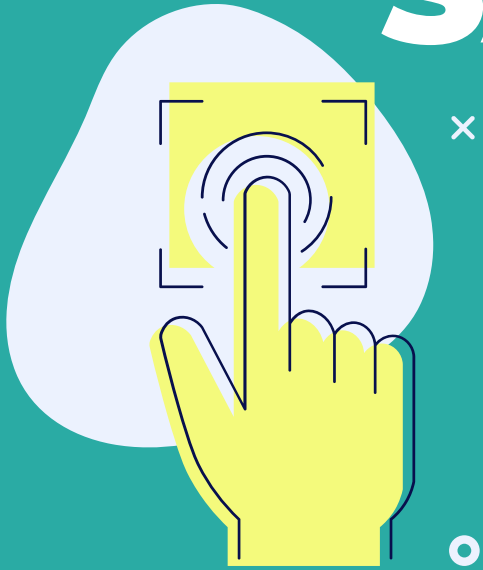


TURKEY STARTUP SALARY & BENEFITS SURVEY REPORT 2020



Conducted By

As Endeavor Turkey and Talentmelon we closely work with the startup ecosystem in Turkey, every day. We know their difficulties in attracting and retaining talent. As part of our mission to support the startup ecosystem with the right information, we are happy to present this salary and benefits research as a guide for entrepreneurs and investors.

eNDEAVOR

Talentmelon is a people & culture consulting company which empowers startups - scaleups to build a sound talent strategy for growth.

Visit our website to learn more:
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THE HEART OF THE TURKEY STARTUP SALARY SURVEY 2019



Building the right team to successfully grow your company and motivating it to achieve the best performance are among the most important issues for every startups. Providing the right salary and benefits for each role is an important part of this equation to attract & retain the best talent and keep the team motivated. However, startups having difficulty to find the most appropriate market data for which they can compare themselves. There are basically 2 reasons for this:

- 1) The dynamics of startups in attracting and retaining talents are different from those of corporate companies. Most of the companies participating in the current wage surveys in the market are corporate companies with different dynamics.
- 2) There is no special salary and benefit research study for startups.

We started this research in order to meet this important need.



ABOUT THE SURVEY

The study is based on two-part of an online survey among startup&scaleup companies, with more than 1000 employee data holding various positions and with a wide variety of backgrounds and experiences,provided by 19 companies.

Though it is difficult to represent the entire startup population in a survey like this, we feel confident that our study can be turned into actionable insights for both startups, investors and other stakeholders, and serve as a benchmark for salaries.

Part 1: Non-cash Benefits & Salary Increase Trend

Part 2: Salary Survey

Although the results of the first part of the research are public, the role-based wage data in the second part are shared only with the participant companies.

We would like to extend a warm thank you to everyone who has taken the time to answer the survey.



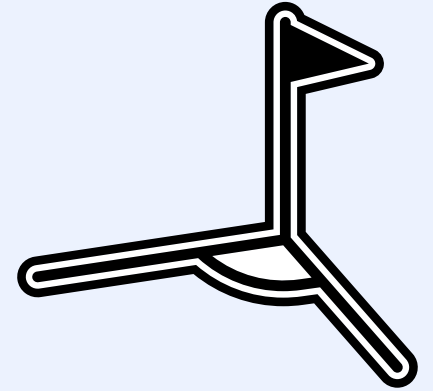
Aslı Kurul Türkmen
Endeavor Türkiye Genel Sekreteri



Sure Köse Ulutaş
Kurucu - Talentmelon



METHODOLOGY AND ASSUMPTIONS



- The survey was distributed by email to startups in Turkey - end of November 2019
- In total, 19 companies answered and they provided more than 1000+ data.
- The first part of the survey gathered non-cash benefits and demographic information, the second part of the survey gathered salary information via a data upload excel template.
- All salaries are presented as net salary in TL. The gross salaries are converted to “net” in the salary survey.
- Unrealistically small / high salaries have been reviewed either re-mapped to the correct level with an agreement with the data provider company.
- Bonus data is not reported per role in the salary reporting system since there is not enough information per each role.
- We analyzed equity separately. This is because equity types are different in each company.
- We did not report salary information if there is only one company provided information for that level.



SECTIONS

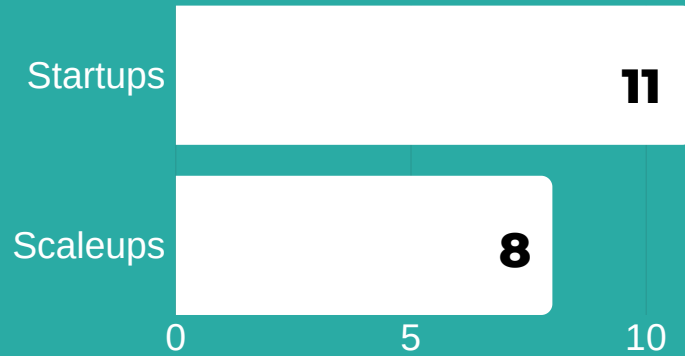


- **01** Participant Companies Demographics
- **02** Highlighted Findings
- **03** Software Development Salaries
- **04** Performance & Compensations
- **05** Benefit Trends
- **06** Salary Increase Plans
- **07** Bonus Analysis & Stock Option

