

Family Business Survey 2023

Türkiye Report
December 2023

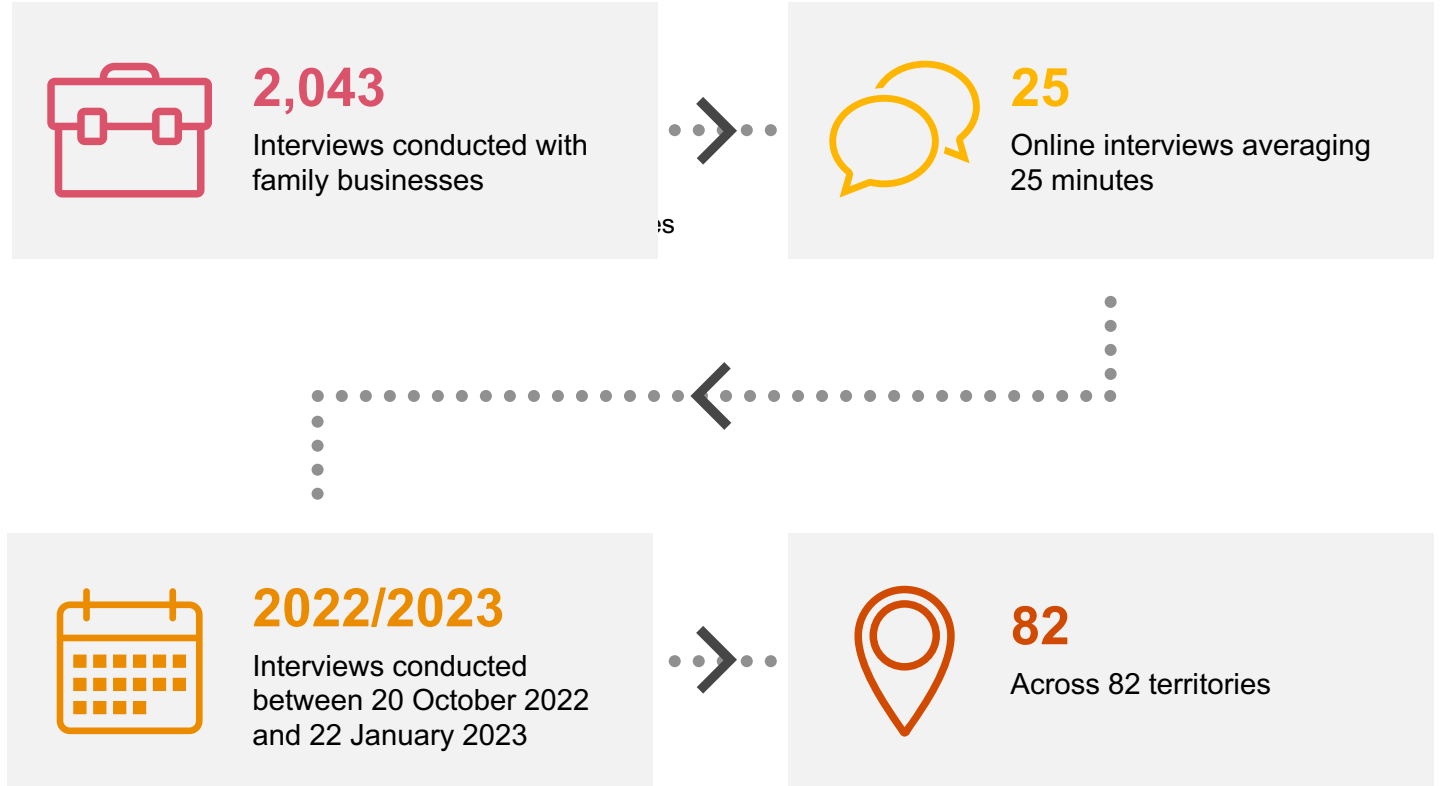


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About the Family Business Survey

The Family Business Survey is a global market survey among key decision makers in family businesses within a number of PwC's key territories. The goal of the survey is to get an understanding of what family businesses are thinking on the key issues of the day.



2,043 interviews conducted in 82 territories

Asia and Pacific

Australia = 88
Azerbaijan = 1
Bangladesh = 39
Mainland China = 38
Hong Kong = 36
India = 59
Indonesia = 57
Japan = 60
Korea = 2
Malaysia = 10
Nepal = 4
New Zealand = 52
Pakistan = 2
Papua New Guinea = 42
Philippines = 3
Singapore = 22
Taiwan = 35
Thailand = 44
Vietnam = 36

Europe

Western Europe

Austria = 12
Belgium = 3
Cyprus = 7
Denmark = 36
Finland = 66
France = 36

Türkiye = 34

Greece = 34
Ireland = 38
Italy = 61
Luxembourg = 5
Netherlands = 37
Norway = 7

Portugal = 51

Spain = 42
Sweden = 60
Switzerland = 45
Turkey = 34
UK = 30

Eastern Europe

Albania = 4
Bosnia & Herz. = 2
Bulgaria = 7
Croatia = 3
Czech Rep = 6

Hungary = 4
N Macedonia = 4
Poland = 40
Romania = 33
Slovakia = 6
Slovenia = 1

Middle East

Middle East = 46

(Bahrain, Egypt, Jordan,
Kuwait, Lebanon, Oman,
Qatar, Saudi Arabia, UAE)

North America

Bahamas = 1
BVI = 2
Canada = 24
USA = 83

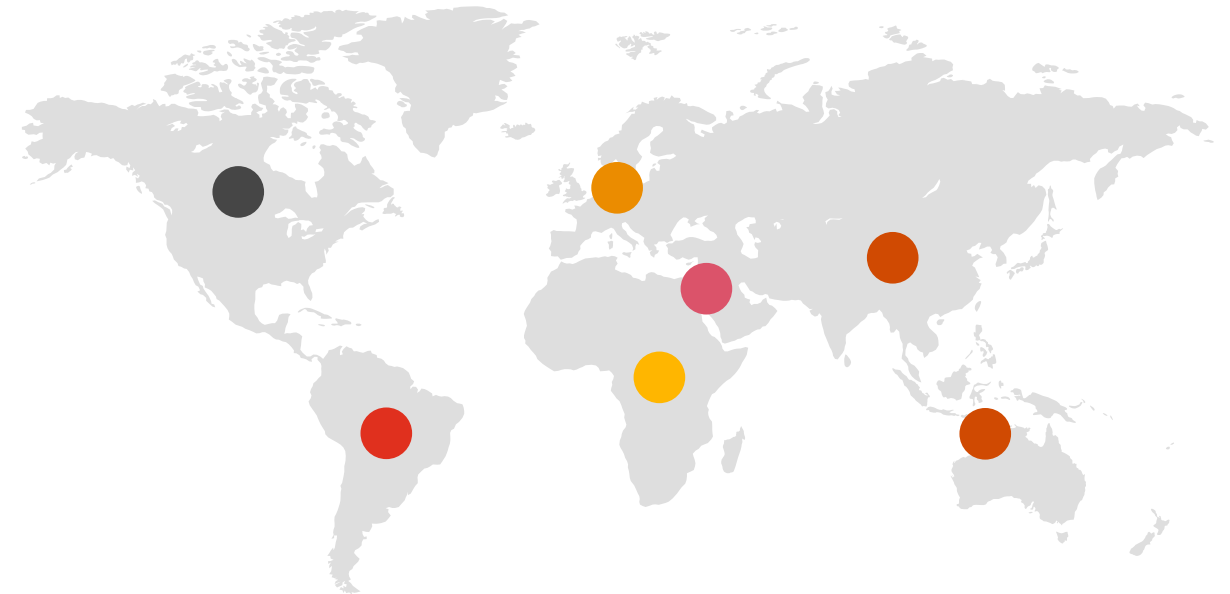
Latin America

Argentina = 3
Brazil = 138
Cayman = 1
Colombia = 32
Ecuador = 36
Mexico = 38
Peru = 8

Africa

Africa = 172
Kenya = 33
Nigeria = 33
South Africa = 33
Tanzania = 26
Uganda = 30

(Cameroon, Ethiopia, Ghana,
Mauritius, Mozambique,
Namibia, Sudan)



Global Family Business Survey 2023

Turkey snapshot



At a glance

- Trust levels in Turkey are generally on a par with FBs globally: Among those who consider trust among each group important:
 - 53% are fully trusted by customers (Global: 51%)
 - 44% are fully trusted by employees (Global: 46%)
 - 67% are fully trusted by family members (Global: 74%)
- 44% of Turkish FBs are very advanced in having a system in place that gathers customer feedback (vs. 34% globally) while 29% are very advanced in offering staff incentives at all levels (vs. 33% globally)
- 35% of Turkish FBs say there are high levels of trust between family members outside the business and family members working in the business (vs. 40% globally)

34

Total number of interviews

\$3 bn

Total turnover

29

Report requested



Customers

76% Say being trusted by customers is essential

53% Of those who think it is important, say they are fully trusted by customers

35% Put very much focus, energy, investment and resource into understanding customer needs

44% Say increasing customer loyalty is a top five priority

44% Very advanced in having a system in place that gathers customer feedback



Employees

68% Say being trusted by employees is essential

44% Of those who think it is important, say they are fully trusted by employees

29% Put very much focus, energy, investment and resource into attracting and retaining talent

35% Say increasing trust among employees is a top five priority

29% Very advanced in offering staff incentives at all levels



Family

65% Say being trusted by family members is essential

67% Of those who think it is important, say they are fully trusted by family members

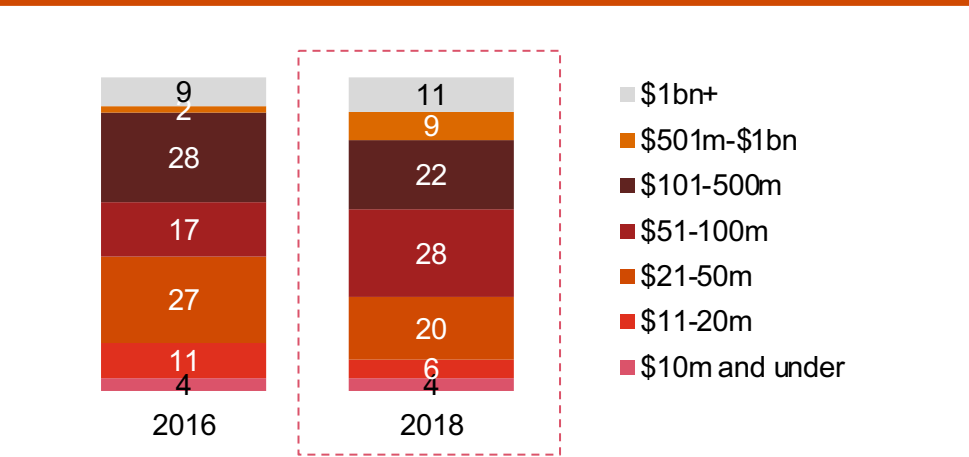
50% Feel that all family members involved in or affected by the business have similar views and priorities about the company's direction

59% Say relevant information is shared in a transparent and timely way between family members

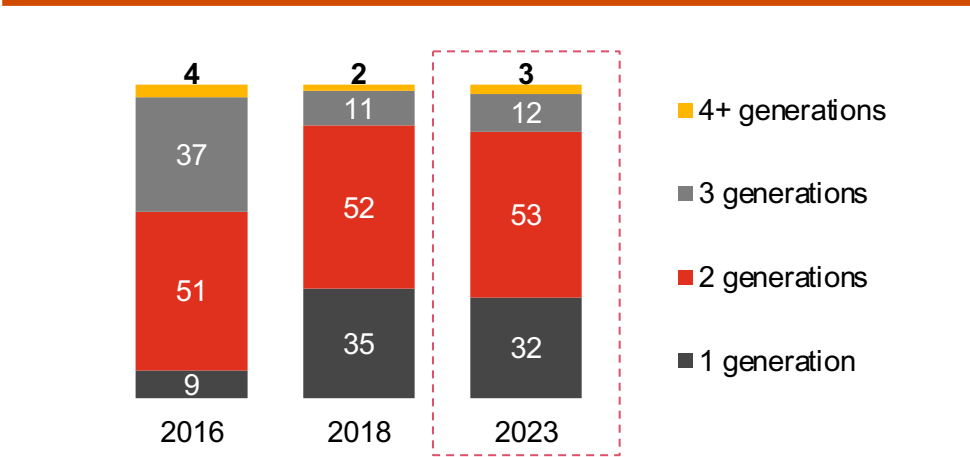
35% Say there are high levels of trust between family members outside the business and family members working in the business

Türkiye company profile – which companies have we interviewed?

