

# HSE - a World Class Business School



Helsinki School of Economics (HSE) is Finland's largest and most diverse higher level institution providing education in economic sciences and one of the leading business schools in the Nordic countries. Having existed for nearly a century, HSE is the first business school in the Nordics to hold all of the international accreditations in the field (AACSB, EQUIS, and AMBA).

*HSE - a World Class Business School*

## **Helsinki School of Economics in a Nutshell**

- Established in 1911.
- Main campus in Töölö, Helsinki and a satellite campus in Mikkeli.
- Around 4,000 BSc and MSc degree students and around 300 Doctoral students.
- Employs around 500 people; an estimated 52 % of which are in teaching and research.
- Education in Finnish and in English.
- Management of HSE: Chancellor Matti Lehti, Rector Eero O. Kasanen, Vice Rectors Olli Ahtola, Timo Saarinen and Hannu Seristö, Head of Administration Esa Ahonen.

## **Annual Report 2007**

The annual report is accessible from the left tab menu.

Photo: Aino Huovio

Updated May 14. 2008

## HSE in 2007



### **HSE First in Nordics to Receive the Triple Crown**

In 2007 HSE became the first Nordic business school to receive the international AACSB accreditation.

The school now has all three internationally renowned certificates of excellence: AACSB, EQUIS, and AMBA. This provides a great starting point for the school to pursue its strategy of global visibility and cooperation with the best universities.

*"The year 2007 was marked by the planning of the Innovation University in close cooperation with TKK and TaiK."*

### **Innovation University Planning on Schedule**

The year 2007 was marked by the planning of the Innovation University in close cooperation with Helsinki University of Technology (TKK) and University of Art and Design Helsinki (TaiK). Various reference groups will join in on the preparations through different working groups. Reference groups were also given the opportunity to present their own views as well as comment on the development work and different opinions through a web-based tool.

In the course of the year, progress updates were given in various briefings and assemblies as well as through different communication channels. The project is progressing according to schedule and the Innovation University is expected to become fully operational in the beginning of 2010.

Through decisions made in 2007, the entire operational environment of Finnish universities is rapidly transforming in the direction that HSE has been promoting for years. Through reforms in financial autonomy and by gaining the status of an independent legal entity in decision-making there are now new tools for surviving in increasing global competition.

### **Cornerstones of Strategy: Practical Relevance and Scientific Accuracy**

The HSE strategy, which was reformed in 2006, continued to be implemented in 2007. The strategy is well in line with the Innovation University project as well as other future challenges.

The cornerstones of research strategy are practical relevance and scientific accuracy. Research activities have been focused towards the direction outlined in the strategy by creating the HSE Research unit and by defining the focal points of research (globalization and competitiveness, financial markets and services, information economy, and business networks). Research has been organized into problem-based and multidisciplinary research programs. HSE succeeded well in securing research funding in 2007.

### **Record Number of Dissertations, High Graduation Rate**

In terms of basic activities, the year 2007 proved very fruitful for HSE, especially in terms of doctoral degree completion. In recent years, HSE has invested heavily in its doctoral program and as a result, in 2007, 31 doctoral degrees were awarded, which is clearly a record in the school's history. All of these dissertations were of excellent quality.

In 2007, 391 students accomplished Master's degrees. Graduation rate remains at the highest level in comparison to other Finnish universities.

### **CEMAT Multiplied its Project Base**

The multidisciplinary research, education, and training center, Center for Markets in Transition (CEMAT), focusing on rapidly developing international markets, increased its project base manifold in both applied and basic research and strengthened its position in public discourse.

### **CKIR Invested in Development of Innovation Structures**

During 2007, the Center for Knowledge and Innovation Research (CKIR) focused on the creation of a human and user-centric research method and operations model for open innovation environments, as a part of Tekes's concentration of top strategic ICT know-how (ICT SHOK). CKIR was involved in the development of cooperation models for Living Labs of the Helsinki metropolitan area and continued in its role as the developer of Europe's newly open and networked innovation structures, a responsibility it took on the year before. In the course of the year, CKIR's Information Media Laboratory was awarded two patents, one of them being international.

### **HSE EE is Finland's Best Provider of Training for 10th Time**

HSE Executive Education, offering leadership training, was awarded the title of best provider of leadership training in Finland for the 10th time. Executive MBA programs were carried out in six countries and they were particularly successful in Korea. Taiwan is the most promising new location where HSE is initiating its Executive MBA programs in cooperation with prestigious partners.

### **PYK Expanded its Operations in Finland, Estonia, and St. Petersburg**

Regarding service to society, positive development continued in entrepreneurship training and research. The Small Business Center (PYK) expanded its operations in Finland, Estonia, and St. Petersburg. The turnover of the unit was about 6 million euros and its programs were attended by 3,600 students, during a total of nearly 20,000 training days. The New Business Center, which is dedicated to startup incubation, continued its operations steadily.

### **International Influence through Recruitment**

HSE has invested in recruitment as a way to improve the university's level of scientific research and influence. Sponsored by the Academy of Finland, FiDiPro Professor Kalyanmoy Deb came to HSE in summer 2007. Renowned INSEAD Professor Yves Doz was also hired by HSE as a part-time professor.

In addition, a new 'Visiting Executive' position was established for individuals who have distinguished themselves in the business world. Professorships have been established in new fields, such as innovations, sales, and entrepreneurial education. All in all, the publications of HSE researchers working in 2007 were referred to 878 times during the year, according to ISI Web of Science. This indicates that HSE has succeeded in recruiting researchers whose international scientific influence is highly significant.

### **Major Developments in Organization**

HSE has responded to current challenges by developing its operations and organization. It has been a pioneer in the development of electronic administration.

HSE has been an active participant in the development of PAVE, the service center for financial and personnel management. PAVE is now fully functional in financial administration and several operations have been initiated in personnel management. HSE is involved in many national development projects, including its involvement in the electronic order management pilot project. Naturally, the changing administrative systems of the Innovation University have also been targets

of active development.

As the business school in the Innovation University, HSE's aim is to ensure that Finnish higher education in the field of economic sciences has the qualifications to reach world-class status in the selected focus areas.

Students in front of the HSE main building in Töölö, Helsinki.  
Photo: Aino Huovio

Updated May 7. 2008

# Teaching



The Helsinki School of Economics accepted 500 new students through the 2007 student selection process. The students were selected to take a degree either in the Bachelor's and Master's degree programs or only in the Master's degree program. In addition, 163 new students were accepted into the Bachelor's degree program in the Mikkeli unit.

**BSc & MSc students: 3 940**  
**Doctoral students: 297**  
**Average length of the**  
**BSc & MSc degree program:**  
**5.26 years**

<b>Year 2007</b>	<b>Applications</b>	<b>Accepted</b>	<b>Enrolled</b>
Open university channel	32	26	26
SAT I	173	38	32
Joint entrance examinations in economics	1954	310	310
Master's level admission	194	126	114
Mikkeli BScBA program*	577	163	89

\* The number of accepted students in the Mikkeli BScBA program is high due to its waiting list system. The number of enrolled students also includes students who had already been accepted in the previous academic year, but who successfully applied for deferment.

In the year 2007, HSE had 3,940 students studying towards Bachelor's and Master's degrees. Of these students, 163 were international. The Russian and the Chinese students represented the largest nationality groups. In total, the school had students from forty-two different countries.

## **Case Method More Common in Education**

Case studies are increasingly becoming the educational method of choice at HSE. The core of the method is case analysis know-how combined with related workshops, short courses, and seminars.

HSE has a case studies unit. Its main role is to make the case method known and promote its use in education.

HSE is a member of the European Case Clearing House (ECCH), which is the world's largest distribution channel for case tasks. At the end of 2007, the ECCH had over 140 case tasks from HSE. There is a continuous need for new Finnish case tasks.

In order to support students' case analysis skills, HSE organizes case competitions, but also sends both undergraduate and graduate level (MSc and MBA) teams to international case competitions. HSE teams have been a success in these competitions. For example, in spring 2007, the HSE team won the WELL'contest07 challenge, which focused on Corporate Social Responsibility (Copenhagen Business School). In fall 2007, another HSE team came third in the high standard Citi International case competition in Hong Kong (Hong Kong University of Science and Technology).

## **Student Exchange Seen as Part of the Degree**

At HSE student exchange has been integrated as a solid part of the degree, which means that all studies conducted abroad are fully accepted as component in the degree.

In 2007, 253 Bachelor and Master level students studied abroad for over three months (the goal being 250 students). The most popular destinations included the United States, Canada, France, and Germany. The overall number of students studying abroad has decreased slightly from previous years. This may be due to the fact that students studying according to the old degree structure are reluctant to apply for exchange as the transitional period ends at the end of August 2008; the aim to finish one's studies by this deadline is given priority over the experience of studying abroad.

