

THE IMPACT OF THE INTERNSHIP PROGRAM AT THE LAGUNA GARDEN HOTEL (OKINAWA, JAPAN)

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Abstract

The hospitality industry in Okinawa (Japan) has been going through a major transformation during the past decade and the Laguna Garden Hotel, an urban resort hotel located in close proximity to the beach facing the East China Sea, has been greatly impacted by this change. In the mid-1990s, the local tourist population consisted mostly of domestic visitors coming from mainland Japan, visitors expecting standardized processes and services similar to the ones offered in other parts of the country. In 2018, an annual average of 68% of tourists were coming from countries other than Japan (according to the Okinawa Conventions and Visitors' Bureau), seeking hospitality services compatible with international standards.

The internship program introduced by the Laguna Garden Hotel in August 1995 has benefited the organization in facing changes in the market. The incoming interns, mainly students of Romanian origin, have contributed to the cultural change of the organization by supporting both executives and staff in revamping talent operations, organizational architecture and assuming an intercultural mindset. The executives at the Laguna Garden Hotel have regularly monitored the cultural change process induced and continued by the incoming interns. As a result, although there have been numerous changes in the operating organization and the board of executives, the internship program has continued without interruption for more than two decades.

This research focuses on a major period of transformation: the beginning of the program in the summer of 1995.

Key words: Talent, Operations, HR, Technology, Internship, Organization, Japan

JEL Classification: M50.

I. Introduction

The Laguna Garden Hotel opened in 1986 in Ginowan (Okinawa, Japan) as one of the first urban resort hotels in the Okinawa archipelago, being conveniently located both close to the beach facing the East China Sea and downtown Ginowan (宜野湾市 in Japanese), the second most populous urban area after the city of Naha (那覇市 in Japanese) in Okinawa prefecture (沖縄県 in Japanese). At that time, the hotel was operating 186 guest rooms and 2 suites. In 1993, ANA Holdings Inc. (ANAホールディングス株式会社 in Japanese), the parent holdings company of All Nippon Airways, Japan's second largest airline, invested 1,2 billion JPY through their subsidiary ANA Hotels (ANAホテルズ in Japanese), becoming the major investor in the business, owning 68% of shares and expanding the structure to 250 hotel rooms and 10 suites. As a result, the hotel joined the

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ANA Hotels chain and the official name of the hotel was changed to ANA Laguna Garden Hotel, to illustrate the affiliation with the group and, most importantly, the well admired national flag carrier - All Nippon Airways. To further strengthen operations and to ensure a timely integration within the ANA Hotels group, the President of the hotel was nominated from within the hotel chain, while the Okinawa native local front desk manager, Morio Higashionna (東恩納盛雄 in Japanese) was promoted to General Manager of Operations and Talent.

In 1994, the Okinawa Conventions and Visitors' Bureau considered the ANA Laguna Garden Hotel to be one of the largest hospitality operators in the archipelago, second only to another ANA Hotels property, the ANA Sun Marina Hotel in Kunigami-gun (国頭郡 in Japanese), currently the Sheraton Okinawa Sunmarina Resort. The proximity to the Okinawa Convention Center (one of the main venues for the 28th G8 Summit), made ANA Laguna Garden one of the most popular urban retreats, averaging an annual occupancy of 96% in 1995.

The newly promoted General Manager Morio Higashionna was overseeing the rapid growth of the hotel operations, constantly struggling between his love for the slow-paced Okinawa traditional culture and the need to standardize operations in order to comply with ANA Hotels group regulations. His staff consisted mostly of talent native to Okinawa, graduates of local professional schools and universities, as well as corporate executives sent over from the ANA Hotels headquarters in Tokyo, leaders who were eager to implement a fast-paced organizational culture focused on standardized processes and hierarchical control.

At this time of integration, the business received in June 1995 an unexpected fax with a request for hosting a summer intern, a Romanian student from Hirosaki University (the author of this paper) who was interested to observe behavioral patterns of Japanese tourists for a scientific research in tourism anthropology, while offering to support hotel operations during his tenure with the hotel. Morio Higashionna invited the ANA Hotels executives to discuss about this rather unusual request and consider whether to proceed with this proposal or to decline. Confronted with a situation without a precedent (hosting intern students was not a common practice in Japan at that time), the executives were both intrigued by the idea and surprised by the unconventional approach. After long debates about whether to accept or to decline the offer, the board of executives expressed a commonly shared concern with the prospect of bringing in a complete stranger, while many agreed that welcoming a non-Japanese member on the team for a limited period of time could bring a different perspective and a new kind of stimulus to the other team members at this time of change. The ultimate decision was left up to the general manager, who decided to interview the *étranger* over the phone.