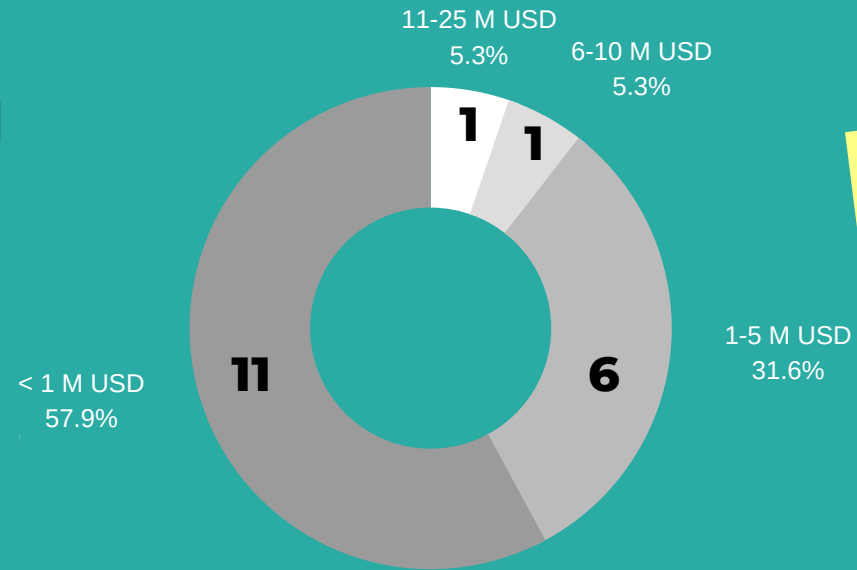
PARTICIPANTS COMPANIES DEMOGRAPHICS



TOTAL 19 COMPANIES



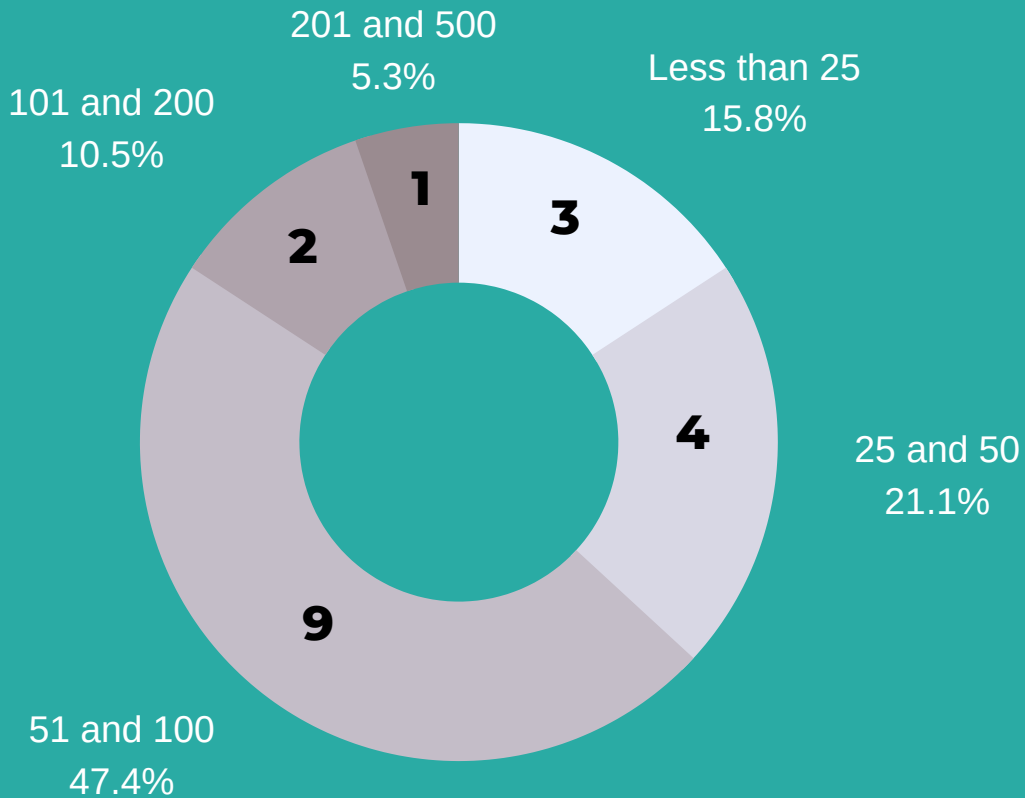
REVENUE STAGES



All Companies who defined themselves as startups reported they have less than 1 Million Revenue



OF PEOPLE BY COMPANY



More than half of the participant companies have 50+ people teams



HIGHLIGHTED FINDINGS



In 65% of roles, **women's salaries average** is 25% lower than men's salary average - even when function, seniority, role and company size are accounted for.



