

**Management Project**  
**Case Study Teaching Notes**  
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**Synopsis:**

This is a case study of Takeda Pharmaceutical Company Limited, a Japanese multinational pharmaceutical company, having its partial roots in America and Britain. In recent times, the need was felt for a radical change in the thinking of the corporate world to eliminate racism, inequality and make the corporate world more inclusive to all. For this very reason, a platform known as “CEO ACTION FOR DIVERSITY & INCLUSION” was created where the corporate companies could pledge to work for the betterment of the community and implement the Diversity, Inclusion & Equity ideas for the better. The goal of this case study is to analyse the pledge taken by the company along with the actions within the organization to support the signed pledge. This case study focuses on a detailed analysis of the principles & objectives for Diversity, Equity & Inclusion of Takeda Pharmaceuticals Company Limited, actions taken to achieve the objectives, pointing out the unresolved issues and suggesting a possible solution to reach overcome the issues.

**Target audience:**

This case can be used in courses on organizational behavior, management, leadership and communication, leading global virtual teams as well as ethics. This case study can be used to understand the ethical dilemmas a leader has to face while dealing with sensitive issues of the co-workers coming from different races, cultures, ethnicities and religion. It also addresses the unconscious biases in the corporate world as well as emphasises developing new strategies in the ever-evolving business world. This case study can be used by the executives to understand the key issues and the possible solutions to deal with sensitive cases of discrimination based on any grounds. This teaching note, which may be used for any courses in any of those fields, takes the example as a chance to incorporate topics related to leadership, organizational behavior, ethics, and leading global teams.

**Learning objectives:**

By focusing on the diversity, equity and inclusion programs in today's corporate world, this case study helps us to learn the various factors that can affect the work environment, mental and physical wellness of the employees as well as the functional role it plays in shaping the work culture of an organization. The primary objective is to stress the importance of being empathetic towards everyone irrespective of the gender, race, religion, color, ethnicity, etc. It plays a major role in portraying the decision-making skills of a leader of any organization as well as stands to be a major factor in the success metrics of an organization. In this rapidly changing global scenario, there is a need and an opportunity to recruit the best talent across the globe through remote working environment, which comes with its own challenges of accommodating people from varying backgrounds on the same team to get the best outcome on a project. This is where the leader and management plays a crucial role in making everyone on the team feel inclusive and valued equally in order to get the best outcome from all the team members. The other objective of the case study is to help the executives and aspiring leaders to understand the need to develop a strong communication strategy on a global level within an organization and how to update the company's policies according to the need of the hour.

**Teaching plan:**

The topic for this case study revolves around the importance of diversity, equity and inclusion in the corporate world. This can be introduced to the students by initiating a recent incident which portrays ambiguity about empathy towards a fellow human and raises questions about the unfair, inequal treatment given to the weaker sections of the society. Numerous incidences in recent years, for example, "The George Floyd Case", has highlighted the need to take action to improve diversity, equity and inclusion in social as well as corporate sectors of the

society. This has given birth to the initiative of “CEO ACTION FOR DIVERSITY & INCLUSION”. However, the overall progress being done in this sector is very slow. In order, to increase the pace of the progress being made, it is essential that we analyze the root cause of this issue, actions being taken to reduce the issues and the obstacles in the path of doing so.

### **Background:**

Understanding the fundamentals of DEI (Diversity, Equity, and Inclusion) is critical to comprehending this case study and supporting the company's activities, as well as how to use these concepts to effectively combat discrimination against human race.

The term "**diversity**" refers to a broad range of people with various racial, regional, religious, and cultural origins as well as various lives, viewpoints, and interests.

**Equity** means providing equal opportunities to everyone, regardless of color, race, gender, or area. Justice, where the law is the same for everyone, can be equated with equity.

Include everyone in every opportunity, regardless of their ethnicity, gender, or area, according to the concept of **inclusion**.

“Diversity, equity, and inclusion (DEI) is a term used to describe policies and programs that promote the representation and participation of different groups of individuals, including people of different ages, races and ethnicities, abilities and disabilities, genders, religions, cultures and sexual orientations. This also covers people with diverse backgrounds, experiences, skills, and expertise.” (Linda Rosencrance, 2021).

