



## **Family businesses – best-in-class with minor flaws**

Egon Zehnder International 10th International Executive Panel  
September 2011

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## Foreword

Family businesses are frequently overshadowed by major corporations, yet they make up the majority of businesses in virtually every country in the world. They are, in other words, the backbone of the economy. And the astonishing resilience and sustainability of family businesses, particularly during times of crisis, has brought them into the spotlight again. It's time, then, for a fresh look at what makes this very traditional type of company tick. Where do family businesses draw the inspiration for their dynamism and innovation? What makes them so successful? And where are they vulnerable to tensions and conflict?

In June 2011, Egon Zehnder International surveyed 720 managers worldwide, asking about their experience of family businesses. This prestigious panel of respondents included owners of, and partners in, such businesses, along with top executives both employed in key positions in family businesses and working outside them, adding an external perspective on the way this kind of business operates. The panel also reflected all sectors and all company sizes, from small and medium-sized businesses to large and very large ones.

This is the tenth online survey conducted by Egon Zehnder International that looks at current issues in business management through the eyes of an international group of top managers. Its International Executive Panel enables Egon Zehnder International to capture the views of key business decision-makers across the globe in real time.

## Executive Summary

A long-term perspective, value-based decision-making and independence from the capital market, these are the characteristics that continue to give traditional family businesses a genuine competitive edge in the marketplace. But there is also a downside to family firms that can impact on their commercial success. The main factors here are inter-generation rivalry, a lack of transparency in communications and preference for family members over external candidates. So if family businesses are going to play to their strengths in the global competitive arena, they will have to adopt an even more professional approach. Such are the findings of a survey conducted by Egon Zehnder International among 720 top executives and family business owners worldwide in June 2011. (Pages 12, 13, 32)

That family businesses have their strengths is beyond doubt. For the majority of survey respondents (53 percent of executives, 64 percent of family business owners) their longer-term outlook means that family businesses can afford to be more innovative than other companies. Also, the nature of family businesses helps them cope with economic downturns, as two out of three family business owners know from experience. (Pages 16, 20)

### **A balance of interests**

When it comes to balancing the interests of the company and the family, a closer look reveals that this is indeed a potential source of conflict. The big strategic issues are mostly decided by a family council (51 percent), while top management gets to make these decisions in only one family business out of five. (Pages 27, 32)

Almost two thirds of the panel members are aware of cases in which family conflicts have hindered business decisions. No less than one third of executives from this type of company describe collaboration with the owners as “marked by major conflicts”. And in Asia in particular, conflict between management and owners seems to be a common occurrence (44 percent). (Pages 31, 33)

So what are perceived or known to be the main areas that could give rise to conflict? Shortcomings are found to exist in respect of transparency but also in terms of meritocracy. Only one third of all respondents describe decision-making at their company as absolutely transparent and comprehensible. The most common cause of conflict is doubts regarding the merits of family members who work at the company (60 percent). The very appointment of family members to management positions leads to conflict in more than one case out of four. (Pages 30, 32)

The crucial question for top executives, therefore, is whether or not in a family business their career prospects will develop in line with their performance and potential. While the majority of owners (55 percent) claim to make management appointments solely on merit, only one executive in three on the panel (36 percent) has the impression that top management posts at their company are awarded without consideration of family membership. (Page 38)

### **Succession planning leaves room for improvement**

This deficit is particularly striking when it comes to the most important appointment at any company – that of the CEO. In terms of CEO succession, three fourths of those surveyed consider that family members are at an advantage over non-family top executives. That said, in Europe at least, CEO succession is a more realistic option for non-family members than in the USA or Asia. And despite the fact that the majority of respondents say they think it is important to take external professional advice on succession planning, only one third of executives claim that professional succession planning is a reality at their companies. (Pages 36, 37, 39)

One of the biggest challenges for family businesses is recruiting top talents and integrating them into structures that have evolved over the years and that are often perceived as being short on transparency. Asked to say why they would not work for a family business, 40 percent of the executives surveyed name a lack of career prospects. In terms of integration, too, there is clearly room for improvement.

(Pages 13, 51)

Over 70 percent of the top executives and company owners surveyed believe that formal integration processes for non-family managers are particularly important. On the same topic, however, only one owner in four reports that such integration processes are in place at their companies. (Pages 40, 41)

**Family business are as popular as ever but could be more so**

But while family businesses are indeed facing great challenges, they remain as popular as ever. Their robust value base is considered a major asset. As the study shows, three key measures would help family businesses make the most of their unique competitive strengths and boost their attractiveness for high-caliber and currently skeptical talent: strict separation of family and company interests, transparent and comprehensible decision-making paths and attractive career prospects.

# 3

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## Results

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## Survey Design

### **Objective**

The objective of the survey was to examine key aspects of „Family Businesses” from the viewpoint of top executives worldwide.

### **Target groups**

International top executives registered with the “Club of Leaders”, an online community at Egon Zehnder International’s website [www.egonzehnder.com](http://www.egonzehnder.com).

### **Survey methodology**

Online questionnaire

### **Sample**

726 top executives worldwide

### **Survey period**

9 June to 4 July, 2011



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## The Findings

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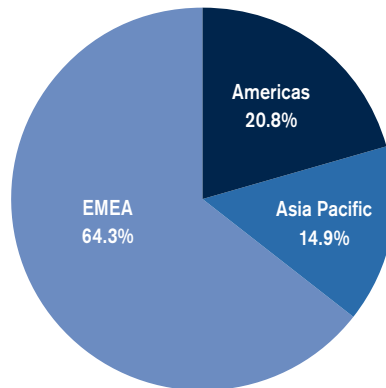
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# 3

## Respondents by experience

	Total	by region		
		Americas	Asia Pacific	EMEA
I am an owner of a family business	7.9%	14.1%	8.4%	5.8%
I have experience of working in a family business	60.4%	60.4%	53.3%	62.0%
I have no experience of working in a family business	31.7%	25.5%	38.3%	32.2%

## Respondents by region



## 3.1 Family Businesses – A General Perspective on Strengths and Challenges

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### Planning for the long-term

There is no disagreement about the qualities that family businesses represent. Indeed, a majority of panel members saw them as the ‘backbone of the economy’, citing in particular the major advantages represented by their long-term agenda when it comes to strategy, planning and taking action, and their value-oriented decision-making. However, these strengths can often turn out to be drawbacks, something that managers with experience of working in family businesses know only too well: over 55 percent of this group said that strengths could turn out to be drawbacks, compared with only 48.4 percent of respondents without such experience. The biggest disadvantage of a family business was the lack of professional structures and procedures, respondents said.

# 3.1

## Family Businesses – A General Perspective on Strengths and Challenges

### All Respondents

Where do you see the most striking advantages of family businesses?

	Total	by experience				by region		
		Family Business experience + owner	Family Business experience	Family Business owner	Family Business no experience	Region Americas	Asia Pacific	EMEA
long-term perspective	56.3%	57.5%	58.4%	50.9%	53.5%	42.3%	38.7%	64.7%
strong value base	44.7%	46.1%	45.1%	54.4%	41.7%	42.3%	40.6%	46.5%
independence from capital markets	42.5%	42.5%	42.8%	40.4%	42.5%	47.0%	36.8%	42.4%
a charismatic entrepreneur at the helm	34.9%	35.2%	36.1%	28.1%	34.2%	35.6%	41.5%	33.1%
strong employer culture	25.3%	24.6%	25.3%	19.3%	26.8%	23.5%	22.6%	26.5%
strong corporate culture	21.7%	20.3%	20.5%	19.3%	24.6%	18.1%	15.1%	24.3%
innovative strength	13.1%	13.4%	12.6%	19.3%	12.3%	15.4%	16.0%	11.6%
well-prepared to deal with crises	8.5%	10.0%	10.3%	7.0%	5.3%	6.7%	12.3%	8.2%
other	4.3%	4.9%	5.3%	1.8%	3.1%	6.0%	4.7%	3.7%

# 3.1

## Family Businesses – A General Perspective on Strengths and Challenges

### All Respondents

Where do you see disadvantages of family businesses?

	Total	by experience				by region		
		Family Business experience + owner	Family Business experience	Family Business owner	Family Business no experience	Region Americas	Asia Pacific	EMEA
lack of professional structures and procedures	61.6%	61.5%	62.4%	54.4%	62.0%	61.7%	70.1%	59.7%
limited potential to attract professional management	49.0%	47.3%	48.6%	36.8%	52.8%	47.0%	57.0%	47.9%
lack of transparency in communications	35.2%	36.3%	37.2%	29.8%	32.8%	32.9%	45.8%	33.5%
limited growth potential	28.4%	28.6%	27.1%	40.4%	27.9%	26.8%	29.9%	28.5%
inflexibility	18.0%	17.8%	17.9%	17.5%	18.3%	20.8%	21.5%	16.3%
risk-aversion	17.9%	19.1%	18.6%	22.8%	15.3%	16.8%	19.6%	17.8%
other	8.3%	8.7%	8.5%	10.5%	7.4%	8.1%	4.7%	9.2%

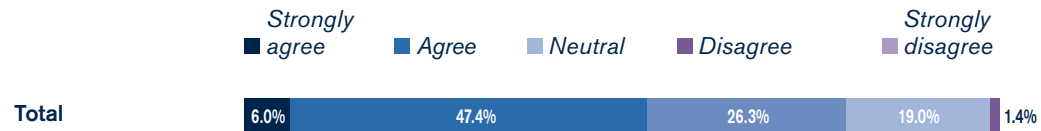
# 3.1

## Family Businesses – A General Perspective on Strengths and Challenges

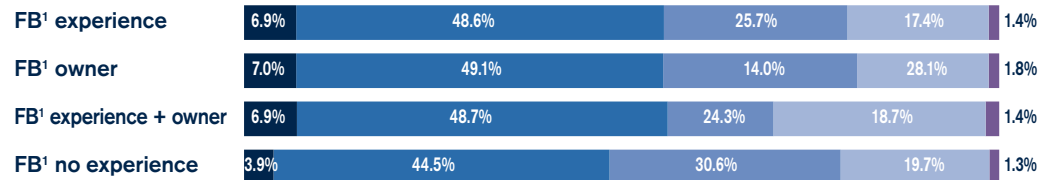
### All Respondents

Do you agree with the following statement?

