

## **On the Information Resources Used in the Decision Making Processes of Family Businesses in Turkey**

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### **Abstract**

*This paper analyses the information resources needed by family businesses in Turkey during the decision making processes. Currently, many economists emphasize that for economic actors to be able to make rational decisions, they should have complete information and the ability to perfectly assess it. This emphasis indicates that economic actors are now ready to pay a price to acquire complete information and process it. In addition, the strategies and the ways through which companies acquire information may vary according to the related organizational structure at different times and places. The present study describes the information acquisition strategies deployed by family businesses in Turkey on two different decision making levels and in three different cities (İstanbul, Gaziantep, Bursa) and reveals how and why these strategies differ from each other.*

**Keyword:** Family Business, Information-Based Economy, Institutional Economics

### **1. Introduction and Theoretical Framework**

Economics analyses thousands of decisions that are made every day and every minute in a society. All indicators perceived as growth, inflation or unemployment on macro level are actually a result of thousands of decisions that are made at micro level every day and every minute by thousands of economic actors. Therefore economics is also a discipline that deals with firm and human behaviors (Aydinonat, 2014, p.91). Examining who makes these decisions and how is vital to explain several economic and political variables and to predict their future. For this reason, economics is referred as “the science of decision making” (Stiglitz, 2006, p. 18).

While standard economic theories focus on the decision making processes of individuals and firms, it might also be claimed that they also offer a simplifying method to understand the decision making behaviors in the real world. The common trait of these theories is assuming that the economic actors act consistently, stably and rationally during the decision making process. According to these approaches, the preferences made through the decisions for different situations do not vary from person to person as great minds think alike and rational actors follow this path (Altman, 2012, p.28-29). Perhaps what is more important than this assumption is the neglect, in the standard economic theories, of the fact that the decision making process occurs after a conscious and decisive information acquiring process. When the importance of information in the decision-making processes is emphasized in the classical economic literature, information is seen as a free input distributed by the market through the price mechanism without any costs and any trouble to the economic actors (Arrow, 1984, p.146-147; Farrell and Shalizi, p.7).

The central importance of information in decision making processes is often emphasized in current economic theories (Castells, 2005; Staber, 1996). These theories indicate that decision makers are ready to pay the costs to acquire and process the information they need and they are also ready for corporate structuring and restructuring outside market mechanism. As the need of the information during the decision making process increases at an unprecedented pace, firms turned into institutions with ambiguous boundaries rather than remaining as modern hierarchic organizations referred by Chandler (Chandler, 1977; Ashken as set al. 2002).

To understand the true nature of decision making processes that have a vital function in the economy, many writers emphasize that information acquisition forms are affected by the institutional structure in which economic actors operate. Organization and institutional structure are defined as “written and unwritten rules, organizations and their implementation that shape and guide the relationships between individuals and different groups or sections in a society (Pamuk, 2012, p.6). As emphasized by Meindl et al., firms, which can be regarded as the smallest unit of an institutional structure, should be considered as a strategic information processing center and they are structures that convert the information needed during the decision making process into input (Meindl et al., 1996, p.147-149). Similarly, Simon also emphasizes that firms should not be identified only with production function as is the case in the classical economics since these organizations coordinate different individuals’ capacity to acquire and process information (Simon et al., 2008, p.11). Thus, firms’ peculiar qualities affect the processes through which firms acquire and process information and, ultimately, their decision making processes.

Any mention of the impact of the institutional structure on information acquisition and decision making processes should involve the impact of the wider organizational structure firms operate in. As often emphasized by scholars from the school called institutional economists, the institutional structure in question encompasses the habits of historical and economic actors as well as the state and state’s regulatory institutions (Pressman, 2006 p.501). The macro-level institutional framework occasionally becomes so effective on the information acquisition and decision making processes that choosing a course of action in the related fields becomes independent of the initiative of the firms (Hall and Soskice, 2001, p. 15). Firms have a certain degree of autonomy but institutional framework is frequently determined on the national level (p.16).

