

**Chr. Hansen:
“Bring Your Full Self to Work”**

TEACHING NOTES

The authors prepared this case solely as a basis for class discussion and not as an endorsement, a source of primary data, or an illustration of effective or ineffective management. Although based on real events and despite occasional references to actual companies, this case is fictitious and any resemblance to actual persons or entities is coincidental.

Teaching plan

The teaching plan aims to deliver a thorough guide for teachers and presenters on how to convey the relevant case of Chr. Hansen and how its outcomes and implications can serve as an aid for other brands in the future. Further, these instructions support the presenter in preparing the case and facilitate an engaging discussion with the audience. Included in this teaching note are the learning objectives, a board plan, key takeaways, and a reflection. The learning objectives are intended to assist the teacher in presenting the main theories and perspectives to the students.

Case synopsis

In Summer 2023, during the Copenhagen Pride Month, the global bioscience company Chr. Hansen proudly showcases the campaign "be who you are. bring your full self to work". With a history of commitment to diversity, equality, and inclusion, Chr. Hansen shares its identity by changing its logos to rainbow colors and telling personal stories from LGBTQIA+ employees. Simultaneously, the company is set to merge with a global biotech company, Novozymes, which is also a big supporter of LGBTQIA+ rights.

Just seven days into the campaign, the sales director for North America receives an unforeseen call from their second-largest client, who threatens to terminate the contract if they didn't take down the campaign because it conflicted with their politics and values. Immediately, the sales director reaches out to the company's chief commercial officer and calls for an emergency meeting with the management team to deal with the issue's complexity and formulate a strategic response.

This brings up two main questions that need to be approached by the executive team: *Will you vote in favor of your current LGBTQIA+ campaign, or will you follow up on the customer's demand? How would you explain your decision to the different stakeholders involved?*

Learning objectives

This case presents extensive implications concerning corporate brand identity, corporate reputation, and corporate responsibility. It is vital for the case audience to reach the learning objectives within these outlined areas. The teacher's central focus is to create an excellent atmosphere for the discussion by ensuring that the audience perceives the linkages to underlying theories and facilitating the case analysis. Above all, the students in the audience should be provided with models they can apply in similar situations. As a result, the following section elaborates on the academic concepts relevant to the case and explains the learning objectives building on the theories.

Corporate Brand Identity

When an incident like the one that is affecting Chr. Hansen strikes a company; it has the power to impact and echo throughout every aspect of the brand. Internal and external elements shape Chr. Hansen. Therefore, it makes sense to begin the preparation of this case with Urde's (2013) Corporate Brand Identity Matrix. To begin the illustration of the Chr. Hansen's case involving their, according to the US customer, problematic pride campaign, the subsequent description by Urde (2021) effectively highlights the importance of fusing the layers of corporate brand management:

"Identity, communication and positioning, and reputation together form the territory of corporate brand management. The challenge is to fuse these three layers of a brand into a single entity – a corporate brand." (Urde, 2021, p. 4)

As described in the citation, it can often be an obstacle for brands to align the three layers of the matrix. Key offerings, stakeholder relationships, market position, communication style, and brand promise are questions the organization should be able to answer with the inner core of the identity matrix (Urde, 2021). The first layer around Urde's (2021) identity matrix, the communication and positioning layer, articulates the brand's identity through storytelling and differentiation. The second and outer layer around the identity matrix is the "reality," which is what stakeholders and non-stakeholders really think of your corporate brand (Urde, 2021).

Urde's (2013) Corporate Brand Identity Matrix (CBIM) consists of nine interrelated and coherent elements. In the case of Chr. Hansen, the element relationship, besides the brand core, is crucial, as the company has built up and should aim to maintain a strong foundation for all collaborations with its global relationships, extensive research, and established heritage. **Figure 1** illustrates the application of the CBIM to Chr. Hansen.



Figure 1 Chr. Hansen's Corporate Brand Identity Matrix

Criteria Influencing Corporate Reputation

Due to the internal as well as external impact of the Chr. Hansen case, another vital aspect to consider is corporate reputation. One possible definition of corporate reputation is specified by Roper and Fill (2012, p. 5): "A reputation is therefore a combination of the views and impressions of many different people, not unanimously held, but general". To judge how the corporate reputation is influenced, there is a list of factors, as seen in **Figure 2**, as established by Roper and Fill (2012, p. 42). It is essential to remember that in the best-case scenario, a brand succeeds in all areas that influence the corporate reputation. Yet, realistically, this is often not the case, and brands have a few dimensions on which they focus and succeed (Roper & Fill, 2012, p. 42). In the case of Chr. Hansen, the critical factors influencing corporate reputation are customer satisfaction, employee satisfaction, profitability, and corporate social responsibility.



