

# TRANSFORMING DATA, TALENT AND COMMUNICATIONS INTO IMPACT AT SHERATON OKINAWA SUNMARINA RESORT

*Fumiaki TAJIRI*  
*Cristian VLAD*  
*Ana DAMASCHIN*  
*Hiroaki KANEKO*  
*Keita SUGIYAMA\**

**Abstract.** *In an effort to transform business operations and to integrate the property into the Sheraton chain of the hotel after a recent acquisition of the Okinawa Sunmarina Resort, the Starwood group was exploring opportunities for revamping talent operations, organizational architecture and internal communications. Shifting from pure intuition and just “doing one’s best” to a data-driven business operation was one of the first initiatives the management implemented. Along with this, the Starwood Group introduced a series of new talent operations, geared at hiring and successfully on-boarding international talent needed to provide multi-lingual service to a rapidly diversifying clientele. These initiatives were complemented by a combination of carefully devised data utilization and cognitive architecture techniques, which were meant to induce awe and to create agile employee and customer engagement.*

*The main purpose of this article is to analyze the effectiveness of the techniques utilized by the Starwood Group to revamp organizational architecture and to modernize communications and talent operations in order to illustrate the effectiveness of digitalization, built architecture and user engagement initiatives in creating modern organizations, integrated communications, and agile talent operations.*

**Keywords:** *Talent, Communications, Innovation, Culture Organization, Digital, Data.*

## Introduction

Revamping talent operations, organizational architecture and internal communications in global businesses are some of the essential debate topics in modern Japanese companies, as such processes represent some of the most critical elements affecting competitive advantage achievement. Accordingly, the main aim of this paper is to explore the effectiveness of the techniques utilized by the Starwood Group to revamp

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\*Fumiaki Tajiri is a Ph.D. Candidate at Babeș Bolyai University and Globis University Lecturer, [tajiri@likeart.jp](mailto:tajiri@likeart.jp)

Cristian Vlad is a Ph.D. Candidate at Babeș Bolyai University and Associate Partner, Talent & Engagement, Global Business Services, IBM Japan, [cristian@japancreativeenterprise.jp](mailto:cristian@japancreativeenterprise.jp)

Ana Damaschin is a Ph.D. Candidate at Babeș Bolyai University and Lecturer at Nagaoka University of Technology, [damaschinana1@gmail.com](mailto:damaschinana1@gmail.com)

Hiroaki Kaneko is a Ph.D. Candidate at Bucharest University of Economic Studies and Globis University, Senior Director

Keita Sugiyama is a Ph.D. Candidate at Bucharest University of Economic Studies and Talent & Transformation Managing Consultant, Global Business Services, IBM Japan.

organizational architecture and to modernize communications and talent operations.

Since 2014, the Starwood Group has sought to develop a deeper understanding of the concepts of organizational architecture and talent operations, as talent was considered to be a distinctive and authentic capability of the organization (Vlad, 2020).

In recent years, interest in Talent Management theory and methodology has been increasing amid global organizations and increased focus has been placed on discussions on the identification, placement and engagement of human resources (Nishimura, 2018:75). Organizations acquire, maintain, engage and develop talent through a wide range of talent management procedures and corporate communications initiatives. The main objective of talent management is *“to increase individual performance by improving competence with the development of an integrated system to acquire, develop, maintain, and optimize the talent of the organization”* (Rofaida, 2016:615), while orchestrated internal and external communications complement talent operations in an effort to ensure and sustain engagement.

Furthermore, it is essential to note that data is a fundamental underlying piece of modern talent operations. Data and modern talent operations structures together contribute to the construction of sustainable organizational architecture. An important conceptual and practical aspect of modern people operations is the concept of developing an agile, cognitive, Culturally Intelligent (CQ) and data-driven organizational architecture.

According to David Nadler and Michael Tushman, in today's highly interconnected global economy, more and more companies are coming to realize that they cannot hope to compete successfully in the twenty-first century with organizations based on nineteenth-century design. Once again, today more than ever in the past, we see a rapidly emergent need of smart organizational architecture, agile talent operations, emotional engineering and an effective orchestration of communications (Vlad, 2020).

Organizational architecture analytics and research help us define, explain and better understand the structure, behavior, and effectiveness of modern organizations. On one hand, corporate architecture is "a theory of the firm which integrates the human activities and capital resource utilization within a structure of task allocation and coordination to achieve desired outcomes and performance for both the short run and the strategic long run." On the other hand, it is "based on the premise that new theoretical and empirical knowledge can be used to improve organizational functioning and performance" (ICOA, 2019).