The present study focuses on the decision making processes of the family businesses which is the dominant institutional structure in Turkey. Family businesses can be argued to have a high economic weight in the global economy as well as in Turkey and, contrary to what is assumed, these businesses are not limited to small enterprises. In today’s global economy, family businesses are one of the dominant entrepreneurial powers and institutional structures (Higginson, 2010). Big companies such as Ford, M&M Mars are family businesses (Moscatello, 1990, quoted in Shah, 2006). Today, 95% of the existing businesses in Turkey are family businesses and 75% of the publicly listed businesses are family businesses (Dünya.com, 2012).

Identifying how family businesses, which are so essential in Turkey and globally, make decisions in different areas, examining the information resources they apply during the decision making processes and, finally, determining how the strategies deployed by family business in different regions vary will offer us descriptive information about the institutional structure of the business world in Turkey. The fact that family businesses based in different cities act in differing manners supports the above arguments drawing attention to the impact of family businesses, which characterize the institutional structure of the business world in Turkey, on decision making processes as well as the impact of the macro institutional structures. As emphasized by Colin “the family is a local value and an institution settled in the cultural system” (Colli, 2003, p.56) and the decisions of family businesses are made “in parallel with the family strategy” (Bruland and O’Brien, 1998, p.52). However, not only the institutions on national level but even the ones on local level can change the form of the decision making and information gathering/processing activities carried out by family businesses.

## **2. Research Method and Scope**

The present study pursues to identify the strategies developed by family businesses to acquire the information they need during the decision making processes. To this end, how family businesses make decisions in two categories were explored. First, how family businesses act in regard to the selection of the investment location was examined within the frame of the theories of site selection and the method of a field research conducted by the State Planning Organization was taken as example<sup>1</sup>. The second defined category is the question how family businesses make decisions regarding the selection of the firms to work with while establishing a business relationship. The family businesses analyzed in the present study are established in three cities, İstanbul, Gaziantep and Bursa. Thus, it was possible to examine whether there are differences with respect to the selection of investment location and the establishment of business relationships arising from different regional cultures. As known, Bursa and Gaziantep are two cities of Turkey which are top-ranked in industrialization while İstanbul is remarkable with its cosmopolitan structure and being a lifeblood in the industry.

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<sup>1</sup>Tekeli and İlkin, 2010.

## 2.1. Aim of the Study

In the present study, the information acquisition strategies applied by family businesses needed during the selection of investment location and business partners are determined by means of the explanatory and confirmatory factor analysis. How the data obtained varies depending on the region was also identified.

## 2.2. Research Sample

In the analyses conducted by using Structural Equation Modelling (SEM), the reliability and validity of the estimations for the population parameters and the suitability of the model evaluation criteria are considerably affected by the size of the sample number. According to Bentler and Chou, the sample number must be five times of the number of variables required to be calculated in the model if the data of the model variables comply with the normal distribution (Bentler and Chou, 1987, p.78-117). According to another opinion, the sample number should be between 200 and 500 in multivariate analysis made by using a structural equation model. The closer the number of the samples is to 500, the more reliable is the model (Kline, 1994: p.111-112). The sample of the present study consists of the owners and/or managers from 208 family businesses operating in Beylikdüzü Organized Industrial Site, İstanbul.

## 2.3. The Scale of the Survey

The questionnaire used for this study was created as a result of the literature review by the researchers and consists of four sections: First section includes questions aiming to identify the demographic characteristics of family businesses. The second section consists of 18 questions aiming to reveal the modern/traditional structure of family businesses in the cultural sense. In the third section, there are 18 questions that were prepared with the purpose of determining which factors are taken into consideration by the family businesses during their investment location selection. The last section consists of 18 questions that are prepared with the purpose of revealing the factors affecting the process of establishing business relationships. The response format of the questionnaire is a 5- point Likert scale anchored by 1= Strongly disagree to 5= Strongly agree. The survey was conducted by face to face interviews with the voluntary participants determined by using a random sampling method. As it is a newly created scale applied for the first time in the study, first its reliability was tested with Cronbach's alpha coefficient and then the explanatory factor analysis and confirmatory factor analysis were applied. While the explanatory factor analysis was made with SPSS 17.00, the confirmatory factor analysis was made with Lisrel 8.51.

