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Global HSBC “Essence of Enterprise” study: Social responsibility far more important for young German entrepreneurs than shareholder value

- *Young entrepreneurs in Germany place particular value on social responsibility in a global comparison*
- *For 21% of young German entrepreneurs it is the most important topic, compared with 11% worldwide.*
- *Financial security above all is important to entrepreneurs aged 55 and over.*

For no other group of entrepreneurs worldwide is social responsibility so important as for the young entrepreneurs in Germany. This is a central finding of the "Essence of Enterprise" study carried out by HSBC Private Banking, for which the more than 3,700 entrepreneurs worldwide made comprehensive statements regarding their motivation, goals and challenges. Asked to put topics in order of importance, the topic of social responsibility came in first place for 21% of the under-35 business owners in Germany. This means that young German entrepreneurs differ not only significantly from older generations, but also from young entrepreneurs in other countries.

In an international comparison social responsibility plays only a minor role. Only 9% of all entrepreneurs and 11% of young entrepreneurs worldwide stated that it was their most important topic. Social responsibility becomes less important as the business owner gets older. The top priority for the older generation is financial security. 46% of the over 55 year-old entrepreneurs in Germany described financial security as the most important topic.

Young German entrepreneurs also place value on financial security, even slightly more than their peers on a worldwide average. For example, financial security is the most important topic for no fewer than 25% of the under 35 year-olds (young entrepreneurs worldwide: 22%). However, financial security and social responsibility are almost equally as important for young German entrepreneurs. Young German entrepreneurs rank other topics as far less important. The topic of shareholder value is as good as of no importance.

The maximisation of shareholder value is the most important topic for just 4% of the under 35 year-olds in Germany, compared to 10% on average for young entrepreneurs worldwide. Young entrepreneurs in Germany and worldwide also look very differently at the topics of jobs, prosperity and environment. On an international average, young entrepreneurs attach almost twice as much importance to the creation of jobs and prosperity than to responsibility for the environment (11% vs. 6%). In Germany, on the other hand, the topic of jobs and prosperity is given a lower weighting than the environment topic.

The study shows at the same time that social responsibility and successful entrepreneurship do not have to be opposites. Interviewed entrepreneurs from Germany for whom social responsibility is particularly important head up companies with above-average turnover and an above-average number of employees. For example, the average number of employees at all German companies interviewed came to around 280 employees. Companies run by entrepreneurs with a social focus had over 500 employees on average. These entrepreneurs are also geared towards the long term, have high growth targets and are particularly confident that they can reach these targets.

“The Essence of Enterprise study follows the paths taken by successful companies throughout the world and identifies the features which have led them to success. As HSBC it is important for us to understand entrepreneurs with their motivation and objectives and thus accompany them appropriately”, says Dr. Rudolf Apenbrink, Head of Private Banking and Asset Management at HSBC Germany.

The “Essence of Enterprise” study was carried out on behalf of HSBC. Within a period from December 2017 to January 2018, 3,725 entrepreneurs in eleven nations were interviewed, of which 280 in Germany. All entrepreneurs interviewed were persons that hold a majority stake in a private company, are actively involved in the management and had investable assets of at least GBP 250,000 (around EUR 280,000 Euro). Average assets came to around EUR 1.9 million.

Table:

Business owners were asked to put the following points in order of importance. The most important points are listed in the table.

Importance for business owners	Entrepreneurs aged up to 35 in Germany	Entrepreneurs aged 55 and over in Germany	Entrepreneurs aged up to 35 worldwide	Entrepreneurs aged 55 and over worldwide
Financial security	25%	46%	22%	46%
Social responsibility	21%	6%	11%	5%
Good management	14%	22%	11%	17%
Time with the family	14%	7%	12%	10%
Responsibility for the environment	8%	1%	6%	2%
Active role in society	8%	3%	7%	4%
Creation of jobs and prosperity	6%	9%	11%	8%
Maximising shareholder value	4%	3%	10%	3%
Additional benefits for employees	1%	1%	10%	5%

Contact:

Jens Friedrich

+49 211 910 1789

jens.friedrich@hsbc.de

HSBC Germany

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Notes to editors:

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