In 35% of roles in the same function and level, **women's salaries average** is 12% higher than men's salary average.



In 29 Management level roles, there are 28 Women (21% of total). Among 25 C-level roles reported, there are only 3 women. Women's ratio in all roles is 38%



Scaleup companies do not support **remote work opportunities** as much as startups do.



HIGHLIGHTED FINDINGS



The highest-paid positions are in Software Development, Customer Success and Sales functions.



Most of the organizations provide the **company car benefit** to employees in the Sales function.



Target Sales Bonus % is more than 40% of annual base salary the half of the organizations

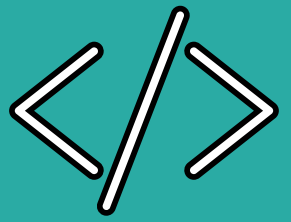


Startups plan **higher salary increase %** in compare to Scaleups in 2020.



AN OVERVIEW OF SOFTWARE DEVELOPMENT SALARIES

BASED ON 2019 NET SALARIES



In entry and mid level roles, mobile developer and front end developers receive higher salaries than other developer roles.



Entry-level developer salaries range from 3200TL to 5250TL per month in market median (50% percentile). In the few companies who position themselves at market 75th and above percentile, this amount varies between 6000-7000TL.

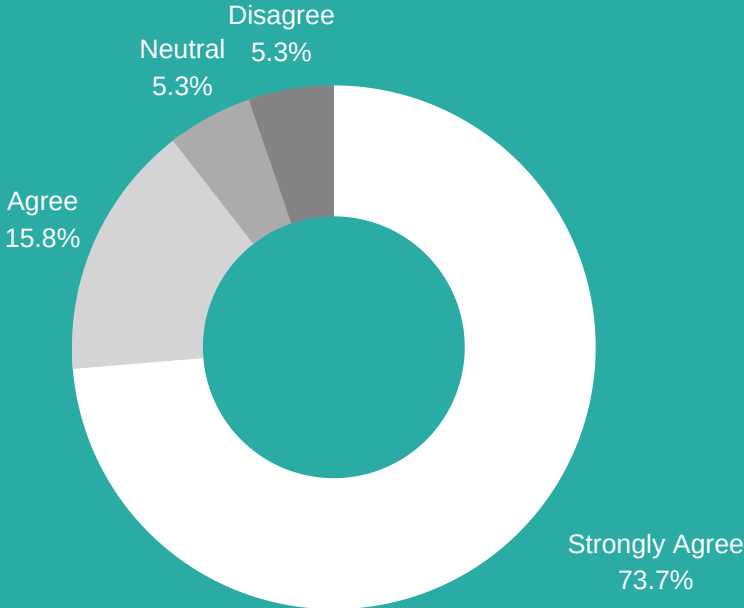


In all roles, Business intelligence roles receive higher salaries than other roles, especially at senior levels. The monthly salary of an entry-level Business Intelligence role starts from 5000 TL at market median, up to 18000 TL in senior specialist levels.

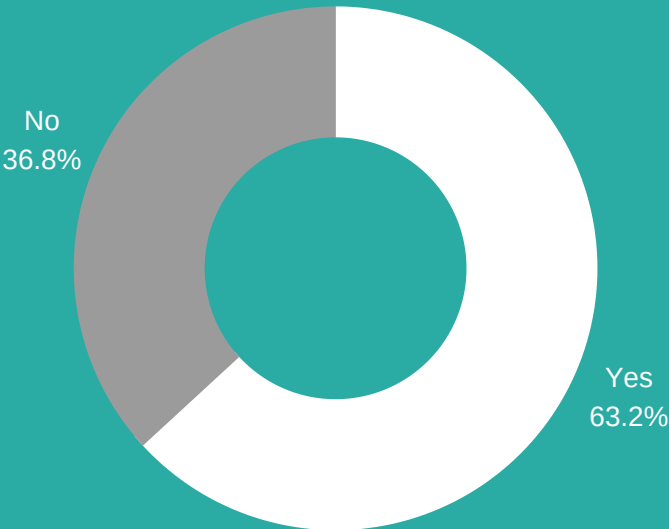
PERFORMANCE BASED COMPENSATION

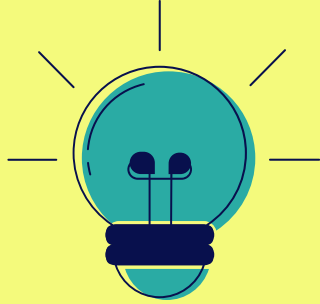


DO YOU DIFFERENTIATE BASE SALARY INCREASE BY PERFORMANCE ?



DO YOU REWARD SUPERIOR PERFORMANCE WITH PERFORMANCE BONUS?





RECOGNITION & PAY RAISE

The top two most memorable and impactful forms of employee recognition have very little to do with money, their value comes from the format, quality, and distribution channel.

In a recent Gallup workplace survey, employees were asked what types of recognition they've found most memorable.

