We are happy to share with you the second Activity Report published by the Department of Management, covering the second half of 2013 and the year 2014. Through this report, which summarizes the activities and events of this past period, we aim to keep all of our stakeholders within and outside of Boğaziçi University, including our vast array of alumni as well industry, updated on our achievements and major new developments.

In keeping with our belief in sustainable management and green marketing, this report is not distributed on glossy paper, but is made available exclusively through electronic means and social platforms.

We hope you enjoy reading our new Activity Report. We also want to thanks our students Selin Ömürbek for the report design and layout, as well as Michael Barngrover for the paper summaries. For any questions or further information, do not hesitate to contact us through any faculty member, our webpage or directly with an e-mail to our Department Chair, Stefan Koch (stefan.koch@boun.edu.tr).
International Rankings and Accomplishments of Bogazici University

• Times Higher Education announced the THE 2014-2015 World University Rankings, based on 13 performance indicators grouped into five areas: Teaching, research, citations, industry income and international outlook. On this year’s list, topped once again by California Institute of Technology, Bogazici University ranked 139th, a major improvement compared to last year’s ranking at 199. Three other Turkish universities were ranked in the top 200: METU (85th), İTÜ (165th) and Sabanci University (182nd).

• Bogazici University ranked 5th on the Times Higher Education BRICS & Emerging Economies Rankings 2014 powered by Thomson Reuters. The top universities ranking uses the same methodology as the Times Higher Education World University Rankings. Four other Turkish universities were ranked in the top 20: İTÜ (7th), METU (9th), Bilkent University (12th), Koc University (20th).

• QS World University Rankings 2014/15 listed Bogazici University at 399th place along with Bilkent University, making both universities the only Turkish universities to break into the top 400.

• The Department of Management is actively working towards accreditation by AACSB. We have been a member since August 2009, and our Standards Alignment Plan was accepted in July 2012. We submitted our second Standards Alignment Plan Implementation Report in Summer 2014, and are happy to announce that it has been accepted by the Initial Accreditation Committee. This marks an important step towards achieving the final goal of accreditation.
Teaching and Student Empowerment

- As always, our department was the top choice for management education on the 2014 University Entrance Examinations. All 110 admitted students were in the top 0.07%, with rankings ranging between 8 and 1408. The statistics related to the university entrance examinations can be found at [http://tanitim.boun.edu.tr/istatistikler_2014](http://tanitim.boun.edu.tr/istatistikler_2014)

- Our department’s 2014 Introductory Presentation and videos are now available to university candidates at [http://tanitim.boun.edu.tr/hangi_bolum/isletme](http://tanitim.boun.edu.tr/hangi_bolum/isletme)

- Ali Coşkun won the 2013 Excellence in Teaching Award of the Faculty of Economics and Administrative Sciences. Congratulations....

- We organized a Case Writing Seminar with Gerry Yemen, a senior case writer from Darden Graduate School of Business at the University of Virginia. The seminar was held between September 16 to 19, 2013. Participants had developed and expanded their knowledge of case method and its facilitation and had an opportunity to develop case ideas into a business case study.
During the 2013/2014 academic year, many courses were updated and several new courses were offered for the first time, including:

<table>
<thead>
<tr>
<th>Name of the Course</th>
<th>Code</th>
<th>Instructor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bachelor of Arts Degree Project</td>
<td>AD 497</td>
<td>Güven Alpay</td>
</tr>
<tr>
<td>Digital Marketing</td>
<td>AD 440</td>
<td>Ayşegül Toker</td>
</tr>
<tr>
<td>E-commerce – Special Topics in Information Systems</td>
<td>AD 482</td>
<td>Kamile Aslı Başoğlu / Stefan Koch, with help from Ozan Tatar</td>
</tr>
<tr>
<td>Theory Quest in Marketing</td>
<td>AD 545</td>
<td>Gülden Asugman</td>
</tr>
<tr>
<td>Financial Theory and Corporate Policy</td>
<td>AD 577</td>
<td>MineUGHuru</td>
</tr>
<tr>
<td>Introduction to the Theories of Operations Management</td>
<td>AD 551</td>
<td>Yavuz Acar</td>
</tr>
<tr>
<td>Accounting, Information and Control Systems</td>
<td>AD 568</td>
<td>Ali Coşkun and Stefan Koch</td>
</tr>
<tr>
<td>Organizational Behavior and Design</td>
<td>AD 527</td>
<td>Hayat Kabasakal and Arzu İşeri Say</td>
</tr>
</tbody>
</table>

A course on management communication (using AD 480 Special Topics in Management) was offered during Summer, together with Ronni Burns from NYU Stern.

For the simulation course for MBA students, a new software is in use now, and a similar course is now offered to undergraduate students as well, by Ali Coşkun.

We congratulate the graduates of our Ph.D. program for the defence of their theses!

- **Zeynep Özçelik** “The impact of capital inflows on corporate financial flexibility: a review of market segmentation effects in developed emerging markets” (advisor MineUGHuru).
- **Gaye Karaçay Aydı̇n** “Leader-member exchange based relative deprivation and employee outcomes” (advisor Hayat Kabasakal).