Figure 2 Corporate Reputation based on Roper & Fill (2012)

First, the customer satisfaction criterion is to meet customer needs or requirements, as Roper and Fill (2012, p. 43) mentioned. The conflict appears because the second-largest customer from North America does not align with the values Chr. Hansen is communicating with their pride campaign and partnership. On the one hand, this conflict could affect the merger with Novozymes as their values of diversity and inclusion may not be aligned with Chr. Hansen’s decision of withdrawing their pride support. On the other hand, the US customer does not see their needs met and requires the withdrawal to remain a loyal customer. Consequently, customer satisfaction is affected and may reduce Chr. Hansen’s corporate reputation.

Furthermore, the employees of Chr. Hansen seem to appreciate the diverse culture and are very engaged in Copenhagen Pride Month, which is fundamental to most of them. This is why employee satisfaction plays a significant role in this case. Employee satisfaction measures the satisfaction of workers with their jobs and,

especially relevant, the working environment (Roper & Fill, 2012, p. 43). Which, in this case, is very fragile and can be destroyed.

Additionally, profit is a distinct measure of business success, so profitability is a crucial factor influencing corporate reputation (Roper & Fill, 2012, p. 46). The loss of their second biggest customer in the US would considerably impact their profitability. Given the situation, Chr. Hansen is facing, it appears clearly that the decision is centered on balancing customer satisfaction and profitability against employees' happiness and commitment to their CSR. In the following, corporate responsibility is discussed based on four dimensions.

Dimensions of Corporate Responsibility Messages

"The business of business is doing business.", said Milton Friedman in 1970.

This quote presents the argument that the only obligation of a business is to maximize value and profit. However, in today's society, this is debated as companies have become involved in social and political causes, implementing corporate social responsibility in their business agenda. The Chr. Hansen case is relevant in this debate as there is a clear ethical dilemma between either supporting LGBTQIA+ members, employees, and customers, or prioritizing business partners and profit. It shows that engaging in social responsibility may, for instance, help attract customers but can also lead to loss. Further implications from this dilemma are that there needs to be a balance between social responsibility and profitability in today's business world.

Corporate responsibility involves ethical and moral issues surrounding the social, environmental, and economic consequences of organizational decisions and their behavior (Roper & Fill, 2012, p. 259). According to Roper and Fill (2012, p. 259), accuracy, timeliness, transparency, and credibility are the four dimensions of corporate responsibility communication.

Accuracy is about providing accurate information (Roper & Fill, 2012, p. 259). Chr. Hansen has consistently been truthful and delivered precise disclosure, describing themselves as a trusted partner. The second dimension regarding how timely the communication is means that the messages of the corporation are produced in sync with actions to keep all the stakeholders informed (Roper & Fill, 2012, p. 259). In the case of Chr. Hansen, they have been very woke and stood behind their values until the incident with the client from North America. However, after the incident, the employees were not informed and demanded conversation, showing that Chr. Hansen did not act in a timely matter.

Further, the dimension of transparency was not given, as they did not admit their "wrong-doing" of taking back the pride campaign; they also did not apologize. This is closely connected to credibility, established through transparency and recognition (Roper & Fill, 2012, p. 259). By taking back the campaign and changing the logo, with limited communication to the outside, they have gained credibility with their customer from North America but lost with Copenhagen Pride, their employees, and potentially

other clients. It can still be seen that the community is commenting poorly on their Instagram posts.

Strategic Problems: Gaps in the Corporate Brand

What becomes evident in the case of Chr. Hansen is how errors occur in the brand's orientation by projecting a particular identity of being an LGBTQIA+ supporter without considering stakeholders' opinions. Hatch and Schultz (2008, p. 11) elaborate on the idea of a successful corporate brand, underlining the importance of aligning the strategic vision of managers, the employee culture, and the image the stakeholders expect from the company.