The top five methods highlighted, include:

- Public recognition or acknowledgement
- Private recognition from a boss, peer, or customer
- Receiving or obtaining a high level of achievement through evaluations or reviews
- Promotion or increase in scope and responsibility
- Monetary awards, pay increase, trips, etc.

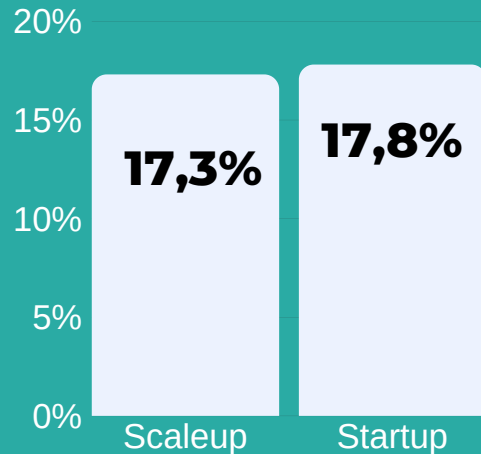
SALARY INCREASE 2019

SALARY INCREASE PLAN 2020



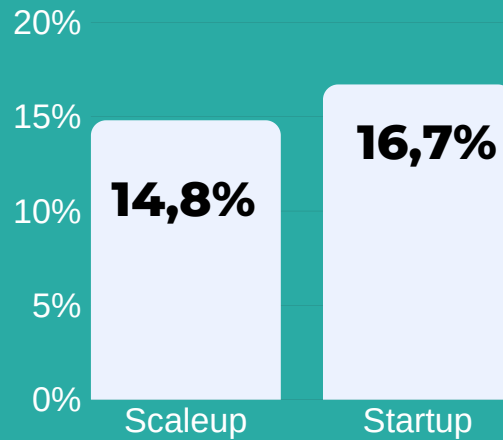
2019

PREVIOUS YEAR AVG



2020 PLAN

UPCOMING YEAR AVG.

