

COGNITIVE RE-ENGINEERING AND COLLABORATIVE INNOVATION AT THE CHIMIKEPP HOTEL IN HOKKAIDO (JAPAN)

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Abstract

A two-Michelin star boutique hotel located on the shores of the Chimikeppu Lake in Hokkaido (Japan), the Chimikepp Hotel has attracted international attention as a unique hospitality offering: a rare combination of a wild natural setting with rustic accommodation and French-inspired cuisine created on-site by one of Japan's most revered sous-chefs awarded two Michelin stars in 2019. Although the prestige of the facility is high, the on-site operations are handled by a small number of resident staff. This multi-skilled talent cross-work on various functions and provide seamless service at multiple points of client interaction.

This paper aims to monitor communication processes and methods, talent involvement, and atmosphere production, to illustrate the impact of collaborative technology, cultural symbols, and ontological design initiatives on guest perception and emotional behavior.

Keywords: Talent, Communications, Innovation, Cognitive, Science Engagement, Leadership, Management

JEL Classification: L83.

Introduction

Part of the Northern Arc Resort Group, the Chimikepp Hotel was established in 1998 in a secluded and pristine area on the shores of the Lake Chimikeppu, in an effort to provide visitors an opportunity to completely disconnect from the modern reality of urbanization. Although the developers paid meticulous attention to the wooden architecture of the building, the quality and choice of food and beverages,

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as well as the availability of outdoor activities, the business struggled to break even for sixteen continuous years. The unique location remote from major cities in Japan as well as the meager local infrastructure (the hotel was serviced by one single pebble road surrounding the Chimikeppu Lake) made the property highly inaccessible to buses and visitors expecting convenience and comfort.

Eager to amend the situation, The Northern Arc Resort Group executives tried a wide range of initiatives: tying up with larger tour operators, hiring a new general manager, training the incumbent talent pool to skill-up and to promote to new roles. Everything seemed to be of very little impact to the profit and loss statement in 2013.

Just as the owners were starting to consider either selling the Chimikepp property or closing the business, an international talent operator informed them of a third party's interest in the property. This inquiry was coming from a rather unique person – a chef of Japanese nationality who had never worked in Japan. Rather, ever since his graduation from the prestigious Musashi Cooking School of Goto Gakuen in Tokyo, he lived and worked in three different countries, honing his skills in service management and global hospitality practices on different continents. The inquirer was Chef Masaki Watanabe, a famous hospitality practitioner from the United States.

Both baffled and intrigued by the opportunity, the owners decided to travel to San Francisco in May 2014 to meet with Chef Watanabe and to discuss a business collaboration.

Chef Watanabe welcomed the visitors with his customary hospitality – highly charming, accommodating and thought provoking. He proposed to the visitors an elevated interpretation of “glamping” (the modern portmanteau of “glamorous” and “camping”) for the Chimikepp Hotel, aiming to help guests disconnect from the necessity of being constantly connected, either for work or for other purposes, and to overcome digital fatigue by a total immersion in natural elements. To add character to the experience, Watanabe carried on presenting the importance of implementing ontological design practices at every touch point of the guest experience.

Chef Watanabe had started his career in hospitality in 2001 at Augerge de l'île Barbe in Lyon (France), a gastronomic restaurant located in a prestigious 17th century building, classified as French National Treasure. After soaking in the art of French cuisine and European hospitality practices, Watanabe moved to the United States in 2006 to continue his career at The French Laundry, a prestigious restaurant of bucolic charm, where he worked side by side with world famous chefs, hospitality engineers and hoteliers. This is where Watanabe developed a keen interest in cognitive science, ontological design and hospitality production. He learned from his work colleagues that the ivy creeping up the stone façade of the auberge along with the tastefully decorated dining room contribute to

enhancing their guest experience beyond the art of the cuisine and regular hospitality practices. (Vlad, 2019).