Research and practice have indicated that effective organizational architecture has a significant impact on performance. Thus, focusing on these two current issues: *“talent and organizational design”*, and integrating the micro and the macro view of the organization. The Starwood Group found that by understanding the dynamics of corporate architecture, will be able to design better organizational structures, improve change processes, and advance the efficiency and effectiveness of organizations as well as their long-term performance.

### **The Sheraton Okinawa Sunmarina Resort: A Practical Conceptual Framework**

In 2014, the JAL Sun Marina was struggling to break even, operating with an average occupancy rate of 65% and a capacity of 186 rooms, designed to welcome quiet holiday seekers from mainland Japan and to host wedding events. The property was part of the JAL Hotels Company Ltd., a subsidiary of Japan Airlines Co. Ltd., established in 1970, at a period known as the “Boom” or “Golden Age” of the Japanese economy. The JAL Sun Marina pool of employees consisted of predominantly monolingual Japanese staff, who was trained to cater primarily for Japanese speaking guests seeking a short

moment of retreat on the shores of the East China Sea in Okinawa, away from the bustling metropolitan areas from mainland Japan. Most visitors would visit the JAL Sun Marina either for a wedding ceremony or for a longer weekend, of usually two or three nights.

The walls of JAL Sun Marina were decorated primality in white, contrasting with the light blue of the ocean, and giving off a feeling of cleanness, serenity and quietude. Although the hotel was in close proximity to the US military base in Okinawa, the property enjoyed mediocre reputation with the international clientele, most non-Japanese speakers feeling un-catered for and implicitly excluded. Japanese visitors were not a stable source of revenue either. Although the property was popular with wedding participants, the rate of repeat guests from the Japanese market was less than 10% in 2014. Believing that the average Japanese tourist would prefer to visit and discover new places rather than going back to the same facility and location they had visited in the past, the hotel management had placed their bets on new weddings and new visitors from mainland Japan, rather than repeating guests.

With the rapid globalization of the wedding market, holding ceremonies overseas had become a popular practice in Japan too by 2010, many newly weeds seeking options in destinations such as Guam, Saipan, Bali and Hawaii. Along with the globalization of the wedding market, internet promotions and digitalization initiatives in Japan were rapidly creating a new market segment, a new group of a more discerning, globally minded, better informed and digitally savvy young people who were no longer satisfied with the same products and services their parents and great parents had enjoyed.

On September 30, 2010, Japan Airlines decided to sell the majority of JAL Hotels shares to Hotel Okura Co., Ltd.. As a result, Hotel Okura Co., Ltd. became the main owner of the JAL Hotels, with 79.6% shares, while Japan Airlines retained 11.1%, with 9.3% being held by banks and other investors. After the acquisition, Hotel Okura Co., Ltd. decided not to interfere directly in the management of each JAL Hotels property. Rather, they chose a phased approach to the integration of the JAL Hotels, dispatching Hotel Okura Co., Ltd. executives to each JAL Hotels property for a determined period of time, in an effort to support the gradual transformation of operations and to create better connections within the leadership team.

By August 2014, the management of the JAL Sun Marina hotel was already anticipating a very chilly end of the year, as reservations was indicating less than 30% occupancy for the upcoming low season. Back office conversations were centered around the lack of speed in transforming their business, the lack of skills and vision necessary to turn around their business in time.

At the end of 2014, the property was out on the market, hoping to find either new investors or a new owner. In early 2015, the Starwood group indicated interest in the Sun Marina hotel and Mori Trust Hotels and Resorts were appointed to administer the business under the Sheraton brand. In June 2017, General Manager Jean-Raphael Felus was brought in from the InterContinental Hotels Group to turn the hotel around and to transform the business into a truly global operation.

Invested with trust, visibility and authority by both Mori Trust Hotels and Resorts and the Starwood group, Jean-Raphael embarked on a total transformation journey, re-creating the atmosphere of the hotel, revamping marketing, sales and talent operations, and looking at every single opportunity he had to re-define business and turn Sun Marina into an attractive destination for Japanese and international guest alike (Vlad; Felus; Acosta, 2017).

### **Sheraton Okinawa Sunmarina – From “Hierarchy” to “Wirearchy”**

In order to provide a new and relevant experience to guests and employees, Jean-Raphael began by re-defining the existing Customer Value Proposition (CVP) and the Employee Value Proposition (EVP). He observed that the existing Customer Value Proposition (CVP) and Employee Value Proposition (EVP) were not effectively shared within the organization and employees were lacking confidence in talking about their organizational culture to anyone. By introducing cognitive technology, Jean-Raphael committed to redefining culture at the Sheraton Okinawa Sunmarina based on trust, collaboration, continuous innovation and communication. Upon further discussions with the President of the business, he decided to utilize data from both existing and new sources to redesign the structure of the organization and to secure agility and decision making processed based on genuine information and relevant business insights.