HSE welcomed 228 foreign exchange students (the goal was 200 students). As previously, the majority of these students came from France and Germany.

### **Investing in Study Guidance**

The goal is to make study guidance a part of the entire life cycle of studying. In addition to student tutors, students are assigned a teacher tutor. Progression in studies is also supported by a psychologist who participates in the realization of different courses and offers students private guidance counseling. Students also benefit from various welfare services.

At the start of their academic career, students complete a study module including studying abilities and skills, which improves the qualifications they will need during their studies. At the Master's level, all students complete the MSc "Skills Portfolio", which is designed to teach the students the particular skills required in work life.

In 2007, HSE introduced the eHOPS tool in the Oodi interface. With eHOPS, it is easy for a student to create a personal electronic study plan as the system offers support throughout the selections. Through this electronic system, those involved in student guidance counselling have access to up-to-date information on the state of each student's studies.

Degree students who do not speak Finnish now receive more effective study counseling. All incoming degree students will receive the guidebook "Information Guide for International BSc and MSc Degree Students." In addition, more time has been allocated for one-on-one study counseling sessions.

### **Investments Made in Web Services and Web-Based Tools**

HSE Center for Innovative Education (OIK) works in cooperation with teachers to ensure a smooth transition in the introduction of new information and communications technologies in HSE's teaching and studying.

The implementation of the strategy for the use of information and communications technology in teaching, which was updated last year, was continued in 2007. The goal is to utilize the interactive elements of web-based workspaces in teaching and studying more actively. The number of workspaces online has indeed increased.

Almost two-thirds of courses took advantage of web-based workspaces. Similarly to previous years, teachers were offered pedagogical and technical support. Teachers have access to a workspace called Media Laboratory, where the educational administration can participate in organized activities or work independently. So far, organized activities have concentrated on the promotion of the use of video and image material in teaching.

In 2007 HSE updated its network service for students. During the course of the year, all instructions and notices for Bachelor and Master level students were transferred to an extranet service (Piazza). Through this, the university increased the effectiveness of its communication directed at students.

Another novel change was the distribution of a HSE "welcome package" as well as a USB memory stick with orientation material to students who began their studies in fall 2007.

### **Student Feedback Part of the Education Quality Control System**

The quality control system for education was reformed in 2006 and its implementation continued in

2007. At HSE the evaluation of quality is seen as an integral part of the education quality control system. In practice this means that feedback is collected from all students enrolled into a course, regardless of the method of teaching or accomplishment. The students are perceived as partners who take responsibility of their own education.

The collected feedback is delivered to the professor, the individual responsible for the subject, the head of the department, and the head of the study program in question. With the assistance of program leaders, the feedback is reviewed by the program groups of each study program. In addition to faculty, student, alumni, and work life representatives are also present in the program groups. The rectors as well as the Council of Education and Research, which is the body ultimately responsible for the quality of education, are also informed of the feedback. The feedback is taken into account when the curriculum for the following academic year is prepared.

Teachers are also requested to evaluate whether their expectations were met in terms of the study module. The aim is to support teachers in developing their teaching, as well as improve the teaching facilities and equipment.

### **Quality of Degrees Measured Systematically**

Bachelor's and Master's degrees are continuously evaluated in many different ways. Issues evaluated annually include the functionality of student selections and entrance examinations, the opinions of recent graduates, the employment levels of graduates, and the way companies perceive graduates. The student union also monitors education and grants an award for the teacher of the year. In 2007 the title went to Professor Raimo Lovio from the discipline of Organizations and Management.

Students in front of the Chydenia building.  
Photo: Aino Huovio

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# Programs



In 2007 it was possible to complete a Bachelor's degree in five different programs and a Master's degree in thirteen different programs at the main campus of HSE in Helsinki. Additionally, the pan-European Master's degree CEMS MIM was also offered there. It is possible to take some of HSE's degrees entirely in English.

**Programs:**  
**BScBA**  
**CEMS MIM**  
**IDBM**  
**ITP**

Those studying International Business in a Bachelor's degree program taught in English study at the HSE Mikkeli campus.

» [Program details at HSE website.](#)

## **Renewed Doctoral Program Supports HSE's Vision**

At HSE scientific postgraduate education has been organized into a doctoral program. The program was renewed in the degree structure reform and supports HSE's vision of a world-class business school. The aim is to ensure the high level of quality of graduate education on an international level. Internationality has been promoted through the new, more flexible structure of the doctoral program and by adding courses that support internationality. In the name of supporting the creation of multidisciplinary doctoral production, many of CEMAT's research projects have hired students working on their dissertations from the HSE doctoral program.

## **Mikkeli BScBA Program**

In 2007, there were 577 applications for the Bachelor's Degree Program in International Business, BScBA, taught in English at the HSE Mikkeli campus. A total of 82 students commenced their studies while 83 Bachelors graduated from the program during the year. The average time used to complete one's studies was 2.6 years for all students graduating from the program by the end of the year 2007.

A period of studying abroad for a semester is a mandatory part of the studies. At the end of the year 2007, the BScBA program had 45 exchange universities. During the course of the year, 67 students went on a student exchange period, while 51 foreign exchange students studied at the Mikkeli campus.

With the help of visiting professors, regional influence was promoted through small projects and research done for local companies as well as through student theses. In 2007, the BScBA program participated in several projects with the other units of the Mikkeli University Consortium. These included the HSE Small Business Center's Start-Up Café and the Digibusiness project began in 2006 in cooperation with The National Library of Finland's Center for Microfilming and Conservation.

## **Europe's Best CEMS Course at HSE**

HSE is a member of the Community of European Management Schools (CEMS), established by leading European business schools and corporations. Under the leadership of HSE's rector, cooperation connected with research has been established with CEMS. Universities can apply for CEMS membership by submitting an application and each European country can have only one member. Today the community includes 17 university members and about 50 international company

members.

The "main product" of the community is the internationally orientated CEMS Master's in International Management (CEMS MIM). HSE students have the possibility to complete the CEMS MIM degree together with a standard Master of Science degree. In 2007 CEMS MIM ranked second place among European Master's programs in business in a ranking study conducted by the Financial Times.

Based on the feedback from students, Professor and Vice Rector Hannu Seristö's course "Doing Business in the EU" was selected the best CEMS course in Europe in the academic year 2006-2007. Students especially appreciated the course's strong connection to practical business situations, Seristö's expert and inspiring way of teaching, and also the fact that the course offered the students with excellent opportunities for networking with global business leaders.

### **IDBM Minor Program Leads the Way for the Innovation University**

The International Design Business Management (IDBM) program is a joint education and research program organized by HSE, TaiK, and TKK. The program aims to provide future international design business professionals multidisciplinary coaching. During each academic year 10-15 students from HSE near the end of their studies are selected into the program. They complete the IDBM minor by courses chosen from two other universities and business projects conducted in interdisciplinary groups. Ten business projects were completed in the spring of 2007.

The active members of the IDBM program have been involved in the planning and launching of the Helsinki School of Creative Entrepreneurship, a joint program of the IDBM universities. The same participants have also been active in the planning of the Innovation University project.

### **ITP Program**

The Information Technology Program (ITP) was organized for the 13th time. The program consisted of mainly educational and development projects done in cooperation with companies. ITP is divided into two subprograms: "Content & Media" and "Business & Technologies". The ITP program attempts to combine academic education and practical business projects to support the aims of both the students and the partner companies.

In the training organized by the subprograms in the summer of 2007, students gained a general picture of information and communication technologies. A total of 57 students participated in the program. Under the leadership of project coordinators, the students took part in projects and successfully completed 12 projects for the same amount of partner companies.

Besides HSE students, the ITP program is also targeted at JOO students and exchange students. In addition to courses, different supplementary events and guest lectures were organized over the summer.

The aim of the program was to continue close cooperation with partner companies and to further form new business contacts. The challenge was to create an attractive curriculum and a functional multicultural study environment and the program succeeded in doing this.

Photo: Aino Huovio

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# HSE and University Cooperation



## **JOO Agreement**

HSE is a part of the National Flexible Study Right (JOO) agreement. In 2007, the majority of students who came to HSE through the JOO program were from the metropolitan area.

The amount of students participating in the JOO program has remained unchanged in recent years. A total of 147 JOO students who were registered at other universities studied at HSE. At HSE the annual number of incoming students is higher than the number of outgoing students.

## **Helsinki Summer School**

HSE offered two courses targeted at international students at the Helsinki Summer School, which was organized in cooperation with other universities of the metropolitan area. The courses were: "Business, Environment and Corporate Social Responsibility" and "Doing Business in Asia". With 75 participants, the courses were the most popular Summer School courses.

## **HERA Network**

HSE is a part of the Helsinki Education and Research Area (HERA), which includes nine universities and ten polytechnics from the wider Helsinki metropolitan area. This is a joint umbrella project where higher education institutions are involved in area development in an attempt to enhance the region's international competitiveness and balanced community development through education and research. Through HERA HSE participated in educational fairs held in, for example, St. Petersburg and Beijing in 2007.

