

【事例報告】

Getting Agreement on the Benefits of an International Internship Program as Seen in the Case of a Foreign Insurance Company

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Abstract

一般に日本企業は外資系に比べてインターンシップの導入に及び腰であると言われる。この点について、外資系の大手保険会社の意思決定プロセスについてケーススタディを行った。当初、現場サイドが実施しやすいように裁量権を移譲(ボトムアップ)しようとし、日本支社に意思決定を任せた。だが、日本企業と同様に意思決定の引き伸ばしが見られ、最終的には本部の強力なリーダーシップによる通達(トップダウン)によって導入するという具体的な方法で決定した。

1. Introduction

Various internship programs^{1 2} have been seen as a possible interim solution to immediate hiring, however, as of today, hands-on training or any other kind of internship programs have not been made a mandatory part of academic curricula in fields other than medicine and healthcare in Japan. Individual universities make efforts to introduce internship programs locally and discussions are carried on at each institution by the local Curriculum Administration Association. Sporadic publications report on progress, introducing different variations of internship programs within local institutions throughout the country. Alternatively, there is a certain amount of academic research on internship program introduction efforts within private companies or public organizations. The main concerns related to the introduction of internship programs seem to be shared by most private companies and public organizations alike. Some of the most frequently encountered reasons for delaying the introduction of a certain type of internship program within private and public institutions are: confidentiality related restrictions, emergency rules and accident prevention regulations, undesired project delays, and, last but not least, a hidden fear of unnecessary exposure to public criticism or unwanted rumors. After all, who wants to be considered “old fashioned” or “being a laggard in HR practices” by prominent potential candidates for employment? It goes without saying that the benefits enjoyed by institutions operating internship programs are numerous. One of the most prominent benefits is the direct accessibility to the student and the possibility to test him or

¹ The term “internship” has various interpretations and connotations. However, a clear definition of the term is yet to be established (according to the University and Industry Cooperation Educational Program).

² According to Adam (2003), Dr. Hermann Schneider launched this concept in 1906 at the University of Cincinnati, the Faculty of Engineering.

her for a much longer period of time before making a decision regarding employment. Such extended trial periods offer potential employers the luxury of interacting with a certain young graduate (or a group of young graduates) for a much longer period of time, to test their aptitudes and commitment, at a much lower cost than full-time employment. By offering students the opportunity to spend time with the organization prior to employment and experience the working atmosphere specific to their corporate environment first hand, institutions may secure a certain amount of talent with high motivation at an early stage, having also the possibility to conduct various personal affinity checks with the individual and the working team prior to making official commitments. Needless to say that once the intern has been considered appropriate for employment, the individual has had limited time for searching alternatives, reaching out to him (or her) with an official offer becomes just another matter of convenience and formality. This research provides social and organizational insights and suggestions to approach modern academic institutions need to consider in order come closer to the reality of education demand.

2. Previous Research

As mentioned in the Introduction section of this paper, the analysis of the current status of internship programs in Japan has a twofold approach: the academic institution perspective and the corporate perspective.

2.1 The Academic Perspective

Elementary, Mid and High School Education

In Japan, internships and training programs are generally popular within mid to high schooling institutions, rather than at university level. Such short-term, on-the-job work experience programs are available for students for one or two weeks during summer holidays.

Academic Education

Internship programs for technical vocational school students, as well as those for engineering degree students have been on the increase³, while in most humanities and liberal arts programs they are still rare and in most cases optional. Most research has so far been conducted on the efficiency of an internship program from the students' point of view.

2.2 Support Work for NPOs, NGOs, etc.

JICA (Japan International Cooperation Agency) is one of the most widely known organizations providing international experience opportunities for young graduates of Japanese universities. Most positions are limited to language teaching, cultural programs, nursing and childcare. Although most of the programs are supported by the government and participants enjoy special treatment and protection of the local Japanese representation while on duty overseas, finding a job in a prestigious company upon return to Japan may often be a reason of concern, as most companies recruit and hire new comers one year prior to graduation from undergraduate school. Therefore, the experience gained overseas through participation in

³ In Japan, after 1997 The Ministry of Education, Culture, Sport and Technology and the Ministry of Economy, Trade and Industry have made real efforts to introduce internship programs in the existing curricula; as even older efforts, Nagaoka University of Technology and Toyohashi University of Technology introduced similar programs immediately after their foundation in 1976.

