A blend of leadership and managerial skills

Banyan Tree's CEO Ho Kwon Ping is continually striving to better himself, writes CHUANG PECK MING

FOR Ho Kwon Ping, winner of this year’s CEO of the Year Award (mainboard with $500m and above market capitalisation category), the ideal chief executive is one who possesses both “left-brain and right-brain abilities”, one who can blend leadership and management.

“Someone who can inspire colleagues to build a compelling vision and brand culture and yet is equally comfortable with spreadsheets and financial models and the daily grind of implementing a strategic plan step by step, and building the processes, structures and learning mechanisms for the company to grow systematically and rationally, rather than get overwhelmed by its own growth,” says Mr Ho, executive chairman of Banyan Tree, the resort, hotel and spa group.

Most CEOs are good at one or the other, but not both – they are either visionaries, great at inspiring and cheerleading but missing the organisational details and imperatives, or technocrats who excel at bureaucracies, committees and reports but who lack the imaginative, impulsive spark, he says. “The ideal CEO should be both. Leadership and manager rolled into one.” Mr Ho, who is also chairman of the Singapore Management University and MediaCorp, tells BT in an interview. And profits should not be the only motive that drives him.

“Profit is extremely important for one reason – to ensure you know your company is competitive in the marketplace.” Mr Ho says. “That’s about all profitability does for you. The next question you have to ask as a CEO is ‘Am I also bringing new things to the world, am I doing good things for my employees?’ There’s a whole spectrum of responsibilities and vision you should have as a CEO.”

He says all the great CEOs have been leaders in their communities, inspired people to do things and changed the world around them for the better.

A good CEO in Mr Ho’s book is also one – and he would encourage this to be developed in Singapore – who can balance the hard-driving, short-termist and individual style of corporate America and the consensual, long-term and harmonious style of corporate Japan.

Too much of the American style CEO has bred too much greed, resulting in the sub-prime woes of today – and Mr Ho is concerned that there are incipient signs of American corporate culture taking root here, as manifested in the cult of the celebrity CEO, the mantra of maximising shareholders’ profits and alignment of compensation to short-term goals.

Still another tricky balancing act an effective CEO has to perform is to be able to walk the tightrope between micro and macro management, according to him.

“I don’t think that a successful CEO is ever solely a micro or macro manager,” Mr Ho says. “To be one or the other is the kiss of death for effective, sustainable good management. The challenge is to know what are the issues which need to be micro-managed because they are mission-critical and dependent on your inputs and skills, and which you should just provide vision and guidance so that others can get on with their jobs without you as the bottleneck.”

Financially, Banyan Tree has done well. Its latest annual report – which incidentally also won the Best Annual Report Award for new listings – shows revenues jumped from $187.3 million in 2005 to $335.3 million in 2006, surpassing the 2004 record of $218.8 million. The company turned around from a loss of $23,000 to a net profit of $500 million in 2006.

On his CEO of the Year Award, Mr Ho says: “Awards are recognition of past achievements and encouragement to do more. So I guess this award is to me a validation that what I have been doing, and have hardly finished, is the right path to continue on. And that path is to build a company which has the optimal balance between passion, creativity and iconoclastic views, and sustainable, institutionalised processes and structures.”

Below we produce the full interview with Mr Ho, in which he shares his thoughts and practices as a CEO.