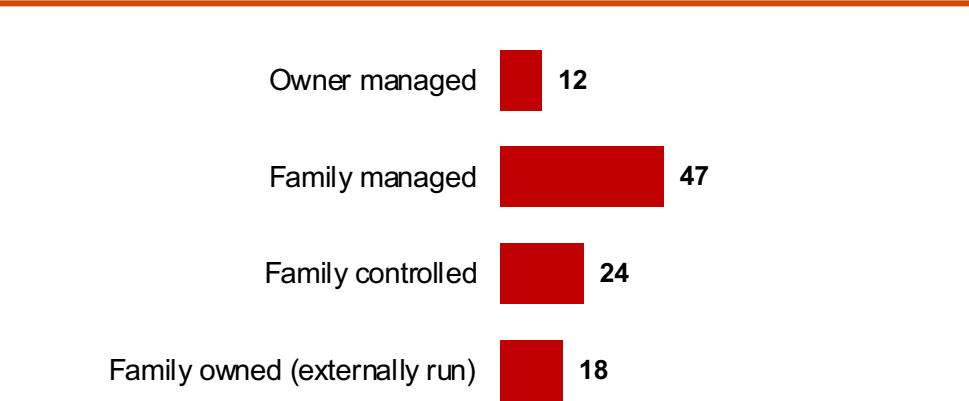
Turnover (sales) (US\$) (%)



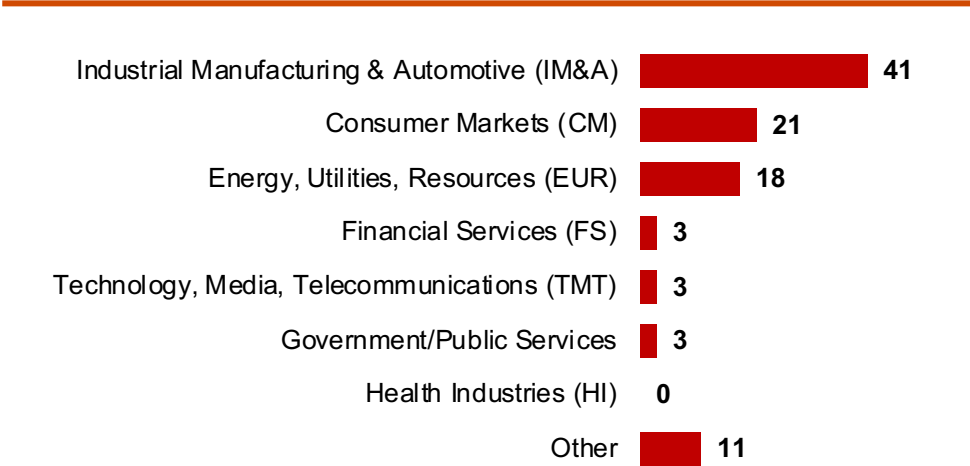
Shareholder Majority (%)



Family's Role in the Business (%)



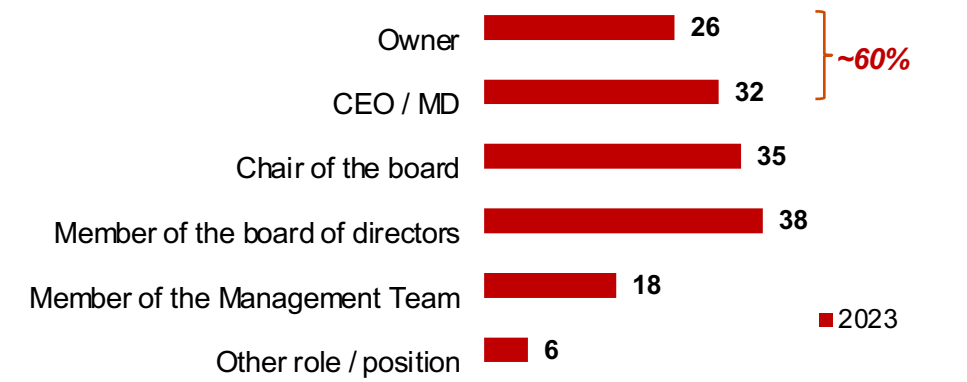
Sector (%)



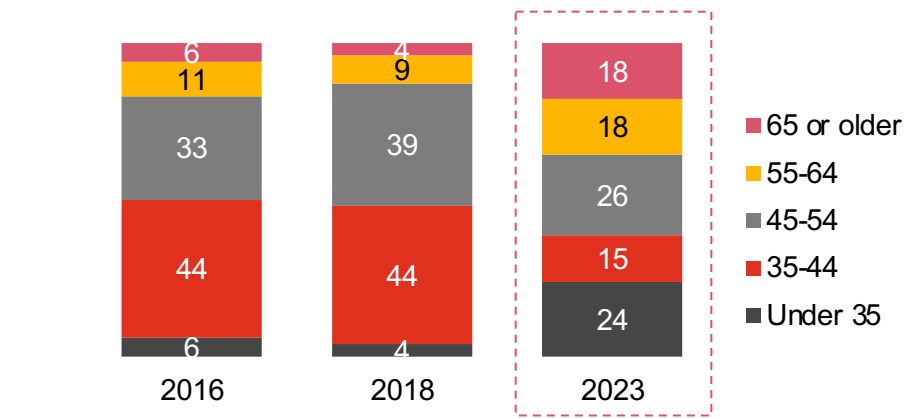
Note: Low number of Turkey interviews in 2021, thus excluded

Türkiye respondent profile – who have we spoken to?

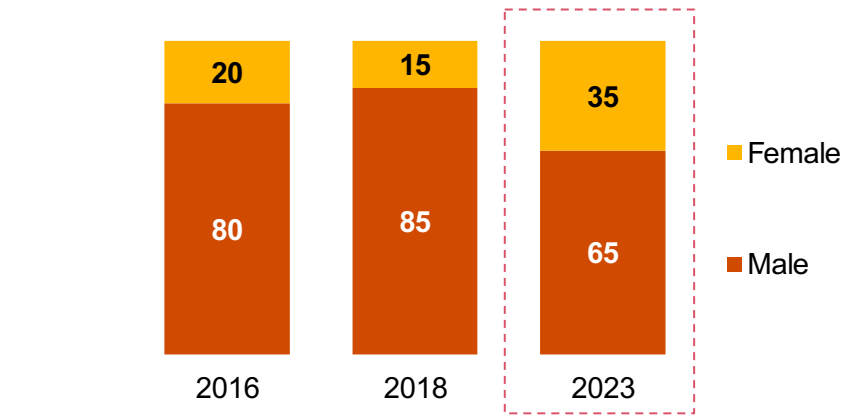
Current Job Role / Position (%)



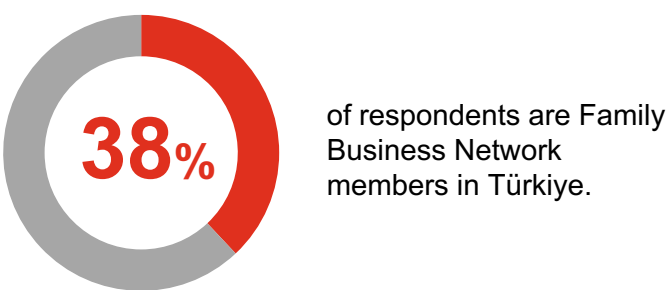
Age (%)



Gender (%)



Family Business Network Member (2023)



Note: Low number of Turkey interviews in 2021, thus excluded

Headline findings for Turkey



Organisation performance

- Turkish family businesses have seen **strong performance** over the last financial year with **88% experiencing growth** and **none seeing a sales reduction**
- This compares with **89% experiencing growth** and **6% reduction** when asked the same question in **2018**
- The Turkish situation is **more positive** than the global picture. Globally, **71%** of family businesses grew while **8%** shrunk
- **Growth aims** in Turkey are **fairly ambitious** over the next two years
- **79%** of Turkish family businesses expect to see **growth** for the next two years (compared with **77%** globally)



Focus and Priorities

- Turkish family businesses are more likely than family businesses globally to think they are **very advanced** in a number of areas;
 - including having **quality control systems** in place, **taking a public stance** on important issues, having **transparent communications** and having **systems to gather customer feedback**.
- As with family business across the globe, most Turkish family businesses admit that **issues related to ESG and diversity are not a current area of focus**.
- Only **29%** of Turkish family businesses admit that 'very much' focus, energy, investment and resource is currently put into **innovation / R&D** (although higher than the global average).
- Only **26%** and **38%** of Turkish family businesses respectively have a person or team in place **responsible for diversity & inclusion and ESG**.
- **85%** of Turkish family businesses claim to have a clear company purpose (global average: **79%**).
- However, globally, many do not take the required action to ensure it is effective e.g. write it down or communicate it externally.
- Most Turkish family **businesses set goals and targets for customer satisfaction and growth** but only a minority set goals and targets for diversity & inclusion and social impact.
- The key priorities facing Turkish family businesses over the next two years are **improving digital capabilities** (much higher than the global average) and **expanding into new markets or client segments**. The key priority groups for Turkish FBs are **shareholders and customers**, followed by **employees**.
- A **large proportion** of Turkish FB boards **don't include non-family members** or those from a different industry background.

Headline findings for Turkey



Trust and Family Cohesion

- Most Turkish family businesses believe that it is **essential to be trusted by customers, employees and family members**.
- However, only **53%** and **44%** believe they are fully trusted by their customers and employees respectively.
- **Being trusted by policymakers & regulators is more important** than globally.
- Trust levels between family members are generally seen as **high** although about one in three admit to **lower levels of trust between family members**.
- Communication between family members is **mixed** and only **50%** say there is **family alignment on company direction** (vs. **59%** globally).



Adaptability and agility

- **53%** of Turkish family businesses feel they have strong digital capabilities.
- This **compares favourably** with the global average where only **42%** feel they have **strong digital capabilities**.
- **59%** say they have **access to reliable and timely information / data** that feeds into the decision-making process (vs. **64%** globally).



Total Impact

- Turkish FBs are much **more likely to engage in impact investing and venture philanthropy** than FBs globally (and less likely to contribute to the local community).
- **71%** of Turkish family businesses say there is an **opportunity for family businesses** like ours to lead the way in **sustainable business practices** (vs. **64%** globally).
- **76%** of Turkish family businesses see the value in **paying their fair share of taxes** as good corporate citizens (vs. **62%** globally).

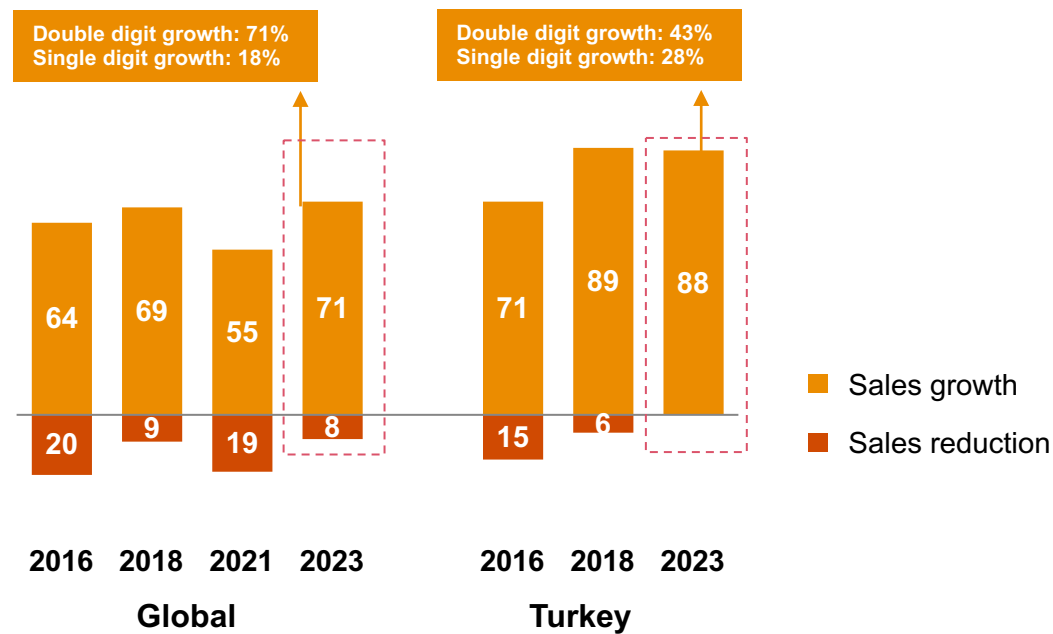
Organisation performance



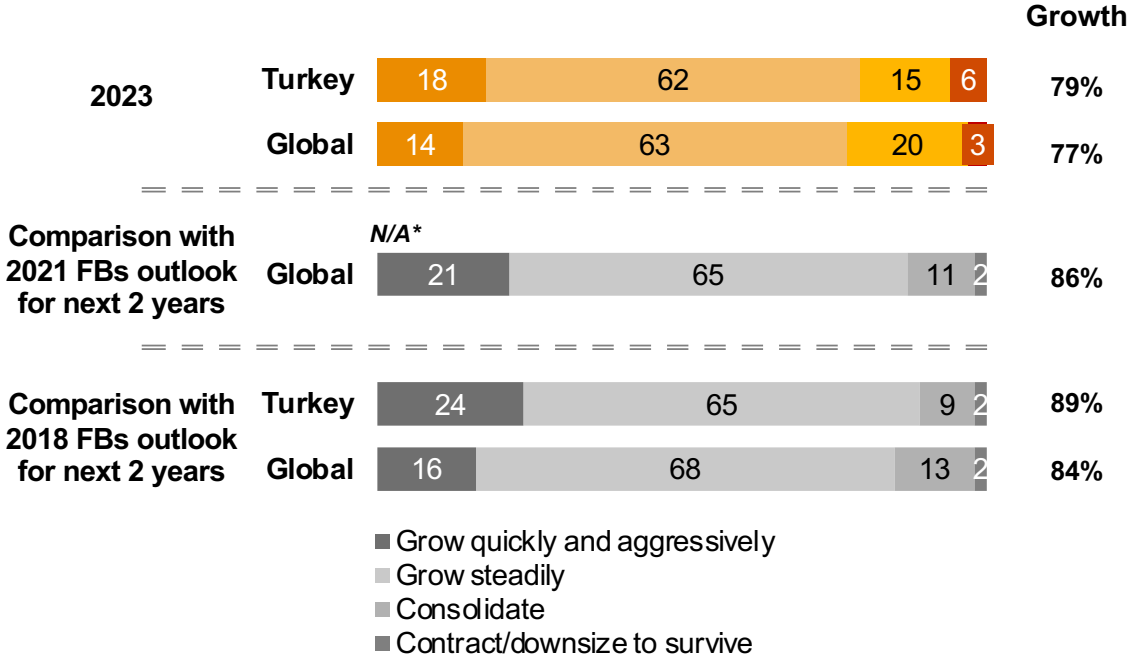
Growth in Turkey is higher than the global average