“The strengths of family businesses can often turn out to be drawbacks.”

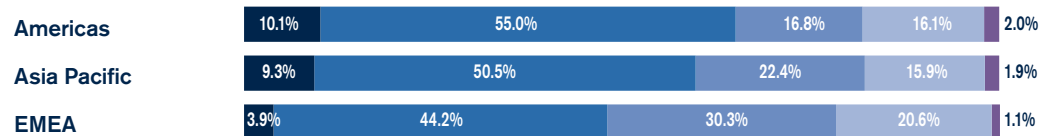


### by experience



<sup>1</sup> FB = family business

### by region



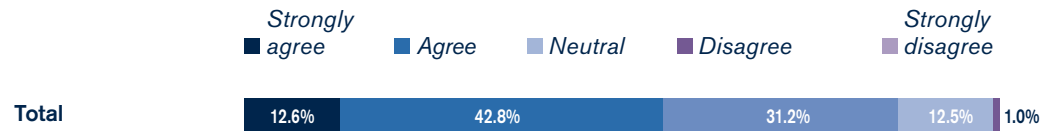
# 3.1

## Family Businesses – A General Perspective on Strengths and Challenges

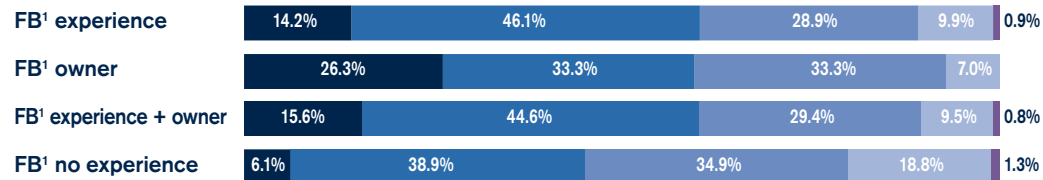
### All Respondents

Do you agree with the following statement?

“Family businesses are the backbone of our economy.”

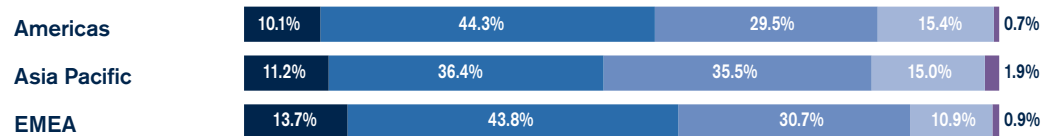


### by experience



<sup>1</sup> FB = family business

### by region



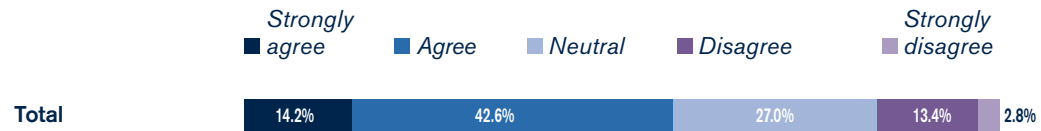
# 3.1

## Family Businesses – A General Perspective on Strengths and Challenges

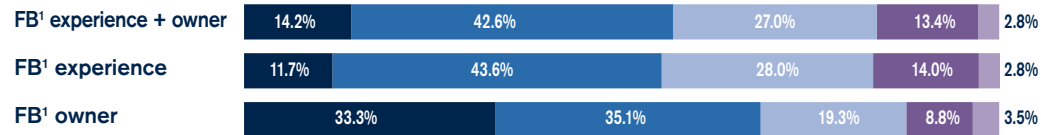
I have experience of working in a family business  
I am an owner of a family business

To what extent do you agree with the following statement?

“Being a family business helped us to cope with the economic downturn.”

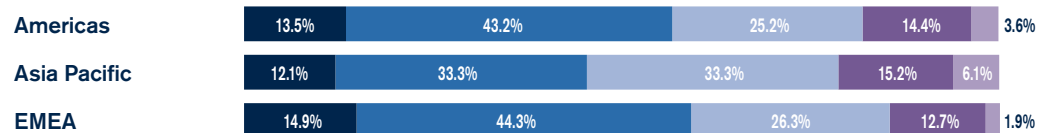


### by experience



<sup>1</sup> FB = family business

### by region





## 3.2 Inside the Family Business

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### Family and business – a delicate balance

Almost two thirds of panel members said they were aware of cases in which family arguments have got in the way of business decisions. And no less than one manager in three working in a family business described their collaboration with the owner of the business as being ‘marked by major conflicts’. The primary point of conflict was the lack of transparency, with only one respondent in three agreeing that decision-making in the company was transparent. Respondents were, however, also dissatisfied with the extent to which family businesses appointed or promoted on merit: concerns about the competence of family members working in the business were the most common cause of conflict. And in over one fourth of all cases, simply recruiting a family member as a manager led to disputes.

There was also substantial room for improvement when it came to successfully integrating managers from outside the family: over 70 percent of top executives and family business owners surveyed thought that it was particularly important to have in place formalized induction procedures for non-family managers, yet only one business owner in four said that they actually had such procedures in place.

## 3.2.a Tradition, Values and Innovation

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### Families mean flexibility

Do family traditions and values make it more difficult for a family business to adapt to new situations? Two out of five panel members (42 percent) answered 'no' to this question, with considerably more than half of business owners also disagreeing. Almost two thirds of respondents said, in fact, that their long-term planning horizons made family businesses substantially more innovative than public companies.

# 3.2.a Tradition, Values and Innovation

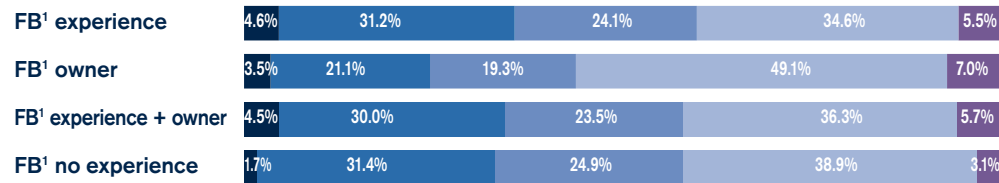
## All Respondents

Do you agree with the following statement?

“In a fast-moving market environment, traditions and values of a family business hinder change.”

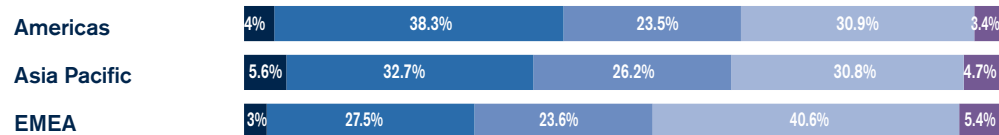


## by experience



<sup>1</sup> FB = family business

## by region

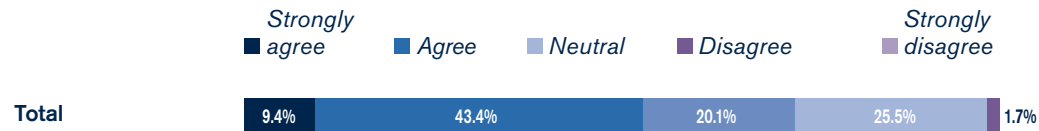


# 3.2.a Tradition, Values and Innovation

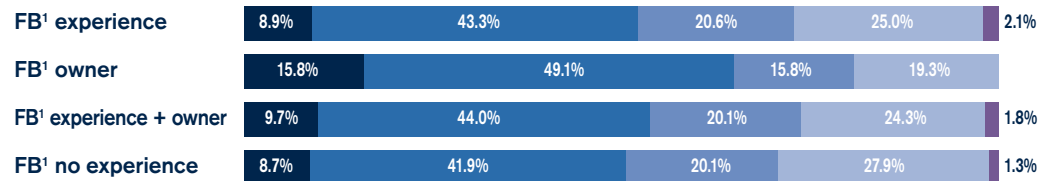
## All Respondents

Do you agree with the following statement?

“Due to their long-term agenda, family businesses can afford to be more innovative than public companies.”

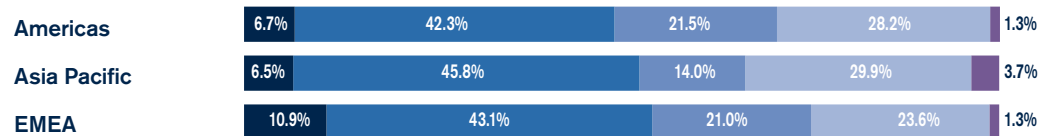


## by experience



<sup>1</sup> FB = family business

## by region



## 3.2.a Tradition, Values and Innovation

I am an owner of a family business

When it comes to innovation, our traditional values ...

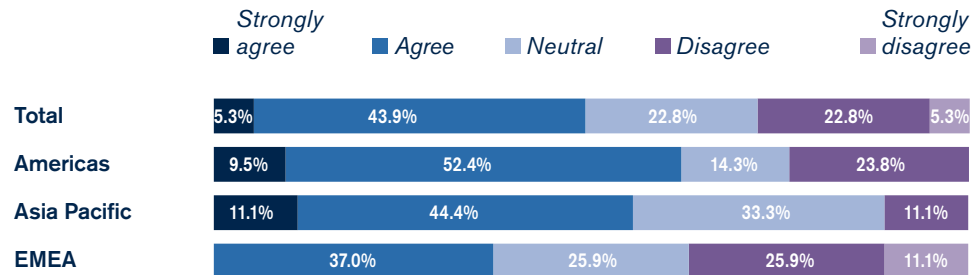
	Total	by region		
		Americas	Asia Pacific	EMEA
Have been a driving force	59.6%	47.6%	55.6%	70.4%
Have made no difference	26.3%	28.6%	22.2%	25.9%
Have prevented us from being more innovative	14.0%	23.8%	22.2%	3.7%

## 3.2.a Tradition, Values and Innovation

I am an owner of a family business

To what extent do you agree with the following statement?

