

From \$3.40 to a listed company: The Leadership Style of CCK's founder Tan Sri Datuk Tiong Su Kouk

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Abstract

Leadership style has been affecting staff commitment which will determine the success of an organisation. Tan Sri Datuk Tiong Su Kouk who is the founder of CCK, started his career as a fishmonger with the start-up capital of \$3.40 only and had now expanded his business into a listed company. At the same time, Tan Sri has diversified his business into a property developer and also shipbuilding which has become a listed company in the Singapore Stock Exchange. This study aims to explore Tan Sri's leadership style and the impact of Tan Sri's leadership on staff commitment. Qualitative semi structured interview was conducted with Tan Sri using open-ended questionnaire. Pre-test was conducted and the interview questions were modified and customised. The interview transcript was analysed by two authors along with the Kurt Lewin's leadership style test. It was concluded that Tan Sri's leadership style is virtuous leadership which consists of truthfulness, humanity, courage, justice, temperance and prudence.

Introduction

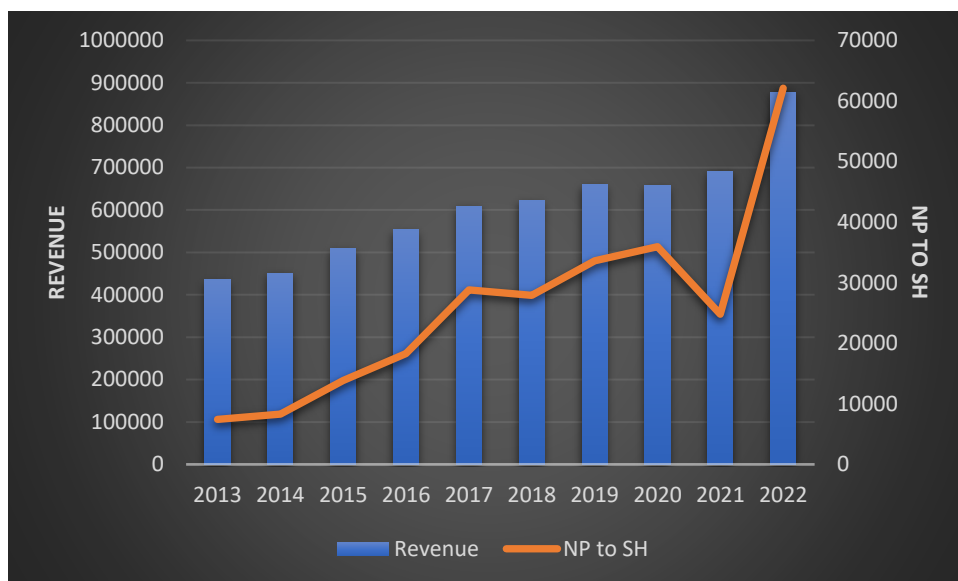
Staff commitment is one of the important components enabling an organisation to achieve its goals. It has been difficult for an organisation to make their staff psychologically connected to their organisation. (Obedgiu et al., 2017). Committed staff is willing to work harder, putting in more effort, and willing to spend extra time on their work (Malhotra & Mukherjee, 2004; Hoang et al., 2022). Studies had proven the role of leadership style on staff commitment (Ribeiro et al., 2018; Kumar & Krishnaraj, 2018; Yahaya & Ebrahim, 2016). Staff commitment increases if the leaders develop and modify their leadership style to suit their followers (Chuang, 2013). Staff's satisfaction towards their leader is affecting their sense of belonging and loyalty towards the organisation. When staff is satisfied with their leader, they are more

committed and loyal to their organisation (Burke et al., 2002). When staff is dissatisfied with their leaders, they tend to show withdrawal behaviours either physically or psychologically. Therefore, the leadership style is essential in affecting staff behaviours which would therefore determine the success of the organisation.

CCK Consolidated Holding Berhad (CCK) was listed on 10th December 1997. The founder of CCK, Tan Sri Datuk Tiong Su Kouk (Tan Sri) was successful by expanding a small family-run business into a listed company. His career started as a fishmonger when he was at the age of 14 with the start-up capital of \$3.40 only. By working 16 hours each day, providing customised services to his customers, and having the sense of technological innovation by importing the food freezing technology from Japan, Tan Sri managed to transform his business from a fishmonger who was working in the wet market to a frozen seafood trader in 1969 when he was at the age of 27. As frozen food was relatively new in that era, people rejected the new technology in doubting with the edibility of the frozen food, which caused tough selling. The issue was solved by giving free frozen food to customers (Ho, 2015). The businesses were then continued in expanding and becoming a listed company. Tan Sri's successes were recognized by the National Hawkers Association of Malaysia by crowning him as "the Father of Hawkers". For a business to become successful, both leadership style and staff commitment are equally important and are closely related. This research is carried out to explore Tan Sri's leadership style and how Tan Sri's leadership style affect his staff's commitment.