While growth aims in Turkey over the next two years are similar to the global average

Growth in last financial year (%)



Growth ambitions for next two years (%)



(*) Note: Low number of Turkey interviews in 2021, thus excluded

Q7. Looking back over the last financial year would you say your sales have been:
Q8. Which of the following best describes your company's ambitions for the next two years?

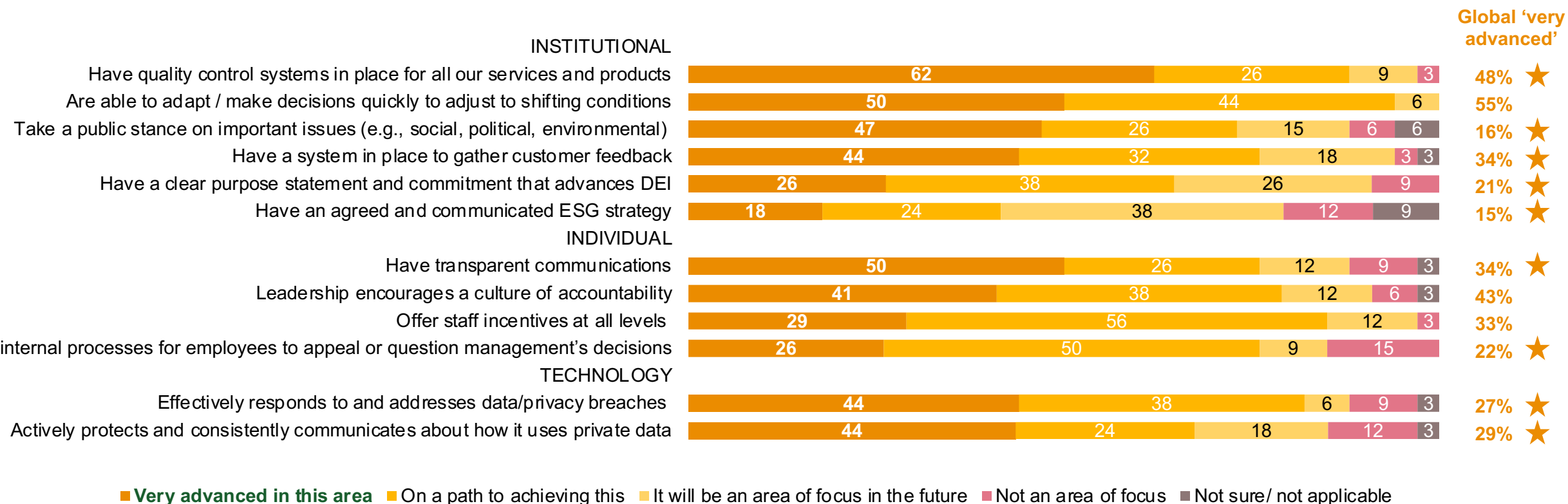
Base: All Turkey respondents (2023 n = 34, 2020: n=; 2018: n=54; 2016: n=81), all Global respondents (2023 n = 2,043, 2020: n=2,801; 2018: n=2,817-2,950; 2016: n=2,802)

Focus and priorities



Many admit that issues related to ESG and diversity are not a current area of focus

Actions being taken – Türkiye (%)

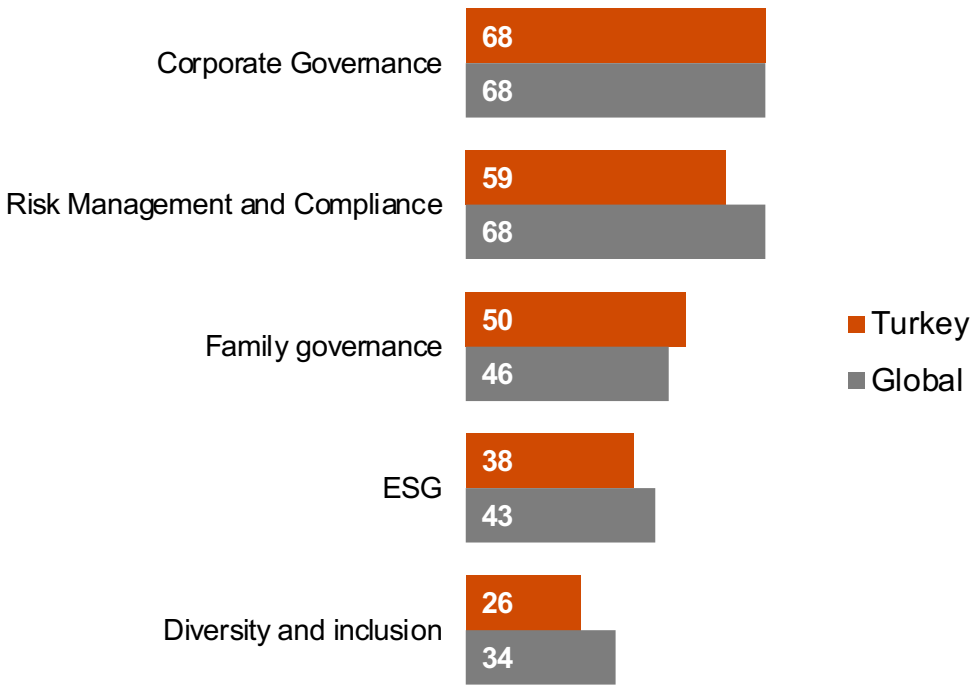


Q11. Which of the following best describes what actions your company is taking in these areas?
Base: All Turkey respondents (n=34); all Global respondents (n=2,043)

★ *Turkey is better in Global respondents for «very advanced»*

Only a quarter have a person or team responsible for diversity and inclusion (lower than the global average)

Proportion of FBs with person / team responsible for: (%)



Q12a. Do you have a person or team in your company directly responsible for each of the following?
Base: All Turkey respondents (n=34); all Global respondents (n=2,043)

Many family businesses admit that little focus, energy, investment and resource is currently put into ESG and innovation / R&D (although higher than the global average)

On scale of 1-5, amount of focus, energy, investment and resource put into... - Turkey (%)



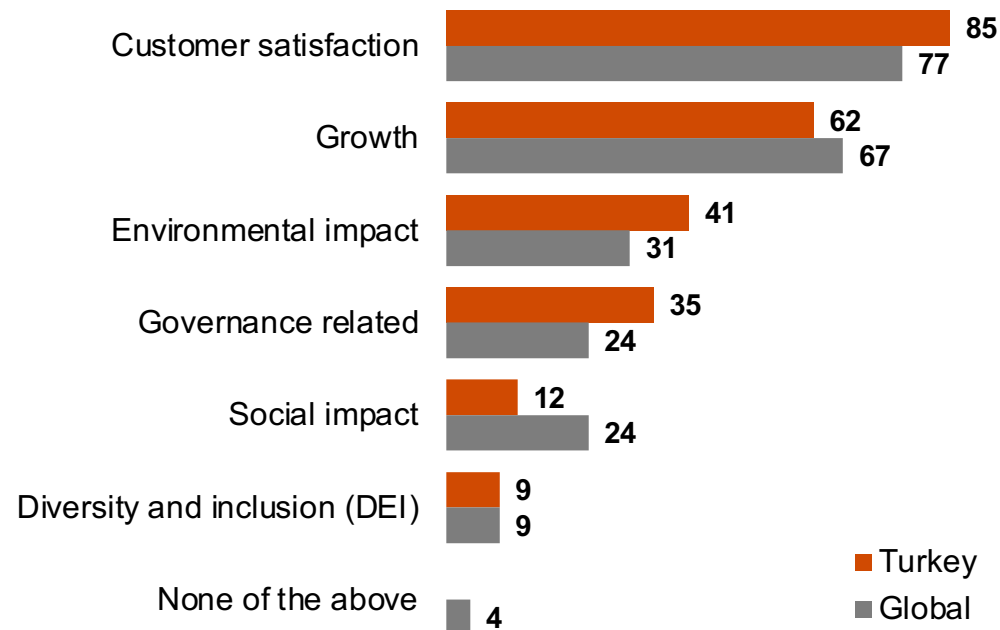
Q16 For each of the following, how much focus, energy, investment and resource do you put into it right now...
Base: All Turkey respondents (n=34); all Global respondents (n=2,043)

★ Turkey is better in Global respondents for «very much»

Customer satisfaction and growth are the goals / targets most likely to be set

Only a minority set goals and targets for diversity & inclusion and social impact

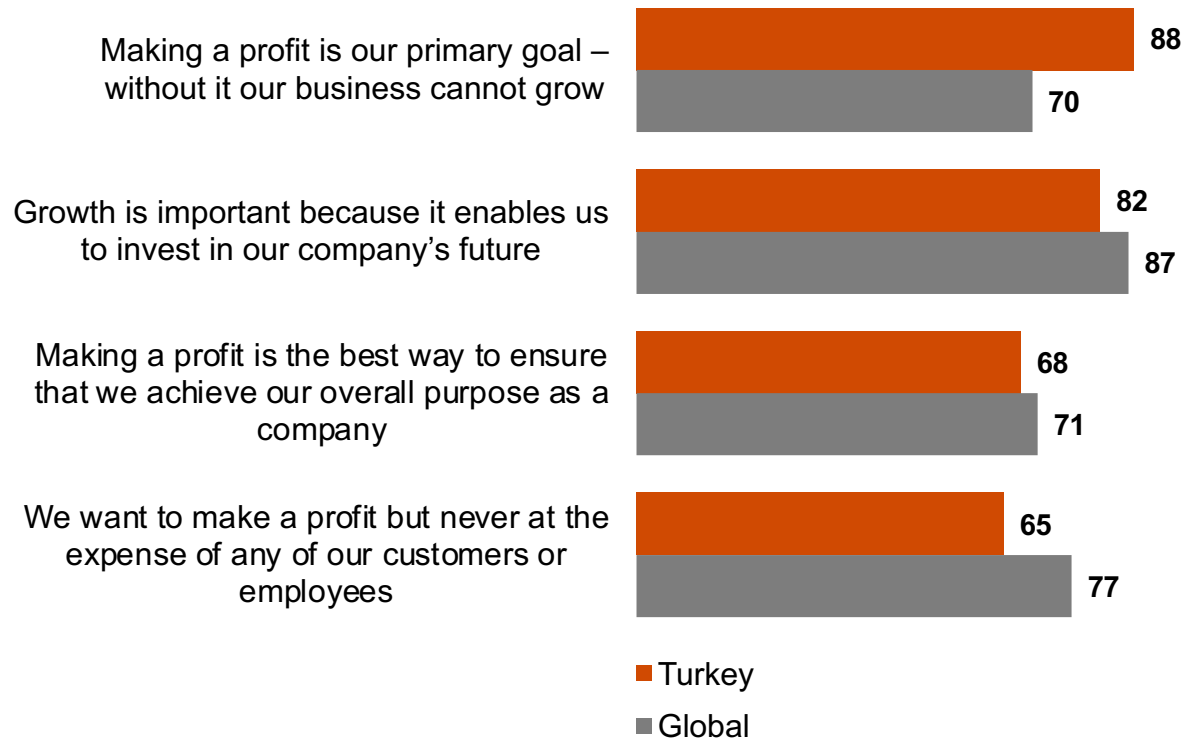
Goals and targets set as standard policy (in addition to revenues and profits) (%)



Q17. In addition to revenues and profits, which of the following goals and targets do you set as standard policy?...
Base: All Turkey respondents (n=34); all Global respondents (n=2,043)

Growth and profit are seen as key although most agree that profit should not be at the expense of customers or employees

Agreeing with statements (%)



Q29. How strongly do you agree or disagree that...