## **HSE Active in the Development of Electronic Systems**

HSE is involved in the FUNIMA project which aims to develop an electronic application and a joint marketing system for international applicants. A HSE representative is a part of the advisory and monitoring group for electronic application systems development. In addition, HSE participates in the Oodi consortium to develop student information systems aiming to support educational administration, education, and university management.

Photo: Aino Huovio

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## Research



In terms of the research foci defined for 2006-2009 (globalization and competitiveness, financial markets and services, information economy, and business networks), the year 2007 was the first fully operational year in terms of research activity. Reforms have further advanced the impact and internationalization of research at HSE

**31 doctoral degrees**  
**297 doctoral students**  
**434 scientific publications**  
**(RESCAT March 6, 2008)**

### Record Number of Doctorates

In recent years, HSE has invested in fulltime doctoral programs and as a result, the total number of doctoral graduates has increased. The school has agreed with the Ministry of Education on an annual goal of 22 graduating doctoral students.

In 2007, as many as 31 scholars received doctoral degrees. The high number was influenced by the investments made in dissertation guidance and the funding of fulltime dissertation work. Moreover, the degree reform expedited the graduation of students studying in accordance with the old degree requirements. In recent years, the trend has been that many graduate students skip the licentiate examination altogether and finish their doctoral thesis directly instead. At the end of 2007, HSE had 297 doctoral students.

### Several Awarded Dissertations

The Center for the Doctoral Program has actively encouraged and supported the participation of dissertations in different national and international competitions. During the year 2007, HSE doctoral graduates were awarded by several quarters. Among others, the dissertations of the doctors mentioned below received special recognition:

- D.Sc. (Econ.) Elias Rantapuska, OP Bank Group Research Foundation Grant and HSE Foundation's Doctoral Thesis of the Year Award in 2006
- Ph.D. Mikko Jalas, HSE Foundation's Award of Merit for High Quality Doctoral Thesis in 2006
- D.Sc. (Econ.) Kristiina Mäkelä, HSE Foundation's Award of Merit for High Quality Doctoral Thesis in 2006
- D.Sc. (Econ.) Anu Bask, The Finnish Association of Logistics' Logistics Study of the Year

In the fall of 2007, the HSE Foundation also rewarded thesis advisors Professor Mirjaliisa Charles, Professor Matti Keloharju, and Professor Pekka Korhonen for their high-quality effort and persistence in advising graduate students.

### Number of Publications an Essential Indicator of Quality

The references made to the publications of HSE researchers indicate the influence of its research activities. High-quality scientific articles of HSE researchers were published in respected international journals and they were referred to significantly more than other Finnish economic sciences publications on average.

The international ISI Web of Science database registered a total of 455 references in 2007 for

papers published in the name of HSE. Compared to the previous year, the number has grown by 18 %.

According to the ISI Web of Science database, articles by HSE researchers were referred to a total of 878 times.

The outputs of Helsinki School of Economics' research activities are registered in HSE's own RESCAT research database. By March 6, 2008, 434 scientific publications had been registered into RESCAT from the year 2007. The final number will be updated later.

According to the Ministry of Education's KOTA database, HSE published 230 scientific publications, 163 of them abroad. Not all publications registered in the RESCAT database are taken into consideration under KOTA's classification principles.

### **Scientific publications in 2007**

**(Ministry of Education, KOTA Statistics as of March 6, 2008. The database will be updated later.)**

#### **Scientific articles**

In Finland	10
Abroad	86

#### **Articles in scientific compilations or congressional publications**

In Finland	49
Abroad	77

#### **Monographs**

In Finland	1
Abroad	-

**University's own working paper series in Finland** 7

**Total** 230

### **HSE Research Network**

Research conducted at the Helsinki School of Economics is developed, organized, and supported by the HSE Research network. HSE Research functions on four operational levels:

1) Advisory board and management team who define the scope of research and organize it into research programs and coordinated entities, reflecting the appropriate focus areas.

2) Research programs that not only combine practical relevance and quality scientific research, but also commit to HSE's high quality standards and the broad utilization of research results.

3) Research service team to support research projects, programs and researchers during the different phase of the life cycle of a project.

4) Departments and subjects that are partially responsible for research know-how and its development, but also take part in constructing research projects.

### **Focal Points of Research**

The strategic investments HSE made in increasing the influence of its research for companies and the economy is shown in the matrix model of research, originally developed in 2006 and implemented 2007.

In the matrix model, HSE's research activities are constructed in a way that the problem-based,

applied, and multidisciplinary research programs intersect the discipline-based research conducted in various departments and research units.

The focal points ensure that the exceptionality of HSE's research – characterized by international research in multiple fields and the business know-how arising from close social and business cooperation – is embodied in all research conducted at HSE.

» [More information about HSE's research priorities for the years 2006–2009 at HSE website](#)

### **International Research Activities**

Among other positions, HSE researchers hold positions of trust in international scientific associations, are members of the editorial staff at international scientific publications, and take part in international conferences. Research collaboration is based on the contacts made by researchers. HSE participates in European research collaborations, e.g., through EU funded research projects.

HSE researchers cooperate with foreign researchers, resulting in cooperative articles, projects, and research. The utilization of international contacts is in the best interest of HSE, which is why HSE is advancing its internationalization through its own Visiting Scholar program. The program is funded by the HSE Foundation and the Foundation for Economic Education.

The Finland Distinguished Professor Programme (FiDiPro) is a joint funding program established by the Academy of Finland and Tekes. The goal is to recruit professor-level top researchers to Finland on a fixed-term contract; either foreign researchers or Finns who have resided overseas for many years. The forerunner of Indian Evolutionary Computation, Professor Kalyanmoy Deb, began his two-year FiDiPro professorship at HSE in June 2007.

Moreover, respected INSEAD professor Yves Doz started at HSE as a part-time professor.

Besides long-term research visits and cooperation, foreign professors are regular guests of the educational and research departments, as well as HSE's research units CEMAT and CKIR.

### **Relevance of Research Activities Visible in Funding**

The amount of external research funding remained extremely high in 2007. The influence of research activities to companies and the business life was reflected also through research projects, since companies were willing to commit to projects either by investing their own resources or by offering material to researchers.

HSE's success in acquiring external research funding indicates that its research is relevant and influential also in the business world. External funding is highly competed for and only the best projects receive funding.

### **Active Popularization of Science**

HSE has been a regular participant in the Finnish Science Forum organized every second year. It has presented current research results that have also attracted a wider audience with its own "Economics Afternoon" theme. The traditional Studia Economica lecture is organized by HSE annually, while the "Jaakko Honko Lectures" lecture is organized every second year. Both HSE events are open to the public. In 2007 the Studia Economica tackled the theme of Finnish companies under the pressure of globalization.

During Research Day 2007, the keynote speakers were Finland Distinguished Professor Kalyanmoy Deb from Academy of Finland's and Professor of Finance Matti Keloharju. The program also included a presentation by the Researcher of the Year, Kaisa Miettinen, who teaches business mathematics at the school, as well as presentations by the dissertation award nominees.

In 2007 HSE researchers were active participants in the on-going social conversation on current

issues and were regularly interviewed in the news media on economics, finance, taxation, or business, as well as on research news related to the business environments of Russia, the Baltic States, and Asia.

Photo: Aino Huovio

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## Research units



### Center for Markets in Transition, CEMAT

Units:  
[CEMAT](#)  
[CKIR](#)

Center for Markets in Transition (CEMAT) is a research unit whose entire operational idea is based on combining academic expertise and social relevance. CEMAT focuses on the basic and applied research in rapidly developing market areas such as Russia, the Baltic Sea area, Asia, and Latin America.

During the year 2007 CEMAT multiplied its project base in the fields of both applied research as well as basic research. This also increased the social impact of the unit.

### International Cooperation between Universities

CEMAT's research concerning international market areas is partially done in international cooperation with the best research facilities within the target areas – such as North-West Russia and China. CEMAT has participated in international university cooperation in the CEEMAN association (Central and East European Management Development Association) and BMDA association (Baltic Management Development Association).

### Strong Research and Expertise in Russia

HSE is one of Finland's largest actors in the national Russia expertise program. CEMAT received a third of the Ministry of Education project funds for Russia. CEMAT also received foundation funding directed especially to Russian studies.

CEMAT was the only establishment in Finland to receive targeted research funding for several years from the Academy of Finland for business research concerning China.

In addition to the topics mentioned above, there are several research topics that are relevant for the business world, such as "comparison of the development of rapidly developing market areas from the perspective of international Finnish companies" and "the competitive edge of Helsinki-Tallinn-metropolitan area in the global economy".

