

Executive Summary

Firm goal systems: Do Mittelstand companies differ indeed from non-Mittelstand companies?

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Current research can only partly explain how the particular economic and societal contribution of quite heterogeneous Mittelstand companies evolves from a vast number of different micro-economic business decisions. One aspect of this complex process are potential differences in the firm goals between Mittelstand and non-Mittelstand companies. Hence, the present study is devoted to the question whether there are actual differences between the firm goal systems of Mittelstand and non-Mittelstand companies. Furthermore, we investigate how far the firm goals are influenced by the organizational structure of Mittelstand companies, the personal motives of the entrepreneurs and by their sense of belonging to the German Mittelstand.

Customer satisfaction is first priority

Customer satisfaction is a very important corporate objective for the large majority of Mittelstand and non-Mittelstand companies - in contrast to short-term profit maximization: less than 5 % of both Mittelstand and non-Mittelstand companies attach a very high importance to it. Overall, more long-term oriented corporate objectives such as firm growth and increase in company value are at the forefront.

Higher importance of "meta-economic" objectives in the Mittelstand

Nevertheless, there are corporate objectives which are "typically" more often considered as (very) important by Mittelstand companies than by non-Mittelstand enterprises. For instance, nearly two thirds of all Mittelstand companies rate their independence, which is a result of the specific organizational structure of the Mittelstand, as a very important objective for the company. Similarly, employee satisfaction, securing and creating jobs as well as ecological objectives are also of great importance for the Mittelstand. However, these results need not necessarily apply to all Mittelstand companies equally. This is because there is a variety of additional factors that influence the specific goals at the firm level.

Personal motives play a crucial role

Securing personal income and wealth is an important (personal) motive for many entrepreneurs of the Mittelstand. A (very) high assessment of securing private wealth at the individual level corresponds, for example, with a high importance of short term profits at the company level. This result illustrates that

especially in the Mittelstand - which is characterized by the identity of owner- and leadership - quite different personal motives of the entrepreneurs may yield heterogeneous corporate objectives of Mittelstand companies.

The sense of belonging to the Mittelstand has an impact

"Meta-economic" objectives, such as independence, employee satisfaction or ecological goals, are valued higher in comparison to non-Mittelstand companies if entrepreneurs have a sense of belonging to the Mittelstand. Apparently, a common set of values and beliefs which distinguishes entrepreneurs of the Mittelstand has also an impact on their corporate objectives.

Tracking down the "Myth of the Mittelstand"

The special economic and social contribution which is often associated with the Mittelstand is a result of the interaction of different influencing factors. The comparison of corporative objectives of Mittelstand and non-Mittelstand companies reveals significant differences especially in those areas which are commonly regarded as typical for the Mittelstand. Hence, this study contributes to the deeper understanding of the mythical phenomenon which the "Mittelstand" obviously represents.