Base: All Turkey respondents (n=34); all Global respondents (n=2,043)



Most businesses claim to measure progress against their goals and report on this internally

79%

Turkey FBs measure / monitor progress against goals
(among those setting goals)

Global: 82%

59%

Monitor progress at least quarterly
(Global: 65%)

71%

Give staff updates on progress of performance against goals
(Global: 74%)

41%

Publish performance against goals more widely
(Global: 29%)

Q18. Do you measure and monitor progress against these goals and targets during the year? Q19. How often do you measure and monitor progress against these goals and targets? Q20. Do you give staff regular updates during the year on how the business is performing against these goals and targets? Q21. Do you publish your performance against your goals and targets more widely – for example, on your website or to other stakeholder groups (for example, investors)?...

Base: all setting goals: Turkey respondents (n=34); Global respondents (n=1,970)

Issues related to the local community, value chain dependencies and diversity tend not to be key priorities

Key priorities over the next two years (Top 5) – Türkiye (%)



Q22. Which, if any, of the following are the company's TOP FIVE priorities for the next two years?...

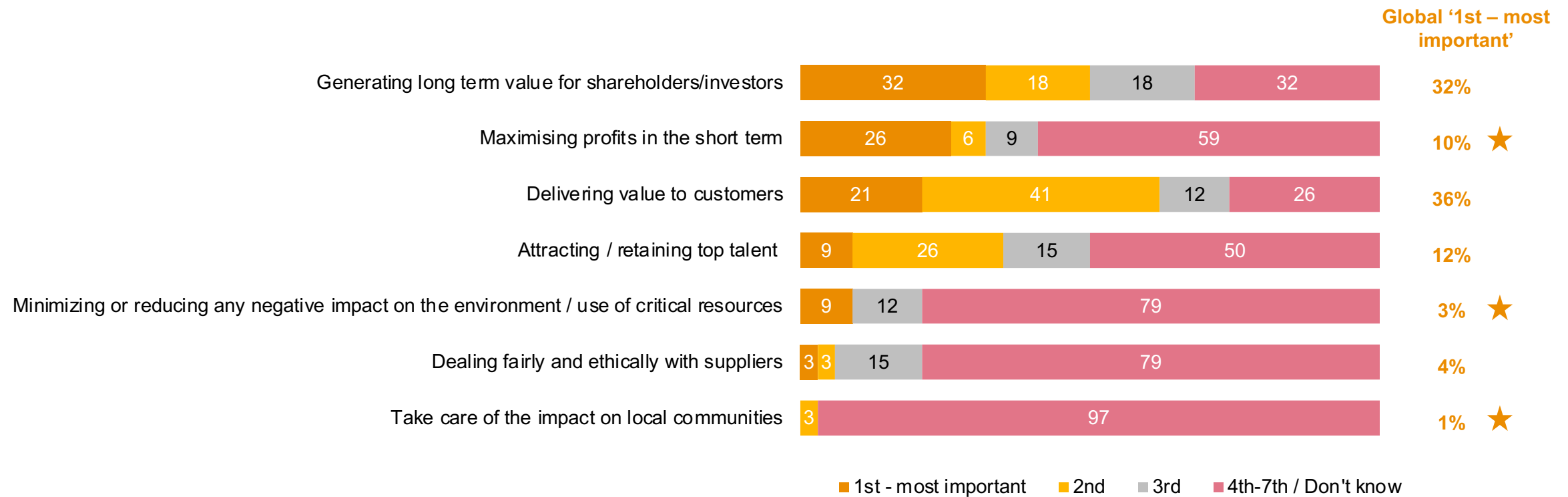
Base: All Turkey respondents (n=34); all Global respondents (n=2,043)

★ Türkiye is better than Global

The key priorities for Turkish FBs are customers and shareholders, followed by short term profit and then customers

Globally, customers are prioritised over shareholders

Rank order of priorities to overall business – Türkiye (%)



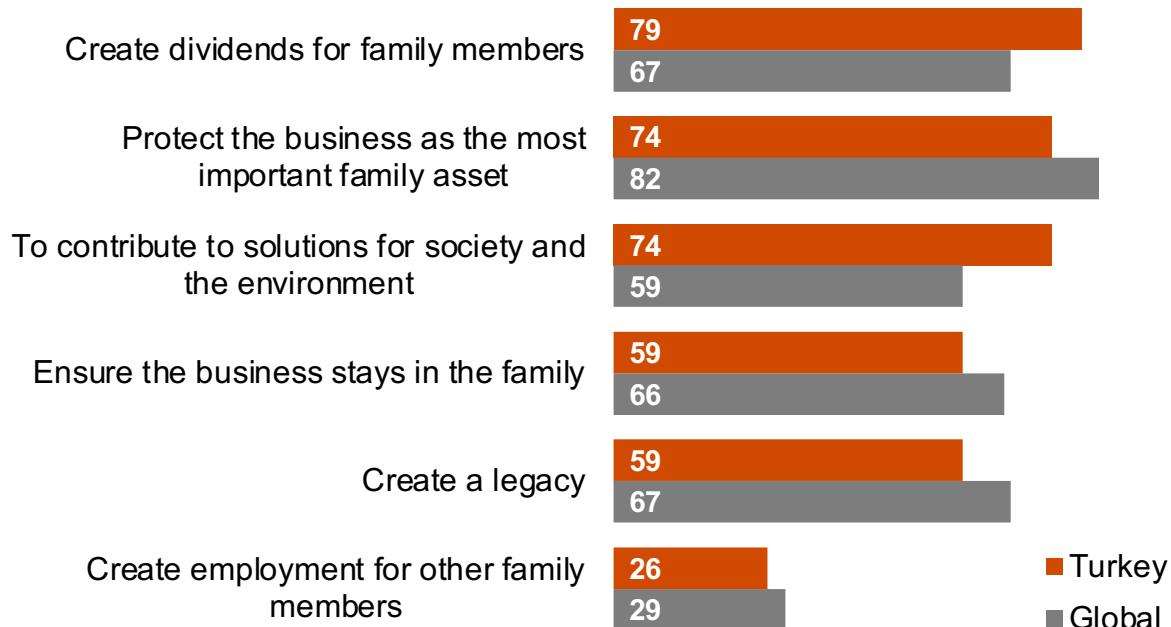
Q23. Could you put the following in rank order in terms of their priority to your business overall – in other words which do you give maximum focus, effort and priority, which comes next on the list and so on.. Give a 1 to the highest priority, a 2 to the second highest priority etc.

Base: All Turkey respondents (n=34); all Global respondents (n=2,043)

★ Türkiye is better than Global for «1st – most important»

Creating dividends, protecting the business as the most important family asset and contributing to solutions for society and the environment are the key long term personal goals in Türkiye

Important personal long term goals (5+ years) (%)



Q37. How important are the following longer-term goals to you i.e. OVER THE NEXT FIVE YEARS OR LONGER?...

Base: All Turkey respondents (n=34); all Global respondents (n=2,043)



Turkish FB boards often don't include non-family members or those from a different industry background

4.4

Average number of people on the Board of Directors in Türkiye

Global: 5.2

18%

Have no women on the board (Global: 31%)

59%

Have only family members on the board (Global: 36%)

59%

Have no one aged under 40 on the board (Global: 57%)

47%

Have no-one from a different industry background on the board (Global: 26%)

Q24.How many people are there on the company's board of directors? Q25.And how many people on the company's board of directors

Base: All Turkey respondents (n=34); all Global respondents (n=2,043)

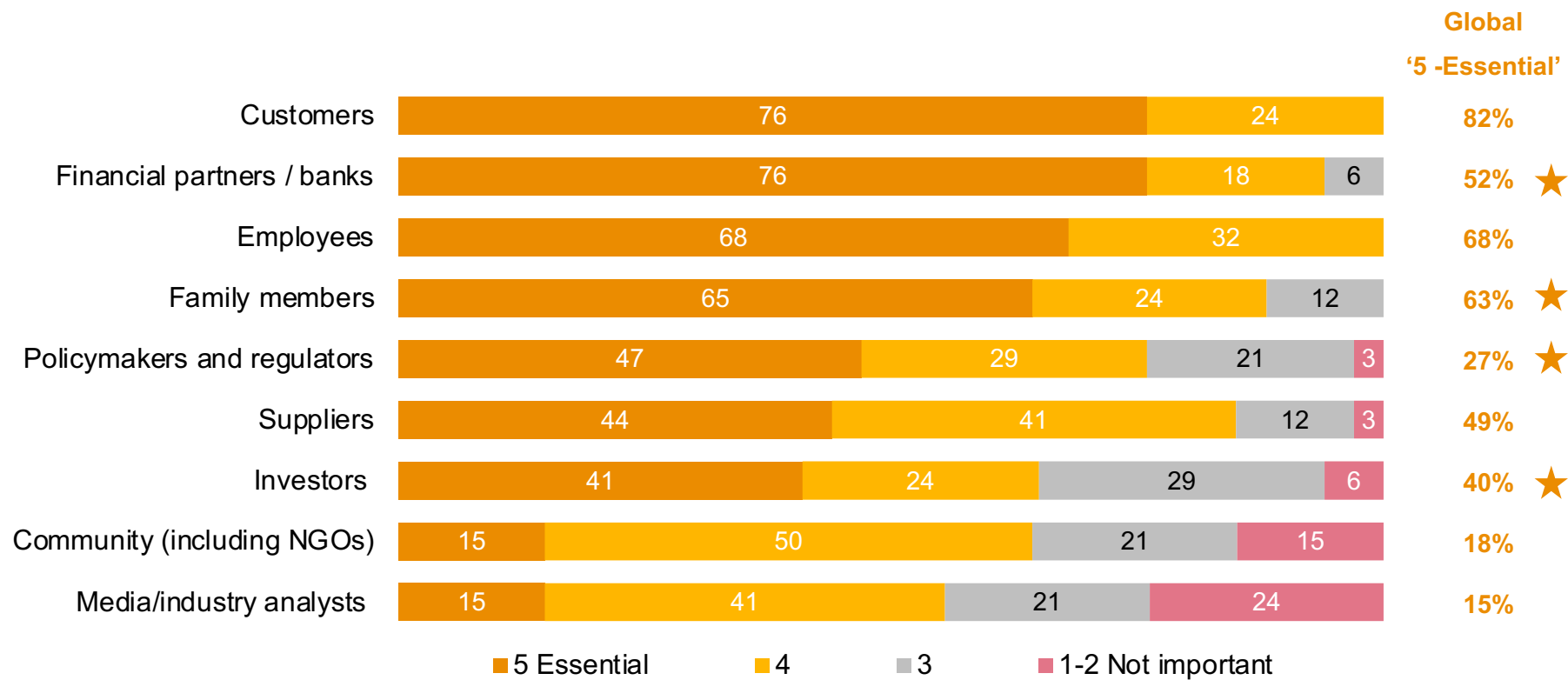
Trust and family cohesion



When it comes to trust, the customer is still seen as king, followed by financial partners, employees and family members

Being trusted by policymakers & regulators is more important than globally

Importance of being trusted by the following stakeholder groups – Turkey (%)



Q26. How important is it that your company is trusted by the following stakeholder groups?

