



ANNUAL REPORT

HELSINKI SCHOOL OF ECONOMICS AND
BUSINESS ADMINISTRATION

1 9 9 8

ANNUAL REPORT 1998

In its endeavors, HSEBA

- concentrates on a high standard of innovative research, teaching and business development
- encourages able individuals and groups
- supports diversity in the workplace
- strengthens the sense of community and sees to the welfare of those working in it
- demonstrates national responsibility and is international in all its activities

In all its endeavors, the Helsinki School of Economics and Business Administration observes high ethical principles, values honesty and respect for others and takes considerations of equality and sustainable development into account.

The Helsinki School of Economics and Business Administration (HSEBA) is an independent state institution of university standing. It engages in economic and business research and education. HSEBA is the largest institution of its kind in Finland with respect to both student body and personnel. The Helsinki School of Economics and Business Administration was founded in 1911. During our 87-year history, we have conferred more than 19,000 postgraduate, graduate, or undergraduate degrees. Both Finnish firms and foreign and multinational companies show keen interest in recruiting our graduates.

Key Figures for the Helsinki School of Economics and Business Administration in 1998

Master of Science degrees	364
Licentiates	17
Doctorates	12
Students in the M.Sc. program	3384
MBA's	63
Continuing education programs	386
Personnel	199
Teaching and research staff	210

How to contact us:

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REVIEW BY THE RECTOR

OUR OWN PLACE IN EUROPE

Without doubt, renovation of the main building crowned the achievements of the past year. At opening ceremonies conducted in the spirit of the 1950s, Minister of Education Olli-Pekka Heinonen rededicated the main building, which had been renovated with reverence and furnished with the latest information technology. We owe considerable gratitude to architect Kari Raimoranta and interior designer Jouni Leino for the elegance and efficiency of the refurbished main building.

The closing words of the address given 50 years ago by Rector O.W. Louhivuori on the occasion of the original dedication are still apt:

“This building will provide the foundation for new economic achievement. While its value as a building will decline over the years and it will eventually vanish, its accomplishments will endure. Its noble task is to serve what is highest and most enduring in the human soul – seeking truth, proclaiming it and then using it to build a happier future for the country and its people.”

The potential afforded by the new facilities and technology has been used effectively. The Helsinki School of Economics and Business Administration (HSEBA) has arranged functions for alumni, the Studia Economica lectures, class reunions, tours of the premises, international seminars and conferences, and created a new learning environment. Our long-term partners have sponsored the acquisition of equipment and furnishings for the main building by lending their

names to its lecture halls and classrooms. I would like to express my warmest thanks to these organizations, for assisting us in acquiring some of the best facilities in Europe.

Thanks to its persistent efforts, HSEBA has earned its place among European universities. We are proud to include in our identity recognition for quality from two highly regarded organizations. EQUIS certification is a mark of quality granted by the leading institutions of management education and business experts in Europe. To date, some twenty universities of business and management have received this recognition. HSEBA has also been accepted for membership in the CEMS network, which comprises 16 leading European universities of business and management and more than 50 international companies. It is my pleasure to thank the entire staff for achieving an international standard of quality.

Our plans for future development aim toward a concentration of top business research and competence – the ‘Helsinki Business Campus.’ Finland’s ever closer links with the global economy will require even greater efforts in research on management and markets and in life-long management education. The Helsinki School of Economics and Business Administration and the companies working in partnership with it are prepared to accept this challenge.



EERO O. KASANEN
RECTOR

PROFESSORS AT THE HELSINKI SCHOOL OF ECONOMICS AND BUSINESS ADMINISTRATION

Ahtola, Olli	marketing
Anttila, Mai	marketing
Dahlstedt, Roy	economics
Haaparanta, Pertti	economics
Hakkarainen, Heikki	German
Halme, Merja-Liisa	management science
Home, Niilo	trade
Ilmakunnas, Pekka	economics
Järvikare, Kai	accounting
Kallio, Markku	management science
Kangasharju, Helena	Finnish
Kanto, Antti	quantitative methods of economics and management science
Kasanen, Eero O.	finance
Kinnunen, Juha	accounting
Kivijärvi, Hannu	information systems science
Korhonen, Pekka	quantitative methods of economics and management science
Kultti, Klaus	economics
Kyläkoski, Kalevi	accounting
Käppi, Jari	finance
Lahti, Arto	entrepreneurship and SME business management
Lehtonen, Tapani	quantitative methods of economics and management science
Leppiniemi, Jarmo	accounting
Lilja, Kari	organization and management
Luostarinen, Reijo	international business
Malmi, Teemu	accounting
Mannio, Lauri	business law
Martikainen, Teppo	finance
Möller, Kristian	marketing
Niskakangas, Heikki	business law
Piekkari, Rebecca	international business
Pihkala, Erkki	economic history
Pohjola, Matti	economics
Rudanko, Matti	business law
Räsänen, Keijo	organization and management
Saarinen, Timo	information systems science
Salo, Seppo	quantitative methods of economics and management science
Steinbock, Dan	virtual teaching project
Sääksjärvi, Markku	information systems science
Tainio, Risto	organization and management
Tombek, Mihkel	technology management and policy
Uusitalo, Liisa	marketing
Wallenius, Jyrki	management science
Vanhala, Sinikka	organization and management
Vepsäläinen, Ari	logistics
Virtanen, Kalevi	accounting

ACHIEVEMENT OF THE GOALS FOR 1998

The Helsinki School of Economics and Business Administration (HSEBA) continued to expand and develop during the year under review. Much was achieved, thanks to the persistent efforts of all personnel in maintaining a high standard of quality. The goals set in the core areas of research and teaching were surpassed and significant recognition for quality was received on a number of occasions. Lifelong education, applied research and partnerships with business rose to an entirely new level.

