

Appointment of new Temasek chairman revives talk of new CEO

By Linette Lim

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SINGAPORE: The appointment of a new chairman at Temasek Holdings has revived talk of a new CEO as well.

Former Cabinet minister Lim Boon Heng has been appointed chairman of Temasek Holdings.

The 65-year-old will replace 75-year-old S Dhanabalan, who retires next month.

Mr Dhanabalan will, however, continue to serve as honorary adviser.

Observers say any board and management changes that come along are all part of succession planning for the Singapore investment firm.

Taking over as Temasek's chairmanship from a predecessor that held the post for 17 years could be a tough act to follow, especially for someone who joined the board only a year ago.

But Temasek says Mr Lim has the unanimous support of the board, as well as familiarity with a number of Temasek portfolio companies over his career in the private and public sectors.

Annie Koh, Associate Professor of Finance at the Singapore Management University (SMU), said: "The chairman leads the long-term vision of a company, so if you look at this, it would be part of the succession planning.

"Mr Lim is actually around 65 years old right now. So if you take a 10-year horizon, it would be like he's still good for a 10-year life cycle for Temasek, and in that ten years, you're probably going to be encountering a number of very key decisions - the investment mandate, the investment policy statement, the critical leadership team that is needed to carry out the investment vision."

One of these key decisions may likely revolve around the CEO succession.

Speaking at a press briefing on Monday, outgoing chairman S Dhanabalan said a new Temasek CEO can be expected over the coming years.

Current chief executive Ho Ching announced her resignation in 2009 but stayed on after CEO-designate Chip Goodyear left less than five months after being appointed.

SMU's Annie Koh said: "Temasek in the last few years has been preparing itself for a team leadership platform, and someone will rise from that rank as someone accepted by the whole group of team players.

"So I think there's too much concentration on what will be the announced leader, who will it be. And I don't think we should use the same yardstick - that just because there's a lot of renewal in some of the Temasek-linked companies, it's inevitable that Temasek itself will be looking for a leadership change at the CEO level."

But some observers said that a new CEO is more likely to be someone with international investment experience.

Bernard Lee, CEO of HedgeSPA, said: "They would probably be interested in potentially looking for leadership with a little bit more (of an) international outlook, in terms of actually having international investment experience.

"And that kind of thing actually matters, for instance, how you structure a particular investment...what's the difference between international corporate law and Singapore corporate law."

At its annual review earlier this month, Temasek said the succession of the chairman and CEO is a board matter. It provided no new updates.