What has been elaborated here is referred to as the Vision-Culture-Image (VCI) Alignment Model by Hatch and Schultz (2008, p. 11), which indicates that the stronger the VCI alignment, the stronger the brand, as seen in **Figure 3**. The strategic vision, organizational culture, and stakeholder images are described by Hatch and Schultz (2008, p. 12) as pieces of a jigsaw puzzle.



Figure 3 Vision-Culture-Image (VCI) Model by Hatch & Schultz (2008)

The bioscience company's strategic vision to better our world and drive sustainable social change included its engagement in corporate social responsibility. As they participated in Copenhagen Pride in 2022, their employees were empowered to create a Rainbow Alliance and actively promote their diverse and inclusive workforce. Chr. Hansen openly communicated the values of diversity and inclusion through their website, social media, and rainbow logo.

Concerning its organizational culture Chr. Hansen has an international and skilled workforce that is both diverse and inclusive. The employees were inspired by the company's decision to partner with Copenhagen Pride, which initiated active

participation. The employees participated in campaigns where they shared their personal stories with the company. However, during the incident, they were not involved in the decision-making, and consequently, a group of employees criticized the management's decision to withdraw their pride partnership. In conclusion, Chr. Hansen's actions and the employees' reactions show that the company does not practice the values it promoted, showing a gap between vision and culture.

The stakeholder image is relevant in this case as the global bioscience company has various international stakeholders. In this incident, an American customer did not agree with the vision, culture, and values portrayed by Chr. Hansen and demanded the withdrawal of related campaigns and actions. Another essential stakeholder to consider is the merging company Novozymes, which supports LGBTQIA+ and potentially expects Chr. Hansen to portray similar values.

In conclusion, the above analysis indicates a gap between the strategic vision of Chr. Hansen and their organizational culture, the company acts against their vision and what employees expect them to do, leading the employees to think that they have sold their values. Additionally, their strategic vision is not aligned with their stakeholder's needs, and the communication has not been effective. Thus, the conflict regarding the pride campaign arose. This image-vision gap shows that the company's actions are not aligned with what the customer wants and is something Chr. Hansen cannot afford. According to Hatch and Schultz (2008, p.12), the misalignment can tell that a corporate brand is underperforming and risking the performance and reputation of the Chr. Hansen brand. To earn credibility, both their vision and culture need to be aligned and communicated as the stakeholders expect to match the stakeholder image.

Key learning objectives

Table 1 displays the key learning objectives the case audience should achieve, elaborating on Bloom's Taxonomy (Bloom, 1956), connecting measurable action verbs to this case, and reflecting the audience's understanding of the key learning goals.

| Category | Learning Point | Description |
|----------------------|--|--|
| Remembering | ... to consider main stakeholder perspectives in major decision-making | to keep their second biggest client with contradicting opinions Chr. Hansen withdraws their campaign and partnership |
| Understanding | ... the dimensions influencing corporate reputation | For the B2B company Chr. Hansen customer satisfaction and profitability as well as employee satisfaction are crucial to sustain their reputation in this case |
| Applying | ... key brand management models in order to analyze relevant stakeholders and actions | Utilise: Brand Identity Matrix (Urde), Criteria influencing corporate reputation (Roper & Fill), VCI alignment model (Hatch & Schultz) |
| Evaluating | ... the management decision in terms of the dimensions of corporate responsibility messages (Roper & Fill) | Chr. Hansen's communication of their decision to withdraw their pride support lead to backlashes from employees, shareholders and media affecting their credibility and transparency |
| Creating | ... a corporate responsibility communication strategy that aligns with culture and main stakeholders | Chr. Hansen needs a sustainable CSR strategy which is aligned with their vision, culture, and image |

Table 1 Chr. Hansen Case Key Learning Objectives

Discussion questions

To facilitate an engaged discussion and keep the focus on the case presented, the main question serves as the discussion's starting point. The case presenter can use the assistance questions below to guide the discussion and create an engaged atmosphere. Throughout the discourse, the audience is urged to reflect on the two main questions and provide answers with their reasoning.

Main question

Will you vote in favor of your current LGBTQIA+ campaign, or will you follow up on the customer's demand? How would you explain your decision to the different stakeholders involved?

Assisting questions

- What is difficult about the dilemma Chr. Hansen is trying to navigate?
- Who are the different stakeholders in the Chr. Hansen case and what influence do they have on the company?
- What are the alternative pathways for Chr. Hansen to deal with this dilemma?
- What are the possible consequences for the different scenarios (that were named by the students)?
 - How will they impact the reputation?
 - What are possible reactions from the stakeholders (media, employees, customers)?
- What are ethical considerations?
- Do you think Milton Friedman's quote from 1970 still applies to today's reality, "*The Business of business is business*"?