Inspired by his colleagues to seek opportunities to charm and enchant visitors beyond expectations, Watanabe moved back to Europe in 2010 to pursue his career as a hospitality producer at the Beau-Rivage Palace Hotel, a historical luxury five-star hotel in Lausanne (Switzerland). Here he took his ontological design practices to a new level, exploring how various visual, olfactory, somatosensory and auditory stimuli impact the overall visitor experience. Watanabe was particularly impressed by the role played by nature in producing a memorable experience for the guests, especially the image of Lake Geneva, the French Alps and the silhouette of Evian Les Bains in the distance, as well as the forests surrounding the hotel. He realized that it was this total orchestration of natural elements, combined with the build environment and the hospitality practices of all the talent in house that created a unique and lingering impression with the guests, leading to repeated visits and, ultimately, to reputation (Vlad, 2019).¹¹

Urged by an insuperable creative desire to practice deconstructing and reconstructing guest experiences, Watanabe joined the start-up team of hospitality producers as a Sous Chef at Benu, a restaurant located in San Francisco, in 2013. Here, he implemented all of his accumulated learning and on-the-site observations related to space production, customer experience creation, and cognitive practices in atmosphere development. He paid special attention to the reproduction of amazement, surprise and awe at every single touch point of service and guest interaction, from the moment of booking a dinner reservation to post-visits engagements, through both mail and digital platforms. One year later, Benu was awarded three stars from the Micheline Guide.

Called by his passion to continue creating memorable guest experiences and propelled by a personal sense of social responsibility to his homeland, Watanabe had searched for opportunities to take his hospitality career over to Japan, but nothing seemed to measure up to his expectations. International hotel chains, such as The Peninsula, The Mandarin Oriental, Shangri-La, Four Seasons, The Ritz Carlton and other brands had offered Master Chef roles with attractive compensation packages, as they were planning to open facilities in Tokyo and Osaka. However, Watanabe knew that his passion laid elsewhere. He wanted to be the total experience designer of a unique hospitality offering – something anchored in his global experience as a hotelier, his passion for cooking French inspired cuisine and his insights in atmosphere production, cognitive science and ontological design. When he heard of the Chimikepp Hotel, he felt that he finally found his calling.

¹¹ Vlad, Cristian (2019), “*Interview with Chef Masaki Watanabe*”.

The conversation with the Northern Arc Resort Group owners and senior executives went fast and Watanabe joined the Chimikepp Hotel as Sous Chef, CEO and Total Design Executive in January 2015.

Research Objective and Methodology

The main objective of this research is to illustrate the benefits for businesses to explore and develop cognitive science-based initiatives for engineering user emotions in the hospitality industry. In parallel, this research monitors the processes of internal and external communication implemented by the Chimikepp Hotel, as well as the talent engagement, organizational architecture and atmosphere production efforts of the business, showcasing the impact of cultural symbols, ontological design practices and collaborative technology on guest experience.

The methodological and conceptual-theoretical architecture of present research is built with central points focused on communication, talent management, and innovation in modern Japan. The focus is on illustrating the impact of collaborative technology, cultural symbols, and ontological design initiatives on guest perception and emotional behavior.

The authors of this research engaged in first-hand participatory observation of the ontological design initiative development efforts and the change management process in order to observe various stages of organizational development, business transformation, and cultural integration. The present analysis was conducted based on an actual business case study. The authors of this paper worked along with Watanabe's team of hospitality professionals to determine existing pain points and to develop recommendations for business transformation.

The Culture Development Process

As soon as he started his role as Sous Chef, CEO and Total Design Executive in January 2015, Watanabe set out to re-engineer the total user experience of the Chimikepp Hotel's stakeholders. He knew from his experience in hospitality management that an ultimate customer experience can only be created along with an ultimate employee experience, so he set off to revamp incumbent talent operations, communications initiatives and technology utilization. Concurrently, Chef Watanabe set off to analyze the impact the natural setup the build environment had on users (both customers and employees).

