

CGIO Newsletter, Issue 8, January 2016

Director's Message



Dear Readers,

Happy New Year!

While we embrace the challenges and opportunities the new year brings, we can look back and claimed that 2015 has been a great year for CGIO. The past year saw CGIO constantly making front page news for its research and reports and we are progressively recognised for the work we do. None of our achievements would have been possible without your support.

In this edition, we would like to feature three recently-released research reports by CGIO: [Corporate Governance Highlights 2015](#), [Korn Ferry Diversity Scorecard](#), [State-Owned Enterprise 2015 Report on Vietnam](#). Past events such as ASEAN Corporate Governance Scorecard briefing sessions, CGIO Academic Conference, Family Business Roundtables are also highlighted in this eNewsletter.

We are delighted to introduce three new staffs to the centre: Verity Thoi, Centre Manager; Wang Yu, Research Associate and Nguyen Mai Huong, Research Assistant.

We encourage you to share our research and news with colleagues and friends. For more information on CGIO, please visit us at <http://bschool.nus.edu/CGIO.aspx>.

I wish you health, happiness and prosperity in the new year, and a happy and stimulating reading!

Assoc Prof Lawrence Loh
Director
Centre for Governance, Institutions & Organisations (CGIO)
NUS Business School

CGIO HIGHLIGHTS

**CGIO Spearheading Key Study on Sustainability Reporting**

CGIO joined forces with ASEAN CSR Network in August 2015 to undertake a study on sustainability reporting in Singapore.

This research project is especially relevant given that Singapore Exchange (SGX) hopes to get companies to 'comply or explain' when it publishes its guidelines on sustainability reporting, likely by Financial Year 2017.

A previous sustainability study in 2014 at NUS Business School showed that out of the 537 companies listed on the SGX, only 160, or 29%, reported to some extent the governance, economic, environmental and social aspects of their business activities. Moreover, out of the 137 companies categorised as 'high impact' defined under SGX's guidelines, only 44 companies, or 32.1%, had voluntarily provided information on sustainable practices and activities.

[Assoc Prof Lawrence Loh](#), Director of CGIO, will be working with a team of 18 students from the BBA Honours Programme. Read more [here](#)

**ASEAN Corporate Governance Scorecard Briefing Sessions with MAS, SGX and SID**

Organised with Singapore Institute of Directors (SID), and in collaboration with Monetary Authority of Singapore (MAS) and Singapore Exchange (SGX), the sessions were an opportunity for SGX-listed companies to learn more about the methodology and assessment process of the ASEAN Corporate Governance Scorecard for the Top 100 listed companies in Singapore. A total of almost 100 key personnel from senior management as well as their investor relations team attended the events on 30 April and 18 June 2015.

Read more [here](#)



Biz 50 Masterclass 2015

The talk by Assoc Prof Lawrence Loh was given in conjunction with NUS Business School's 50th Anniversary celebrations on 4 September 2015 at the Homecoming event. Drawing on CGIO's work on the ASEAN Corporate Governance Scorecard and Singapore's Governance and Transparency Index (GTI), it provided unique insights into governance best practices and offered a tool-kit of ideas for

implementation.

Read more [here](#)

CGIO PUBLICATIONS



Corporate Governance Highlights 2015: Pushing Towards a New Frontier

This report is the 7th edition since the launch of the Governance and Transparency Index (GTI) in 2009. This report summarises the trends and findings of GTI, the results of which were released on 18 August 2015. The report critically examined the impact on the index and companies' performance after all listed companies have to comply in 2015 with the revised Code of Corporate Governance in 2012.

This report is released in partnership with CPA Australia and The Business Times.

Read the full report [here](#)



Korn Ferry Diversity Scorecard: Diversity Matters – Adding Colour to Boards in APAC

This report is the third in the Korn Ferry Diversity Scorecard series. The scorecard tracks the diversity performance of major economies in the Asia Pacific (APAC) market, with special focus on gender representation on corporate boards. This report covers 10 economies based on the top 100 listed companies by market capitalisation for each country.

Read the full report [here](#)



State-Owned Enterprise Report 2015: From Control to Market: Time for Real SOE Reform in Vietnam?

This report is the second of three editions in the State-Owned Enterprises (SOE) series, a joint initiative between CGIO and the Chartered Institute of Management Accountants (CIMA) to produce an annual research publication over three years. This report on Vietnam and the role and impact of its state sector on the economy was led by [Dr Markus Taussig](#) and launched on 8 April 2015. The first report on Singapore's State-Owned Enterprise, Temasek Holdings, was published in 2014. The third report will be on China and its reform of state companies.

Read the full report [here](#)

CGIO EVENTS



CGIO Academic Conference - Network and Governance

The 27 – 28 August 2015 CGIO Academic Conference, themed ‘Network and Governance’, was spearheaded by Assoc Prof Chung Chi-Nien and Prof James Lincoln from Department of Strategy and Policy. The conference attracted 60 top overseas scholars to present, debate and deepen their respective areas of research. Since its inauguration in 2011, the annual event continues its tradition of cross-national research on opportunities and challenges presented by the rapidly evolving world of global businesses.