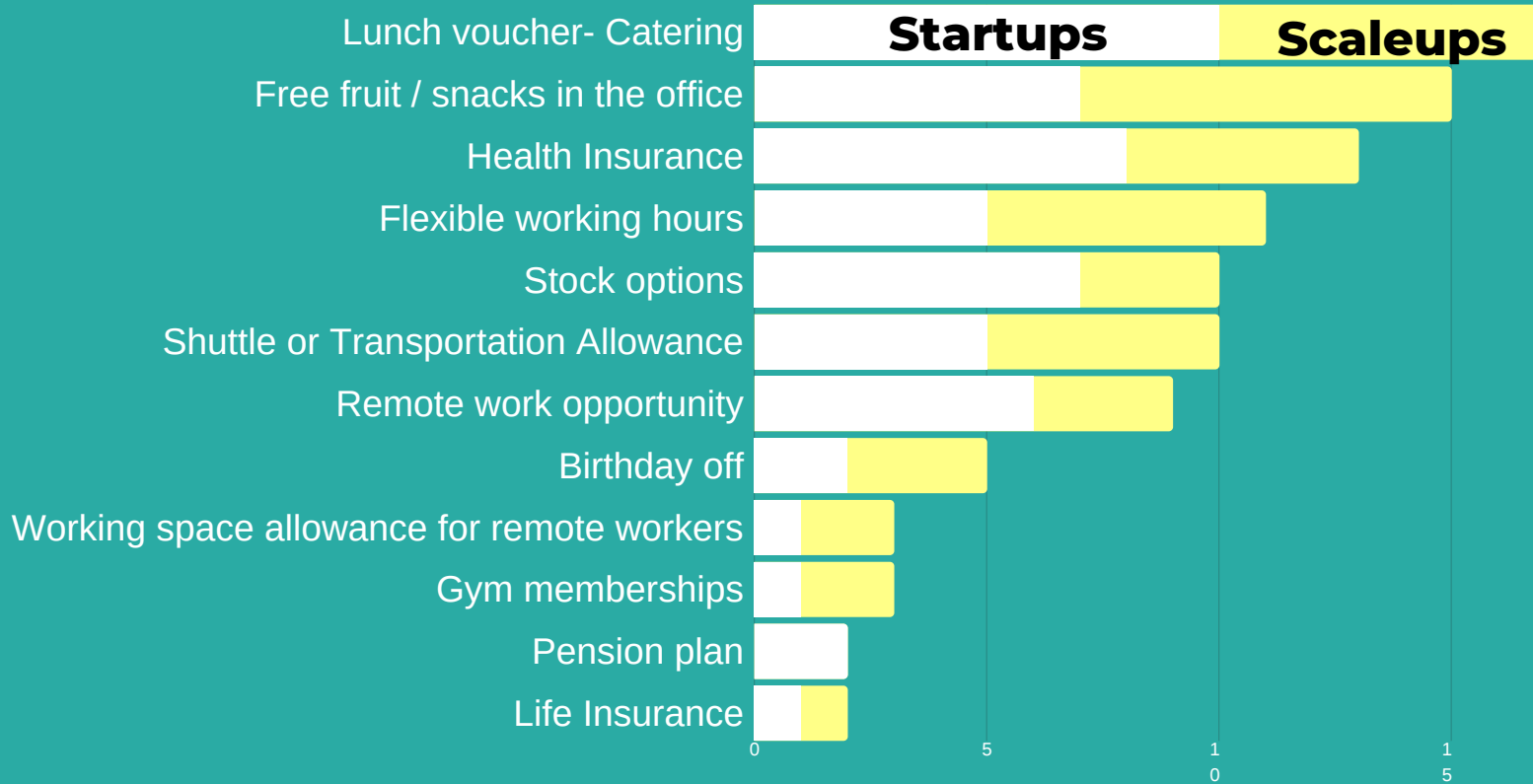


In both years companies who define themselves as startups have a higher salary increase %.

2019 Inflation expectation is 12%.



NON-CASH BENEFITS



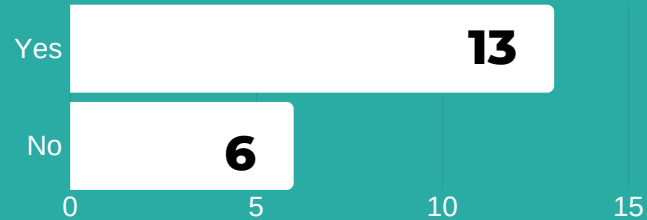
- More remote work opportunities in Startups in compare to Scaleups
- More than half of participant companies do not have a remote work policy
- Health Insurance is available at more than 70% of all participant companies



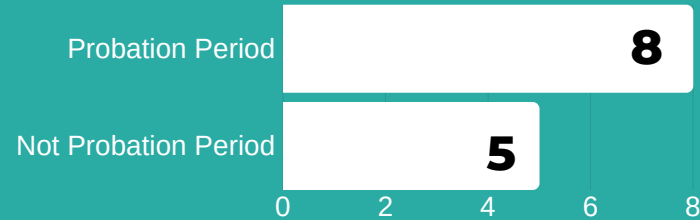
PRIVATE HEALTH INSURANCE



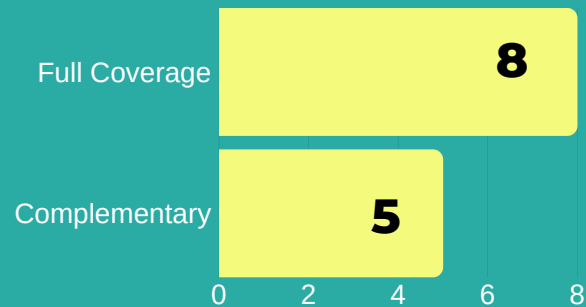
DO YOU PROVIDE PRIVATE HEALTH INSURANCE?



PROBATION PERIOD FOR REGISTERING PRIVATE HEALTH INSURANCE ?



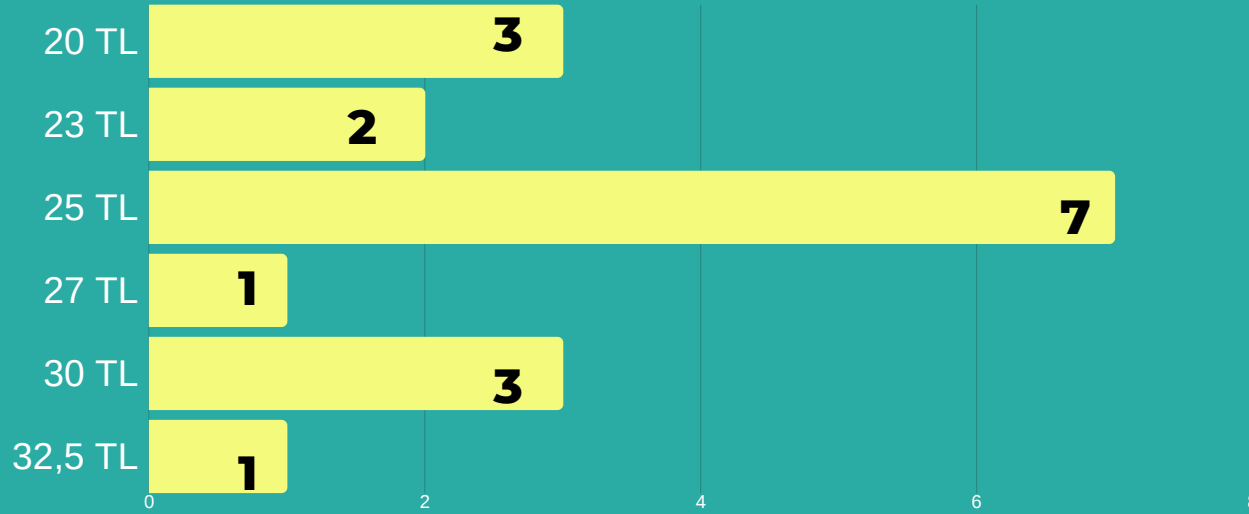
COMPLEMENTARY OF FULL COVERAGE?