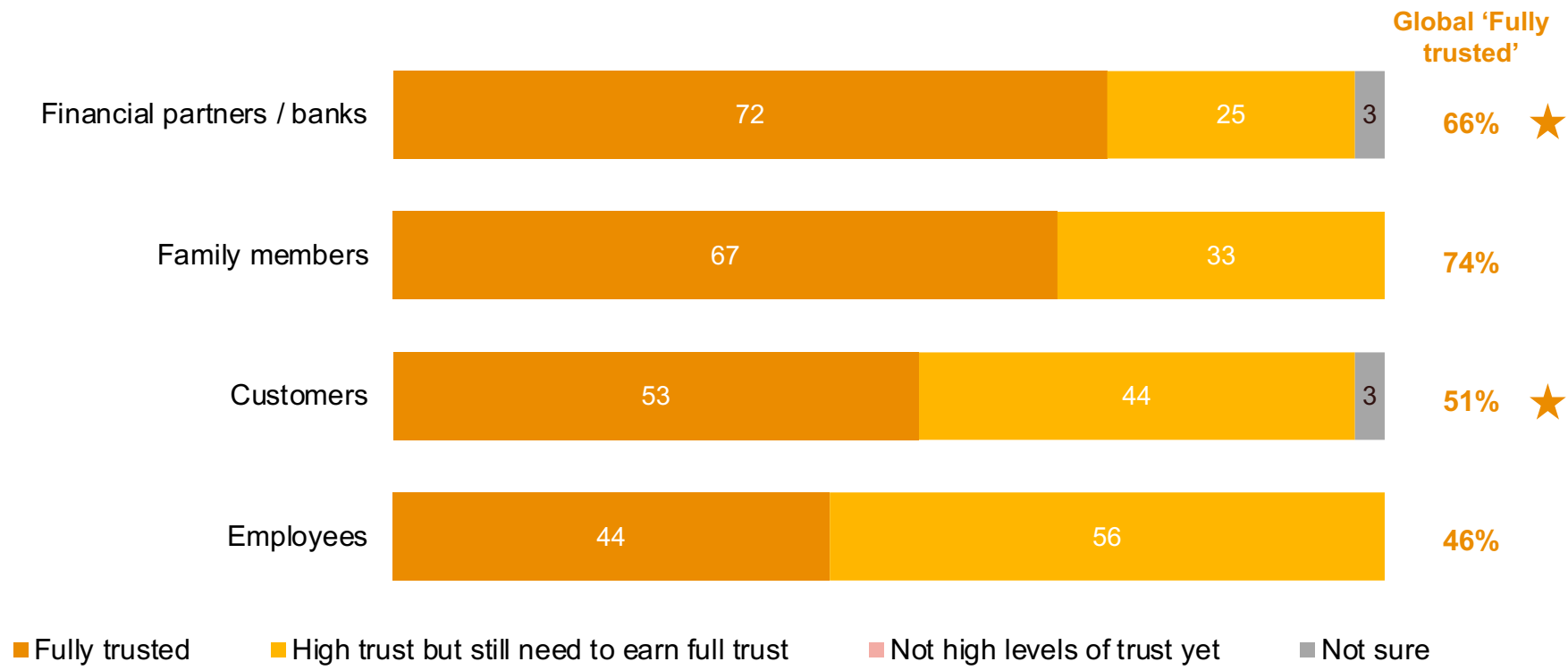
Base: All Turkey respondents (n=34); all Global respondents (n=2,043)

★ Türkiye is better in Global respondents for «5 - Essential»

Only 44% believe they are fully trusted by their employees and 53% by customers, despite claimed focus

...but trust between family members believed to be high

*Levels of trust following stakeholder groups have in your company (among stakeholder groups considered important) - Türkiye (%)

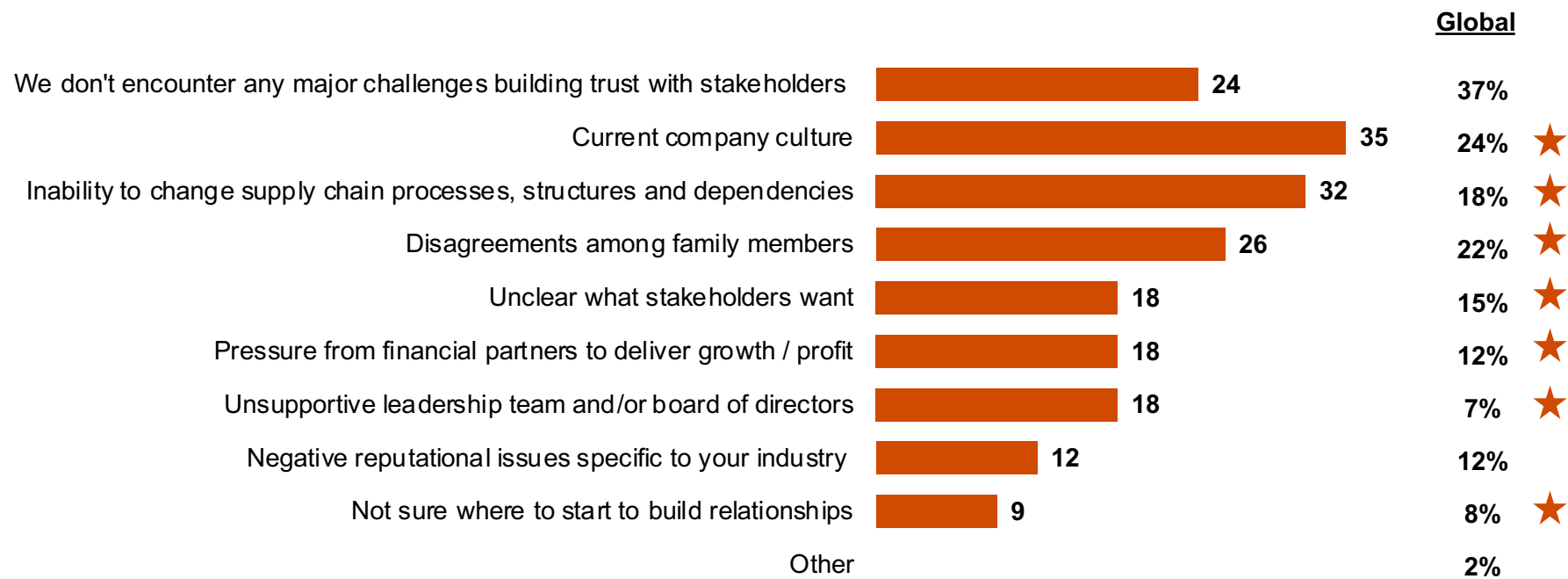


Q27a. Which of the statements below do you believe best describes the level of trust the following stakeholder groups have in your company?
Base: All Turkey respondents (n=30-34); all Global respondents (n=810-1,931)

★ Türkiye is better than Global respondents for «Fully Trusted»

Over one in three family businesses say the current company culture is one of the biggest challenges to building trust with stakeholders

Biggest challenges to building trust with stakeholders (Top 3) – Türkiye (%)



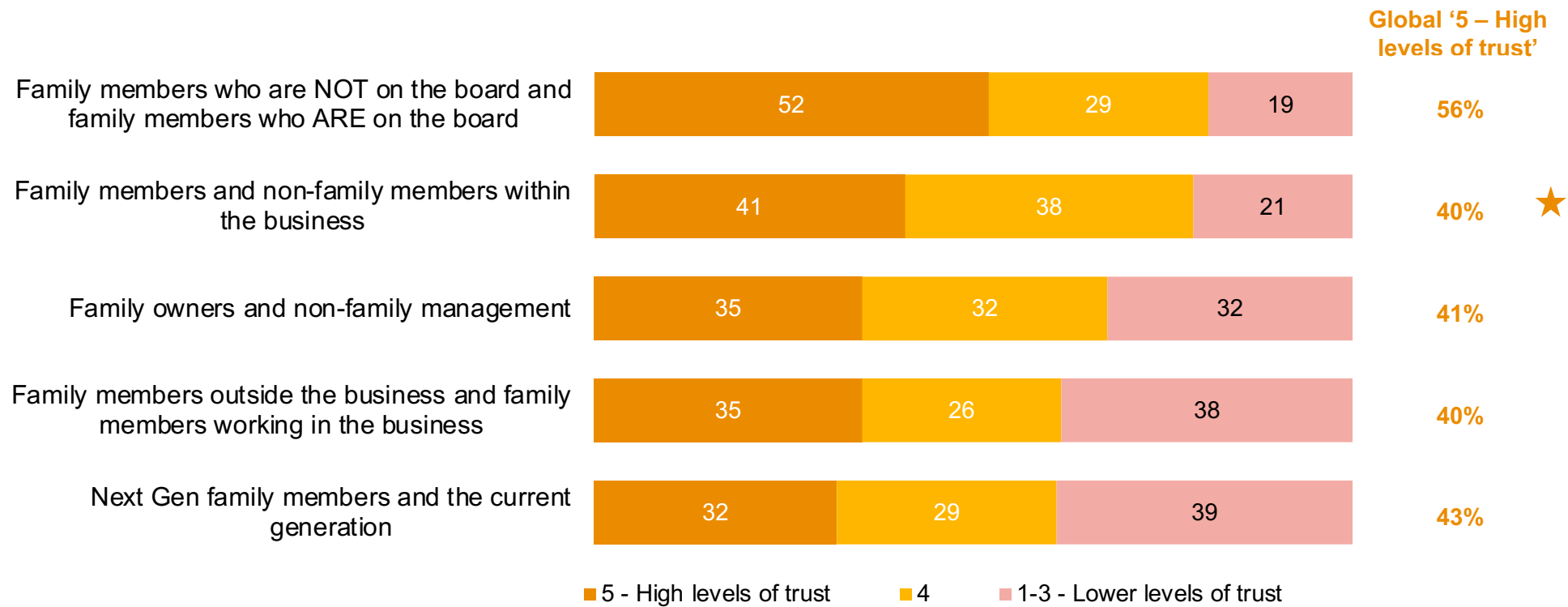
Q28. Now, thinking of your selections in the previous questions, which of the following are the biggest challenges for your company as you build trust with your stakeholders? Please select up to three responses.

Base: All Turkey respondents (n=34); all Global respondents (n=2,043)

★ Türkiye is better than Global

Around a third admit that trust is low between certain types of family members

Levels of trust between family members (1-5) – Türkiye (%)



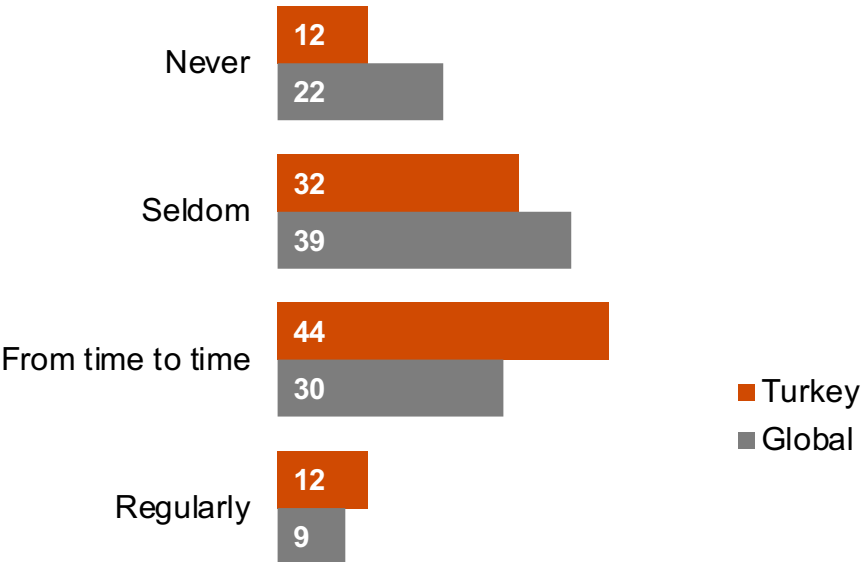
★ Türkiye is better than Global for «5 - High levels of trust»

Q27b. And how much trust would you say there is between Family members who are NOT on the board and family members who ARE on the board? Q36. How much trust would you say there is between:

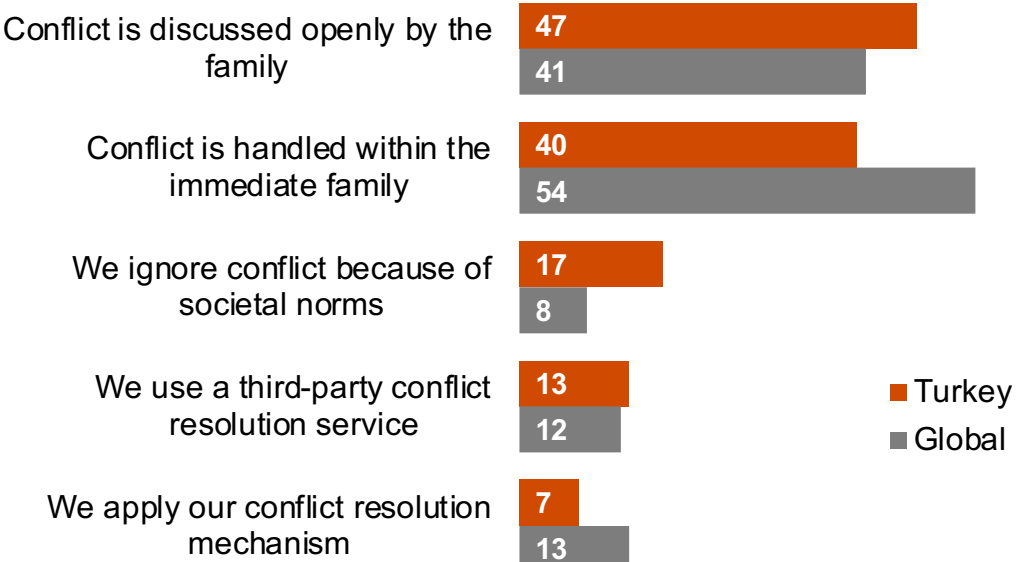
Base: All Turkey respondents (n=34); all Global respondents (n=2,043)