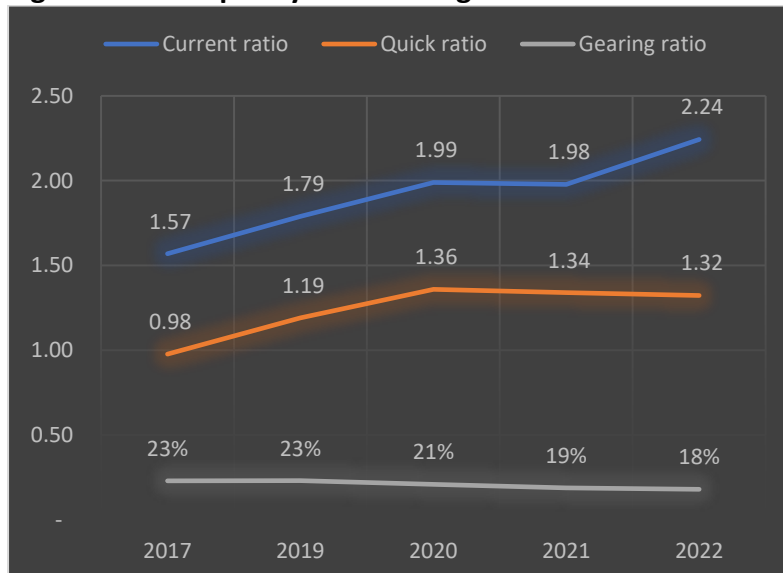
CCK's vision is the food people of choice while the mission is the provision of quality food ensuring customer satisfaction, financial sustainability, and responsible social and environment interaction. They are achieved through integrated solutions involving innovative, integrous teams of committed people. As shown in Figure 1, CCK's revenue was in an increasing trend while the net profit to shareholder shown was also in an increasing trend except for 2021 due to the increase in cost of sales as a result of the Covid-19 pandemic. The liquidity and gearing ratios are shown in Figure 2. The current ratio is increasing from 1.57 to 2.24 and the quick ratio is increasing from 0.98 to 1.32 which implies that CCK's ability to meet its short-term obligations as both ratios fall within the optimum range where the optimum current ratio is between 1.5 to 2 and the optimum quick ratio is more than one. On the other hand, the gearing ratio of CCK is in a decreasing trend from 23% to 18%. The optimum level of gearing ratio is between 25% and 50%. CCK's gearing ratio turns out to be lower than 25% and is typically considered as low risk to the investors and lenders as the organisation is funded by the equity more than the borrowings. Overall, CCK's performance is considered satisfactory.

Figure 1: CCK Revenue and NP to SH from 2013 to 2022 (RM'000)



Source: i3investor (2022).

Figure 2: CCK Liquidity and Gearing Ratio from 2017 to 2022



Source: CCK Annual Report 2017 to 2022

Besides coldstorage business, Tan Sri has also diversified into property development as well as shipbuilding. Various properties were developed including KK City Mall in KK, Kuching City Mall in Kuching, SK1 Commercial Centre in JB, SK One Garden City in Bintulu etc. Tan Sri also invested in KL Eco City in Kuala Lumpur and Nam Cheong Limited which is a listed company in the Singapore Stock Exchange. Nam Cheong Limited is one of the leading global marine players and Malaysia’s largest shipbuilder of Offshore Support Vessels. It had received the “Most Transparent Company Award” from Securities Investors Association Singapore (SIAS) in 2013 and 2014. It also received Best Managed Board Award from the Singapore Corporate Awards in 2014 and Best Investor Relations Award in 2016. Besides, Tan Sri was also recognised as one of the 50 most influential people in the offshore support vessel industry by Offshore Support Journal (OSJ). This study is conducted with the following objectives:

- To explore the leadership style of CCK’s founder Tan Sri Datuk Tiong Su Kouk

- To investigate the impact of Tan Sri Datuk Tiong Su Kouk's leadership on staff commitment