## 2.4. The Hypotheses of the Study

H<sub>a1</sub>: Consulting services are important for the family businesses in selecting investment location.

H<sub>a2</sub>: Investment cost is important for the family businesses in selecting investment location.

H<sub>b1</sub>: Fellow countrymen are important for the family businesses in establishing a business relationship.

H<sub>b2</sub>: Social environment is important for the family businesses in establishing a business relationship.

H<sub>c1</sub>: The decision concerning the investment location is affected both by the cultural structure of the family business and by the economic political and cultural structure of the city in which the family business operates.

H<sub>c2</sub>: The form of establishing business relationship is affected both by the cultural structure of the family business and by the economic political and cultural structure of the city in which the family business operates.

## 3. Findings

The demographic characteristics of the family businesses and the participants are shown in Table 1. (At the end of the article)

### 3.1. Explanatory Factor Analysis

The total 36 items of the scale which were created with the aim of determining the factors that affect the process of selecting the investment location and establishing business relationships for the family businesses were reduced to 13 items after the reliability test and the Cronbach's Alpha coefficient in relation to these articles was found to be 0,748. It was seen that the scale is on a very reliable level and the internal consistency of data is quite good (Bayram, 2013, p. 193; Uzgören, 2012, p. 54). To investigate if the data is suitable for factor analysis, the KMO (Kaiser, Meyer, Olkin) measure, which is based on the simple and partial correlation coefficients, and the Bartlett Test were checked. KMO was found to be 0,715 and the fact that the KMO measure is above 70% indicated that the factor analysis can be applied to the data (Nakip, 2006, p: 429; Orhunbilge, 2010, p: 448). The result of Bartlett's test of Sphericity (Approx).

Chi-Square: 639,698; DF: 78; Sig: 0, 000) also indicates that the data is suitable for the analysis. The total variance of the four factors found with the explanatory factor analysis were determined to be %67,396. These four factors are described below.

### 3.2. Factors Affecting Decision Making Concerning Investment in Family Businesses

The Cronbach' self a reliability co-efficient of the 7 items scale used to determine the factors that affect the investment location decisions made by family businesses was considerably good with a 0,773 value. The result of the factor analysis indicates that the decision for investment location is explained by two factors. The articles under these factors are given in Table 1. According to these articles the first factor is receiving consultancy and the second factor is the cost advantage of investment location. As seen in Table 1, the most important factor affecting family businesses' decisions for investment location is receiving consultancy. It is seen family consult with project companies, local managers, local businesspersons and central administration organizations when determining an investment location. The second factor affecting the decision for investment location was determined to be the cost advantage of investment. Proximity to the business environment, the comparative cost advantage of the selected location and benefiting from government subsidies were also found to be effective on the selection of investment location.

### 3.3. Factors Affecting the Establishment of Business Relationships in Family Businesses

The Cronbach' self a reliability co-efficient of the 6 items scale used to determine the factors that affect the establishment of business relationships in family businesses was considerably good with a 0,792 value. The articles under the factors are shown in Table 2. According to these articles, the first factor is fellow country people and the second factor is social environment. As seen in Table 2, the analysis of the articles under the fellow country people factor shows that family businesses give priority to the firms which are established in the hometown or country of the owner of the family business. The analysis of the second factor reveals that family businesses improve their business relationships with the help of professional organizations such as voluntary organizations and chambers of commerce and industry.

### 3.4. Confirmatory Factor Analysis

Figure 1 shows the graphical display of the model obtained after the application of confirmatory factor analysis to the **factors affecting the investment decision process of the family businesses**. Analyzing the indicators concerning the **consulting** factor, which is the most effective factor on the investment location decisions of the family businesses, A7. During the selection of investment location process consulting with project companies (0,94), A6. During the selection of investment location process consulting with local businesspersons (0, 89), A5. During the selection of investment location process consulting with local managers (0, 59) and A4. During the selection of investment location process consulting with central administration organizations (0, 50) are seen as the most effective factors, respectively. Analyzing the indicators of the **cost advantage** factor, which is second most effective factor, A12 When making investment the comparative cost advantage of the selected location affects my decision (0, 81), A11. When making investment benefiting from government subsidies affects my decision (0, 67) and A13. When making an investment the proximity of selected location to the business environment affects my decision (0, 60) are seen effective, respectively.