Typically family conflict is handled / discussed within the family without using third parties or resolution mechanisms

Does family conflict within the business occur? (%)



How is this conflict handled? (among those experiencing it at least seldomly) (%)

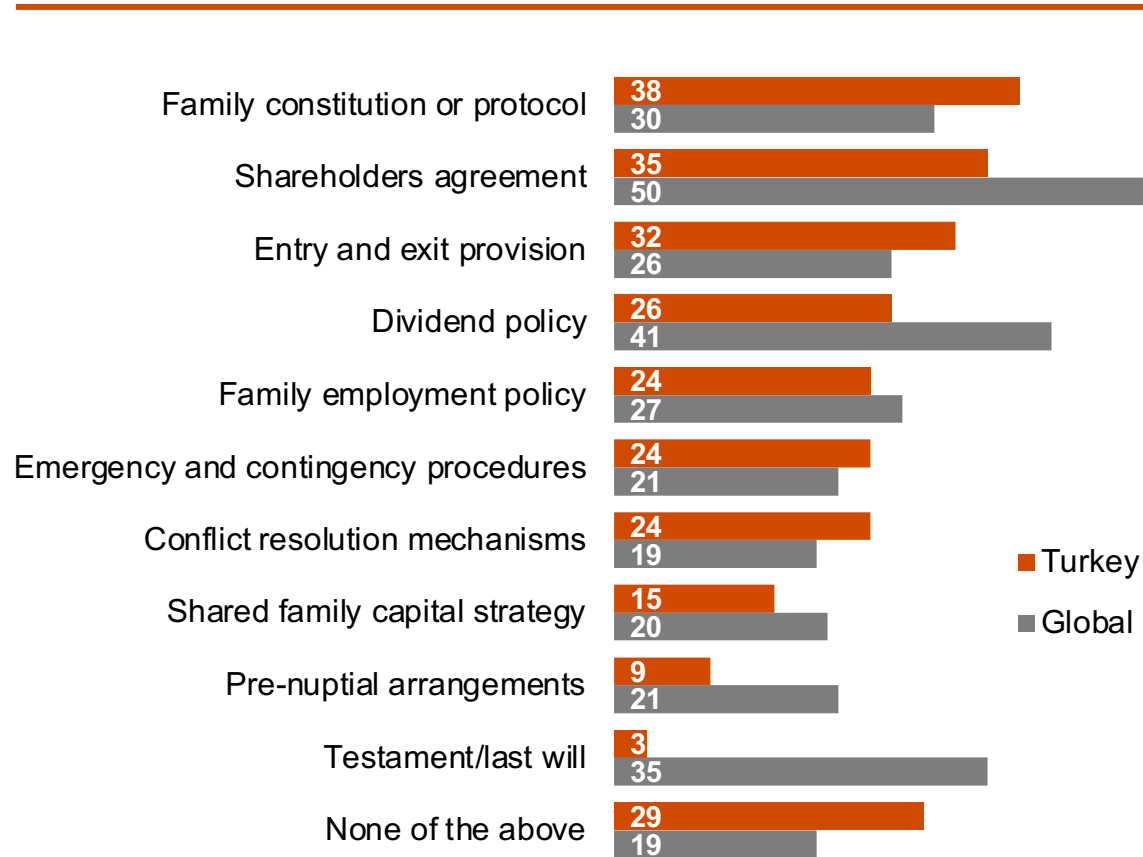


Q32. Would you say family conflict within the business is something that: Q33. Which of the following (if any) describe how family conflict is handled in your company?...

Base: All Turkey respondents (n=34); all Global respondents (n=2,043) ; all who experience conflict (Turkey respondents (n=30); all Global respondents (n=1,594))

71% of Turkish FBs have some form of governance policy in place within the business (vs. 81% globally)

Governance policies in place? (%)



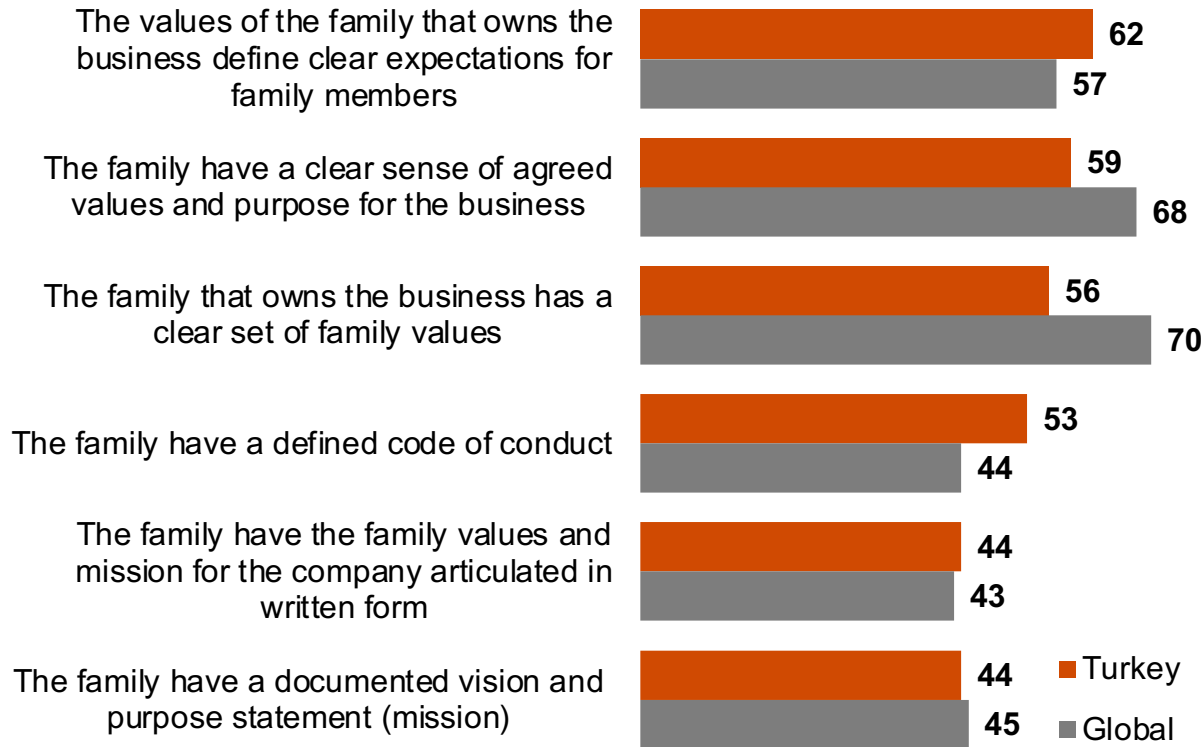
Q31. Which of the following policies and procedures, if any, do you have in place?

Base: All Turkey respondents (n=34); all Global respondents (n=2,043)



Most Turkish FBs believe they have a clear set of agreed values, but lower than the global average

Agreeing with statements (%)



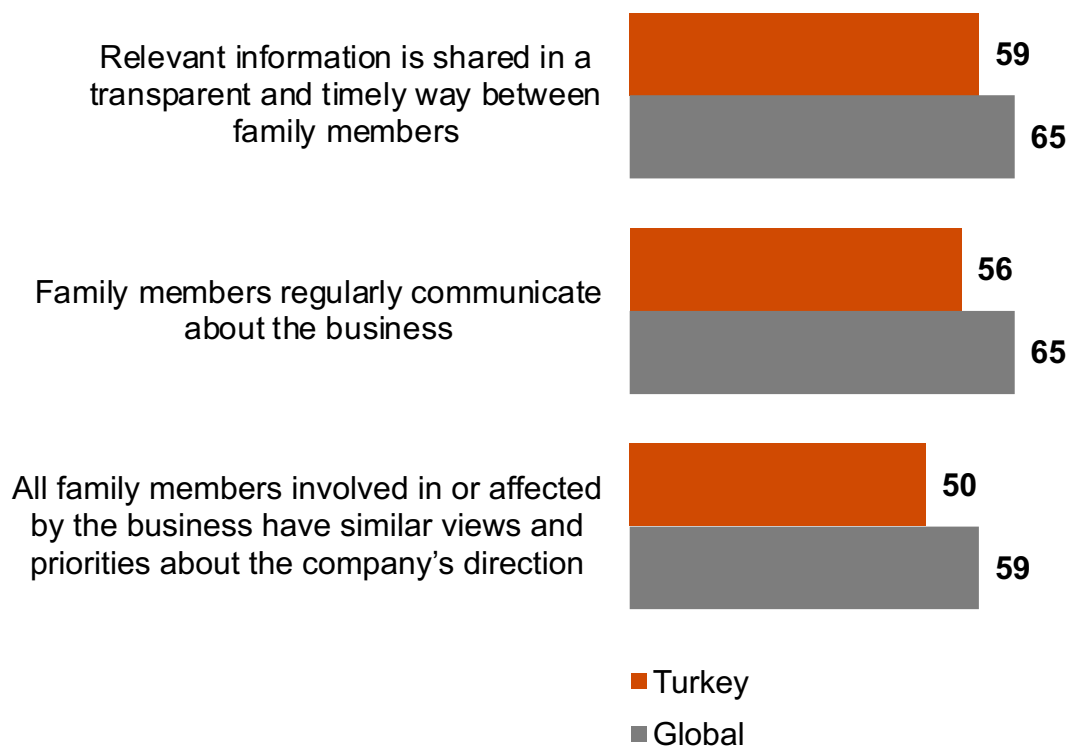
Q34. How strongly do you agree or disagree that...

Base: All Turkey respondents (n=34); all Global respondents (n=2,043)



Communication between family members is mixed and only 50% say there is family alignment on company direction (vs. 59% globally)

Agreeing with statements (%)



Q35. How strongly do you agree or disagree that...

Base: All Turkey respondents (n=34); all Global respondents (n=2,043)

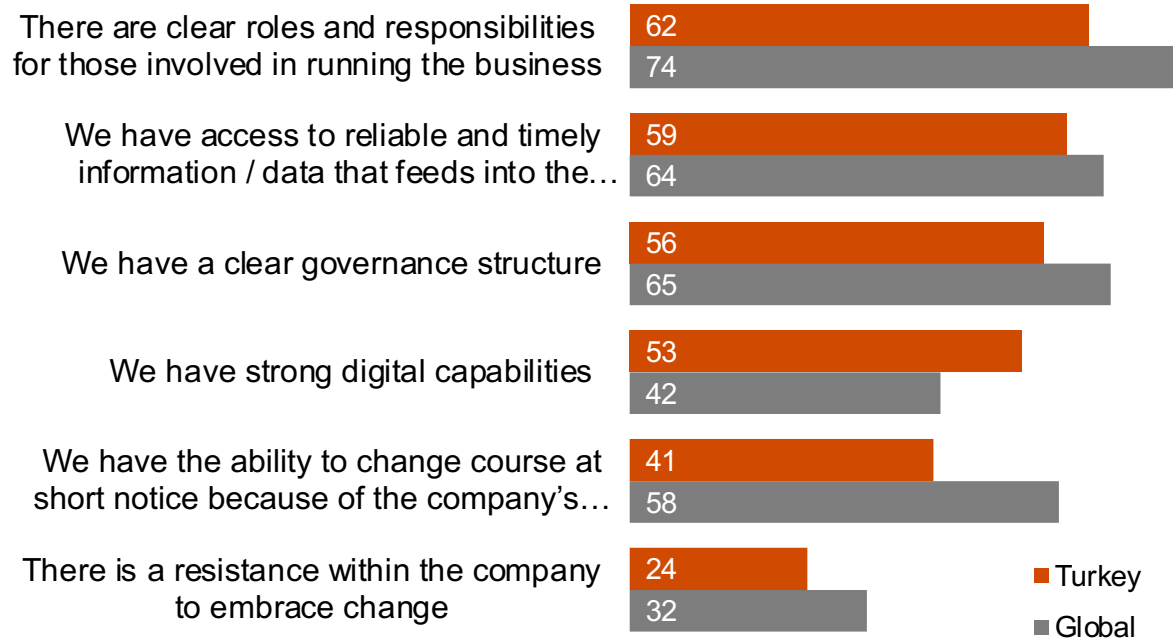


Adaptability and Agility



Most are positive about clarity of roles and feel that they embrace, not resist change. 53% feel they have strong digital capabilities (higher than the global average)

Agreeing with statements (%)



Q30. How strongly do you agree or disagree that...