the JICA program may not always be considered a plus in the race of the career-minded youth. Business confidentiality is another major reason for the low level of corporate interest in internship programs in Japan. For example, students majoring in Human Resource Management rarely have an opportunity to visit a corporate organization and access real HR data in real life. Furthermore, the administration of secondary education programs differs from one company to another. Students majoring in Accounting barely ever have a chance to experience real cost accounting within a firm or a business organization. While experimental education is common practice within high schools and vocational schools, business internship programs do appear in common university curricula. It could be inferred, therefore, that practical on-the-job experience is slowly becoming a necessity. There is extensive research on Humanities-based internship programs (ex. Kawano2011, Tanaka2011). However, efforts to conduct academic research on the benefits of introducing an internship program from a corporate point of view are still rare, if not even completely inexistent.

2.3 The Benefits for Corporate Organizations

There is only limited research about students who study Humanities and Social Science (ex. Kobe steel 2011). According to the case on T Auto Manufacturer (Vlad and Watahiki 2014), holders of Humanities related degrees are a rare but precious asset for research & development projects, when it comes to developing new communications, fostering business opportunities beyond the industry and nurturing collaborations with thought leaders from other fields of expertise. The objective of the internship program is for students to gain and increase ability in general planning and for the internship hosting division to develop capabilities from both an artistic and an engineering point of view. This division was mainly in charge of the research and development of next-generation products and services. Especially for students who majored in Humanities and other non-engineering degrees, their academic preparation did not indicate immediate application. As a result, from the very introduction stage, there was an immediate improvement in cross-divisional communication, which lingered for a while, and there was also an improvement in the networking opportunities with the creative world outside the organization. Furthermore, connections were established with prominent international academic programs, artists, industrial designers, regional governments, social networks which turned into invisible assets, unmeasurable by traditional monetarization methods.

3. Research Objective

The main objective of this research is to illustrate the benefits for corporates in hosting students majoring in Humanities and Social Sciences through internship programs in Japan. As mentioned before, Humanities and Social Sciences internship programs have not made the object of corporate attention, as it was hard to determine what clear benefits there were for the hosting organizations. An US based multinational life insurance company with 10,000 employees in Japan, with regional headquarters (HQ) in Tokyo, main operational offices in Kobe and Nagasaki and sales offices in each prefecture throughout the country. HQ offices employ 6,000 people.

4. Method

4.1 Company

A JPY 2,226 billion business (100%US capital), A Life Insurance is one of the oldest foreign life insurance companies operating in Japan. In the US, A Life Insurance Company has already implemented numerous internship programs and could access best practices from previous similar cases. Furthermore, as A Life Insurance Company is not a manufacturer, the main part of their operations is office work. Generally, Japanese companies are not good at task management; however, non-Japanese companies, especially well managed US companies have a better reputation for task management. We conducted research based on case studies. In other case studies (Yin, 2003), we can clarify the introduction process of the internship program with greater ease than when using statistic research. Furthermore, one of the authors of this research engaged in first-hand participant observation of this management process. Therefore, we could observe the whole process with the eyes of a fully integrated member from start to the end.

4.2 A Company Internship Program Meetings

1st Meeting 10:00 – 11:00 **March 10 (Mon) – HR / Corporate Communications (Japan)**

Introduction of the Internship Program – general benefits, examples & applications, etc. HR to consider introduction by the end of 2014. Corporate Communications proposed the introduction of an international internship program for the Japan operations in line with the CSR strategy. Another reason for inviting international interns to the organization was to help enhance communications in the region. There was not specific comment from HR. Later, when interviewing HR associates separately, it was found out that this process would take longer than usual, since there had been no such precedents in Japan. It was a typical Japanese phenomenon and the Executive Director in charge of Corporate Communications specifically requested that no further pressure to be applied to the decision making agents, as the internship program was ranking lower in priority in comparison to other on-going projects.

Senior Managers 3 persons HR / Corporate Communications (Japan)

Managers 2 persons HR / Corporate Communications (Japan)

2nd Meeting 14:00 – 15:00 **April 2 (Wed) - HR / Corporate Communications (Japan)**

HR shares main concerns: Legal aspects: contracts, confidentiality agreements

Operations: Recruiting interns on a fair basis, finding posts within the organization, engagement and results management. HR to further study possibilities and discuss with regional HQ (Hong Kong).