**“Sometimes our growth potential is hindered by our family business tradition and commitment to our values.”**



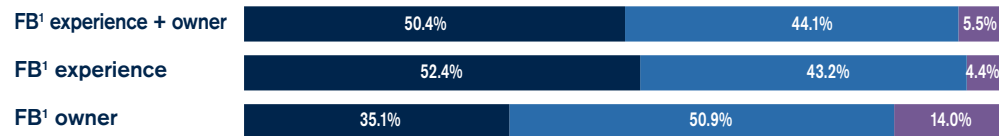
## 3.2.a Tradition, Values and Innovation

I have experience of working in a family business  
I am an owner of a family business

Was/is your family business engaged in philanthropy?

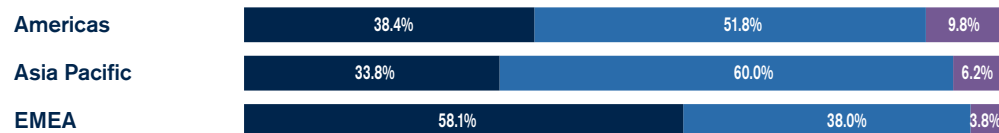


### by experience



<sup>1</sup> FB = family business

### by region



## 3.2.b Collaboration and Conflicts

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### The limits to collaboration

Having members of the owners' family working alongside external managers is particularly likely to cause conflict. In one half of all family businesses, major strategic decisions are taken by a family council, while top management makes such decisions in only one in five family businesses. Almost one half of all respondents said that decision-making in their company was not transparent.



# 3.2.b

## Collaboration and Conflicts

I am an owner of a family business

What instruments and/or procedures do you have in place?

	Total	by region		
		Americas	Asia Pacific	EMEA
professional corporate governance procedures	47.2%	42.1%	37.5%	53.8%
shares and options for non-family executives	45.3%	42.1%	50.0%	46.2%
an owner council	39.6%	42.1%	12.5%	46.2%
professional family governance procedures	37.7%	57.9%	25.0%	26.9%
professional succession planning	34.0%	21.1%	50.0%	38.5%
a family council	22.6%	42.1%		15.4%
a family constitution	20.8%	10.5%	25.0%	26.9%
family offsites	11.3%	26.3%		3.8%

## 3.2.b Collaboration and Conflicts

I have experience of working in a family business

What instruments and/or procedures did you experience in the family business?

	Total	by region		
		Americas	Asia Pacific	EMEA
Professional family governance procedures	46.2%	41.4%	44.4%	47.9%
Professional corporate governance procedures	45.6%	51.4%	51.1%	42.8%
Shares and options for non-family executives	30.5%	35.7%	33.3%	28.4%
Professional succession planning	27.1%	34.3%	17.8%	26.7%

## 3.2.b Collaboration and Conflicts

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I have experience of working in a family business

Who decides/decided on the big strategic issues?

	Total	by region		
		Americas	Asia Pacific	EMEA
A family council	51.0%	53.1%	54.7%	49.6%
The corporate board	28.8%	23.5%	15.1%	33.3%
The top management team	20.2%	23.5%	30.2%	17.1%

# 3.2.b

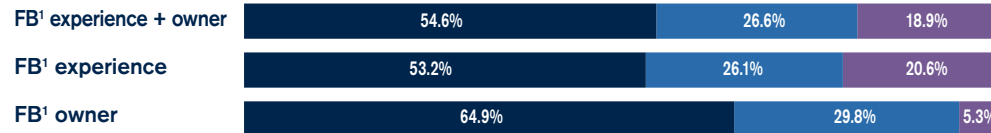
## Collaboration and Conflicts

I have experience of working in a family business  
I am an owner of a family business

One theory is that the family should provide the big, bold ideas while management acts as the tempering force. Is/was this true for your company?

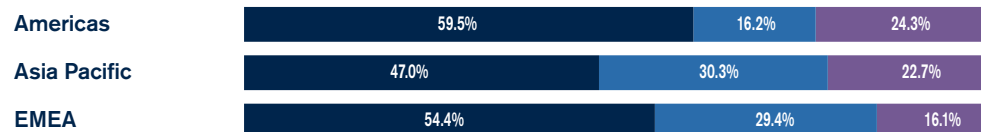


### by experience



<sup>1</sup> FB = family business

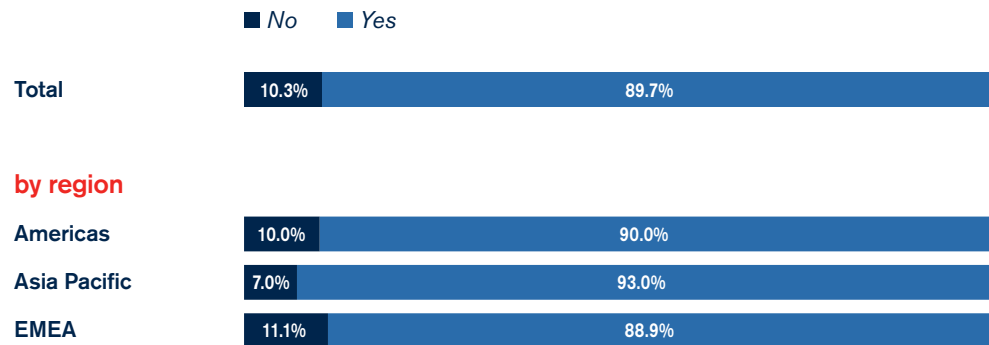
### by region



## 3.2.b Collaboration and Conflicts

I have experience of working in a family business

The family is/was involved in operational management

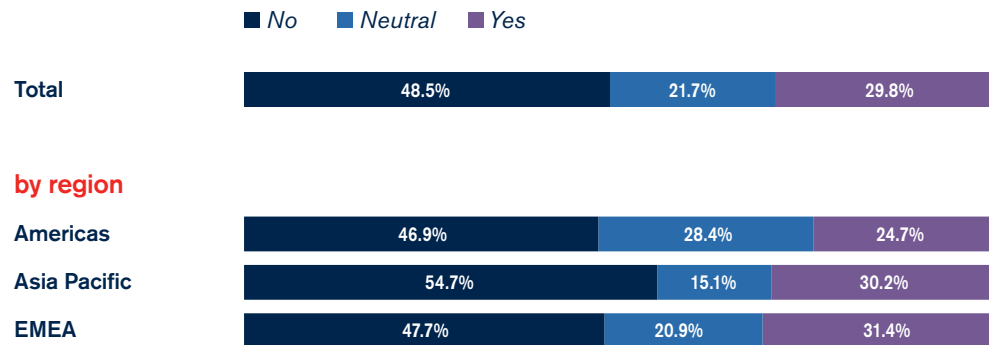


## 3.2.b

### Collaboration and Conflicts

I have experience of working in a family business

Are/were the decision-making paths transparent?



## 3.2.b

### Collaboration and Conflicts

I have experience of working in a family business

How would you describe the collaboration between owner(s) and non-family management?

	Total	by region		
		Americas	Asia Pacific	EMEA
Professional, mutual cooperation	43.7%	41.1%	33.3%	46.5%
Marked by major conflicts	29.7%	37.8%	43.9%	24.3%
Open and transparent communication, culture of trust	26.7%	21.1%	22.8%	29.2%

## 3.2.b Collaboration and Conflicts

I have experience of working in a family business

What are/were the main causes of conflict you experienced?

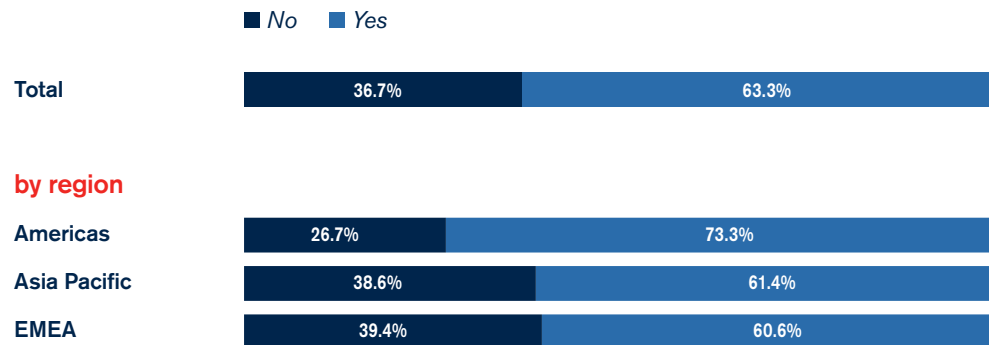
	Total	by region		
		Americas	Asia Pacific	EMEA
competence of family members working in the business	59.1%	63.5%	66.0%	56.3%
lacking agreement on vision and future strategy of the business	48.1%	50.6%	62.0%	44.8%
dissent between owner(s) and non-family managers	31.8%	35.3%	28.0%	31.3%
succession	31.5%	32.9%	28.0%	31.7%
decisions about allocation of capital	30.8%	28.2%	42.0%	29.5%
decisions about the employment of family members	27.0%	30.6%	32.0%	25.0%
inter-generation rivalry	24.8%	17.6%	26.0%	26.9%
sibling rivalry	17.6%	16.5%	32.0%	15.3%
other	4.2%	4.7%	2.0%	4.5%



## 3.2.b Collaboration and Conflicts

I have experience of working in a family business

Are/were there any family conflicts which hinder/hindered business decisions?



by region



## 3.2.c Succession and Integration

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### Putting brakes on career progression

Many top executives reported feeling that the promotion ladder was blocked by members of the owner's family. Although a majority of owners claimed that they made management appointments purely on merit, only one third of the executives surveyed thought that factors other than family membership were important in making recruitment and promotion decisions in the business. This was particularly marked when it came to appointing a new CEO: three out of four executives surveyed thought that family members enjoyed clear advantages over all other candidates in this situation.

# 3.2.c

## Succession and Integration

I am an owner of a family business

What instruments and/or procedures do you have in place?