As an early observation, Watanabe acknowledged that time had its own rhythm on the shores of the Chimikepp Lake. The serenity of the mountains, the fresh air of the forest and the tranquility of the lake were all conducive to introspection and relaxation. Occupancy was fluctuating not only between seasons (summer being considered "high season", while winter was "low season"), but also between the days of the week (weekends being considered "prime time", with an average of 88% occupancy in summer and 38% in winter, while weekdays

could have as low as 35% occupancy in summer and 5% occupancy in winter). The reservations staff considered this to be “business as usual”, as, according to their knowledge, it had always been that way, and other neighboring facilities were also experiencing heavy fluctuation. Therefore, it was commonly seen as a phenomenon which could not be helped.

In an increasingly volatile, uncertain, complex, and ambiguous world (the so-called VUCA world) – a world of new challenges and opportunities – organizations naturally need to expect *more*, and not *less*, of themselves and the people who work for them. But our familiar organizational design fails to match that need (Kegan; Lahey, 2016).

The results of a customer engagement survey conducted in January 2015 indicated that 93% of the customers were visiting from within the region (the island of Hokkaido), 28% were repeaters and 64% did not know much about the facility before arrival. 58% of the customers expressed that, although the natural setup was impressive, they would not consider spending longer than one night, while 34% indicated that they might not be coming back.

A similar employee engagement survey conducted at the same time indicated that 31% of the employee population was hopeful of the future of the business, 23% of the employee population had a specific career plan, while only 16% of the employees indicated that they would be interested to relocate in search of a different opportunity or a new career challenge in the future. 32% of the employees surveyed indicated that they trusted their management, 18% mentioned that they felt that their management was taking their personal aspirations into account, 26% indicated that they ever had a career discussion with their manager, while only 18% mentioned that they ever experienced any kind of recognition from the management or the organization.

Discussions and Actions

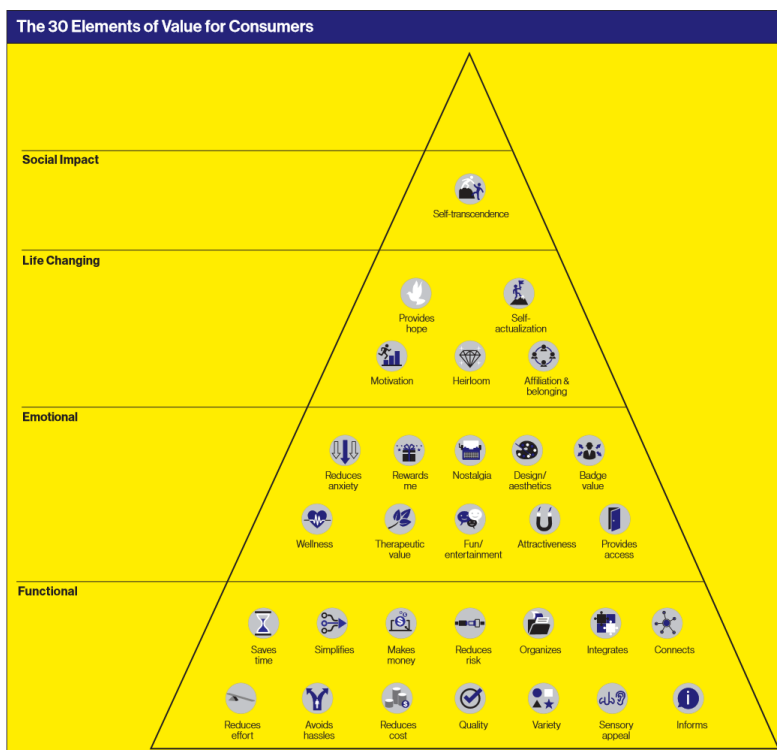
It should be emphasized that Chef Watanabe took the results of the engagement survey into serious consideration. He knew that there was a lot of work to be done. He realized that innovation had to take place in a series of circumstances related to people's operations, user engagement, and communications. A fervent believer in the impact culture, atmosphere, and the built environment have on user engagement, Watanabe started looking at a combination of initiatives to impact user behavior and to upscale the total experience of employees and customers alike.