Teaching suggestions

The teaching suggestions support the presenter and teacher in planning and presenting the case. The focal goal is to provide a clear understanding of the case to lead an immersed discussion to complete the case's key learning objectives.

Pre-presentation phase

The teacher provides the preparatory materials, namely the written case and incident description. To ensure the audience has all relevant information, the written case should be distributed no later than 24 hours before the case presentation. Advanced planning can provide an effective and well-organized discussion; the responsibilities should be clearly divided if there are multiple presenters.

Before the presentation, the teacher is encouraged to thoroughly research the case to get a complete picture of the written case and management decision. The teaching notes should also be carefully considered to plan the discussion and structure the presentation. This will aid in deciding how to split the time and lead the case. For a better understanding, the presenter should employ visual aids such as a PowerPoint presentation, videos, and pictures. Last but not least, keeping a record of the answers

given by the class is essential. This can be done on a physical or digital (e.g., Miro Board) whiteboard, which can be done by the presenter personally, or an audience member can be appointed to do that.

Introduction phase

To "break the ice" and get the conversation going, the presenter can ask the audience if they have noticed how many companies tend to change their logos for Pride month and if someone can give a concrete example. Additionally, ask if anyone has heard of Chr. Hansen before reading the written case. The teacher can continue with the PowerPoint presentation prepared in the pre-presentation phase.

Discussion phase

Firstly, it is crucial to remind the class to take the management team's roles; by doing this, the audience helps to get into "action mode" and can encourage active participation. Secondly, the presenter should ask the students if everything is clear and the case is well understood before moving on to the discussion. Afterward, the main questions should be repeated and prominently displayed in the presentation to keep it in focus.

From now on, the teacher's role is to be the case mediator, who ensures a fluid conversation, guides by posing questions, and remains impartial. The teacher can use the assisting questions listed above as backup prompts to maintain a fluid discussion if the energy diminishes.

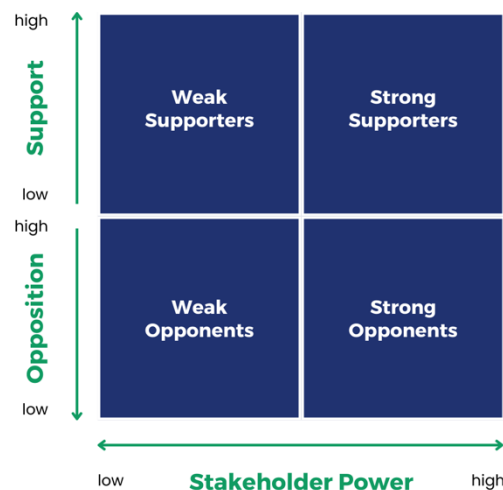


Figure 4 Stakeholder Mapping

Alongside the main question, the stakeholder mapping by Nutt and Backoff (1992) should be shown on the PowerPoint. As seen in **Figure 4**, the Stakeholder Mapping should prompt the audience to differentiate the parties involved in the Chr. Hansen case and aid in a jumpstart into the discussion.

The approach differentiates stakeholders into four categories: First, problematic stakeholders, who oppose the organization yet have little power and influence, require a dual approach: educational efforts aimed at altering their opinions and the

formulation of defensive statements in anticipation of potential escalation. The second category, antagonistic stakeholders, who also work opposing the organization but hold high power and are highly influential, necessitate a strategic approach involving anticipating objections, formulating counterarguments, and targeted negotiation efforts. Finally, low-priority stakeholders, along with supporter stakeholders, require the dissemination of educational information for nurturing. Additionally, they can serve as valuable assets for promotional or influential purposes within the public sphere and among other stakeholders (Roper & Fill, 2012, p. 306).

It is essential to structure answers through hand-raising or participant-led approaches to maintain order during the discussion. During the whole debate, the teacher should summarize the major discussion points to reinforce the key takeaways. An example of that can be seen below under "Explanatory Board Plan" in **Table 2**.

Conclusion phase

After the planned discussion phase, the teacher is advised to wrap up this phase by presenting the management decision made in the actual case utilizing the same presentation tools. In this part, the teacher is encouraged to compare the actual case and the answers from the audience.