	Total	by region		
		Americas	Asia Pacific	EMEA
professional corporate governance procedures	47.2%	42.1%	37.5%	53.8%
shares and options for non-family executives	45.3%	42.1%	50.0%	46.2%
an owner council	39.6%	42.1%	12.5%	46.2%
professional family governance procedures	37.7%	57.9%	25.0%	26.9%
professional succession planning	34.0%	21.1%	50.0%	38.5%
a family council	22.6%	42.1%		15.4%
a family constitution	20.8%	10.5%	25.0%	26.9%
family offsites	11.3%	26.3%		3.8%

## 3.2.c Succession and Integration

I have experience of working in a family business

What instruments and/or procedures did you experience in the family business?

	Total	by region		
		Americas	Asia Pacific	EMEA
Professional family governance procedures	46.2%	41.4%	44.4%	47.9%
Professional corporate governance procedures	45.6%	51.4%	51.1%	42.8%
Shares and options for non-family executives	30.5%	35.7%	33.3%	28.4%
Professional succession planning	27.1%	34.3%	17.8%	26.7%

# 3.2.c

## Succession and Integration

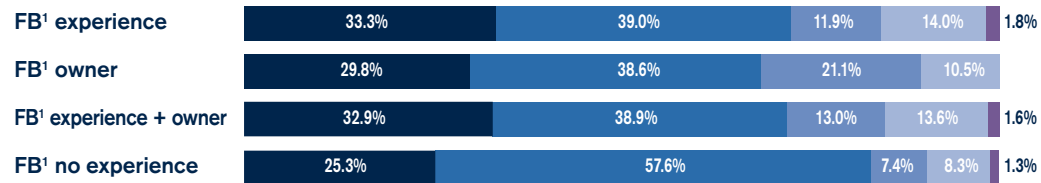
### All Respondents

Do you agree with the following statement?

“When it comes to CEO succession in a family business, members of the family have an advantage over non-family top executives.”



### by experience



<sup>1</sup> FB = family business

### by region



# 3.2.c

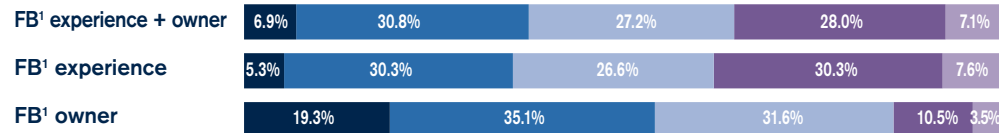
## Succession and Integration

I have experience of working in a family business  
I am an owner of a family business

When it comes to succession in senior executive roles, we have a culture  
of meritocracy in place, regardless of family relations.

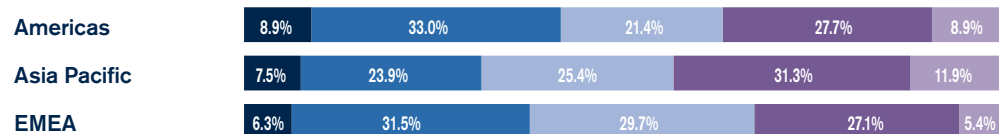


### by experience



¹ FB = family business

### by region

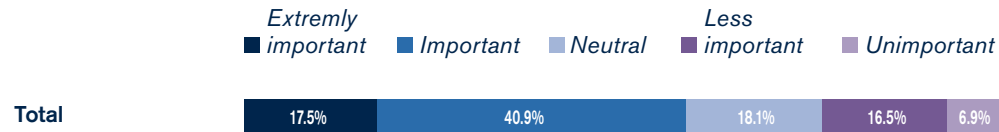


# 3.2.c

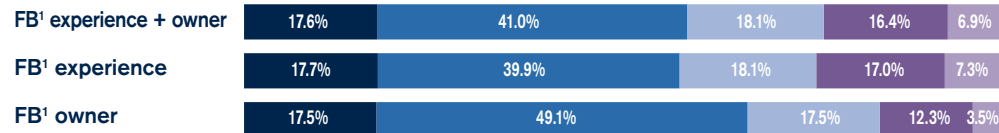
## Succession and Integration

I have experience of working in a family business  
I am an owner of a family business

How important is outside advice (independent directors) in making succession decisions?

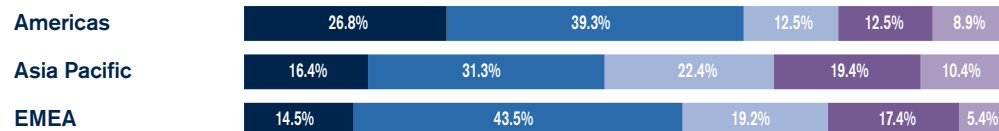


### by experience



<sup>1</sup> FB = family business

### by region



# 3.2.c

## Succession and Integration

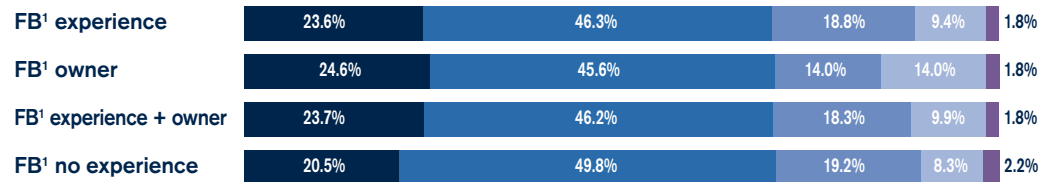
### All Respondents

Do you agree with the following statement?

“Onboarding procedures/formal integration of (non-family) executives are more important in family businesses than in public companies.”

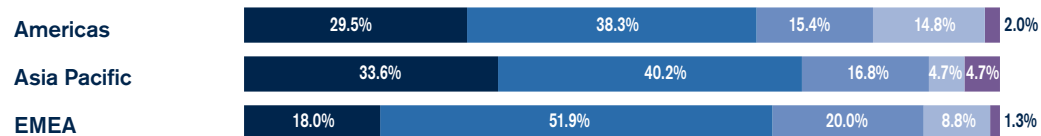


### by experience



<sup>1</sup> FB = family business

### by region

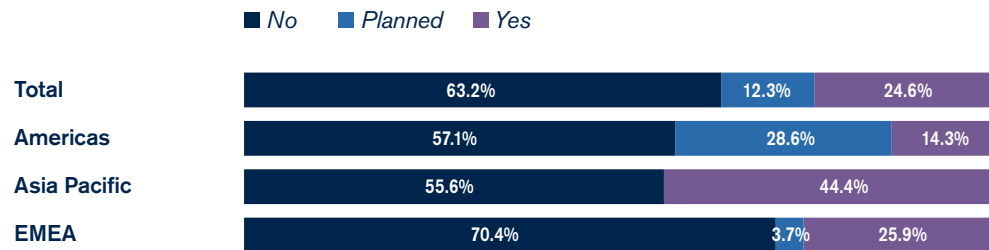




## 3.2.c Succession and Integration

I am an owner of a family business

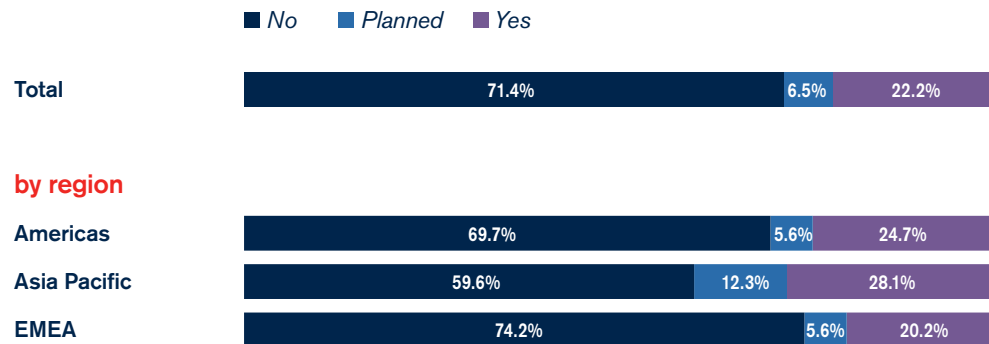
Do you have a formal integration process for non-family senior executives in place?



## 3.2.c Succession and Integration

I have experience of working in a family business

Did you/do you have a formal integration process for non-family senior executives in place?



# 3.2.c

## Succession and Integration

I am an owner of a family business

How do you decide which family members join the business?

	Total	by region		
		Americas	Asia Pacific	EMEA
by decision of the family (council)	47.4%	42.9%	66.7%	44.4%
based on transparent decision making criteria	47.4%	57.1%	33.3%	44.4%
based on outside assessment	14.0%	19.0%		14.8%
according to our family constitution	7.0%	4.8%	11.1%	7.4%

# 3.2.c

## Succession and Integration

I am an owner of a family business

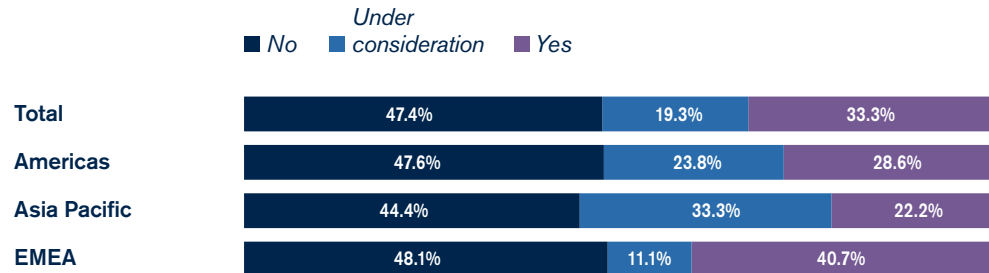
What is the best way to induct the next generation?

	Total	by region		
		Americas	Asia Pacific	EMEA
outside work experience	43.9%	52.4%	11.1%	48.1%
work experience in the company	24.6%	19.0%	33.3%	25.9%
cross-functional exposure	19.3%	14.3%	44.4%	14.8%
other	5.3%	9.5%	11.1%	
education in family values	3.5%	4.8%		3.7%
working on the Board	3.5%			7.4%

## 3.2.c Succession and Integration

I am an owner of a family business

Do you have plans in place for family members not entering the business?