Such as many other aspects of social science, interpersonal communication is a subject close to the common perception, due to the notoriety of this human interaction phenomenon (Dărbăneanu, 2019:24), Chef Watanabe realized that, as a first step, he had to work with the mindset of his co-workers in order to impact behavior and redefine the culture of the organization. In an effort to determine

how to best advocate innovation and collaboration across the organization, Watanabe decided to explore the intrinsic motivators of his team members and to identify cultural symbols and elements of value specific to his employee population, collaborators, suppliers, and visitors to the property.

While seeking to determine motivational factors, Chef Watanabe knew that there was an important factor of the Japanese culture that he also needed to take into consideration. The fact that casual recognition is not commonly encountered in corporate Japan combined with the reality that workers are not used to being praised regularly had also to be considered. Recognition is not a commonly encountered phenomenon in Japanese services; good quality of work and service is simply expected, without specific incentives or rewards being attached to performance. To Chef Watanabe, this was clearly a major difference from his past experience in Europe and the United States and he knew that he had to engineer the whole concept of recognition into the development of the new culture at Chimikepp.

After a series of discussions with the business consultants and the group of executive directors, Watanabe decided to begin the transformation process by creating psychological safety within the organization and by taking a holistic approach to redefining culture, based on shared values and cultural symbols.



“The Elements of Value”, Almquist

Products and services deliver fundamental elements of value that address four kinds of needs: functional, emotional, life-changing, and social impact (Almquist et al, 2016).

“I’ve learnt that people will forget what you said, people will forget what you did, but people will never forget how you made them feel” (Maya Angelou). Inspired and impressed by this powerful quote, Watanabe decided to focus on the core emotional elements of value: nostalgia, wellness, attractiveness, fun, entertainment, design, aesthetics and therapeutic value. After a series of discussions with the team, he further decided to focus on five cultural symbols characteristic of Japan and, moreover, the northern island of Hokkaido: “translucence” *sukashi* 透かし, “transience” *wabi* 詫び, “imperfection” *sabi* 寂び, “silence” *seijaku* 静寂 and “purity” *seiren* 清廉. The team worked together to develop a new set of *Mission, Vision and Values* based on these symbols. These symbols were later embodied in the production of the interior design and the atmosphere of all public spaces.

As a second talent and organizational initiative, Watanabe explored the opportunity of providing his homogeneous team of Japanese hospitality professional with inspiration by hiring two Japanese speaking international interns into the team. The multilingual interns join the Chimikepp Hotel team in February 2020, proposing a series of new initiatives, such as promoting the hotel in languages other than Japanese in the digital space and reaching out to new potential guests overseas. Watanabe knew that the new ideas would create not just enthusiasm, but also concern within the team.

Therefore, he made time for learning sessions throughout the working week, so that the team could spend time together and learn from each other intentionally. Chef Watanabe observed that learning was an efficient way of including and celebrating diversity within the team. Moving forward, he continued the talent transformation efforts by creating structures and emotional engineering opportunities for associates to observe and intentionally learn from diversity, by connecting and combining ideas, reframing problems and by moving beyond the first line of right answers in an agile manner.

Concurrently, Watanabe knew that recreating the guest experience beyond general service was going to be an important step in re-defining and re-engineering the customer value proposition. From his experience in France, Switzerland and the United States, he knew that both the natural and the built environment had to be taken into serious consideration for creating a unique form of spectatorship, which would lead to an awe-inspiring guest experience. Watanabe was keen to create both an immersive and an interactive form of spectatorship at the Chimikepp hotel, a combination of experiences leading to breathtaking moments of surprise, providing stimulus to the intellectual curiosity and offering multiple and continuous opportunities of discovery.

When analyzing the natural setting and the built environment at Chimikepp and observing how the later blends into the former, it would be remiss not observe the impact their unique combination has on the subconsciousness of the visitor. The wooden lodge set on the quiet shores of the Chimikepp lake provides not just temporary shelter, but also a subtle invitation to unwind and to forget, at least for a while, about everything that happens beyond the surrounding mountains, the forest and the lake.

