



Excellence in  
Management  
Education

# Activity Report 2015/2016

Chair of Corporate Management and Change  
Prof. Dr. Ayse Karaevli



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## Foreword

Dear Readers,

During the academic year of 2015/2016, the activities of the Chair of Corporate Management & Change, can be summarized as follows:

Our recent research papers focus on two themes: 1) How new CEOs influence strategy and organizational related changes, and how the corporate circumstances enable or hinder their ability to implement those changes (U.S. context), and 2) How the family structure influences corporate strategies of family-owned business groups (emerging markets). We continue our research activities in these lines of research, and our current research endeavours focus on the effects of CEO-top management team relationships on corporate strategies, and the influence of big family holdings on market and institutional development.

In the last year, our Chair's teaching focuses on courses related to strategy implementation and organizational change, and negotiations and conflict resolution. The course *Organizational Change* (BSc) focuses on the theory and practice of strategy implementation and organizational change. The seminar on *Negotiations in International Contexts* (BSc) focuses on the problems

and possibilities of effective negotiations, conflict management, and power and influence at work and in international settings. *The Negotiations & Conflict Resolution* (MBA) emphasizes developing both intellectual knowledge of approaches to negotiation, conflict and organizational influence and practical skills in applying that knowledge to situations drawn from organizational life and from the experience of course participants.

With regards to main administrative activities, Ayse Karaevli continues to serve as the Director of Code of Conduct at WHU. Our efforts directed at strengthening the implementation of our Code of Conduct, which serves as a framework for sustaining constructive dialogue and strong relationships with our stakeholders.

You can find more details about our activities in these areas and all of our other activities in the following pages.

As the team of Chair of Corporate Management & Change, we are looking forward to another productive and exciting new academic year.

September 2016

*Prof. Dr. Ayse Karaevli & Team*

# 1. Team



**Professor Dr. Ayse Karaevli**  
Chairholder

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Prof. Dr. Ayse Karaevli is a Full Professor of the Otto Beisheim Endowed Chair in Corporate Management and Change. She holds a Doctor of Business Administration from Boston University, and completed her post-doctoral studies at the Kellogg School of Management at Northwestern University. Her research is in the broad area of strategy with a focus on strategic and organizational change, board of directors, CEO successions, and top management teams. Professor Karaevli is the author and co-author of several research articles published in top tier international peer-reviewed academic journals, such as *Strategic Management Journal*, *Journal of Management Studies*, *Journal of Vocational Behavior*, *Sloan Management Review*, and *Organizational Dynamics*. She also co-authored book chapters published by top international publishing houses. She is a recipient of Turkish Science and Technology Institute's career award,

and had previously taught at Boston University School of Management, USA, and Sabanci University School of Management in Istanbul. Professor Karaevli also served as a strategic change and innovation coordinator and top management strategy advisor to Sabanci Holding, the second largest conglomerate of Turkey, and as an executive board member of Turkish Industry & Business Association-Sabanci Forum. During her work in the USA, she gave consultancy services to Ford Motor Co., and served as a research associate of Boston University Executive Development Roundtable in developing executive programs for large U.S. corporations (including Microsoft, Boeing, BP, Eli Lilly, Goldman Sachs, Sun Microsystems, International Paper, Amgen) on strategic leadership, organizational development and change, and business performance issues.





**Barbara Ecker-Rust**  
Personal Assistant

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In June 2015, Barbara Ecker-Rust joined WHU and is personal assistant to Prof. Dr. Ayse Karaevli and to Prof. Dr. Serden Ozcan. In the past 20 years, she gained experience as personal assistant and sales assistant in diverse work environments, like in an Embassy, in a Machine Building Company, in a Professional Theatre. She lived for five years abroad. At WHU, she is happy to support two professors and their students to get their work, studies, appointments, applications and deadlines handled ;-)



**Abdullah Ünal**  
Research Assistant

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Abdullah Uenal joined WHU as a research assistant and doctoral student for the Chair of Corporate Management and Change of Prof. Karaevli in October 2015. Previously, he worked for Bank of America Merrill Lynch in the M&A department. He graduated with a MSc in International Business Administration and a MiM, Master in Management from the Vienna University of Economics and Business, where he completed the CEMS Programme. In addition to his Analyst position in M&A, he worked also for Deutsche Bank and several other internships at companies in the petroleum and food wholesale and retail industry.

## 2. Teaching

### 2.1 Bachelor of Science Program

#### Organizational Change

Managing change is a central concern for today's managers, as business environments become increasingly competitive, global, and complex. Managing change is the primary focus of the management consulting industry. Yet according to management experts, majority of corporate change initiatives fail for various reasons including lack of vision and clear strategy, difficulties aligning the new strategic direction with existing structure, resources and capabilities, and internal resistance and distrust. Managing in turbulent times requires a solid understanding of what change is about, what are its critical aspects, and how one can lead change initiatives in an effective way. This course will focus on the theory and practice of strategy implementation and both planned and unplanned organizational change. The emphasis will be on understanding the industrial, organizational, and individual factors that facilitate or impede change and key organizational structures and processes that impact the ability of managers to successfully craft and execute change strategies.