Base: All Turkey respondents (n=34); all Global respondents (n=2,043)

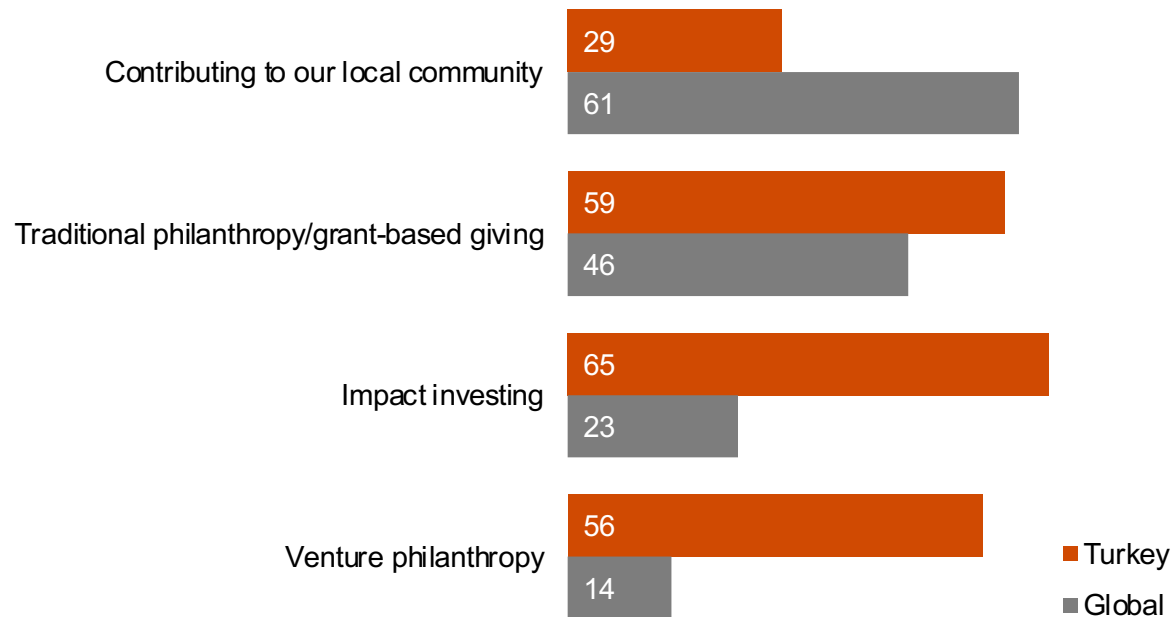


Total impact



Turkish FBs are much more likely to engage in impact investing and venture philanthropy than FBs globally (and less likely to contribute to the local community)

Local community contributions / philanthropy engaged in (%)

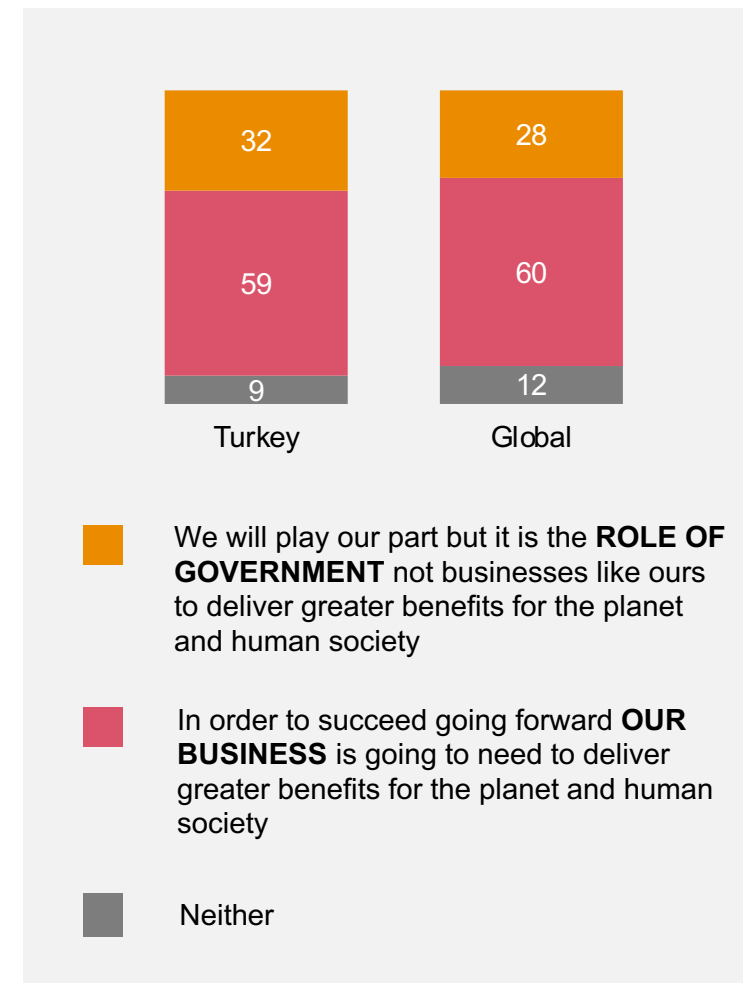
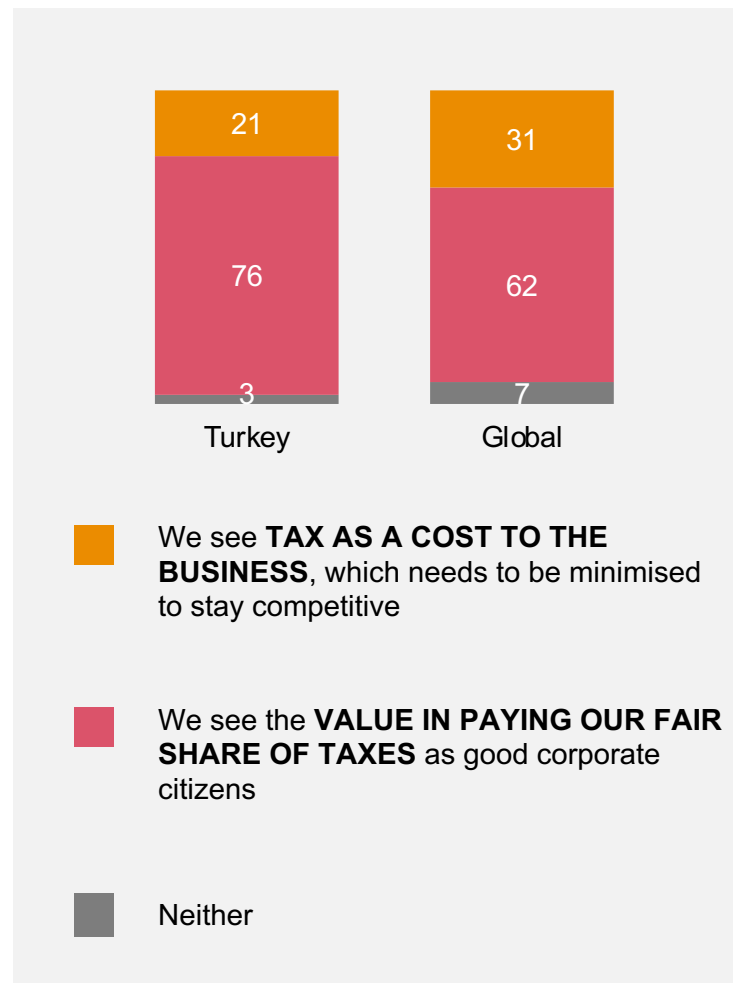
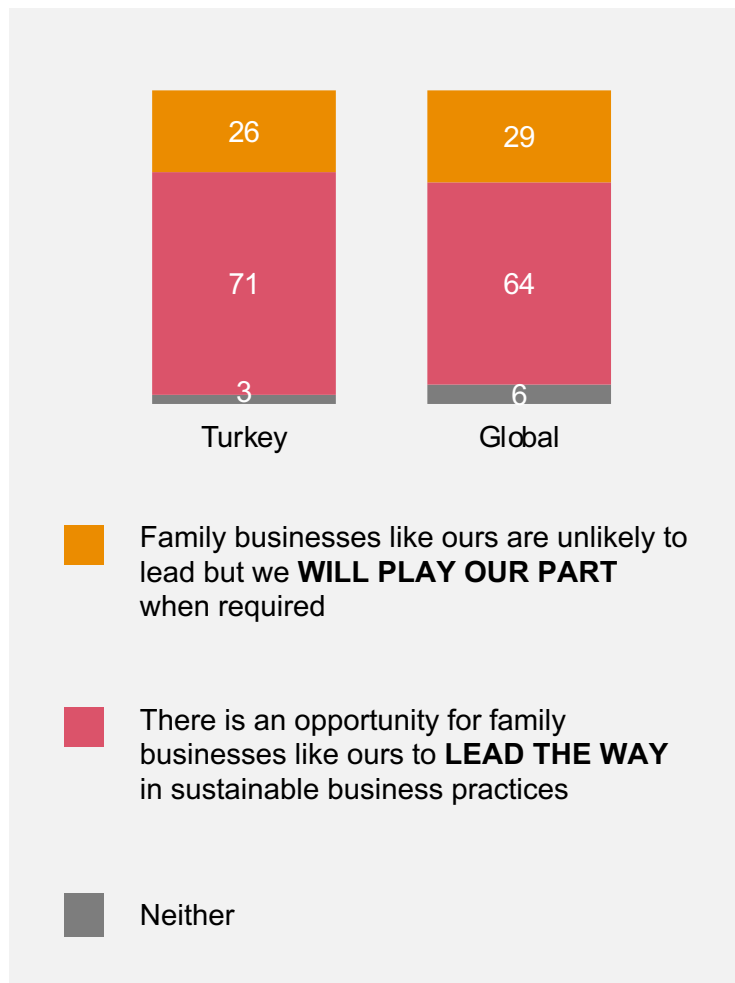


Q38. Which, if any, of the following does the business or the family owning the business engage in...

Base: All Turkey respondents (n=34); all Global respondents (n=2,043)



A majority of Turkish FBs see an opportunity to lead in sustainable business practices



Q40. Which of the statements below best describes the way you feel about the role of your family business today?...

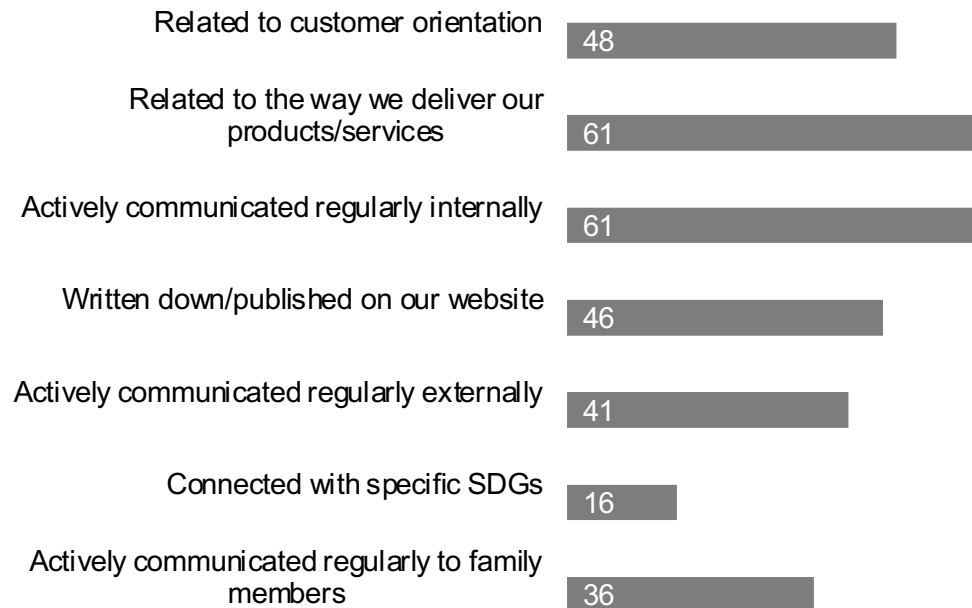
Base: All Turkey respondents (n=34); all Global respondents (n=2,043)

Other Global Results



85% claim to have a clear company purpose, but many globally do not take the required action to ensure it is effective