The fit indexes obtained from the confirmatory factor analysis are shown in Table 3. Analysis of the fit indexes displays that the suitability of data to the model is very good. The graphical display related to the model obtained by applying confirmatory factor analysis to the factors affecting the establishment of business relationships in family businesses is seen in Figure 2. Analysis of the indicator of the **factors affecting the establishment of business relationships in family businesses**(Figure 2) shows that under the fellow country people man factor the indicators are ordered as follows: C6. I usually choose the businesspersons I will work with from my social environment who I know outside of my business life and spend time with frequently (0, 79), C7. It is important for me that the firms I will establish a business relationship with are in my hometown (0, 72) and C17. It is important for me that the firms I will establish a business relationship with are in my country (0, 56). The most important indicator of **social environment** factor is C8. The business offers from large companies with which I work as a supplier are often made through the chamber of commerce/industry.

### 3.5. The Cultural Structure of the Family Businesses

In order to reveal the cultural structure of family businesses, the second part of the questionnaire was created by reviewing the relevant literature. According to the results of the reliability analysis, the Cronbach' salfa reliable coefficient of the 7 remaining questions out of 18 questions in this section is 0,63. These articles are shown in Table 5. The location of the family businesses in this study are as follows: 44% is established in İstanbul, 25% in Bursa, 23.06% in Gaziantep and the remaining 6.2% is established in various other cities and thus they were not assessed in this section of the study. Whether the behaviors of the participating family businesses concerning investment decisions, establishment of business relationships and the cultural structure of the family business differ depending on the location of establishment (İstanbul, Bursa, Gaziantep) is analyzed by means of variance analysis. According to the results of the variance analysis:

- Decision making behaviors of family businesses vary depending on the location of establishment ( $F=4,587$ , Sig.:0,011). To determine the differences, the Scheffe test, from Post Hoc tests, was chosen and used (as the group variances are homogeneous). According to the findings, while the family businesses established in İstanbul and Gaziantep are in the same group, the family businesses established in Bursa remained in a different group. It has been observed that before making investment decisions, the family businesses that originate in Bursa tend to use more consultancy services and pay more attention to the cost advantage compared to the ones that originate in İstanbul and Gaziantep.
- It is determined that the behaviors of the family businesses related to the establishment of business relationships vary depending on the location of establishment ( $F=41,862$ , Sig.:0,000). To determine the differences, the Tamhane test, from Post Hoc tests, was used (as the group variances are not homogeneous). According to the findings, while the family businesses established in İstanbul and Gaziantep are in the same group, the family businesses established in Bursa remained in a different group. It has been observed that the family businesses that originate in Bursa attach less importance to fellowship and social environment compared to the ones that originate in İstanbul and Gaziantep.

### 4. Conclusions and Recommendations

The empirical data obtained from with the fieldwork can be summarized as follows:

- 1) It is revealed that the biggest factor that affecting investment location decision for family businesses is benefiting from consultancy services. The family businesses tend to consult with project firms, local managers, local business person sand central administration organizations before making an investment location decision.
- 2) The second factor affecting the investment location decision for family businesses is the cost advantage of investment location. While making an investment location decision the family businesses attach importance to the proximity of the investment location to business environment, the comparative cost advantage of investment location and government subsidies.
- 3) Fellowship constitutes the primary concern while family businesses select the firms to establish business relationships with and family businesses give priority to the firms in their hometown, country and social environment.
- 4) The tenders of the family business, associations of voluntary business associations and chambers of commerce and industry rank second in establishing their business relationships.
- 5) The analysis of the decision-making behaviors of the family businesses related to the location of establishment shows that while the family businesses established in İstanbul and Gaziantep are in the same group, the family businesses established in Bursa remained in a different group. It has been observed that before making investment decisions, the family businesses that originate in Bursa tend to use more consultancy services and pay more attention to the cost advantage compared to the ones that originate in İstanbul and Gaziantep.
- 6) The analysis of the behaviors of the family businesses related to the establishment of business relationships shows that while the family businesses established in İstanbul and Gaziantep are in the same group, the family businesses established in Bursa remained in a different group. It has been observed that the family businesses that originate in Bursa attach less importance to fellowship and social environment compared to the ones that originate in İstanbul and Gaziantep