Following this, the teacher can invite students to offer their perspectives, reinforcing learning outcomes and fostering a deeper discussion. To wrap up, the key insights and discussion points contributed by students can be highlighted, for example, by circling them on the whiteboard. Concluding with appreciation, the teacher should thank the participants for their valuable input.

Time plan

Figure 5 illustrates how the presenter can divide the time between the different stages of the case presentation and discussion, which should, in total, last about 30 minutes. The start of the presentation should last 4 minutes by presenting the background of Chr. Hansen and have small talk with the audience. Next, the teacher should use 5 minutes to introduce the incident and explain the dilemma. Afterward, 12 minutes are assigned to present the main case question and discussion; during this period, the audience should be engaged in action mode. The discussion is followed by 4 minutes of explaining the management decision and the last 5 minutes of a short conclusion and words to end the session.



Figure 5 Chr. Hansen Case Time Plan

Exemplary Board Plan

The teacher must grasp the key points for a seamless in-class case presentation. To optimize preparation, it is highly advised that the teacher develops a preliminary board plan in advance, considering the audience's key learning objectives.

Table 2 presents a framework for grasping the audience’s key points and illustrates what the board could look like. Again, it is essential to note that this is only an example, and the final outcome depends on the direction the class discussion leads to. The three main aspects of the board plan are key challenges, alternatives, and suggestions. Drawing from the in-class exchange, the board can be gradually filled in throughout the presentation. This can be done by the teacher or assigned to a member of the audience. Initially, the focus is directed towards identifying the challenges of the dilemma of Chr. Hansen, guided by the assisting questions. The second step encourages the audience to explore alternative strategies to overcome the obstacles. Lastly, the class can vote for their preferred option, which can be recorded in the last column.

| Key Challenges | Alternatives | Suggestion |
|--|---|---|
| Angry client, threatening to terminate contract | Apologize to the customer and take back campaign <i>or</i> stay silent <i>or</i> apologize to customers & media | This point will be decided by the class. write in the decision of the majority (decided through voting) |
| Ethical problem, sensitive topic with LGBTQ+ | | |
| Internal culture & Employees | Make a stand. Leave the logo and campaign. Stay true to the values and support your employees | |
| Financial pressure | | |
| Media reactions | | |
| Damage in Reputation, Value Identity Image | Change the logo and take back the campaign. But empower employees, do more internally | |
| Alignment within management | | |
| Alignment company and stakeholder | | |
| Risking the relationship and the merger with Novozymes | | |

Table 2 Exemplary Board Plan

Reflection

The case study work in a team of three has been an exciting learning journey that has enabled us to collaborate and thoroughly explore the topic of corporate reputation.

From the start, we were motivated to find a topic that both relates to the course learning objectives and connects to our personal interests. We also understood that our chosen topic should offer valuable insights into academia and practical implications. Interestingly, we found out about the ethical dilemma of Chr. Hansen in 2023, the Danish bioscience company.

This topic shed light on “rainbow washing,” a current issue in the corporate landscape, and in general, how businesses need to evaluate their values, mission, and actions. Therefore, we chose it for its relevancy and connection to reputation, corporate social responsibility, and culture. With our case study, we wanted to raise awareness of diversity and inclusion and present how important authenticity is in corporate messaging and reputation.

The B2B dynamic that the dilemma of Chr. Hansen, with one of their main clients, added another absorbing layer to our case study. It made us understand the decision-making process and relationship-building in this context, considering diverse stakeholders and a global perspective in shaping corporate reputation.

Throughout the process, our team meetings enabled us to stay on track and have consistent discussions about our topic and its function as a case study to be presented in class. We talked about the challenges, alternatives, and actions that it offers. Additionally, we wanted to ensure an engaging case discussion in class. We tested questions and applied relevant theories such as the Brand Identity Matrix and Vision-Culture-Model to gain further understanding. While the main challenge of the case study presentation may be to enable engagement, we realized already in our group that each member has a unique perspective and brings in their experiences, leading to an inspiring discussion of the topic.

Overall, this case study enabled us to apply theoretical frameworks to the real-world scenario of Chr. Hansen, which can be helpful in other contexts as well. Our more profound understanding of the dimensions of corporate reputation has equipped us for future decision-making, and especially the collaborative learning and insightful discussions will serve us well in future challenges.

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