# 3.3

## A Place for Top Talent?

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### Broad acceptance contrasts with concerns about career prospects

Recruiting top talent remains one of the biggest challenges faced by family businesses. Three quarters of the executives surveyed said they could readily imagine working for a family business, in particular because such businesses have flat decision-making hierarchies and a long-term strategic perspective, making them attractive employers. Among the remainder, who said they would avoid working for a family business, the most common reason (60 percent of responses) was concern about appropriate career advancement and promotion prospects. Among those actually working in family businesses, meanwhile, almost half (46.8 percent) complained about the conflicts arising from an imbalance between family and business interests.

# 3.3

## A Place for Top Talent?

I have experience of working in a family business

What do you/did you like most about working for a family business?

	Total	by region		
		Americas	Asia Pacific	EMEA
quick and simple decision-making	55.9%	56.8%	54.4%	55.9%
the long-term perspective	53.1%	42.0%	52.6%	56.6%
the strong value base	52.9%	48.9%	45.6%	55.6%
a profound corporate culture	23.4%	21.6%	15.8%	25.5%
performance-based remuneration	15.3%	18.2%	17.5%	14.0%
career prospects/ challenging job opportunities	12.8%	6.8%	22.8%	12.6%
other	3.9%	4.5%	5.3%	3.5%

# 3.3

## A Place for Top Talent?

I have experience of working in a family business

What do/did you dislike most about working for a family business?

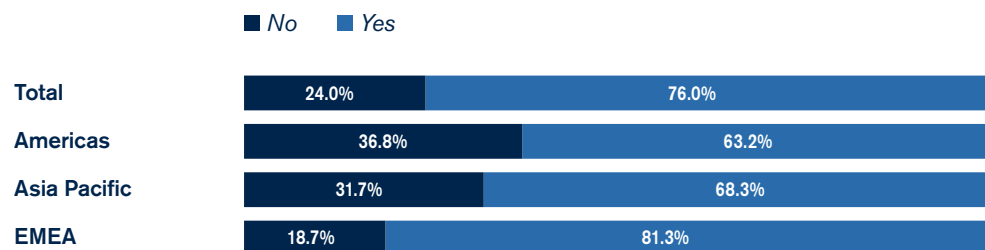
	Total	by region		
		Americas	Asia Pacific	EMEA
conflicts due to imbalances between business and family issues	46.8%	47.7%	44.6%	47.0%
limited growth potential	40.7%	47.7%	39.3%	38.7%
limited meritocracy	38.3%	39.8%	50.0%	35.5%
deficits in collaboration between management and owners	37.4%	30.7%	37.5%	39.4%
limited scope for decision-making	33.8%	28.4%	42.9%	33.7%
other	6.9%	6.8%	5.4%	7.2%



## 3.3 A Place for Top Talent?

I have no experience of working in a family business

Could you imagine working for a family business?



# 3.3

## A Place for Top Talent?

I have no experience of working in a family business

Could you imagine working for a family business? If so, what do you find particularly attractive?

	Total	by region		
		Americas	Asia Pacific	EMEA
long-term perspective	58.6%	37.5%	64.3%	61.5%
value-based	48.9%	62.5%	42.9%	47.5%
a higher degree of decision-making power	46.0%	54.2%	35.7%	46.7%
good working conditions/ work-life balance	31.6%	54.2%	28.6%	27.9%
challenging job opportunities/ career prospects	29.9%	41.7%	25.0%	28.7%
performance-based remuneration	21.8%	25.0%	21.4%	21.3%
other	3.4%	8.3%	7.1%	1.6%

# 3.3

## A Place for Top Talent?

I have no experience of working in a family business

Could you imagine working for a family business? If not, why not?

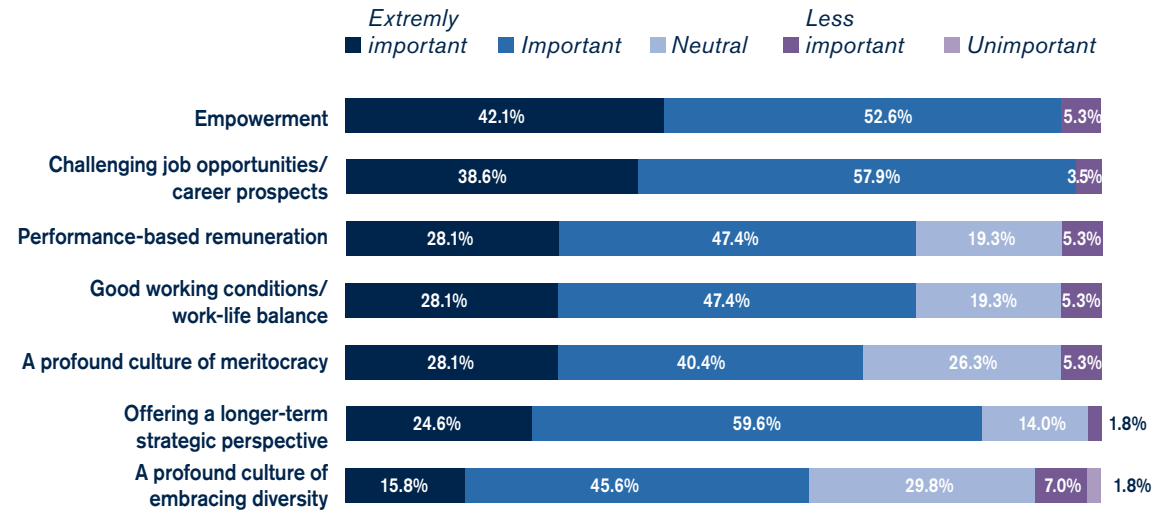
	Total	by region		
		Americas	Asia Pacific	EMEA
doubt about meritocracy in senior executive role succession	63.6%	71.4%	46.2%	67.9%
personal involvement of a family	50.9%	50.0%	61.5%	46.4%
limited scope for decision-making	43.6%	35.7%	61.5%	39.3%
lack of career prospects	40.0%	57.1%	46.2%	28.6%
kitchen cabinet decision-making	38.2%	14.3%	38.5%	50.0%
imbalance of family and business matters	36.4%	50.0%	23.1%	35.7%
lack of transparency	23.6%	14.3%	30.8%	25.0%
limited growth potential	20.0%	50.0%	7.7%	10.7%
too conservative, too nice	7.3%	7.1%		10.7%
other	1.8%		7.7%	

# 3.3

## A Place for Top Talent?

I am an owner of a family business

How important are the following instruments for attracting and retaining top talent?



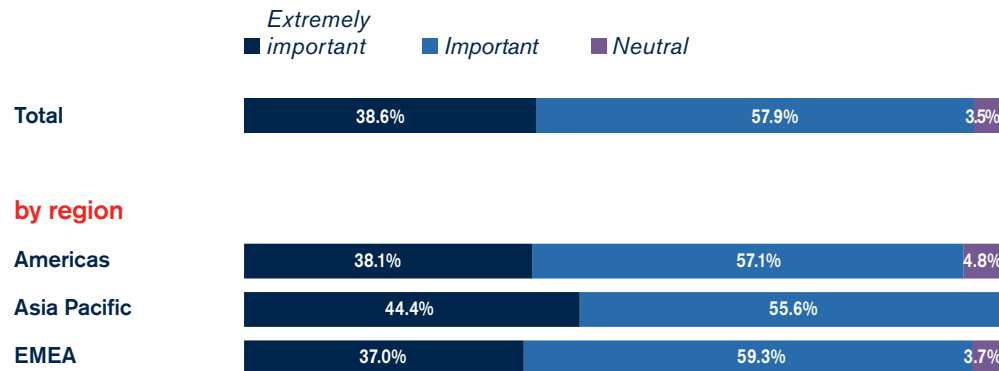
# 3.3

## A Place for Top Talent?

I am an owner of a family business

How important are the following instruments for attracting and retaining top talent?

“Challenging job opportunities/career prospects”

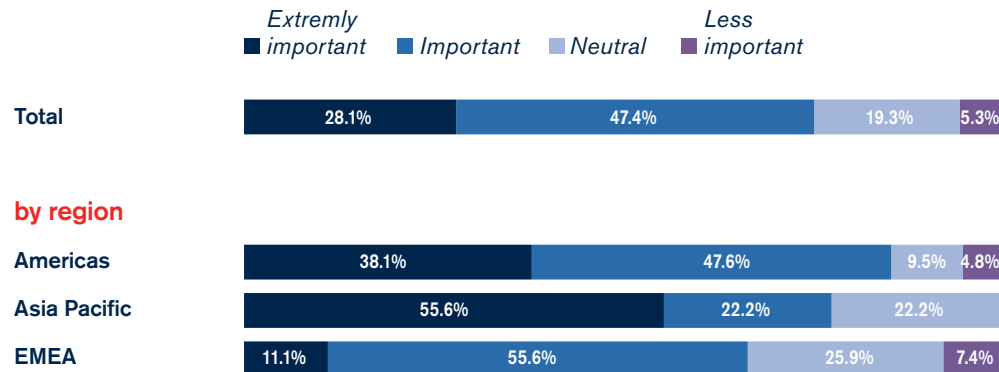


## 3.3 A Place for Top Talent?

I am an owner of a family business

How important are the following instruments for attracting and retaining top talent?

“Performance-based remuneration”

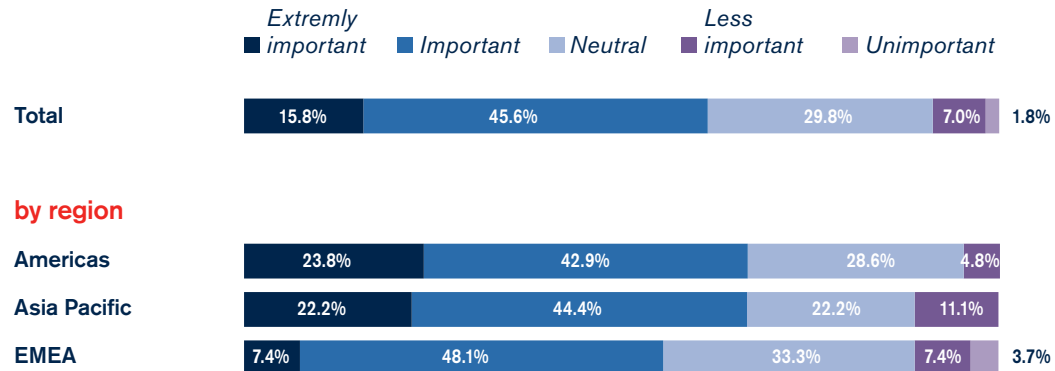


## 3.3 A Place for Top Talent?

I am an owner of a family business

How important are the following instruments for attracting and retaining top talent?

