

# THE BUSINESS EFFECT OF AN INTERNATIONAL INTERNSHIP PROGRAM ON ORGANIZATIONAL DEVELOPMENT AND CULTURAL INTEGRATION WITHIN THE “EN” GROUP IN JAPAN

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**Abstract.** *After the acquisition of the Wall Street Associates executive hiring firm in 2012, en Japan, a Tokyo based talent operations organization was struggling with the integration of the newly acquired multinational business. In 2015, three years after the merger, the organization was still divided due to language, cultural and operational mindset differences. In an effort to enhance the internationalization of the mono-cultural en Japan business, the Founder and Chairman, Michikatsu Ochi, together with the President, Takatsugu Suzuki, as well as the HR team agreed in March 2015 to welcome a group on international internship students from overseas universities, in view of potentially hiring the ones with the right cultural fit at the end of the program. This was the first time ever the Firm was considering international hires straight out of overseas universities, a practice still rare in corporate Japan. At the end of the three-month internship program, the Firm understood the importance of hiring and including diverse talent, as the international students proved to be highly eligible candidates for hiring, as, in the short period of time, they introduced the Firm to new technology, collaborative talent practices and contributed to the integration of the two internal cultures.*

**Keywords:** *Internship, Innovation, Transformation, Talent, Organization, Japan*

## **I. Introduction**

One of the largest staffing and recruiting agencies in Japan, en Japan inc. acquired and merged with Wall Street Associates, one of the largest international talent recruiting agencies in Asia in March 2012. Three years after the merger, en Japan was still struggling to integrate the newly acquired business, both in terms of operations as well as in terms of culture. Following the 2012 M&A, Wall Street Associates changed its company name to en World Japan, inspired by name of the mother company, en Japan. In Japanese, “en” refers to serendipity, *karma*, the combination of relations and circumstances which bring people together beyond logical understanding. Despite taking a new name, in January 2015 en World had not changed much else. Most operations were still carried out in English within a modern office, oozing an international atmosphere, located in the fashionable Kyobashi area, right next to Tokyo Station, by some 10 km away from Nishi-Shinjuku, where the parent company carried business as usual in Japanese, in a traditional environment. It goes without saying that the difference in the language of business communications and the

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physical distance between the two offices contributed to the psychological gap between the two organizations, but it was not only that.

It was also the nature of business conducted in the two offices that contributed to the mentality gap. Although both businesses were servicing seekers of new career opportunities, the type of candidates served was completely different. en Japan was mainly looking after young Japanese candidates, people who had less than five years of experience with their employer. This type of candidate is commonly called *dai-ni shinsotsu* (second-time new graduates) in Japan, inferring that, although the individual has spent a few years with a certain organization upon graduation from university, he or she has not been exposed to a lot of decision making; therefore, the individual still behaves as a new graduate, without much career experience. Most of en Japan's candidates were monolingual Japanese who would end up changing work from one traditional Japanese employer to another. en World International, on the contrary, was mainly providing career services to multilingual mid-career international employees with a minimum of eight to ten years of business experience, professionals who would end up moving from one international company to another, sometimes even experiencing a considerable pay raise or a cross-border relocation.

In 2015, the languages spoken within the two offices created an even deeper mentality gap. In en-Japan, Japanese was the main language of operations in Shinjuku, while English was predominantly spoken within en World in upscale Kyobashi. Although both languages were considered "official" for major communications within both offices, in 2015 there were only six bilingual employees, managers and directors who had functional command of both languages. At this time, there were 2,386 employees working for en Japan within the Nishi-Shinjuku office, as well as other offices around the country, concentrated in the main hiring locations of Yokohama, Nagoya, Osaka and Fukuoka. Out of these, only five could speak and write business English in order to communicate with their colleagues working in the newly acquired organization. Within en World International, although 668 out of the 676 of the total employees were either bilingual Japanese nationals or international professionals completely fluent in Japanese, all official communication with the parent company was going through a small group of three integration experts who would meet periodically to exchange statistics and other necessary corporate information.

In an effort to bridge organizational culture and to help speed up the integration of the international associates working in "en World", en Japan decided in March 2015, at the recommendation of the Innovation Strategy Director, to welcome a small group of eight internship students coming from overseas to experience life and work in Japan and to help communications between the two organizations. Four out of the eight new comers were to be located in the monolingual en Japan office in Shinjuku, while the other four were expected to join the international working environment of the en World office in Kyobashi. All of the interns were coming from prominent academic institutions across Asia, majoring in Humanities, Liberal Arts and Social Science.

From a local business perspective, en Japan is considered to be one of the youngest and most dynamic career services providers in Japan. Emerging as a spin-off coming out of Recruit, one the oldest and largest career services providers in Japan, by January 2015 en Japan Inc. grew to be the third largest player within the industry, after only Recruit and Intelligence, the other two larger competitors, with a capital of 112 million JPY. A single-minded and novelty averse one-man owned company, en Japan prospered by changing operations from a traditional print-based recruiting model to an on-line business service and, backed by the booming IT developments of the late 1990s, it

grew at dazzling speed, becoming the third largest player in the country within less than twenty years after its inception. en Japan entered JASDAQ in 2014.