The natural setting provides a psychological disconnect, while the built environment, composed of a cozy fireplace, dim light chandeliers resting on a high triangular ceiling of wood, invites the subconsciousness to recognize familiar symbols of warmth, safety and confront. After a whole day of exploration, exercise and wonderment spent outdoors, the Chimikepp Hotel guests find evening rest either by the fireplace or by the bar, in anticipation of the two Michelin star dinner – another element of awe and surprise.

The total orchestration of wonderment and awe leads to the creation of repeated moments of pleasant surprise – a *sui generis* combination of experiences which, in their own turn, lead to a perplexing, alluring and lingering value proposition for the Chimikepp guests. The result is what Alison Griffiths calls “the revered gaze” – a response marked as much by recognition of the labor and effort involved in creating the spectacle as in the spectacle itself (Griffiths, 2013). Watanabe believed that modern hospitality consisted of a skillful mix of entertainment, education, accommodation, food and beverage, communications, cognitive science, psychology, technology and talent operations. Modern guests will not come back unless they have been awed, unless their actual experience of hospitality far exceeds their initial expectation. Charming guests throughout repeated visits becomes a matter of combined professional skills, grit, cognitive science expertise, hospitality competencies and commitment (Watanabe, 2019).

As part of the employee experience transformation initiative, Watanabe introduced regular recognition sessions, where employees were invited to share best practice episodes, to indicate specific moments when they observed one of their colleagues perform at their best, to talk about situations when one of their colleagues provide outstanding service and to point to concrete learning points and takeaways from their observations. Along with these weekly recognition sessions, a “thank you” point system was introduced as part of a new employee communication application which all employees would carry on their mobile devices. The employees could easily send a simple “thank you” message to other employees who helped them learn something new or helped them out in a difficult situation.

An employee and customer engagement survey conducted in April 2020 showed early indicators of meaningful change: 66% of the employee population was hopeful of the future of the business, 38% of the employee population had a specific career plan, 23% of the employees indicated that they would be interested

to pursue a higher opportunity or a new career challenge, regardless of location, in the future. Furthermore, 85% of the employees surveyed indicated that they trusted their management, 46% mentioned that they felt that their management was taking their personal aspirations into account, 89% indicated that they ever had a career discussion with their manager, while 93% mentioned that they experienced recognition from the management or from the organization. The customer survey indicated that only 62% of the customers were visiting from within the region (the island of Hokkaido), while 31% were coming from other parts of the country and 7% were visiting from overseas. 32% were repeaters and 65% knew about the facility before arrival. 63% of the customers were spending longer than one night, and 76% indicated that they would be coming back within a year.

By May 2020, Watanabe could finally go back to the kitchen and spend time doing what he loved most: cooking and constantly innovating with various ingredients, spices and wines. He was pleased to see engagement indicators moving higher, but he knew that there was still a lot of work to be done.

Conclusion

There are many methods of implementing collaborative innovation in organizations and recreating organizational architecture. There are differences according with the socio-cultural objectives of the organization, the incumbent architecture, existing and emerging cultural symbols, ontological design practices, and the utilization of collaborative technology. At Chimikepp Hotel in Hokkaido (Japan), communications, engagement and talent innovation played a crucial role in developing and deploying organizational culture, cultural value penetration, and cognitive re-engineering.

The use of technology in building teams and enhancing communications provided opportunities for optimized innovation, developing clear roadmaps, and creating a sustainable corporate architecture for moving from inspiration to implementation, talent engagement. Furthermore, the built environment and work atmosphere production influenced organizational behavior, redefined the culture of the organization, and significantly improved the experience of employees and customers. Moreover, analyzing combination of natural setting and built environment at Chimikepp in the context of cognitive re-engineering and collaborative innovation, we observed the positive impact of this holistic approach to cultural redefinition, based on shared values and cultural symbols.

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