The Small Business Center and CEMAT have cooperated, for example, in developing and producing internationalization training for the Russian market.

CEMAT participates in the operations of the Finnish Graduate School for Russian and East European Studies as well as the operations of the Finnish Graduate School for Asia-Pacific Studies. HSE is in the management group of the Finnish Graduate School for Russian and East European Studies through CEMAT, and is developing the national expertise in the field. There are also HSE graduate students in these graduate schools.

### Center for Knowledge and Innovation Research, CKIR

#### Problem-Based Research

CKIR research arises from phenomena and problems. It develops and pilots new operation and

cooperation models with companies, cities, various regions, and international actors to create research that aims for innovations.

The research attitude combines basic and applied research and "stretches" them as far as the innovation process. CKIR's international and domestic cooperation networks are exceptionally broad. Since the beginning of its operations, CKIR has worked in close cooperation with TKK, TaiK, and other domestic universities and companies. CKIR houses about twenty researchers, of which a third consists of foreign guests. In 2007 CKIR had seven doctorate students.

### **EU Projects Bring in Half of All Funding**

In 2007 The Center for Knowledge and Innovation Research (CKIR) was involved in 17 projects, nine of which were international. Seven of the international projects were EU-funded, and two were Nordic projects funded by the Nordic Innovation Center (NICE).

EU projects accounted for roughly half of the total funding of CKIR. The contents of the EU projects concern the development of people and user-centered business and service models in the service and information society in such a way that it is possible to simultaneously evaluate their impact on open ICT-based reference architecture operatives and integration of technologies.

Special focus has been given to information technology services and businesses in sparsely populated areas. This research project involves 120 top researchers, 20 European cities or regions, and 40 leading European companies. It is an EU project entity that contains five integrated projects. The entity will influence CKIR's operations until the end of the year 2009.

### **Innovations within Everyday Life**

Together with other actors CKIR develops people and user-centred research, development and innovation methods, and operation models that are implemented in open innovation environments in the midst of everyday life.

The research approach concerns primarily the service and business development based on ICT technologies. On this basis, CKIR concentrated on creating a people and user-centred research method and operating model in open innovation environments as a part of a ICT branch strategic expertise cluster (ICT SHOK) lead by TEKES, the Finnish Funding Agency for Technology and Innovation. The project was launched in the beginning of 2008.

CKIR has been especially active in developing open, networked, flexible, and innovative service and ecosystems as well as developing a people and user-centred open innovation environment method. CKIR participated in the development of the Helsinki metropolitan area's Living Labs cooperation models.

### **The Researcher and Research Group of the Year from CKIR**

In 2007 CKIR Knowledge Media Laboratory broadened the people and user-centred experience-based and interactive media study to include not only games and information work but also social and networked media, including Web 2.0.

The Knowledge Media Laboratory registered two new patents in 2007, of which one was an international patent. Leading Researcher Niklas Ravaja from the Knowledge Media Laboratory received the title of HSE Researcher of the Year 2007, and his research team received the title, HSE Best Research Team of the Year 2007. The researchers at CKIR produced 19 scientific publications during the year.

### **Participating in Implementation of Lisbon Strategy**

CKIR assisted Portugal in 2007 during the Portuguese EU Presidency with regard to events leading to the implementation of the Lisbon Strategy, which promote the implementation of the European

innovation strategy and the research and structural changes its development requires, including networking of open innovation environments (European Network of Living Labs). Thus, CKIR has continued its operation, which begun in 2006 during the Finnish EU Presidency, as a developer of new people-centred, open and networked innovation structures.

Several new projects were prepared in 2007 of which five have reached the stage of further negotiations with the European Commission and are estimated to be launched during 2008. In addition to this, nine project propositions were submitted to national funding agencies, such as Tekes and the Academy of Finland.

Photo: Aino Huovio

Updated May 12. 2008

# Departments



[Department of Economics](#)

[Department of Accounting and Finance](#)

[Department of Business Technology](#)

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[Department of Languages and Communication](#)

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# Department of Economics



*Subject: Economics*

**4 professors, 2 lecturers,  
335 students,  
9 483 credits achieved,  
20 MSc graduates,  
4 doctoral degrees**

The Department of Economics is situated in the Economicum building with the Departments of Economics of the University of Helsinki and the Swedish School of Economics, as well as the Finnish Doctoral Program in Economics (FDPE). The Helsinki Center of Economic Research, HECER, functions as the umbrella organization of the departments.

Collaboration between the units has been further enhanced in 2007 by, for example, organizing joint teaching and planning the coordination of graduate studies in the departments. Economicum hosts several weekly seminars, which are actively organized by researchers at the Department of Economics.

The Department of Economics has had several research projects with external funding. The Academy of Finland-funded the launched project: "Empirical Studies of rewarding and changes in work organization". The Academy of Finland has also funded a project which researches the impact of internationalization to companies and their employees.

The productivity impact of organizational innovation in work places has been studied in cooperation with companies in a large project funded by the Academy of Finland and the Finnish Work Environment Fund. The department staff has also taken part in an Academy project that studies the impact of the development aid given by Finland.

In the beginning of 2007, an extensive research project on energy markets was launched and the Yrjö Johansson Foundation granted funding for the project for five years. With the research program, the department also received the professorship of *Energy and Environmental Economics*. The post was filled by D.Sc. **Matti Liski**.

The department has researchers in the top Nordic research unit, Nordic Center of Excellence in Empirical Labor Economics. The researchers have engaged in collaboration with the MIT-CEEPR research group as well as the Nordic NEFP energy research program. Professor **Juuso Välimäki** was elected into the fellowship of the Econometric Society.

The department researchers participate in the editorial staff of various international periodicals, such as *Journal of Economic Behavior and Organization*, *Resource and Energy Economics*, *Review of Economic Studies*, and the *Scandinavian Journal of Economics*.

The department personnel have actively participated in social and economic debate. The professors hold positions of trust and expertise for example in public administration, research institutions, as well as in several foundation bodies.

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## **Family Power Relationships Under Investigation**

**Heidi Silvennoinen**, who has worked within the Department of Economics as an assistant and a

scholarship researcher for several years, has reached the stage in her thesis where most of the hard work is over and her study is under preliminary inspection. Her thesis investigates the effects of the gendered division of labor in households.

– In traditional economic theory households are usually perceived as one unit that maximizes profit, so resources have been considered to be equally distributed between family members. This is why targeted income transfers should not have any influence on the behavior of family members. This, however, is not true according to present-day knowledge.

Silvennoinen inspects the division of resources using a theoretical model of multiple decision-makers which indicates that power relationships within the family influence the distribution of consumption and use of time within the family. She further developed the model by adding a household economic production process – the way a household produces commodities, such as meals, by combining family members' time and market commodities – which enables the investigation of questions related to the gendered division of labor. This is a relatively new viewpoint in economics.

– I was especially interested in the impact of traditional gender roles to the available employment for women. One of the central outcomes of my research indicates that practices in family policy and income transfer policy can strengthen the impact of traditions in the division of labor between relationship partners, says Silvennoinen, who will defend her doctoral thesis in autumn 2008.

In the picture Heidi Silvennoinen (center) is conversing with graduate students in economics Nelli Valmari (left) and Suvi Vasama.  
Photo: Jaana Rannikko

Updated May 12. 2008

# Department of Accounting and Finance



*Subjects: Accounting, Finance, Business Law*

**14 professors, 3 lecturers,  
1 224 students,  
40 829 credits achieved  
167 MSc graduates:  
99 Accounting, 46 Finance,  
22 Business Law,  
1 licentiate degree,  
4 doctoral degrees**

In 2007 the objectives for basic qualifications in accounting were achieved by 152,3 percent, and indeed accounting is clearly the largest subject at HSE in terms of the number of graduates. The target number of Bachelor's degree aims was exceeded also in Business Law, while Finance remained slightly below the target. Four doctoral degrees were achieved (2 in Accounting, 2 in Finance), which was also in line with the aims.

In HSE's internal teaching quality unit competition, the subject of Finance was chosen as the teaching quality unit together with the Department of Languages and Communication.

In profit accounting, research focused on accounts information and its utilization. The research centered on international financial reporting standards (IFRS). Managerial accounting focused on operations management, performance assessment and rewarding systems, while finance research was directed at behavioral finance and corporate finance. The focus of business law research and teaching was on corporate taxation, particularly international taxation, stock markets, and developing business law, especially contract law and overall theories to meet the needs of globalizing markets.

Nordic Finance Network (NFN) cooperation network held its first workshop in May 2007. The network, established in 2006, consists of 14 universities with HSE's Graduate School of Finance (GSF) as its host unit. The cooperation network aims to enhance doctoral education in finance, promote Nordic research cooperation and organize workshops.