Literature Review

Leadership Styles and staff commitment

Leaders are playing an important role by leading, coaching and motivating staff to ensure the organisation's goal is achieved (Amabile et al., 2004). Leadership is the process of an individual influencing a group of people to attain the goal which is shared together (Northouse, 2010). Leadership styles are the patterns of how the leader interacts with his staff (Nam & Park, 2019). It is a behavioural pattern acquired by the leader to affect the staff commitment and turnover which reflects how the leader instructs and motivates his staff to attain the organisational goal (Nanjunderswaraswamy & Swamy, 2014). The determinant of the success of a leader is not the goal that they set to achieve but more to how they achieve it (Saxena, 2017).

Three leadership styles were identified by Lewin et. al. in 1939 namely autocratic, democratic, and laissez-faire. Autocratic leader is a leader who desires to control all aspects of decision made and action taken (Davis, 2017). Democratic leader involves the team in the decision-making process. Input from the team members is encouraged and welcomed and attention is paid to the team's needs and desires (Kumar & Krishnaraj, 2018). On the other hand, laissez-faire leader is a hands-off leader who allows the team to operate freely and independently (Davis, 2017).

The more recent leadership styles were developed by Goleman in 2002. The six leadership styles identified by Goleman are namely commanding, visionary, democratic, coaching, affiliative, and pacesetter. Commanding leader is a leader with carrot and stick approach and 'do as I say' instruction where staff is to take action or change immediately without questioning (Ravikumar & Parks, 2020). Visionary leader is also known as authoritative leader who outlines the vision, shows empathy to staff and allows for innovations. Democratic leader is one who emphasizes a lot on teamwork and collaboration while coaching leader focuses more on the staff's personal development by developing the company's goals in accordance with the staff's strengths and weaknesses (Saxena, 2017). Affiliative leader concerns more on staff emotional wellbeing and emphasises on collaboration in terms of conflict resolution and stress management. Pacesetter leader focuses on delivering high quality and challenging work and will lead as an example (Ravikumar & Parks, 2020).

Various studies found significant relationship between leadership styles and staff commitment (Sabir & Khan, 2011; Ferine et al., 2021). Saxena et al., (2017) found different leadership styles in different levels of leaders. They also found that female and male preference of leadership styles varies. Pahi et al., (2022) found different leadership styles would have different impact on staff commitment towards service quality.

Methodology

Qualitative in-dept semi structured interview was conducted with Tan Sri using an open-ended questionnaire. The demonstrated questionnaires served as a base for the study. Tan Sri was encouraged to recall stories and experience for researchers to better understand his leadership style throughout the business expansion from a fishmonger to a listed company founder. Based on the pre-test, the interview questions were revised and customised to CCK's expansion as shown in Table 1 which was translated into mandarin. The interview protocols

were sent to Tan Sri one week before the interview. The interview lasted for one hour. The interview was recorded and transcribed for analysis purpose. The interview transcript was analysed by two authors along with the Kurt Lewin's leadership test.

Table 1: Interview Questions

| | |
|---|--|
| 1 | What is the key leadership skill that have served you well throughout the expansion of your business from a private company to a listed company? |
| 2 | What role do you think your team plays on the road to success? |
| 3 | Could you describe a time when you worked to rally your organisation around a common vision? What was the vision? Did the people rally? |
| 4 | Could you share examples on how you have adjusted your leadership style from a private company to a listed company? |
| 5 | Did you ever fail in making the right business decisions? Can you share with me your experience? How did you overcome the problems of a failed decision? |
| 6 | What are the initiatives you have taken to ensure your staff are committed to the organisation? |
| 7 | Did you ever experience any difficulty when handling staff? How did you overcome it? |

Adapted from Saxena et al., (2017); Isa et al., (2021).

Leadership Analysis

Tan Sri's leadership skills are exemplified in Table 2, which summarises the multifaceted qualities and attributes that have propelled him to success. His leadership style is characterised by trustworthiness, participation, lead by example, transparency, and virtuousness. This holistic framework provides fresh insights into the profound impact of leadership on staff commitment and the overarching success of the organisations. Each of the characteristics of Tan Sri is further discussed in the following sections.