#### Negotiations in International Context

Organizational leaders and managers in times of complex and rapidly changing global environments and technologies face increasing demands for working effectively with different departments, levels, cultures and organizations. Effective negotiators are able to develop agreements with other people that allow joint work on a variety of complex problems; ineffective negotiators can embroil their departments and organizations in expensive, draining, and destructive struggles that absorb enormous amount of time, energy, resources, and talent. This course will focus on the problems and possibilities of effective negotiations, conflict management, and power and influence at work and in international settings. The course will emphasize developing both intellectual knowledge of approaches to negotiation, conflict and organizational influence and practical skills in applying that knowledge to situations drawn from international contexts, organizational life and from the experience of course participants.

### 2.2 Full-Time MBA Program

#### Negotiations and Conflict Resolution

Although people negotiate all the time, most of us know very little about the strategy and psychology of effective negotiations. This course focuses on the problems and possibilities of effective negotiations and conflict management at work and other settings. The best way to learn negotiation skills is to negotiate in a low-risk environment where feedback is plentiful, personal reflection is encouraged, and careful analysis is required. Therefore, the course is built around a series of negotiation exercises and debriefings, which will be combined with mini-lectures where the main concepts, frameworks, strategies and tactics of effective negotiations and conflict management will be discussed.



## 3. Theses

### 3.1 Master of Science Program

**Student: Anne Sade Valtink (MSc)**

**Title: “International Work Experience of CEOs in Germany-Organizational and Demographical Determinants”**

This thesis seeks to advance research and practice with respect to the determinants of international work experience (IWE) of CEOs in German public firms between years 2002-2016. She first develops an empirical model and the hypotheses derived from her literature findings and the gaps in the extant research for the determinants of the construct of CEO IWE, and puts them under empirical test with a sample of 100 CEOs from 52 public firms. She complements her findings with brief three case examples from her dataset. She is following a theory testing approach by combining in-depth literature reviews supported by examples from the media analysis for big German companies.

### 3.2 Full-Time MBA Program

**Student: Sara Katerine de Santa Clara (MBA)**

**Title: “Building a digital strategy to compete and win in the media industry – The Venezuelan case – “**

### 3.3 Doctoral Program

- **Abdullah Uenal** (1st Advisor)  
*The management literature on CEO and CFO Succession*
- **Maximilian Margolin** (2st Advisor)  
*Incentive and Performance Measurement Design – Economic and Psychological Determinants*
- **Michael Hildinger** (2st Advisor)  
*The gradual process of industry convergence and the difficulty of timely identifying tipping points – Empirical evidence from the automotive industry*
- **Firat Taraktas** (2nd Advisor)  
*Value Generation in Private Equity: top Management Quality, Organizational Readiness and Exit Strategies*
- **Phillippa-Louisa Harhoff** (2nd Advisor)  
*The internationalization of multinational enterprises from emerging markets: An examination of corporate development paths and performance effects*

## 4. Research

### 4.1 Articles in Refereed Journals (Double-Blind)

**Karaevli, A. 2016. The “Turnaround Trap” of Outsider CEOs: Causes and Solutions for Succession Planning, Organizational Dynamics, Forthcoming**

Why do outsiders who are hired by boards to undertake major transformations frequently fail to meet expectations? This fundamental query has been the subject of long debates in board meetings, water cooler conversations and among academics in business schools. Based on our recent research, I bring clarity to this question, and offer managerial lessons on what companies can do to reduce the gap between anticipated and the realized outsider CEO initiatives in the hope of decreasing the likelihood of costly outsider CEO failures. Our research suggests that outsiders are usually selected when change is needed, and therefore, the choice of an outside CEO is often considered a “going in-mandate for change” from the board of directors. This results in the outsider being highly motivated to quickly generate substantial strategic change. However, our study reveals that the unsettling corporate circumstances that typically drive the selection of an outsider paradoxically hinder the ability of this individual to do so in the early years of his/her tenure. On the other hand, outsider CEOs are able to generate a greater degree of change in a financially stable corporate environment and when they assume office after a planned retirement of the preceding CEO.

### 4.2 Working Papers

- “Founding Family Structure and Evolution of Business Groups: Longitudinal Evidence from Turkey (1925-2012)” (w/ Burcin Yurtoglu)
- “Do Business Groups Fill Institutional Voids?”
- Research Studies on CEO and TMT Successions and CEO-TMT Relations (w/ Serden Ozcan, Abdullah Uenal)

### 4.3 Working Papers

#### Reviewer Activities:

- Ad-hoc reviewer to **Strategic Management Journal, Long Range Planning**

## 5. Services Provided to the School

- **Director of Code of Conduct (Since January 1st, 2015)**

The objective of Code of Conduct is to capture the WHU community's shared understanding of standards of good conduct in written form. It will help us to act in accordance with the "WHU spirit", which will foster the achievement of our goals as described in our mission statement and vision.

*"Our Code of Conduct provides the framework for sustaining constructive dialogue and strong relationships with our stakeholders." – Prof. Dr. A. Karaevli*

- **Recruitment Committee Member for the Professorship of Strategic Management @ WHU**



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