Companies who have a probation period for private health insurance registration are mostly startups.



DAILY LUNCH VOUCHER



- The tax-free daily meal amount for 2019 is 20,52 TL including VAT.
- Among 17 companies providing lunch voucher, most of them provide daily amount more than 25TL



REMOTE WORK

DO YOU HAVE REMOTE WORKING ARRANGEMENTS?



- Applying remote work policy is not preferred in teknopark offices (because of tax disadvantage)
- Few companies allow their people to work remotely more than 1 day
- Most of them have 1 day per week remote working policy

WHY REMOTE WORK?



The demand for flexibility, freedom and work life balance increases in workplaces, as % of generation X Y and Z increases. 9-6 working hours and office-based work do not meet the expectation of this generation. For this reason, many companies are adopting or have to adopt a new generation working model that is beneficial to themselves and their employees.

One of the most important reasons why people apply for a work in a company is opportunities like remote work and flexible working hours.

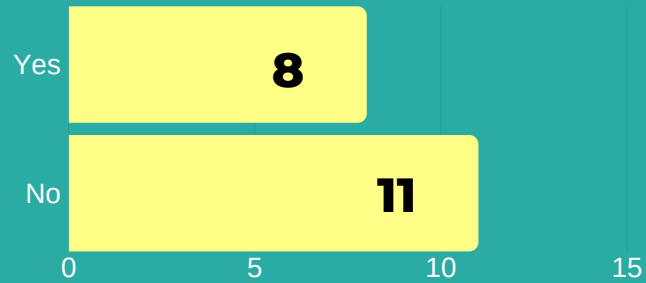
➤ According to research published by Stanford University; offering a remote work option reduces employee turnover; layoff / dismissal rates fall below 50%.

➤ According to a Gallup study, 51% of employees say they will accept another job offer that offers a more flexible business model.

OVERTIME PAY



DO YOU PAY OVERTIME?

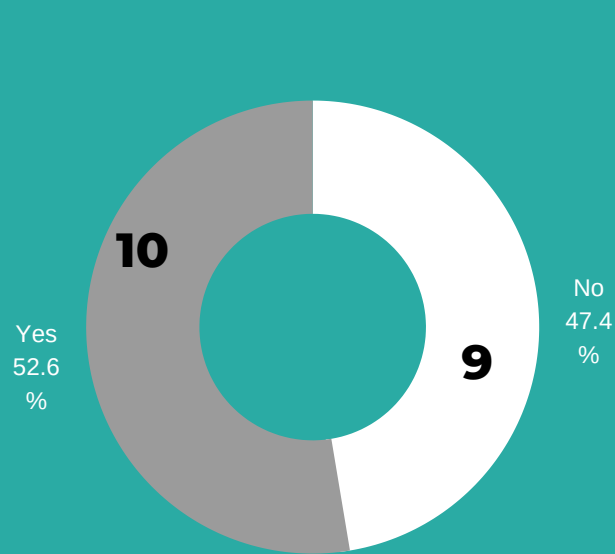


More than 50% of the startups and only 25% of scaleups pay overtime.

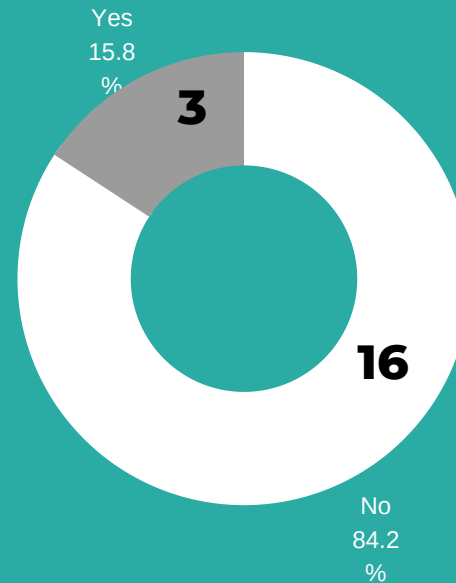
LEARNING & DEVELOPMENT



DO YOU HAVE PLANNED BUDGET TO BE USED FOR LEARNING & DEVELOPMENT?



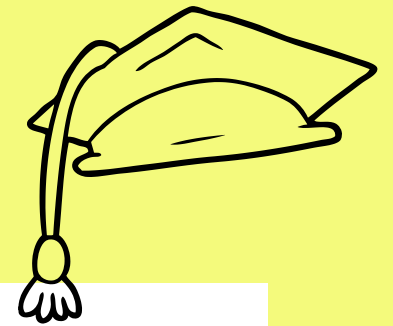
DO YOU HAVE TUITION REIMBURSEMENT POLICY?



Learning and Development opportunity is the number one reason for millennials to apply for a job. Companies need to invest more time and money in training & development.



WHY LEARNING & GROWING ?