Jean-Raphael engaged his talent in a series of ideations sessions, searching for key words and concepts related to the creation and the delivery of a sustainable and ultimate experience for guests and staff alike. As part of this exercise, Jean-Raphael assembled team of internal and external organizational engineers, consisting of existing employees, business consultants and university students and tasked them to collect data on what modern hospitality service users appreciate and desire to experience during a visit to a resort. The task team worked with existing industrial intelligence, emerging from market research, executive interviews and white papers published by consulting firms and academic institutions. Along with this, the team utilized digital and social technology to reach out to potential guests and future Okinawa visitors from mainland Japan and overseas and to engage them in conversations about their expectations of an “ultimate” vacation experience.

Out of the 2,856 key words collected, the words (and their synonyms) “fun”, “exciting” and “entertaining” appeared more than 1,000 times, while words such as “culture”, “authentic” and “hospitable” appeared more than 800 times. In an effort to develop deeper insights from the data collected, the team clustered the words according to the culture of provenience, analyzed the inter-connectivity between key symbols and generated the taxonomy definitions for the most prominent cultural dimensions, in terms of tactile perception, colors, scents, sounds and emotions. As an immediate result, the team determined that both customers and employees were visually charmed by warm and vivid colors, conducive to the creation of a playful atmosphere and a joyful mindset shared by both guests and the resort crew. As an experiment of how color impacts the subconscious mind of the user, the team chose to analyze how a white grand piano, which had been used for wedding ceremonies during the JAL Hotels days, was impacting the subconsciousness of hotel visitors. The team decided in May 2015 to interview five hundred guests who had spent longer than ten minutes in the main hall, where the white grand piano was displayed, having tea of waiting for check-in in procedures to be completed.

As part of the short interview, as the guests were getting ready to leave the main hall, they were asked to describe the piano on display. A surprising 66% of the visitors declared that they did not even observe that there was a piano in the main hall, while 34% of those who did observe the piano mentioned that they had not been impressed by its presence in the main hall of the resort. When asked about the atmosphere in the main lobby, 68% of the guests interviews described it as “mediocre”, while 36% indicated that they were getting either bored or impatient while spending time in this area.

As a test of how the usage of color changes the perceived culture and atmosphere of the build environment, the team decided to have the white piano painted in bright and vivid colors and interview visitors once again about their perception of the atmosphere in

the main lobby. This time, all guests interviewed declared that they had observed the piano in the main hall and 89% declared that they were positively impressed by the colors of the piano. Qualitative data further indicated that those who were positively impressed mentioned that the colors of the instrument made them feel joy, well spirited and in a holiday mood. 96% of the guests interviewed described the atmosphere as “joyful” and 85% indicated that they enjoyed their time spent in the main hall.



*The colorful grand piano*  
Copyright Sheraton Okinawa Sunmarina Resort

As a next step, Jean-Raphael invited an existing member from the incumbent HR team to step up to the role of Head of Talent and propose a strategy for revamping talent operations and organizational architecture. Naoko Matsumoto, the newly appointed Head of Talent, worked with her team and put forth a series of initiatives for reforming and restructuring the organization. By utilizing the Operating Model Canvas (OMC) developed by Andrew Campbell in the book with the same name, Mr. Matsumoto created and implemented an efficient operating model that demonstrated the value offered to its internal and external customers and its employees.

According to the information provided by the same author, an operating model is an operational design that makes it possible to deliver a certain business strategy. This program is about the intersection of business strategy and functional design for an organization as a whole, a business unit, a function, or a team. Shortly, it defines how the organization will deliver the capabilities and financial outcomes required by the strategy (Campbell, 2019).

The Operating Model Canvas (OMC) defines how the organization will deliver the capabilities and financial outcomes required by the strategy. A working model covers six elements making up the acronym POLISM:

1. *Processes and activities*: the work that needs to be done;
2. *Organization and people*: the people doing the work and how they are organized;
3. *Locations, buildings, and other assets*: the places where the work is done and the equipment in those places needed to support the work
4. *Information*: the software applications and databases required to support the work;
5. *Sourcing and partners*: those outside the organization sponsoring the work;
6. *Management system*: the planning and performance management of the work (Campbell, Gutierrez, Graham, 2019: Hult Ashridge).

Each element of the operating model designed has contributed to the success of the organization. As a result, the Starwood Group has satisfied customers and beneficiaries and sound financial performance.