### **Identifying the key issues:**

"If it were easy, everyone would do it" is an old saying. On the account of diversity, equity, and inclusion (DEI) program execution, it would be more exact to say, "If it were easy, everyone would do it effectively." It turns out that success frequently encounters

unexpected obstacles. According to 2021 survey of business leaders and employees, measuring the success of their companies' DEI efforts has been a major challenge. Both groups rated their employer high grades for their dedication to fostering diversity, equity, and inclusion in the workplace: 95% of business executives and 75% of employees. But their assessment of actual development revealed a different picture. 69% of employers and 49% of employees said yes when asked if their companies had formed a formal DEI program with clearly defined goals. Less than half of both groups said their employer had gone "above and above," and an equal amount said, "there's still a way to go," regarding program execution. It is obvious that there is a significant challenge to link the dots between good intentions and practical results when it comes to the implementation of the DEI program (The Wellright Blog, 2022).

The five major obstacles in implementing successful DEI programs are:

- 1) Lack of goals and metrics

The major obstacles firms may have when implementing DEI efforts are how and what to measure. That is not to imply that they are not measuring anything, but far too frequently, the metrics they use don't actually help to solve actual issues. Businesses frequently rely on vanity metrics.

Vanity metrics, like gender and ethnicity, show diversity in a way that is the most obvious. Without giving much thought to the actual DEI concerns within their organizations, the majority of businesses, regardless of size or industry, immediately default their DEI initiatives to those vanity metrics. For instance, many businesses prioritize recruiting more women and people of color as their top priority.

- 2) Inadequate training

In the business sector, DEI training is plentiful. Diversity training is also another go-to strategy used by corporations to claim they are implementing a

program. Companies invest up to \$8 billion annually in diversity training just in the United States. That does not imply that it is all having an effect. It turns out that training isn't the magic bullet that businesses have long believed it to be.

“The first thing employers must understand is that training alone cannot solve the problem of diversity, equity, and inclusion. Training should be thought of simply as one step or resource in the journey and is not meant to be the entirety of the destination.” (J. Israel Greene, 2022).

### 3) Low or no prioritization by leadership

When senior executives don't prioritize the effort, that is another hurdle to DEI adoption. Frequently, this is because they either don't (or won't) see a problem or believe their business is currently taking adequate steps to solve DEI issues. This relates to the above described disconnect. Wellness coordinators and HR leaders overcome this barrier by data which is also the language of decision-makers everywhere. When you compile statements from workers about their experiences, precise data on turnover and the causes of it, and anything else to demonstrate that the issue is actually not being addressed. When there is evidence heaped up to support it, it is difficult for anyone to refute it.

### 4) Budgetary restrictions

Budget allocation, a typical hurdle, is connected to prioritizing. The average budget for DEI initiatives at Fortune 1000 companies is \$1.5 million, according to a survey by SHRM. Budgets range from \$30,000 to \$5 million. But there can sometimes be resistance regarding the budget. Building a business case that ties to organizational or executive principles is the quickest way to resolve budgetary restriction problems. Like how it must support why DEI efforts should be prioritized, the data must also support the specifics of the business's budget.

## 5) Cultural resistance

There are various factors that might create cultural resistance within the employees of the organization. Resistance typically stems from individuals believing that DEI is solely about women or people of color. You must demonstrate the benefits of DEI in its entirety. Sometimes resistance is brought on by another element, unconscious bias. It's difficult to change the culture of any company, and this is true not just of overt discrimination. Unconscious prejudice that you and your staff aren't even aware of is a silent but ubiquitous impediment to the success of DEI programs. When people struggle to reconcile their self-image as a "nice" person with the idea of having prejudices, conversations about unconscious bias can frequently become awkward. Understanding unconscious bias is crucial for this reason. It is described as the ingrained beliefs that influence how people react emotionally and logically to other people in typical settings.

### **Questions for discussion:**

1. What are any other examples which highlight the importance of DEI programs in corporate organizations?
2. What are other key issues that need to be resolved for making any DEI program successful?
3. What can be a successful strategy for an organization to address these barriers in implementing a DEI program?
4. What should be the leadership styles of the top-level employees within the departments and offices mentioned in the case study?
5. What can be improved within the organization to go above and beyond in implementing their DEI program?

### **Substantive Case Analysis:**

The discussion in this case study revolves around the efforts made by Takeda Pharmaceuticals Company to address the issues faced by them in implementing a successful DEI program as well as the initiative taken by the organization to make its work culture highly inclusive for anyone and everyone globally.

**Takeda Pharmaceuticals Company Limited** has a wide outreach in the Diversity, Equity & Inclusion sector and has been successful in various aspects considered by the company to make an impact in this specific sector.

### **Principle of Takeda Pharmaceuticals Company Limited for Diversity, Equity & Inclusion:**

“At Takeda, our culture encourages and appreciates our differences, and the company continues to thrive because of them. As a values-based organization, we strive to have a workforce as diverse as the communities and patients we serve. We believe that every employee should have equitable opportunities to develop and grow based on merit. We embrace and celebrate our differences, respecting and valuing each other’s race, ethnicity, age, gender, gender identity, nationality, social origin, religion, sexual orientation, disability, physical appearance and other individual characteristics.”