Senior Managers 2 persons, HR / Corporate Communications Managers 2 persons, HR / Corporate Communications

Agenda of Discussions

- 1) Who should draft the initial agreement? (HR associate)
- 2) Which should be the hosting division? (Communications)

Results of Meeting Discussions

- 1) Increase the number of hosting divisions.
- 2) HR to contact and discuss this proposal with the Asian HQ in Hong Kong

(no concrete decisions were reached at this time)

3rd Meeting 10:00 – 11:00 **April 28 (Mon) - HR / Corporate Communications (Japan)**

HR shares regional HQ's suggestions for on-boarding short-term interns from regional MBA programs to help with the July 1 Rebranding events and the cultural transformation project. HR/Corporate Communications to decide which schools to be approached and the on-boarding scheme (employee contract vs. contracted vendors, etc.) in order to be able to pay expenses (relocation, daily allowance, etc.). All other divisions neglected the invitation for participation in this meeting.

Senior Managers HR/Communications 4 persons, Managers HR/Communications 3 persons

4th Meeting 10:00 – 11:00 May 12 (Mon) - HR / Corporate Communications (Japan)

HR and Corporate Communications commonly agree that the time lead is too short for recruiting and on-boarding interns before the July 1 Rebranding series of internal events. However, both divisions agree on the benefit of housing intern students during summer to help with the post-rebranding series of projects and events.

Domestic Marketing and Rebranding teams to be involved for further discussions.

Directors HR/Communications 2 persons, Senior Managers 2 persons, Managers 2 persons

HR and Communications were heavily involved in the rebranding process and were lacking the human resources and time needed in order to cope with daily operations. Individual overtime averaged 120 hours per month during this time.

5th Meeting 14:00 – 15:00 May 30 (Fri) - HR / Corporate Communications / Rebranding

(Japan) HR and Corporate Communications present the Rebranding team with the idea of recruiting international MBA students for a short-term summer internship program on post-rebranding, employee engagement and cultural transformation activities, asking the Rebranding team to study to possibility of housing one or two summer intern students within their organization. Rebranding team agrees to study the possibility, while raising questions about the acquisition of the Japanese language and the measures to overcome potential cultural barriers.

All parties to study the possibility of on-boarding summer interns.

Directors 2 persons HR/Communications, Senior Managers 2 persons HR/Communications/Rebranding, Managers 2 persons Rebranding

Considering that the number of applicants would be too high, decisions were reached with start with MBA students at first. In order to help smoothen internal communications, all parties agreed to give utmost priority to English and Japanese bilingual international students. In the case of overseas applications, all parties agreed to request Japanese Language Proficiency Level 1, while in the case of domestic applications TOEFL scores higher than 900 were to be requested as a minimum condition.

6th Meeting 10:00 – 12:00 June 16 (Mon) - HR / Corporate Communications / Rebranding

(Japan) All parties share findings and concerns, commonly agreeing that neither division has the necessary resources to recruit, on-board, coach and manage short-term new comers. HR to further study the possibility of becoming the main control tower in the internship recruiting and on-boarding process, while Corporate Communications and the Rebranding team agree to further search for short-term projects appropriate for an internship program and commensurate with the interns' skills, interest and capacity of contribution.

Directors 3 persons HR/Corporate Communications / Rebranding,
Senior Managers 4 persons, Managers 4 persons,

Since all parties were heavily engaged in other activities of higher priority, it was agreed that the necessary time and human resources could not be allocated for the time being. Therefore, the project was temporarily stopped.

7th Meeting 08:00 – 10:00 July 8 (Tue)

HR announces through internal “*tsutatsu*”⁴ communication scheme a global Global HR initiative to recruit international intern students globally and to help find positions within the local organizations of the most significant markets (US, Japan, UAE, Europe, etc.). Members could not reach out to each other by email at this time. They were all busy with the deployment of the rebranding events and they did not acknowledge the urgency of this project, neither did they think that they were in charge of managing this project any longer.

8th Meeting 10:00 – 11:00 July 9 (Wed) - HR / Corporate Communications

HR calls upon Corporate Communications to present concrete proposals for future intern hosting divisions and on-going projects which might benefit from the interns’ international perspective and experience with different cultures.

Corporate Communications and HR agree to commonly identify potential on-going projects, discuss the creation of internship positions with the respective business units and propose the findings to Global HR.