As of June 2015, the talent turnover at the Sheraton Okinawa Sunmarina Resort was of 88%, as many monolingual Japanese speaking employees were leaving the resort, mainly due to the change in guest profiles and language ability requirements. Along with a series of new initiatives aimed at re-skilling and up-skilling existing talent with language and Cultural Intelligence (CQ) aptitudes, Naoko proposed utilizing data for talent acquisition, training, and organizational development purposes.

Insofar, hiring decisions had been made mostly based on interviews for newly graduated candidates, and random introductions made by local recruiting agencies, applications ranging from 5 to 8 per month. Upon introducing cognitive technology for talent acquisition, Naoko observed an immediate application increase ranging from 40 to 50 applications per month coming not only from the local area but also from the Asia Pacific region, Latin America and Europe.

It should be noted that Cultural Intelligence (CQ) and an effective implementation of cognitive technology together contribute to the creation of an agile organizational architecture, significantly improving internal communication, contributing to cultural development efforts and creating a platform for sharing, understanding and visualizing core elements of corporate and individual vision and values. There are several definitions and practical explanations through which we can appreciate the Cultural Intelligence (CQ) concept and its significant influence on modern organizational architecture and business evolution. And one of the greatest benefits of Cultural Intelligence (CQ) is that it provides organization with a unified view on strategy and skill sets needed for associates to relate to each other efficiently and to work across cultural differences both at home and abroad (Cultural Intelligence Center, 2020). Moreover, Cultural Intelligence (CQ) is a multifaceted construct, which helps people to be better at understanding, appreciating and accounting for imminent differences, while operating in a wide variety of cultures; it is, therefore, an ability necessary in order to manage a global and diverse workforce in an international environment.

At the same time, as a result of rapid digitalization in modern days, Cultural Intelligence (CQ) is a concept that helps organization to discover and subsequently satisfy customers' and employees' needs across cultural boundaries in a world that never sleeps and where constant communication and dialogue with stakeholders from diverse cultural backgrounds is mandatory to succeed (Rüth, 2020: 1-6).

Social scientist Jeanne C. Meister mentions in "The 2020 Workplace" that "organizations translate the will of the epoch not only into the physical spaces that they create, but also into the decisions about the talent they select and the structure they create within the firm. These decisions are crucial because although employees no longer stay at one company for life, the decisions that are made about who is hired, developed, and promoted endure for years" (Meister, 2010 :2).

As we move further into the 21st century, the use of social and digital technology for talent acquisition purposes is nothing new. Naoko's team went one step further, though, utilizing talent related data for annual reviews and training purposes, customizing talent development programs based on individual performance indicators to support each employee in all necessary areas of improvement.

Based on personal data related to individual interests, career goals and aspirations, along with existing organizational needs and management requirements, intelligent

communication platforms were developed internally to support employees better connect in a timely manner with each other and with resort guests. Slack was introduced to accelerate business information sharing on all technologies and platforms – personal computers, smart phones, digital displays and television screens. In order to further enhance engagement, Naoko's Talent Operations team worked with local a technology company to develop a social networking service app which provided user instant access to each other personal profiles and allowed instant sharing of digital data. As a result, employee engagement increased 89%, in comparison to the results indicated in pulse survey from the previous year.

The Sheraton Okinawa Sunmarina Resort went further in utilizing data to provide guests with timely information on the weather, resort activities and local cultural events through digital displays located at eight different locations throughout the resort. The implementation of the digital displays supported guests with the acquisition of timely and relevant information and hotel staff in sharing meaningful information not only with guests, but also internally within the organization.

### **Conclusions**

We have argued throughout this paper that effective data utilization supports organizational development efforts and customer integration initiatives alike.

The following main results could be observed throughout the transformation process:

- 1) User experience can be effectively transformed in a relatively short period of time through the change of the build environment and digitalization;
- 2) Early implementation of data utilization initiatives contributes to the transformation of perceived culture and user experience;
- 3) The effective utilization of cultural symbols conveys comfort and is conducive of psychological safety;
- 4) Data utilization enhances the chances of transformative success and supports an appropriate prediction of upcoming challenges and potential issues;
- 5) A phased approach to digitalization combined with proper technological support leads to early adoption of the new technologies and the enhancement of creative confidence throughout the organization;
- 6) Visionary leadership needs to be continuously supported by all stakeholders throughout the business transformation process for change initiatives to be successful, impactful, and sustainable.

In conclusion, data utilization was instrumental in transforming the customer and employee experience at Sheraton Okinawa Sunmarina Resort, as it supported the development of critical cognitive elements necessary for the definition of the built environment, the digital space and the talent operations initiatives which were introduced as part of the business transformation plan after the acquisition. Effective utilization of data leads to the development of platforms, operations, and business intelligence necessary for leaders to make informed decisions and for associates to access whenever reference is needed.

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