Based on the data presented above, it can be said that, concerning two different areas of decision-making, the Turkish family businesses do not find the market mechanism sufficient to gather “information that does not exist anywhere as a whole” (Hayek, 1996, p.73) in Hayek’s words so they make extra effort to compensate for the deficiency. It has been found that to be able to deal with “ambiguity caused by new economic conditions” (Castells, 2005, p.217), the Turkish family businesses do not refrain from using various resources to gather the required information.

When two different decision-making criteria are analyzed separately, it is seen that family businesses behave in a considerably modern way especially during the selection of investment location. According to the modern way of behaving, every job needs to be done professionally and receiving consultancy from professionals to acquire the needed information is a natural process. With this view in mind, the importance attributed to the opinions of the specialists by the Turkish family businesses is understandable. It is also important that, as consultants, priority is given to project firms and professional local managers who have easy access to information. Similarly, the fact that the Turkish family businesses give second priority to the cost elements in determining investment location indicates that they try to gather information through a rationalistic market analysis and they are able to make decisions in accordance with it, rather than behaving emotionally and irrationally (Andiç and İşler, 2008, p.44).

Also during the process of selecting a business partner which is the second decision making criterion, we can see that the Turkish family businesses use a different information gathering and processing mechanism. According to the findings, while family businesses select companies to establish business relationships with they use the formal information resources such as the chambers of trade and industry and “SIAD”(Industry and Business Associations) but they place more importance to the informal information resources such as the relationship of fellow country people and the reputation in the social environment. Thus, they use a dual mechanism which is different from the selection of investment location which is determined as the first decision-making level. This resource needed by the family businesses during the selection process of business partner is defined in literature as “using network economy” (Staber et al., 1996; Håkli and Minca, 2009; Castells, 2005). On the one hand, network economies describe a society where information has become the most important input (Castells, 2005, p.20), on the other they define an environment where the personal and face to face relationships are considered to be faster, more reliable and more efficient resources in the production and distribution of information (Staber et al., 1996, p.54). In network economies, the relationships of the parties who share information can neither be explained with the impersonal connection based on contract nor with an organized and disciplined order of an organization (Staber et al., p.2). The significant point here is that behaviors involving economic relationship and exchange actually appear in a non-economic form.

The fact that family businesses attach a high importance to sharing the same city and the social environment in information gathering processes indicates that they find the economic actors, with whom they can intensively exchange information through personal relationships, more reliable. In the frame of a modern behavioral pattern, the businesses are expected to determine their potential business partners independently from the geographical and cultural position and to make the final selection according to the reports prepared by professional research firms. However, taking into consideration that the organization of the business world in Turkey is identified with cultural and regional categories, it can be said that taking advice from the chambers of commerce and voluntary association of business people does not comply with a modern behavioral pattern.

The results of the research figured in the fifth and sixth articles show that the family businesses, which can be grouped as the ones in Bursa and the ones in İstanbul and Gaziantep, adopt two different behavioral patterns during the decision-making processes. Accordingly, Bursa which adopts a stronger modern behavioral pattern with respect to the selection of investment location, utilizes network economies, which are informal information resources, to a lesser degree when selecting a business partner. On the other hand, in İstanbul and Gaziantep, which tend to select an opposite path, less importance is attached to consultancy services when selecting investment location while network economies are utilized to a larger degree during the selection process of a business partner. Identifying the exact causes of the mentioned regional differences requires a more in-depth comparative analysis. However, certain predictions can be made on the topic. Drawing on the theoretical approaches adopted in the present study, utilization of different information resources prior to decision making in İstanbul and Gaziantep on one hand and Bursa on the other can be claimed to be related to the different institutional structures in these cities. There is no doubt that the institutional structure of Bursa’s economy was shaped to a large extent by the intensive investments in the automotive industry after 1980.