Directors 2 persons HR / Corporate Communications

Senior Managers 3 persons HR / Corporate Communications

Managers 3 persons HR / Corporate Communications

After finishing the rebranding event, all parties agreed to restart discussions.

9th Meeting 10:00 – 11:00 July 21 (Mon) - HR / Corporate Communications

Corporate Communications suggests that the Product Planning, Customer Centricity and the Marketing division on-board an international intern student each, based upon the needs of coordinating for on-going projects within the region and with the global HQ.

HR suggests that Corporate Communications and HR also agree to intake an intern student each, should the intern’s command of the Japanese language should be sufficient to get involved in local operations and Japan-based projects.

Senior Managers 2 persons, Managers 2 persons,

In order to comply with the indications from the global HQ, it was agreed not to decide whether the interns would fall under a part-time employment agreement, a special full-time employee agreement, or the overseas trainee program sponsored by the Ministry of Education.

10th Meeting 10:00 – 11:00 July 25 (Fri) - HR / Corporate Communications / Customer Centricity / Rebranding / Marketing

All teams share proposals for possible internship positions, specifying, though, that the interns should:

- 1) Have a strong command of the Japanese language and a good understanding of the Japanese culture
- 2) Be willing to relocate to Japan to live and work in a location chosen by the Firm
- 3) Commit to a minimum of 6 months, with a possible extension for another year.

HR to communicate findings to Global HQ and to open the doors for internship applications as of August 1.

⁴ A “*tsutatsu*” is a strong order in the corporate world of A life insurance. This “*tsutatsu*” was released from the New York global headquarters.

Directors 3 persons, Senior Managers 3 persons, Managers 4 persons

The global HQ agreed to support each international intern with 1 million JPY. Therefore, there was no longer any need to allocate budget for this program internally.

Recruiting period: one month. Recruiting method: Internet only (global web site)

Priority to be given to those students who would seek employment at the end of the internship program.

11th Meeting 10:00 – 12:00 August 15 (Fri)

All parties agree, though, upon the benefit of housing English speaking intern students:

enhanced communication globally and within the region, the creation of internationally usable communication boilerplates, customer information packs, video materials as well as a rapid integration of the global intranet, with future possibilities of connecting the local corporate webpage with the global (and more developed) one. At this time, there were there applicants. Initially, the language requirements were highly set; however, all divisions agreed to accept applications only in English in consideration of their needs to develop internal communication tools in a timely manner.

5. Discussion

Proposals for the introduction of the internship program were made at two occasions and there were three discussion periods. In these periods, the agenda of discussions was made clear. Although at the time of rebranding the internship discussion were temporarily stopped because of operational overburden both in terms of routine work and the added operations related to the rebranding exercise, “God’s Will” (US global headquarters) had it that the internship program was finally carried out to deployment and operational implementation. The members of the departments involved in Japan could not reach a decision alone and examples could not be collected. Even in the case of US based organizations, known for having a decision making process faster than their Japanese counterparts, the implementation of a new internship program lasted four months. In comparison to the case of the world’s largest car manufacturer, Toyota automobile, the number of internship applications was much lower. A Life Insurance Company realized that the participants in the internship program could be valuable and promising human resources assets for the organization, contributing immediately to the business, effectively engaging and inspiring others and with further expectations of future growth. A Life Insurance Company also appreciated the fact that the international interns were committed to final employment upon the termination of the internship program. As a result of the introduction of the internship program, the communication between the Human Resources and the Communications Divisions drastically improved in A Life Insurance, leading to a further revitalization of the organization.

6. Conclusion

Japanese organizations are known for their slow decision making process; however, according to this research, there is no difference in the case of US based life insurance companies. Furthermore, while having the final decision on in the hands of local divisions proved to be taking a long time, “God’s will” coming from the global headquarters office was the ultimate decision factor. Strong leadership is the

decisive factor in the process of introducing and integrating an efficient organizational internship program. Internship programs are said to be exercises in social contribution; however, this research demonstrates that successful internship programs provide powerful stimulus to the organizations, as they contribute to the revitalization of existing systems and structures, while providing encouragement and new ideas to existing employees. This is an example of how powerful top-down leadership is often more effective than the usual bottom-up, democratic approach in the decision making process related to new projects and issues, not only in Japanese companies, but also in foreign-capital organizations in Japan.

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