziness and gluttony, the diabetes related stigma in Bangladesh derives from more religious and superstitious concerns. Thus, similar overall issues, such as lack of awareness, had different underlying causes and therefore needed to be addressed differently. Another example related to the cost of diabetes. While diabetes can lead to an economic burden on patients and society in both countries, the issue of the cost of insulin in Bangladesh was of a different character than Japan, given that a significant portion of the population lives in poverty and is therefore unable to pay for treatment. Whereas patients can find help in the health care system in Japan, the health care system is lacking in Bangladesh in comparison. This can be related to the involvement of the two countries' governments. While the government in Japan plays an active role in combating the issues related to diabetes, the government of Bangladesh is less invested in diabetes care and has a relatively lower capacity to combat related issues. Instead, local organisations take an active lead in providing diabetes care. For this reason, the partnerships Novo Nordisk enters into in Bangladesh are more so related to other organisations than the government.

Partnerships were generally more present in Novo Nordisk's CSV activities in Bangladesh than in Japan. This was particularly apparent in the ways Novo Nordisk approached local production in the two countries. In Japan, Novo Nordisk built a wholly owned plant for insulin production whereas Novo Nordisk engaged in a partnership in Bangladesh to produce insulin locally. Considering the politically unstable environment in Bangladesh, it can be less risky for a company to engage in a joint venture. However, the purpose of partnering with a local manufacturer in Bangladesh was also likely fuelled by the legal requirement for foreign

pharmaceutical companies to partner with local manufacturers to produce locally. As such, CSV strategies can also differ depending on the laws and regulations in a country. These findings show that a shared value creating strategy that has worked in one country may not simply be transferred to another, but will have to be modified in accordance with each country's specific institutional context.

According to the analysis, the institutional voids Novo Nordisk sought to address to provide adequate diabetes care in the two countries differed. Whereas psychological issues related to living with diabetes seemed to be the main focus in Japan, infrastructure building was more prioritised in Bangladesh. While diabetes patients may face psychological issues in Bangladesh as well, greater challenges were seemingly prioritised, such as affordable insulin or the ability to consult with a competent HCP. As an example, a diabetes related goal that has been set for patients in Bangladesh is to be able to consult with a HCP for 10 minutes. In contrast, 10-15 minute HCP consultations in Japan were identified as a problem. This illustrates the differences in the diabetes related issues and subsequent goals in the two countries. The state of diabetes care caused by the institutional context therefore shaped Novo Nordisk's CSV strategies differently. This thesis therefore concludes that Novo Nordisk has employed different approaches to creating shared value in Japan and Bangladesh, focusing more on solving socio-cultural issues in the former, and building infrastructure through partnerships in the latter and thereby attempting to reduce the gap between the number of people living with diabetes and the number of people receiving treatment. This indicates that the gap in diabetes care warrants different solutions in Bangladesh and Japan.

Thus, answering the critical realist transcendental question of this thesis *"How does Novo Nordisk adapt its activities to Japan and Bangladesh to create shared value, given the specific gaps in diabetes that are present in each institutional context?"* By applying CSV and institutional strategies to analyse Novo Nordisk's activities in Japan and Bangladesh, distinct forms and patterns of adaptation are revealed in the ways Novo Nordisk approaches the context specific issues identified, which manifest as gaps in diabetes care. In effect, as an agent, Novo Nordisk attempts to initiate change and bridge voids in the institutional structures relating to diabetes care in Japan and Bangladesh, through a range of tailored activities. By using the comparative method of difference, institutional differences manifesting in different issues within diabetes care was uncovered as an explanatory factor for why Novo Nordisk does not employ a standardised CSV strategy in Japan and Bangladesh.

CSV theory posits that corporations can regain their societal legitimacy and elude the unfavourable perception of prospering at the expense of the broader community, simply by addressing a social problem. However, as mentioned in the theoretical framework, CSV has a number of limitations. Even the definition of CSV is unclear and contested. Thus this thesis identifies benefits of incorporating institutional strategies into the analysis of Novo Nordisk's activities, as they give a more nuanced understanding of the activities by introducing additional parameters to investigate. As such, introducing institutional strategies provided a way to explain differences in CSV activities across the two countries. CSV is a broad theory and institutional strategies have helped narrow down the efforts involved in the activities as well as the purpose, ultimately aiding the comparison in this thesis. The institutional strategies reveal key differences in the aim and approach of the various activities. The main drawback of this thesis is the fact that the data on which the analysis was conducted was mainly based on data provided by Novo Nordisk. Although a number of different subject matter experts external to Novo Nordisk were consulted, it would have been desirable to base more of the analysis on unbiased third party data. This would have provided a more nuanced view on Novo Nordisk activities would have been beneficial to aid the credibility of the results. Due to limitations in the data that was collected, however, this was not possible.

9.0 References

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