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Citation

Singapore Management University. Keeping it in the family. (2014).

Available at: <https://ink.library.smu.edu.sg/pers/250>

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KEEPING IT IN THE FAMILY

Published:

25 Sep 2014



Passion for the family business is crucial for second-generation leaders

When **Ho Ren Hua** was 14, he spent his school holidays working as a pool boy at a vacation resort. When he was 17, he went back to the same resort to work in the front office. He is now the Executive Director of Corporate Development at that same company, Banyan Tree Hotels & Resorts.

"It was never explicit that I had to come back to work in the family business but for 20 years I was involved in some way," says Ho, son of Banyan Tree's founder and Chairman of Singapore Management University's (SMU) Board of Trustees, Ho Kwon Ping. "Our business is really about the staff working in the front line. One of the most important things for me is remembering what it feels like working in the front office, remembering what it feels like to have unreasonable guests – you can never make everyone happy."

"I was exposed to different parts of the business, and I am very grateful for that."

The value of early exposure and humility

Ho was a discussion panel member at the recent SMU Business Family Institute (BFI) event, "*Building Sustainable Business Families in Asia – Educating, Empowering and Energising our Next Generation Leaders*", where he was not the only panelist to highlight the importance of early exposure to the family business.

"Don't work in the family business as an obligation because it will show."

"When I was 14, my dad put me in as a greeter at one of our bank branches, saying hello and bowing to the customers," recalls **Nang Lang Kham** of KBZ Bank, part of Aung Ko Win's KBZ Group, one of Myanmar's biggest conglomerates. "Whenever I came back for school holidays, he would put me in a different role."

She adds, "I then started working on the ledgers – in Myanmar, the central bank still makes the banks keep manual ledgers. My job was to write down each transaction. That was a good thing because when I joined the family business, I felt like I knew the employees. Some of the people I

worked with were now branch managers, or they took up executive positions. It made it easier for me to work in the company because I felt like I've grown up with them."

However, accusations of nepotism will be inevitable. As a result, children of a company's founder often have to prove their ability in order to gain the respect of the employees.

"You have to pay your dues," says **Amit Lohia**, Group Managing Director of Indorama Group, one of the world's largest producers of plastic resin. "It took me eight years to become the CEO. During those eight years, I did my part even if it meant picking up the bag and selling yarn in Vietnam, just like anyone in the company. Once there was confidence I could do the more important things, I was given that responsibility."

Age, of the lack thereof, is another barrier for the children of a company's founder. Lohia preaches humility as a young leader because "you have to manage older people, in which case you have to be genuinely humble; it cannot be an act. If your humility comes across, people's defenses come down and they'll open their minds."

Family and business: A testing combination

Lohia's father, Sri Prakash Lohia, is the Chairman of the company and is still active running it. Argument and friction sometimes cause familial – and business – relations to fray when two generations of the same family work together. Is that a problem for Lohia?

"I've been lucky. I have friends who really struggle with their fathers. My father and I really complement each other well. He's raw entrepreneurial energy while I'm good at organising, managing, and getting things done. He likes to fly all over the world to clinch deals, and I execute on those deals. He's found in me a CEO whom he can completely trust and who has no agenda; we are completely aligned."

Lohia joined the company immediately after graduating from university, sensing it was "time for me pitch in" because his dad was experiencing poor health. However, some second generation leaders who eventually took over the baton never wanted any part of it.

"I never wanted to work in the family business," says **Michelle Cheo**, CEO of palm oil producer Mewah International Inc. She jokes how her father and Chairman of Mewah, Cheo Tong Choon, started "brainwashing" her at age 11 by telling her she would work in the family business. "We would be in the car, and he would go, 'When you run the business, you'll see how lucky you are because you'd be able to do this and that.'"

Cheo spent five years working as an engineer for ExxonMobil before having a change of heart. The catalyst was seeing friends who were in similar situations.

"I had friends who were involved in family businesses, and they saw how hard their parents worked. One of my friends worked long hours as an auditor and she realised: 'I'm working so hard but it's not even for the family. I really should be helping my family.' That was when I started thinking about working in the family business."

Going with your heart

Banyan Tree's Ho also had experience in the corporate world before joining the family business, working at management consultancy Bain & Company before feeling a sense of a "self-realisation...and desire to contribute and lead."

"It's about finding the heart and soul of the business," says Ho about being successful as a second-generation leader of a family business. "Functions can be outsourced, be it finance, marketing, strategy etc. If you can grasp the heart and soul of the business, and figure out what

you think will keep the business alive over the next 10 or 20 years, if that resonates with you, it should give you the passion.”

What if you do not have the passion but instead feel duty-bound to carry on what the older generation has built?

“Whatever it is, make sure you are happy about it,” Lohia advises. “Don’t do it as an obligation because it will show. So long as you’re positive about it, whether it’s within the family business or outside of it, be happy about your decision.”