

Reasonable Behaviour?

HSBC Financial Literacy Forum

Speech by John J Studzinski
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Based on a speech given by John J Studzinski, Chief Executive of the Corporate, Investment Banking and Markets division of HSBC, to students from 27 countries at the HSBC Financial Literacy Forum in Toronto, Canada on 4 October 2005.

Students, I am talking to you today. You are a rich, powerful and important audience to me. HSBC supported 300 projects; 100 were chosen. And you are their representatives.

You're here today so that we can listen to you. And learn. You represent something special. You are the future.

We live in a world where you can see failures in leadership is all important parts of our human life. We witness stagnation in the political arena in many parts of the world. We see a lack of moral authority in religious leadership. And we certainly see an ethical malaise in some of the business world.

You represent something powerful, something forgotten. Hope. And moreover, the cutting edge not only for a new kind of leadership, but the next generation of moral fibre with a global framework.

That's why I'm so interested in you. That's why I cherish you.

I know what HSBC wants to get out of our work in financial literacy. We support it in many different ways around the world. Through Young Enterprise in Europe and Junior Achievement in the US. Through HSBC Young Entrepreneur in Asia. And through hundreds of educational programmes in our local communities.

Financial literacy is core to HSBC. As a bank. As a financial services company operating in 77 economies – rich and poor – around the globe. And as a successful organisation.

And we don't do it because we can tick the Corporate Social Responsibility box, or to look good in the CSR surveys, or have something to talk to our shareholders about. We don't mind those things, but that's not what we're about.

Our real CSR impact doesn't come from SIFE sponsorships like this one, important though they are. Our real impact comes from our everyday business; by helping people create businesses and wealth; by helping them save; by providing the financial services they want or need. And by doing these things in an ethical, responsible way.

The principles that underpin CSR should permeate everything we do, every day. Companies, like people, can choose to behave well or behave badly. Can choose to do the right thing.

Where we add something by our work in financial literacy is that we can help people who couldn't otherwise help themselves. We can help the vulnerable. Those who need it most.

Different societies, different cultures, different values. Different needs. Today you're concentrating on the young and women entrepreneurs. And we're trying to connect lots of dots.

What do we want to achieve? We look for absolute impact. We want to transform people's lives. And we want to affect a lot of people. We are ambitious.

Fundamentally this work is more than teaching basic skills. Those things you debated this morning, they are important; sometimes vital.

Those five broad areas Loretta Abrams highlighted:

You don't get something for nothing.

Recognising your risks.

Understanding your funding choices.

Preparing a plan.

Knowing your rights and responsibilities.

Lack of moral authority

Deceptively simple. But fraught with danger for those who are not financially literate. And simple though they sound, they hide rich and subtle thinking under the surface. I heard that from you this morning.

Also you have to teach people well. With mutual respect and kindness. Using the approaches you will share with us today.

And, of course, you are not teaching these things to people in a vacuum. People bring baggage. They come with their own attitudes to money, to finance. And these attitudes, whether they come out of the culture, the family or the peer group; they determine behaviour. They might be rooted in fear or greed as well as ignorance. So you may need to challenge and change the attitudes to change the behaviour.

And as if all that wasn't enough, teaching finance, changing attitudes, we want you to inspire people. To get them to do things they never dreamt possible. Not simply personal financial skills, but to start businesses. To create jobs, to create wealth, to create change in society.

This is vital; this is the heart of the matter. Nurturing people; helping people achieve their potential. Let us not forget that work is about self-esteem and human dignity.

And respecting and preserving human dignity is really what CSR is about, inside and outside the corporate community. And, of course, we ourselves are dignified by our actions. You and me. We are more human as a result.

You do all this. And we help a bit. At HSBC we know what we get from our support of events like today and of the powerful work that SIFE does. Our vision is to nurture hundreds of thousands – maybe millions – of people who really need help – and do it through you.

[Big Pause]

That's what we get. But the question we should really to ask today is, "what do you get out of this"? Why are you here. Be real.

That is a profound and difficult question for you.

On one level, you enrich yourselves. You learn things. You meet people. You experiment. You take risks. Knowledge and experience are a powerful combination. You gain both.

What do you get out of this?

Well your CV looks better; it might help you get a job, maybe even with HSBC. You know we just got voted best graduate employer in China.

You work with friends; you have a good time; you build something of value in your local communities. You made a contribution.

What do you get out of this?

You help other people. You equip them with the ability to do something they couldn't otherwise have done.

Look at the projects you have created. And you really made a difference. A lasting and real difference to people's lives. You can take a real sense of satisfaction from that.

What do you get out of this? Is satisfaction enough?

Maybe; it's important.

But I truly believe you learned something more important. You gave your creativity, your skills, and you gave them to people who needed these things desperately.

What you didn't do, was do the work for them. You acted as a catalyst, role model, leader. You enabled them to release their potential. These people had talent and ability already. You helped them develop their self-confidence. You set them free.

Real sense of satisfaction

I think of Fudan University's website which acts as a bridge between unemployed middle-aged women and companies that might employ them. When we got the case report, it had already been visited by 55,000 people.

Or City University in London who set up a programme on entrepreneurship for "at-risk" 15-16 year-old students, female and from minority groups.

There are scores of other examples. All equipping those who need it with skills. And watching them take-off.

I think you can probably divide the world into two. And America, the West, is not the whole world. For the developed part of the world, education is readily available for the overwhelming majority of the population. It's almost commoditised.

Through education systems, but also through the various cultural structures in Western societies: the media, the arts, technology....these very sophisticated ways

of transmitting information, of sharing meaning.

But in most societies, that is not true for most people. Limited education, or none at all. No TV, no internet, no voice – no dialogue. So people are really desperate for knowledge – and have a desperate need for education.

I recall in 2003 a literacy project in Bangalore where over 100 women participated. These women walked 100 miles to get to the course because it was so important to them. And when they finished it, they were so, so, so proud. It was like they had been transformed from household automatons into real people, with a real sense of accomplishment. And HSBC had the satisfaction of making it possible.

So knowledge, experience, achievement, satisfaction. Not bad so far. But what do you really get out of this?

I could define it in b-school speak. You're at the "tipping point", empowering people through creative leveraging of their human capital using your intellectual capital as catalyst.

I think it can be put more simply. I believe what you finally get is a vision of leadership.

A sense of the extraordinary things that can be achieved by the gift of the human spirit. You made a profound impact on people's lives. But I'm hoping that the most profound impact will be on your own.

Vision of leadership

I challenge you. To take what you have learned and let this be Chapter One. And now write the rest of the book. Break boundaries. Take risks. Challenge.

I talked about a new kind of leadership. You are – can be – those new leaders.

And because you are young, I hope that you will not be encumbered by fear of failure or fear of risks. Or worse, by a limited sense of the possible. Please, please, please, do not lose your naïveté or your ambition.

The great Irish playwright and political campaigner, George Bernard Shaw, was the only person to win both the Nobel Prize and an Oscar.

Shaw wrote, "The reasonable man adapts himself to the world. The unreasonable man persists in trying to adapt the world to himself. Therefore, all progress depends on the unreasonable man."

That is my challenge to you. To be unreasonable. To reach out and achieve more than you ever thought possible. And as leaders, make the world a different place.

That's trite, right? A cliché. I don't believe so. Human suffering is never trite. Human achievement is never trite. And human dignity is something that every human being must not only enjoy but also preserve every day.

I can't answer my question. It's up to you. What do you get out of this?