Trustworthiness

Trustworthiness is the key leadership skill which served Tan Sri throughout the journey from a fishmonger to a seafood trader and then to a listed company founder. For an organisation to achieve its vision, trustworthiness is the key to be incorporated into the organisation together with proper plan, finance, and interpersonal relationship. Trustworthiness is able to align vision among the staff for an organization to be sustainable. Tan Sri was in entrepreneurship for more than 60 years and had witnessed various changes to people and technology. However, the only component that will never change and should be passed from generation to generation is trustworthiness to ensure sustainability. There are studies proving that high level of trust can increase employee morale, increase productivity, and reduce staff turnover (Wichtner-Zoia, 2014).

Participation

When asked about how to rally the organisation towards a common vision, Tan Sri mentioned that the vision to be listed in Bursa Malaysia has been planned over time. The participation of employees was emphasized by ensuring the participation of all staff and not only concentrated on the top management. Tan Sri recognizes that for the advancement of the organisation, various expertise skills are needed. For diversification, Tan Sri opted for a related diversification which could engage the participation of every staff for them to contribute their skills. The initiative to encourage participation increased the satisfaction level of staff and the staff felt the sense of belonging towards the organisation as their opinions

were valued by their leader. According to Maslow's hierarchy of needs, Tan Sri is able to provide not only the basic needs of his staff but also the middle level which are belongingness and love needs which fall under psychological needs.

Lead by example

As Tan Sri started his business as a fishmonger with only \$3.40 capital, he had to lead by example as his business was full of uncertainty at the beginning. Tan Sri further described the leader as a helmsman who is steering the organisation. The leader must prove his success to inspire and motivate the staff to follow and have confidence in him. The business model which had been developed can be adopted for the expansion of business with the need of experts. Tan Sri also emphasizes the importance of the experts for further expansion and advancement of the organisation. By adopting the concept of trustworthiness, for the existing business model to be sustainable, young experts are vital for the business.

Transparency

For the expansion of the organisation, following the increase in the volume of businesses, transparency is the key for the organisation to be convincing. Tan Sri invites openness and staff are encouraged to voice out the problems to be solved together. Tan Sri emphasizes on the transparency and openness as these are vital components in maintaining the interpersonal relationship. Besides, Tan Sri also considers the fact that the society needs the business and the business needs the society. Therefore, he also encourages personal development among his staff for them to contribute to the society. This is evidenced when two staff are given the title "Penghulu" which means the chief of the community. For the organisation to be sustainable, teamwork is crucial. By borrowing the quote "give a man a fish, you feed him a day. Teach a man to fish, you feed him for a lifetime," Tan Sri shows his concerns in the development of skills among staff for them to be able to carry out tasks independently. This is vital for a large organization where the top level could not manage every single branch and department. With well-trained independent staff, the businesses can sustain even during VUCA environment. According to Maslow's hierarchy of needs, when self-actualisation and esteem needs are fulfilled, it will contribute to the staff commitment.

Virtuousness

When asked about the difficulty in handling staff, Tan Sri emphasizes the importance of ethics among staff as he believes that "everyone is born to be useful. It is good to be talented and virtuous. A person who is talented but unvirtuous must not be appointed." Tan Sri stresses the importance of virtuousness before talent as the organisation is able to provide trainings for skills development but without virtuousness, Tan Sri underlines that such a person should never be appointed.

Challenges

Tan Sri mentioned "as a leader, you have to make fast and accurate decision, as staff would lose confidence with the leader if the leader was spending too much time in decision making" as the challenge of being a leader. Tan Sri was also kind enough to share with us his experience in failed decision making. Nam Cheong Limited is a listed company in Singapore which is a global offshore marine group where Tan Sri is the executive chairman. The company was previously a massive profit-making company until the oil price fell and the offshore shipyards had been abandoned due to the difficulty in obtaining bank facilities. However, despite facing

challenges, Tan Sri still contribute to Nam Cheong as he understands that the company does not only belong to him but also to the other shareholders and stakeholders. Tan Sri also re-emphasises the importance of the experts surrounding him enabling the diversification of the business from a fishmonger to a global offshore marine group chairman.