Department personnel were highly active in the society. They took part in public discussions, were in contact with business experts, and were involved in various work groups established by the ministry. Department professors held positions in the boards of various HSE units as well as in external boards of companies. The department personnel offered teaching at training events and published textbooks, scientific articles, work papers and research reports. The department also offered lectures by renowned individuals, such as **Samuel DiPiazza**, CEO of PricewaterhouseCoopers.

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## Research of Investment Behavior in Households Promises Breakthroughs

The Department of Accounting and Financing received the fourth doctorate of the year when the doctoral thesis of **Samuli Knüpfer** was reviewed at the end of November in 2007. The thesis in the field of Finance, "Essays on Household Finance," concerned the investment behavior in households. Its internationally unique material includes the stock deals and entries of approximately one million private investors in the Helsinki Stock Market from the time period 1995–2002.

Two research sections of the thesis have been accepted for publication in the internationally highest-ranked scientific publications in the field of finance. One of these discusses how an individual's

previous experiences influence investment decisions in the stock market. The results indicate that personal experiences have an excessively large influence when making an investment decision.

– The investment behavior of households has not been extensively researched before the 21st century. Significant breakthroughs can therefore be expected from this field of research, says Assistant Professor Knüpfer, who is planning to enhance his academic career abroad. He will start working as an Associate Professor at London Business School in September.

More information on Knüpfer's research:

["Do investors overweight personal experience? Evidence from IPO subscriptions"](#), Journal of Finance, forthcoming, with Markku Kaustia. Presented at FMA Europe 2007, EFA 2007, AFA 2008.

["Do retail incentives work in privatizations?"](#), Review of Financial Studies, forthcoming, with Matti Keloharju and Sami Torstila.

Samuli Knüpfer pictured in the Chydenia Hall.  
Photo: Jaana Rannikko

Updated May 12. 2008

## Department of Business Technology



*Subjects: Management Science, Logistics, Quantitative Methods in Economics, Management and Policies of Technology, and Information Systems Science*

**15 professors, 6 lecturers,  
536 students,  
19 967 credits achieved,  
64 MSc graduates,  
12 doctoral degrees**

The year 2007 was a time of stabilization for the Department of Business Technology. The four subjects at the department, which was established two years ago, have combined to form an entity of programs and research, which, due to demands from business management, has become increasingly common both in the leading American business schools as well as in the CEMS network universities.

Teaching at the department is offered primarily in English. The Department of Business Technology offers a Bachelor's degree in Business Technology and the Information and Service Management program at the Master's level with specialization fields in Management Technology, Information Systems Science as well as Logistics and Service Management.

The department's professorship works actively in various national research schools (GEBSI, SDR) as well as in administrative positions in academic research organizations. Strong research activity has produced 16 ISI publications in international scientific periodicals in the field. **Kalyanmoy Deb** (Indian Institute of Technology), specializing in genetic optimization algorithms, has worked in the department in the position of a FiDiPro professor for the Academy of Finland since summer.

The Real Time Economy project, concentrating on real time payments, was launched in cooperation with TietoEnator, organized by the Information Economy focus area organized a seminar cruise in October 23 – 24, 2007 around the same theme. The event was hosted by Professor **Jyrki Wallenius**.

A record number of 12 doctoral degrees (the aim was 7) were awarded, of which 5 were in Information Systems Science. Functional national graduate schools are a significant addition to the department's doctoral output. Both the Graduate School for the Electronic Business and Software Industry (GEBSI) and the Graduate School in Systems Analysis, Decision-Making and Risk Management are connected to HSE and TKK, and therefore pave the way for Innovation University cooperation.

The popular ITP summer program was adopted by the Department of Business Technology. This enables the search for synergy benefits with the offered teaching and teaching personnel. **Matti Rossi** was chosen as the new academic leader of the ITP program.

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### Center for Knowledge Tackles Challenges of Real Time Economy

In 2007 HSE established the Real Time Economy Center for Knowledge to research real time economy from various perspectives.

– We aim to conduct both academic research as well as produce concrete information to companies and communities, promote the digitalization of business processes in the society, and integrate the subject into the basic teaching especially at the Department of Business Technology, says Professor in Information Systems Science **Virpi Tuunainen**, who is also the leader of the Center.

The Center for Knowledge was officially launched in the beginning of the year 2008, but during 2007 an initial Tekes-funded project, Full SEPA, which researched and promoted electronization of payment and invoicing traffic, was also on-going.

Finland is the perfect laboratory to research real time economy: it is the first country in the world that implemented an online bank system, in which nearly every Finn has an internet banking ID, and where the payment traffic is the fastest in the world. It is no longer essential to attempt to justify the transfer of services online, since it is taken for granted.

In addition to HSE, the project participants include TietoEnator, several banks, the Federation of Finnish Enterprises, the Confederation of Finnish Industries EK, and TIEKE Finnish Information Society Development Centre.

Virpi Tuunainen pictured preparing a lecture in Chydenia PWC hall.  
Photo: Jaana Rannikko

Updated May 12. 2008

# Department of Marketing and Management



*Subjects: International Business, Marketing, Organization and Management, Economic Geography, Entrepreneurship, and SME Business Management*

**18 professors, 7 lecturers,  
1 167 students,  
37 127 credits achieved,  
135 MSc graduates  
1 licentiate degree,  
11 doctoral degrees**

Department of Marketing and Management launched a strategic project in 2007 that concretized the HSE strategy into objectives and operational models on the department and subject level. The strategy team consisted of Professors **Henrikki Tikkanen**, **Raimo Lovio** and **Petri Parvinen**. The project included several meetings and discussions, which were open to all personnel. This work will continue in 2008.

A new sales management professorship was established in the marketing subject as a donation from The Federation of Finnish Enterprises. The temporary post was filled by Ph.D. Petri Parvinen and D.Sc. (Econ.) **Jaakko Aspara**. It is the first sales professorship in Finland.

The Stratmark research project, a joint project between HSE Marketing and Hanken invited over 600 company managers and other opinion-makers in a joint seminar day in January. The most common title of the participants was CEO. The Stratmark project was publicized in the media throughout the year.

Organization and Management subject invited two new professors. Long-term HSE employee Ph.D. **Marja-Liisa Kakkuri-Knuuttila** was appointed professor of philosophy. Among other things, she has studied the nature of causal relations and their explanation in qualitative and quantitative research, methods of overcoming dialogue between paradigms, and the rhetoric of science. At the same time, the subject of philosophy was discontinued and transferred as a part of the Organization and Management subject.

D.Sc. (Econ.) **Liisa Välikangas** was invited to the innovation leadership professorship. She has previously been working in the United States. Among other things, Välikangas launched the Tekes project "Transformative Action and CEO Leadership in Finland's Leading Corporations." The project also involves the companies Nokia, Kone, Outokumpu, and TietoEnator.

To celebrate the 60th birthday of professor **Risto Tainio**, an international seminar was held on the theme of globalization. An introduction to the seminar was given by e.g. Professor **Woody Powell** from Stanford University.

Ph.D. **Joanna Scott-Kennel**, from University of Wellington in New Zealand, spent her sabbatical in the subject of International Business. She participated in teaching and research, specializing in direct investments in small, open economies. Also **John Darling**, **Tiit Elenurm**, **Olivier Irmann**, **Davide Ravasi**, and **Dan Steinbock** taught in the International Business masters program, and **Manek Kirpalani** and **Stuart Macdonald** in the doctorate program.

The largest singular project in International Business was the RESPONSE project of Tekes' LIITO program. It concerns the impact of globalization on Finnish high-tech and high-expertise companies and the possibilities to improve the competitiveness of these companies.

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## Sales Project Aims to Improve Expertise and Appreciation of Sales

HSE Department of Marketing and Management and TKK's BIT Research Centre began a joint project in May 2007. The Project, [Development of Sales in Industrial and Technological Networks](#), or simply, the Sales Project, aims to create a high level sales expertise cluster into the Finnish higher education community, and produce scientific knowledge regarding the way that sales and sales expertise can be developed in industrial and technological company networks.

The leaders of the project see that the ability and appreciation of sales have traditionally been very low in Finland compared to their significance in business and challenges they propose.

– Low appreciation is also reflected in the academic activity in the field. There has been very little research of processes related to sales and organization of sales, or management models in Finland, says Ph.D. Professor **Petri Parvinen**, one of the two academic leaders of the project.

The project has already succeeded in mapping the current state of sales expertise in Finland. Other interesting research topics include, for example, sales management and sales processes, industrial solution sales as well as the connection of the business activity model and value guarantees with sales activity.

Pictured: Petri Parvinen absorbed into a book.  
Photo: Jaana Rannikko

Updated May 12. 2008

## Department of Languages and Communication



*Subjects: International Business Communication, Spanish, Italian, Japanese, International Business Communication, French, Swedish, German, Finnish Language and Communication, Russian*

**2 professors, 26 lecturers,  
101 students (majoring),  
18 755 credits achieved,  
5 MSc graduates**

Department of Languages and Communication was internally selected as a HSE teaching quality unit together with the subject of Finance. The perceived strength of the department was the exceptionally good curriculum work and long-term development of teaching.