The detailed feasibility studies<sup>2</sup> applied by the large-scale foreign investors during the selection of investment location and the impersonal relationships<sup>3</sup> they establish during the selection of a business partner, naturally, affect the institutional structure of Bursa. The impact of the varying institutional structure is observed in the different behaviors of the family businesses operating within this structure in Bursa. Although it is difficult to provide a consistent portrait of the institutional structure in İstanbul, which is included in the other group, even the general information related to the characteristics of the business life in Gaziantep can be useful for making sense of the findings of the present study. As known, since 1980 but especially after 2000, Gaziantep has been at the forefront with its export to Middle East. As of 2010, one-third of exports from Turkey to Iraq was delivered through Gaziantep (Keyman, 2010, p.100). This specific characteristic of Gaziantep has shaped the institutional structure in the city on the basis of the forms of doing business in the Middle East. According to the previous research on the region, a remarkable number of businesspeople from Gaziantep explained that when they select business partners from Iraq or Syria or when they make investments in the Middle East, the most important factors affecting their decisions are the common religion, language and history. The following statement by a business person from Gaziantep is significant for summarizing the situation:

“For Southeastern Anatolian people friendship is very important. Because of our friendship we ignore some principles of commerce. For example, we sell a huge amount of goods on an open account to Syria.” (Balıkçı, 2015, p.103) In according to the general information provided above, it is understandable that in Gaziantep, where people attach more importance to friendships and informal networks, the family businesses benefit less from modern information gathering methods when they make investment decisions and more from the fellowship networks when they select a business partner. To recapitulate, our research shows that during the decision making processes, the significance of the information acquisition processes and the methods of information acquisition vary according to the country even to the city. The basic reason for these differences is the different institutional structures within which decision makers operate. The present research has focused on Turkish family businesses and described the methods used by the businesses on two different levels (the selection of investment location and business partners). Research into the decision making and information acquisition processes on different levels and the management of these processes in different countries would, without doubt, further contribute to clarification of the subject matter.

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<sup>2</sup> Actually, foreign automotive companies decided to invest in Turkey after a long period of research and the emergence of convenient circumstances. For a detailed examination of this “modern” attitude adopted by automotive companies see Bernar Nahum, 1988.

<sup>3</sup>For a detailed examination of these relationships and the selection of the firms to establish business relationship with see YiğitEvren, 2002.

## 5. Table List

Table 1: Demographic Features

	f	%
<b>Gender</b>		
Female	26	12,5
Male	182	87,5
<b>Age</b>		
Less than 25	11	5,3
26-34	49	23,6
35-44	77	37
45-54	60	28,8
Above 54	11	5,3
<b>Marital Status</b>		
Married	41	19,7
Single	167	80,3
<b>Educational Background</b>		
Elementary School	28	13,5
Middle-High School	108	51,9
University	61	29,3
Graduate	11	5,3
<b>The position in the family business</b>		
Owner	135	64,9
Manager	28	13,5
Shareholder	30	14,4
Manager- Shareholder	8	3,8
Unanswered	7	3,4
<b>What is your relationship with the business owner</b>		
I am the owner myself	95	45,7
He/She is my mother-father-sibling	32	15,3
He/She is my uncle-aunt-nice-nephew-cousin	70	33,7
Other	11	5,3
<b>The field of firm activity</b>		
Service	50	24
Production	82	39,4
Trade	76	36,6
<b>The period of firm operations</b>		
Less than 1 year	2	1
1-5 years	41	19,7
6-10 years	50	24,1
11-20 years	70	33,7
More than 20 years	45	21,5
<b>Current family generation managing business</b>		
First	113	54,3
Second	38	18,3
Unanswered	57	27,4
<b>Legal structure of the business</b>		
Anonymous	15	7,2
Limited	101	48,6
Sole trader	92	44,2
<b>Ownership structure of the family business</b>		
Sole family	151	72,6
More than one family	42	20,2
Family and non-family Cooperation	15	7,2
<b>Firm's founding location</b>		
Unanswered	7	3,4
Ankara	3	1,5
Bursa	52	25
Gaziantep	49	23,6
İstanbul	94	45
Karabük	1	,5
Kayseri	1	,5
Mersin	1	,5