## **II Research Objective, Method and Objects**

### **Objective**

The main objective of this research is to illustrate the benefits for corporations in hosting international students through internship programs in Japan. International internship programs geared at students with Humanities and Social Science backgrounds have not made the object of corporate attention, as it has been hard to determine what clear benefits there were for the hosting organizations.

### **Research Objects**

En Japan Inc., a Japan-based career services provider with 2,386 employees in Japan, with regional headquarters (HQ) in Tokyo and main operational offices in Tokyo, Yokohama, Nagoya, Osaka and Fukuoka and sales offices located in all major urban areas throughout the country. (HQ offices employ 1,686 people)

### **Research Methodology**

We conducted research based on business case studies. 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 until the end.

## **III The Integration Process**

Upon their arrival in Japan, the students were separated into two even groups of four, one group joining the en Japan office in Nishi-Shinjuku, while the other group joined the en World in the Kyobashi office. Both teams were given the mission of helping the two organizations to create a common business culture, in order to better integrate operations, service development and communications.

The two teams started working right away. They decided to run a weekly series of “jam sessions” with their respective HR, Operations, Marketing and Sales teams and to reach out to each other on a weekly basis to share findings, to monitor progress and discuss further steps of collaboration and cultural integration. Both teams were expected to report to Global HR, the President and the Founder of the company once a month to share findings, to discuss possible solutions and to propose next steps.

In order to better understand the current situation and to be able to monitor progress, the interns developed and deployed an employee engagement survey, which was shared on-line with the whole existing employee population, both in English and in Japanese. The ratio of respondents was a surprising 82%, 64% of which clearly indicated that they had no understanding of the corporate philosophy, that they were not happy with their working environment and that they would not recommend a friend or a relative to work for the firm.

Two weeks into the program, after having run 4 jam sessions per team and location, the interns reunited to discuss the first series of findings. The results ranged from the necessity to align the two organizations in terms of technology, business objectives, corporate Mission, Vision and Values, to a common understanding of customer needs (both in terms of candidates and client organizations).

#### **IV. Discussions and Actions**

The first common discussion with Global HR, the President and the Founder of the Company revealed compelling business realities, such as the need to better understand customer and candidate needs, but also to go beyond language barriers and develop a common set of business values to share within both organizations and within the region, with associates working in other overseas offices. The interns proposed a series of actions, such as setting up a “Customer Complaint Purchasing Center”, a new function which would pay 1,000 JPY for each complaint registered from existing customers. This function allowed for an instantaneous connection to the “Customer’s Voice”, leading to a total of 3,806 complaints, comments and requests for service improvement coming directly from the customers in the span for 6 weeks.

Alternatively, the Founder of the business took it upon himself to develop and plan the communication of the new corporate philosophy, detailing on the concept of “en” (serendipity), the historical perspective of that philosophy and the vision for future common growth within the region. The interns helped with the development of the English, Mandarin Chinese, Korean, Thai and Vietnamese versions of the corporate philosophy and they created a series of communications materials, such message posters, managers’ tool kits, a cartoon based “Philosophy Book” and corporate image videos, which were shared with associates within the region. The videos featured real employees talking about the corporate philosophy, concrete business situations, emotional episodes, personal aspirations and commitments. The employees featured in these videos took pride in being selected for this campaign and shared the video materials with their colleagues, customers and families.

The interns joined the President and the Founder of the business in townhall meetings across the region to discuss with local associates and customers the newly developed philosophy and the alignment with their business realities. This included prospecting and on-boarding modern technology, ranging from deep learning to cognitive, automated solutions for candidate profiling and opportunity search, as well as for feasibility and fit assessments. Technology insofar had been utilized mainly for posting announcements on on-line job boards and for candidate search on digital platforms, without the utilization of automatized database search, smart analytics, cognitive functions or any artificial intelligence empowered solutions.

Three months after the beginning of the internship program, the students launched a last round of employee engagement surveys on-line to monitor progress with the deployment of the organizational culture. This time, 86% 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, which had decided to commit to meaningful globalization of talent and the introduction of modern technologies.

## V. Conclusion

Although the internship program was a run for a three-month period of time, the following main results could be observed throughout the post M&A corporate culture integration process:

- ① The involvement of the international students propelled the company in its efforts to align organizational values
- ② They helped integrate organizational communications
- ③ They played key innovative roles in developing and deploying corporate culture and value penetration
- ④ They involved employees from all sides of the business in the philosophy dissemination process as well as in the process of on-boarding new technology.
- ⑤ They proposed and implemented a series of organizational architecture development and cultural integration projects new to the company, projects which were visually engaging and simple to connect with, generating innovative ideas propelled the diversity of thought brought in by liberal arts and innovation management students.

The customer suggestions and requests for service improvement collected through the “Customers Complaint Purchasing Center” developed by the intern students is still in usage, continuously supporting the company in collecting valuable customer information related to existing business shortages, emerging needs and expectations. The Founder of the company himself was surprised to the change in employee engagement, as indicated by the two surveys run before and after the program, as well as by impact of the integrated communications actions developed and deployed by the group of international interns. All interns were offered employment by the company upon graduation and were invited to help support the further growth of the business within the Asia-Pacific region.

The internship program benefitted in Japan in organizational culture integration by enhancing cross-cultural communications and bringing down organizational silos through innovative processes, ranging from customer information collection to the process of on-boarding modern cognitive technology for new service development efforts.

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