“A profound culture of embracing diversity”



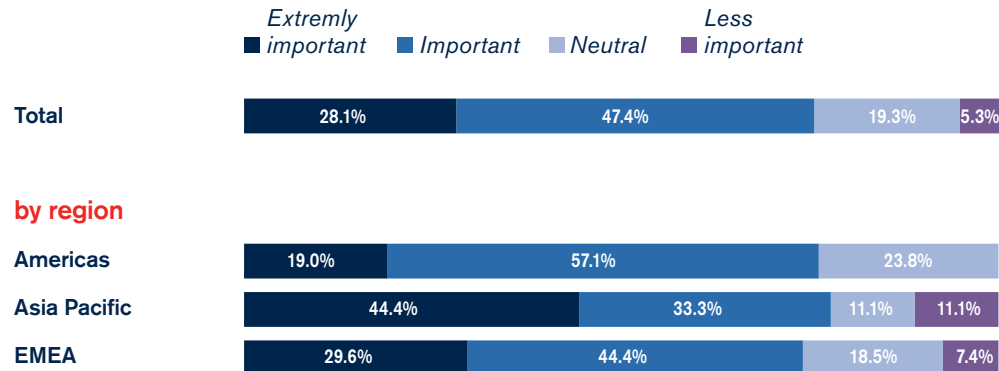
# 3.3

## A Place for Top Talent?

I am an owner of a family business

How important are the following instruments for attracting and retaining top talent?

“Good working conditions/work-life balance”





# 3.3

## A Place for Top Talent?

I am an owner of a family business

How important are the following instruments for attracting and retaining top talent?

“Offering a longer-term strategic perspective”



by region



# 3.3

## A Place for Top Talent?

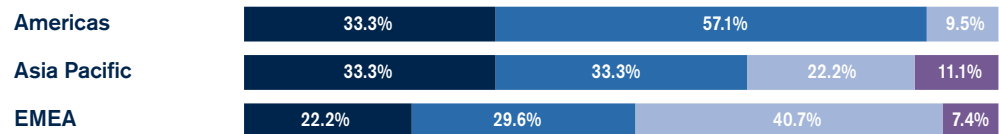
I am an owner of a family business

How important are the following instruments for attracting and retaining top talent?

“A profound culture of meritocracy”



by region



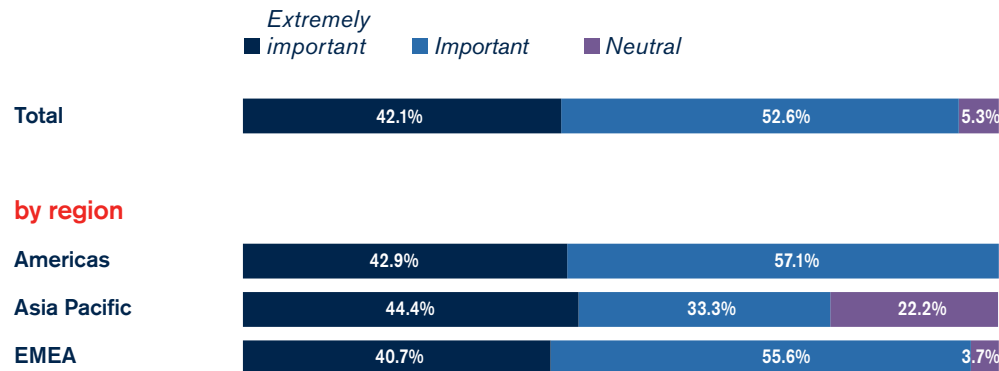
# 3.3

## A Place for Top Talent?

I am an owner of a family business

How important are the following instruments for attracting and retaining top talent?

“Empowerment”

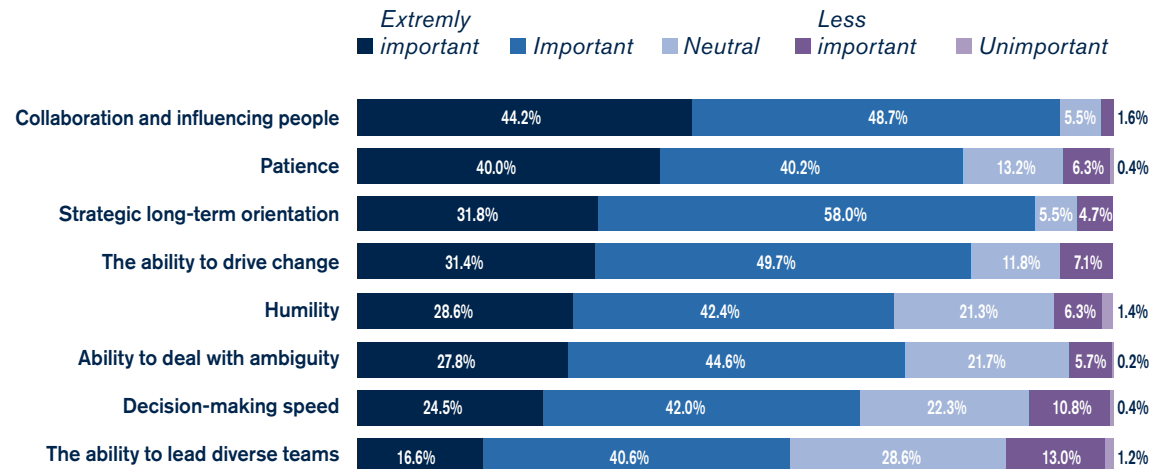


# 3.3

## A Place for Top Talent?

I have experience of working in a family business  
I am an owner of a family business

Which competencies are particularly important for top executives in family businesses?



# 3.3

## A Place for Top Talent?

I have experience of working in a family business  
I am an owner of a family business

Which competencies are particularly important for top executives in family businesses?

“Strategic long-term orientation”

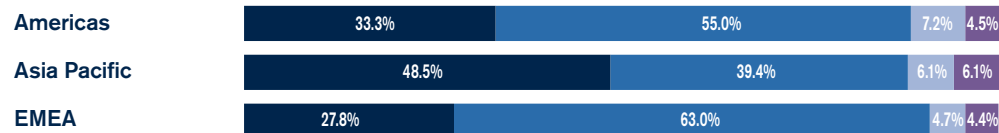


by experience



<sup>1</sup> FB = family business

by region



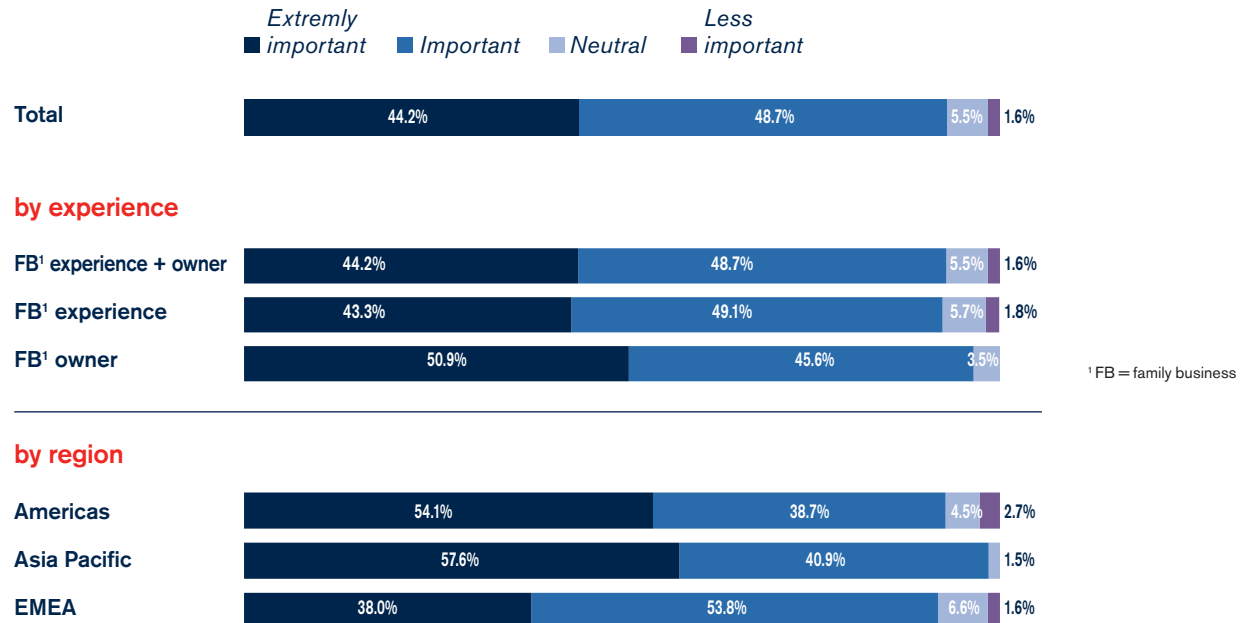
# 3.3

## A Place for Top Talent?

I have experience of working in a family business  
I am an owner of a family business

Which competencies are particularly important for top executives in family businesses?

“Collaboration and influencing people”



# 3.3

## A Place for Top Talent?

I have experience of working in a family business  
I am an owner of a family business

Which competencies are particularly important for top executives in family businesses?