**Table 2: Factors Affecting Investment Location Decision**

Size	Article	Factor	
		1 Eigenvalues: 2,971	2 Eigenvalues: 1,640
$\alpha = 0,77$			
<b>Receiving Consultancy</b>  $\alpha = 0,83$	A7. I consult with project companies while selecting investment location	, 771	
	A5. I consult with local managers while selecting investment location.	, 753	
	A6. I consult with local businesspersons while selecting investment location.	, 734	
	A4. I consult with the central administration organizations while selecting investment location.	, 720	
<b>Cost advantage</b>  $\alpha = 0,73$	A13. When making an investment, the proximity of the selected location to the business environment affects my decision.		, 669
	A12. When making investment, the comparative cost advantage of the selected location affects my decision.		, 619
	A11. When making investment, benefiting from government subsidies affects my decision.		, 608

**Table 3: Factors Affecting the Establishment of Business Relationships in Family Businesses**

Size	Article	Factor	
		1 Eigenvalues: 2,963	2 Eigenvalues: 1,328
$\alpha = 0,79$			
<b>Fellow Country people</b>  $\alpha = 0,84$	C7. It is important for me that the firms I will establish a business relationship with are in my hometown.	, 942	
	C17. It is important for me that the firms I will establish a business relationship with are in my country.	, 913	
	C6. I usually choose the businesspersons I will work with from my social environment who I know outside of my business life and spend time with frequently.	, 701	
<b>Social environment</b>  $\alpha = 0,71$	C10. The business offers from other firms are often made after participating in tenders.		, 823
	C11. The business offers from other firms are often made through the voluntary associations of businesspersons.		, 818
	C8. The business offers from large companies with which I work as a supplier are often made through the chamber of commerce/industry.		, 693

**Table 4: The Fit Indexes of Factors Affecting Decision Making Concerning Investment in Family Businesses**

Fit Indexes	Good Index	Acceptable Index	Model
Normal Theory Weighted Least Squares Chi-Square			5.27
Chi-square ( $\chi^2$ ) value			
Degrees of Freedom (df)			10
Degrees of Freedom			
p value (p-value)	$0,05 < p \leq 1,00$	$0,01 \leq \chi^2 / df \leq 0,05$	0,87
$\chi^2 / df$	$0 \leq \chi^2 / df \leq 2$	$2 \leq \chi^2 / df \leq 3$	0,527
Root Mean Square Error of Approximation	$0 \leq RMSEA \leq 0.05$	$0,05 \leq RMSEA \leq 0.10$	0,000
Root Mean Square Error of Approximation (RMSEA)			
90 Percent Confidence Interval for RMSEA			(0.0; 0.038)
Standardized Root Mean Square Residual (SRMR)	$0 \leq SRMR \leq 0.05$	$0.05 \leq SRMR \leq 0.10$	0.024
Normed Fit Index (NFI)	$0,95 \leq NFI \leq 1.00$	$0.90 \leq NFI \leq 0.95$	0.99
Comparative Fit Index	$0,95 \leq CFI \leq 1.00$	$0.90 \leq CFI \leq 0.95$	1,00
Comparative Fit Index (CFI)			
Goodness of Fit Index (GFI)	$0,95 \leq NFI \leq 1.00$	$0.90 \leq NFI \leq 0.95$	0.99
Goodness of Fit Index (GFI)			
Adjusted Goodness of Fit Index (AGFI)	$0,90 \leq NFI \leq 1,00$	$0,85 \leq NFI \leq 0,90$	0.98

Source: Schermelleh-Engel and Moosbrugger, 2003, p. 52.