Read more [here](#)



Family Business Roundtable - Coping with Crisis: How Family Firms can Survive and Thrive

The panellists for the closed door event comprised Family Business experts Assoc [Prof Marleen Dieleman](#) and Prof David Reeb and 3rd generation Family Business owner Mr Clinton Ang with Assoc Prof Lawrence Loh as the moderator. Research findings on family frauds and feuds were presented whilst Mr Ang shared on the challenges he faced as a business owner.

Read more [here](#)



SOE Roundtable - Reform in Vietnam

On 8 April 2015, CGIO organised a roundtable centred on the theme of State-Owned Enterprises (SOE) reform in Vietnam. Dr Markus Taussig was the presenter and moderator for the session, with prominent speakers from Vietnam. More than 70 participants, who were regional business executives and managers, Vietnamese government officials, economists, policy analysts as well as experts of the field, joined the event.

Read more [here](#)



Family Business Breakfast Forum – Trust and Challenges

The Family Business Breakfast Forum was sponsored by J.P. Morgan. Head of J.P. Morgan Sovereign Wealth Mrs Goh Seow Chee, Business Founder, Ibu Shanti, Samudera Group, Assoc Prof Marleen Dieleman were panellists while Assoc Prof Lan Luh Luh moderated the event. Mr Timothy Morse, Head of J.P. Morgan Private Wealth Management delivered the opening remarks. The 22 May 2015 event hosted about 50 participants, including founders, successors or CEOs of family-owned businesses, family members with senior level board leadership or management responsibility, family members working in the company and next generation family members. Read more [here](#)

CGIO IN THINK BUSINESS

Cutting Through the Clutter in Corporate Governance

The spiralling agenda for corporate governance is causing worsening congestion - serving only to distract boards from their real purpose, says Assoc Prof Lawrence Loh. Please click [here](#) for the full article.

Muddy Waters and A Changing Landscape of Corporate Governance

Assoc Prof Lawrence Loh on how the emergence of data-driven whistle-blowers is shaking up the traditional chain of corporate accountability. Please click [here](#) for the full article.

Blinded By the Son: Founder Legacy and Family Business

Successful Asian family firms are founded and built by extraordinary people – indeed often some of the most interesting business players in the region. Yet, rarely are children younger copies of successful founders, observed Assoc Prof Marleen Dieleman. Please click [here](#) for

the full article.

A Proactive Path to Clean Air

Assoc Prof Lawrence Loh on the transnational holistic approach to sustainability reporting as a step towards tackling the worsening annual haze problems caused by errant firms. Please click [here](#) for the full article

Rodamas Group: Designing Strategies for Changing Realities in Emerging Economies

A case study by Assoc Prof Marleen Dieleman, Shawkat Kamal

The case narrates the story of the Rodamas Group, owned by the ethnic Chinese Tan family in Indonesia. The company started as a trading firm in 1951 and over time became a joint venture partner in manufacturing businesses with a range of mainly Japanese partners after Indonesia started to embark on an industrialization program in the late 1960s. In the 1980s, the company was slowly transferred to the second generation leader, and continued to grow and prosper until it became part of the top-20 business groups in Indonesia. The businesses included glass manufacturing (with Asahi), personal care products (with Kao), packaging (with Dai Nippon) and MSG production. The role of Rodamas in these partnerships was to deal with local regulations, hiring local personnel, and distributing the products in Indonesia. When the then President Suharto was toppled in the Asian Crisis in 1998, Indonesia underwent several drastic changes, including the transition to democracy. Its economy became more open, and foreign firms were allowed to operate in the country without having a local partner. In addition, several global business developments, including the tendency of multinationals to rely on lawyers and consultants, rather than local equity partners, threatened the Rodamas business model. In view of this, the current leader, Mucki Tan, is reconsidering the future of his company and weighing a few options. Students are asked to analyse the company and its environment, decide on a strategic direction and reflect on the consequences.

The full version is available through Ivey Publishing [here](#)

CGIO IN THE NEWS 2015

- The unfinished business of corporate governance 2015 – The Business Times (17 December)
- Governance gap between S-chips and other stocks widening – The Business Times (27 November)
- Blinded by the son: Leadership succession in family businesses – Business World (12 October)
- Corporate Singapore ups the ante in fight against haze – The Business Times (6 October)
- Corporate governance index to cast wider net on stakeholder feedback – The Business Times (19 August)
- Poorly performing family firms more likely to improve governance – The Business Times (11 June)
- Clear merits of integrated reporting – The Straits Times (20 May)
- Time for real SOE reform in Vietnam – The Edge Financial Daily (9 May)
- Singapore firms improve in corporate governance – The Business Times (1 May)
- Vietnam Struggles to Achieve Privatization Goals – Wall Street Journal Blog (8 April)
- Asia boards with women outdo those with mostly men – Bloomberg (6 March)

View a complete list of news articles featuring CGIO [here](#)



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