“The ability to drive change”



by experience



<sup>1</sup> FB = family business

by region



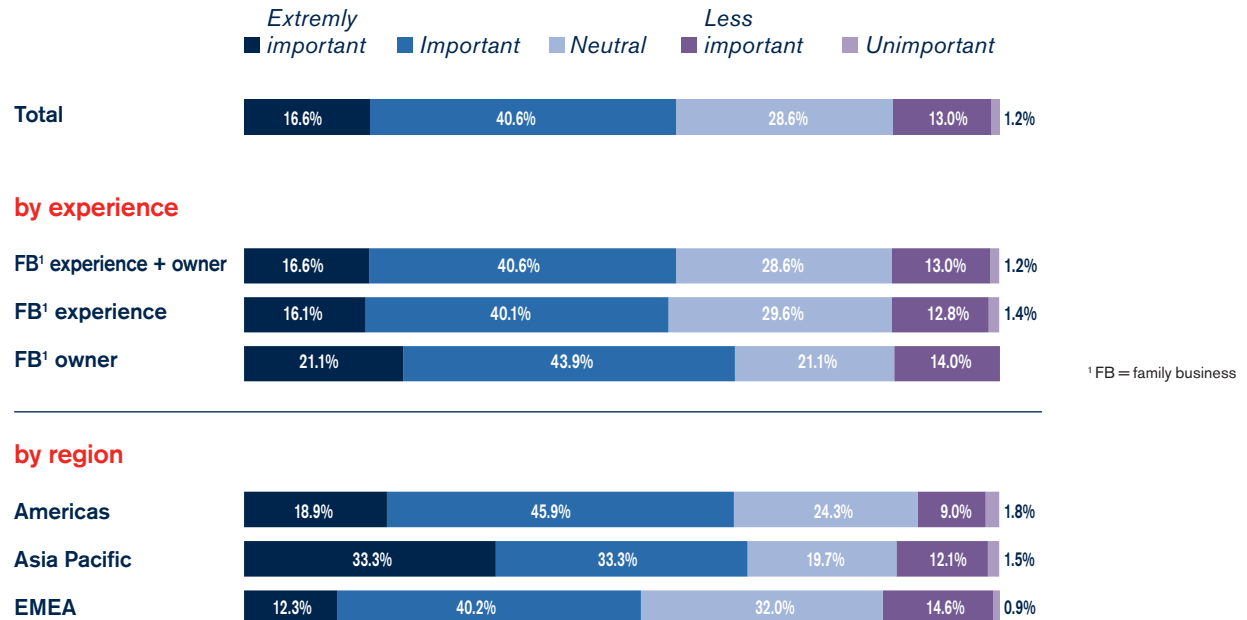
# 3.3

## A Place for Top Talent?

I have experience of working in a family business  
I am an owner of a family business

Which competencies are particularly important for top executives in family businesses?

“The ability to lead diverse teams”





# 3.3

## A Place for Top Talent?

I have experience of working in a family business  
I am an owner of a family business

Which competencies are particularly important for top executives in family businesses?

“Ability to deal with ambiguity”

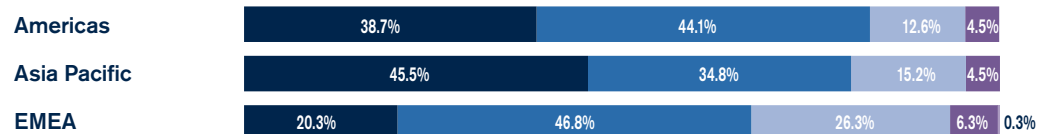


by experience



<sup>1</sup> FB = family business

by region



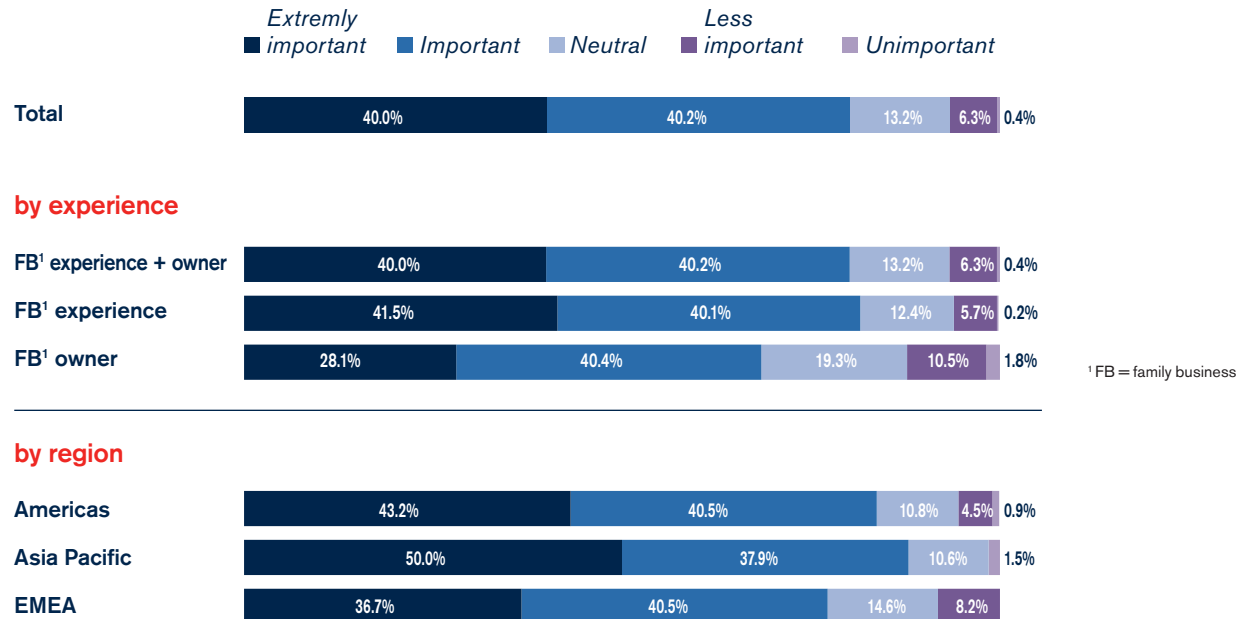
# 3.3

## A Place for Top Talent?

I have experience of working in a family business  
I am an owner of a family business

Which competencies are particularly important for top executives in family businesses?

“Patience”



# 3.3

## A Place for Top Talent?

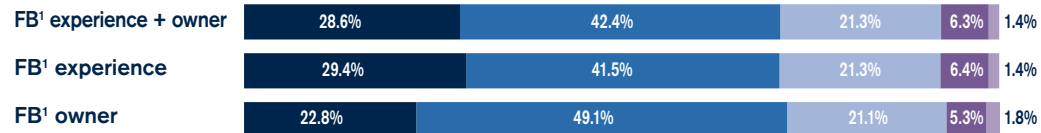
I have experience of working in a family business  
I am an owner of a family business

Which competencies are particularly important for top executives in family businesses?

“Humility”

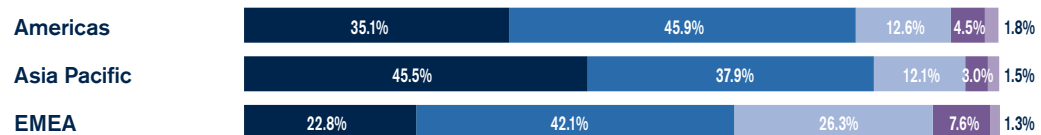


by experience



<sup>1</sup> FB = family business

by region

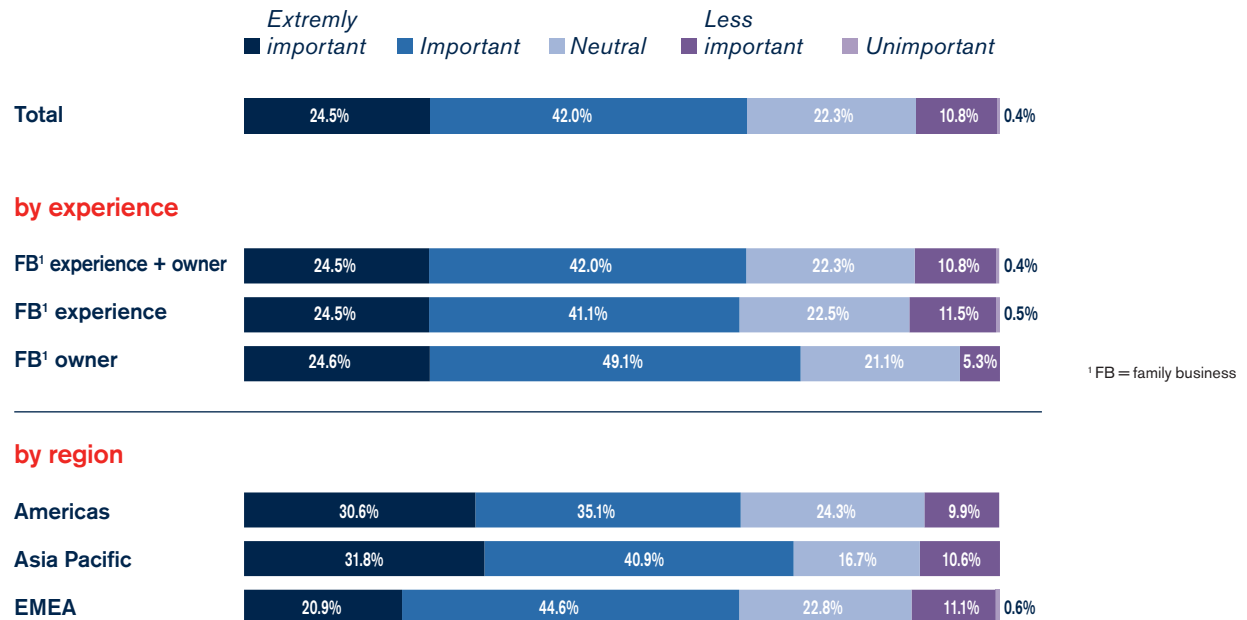


# 3.3 A Place for Top Talent?

I have experience of working in a family business  
I am an owner of a family business

Which competencies are particularly important for top executives in family businesses?

“Decision-making speed”



# 3.3

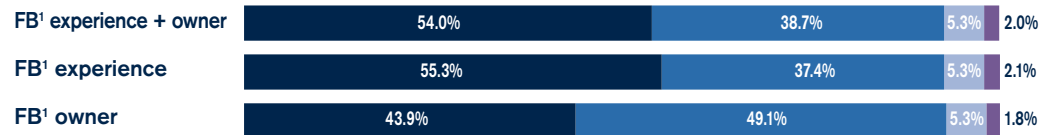
## A Place for Top Talent?