Together with HSE Business services, the department established a Round table discussion series around the topic of communication for HSE's partner companies. The themes of the series, which continued until spring 2008, included implementing strategies in practice and communicating change, financial communications and media, communication within the working community, and the challenges of internationalization. The events raised many topics for discussion, with communication experts from both companies and universities as the introductory speakers. The discussions were hosted by the Masters Program leaders, Professor Helena Kangasharju and lecturer **Leena Louhiala-Salminen**.

Professor **Mirjaliisa Charles** participated in the Chinese-Finnish economy research seminar in Shanghai as a member of the Academy of Finland's Liike 2 program delegation October 29–30, 2007. She gave a presentation in Shanghai Academy of Social Sciences under the title of "Communication Challenges in Globalized Business." The speech was related to the research project of Liike 2 program in the Academy which maps out the communication needs and know-how of multinational and globalizing businesses.

The 30th anniversary of Finnish Language and Communication Masters Program was held in the end of November. Simultaneously, the event introduced the new Financial Communication Masters Program. Communications alumni as well as students were invited. The main speaker was the Department of Language and Business Communication Assistant Professor **Birte Asmuss** from Århus School of Business.

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### Spanish put to Practice in South America

Spanish language lecturer **Pasi Puranen** and nineteen HSE Spanish students packed their bags and flew to South America at the end of November. The two-week excursion took them to Argentina, Chile, and Uruguay.

Traveling through the three countries, the group visited several local and Finnish companies and familiarized themselves with the business life and society of the countries.

– South America is a developing market area, and therefore it is very interesting as a topic of study. One of the most interesting visits was the one to the newly opened Oy Metsä-Botnia Ab pulp plant in Fray Bentos. Another interesting destination was the Argentine Stock Exchange, where we received an extensive introduction to Argentinean business life, says Puranen.

The visits also supported the objectives of the excursion by strengthening Spanish language skills, especially the skills of business Spanish language. It was especially good for the students to meet students from the University of Buenos Aires, who acquainted them with local student life.

Pasi Puranen pictured reading Spanish textbooks.  
Photo: Jaana Rannikko

Updated May 12. 2008

# Services



## Corporate Services

Businesses are involved in the development of research and teaching in a variety of ways. The HSE Corporate Services team had two areas of focus in 2007: partnership and lecture hall sponsoring activities and research cooperation.

### Restructured Partnership Program

The HSE Partnership Program, in operation since the year 2001, was evaluated in spring 2007. Companies consider the Partnership Program as a significant opportunity to establish deep and strategic cooperation with HSE. However, the companies' needs differ and as a result the Partnership Program was restructured to include three steps:

- 1) research-oriented key partnership,
- 2) partnership focusing on student contacts and
- 3) supporting the university's high standard teaching premises by sponsoring lecture halls.

Partner companies continued to be interested particularly in recruiting recently graduated Masters of Economic Science, which partly contributed to the transfer of new knowledge and expertise. Partners introduced themselves to students for example during the Orientation Week for new students and were guest lecturers in several courses.

Almost all partners continued their contracts in 2007, with Kemira joining the program as a new partner. In 2007 there were 12 partners. In the beginning of the year 2007, there were 21 lecture halls sponsored by companies.

» [Lecture hall sponsoring companies at HSE website](#)

### Supporting Research Cooperation

Corporate Services assist Research Services and different HSE units in obtaining and launching research projects. During 2007, cooperation has been negotiated within the framework of projects offered by Tekes programs, the Academy of Finland and different industrial organizations.

Cooperation with the HSE doctoral and entrepreneur alumni has also began well and the Finnish Family Firms Association has entered as a potential new partner. Corporate Services has also been engaged in close negotiations with other leading research institutions in Finland: Universities of Technology, Technical Research Centre of Finland, and University of Art and Design Helsinki.

## Current Partners:

[Deloitte](#)

[Ernst & Young](#)

[IBM](#)

[Kemira](#)

[KPMG](#)

[Kumera](#)

[Nokia](#)

[Outokumpu](#)

[Nokia](#)

[Outokumpu](#)

[PricewaterhouseCoopers](#)

[S-ryhmä](#)

[Stora Enso](#)

## CEMS Partners:

[Elcoteq](#)

[Kone](#)

[Nokia](#)

[Stora Enso](#)

Companies have commissioned a substantial part of the Master's theses completed at HSE annually.

### **Student Business Projects (SBP)**

A large number of Student Business Projects have provided HSE students and supervisors with the opportunity to participate in various research and study projects commissioned by corporate clients. The number of Student Business Projects was about ten, comparable to previous years. In addition to the chargeable activities, the SBP Coordinator was also responsible for coordinating business projects in the CEMS program.

### **Career Services**

The main task of Career Services is to promote employment opportunities and the readiness of HSE students to enter the job market and to cater to the recruitment needs of companies.

In 2007 the focus of activities rested, on the one hand, on securing and further developing the basic services to students, as well as on marketing services to companies more effectively. Furthermore, Career Services focused particularly on increasing the amount of information distributed to businesses and increasing corporate cooperation. Indeed, more than 100 corporate get-togethers were held during the year.

The number of companies participating in the traditional Arena Career Fair rose from 57 to 73. The content, structure, and marketing of the fair were developed on the basis of previous feedback.

The CareerWeb service, which offers jobs and internships, relayed 3,108 job advertisements. Growth from the previous year was nearly 10 percent. According to surveys, over 70 percent of HSE students use CareerWeb on a regular basis.

CV searches continued to be a popular way of recruiting HSE students nearing the completion of their studies as direct commissions. The service was marketed very actively among students and the number of CVs from students nearing the completion of their studies rose by almost 50 % during the fall semester.

Special attention was paid to providing students with career guidance and training in job seeking. HSE has also played an active role in the Aarresaari network of university career services

### **Alumni activities**

HSE's alumni activities produced some two dozen alumni events such as class reunions, a benefit concert, open lectures, as well as meetings for the doctoral and entrepreneur alumni networks during the year. The activities bring several thousands of guests to the university annually.

A SWOT analysis was conducted on the alumni activities. The revised vision of the alumni activities is "HSE – a lifetime partner" and its mission is to be a community that offers the alumni an opportunity to develop themselves and their business and to network, also internationally. The alumni board was also reformed, and it now represents different alumni groups, the scientific community, and students. As a new tradition, the "Perspective Day" of the Finnish Institute of Management, organized since 1965, was included in the HSE alumni activities.

### **Mentoring**

In the 2007 mentoring program, development proposals from previous years were taken into account and the mentoring schedule was revised. The program for 2007–2008 began in fall 2007 with 38 pairs participating in it. The project continued throughout the year 2007 and involved 41 pairs in total.

## Education services



### Open University

*2,916 students, 6,756 participation in courses , 590 calculated full-time students*

**Units:**  
**Open**  
**University**  
**HSE EE**  
**SBC**

Regardless of educational background, anyone can acquire the fundamentals of the various sectors of business by means of Open University education. HSE provides Open University education in Helsinki and Mikkelä. The use of the information network in teaching facilitates studying for those living elsewhere.

The operation of the Open University at HSE is broad in relation to the size of the parent university. In 2007, the number of Open University students amounted to 68.2 % of all degree students at the university, while the average ratio for universities was 41.2 %.

The number of Open University in-house courses during the year was 136. In addition, course places were offered from HSE basic studies courses. The number of summer courses was 51. Summer education for degree students at HSE is provided as Open University education.

In Open University education, the standard of teaching and credits is equivalent to those of degree education. The standard of teaching is ensured primarily by having the same teachers in both open education and in degree education. If this is not possible, the lecturer responsible for degree education shall advise the Open University lecturer in organizing the course. The standard of credits for completed courses is observed regularly by comparing the distribution of examination grades with those from degree education.

Based on their studies on the Open University, 26 persons were admitted to study as degree students. In the previous year the number was 24.

### HSE Executive Education Ltd

HSE Executive Education Ltd (HSE EE) fulfils the university's role in continuing education by offering development services to upper management. HSE EE is a subsidiary of HSE Holding Ltd, which owns HSE's funds.

The operation is based on close cooperation with the university's teaching and research personnel and, in addition, the utilization of the strong network of international universities and expert organizations. The company has a subsidiary in Singapore, which also operates in China and Taiwan, among other places. Executive MBA programs were implemented in six different countries.

### Two Mergers Increased Turnover

In 2007, the turnover of the conglomerate was slightly over €8.9 million, of which the parent company accounts for approximately €7.9 million. The turnover was increased especially by the two mergers that took place during 2007. In the first merger the MBA programs from the International Center of HSE were transferred under the responsibility of HSE EE in January 2007. The second merger took place in late August when LTT Research Ltd, a sister company to HSE EE, merged with

the company.