The discussion was short and focused on the importance of cultural adaptation to the dynamics of the team, concluding to initiate an internship agreement effective as of 1 July 1995. Since then, Laguna Garden Hotel has hosted 86 internship students of Romanian origin over the span of 23 years.

II. Research Objective, Method and Objects

Objective

The main objective of this research is to illustrate the benefits for monocultural organizations to include diversity in order to enhance business agility and to be able to explore early, prototype and adopt modern talent practices and organizational architecture development techniques.

Research Objects

Laguna Garden Hotel operates hospitality services conducted by 265 employees and 8 residentary executives. 100% of the employee and executive population are Japanese nationals, 86% of which identify themselves as ethnic Okinawan. Although the organization is operated in a traditional hierarchical manner, customer centricity and operational agility are ensured by constant communications within the team members. Roles and responsibilities are clearly defined for each team and member, while professional expertise is shared frequently within each team, but not across the whole organization. Therefore, there is a constant discrepancy of professional dexterity, technology utilization and business understanding from one team to another, ultimate accountability and responsibility being left upon senior managers and executive directors.

Research Methodology

The author conducted research based on an actual business case study with the Laguna Garden Hotel. Additionally, the author of this research engaged in first-hand participant observation (Yin 2003) of this change management process. Therefore, he could observe the stages of corporate confusion, the various stages of decision making and the whole procedures of organizational and cultural integration, with the eyes of an in-house full-time team member, from the start of the project in 1995 until 2018.

Qualitative interviews were constantly conducted with key decisions makers in the organization: the CHRO, the CTO, the COO, the General Manager and the President.

III. The Integration Process – From “Marketing as usual” to “Strategic Communications”.

Upon commencement of the internship program in July 1995, the intern was requested to observe daily hospitality operations, ranging from welcoming guests at the arrival approach, inviting them through the automated doors and guiding them to the front desk for check-in procedures, to restaurant operations, events and banquet management. Along with that, the intern was tasked to provide recommendations for improving “no-show” rates during week time.

In order to better understand the current situation and to be able to monitor progress, the intern was requested to shadow the General Manager for a week and provide observations, comments and recommendations whenever necessary. As an immediate observation, the intern pointed out to the implacable attention to detail and ultimate customization in terms of personal interactions with the guests, contrasted with a lax marketing approach and requested to be introduced to existing customer engagement techniques. Upon a series of discussions with members of the marketing team, vendors

and suppliers, it became evident that the whole “marketing” process was pure “sales”, while advertising and customer engagement activities were all entrusted with professional travel agents who were either working on retainer contracts or commission.

In agreement with the management, the intern proceeded to monitor customer interactions (booking inquiries, accommodations and restaurant reservations, cancellations, requests for directions, event planning, etc.) for 3 consecutive weeks, sharing the observations with the marketing team and the General Manager in a team report at the end of month. Observations indicated that 68% of all customer interactions were handled by phone while 23% were handled by fax during week days; alternatively, 93% of all customer interactions were handled by phone and only 7% by fax during the weekend. This indicated that although the phone was the preferred tool of general communication for both week days and the weekend, the fax was utilized whenever precise communication became necessary: sending or receiving booking confirmations, maps to the venues or other directions. These simple analytics based on daily observations intrigued the marketing team and provoked the General Manager to consider new approaches to customer engagement.

The internet was spreading in Japan at that time and email was rapidly becoming a desired tool for communication. Although the hotel had bought and owned server access and internet connections, none of the existing computers were yet connected to the internet. In the second month of tenure, the intern requested to work with the IT group to support connecting the existing hardware to the World Wide Web and to set up email addresses for each division in order to enhance internal communications with other divisions and hotels within the group. In the span of a week, the marketing team was having internet connectivity and learning how to engage customers by email.

While the marketing team was enjoying internet connectivity and was exploring new ways of engaging with the guests through email, other parts of the organization were still struggling with the implementation of the new technology. Most internal official communications were still conducted on paper, while word-of-mouth was playing a major role in the dissipation of organizational news, such as upcoming talent rotation, team changes and the arrival of new team members. Employee engagement surveys were also conducted on paper, with an average annual participation as low as 32%.

