

Begum Ipek Yavuz

CONTACT INFORMATION

2432 Steinberg-Dietrich Hall
3620 Locust Walk
Philadelphia, PA 19104

E-MAIL: begum@wharton.upenn.edu
PHONE: +1 (484) 602-0928
CITIZENSHIP: Turkey

WEBSITE

<https://sites.google.com/view/begumipekyavuz>

RESEARCH INTERESTS

Corporate Finance, Corporate Governance, Shareholder Activism, ESG, Impact Investing

EDUCATION

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| Ph.D. in Finance, The Wharton School, University of Pennsylvania | 2016-present |
| M.Sc. in Finance and Economics, London School of Economics | 2015-2016 |
| B.A. in Management, with double major in Economics, Bogazici University | 2009-2015 |

WORKING PAPERS

The Roles of Activists in Boardrooms: Advisors and Supervisors - Job Market Paper

This paper studies the effects of activist directors on firm outcomes. Using a unique hand-collected data set of the committee appointments of activist directors, I show that their impacts depend on whether they sit on advisory or monitoring committees. Shareholders benefit from the appointments of activist directors: the average abnormal return increases by 1.9% and 1.4% around the day of advisory and monitoring directors' appointments, respectively. By using close-call director election results in a regression discontinuity design, I provide causal evidence that activist hedge funds perform two distinct governance roles of advising and monitoring, with each role producing different outcomes. Upon being appointed to advisory committees, activist directors increase operating performance by enhancing profitability and internal capital allocation. They also increase corporate innovation, acquisitions, and divestitures to drive long-term growth. Upon their appointments to monitoring committees, activist directors curb agency problems by increasing shareholder payouts, divestitures, CEO turnover, and pay-performance sensitivity while decreasing acquisitions. My findings shed light on the roles of activists as advisors and supervisors.

The Aftermath of Settlements: Hedge Fund Activism and Corporate Risk-Taking

Does an increase in activist settlements lead to an increase in corporate risk-taking? In this paper, I investigate the effects of activist directors on managerial discipline using board settlements and hand-collected golden leash agreements data. I find causal evidence against the claim that board settlements tilt the direction of management toward short-termism, leading to excessive risk-taking. I identify two mechanisms that explain the decrease in corporate risk-taking: increased board monitoring and change in ownership structure. Taken together, my findings show that activists decrease corporate risk-taking, causing improvements in long-term firm value.

Corporate Governance and Corporate Social Responsibility

In this paper, I examine the effect of corporate governance on corporate social responsibility (CSR). Using exogenous variation in board independence, I provide causal evidence that improved corporate governance decreases CSR. My findings support the view that CSR is driven by agency problems. Managers overinvest in CSR since they want to build a good social citizen image at the expense of shareholders. Effective corporate governance decreases CSR since it reduces agency conflict.

WORK IN
PROGRESS

Investor Engagement Survey (with David Musto, Sarah Relich, and Anne Tucker)

Within the corporate governance world, are there observable differences in the nature and mechanisms of shareholder engagement employed by active and index investors? In this paper, we use survey methodology to provide insights into the nature of shareholder engagement and its role in corporate governance and firm performance. The analysis of the survey responses of Corporate Secretaries, or functional equivalents, of US-incorporated public companies tests hypotheses regarding the difference between index and active investors in their exercise of governance over their portfolio companies, particularly regarding Environmental, Social and Governance (ESG) issues.

OTHER WORKS

Ratings versus Spreads as Indicators of Price Risk

with Martin Fridson, Kai Zhao, and Yan Yu

Journal of Investment Management, Vol. 17, No. 4, (2019), pp. 42-50

FELLOWSHIPS,
HONORS, AND
AWARDS

| | |
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| Wharton Social Impact Initiative Research Grant | 2019 |
| Mack Institute Research Grant | 2017 |
| University of Pennsylvania Dean's Fellowship for Distinguished Merit | 2016-2021 |
| Lord Dahrendorf Scholarship, LSE | 2015-2016 |
| Bogazici University Faculty of Economics and Administrative Sciences Award | 2015 |

TEACHING

Instructor, The Wharton School

Corporate Finance (UG/MBA), Summer 2021

Teaching Assistant, The Wharton School

Capital Markets (EMBA), Prof. David Musto, Fall 2018, Spring 2019, Summer 2020, Fall 2020

Advanced Corporate Finance (MBA/EMBA), Prof. Bulent Gultekin, Fall 2017, Fall 2018, Fall 2019

Advanced Corporate Finance (UG), Dr. Burcu Esmer, Spring 2018

Monetary Economics and Global Economy (UG), Dr. Gizem Saka, Fall 2017

OTHER
EXPERIENCE

Research Intern, Central Bank of Turkey Fall 2013

LANGUAGES

English (fluent), French (conversational), Turkish (native)

REFERENCES

David Musto (Co-Chair)

Ronald O. Perelman Professor in Finance
The Wharton School
University of Pennsylvania
Tel: +1 (215) 898-4239
Email: musto@wharton.upenn.edu

Lucian A. Taylor

Associate Professor of Finance
The Wharton School
University of Pennsylvania
Tel: +1 (215) 898-4802
Email: luket@wharton.upenn.edu

Bilge Yilmaz (Co-Chair)

Wharton Private Equity Professor, Professor of Finance
The Wharton School
University of Pennsylvania
Tel: +1 (215)-898-1163
Email: yilmaz@wharton.upenn.edu