*We had many reasons to celebrate with our students*
Management welcomed close to 100 new graduates from all programs to a graduation cocktail reception. For the first time, the graduation took place at Albert Long Hall, and the cocktail was organized right after the graduation ceremony outside.

- All new students are now regularly invited to an evening event to mingle with instructor, and participation to these events is very high.

In 2014, our department produced the following number of graduates from its programs, we congratulate all of them and wish them success during their next endeavours:

- Undergraduate: 122
- MBA: 14
- Executive MBA: 37
- Ph.D.: 3

**Academic Contributions and Dissemination of Knowledge**

**Awards and Recognitions**

- İrem Nuhoglu was awarded the “Academic Awareness in Internal Auditing Award from TIDE, Internal Audit Institute of Turkey.
- Stefan Koch was ranked among top 100 German-speaking management researchers under 40 in the Handelsblatt-ranking.
- Our Ph.D. graduate Gaye Karaçay Aydin was awarded the Best Dissertation Award granted by the Commission of Scientific Research Projects for her work “Leader-member exchange based relative deprivation and employee outcomes”.

**Ongoing Research Projects Supported by Bogazici Research Fund (BAP)**

- Alternate and Next k-Best Solutions of Portfolio Optimization Problems (Nesrin Okay)

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- Participants in Open Innovation: Conflicts between Business Organization and Open Source Project Roles (Stefan Koch)
- Materialism and Cultural Factors in the Effects of Experiences on Happiness (Özlem Hesapçı)
- Impact of Social Capital on Consumers' Engagement in E-WOM and Purchase Intentions (Özlem Hesapçı)
- Psychological Empowerment: Antecedents, Correlates, And Consequences (Hayat Kabasakal)
- Investigating The Factors Behind Commitment To Change: The Role Of Affect Versus Cognition (Hayat Kabasakal)
- Location Sharing on Social Media: Antecedents and Consequences (Ayşegül Toker)
- Adding Value to Service Brands through Innovation: The Relationship between Innovation Attributes and Service Brand Equity in the Context of Information Technology Innovations (Stefan Koch)
- The lead-lag relationship between the spot and futures contract for the ISE30 (Attila Odabaşı)
- From Traditional Marketing to Social Media Marketing: Consumers, Companies, and Online Social Networks (Ayşegül Toker)

- Two new research centers, on financial regulation and corporate governance, and on applied research in finance, have been founded in 2014, with participation of faculty members of our department. Vedat Akgiray and Ali Coşkun take leading roles in these centers. In addition, a proposal for a research center on entrepreneurship is currently in preparation.
- Faculty members have also organized several events aimed at disseminating knowledge and stimulating discussions, the Junior Entrepreneurship Forum in Istanbul in November 2014, the Digital Analytics Summit (October 2014) and the Human Resources Summit (December 2014).

International Impact through Peer-Reviewed Journal Publications
Influence of Context and Culture on Managerial Perceptions and Practices in the Turkish Software Industry

Turkey’s software industry is large, growing, and sitting right at the European Union’s front door, yet much about the industry differs from those of its European neighbors. Turkish software companies often exhibit much shorter strategic time horizons than do their international peers. How much can existing cultural models and analyses of local market contexts help to understand the Turkish software industry? Recently, researchers Stefan Koch, Ayse Basar Bener, Turgay Aytac, Ayse Tosun Misirli & Edward W. N. Bernroider sought to address this question in their study, “Influence of Context and Culture on Managerial Perceptions and Practices in the Turkish Software Industry,” published in the Journal of Global Information Management.

The software industry is widely regarding as a leading indicator of a nation’s competitiveness, for both developed and emerging markets. Despite its importance, research focused on the industry in emerging markets has often been disproportionately centered on a few such markets. Underrepresentation in the literature often leaves uncertainty regarding even important national markets, such as Turkey, which stands as the 17th largest economy in the world and whose software market is valued at approximately €1.5 billion.

In order to reveal managerial differences that can be attributed to Turkey’s unique cultural and market features, Austria was chosen for its nearly opposite cultural and market profile. Responses from 28 Turkish software companies were analyzed and juxtaposed against those from 54 Austrian firms. According to the study, the Turkish software market is dominated by a small number of very large and diversified companies, which is one of the contextual factors influencing managerial perspectives.

The team of researchers found that compared with their Austrian peers, Turkish managers put greater emphasis on customer satisfaction, initial employee qualification, and employee productivity, but value employee development and process improvement less. An analysis of reported budgets revealed that an average of only 0.1% of the turnover was allocated toward employee trainings.

Low humane and future orientations were suggested as explanatory cultural factors for the relatively miniscule investment in human resources issues, as well as why the implementation of strategic planning tools is reported as problematic in Turkey.