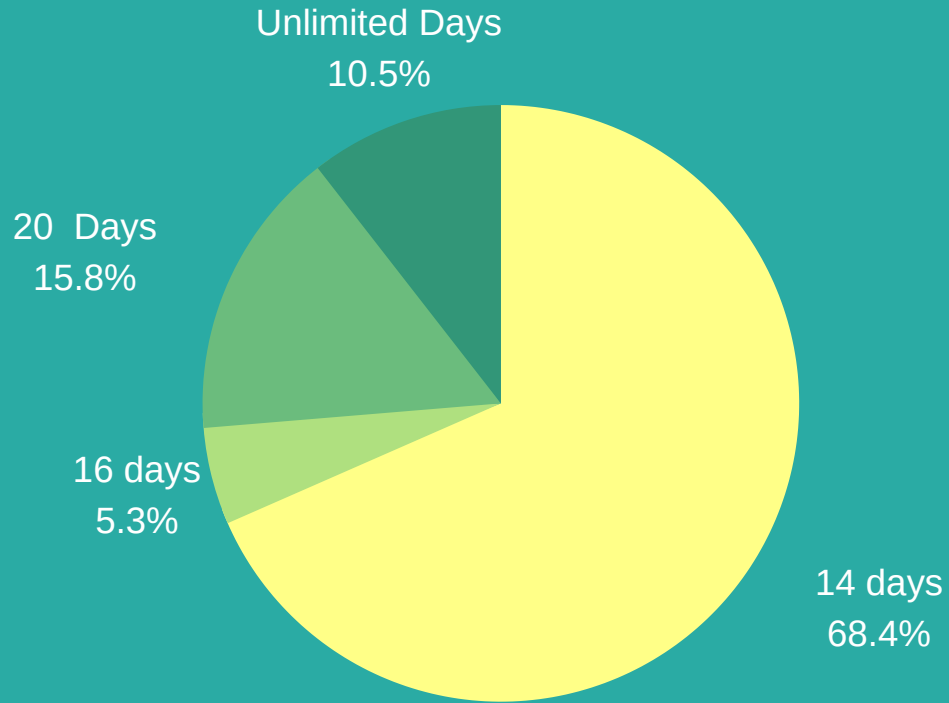


According to Gallup's report, *How Millennials Want to Work and Live*, reveals that 59% of millennials say **opportunities to learn and grow** are extremely important to them when **applying for a job**. Comparatively, 44% of Gen Xers and 41% of baby boomers say the same about these types of opportunities. Millennials assign the most importance to this job attribute, representing the greatest difference between what this generation values in a new job and what other generations value. **Millennials care deeply about their development** when looking for jobs and -- naturally -- in their current roles. An impressive 87% of millennials rate "professional or career growth and development opportunities" as important to them in a job -- far more than the 69% of non-millennials who say the same.



TIME-OFF

HOW MANY PAID VACATION DAYS PER YEAR ?



Some of the organizations give extra days to employees such as bank holidays, based on a year of tenure or additional days in the first year..

WHY TIME-OFF ?



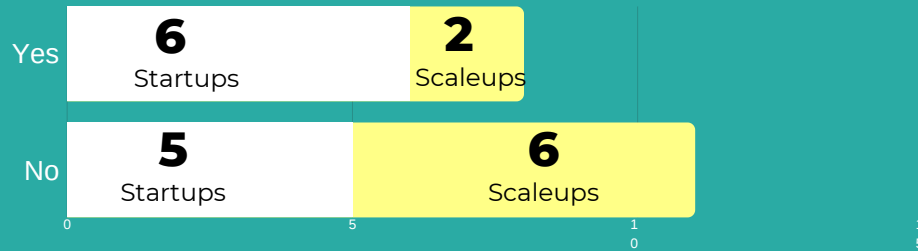
➤ Encouraging your people to take time-off is extremely important for productivity. Be careful if you have an unlimited vacation policy. A recent study found that **employees with unlimited vacation took fewer days off due to peer pressure.** Try to encourage your people to take at least the required amount of days off.

➤ Employees are increasingly aware that if they take time off, they will perform better at work. A research reveals that, when people take required level of time off "the brain can think positively, productivity improves by 31 percent, sales increase by 37 percent, and creativity and revenues can triple."

STOCK OPTION PLAN



DOES YOUR ORGANIZATION OFFER ANY STOCK OPTION PLAN ?



WHAT IS THE CLIFF PERIOD ON STOCK OPTIONS PLAN ?

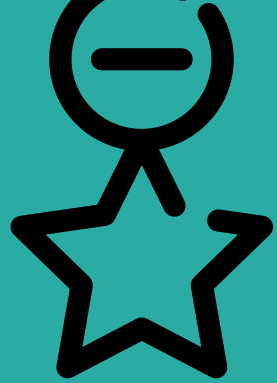


- More than 50% of Startups offer SOP. Only in 2 Startups, every employee is eligible regardless of level or tenure.
- In the other 6 companies, there are criteria like being at C level, tenure or individual performance.
- Only 25% of Scaleups offer SOP.
- The shares vest over as monthly for 58% of organizations.