***Which statements are true of your company purpose? (among those who have a purpose) (%)**



* Country data not available because sample size <30

85%

Turkey FBs have a clear company purpose

i.e. one that can be summed up / articulated in one sentence

Global: 79%

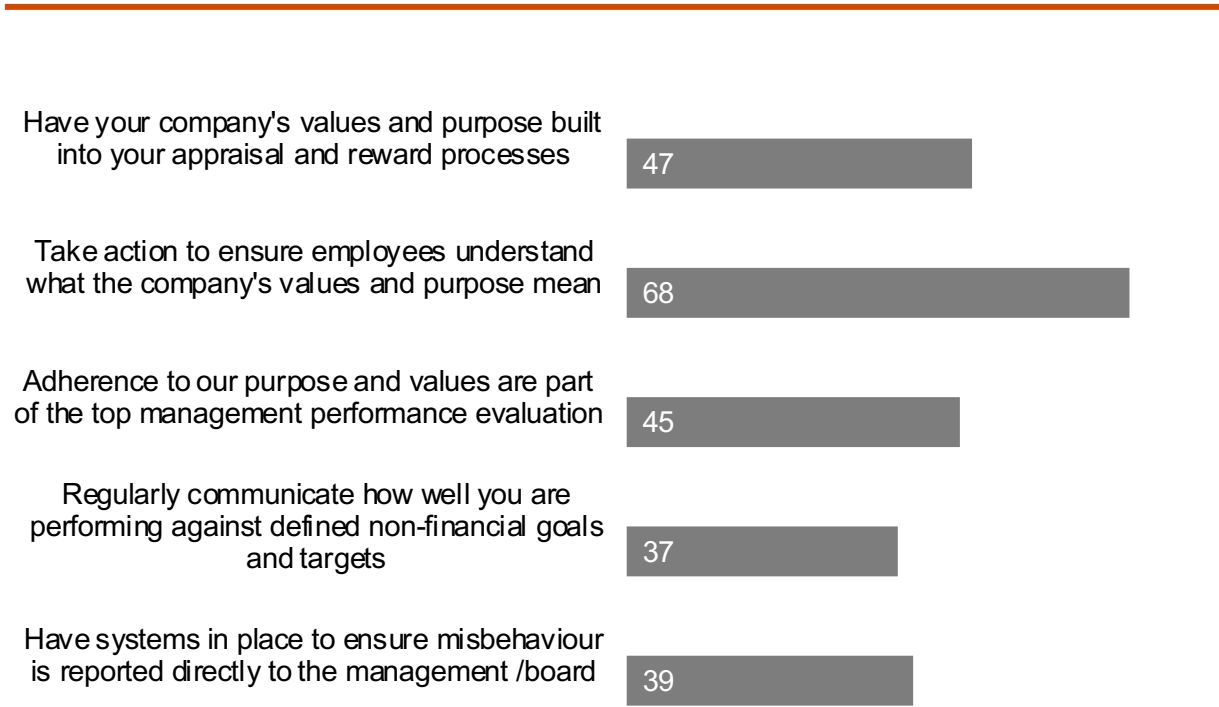
Q13. Do you have a clear company purpose i.e. one that you could sum up or articulate in one sentence?

Q14. Which of these statements are true of your company's purpose:

Base: All Turkey respondents (n=34); all Global respondents (n=2,043), all that have a company purpose (Turkey respondents n=29), Global respondents (n=1,610)

Only 37% of global FBs who claim to have a clear purpose regularly communicate about how well they are performing against defined non-financial goals and targets

***Actions taken to ensure your purpose and values are being acted on within the business on a day-to-day basis (among those who have a purpose) (%)**



** Country data not available because sample size <30*

Q15. Which of the following actions, if any, do you take to ensure that your purpose and values are being acted on within the business on a day-to-day basis?

Base: all that have a company purpose (Turkey respondents n=29), Global respondents (n=1,610)

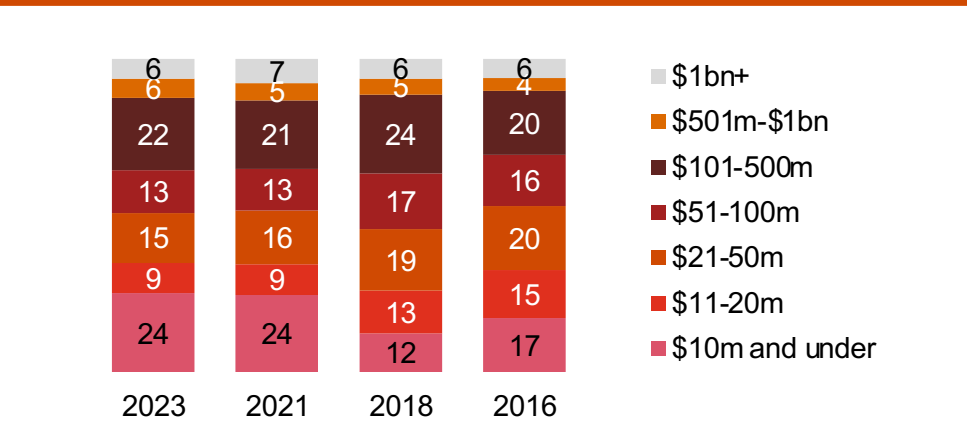


The background image is a composite of several scenes from a modern office building. On the left, a large window looks out onto a snowy forest. In the center, there are glass-walled office floors with desks, computers, and plants. On the right, a man in a white shirt and tie stands on a balcony with a wooden railing, holding a briefcase. The text is overlaid on the top left portion of the image.

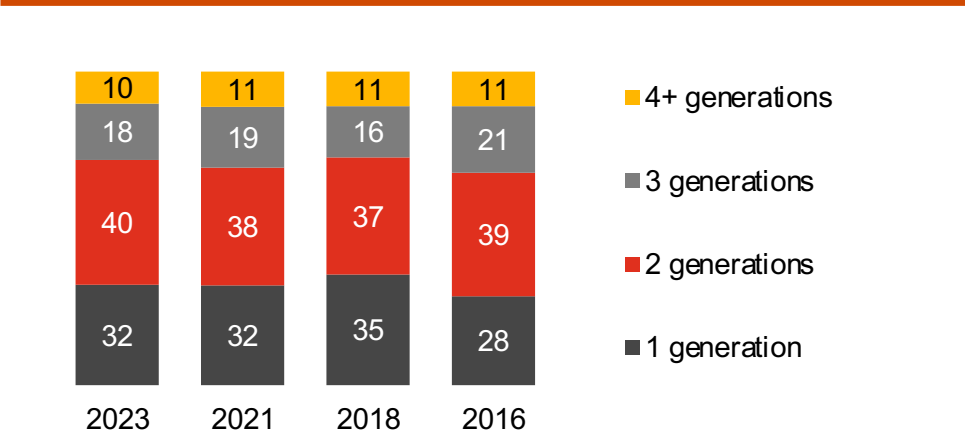
Appendix: Profile of family businesses globally

Company profile – which companies have we interviewed?

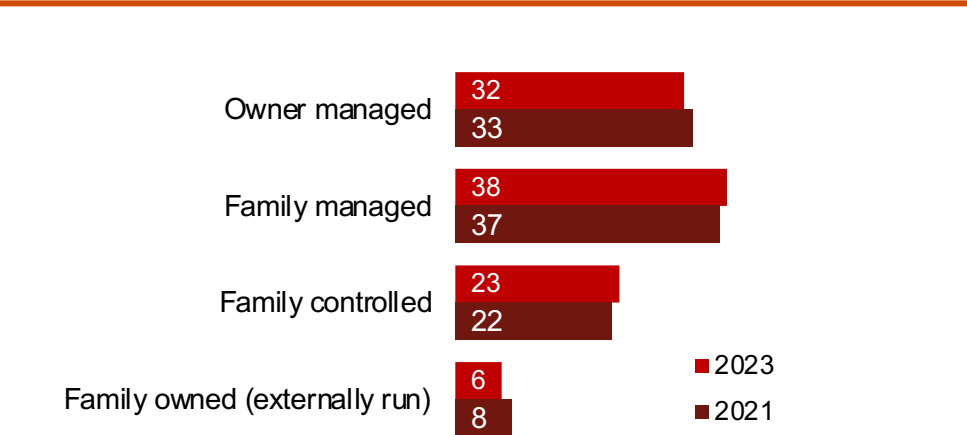
Turnover (sales) (US\$) (%)



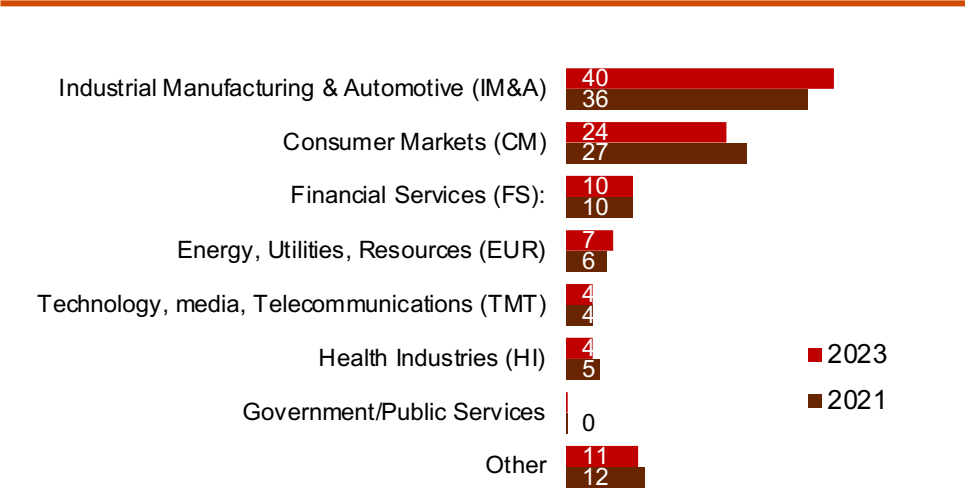
Shareholder Majority (%)



Family's Role in the Business (%)

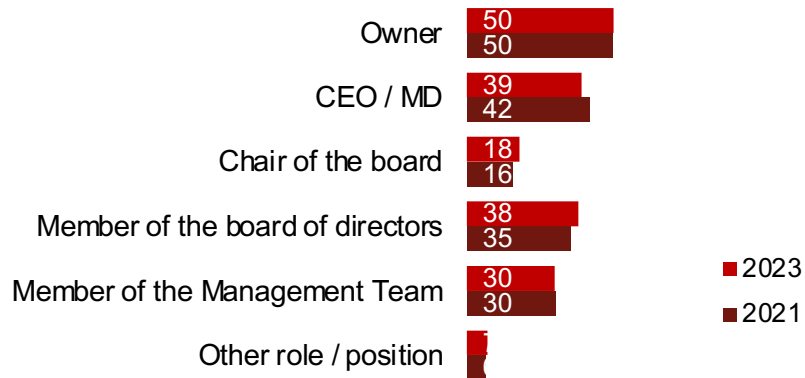


Sector (%)

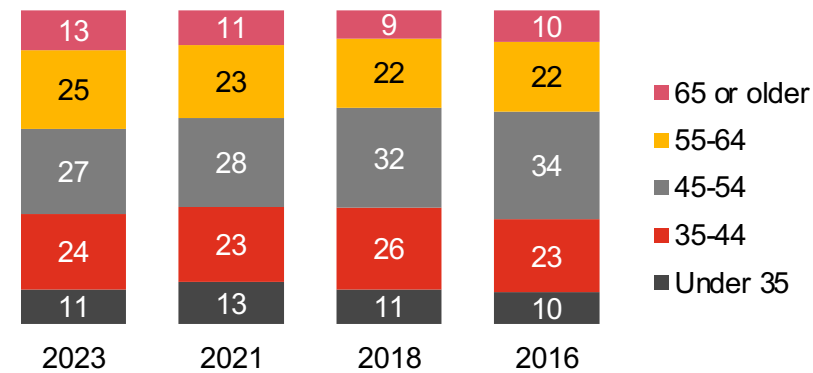


Respondent profile – who have we spoken to?

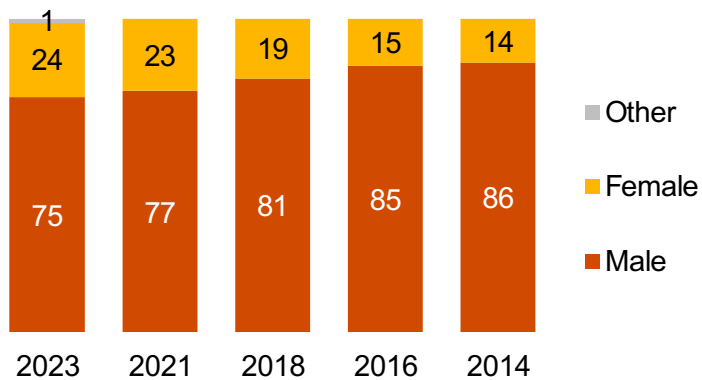
Current Job Role / Position (%)



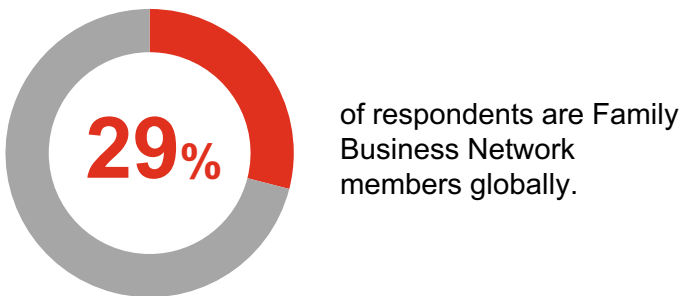
Age (%)



Gender (%)



Family Business Network Member (%)



Got any questions?

If you need more specific information please contact:
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