### **Number One for the Tenth Consecutive Time**

For the tenth consecutive time, HSE Executive Education was evaluated as the best provider of management education in Finland in the corporate image survey on management training (Helsinki Metropolitan Area) done by Taloustutkimus, an independent research house in Finland.

In spring, HSE EE was ranked 37th in the combined rankings of business schools offering management education done by Financial Times Executive Education. In the Financial Times Executive MBA ranking HSE EE ranked 77th overall in the fall.

### **Small Business Center (SBC)**

The Small Business Center (SBC; PYK in Finnish) is a unit that specializes in promoting entrepreneurship and developing SMEs. It work in cooperation with entrepreneurs and SMEs regionally and nationally.

Business science knowledge is transmitted for the benefit of SMEs by means of education, business incubators, and research. The Small Business Center has branches in Mikkeli, Helsinki, St Petersburg, and Tallinn. It engages in a wide range of activities to promote business focusing on the Baltic Sea area.

The turnover of the unit was approximately €6 million. During the year, approximately 3,600 students attended SBC's programs during nearly 20,000 training days.

Almost 180 programs aimed at SMEs were organized throughout Finland. Training was also organized in Russia, Estonia, and Latvia in order to promote operation of Finnish SMEs in the countries in question.

The participants of entrepreneurship programs (almost 1,300 people) gave rise to some 200 new businesses. Approximately 900 managers from SMEs and other organizations participated in the management programs. About 600 people participated in programs promoting internationalization and export.

Together with TKK's Lifelong Learning Institute Dipoli, SBC launched a new program aiming to develop the entrepreneurship and business skills of people with an academic background, in particular those with technical training (Väylä project).

### **Two New Professorships in Mikkeli**

The research activities of the Small Business Center developed due to new professorships in entrepreneurship training and sales management placed in SBC Mikkeli. At the end of the year, there were a total of three department professorships in the Small Business Center.

The research groups formed around the professorships focused on high-potential entrepreneurship and growth of SMEs, research of entrepreneurial competence, research on the state of sales in companies, investigating the innovation potential in Russia – especially in the St. Petersburg area – and research serving educational activities.

### **Business Incubators Promote Academic Entrepreneurship**

The founding of companies by university graduates and others with a higher education background was supported through business incubators. At the end of 2007, about 30 businesses in total were housed in the business incubators. Overall, already almost 180 new businesses have emerged from the SBC incubators.

During the year, the Small Business Center participated in several international research and development projects in cooperation with other SME educational and development organizations operating in EU countries. The projects also received EU funding.

# Library and Information Services



In 2007, the high-quality, multi-channel service and materials offered by the Helecon Information Center, the HSE library, promoted the educational and research-related competitiveness of the university. As the leading business information center in Finland, it supported business know-how and entrepreneurship education as well as the information needs of persons in a variety of positions in business and industry and in continuing education, and with its Helecon research follow-up services it supported the information services of economic sciences.

*"Helecon is the leading business information center in Finland."*

The Information Center was the leading research library of economic sciences in Finland in terms of the offered materials and services, the number of service transactions, utilization rate, international stakeholders, and customers.

The library provides multi-channel services with the aim of achieving greater availability and usability. Various mobile and online services facilitate library use.

## **Support to HSE Research Strategy**

The Helecon Information Center provided support for the HSE research strategy by conveying the most recent international research findings to the scientific community through its collections and over 100 databases in the digital campus library. RSS news services were developed to support research monitoring. The use of electronic scientific journals increased, as did the number of users in the Journals portal. The ISI impact factors integrated into journal data contributed to the value of the portal.

Information retrieval support and training have been integrated into the life cycle of research processes and research groups based on their needs. Information retrieval training was offered to HSE BSc students, postgraduate students, researchers, and personnel. The training services were very popular: e.g., in 2007 a total of 190 students attended personal information retrieval training aimed at students starting to write their thesis.

## **International Awareness of Research Results**

Helecon facilitated the international distribution of HSE's research results by developing and maintaining the university's open digital publications portal and the electronic publications portal for doctoral theses and working papers. The electronic publications portal had approximately 79,000 users and was used over 104,000 times.

Helecon is a member of EuroCris (Current Research Information Systems) and SPARC (The Scholarly Publishing and Academic Resources Coalition), which are organizations promoting the transparency of research.

Helecon is active in the European, American, and Asian network of business school libraries and participated in the international benchmarking of best practices and the development of quality management systems.

Helecon's in-house content provision monitors European (Helecon-Scima) and Asian (Helecon Asia) research findings with abstracts in its reference databases. The library has been accepted as the deposit library of the World Bank, Asian Development Bank, and South-American Development Bank.

Preparations for the realization of the Innovation University in 2009 were started by initiating joint planning negotiations with the management and personnel of libraries in TKK and TaiK. In preparation for the EQUIS and FINHEEC assessments to be carried out in 2008, process descriptions of the library's core activities were created.

Above: Helecon information center.  
Photo: Aino Huovio

Updated May 12. 2008

# Personnel



## Aiming toward Permanent Personnel

In 2007 HSE employed 520 people (FTE). Teaching and research personnel comprised 251 and the remaining 269 were comprised of other personnel (including, in addition to administrative personnel, e.g. teaching and research assistant personnel, library and IT personnel and the continuing education personnel). The largest single group of personnel was administrative and office staff, which amounted to 29.1 % of personnel (FTE).

Temporary personnel accounted for 49.4 % of all staff. In the previous year, temporary personnel accounted for 54.3 %. Considerable effort has been made in recent years to make temporary employees permanent. Women accounted for 52.9 % of personnel.

By the end of 2007, 66 % of the employees had a university degree (lower university level 8.9 %, higher university level 32.5 % and doctoral level 24.7 %).

## Personnel Encumbered by Great Changes

The Innovation University project has affected the development of personnel. The aim of HSE personnel policy is to create an encouraging working atmosphere which enhances commitment to the university and has a positive outlook on development.

In accordance with HSE strategy, the development of teaching, the development of language skills and various intercultural communication skills required in international activities, IT and communications technique skills, and management and executive training have played a crucial role in human resources development.

Maintaining working capacity, working abilities and developing job wellbeing have been highly important focus areas in the current changing situation at HSE.

## Personnel Satisfaction Higher than in Public Administration on Average

The job satisfaction survey for the personnel was carried out for the fourth time with an internet-based tool from the Ministry of Finance. The general score was 3.33, which is slightly higher than in previous years and in most fields slightly better than universities or the public administration in general.

Roughly half of personnel participated in the survey. Job independence and challenges as well as the working atmosphere and cooperation were given very positive assessments. Alternatively, the salary and the flow of information need further improvement.

Photo: HSE Communications

Updated May 12. 2008

***"Maintaining working capacity, working abilities and developing job wellbeing have been highly important focus areas in the current changing situation at HSE."***

# HSE Foundation



## Support, Recognition, and Donations to Economic Sciences

*"HSE Foundation – 33 years of support for teaching and research in economic sciences"*

In 2007 the HSE Foundation granted €1,105,000 (€979,000 in 2006) to HSE and those operating within it in the form of grants and other support for the purpose of supporting research and teaching activity as well as facilitating studies.

The focus areas of the support from the foundation, established in 1974, were scientific research, theses, travel grants, international student exchange, teaching development projects, the sabbatical leave system, and various acknowledgement awards.

## Awards

A €3,500 award for Researcher of the Year was granted to Professor **Kaisa Miettinen** in recognition of significant scientific research in the field of mathematical optimization. A €7,000 award for research groups went to "Human-Centered and User-Experience-based Media and Communication Technologies" research group led by **Niklas Ravaja**, Ph.D., in recognition of important basic research in the field of psychology and for yielding valuable information on mobile communications.

A €3,500 award for the Study Supervisor of the Year was granted to Professor **Matti Keloharju** for significant investment in postgraduate supervision in 2006. Additionally, Professors **Pekka Korhonen** and **Mirjaliisa Charles** were granted awards of €2,000 in recognition of their high-quality long-term postgraduate supervision.

The Doctoral Thesis of the Year award of €3,500 was granted to D.Sc. (Econ.) **Elias Rantapuska** for the doctoral thesis of the highest standard in 2006, "Essays on Investment Decisions of Individual and Institutional Investors."

In addition, awards of €1,500 for high-quality doctoral theses in 2006 were given to **Mikko Jalas**, Ph.D., for the doctoral thesis, "Busy, Wise and Idle Time. A Study of the Temporalities of Consumption in the Environmental Debate," and **Kristiina Mäkelä**, D.Sc. (Econ.) for the doctoral thesis, "Essays on Interpersonal Level Knowledge Sharing within the Multinational Corporation."