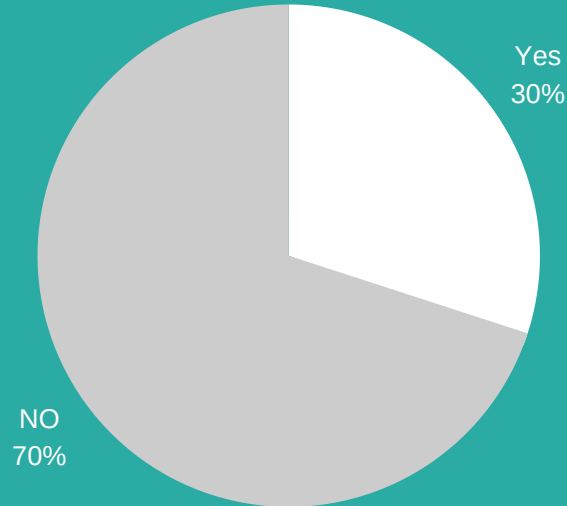


BONUS ANALYSIS

PERFORMANCE BONUS



ORGANIZATIONS PROVIDING PERFORMANCE BONUS



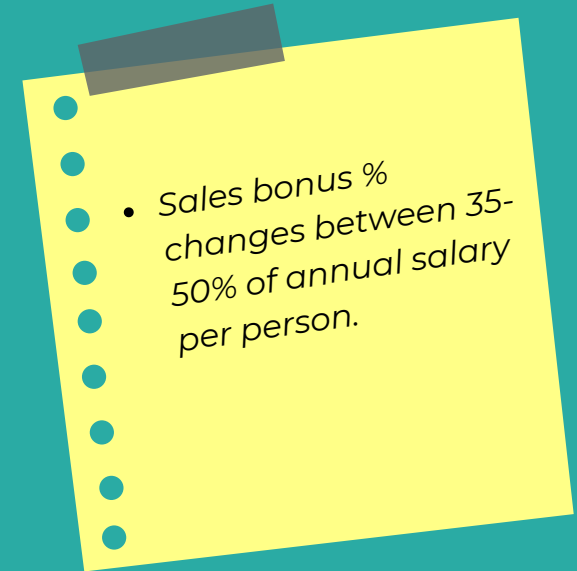
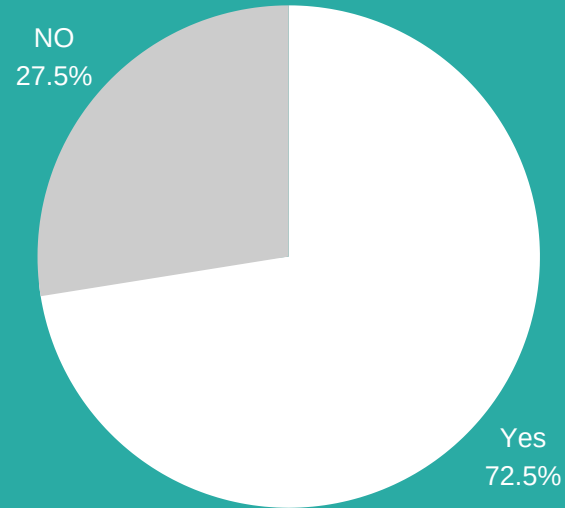
- Company performance is a pre-condition in allocating individual performance bonus in many of organizations.
- Performance bonus % changes between 15-20% of annual salary per person.

BONUS ANALYSIS

SALES BONUS FOR SALES TEAMS



ORGANIZATIONS PROVIDING SALES BONUS



CONCLUSION

Although the annual inflation forecast is around 12%, the companies' wage increase plans are around 15-17% which is slightly lower than the previous year increase.

Functions which have the highest salary average is Software Development, Customer Success and Sales. The biggest challenge for technology startups is attracting the talent in Software Development field. The salary expectation of candidates in this field is among the most challenging issues, especially because the software workforce prefers working for companies abroad for better salaries. When we look at the results of the salary analysis, there is no significant difference in average salaries between startups and scaleups.

In an analysis of salaries by gender, it is important to note that the average salary of women in roles and experiences of roles is significantly lower than that of men for the 65% of all roles. Among the 25 C-level roles reported, only 3 of them are women. Although it is not a situation unique to the Turkey startup ecosystem, we expect exemplary actions related to fixing this issue from the startup ecosystem.

In terms of benefits trend, the startup seems more supportive about flexible working practices in compare to scaleup companies. Private health insurance is a non-cash benefit that companies started to provide at the scaling stage.

Almost one-third of companies pay a performance bonus. In 50% of these companies, bonus payment is tied to individual performance over department/company performance.

50% of start-ups use stock option plan (SOP) as a tool for the attraction of new talent. This ratio is decreased to 25 in scaleup companies. Both companies offer SOP either to senior levels or people who meet certain performance criteria.

Due to confidentiality reasons, we do not share participants companies names in this public report.

If you want to take part in our next survey as a company, please reach hello@talentmelon.com

Thank you again to everyone who has taken the time to answer the survey. We hope you found the report useful and insightful.

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