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Towards the 21st Century

by
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As I said last week, since we live in the age of globalization, Europe and Asia should work together closely. We need each other. I think my interview with Professor Michael Hammer this week shows that I'm not the only one who believes this.

As soon as I got back from my trip to Europe where I wrote last week's column, I went directly to the Belgian Ambassador to Thailand and we straight away set up the Thai-Belgium Excellence Center Foundation and elected Khun Amaret Sila-on, a man with long and distinguished careers both in politics and business, as its first chairman. Another important decision was quickly taken that the Foundation will host Prof. Hammer's visit to Thailand on 20 January 1995. I am pleased to say that he has also agreed to appear on my television program, so people all over Thailand will be able to benefit from his ideas.

I hope we can establish dynamic business synergies between Asia and Europe so that one day we will see a renewal of growth in Europe as well as benefits to Thailand. I am happy to say that starting next year I have been invited by the Belgian Government to visit Belgium and give seminars to academic and business groups there on topics relating to opportunities and advantages in Thailand. In my view many of the characteristics that drive Asian business forward, such as entrepreneurship, flexibility of government regulations and human resources factors like employee-employer co-operation, could also be profitably applied in Europe. A big difference in Europe, however, is that the role of labour unions continues to play a major role in determining whether business opportunities are grasped or missed out on.

Anyway, let me tell you about my experience of meeting Prof. Hammer. I must confess that before listening to him in person I had the feeling that there was too much talk about re-engineering in Thailand. It seemed to me that re-engineering was like some kind of god invented by an American university professor, and that it was only a matter of time before it would disappear off the face of the earth like so many other concepts before it. However, after listening to him attentively for a solid 8 hours and also talking to him privately, I began to see what the actual benefits are. In terms of a definition of re-engineering, Professor Hammer uses three core criteria:

- Radical
- Dramatic, and
- Ability to measure performance

In order to qualify as re-engineering organisational changes must pass these three tests. The definition means that re-engineering takes place when we radically and dramatically alter a business process with measurable results. For example if an organizational change in a bank succeeds in reducing the time it takes to process an application for a loan from 3 months to 15 days or less, then this would qualify as re-engineering. But please do not label every single change that takes place in an organization with this buzzword! However, I must admit that measurable results can still come in many forms, such as:

- a new business process
- the redefinition of a particular job
- the introduction of a new organizational structure
- the introduction of new management and measurement systems
- the introduction of new values or beliefs

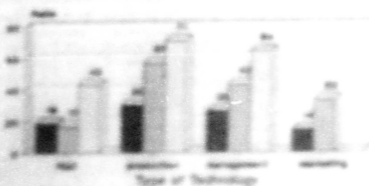
At the end of Professor Hammer's seminar many people in the audience questioned the feasibility of re-engineering under his definition. In answer he pointed out that it is vitally important to take into consideration the pre-re-engineering corporate culture if one is to be successful. He also noted that success in any given instance would depend on the strength of the leadership. This is because a re-engineered system has to be introduced from the top down, as there is a tendency for workers to resist change. Prof. Hammer defined a strong leader as someone with:

- vision
- communication ability
- commitment
- passion

I particularly noted the fourth quality. Passion implies having a strong feeling for whatever one does. There are many great leaders with sound technical skills who still lack a strong feeling for their work. So the question arises how this quality can be cultivated. Perhaps on these and other topics Asian businessmen and women have something valuable to offer their European or North American counterparts!

See you next week!

Ratio of Successful Enterprises from Tech. Transfer by FDI in Thailand



Source: Author (1994/1995), 1994/1995