Virtuous Leadership Style

For the Kurt Lewin Leadership style test, Tan Sri leaned towards a democratic or participative style of leadership. Parameters are set by Tan Sri and he has the final say on the decisions. However, Tan Sri also actively involves his staff in the process. This type of leadership style can build trust between the leader and the staff as the staff feels engaged and valued. After analyzing Tan Sri's interview manuscript together with Kurt Lewin's test, it is concluded that Tan Sri leadership style is virtuous leadership which is developed by Hackett and Wang in 2012 by adding truthfulness into Peterson and Seligman (2004) five virtues namely humanity, courage, justice, temperance, and prudence. Hendrik et al. (2020) highlighted virtuous leadership being a source of employee well-being and trust which was mentioned by Tan Sri in the previous section. Virtuous leader is an ethical steward who will create interpersonal relationships which build trust and earn staff commitments to optimize the wealth and value creation for all stakeholders (Caldwell et al., 2002). Such leader does not only view the organisation for value creation but to create a better world and is obliged to leave a legacy for future generation (Friedman, 2008).

Table 2: Tan Sri's Leadership Analysis

| Leadership Skills | Description | Importance/Impact |
|-------------------|--|---|
| Trustworthiness | <ul style="list-style-type: none"> - Key leadership skill in Tan Sri's journey from a fishmonger to a listed company founder. - Essential for aligning the vision among staff and ensuring sustainability. - Associated with increased employee morale, productivity, and reduced staff turnover. | Critical to achieve an organisational's vision and maintaining stability. |
| Participation | <ul style="list-style-type: none"> - Emphasised the involvement of all employees in decision making and vision implementation. - Recognized the need for diverse expertise. - Increased staff satisfaction and sense of belonging. | Essential to promote sense of belonging among employees and fulfil psychological needs. |
| Lead by example | <ul style="list-style-type: none"> - Tan Sri led by example, especially in the early stages with limited capital. - Leaders are described as helmsmen who has the role to inspire and motivate staff. - Tan Sri stressed the need and appreciated the importance of | Inspires confidence and commitment among staff; appreciate the importance of experts. |

| | | |
|--------------|---|---|
| | various experts for business expansion. | |
| Transparency | <ul style="list-style-type: none"> - Emphasised openness and encouraged employee input for problem-solving. - Crucial in maintaining interpersonal relationships. - Recognized the interdependence between business and society. | Essential in convincing expansion and fostering teamwork; support staff development and commitment. |
| Virtuousness | <ul style="list-style-type: none"> - Prioritized ethics over talent when handling staff. - Believed virtuousness is essential while talent can be developed. - Avoided appointing talented but unvirtuous individuals. | Ethical behavior is a prerequisite for staff selected as skills can be developed by providing training. |

Source: Author generated

Conclusion

Trustworthiness is the key leadership skill that serves Tan Sri throughout his journey from a fishmonger to the chairman of the listed company which is deemed to be important for all the stakeholders including shareholders, employees, suppliers, customers, government etc. Although Tan Sri has been in the entrepreneurship for more than 60 years, where many things has changed including people and technology advancement, trustworthiness is the key which will never change for a business to be sustainable. As Tan Sri started his business with minimum capital, he would have to lead by example to be convincing and inspiring. CCK's staff turnover turned out to be low as participation was encouraged which created a sense of belonging to the organisation as staff is feeling valued by the organisation.

Transparency and openness are also vital to maintain interpersonal relationships with staff. Staff is encouraged to self-actualise and contribute to the society which appears to meet the highest level of Maslow's hierarchy of needs. Tan Sri had proved "a true leader creates more leaders". Tan Sri also emphasizes on the importance of virtuousness upon hiring staff and virtuousness comes before skills as skills needed could be trained but not virtuousness. As such, it is concluded that Tan Sri's leadership style is virtuous leadership which would create interpersonal relationship to build high trust and earn staff commitment and he not only views CCK as an organisation to create value but also to create a better world by being obliged to leave a legacy for the future generation.

This research contributes to the theoretical understanding of the relationship between leadership styles and staff commitment. Virtuous leadership in this paper incorporates trustworthiness, participation, led by example, transparency and virtuousness. This framework offers a new perspective on how leadership can influence staff commitment and organisational success, emphasizing the importance of ethical leadership qualities. Furthermore, though presenting valuable contextual case study of CCK and its founder, Tan Sri Datuk Tiong Su Kouk, this paper offers practical insights into the success story of CCK. Additionally, by incorporating financial performance of CCK over years, this financial context provides a comprehensive view of CCK's performance and its alignment with leadership style and staff commitment. This research includes insights gathered from a qualitative in-depth interview with Tan Sri which offers a firsthand account of Tan Sri's leadership philosophy and

practices, thereby enriching the theoretical framework. In essence, this research combines theoretical constructs with real-world context to offer a comprehensive exploration of the subject matter.

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