In the third month of the program, the intern developed and deployed an employee engagement survey, which was shared on-line and by email with the whole existing employee population asking participants whether they understood the culture of the hotel, whether they were happy with their working environment and whether they would recommend a friend or a relative to work for the hotel. The ratio of respondents was a surprising 52%, 64% of which clearly indicated that they had no understanding of the hotel culture (other than that it was big and convenient), that they were not happy with their working environment and that they would not recommend a friend or a relative to work for the hotel.

IV. Discussions and Actions

The first round of discussions with the CHRO and the President of the hotel revealed compelling business realities, such as the need to better understand customers’

needs of communication, their preferred tools and channels of engagement, as well as a compelling need for hotel associates to learn and master modern communication technology. The president indicated specific concern regarding the lack of a “learning culture” within organization, most employees waiting to be instructed how to operate and expecting micro-management surveillance throughout their business engagement. These observations were shared by other executives who were eager to see hotel members reaching out beyond organizational silos to share best (and worst!) practice, to explore new technology and learn from each other.

The Head of Marketing was commissioned with the initiation of an internal working group to share his team’s experience with exploring new customer engagement tools and processes and to encourage other members to contribute to the development of a culture of learning.

At the second round of discussions with the President, the Head of Marketing reported enhanced communication traffic through email and web interactions, as well as encouraging indicators of organizational change. Within the span of two weeks, 86% of the employee population was using email and communication boards to share information necessary for providing enhanced hospitality services as a team. The marketing team was sharing necessary data related to upcoming visits of repeat customers and housekeeping as well as the restaurant were preparing customized services based on the provided data to surprise and better welcome the repeat customer back to premises. These orchestrated efforts enabled by the new technology lead to tighter communications, which were necessary for strengthening organizational health.

At the third round of discussions with the President, the Head of Marketing reported that his team had developed a follow-up process utilizing direct email to guests who had signed up for a point collection membership program, which included personal guest data. This function allowed for an instantaneous connection to the “Customer’s Voice”, leading to a total of 609 interactions: complaints, comments and requests for service improvement coming directly from the customers in the span for 2 weeks. The General Manager suggested using the same system for collecting the “Employee Voice” – giving employees an opportunity to write directly to the President, the CHRO and the General Manager with any ideas for improvement of existing operations and organizational culture.

As a result, two months after the beginning of the internship program, the on-line “Employee Voice” program was launched and the HR team was charged to monitor on-line and email engagement progress. Employees were asked to respond to an on-line survey about how likely they are to recommend Laguna Garden Hotel as an “ideal” place of work to a friend or family member. Participants was also invited to indicate whether they understand or agree with the efforts for creating an inclusive culture of learning and whether they enjoy working with foreign colleagues on new initiatives. This time, 83% of the employee population responded, with only 8% indicating that they do not understand or agree with the corporate culture (Hofstede eds. 2010), while only 6% indicated that they would not recommend the company as a place of employment to a friend or a family member. Most of the respondents indicated that they were confident of their newly introduced technological solutions and that they could see a sustainable future for their

career with the organization, and that they enjoy working with foreign colleagues who bring new ideas to the business.

At the end of the internship program, all stakeholders agreed that the change brought throughout these three months impacted not only how business was done, but also how people engaged with other internally to create meaningful value and delight both guests and employees. The President committed to support the globalization of talent and the introduction of modern technologies.

Laguna Garden Hotel continuously welcomes international students and the internship program has become an integral piece of talent operations for the organization.

V. Conclusion

Although the internship program was a run for a short three-month period of time, the following main results could be observed throughout the process:

- ① The involvement of the international student propelled hotel members to think differently, to embrace change and to commit to innovation.
- ② The intern helped integrate organizational communications
- ③ The intern played key innovative roles in developing and deploying corporate culture and enhanced communications
- ④ The intern involved employees from all sides of the business in the customer engagement and culture dissemination process as well as in the process of on-boarding new technology.
- ⑤ The intern proposed and implemented a series of organizational architecture development and cultural integration projects new to the hotel, projects which were visually engaging and simple to connect with, generating innovative ideas and conducting to enhanced communications.

The internship program benefitted the Laguna Garden Hotel in organizational efforts to implement culture integration by enhancing cross-cultural communications and bringing down organizational silos through innovative processes, ranging from customer engagement to the on-boarding process of modern technology for a new era of communications.

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