**Table 5: The Fit Indexes of the Factors Affecting the Establishment of Business Relationships in Family Businesses**

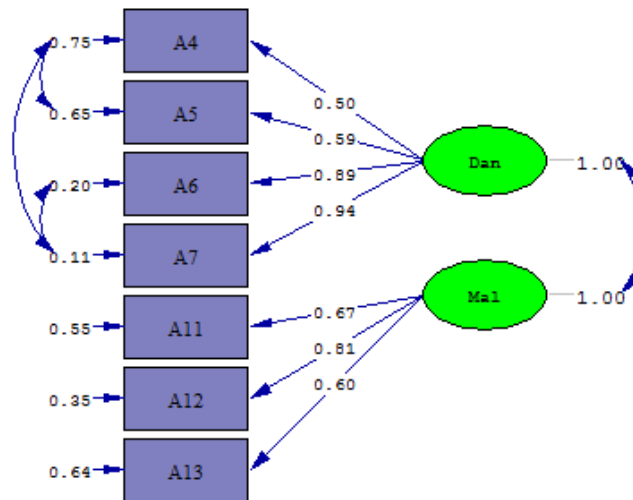
Fit indexes	Good index	Acceptable index	Mode
Normal Theory Weighted Least Squares Chi-Square			4.40
Chi-square ( $\chi^2$ ) value			
Degrees of Freedom (df)			4
Degrees Of Freedom			
p value (p-value)	$0,05 < p \leq 1,00$	$0,01 \leq \chi^2 / df \leq 0,05$	0,35
$\chi^2 / df$	$0 \leq \chi^2 / df \leq 2$	$2 \leq \chi^2 / df \leq 3$	1,1
Root Mean Square Error of Approximation	$0 \leq RMSEA \leq 0.05$	$0,05 \leq RMSEA \leq 0.10$	0,022
Root Mean Square Error of Approximation (RMSEA)			
90 Percent Confidence Interval for RMSEA			(0.0; 0.11)
Standardized Root Mean Square Residual (SRMR)	$0 \leq SRMR \leq 0.05$	$0.05 \leq SRMR \leq 0.10$	0.025
Normed Fit Index (NFI)	$0,95 \leq NFI \leq 1.00$	$0.90 \leq NFI \leq 0.95$	0.99
Comparative Fit Index	$0,95 \leq CFI \leq 1.00$	$0.90 \leq CFI \leq 0.95$	1,00
Comparative Fit Index (CFI)			
Goodness of Fit Index (GFI)	$0,95 \leq NFI \leq 1.00$	$0.90 \leq NFI \leq 0.95$	0.99
Goodness of Fit Index (GFI)			
Adjusted Goodness of Fit Index (AGFI)	$0,90 \leq NFI \leq 1,00$	$0,85 \leq NFI \leq 0,90$	0.96

Table 6

<b>The Cultural Structure of Family Business (<math>\alpha= 0,63</math>)</b>
B2. My children should start working in the family business after completing their education.
B5. In life, especially in the business world, some incidents are inevitable and should be considered as destiny.
B6 Some skills leading to success in life cannot be learned, these are abilities that one is born with.
B9. The role distribution in domestic life is determined by the traditional family culture.
B10 I have the final say in family-related decisions.
B14. It is the mother’s responsibility to take care of the children, a baby sitter or maid is not acceptable.
B16. It was my family who forced me to work in the family business.

6. Figure List

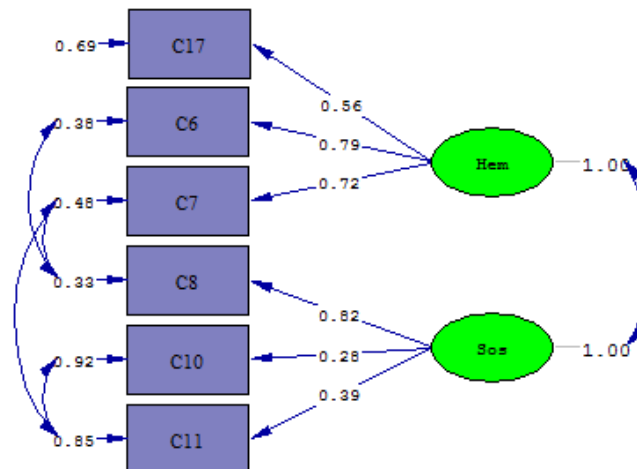
Figure 1: Factors Affecting Investment Decision in Family Businesses



Chi-Square=5.27, df=10, P-value=0.87269, RMSEA=0.000

Dan: Receiving Consultancy; Mal: Cost Advantage

Figure 2: Factors Affecting the Establishment of Business Relationships in Family Businesses



Chi-Square=4.40, df=4, P-value=0.35471, RMSEA=0.022

Hem: Fellow Country People; Sos: Social Environment

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