Takeda Pharmaceuticals Company Limited has been recognized as one of the top 10 Big Pharmas for their efforts in Diversity, Equity & Inclusion in 2022 by Alva. The list is created after reviewing the top 20 pharma companies based on revenues, with its analysis spanning Jan. 1 through June 8. The companies were scored across several topics, and each company started at zero, with Alva adding positive marks to bring it toward a high of +

100 or making negative marks down to -100. Many businesses are currently trying to include more ethnic diversity in tests of novel medications and vaccines. The industry is also looking inward, with many more of the top 10 pharmaceutical companies promising to increase employment diversity this decade as it seeks to increase representation at the senior and management levels.

**Action Plan:**

While going through the global pandemic of COVID-19, a radical need for social change worldwide highlighted the inequalities in the society and the corporate world as well. Three main factors account for the failure of DEI initiatives: Lack of sustained support from leadership; failure to explicitly link DEI objectives to the organization's purpose, vision, and values; absence of a cogent strategic approach to integrating DEI into all facets of the business. Takeda Pharmaceuticals being a believer in importance of Diversity, Equity & Inclusion (DE&I) - not only within the company but also with their suppliers, distributors and in the economies and communities that they operate and serve patients which covers a very wide part of the society. Takeda Pharmaceuticals is devoted to a workplace that is fair, equal, and free from discrimination and provides useful forums for discussion and advancement. Their managers are expected to live out the company's principles every day, therefore this starts at the top. They are committed to using both their words and actions to bring about change, show respect, and display sympathy for underrepresented people or communities that are suffering injustice. This puts up a well-defined display of goals that Takeda Pharmaceuticals strives to achieve in the DEI sector.

Mr. Richardy Grandoit, who is the Director of Takeda Pharmaceutical's Global DE&I Communications strategy was immensely helpful to give me insights on the company's efforts to reduce the inequalities within the company and helped me understand the initiatives

of the company. Mr. Richardy Grandoit is the lead in instituting the company's communications strategy on a global level and leads a team who works relentlessly to implement Takeda Pharmaceutical's DE&I initiatives globally. Mr. Grandoit feels the best part about this job is that he gets to listen to people's life stories and takes pleasure in making everyone feel as a part of one big Takeda Pharmaceutical family irrespective of any social and cultural diversity. The goals set by the company can be achieved easily if everyone understands the concept of DEI and learns to empathize with each other, irrespective of their race, religion, gender, etc. Mr. Grandoit promotes this by listening to everyone's story and helping them understand the true meaning of diversity, equity & inclusion.

Mr. Grandoit says that training is only considered as one stop or resource along the way, not as the final objective itself. Yet, DEI training for all the employees has been quite resourceful in making all the co-workers understand Takeda Pharmaceuticals' goals for DEI program. Workshops are frequently conducted by DEI Leads of Takeda Pharmaceuticals, which provides them an opportunity to interact with the employees on a personal level. Takeda also hosts keynote speakers to make everyone understand what DEI means to the organization.

As one of the top leaders in Takeda Pharmaceuticals, he ensures that the leaders are contributing to DEI programs of Takeda Pharmaceuticals by getting feedbacks about each initiative from all the employees and connecting with the employees on a more human level. He has developed major strategies for communicating globally, which has been immensely helpful during the pandemic. It has ensured that the leaders still communicate with all the employees personally. He is quite proud to share that at Takeda Pharmaceuticals, the leaders ensure that everybody has an opportunity to elevate laterally or upwards quite fast.

To learn what the employees believe is most important, hence the leaders conduct listening sessions with them, even if it's anonymous. Short, focused surveys that employees take on their mobile devices or through Takeda's wellness platform are also used to gauge employee sentiment.

According to Mr. Grandoit, Takeda Pharmaceuticals celebrated September as DEI month. In order to increase the awareness of the DEI sentiment within the employees, Takeda Pharmaceuticals organizes events, fun activities for its employees globally. This gives everyone an opportunity to communicate and understand people from different races, ethnicities and cultures. The entire budget allotted for the DEI program is used towards these activities and maintaining wellness of Takeda's employees.

In order to tackle cultural resistance internally, Takeda Pharmaceuticals has a staff that reflects the diversity of the patients and communities they serve. Additionally, Takeda encourages a diverse, egalitarian, inclusive, safe, open, and collaborative work environment so that all of their workers may participate, perform, and develop as people.