Globally, software piracy is often viewed as a major barrier to success in the software industry. Yet one place where it is less often seen that way is Turkey, despite the country’s reputation for weak intellectual property protection. In addition to worrying less about software piracy than might have been expected, Turkish managers also worried much less about domestic competition and rated new technology, organizational structure, and product diversity as less important success factors. In contrast, Turkish software company managers consider entering foreign markets as a much more significant barrier.

As it continues to emerge, the software market in Turkey will need to address more than just infrastructural and technological issues.
Joining a Smartphone Ecosystem: Application Developers’ Motivations and Decision Criteria

That the smartphone and tablet wars between big operating system players like Apple and Google may be decided less by the devices and more by the developers that populate the respective ecosystems is old news. However, that doesn’t mean that what motivates developers to choose one operating system over the other is a foregone conclusion. Perhaps unexpectedly, recent research reveals that the quality of the development experience that each system offers may matter more than the size of the system’s market.

Authors Stefan Koch and Markus Kerschbaum address the subject in their article, “Joining a smartphone ecosystem: Application developers’ motivations and decision criteria,” published in the journal Information and Software Technology. Aiming to address gaps in existing literature by studying developers’ perspective of the whole ecosystems, the researchers surveyed 113 independent app developers, evenly split between preferences for iOS and Android systems.

Contrary to what might be expected, potential profit generation is not the most significant motivator according to surveyed independent app developers. Koch and Kerschbaum report that fun, intellectual stimulation, and skill development are the strongest reported motivators. This revelation comes despite the app development industry’s largely commercial nature.

Correspondingly, the quality of the system’s SDK and supporting documentation are the strongest criteria for choosing one system over the other, despite there being little perceived difference between iOS and Android in this regard. The number of users in the app market, necessary programming languages, and entry barriers are also major criteria developers look at when decided which operating system to develop for.

Apple’s iOS and Google’s Android operating systems each offer developers different advantages and barriers to entry. Android’s open source platform offers more freedom, while iOS offers greater system integration and device homogeneity but comes with a licensing fee for its SDK. The research suggests that developers favoring one system differ in several ways from developers favoring the other.

iOS developers prioritize both intellectual stimulation and financial gain more so than do Android developers, for whom the relative openness of the system and lower entry barriers are greater decision criteria.

Going forward, it will be fascinating to see how Google and Apple continue to differentiate their ecosystems in order to compete for 3rd party developer innovation.
Faculty News and Promotions

- **Muzaffer Bodur** had to retire due to the government age limit, and we will sorely miss one of the most eminent marketing researchers and educators.
- **Metin Ercan** and **Mehmet Nafi Artemel** were on sabbatical leave in 2013-2014
- **İrem Nuhoğlu** was promoted to full Professorship.
- **Ali Dastmalchian** and **Hakan Özcelik** were appointed as adjunct faculty, due to their long relationship and service to the department.
- **Özer Asdemir** joined our department for Fall 2013/14 as a visiting professor, teaching an undergraduate course on current issues in accounting. **Özer Asdemir** is an Associate Professor at the University of St. Thomas, Minnesota. He received his Ph.D. from Management Science, Concentration in Accounting, University of Texas at Dallas.
- **Asli Basoglu** joined our department for Fall 2013/14 as a visiting professor. She holds a Ph.D. from Washington State University with a dual concentration in Information Systems and Accounting and is currently an assistant professor at the University of Delaware, Department of Accounting and MIS.

International Relations and Exchange Programs

- New exchange agreements were signed with Bocconi, Carlos II Madrid, and California State University Sacramento.
- This year we sent out 55 exchange and Erasmus students to and received 99 in exchange.
- The Bogazici University Department of Management hosted a group of over 35 MBA students enrolled at the NYU Stern School of Business for the Doing Business in Istanbul (DBI) program in May 2014. This was Stern’s third DBI program in Istanbul. The course gave Stern students an overview of doing business in Turkey, allowing them to explore the unique opportunities and challenges associated with the business landscape in the region. The program included lectures, case studies, guest lecturers, company visits, and cultural visits. It also included a buffet lunch that brought Bogazici and NYU Stern MBA students together to network and socialize.
- For the first time, Vlerick School of Business from Belgium visited our department with 150 students from the Master in General Management program in Spring 2014. The students attended lectures, visited companies, and worked on a project with students from our department.
In summer 2014, a group of students from the Executive MBA of ESSEC visited for a program designed and executed by our department, involving several lectures, company visits and interaction with local top managers.

Both University of Texas at Austin as well as Wharton School visited our department for a day each, attending lectures.

A group of 10 students of the department visited the University of St. Gallen, and also welcomed a group of Swiss students visiting Istanbul. Two more students represented our department at the WTO simulation in Montreal.

Acknowledgements

- We would also like to take the opportunity to thank all companies who supported our activities throughout the year. These include (in alphabetical order)

  Akbank, AVEA, Borsa İstanbul, Citibank, Deloitte, Eczacıbaşı, Hay Group, Henkel, İş Yatırım, KPMG, Markafoni, ÖZak GYO, PWC, Türkcell, Unilever, Ünlü & Co., Yemeksepeti, as well as many others.
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