I have experience of working in a family business  
I am an owner of a family business

How important do you consider an understanding of and commitment to family business values on the part of non-family top executives?

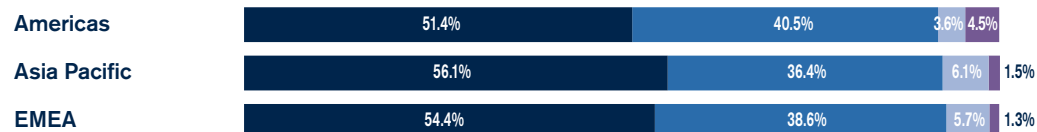


### by experience



<sup>1</sup> FB = family business

### by region



## 3.4 Demography

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### Family business “insiders” strongly represented in an international spread

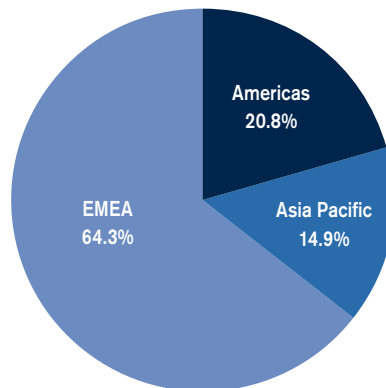
Almost ten percent of International Executive Panel respondents live and work in the USA; executives from Germany were almost equally strongly represented, followed by respondents from Denmark, Switzerland and Italy. As well as top executives, there was also a significant survey response from owners of, or partners in, family businesses, who made up 16.9 percent of all respondents. One in three of the businesses represented in the survey came from the manufacturing sector, while one in four was a service provider. Large and very large family businesses (those with between 1,000 and 10,000 employees and more than 10,000 employees respectively) made up just under half of all businesses taking part.

# 3.4 Demography

## Respondents by experience

	Total	by region		
		Americas	Asia Pacific	EMEA
I am an owner of a family business	7.9%	14.1%	8.4%	5.8%
I have experience of working in a family business	60.4%	60.4%	53.3%	62.0%
I have no experience of working in a family business	31.7%	25.5%	38.3%	32.2%

## Respondents by region

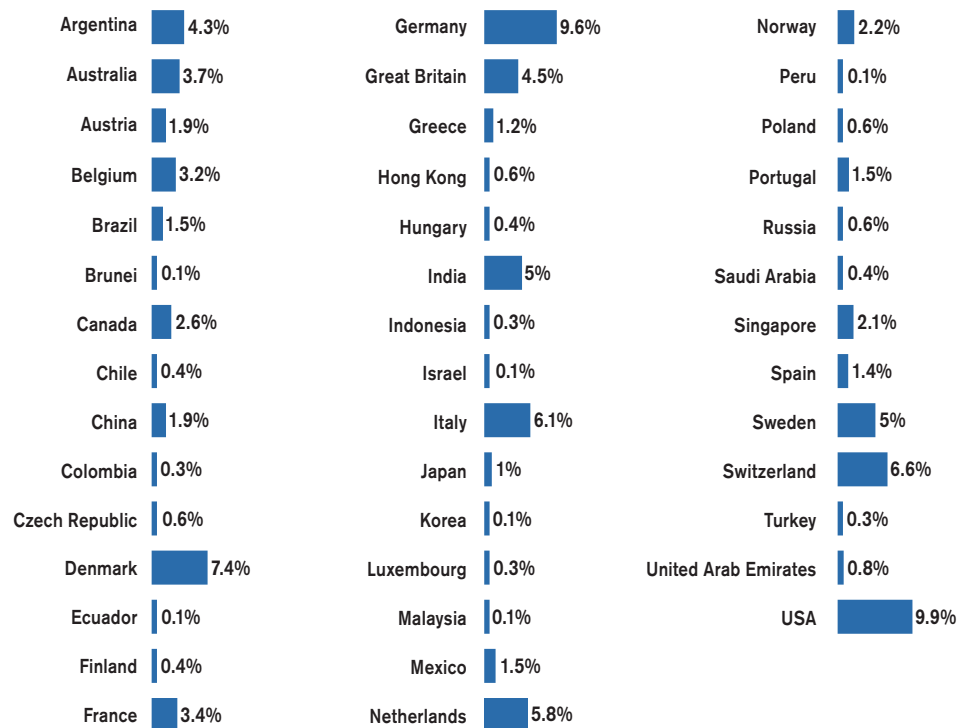


# 3.4

## Demography

### Country

In which country are you living and working at present?



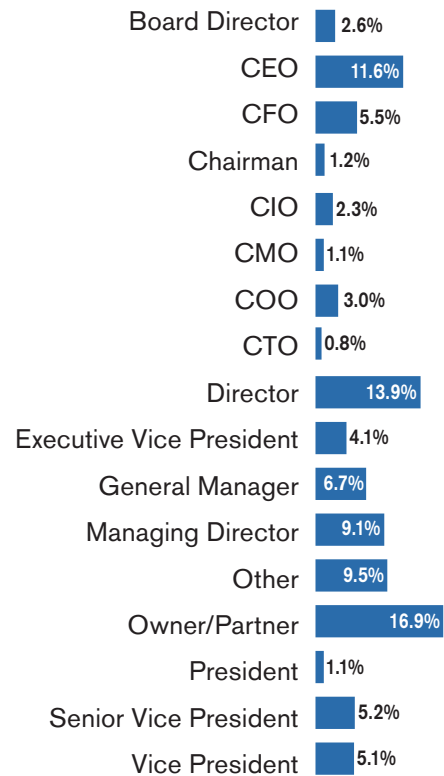


# 3.4

## Demography

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### Present position

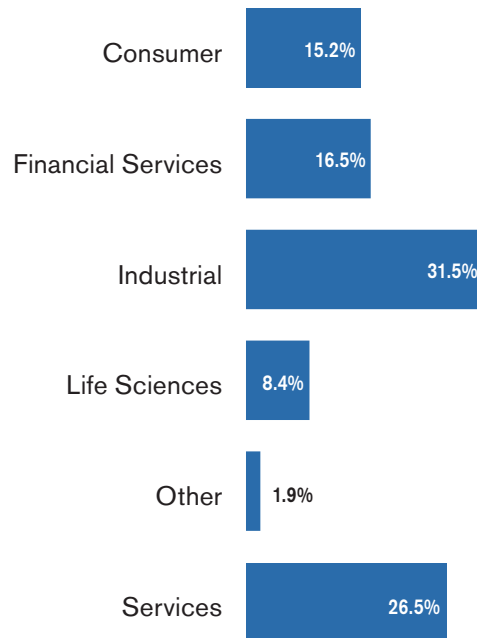


# 3.4

## Demography

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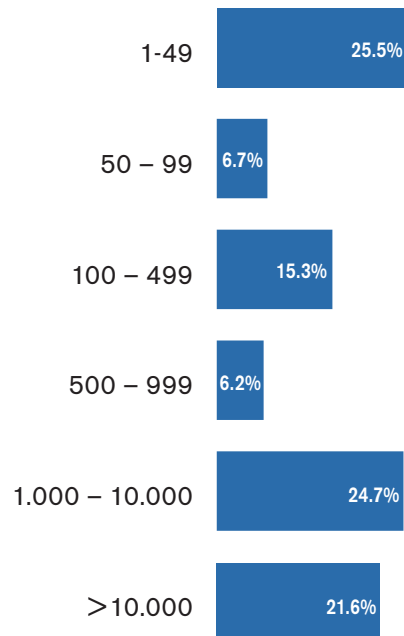
### Branch



## 3.4 Demography

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### Number of employees of your company

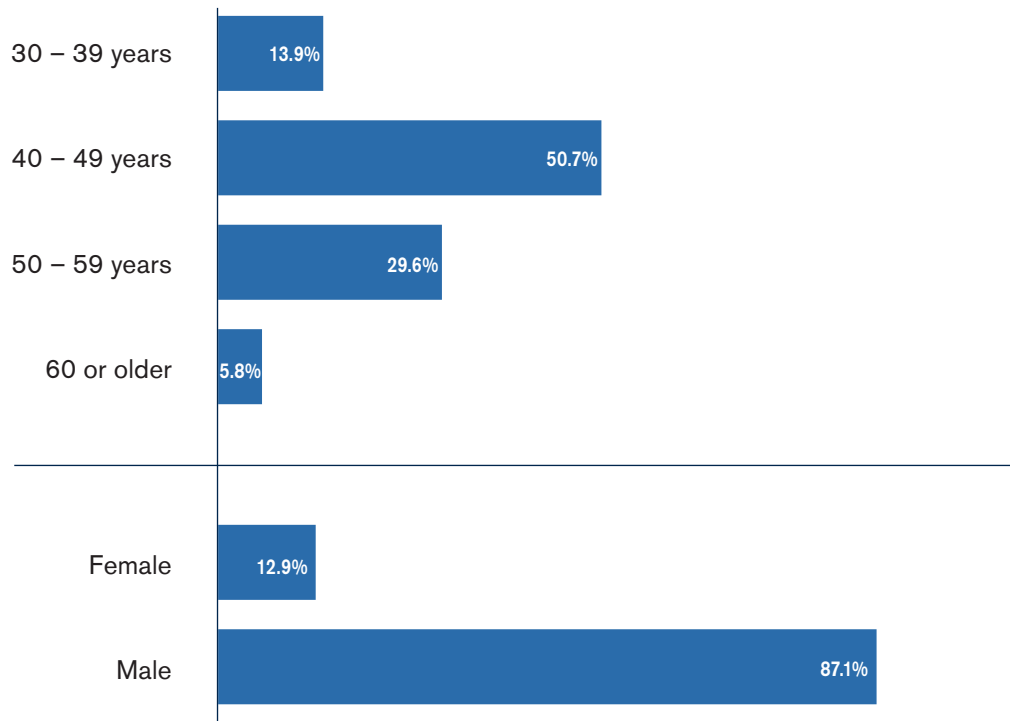


# 3.4

## Demography

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### Age and gender



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## Concept and implementation

Egon Zehnder International

Corporate Communications

Project manager: Astrid Carniaux, Markus Schuler

[www.egonzehnder.com](http://www.egonzehnder.com)