As one of the many initiatives of Takeda Pharmaceuticals to create an inclusive and safe environment for its employees Takeda Resource Groups (TRGs) are voluntary, employee-led organizations made up of people who have similar goals, traits, and experiences in life as well as supporters and allies. Takeda currently operates 10 TRGs worldwide. Following recent worldwide events involving racism and injustice, all 10 of the Takeda Resource Groups run by co-workers joined together to encourage one another, arrange educational initiatives, and establish platforms for dialogue with decision-makers.

### **Recommendations:**

- 1) Lack of goals and metrics - Companies with a focus on DE&I strategy, leadership development, and diversity must make sure they are following international best

practices and are fully prepared to handle the constantly shifting environment. Takeda Pharmaceuticals keeps revising their strategies continually based on the feedback received from its employees. They can even review their DEI policies and make the necessary amendments in the annual meeting of its Directors.

- 2) Inadequate training – Companies must conduct frequent trainings and workshop to help their employees understand the concept of inclusivity and can empathize with each other irrespective of their cultural differences.

Takeda Pharmaceutical Company can train its employees to be more inclusive of people from various cultures and ethnicities by promoting festivities from different cultures, giving additional holidays on some of the special festivities or by arranging activities which can give a glimpse of different cultures and their traditions.

- 3) Low or no prioritization by leadership – The company must ensure that it is being led by a strong leader who is extremely passionate about transforming their company culture by fostering a diverse landscape, creating equitable opportunities, and promoting inclusion so they can become the organization they have always imagined.

In order to understand why your company has high turnover rates or poor ratings on websites like Indeed and GlassDoor, listen to what your ERGs are saying overall.

Check out the comments associated with those ranks as well. There may very well be unfavorable feelings underlying what is expressed, particularly if it comes from fired personnel. However, it can still be useful in providing a picture, particularly if you can identify any patterns or recurring problems.

- 4) Budgetary restrictions – The company must decide the annual budget for implementing DEI program and activities to promote the DEI culture within the company. A committee can be set-up consisting of employees from different sectors of the company who can review the actual funds spent.

If there are any budgetary restrictions at Takeda, speaking with the department heads of the many departments that will be affected by DEI can be an effective strategy. Determine the specific regulations and procedures that must alter, the newest marketing strategies and channels to consider, and new vendor partnerships. Persuade those leaders to advocate for the necessity of funding for their area of the program.

- 5) Cultural resistance – Celebrating cultural traditions within the organization to make people more inclusive can help boost empathy towards various cultures. Giving equal opportunities to employees based on merit only.

Takeda Pharmaceuticals can, at the very least, become aware of these unconscious biases in the workplace by challenging them. They can then attempt to determine when these biases are influencing decisions and behavior.

#### **Teaching aids & background reading:**

1. McKinsey & Company (May2020) Diversity wins: How Inclusion Matters
2. About Takeda Pharmaceuticals Company Limited  
[https://en.wikipedia.org/wiki/Takeda\\_Pharmaceutical\\_Company](https://en.wikipedia.org/wiki/Takeda_Pharmaceutical_Company)
3. Takeda Pharmaceutical Company's DEI initiative  
<https://www.takeda.com/corporate-responsibility/reporting-on-sustainability/people/diversity-equity--inclusion/>

#### **Epilogue:**

This case study has helped me gain a close insight about the importance of DEI in corporate world and steps being taken by big corporate firms to overcome the present-day obstacles in implementing the DEI program. Takeda's observations on general DEI policies and how they have motivated other firms to adopt improved DEI practices is quite commendable. This has definitely helped me understand the value of DEI within an

organization and the positive effects it has on the society. I would also like to thank Mr. Richardy Grandoit for being able to schedule a meeting and answering my questionnaire about the case study. His insights on the DEI program of Takeda Pharmaceuticals Company has not only helped me with this case study but has also inspired me to become an empathetic leader by being collaborative, supportive, and elevating people to help them reach their goals in the organization.

**References:**

Linda Rosencrance(2021) TechTarget – Diversity, Equity and Inclusion (DEI)

<https://www.techtarget.com/searchhrsoftware/definition/diversity-equity-and-inclusion-DEI>

The Wellright Blog (15 March, 2022) Getting Past Top 5 Barriers to DEI Implementation Program

<https://www.wellright.com/blog/getting-past-top-5-barriers-dei-program-implementation>

About Takeda Pharmaceuticals Company Limited

<https://www.takeda.com/corporate-responsibility/reporting-on-sustainability/people/diversity-equity--inclusion/>

Takeda's rank in Top 10 Pharma companies

<https://www.fiercepharma.com/special-reports/top-10-equality-diversity-and-inclusion-pharmas-2021>