The award for Teacher of the Year, €3,500, was granted to Professor **Vesa Puttonen** and the award for Administrator of the Year, €3,500, was given to administrative officer **Minna-Mari Moisio**.

## Awards for Quality Publications

HSE Foundation grants high-quality publication awards to HSE researchers for research papers published in leading academic journals. The award is given in recognition of especially creditable long-term research.

As in the past two years, awards of €2,000 for high-quality publications were granted for research papers published in journals with an official impact factor of over 1.0 at the time the article was sent or published. A total of 18 such awards for high-quality publications were granted in 2007.

As a new award for high-quality publications, the Board of the HSE Foundation decided to grant an award of €4,000 for articles published in journals included in the Financial Times Top 40 ranking. One such high-quality publication award accordant with the FT Top 40 ranking was granted in 2007 to Professor **Liisa Välikangas**.

## **Donations**

In addition to property returns, donations from companies, other corporations, and private persons make up a substantial portion of the funds the HSE Foundation bestows as grants and other support.

In 2007, the HSE Foundation received a total of €313,000 as various thesis and activity donations. In addition, Tietoenator Plc donated €25,000 as the basic capital for the Chancellor **Matti Lehti** Fund, established in the year under review. The same fund also received a donation of €700. The 60th anniversary donations of Director General **Veli-Pekka Saarnivaara** yielded €6,100 to the anniversary fund.

## **Helsinki School of Economics Foundation 2007**

Chairman of the HSE Foundation Delegation:  
Counselor of Commerce, **Heikki Timonen**, M.Sc. (Econ.)

Deputy Chairman of the HSE Foundation Delegation:  
Assistant Managing Director, **Pauli K. Mattila**, LL.D.

Chairman of the Board of the HSE Foundation:  
**Aatto Prihti**, D.Sc. (Econ.)

Deputy Chairman of the Board of the HSE Foundation:  
**Matti Lehti**, Chancellor, D.Sc. (Econ.)

Members of the Board:  
**Kari Jordan**, President and CEO, M.Sc. (Econ.)  
**Veikko Jääskeläinen**, D.Sc. (Econ.)  
**Eero O. Kasanen**, Rector, D.Sc. (Econ.)  
**Maija Torkko**, M.Sc. (Econ.)  
**Matti Vuoria**, CEO, LL.M.

Managing Director of the Foundation:  
**Arto Mäenmaa**, M.Sc. (Econ.)

Photo: Aino Huovio

Updated May 12. 2008

## Student union of the Helsinki School of Economics, KY



Year 2007 marked the student union's 96th year, and the union was led by the Executive Board with **Jenni Laakso** as Chairperson. Having been responsible for Academic Affairs in the previous board, Laakso possessed the required experience for the task, which proved useful as the year under review proved to be exceptionally arduous and challenging.

*"The Innovation University project kept the student union increasingly busy."*

The guiding theme for the year was developing the direction and continuity of activities. The Student Council approved of the student union's primary values, mission, vision, and strategy, which define a clear framework and direction for the activities. The Executive Board developed its own action plan process and towards the end of the year delivered a memo to the Student Council of the operational guidelines including the withdrawing Board's views on the projects to be carried out in the following year.

Goal-oriented lobbying activities were carried out with regard to advocacy issues both nationally and within HSE from the start of the year. Public comments, statements, letters of opinion as well as personal contacts were utilized. KY and the entire student movement was successful in passing several objectives into the Government Program of the Finnish Government: the program includes the implementation of the Innovation University as well as increasing the study grant and raising the maximum amount of student earnings.

The Innovation University project kept the student union increasingly busy. Jenni Laakso from KY was nominated the only student member of the steering group of the project. In the preparation of the project, KY has been in close contact with the members of the steering group, **Olli Ahtola**, HSE's project manager in the project, and the rectorate as well as participated in the activities of the theme groups through active student members. Due to the project, the student unions of the constituent universities have to consider their future; since in Finland a university can only have one student union.

Students in a tug-of-war.  
Photo: Aino Huovio

Updated May 12. 2008

## Events at HSE in 2007



19 Feb 2007

### **Innovation University**

The so-called Sailas working group, discussing more intense cooperation between TKK, HSE, and TaiK, proposes merging the three universities into a new university. According to the working group, establishing the new university is a national project that will benefit the entire Finnish national economy.

12 Apr 2007

### **Worldwide recognition for HSE**

The Helsinki School of Economics (HSE) was awarded the international AACSB accreditation. AACSB is the top-rated global accrediting agency. This time HSE was the only European university to fulfill the strict quality standards. In addition to HSE, only eight other business schools, six of which are located in the United States, received the accreditation.

2 May 2007

### **Paula Kyrö began as Professor of Entrepreneurship Education**

Paula Kyrö, new Professor of Entrepreneurship Education at HSE, wished to include entrepreneurship education in degrees and degree structures.

4 Oct 2007

### **FT ranked the CEMS Master's program among the top European programs**

The CEMS MIM program, organized by HSE and 16 other European business schools, was again ranked the second best Master's program in Europe in the Financial Times ranking.

7 Dec 2007

### **HSE Ranking 20th in FT**

Helsinki School of Economics was ranked in 20th place in the recent Financial Times ranking of European business schools. The ranking was four places higher than last year. HSE was assessed together with HSE Executive Education offering continuing education.

11 Dec 2007

### **Award-winning innovation facilitates the use of election engine comparison**

HSE's researchers Ilpo Kojo and Mikko Berg received the Edelcrantz Challenge Award from the Foundation for New Technology. Kojo and Berg have researched visualization methods, which facilitate the clear and user-friendly

## Events at HSE in 2007

**11 Jan Afternoon of economic sciences, Science Forum at the University of Helsinki**

**18 Jan StratMark seminar, HSE and Hanken**

**1 Feb Jaakko Honko Lectures  
Chancellor Aatto Prihti gave a lecture titled Finnish affluent society 2020 – Does it exist?**

**28 Feb International IBM Faculty Award for HSE**

**17 Apr Studia Economica lecture: Finnish Companies under Pressure from Globalization**

**30 Aug HSE Research Day**

**31 Aug Opening Ceremony of the Academic Year**

**24 Oct 2007 HSE Professor Matti Pohjola was awarded the Eino H. Laurila national income medal**

**31 Oct The Eino H. Laurila national income medal for the year 2007 is granted to Professor Matti Pohjola and M.Pol.Sc. Jukka Jalava**

**7 Nov ARENA Career Fair**

interpretation and portrayal of multidimensional numerical data. The findings have been applied to, e.g., Internet-based election engines.

### **Doctoral theses**

In 2007 31 Doctorial degrees were awarded at HSE. HSE Doctorial graduates received awards both in Finland and abroad in 2007. Among others, the theses of the following doctors received recognition:

**D.Sc. (Econ.) Elias Rantapuska** received the OP Group doctoral thesis award. His thesis studies investor behavior in the Finnish stock market during 1995–2002.

**D.Sc. (Econ.) Anu Bask's** doctoral thesis, "Preconditions of Successful Supply Chain Relationships," has been selected as the logistics study of the year.

**D.Sc. (Econ.) Elias Rantapuska**, HSE Foundation's 2007 award for doctoral thesis of the highest standard in HSE in 2006.

**D.Sc. (Econ.) Mikko Jalas**, HSE Foundation's 2007 award for outstanding doctoral thesis in 2006.

**D.Sc. (Econ.) Kristiina Mäkelä**, HSE Foundation's 2007 award for outstanding doctoral thesis in 2006.

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## Key Figures



### Funding

Budget funding from the Ministry of Education	M€25.319
Supplementary Funding	M€13.974
Total	M€39.263

### Personnel (FTE)

Teaching and research personnel	251
Other personnel (*)	269
Total	520

\*Includes, in addition to administrative personnel, e.g., teaching and research assistant personnel, library and IT personnel, and the continuing education personnel.

### HSE's publications in 2007 according to the Ministry of Education's KOTA database (\*)

Publications in Finland	230
Publications abroad	163

\*Situation on March 6, 2008. The research database will be updated at a later date.

### Citations to publications and articles

Citations to articles published under the name of HSE according to the ISI database (Web of Science)	455
Citations to articles by HSE's researchers according to the ISI data base (Web of Science)	878

### Students

Number of BSc and MSc students	3.940
Average scope of a Master's degree	169 cred.
Average length of a Master's degree (median)	5.26 yr

## Degrees Awarded 2007

<b>Department</b>	<b>Bachelor</b>	<b>Master</b>	<b>Licenciate</b>	<b>Doctor</b>
Economics		24	-	4
Accounting and Finance		167	1	4
Business Technology		64	-	12
Marketing and Management		135	1	11
Languages and Communication		5	-	-
Mikkeli BScBA program	83	-	-	-
<b>Total</b>	<b>224</b>	<b>391</b>	<b>2</b>	<b>31</b>

Photo: Aino Huovio

Updated May 12. 2008