We continued our discussion of values and work on our mission through a process of strategic planning in which the HSEBA Board played an active part during its evening sessions. Our clearly defined values and goals won acclaim from the international EQUIS evaluation team. Internalization of our values and mission was apparent in the numerous references made to them in planning and discussion within the various units.

The physical framework of our school improved substantially during 1998 when renovation of the main building was completed. The final result was also the subject of acclaim and wide interest outside Finland. Other projects aiming at improving our teaching and research facilities have also made progress.

Overall, the administrative bodies have had a busy year. HSEBA's new statutes and the new lean organization for administrative services proved effective. Close cooperation continued with all groups involved in administration, particularly with the HSEBA Student Union. Further improvement were made in information management and functions were reorganized to respond to the challenges posed by rapid change and user needs.

The exceptionally good results of the past year were neither fortuitous nor the outcome of momentary effort; they were based instead on the perseverance of a motivated staff and excellent students. The value of these results is enhanced when we recall that they were accomplished despite the pressure of moving, numerous projects

and rapid change. The motivation of staff nevertheless remained high, thanks to a working environment that is innovative, dynamic and committed to quality. Although the basic funding for our university has declined in recent years, we have succeeded in expanding our services outwardly by building ties with both business and the public sector.

HSEBA RECEIVES EUROPEAN RECOGNITION FOR QUALITY

Year of determined development work yielded gratifying results during the year. As a result of a thorough EQUIS (European Quality Improvement Service) evaluation, our university was accredited by the EFMD (the European Foundation of Management Development). The background material for the evaluation comprised a comprehensive self-assessment report covering all our university's functions. In April, a four-



member evaluation team visited HSEBA to have a closer look at us and subsequently recommended accreditation to the EFMD. Similar accreditation was granted to 18 European universities of business and management, including the London Business School, INSEAD, IMD, the Rotterdam School of Management, ESC Paris, SDA Bocconi, ESADE and IESE.

The evaluation team also expressed criticism, which our university takes seriously and plans to address in its future development. Areas requiring further improvement were for example integration of programs, increasing the international character of teaching in the basic degree program, interaction, management and communication skills, and opportunities for practical work experience.

At year end, HSEBA also became a member of CEMS (the Community of European Management Schools). Membership will open new doors for cooperation in education and research, and

will provide students at HSEBA with an opportunity to complete a parallel CEMS Master's degree, the high quality of which is recognized by major European companies.

Apart from the above recognition, the Department of Languages and Communication was

named a center of excellence in teaching and HSEBA a quality university of adult education. The MBA program was included among the 20 most distinguished MBA programs in Europe in a ranking made by *The Wall Street Journal*.

PARTNERSHIPS WITH BUSINESS AND A HIGHER PROFILE

During the past year, HSEBA increased its ties with the business community. Coordinated by the Marketing and Communication Unit, these efforts succeeded in elevating our cooperation with the private sector to a much higher plane. Reopening of the main building has also meant increased interest in our institution.

Research and teaching staff were actively involved in research projects carried out with external funding. Research funded by the Academy of Finland expanded considerably; research services were developed in particular by LTT Research Ltd. Continuing education programs offered by JOKO Executive Education, the Adult Education Center and the Small Business Center and the programs of the Open University were an essential part of HSEBA's direct services to the public. Our university also actively supported employment of students through increased cooperation with business in thesis projects, company projects, work with alumni and in more extensive partnership ventures. Employment and starting salaries for HSEBA graduates top the statistics.

One example of HSEBA's success is the fact that in 1998 the turnover of the entire HSEBA Group exceeded FIM 200 million for the first time. Basic funding from the government totaled approximately FIM 110 million. Other income came from priced services and other external funding.

RENOVATION COMPLETE

The two-year renovation of the main building, which dates from 1950, was finished in the summer of 1998. The elegant outcome of the project and the modern furnishings and equipment have

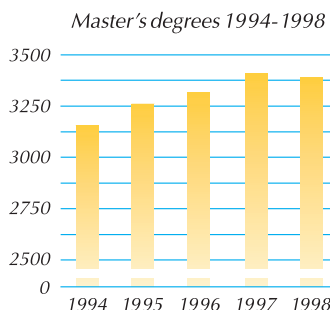
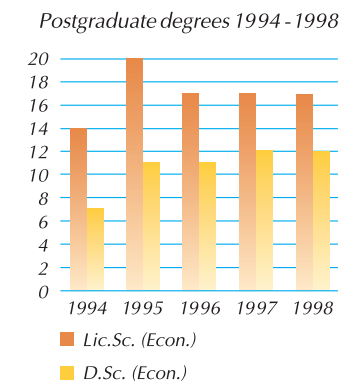
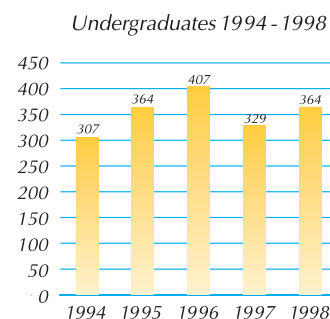
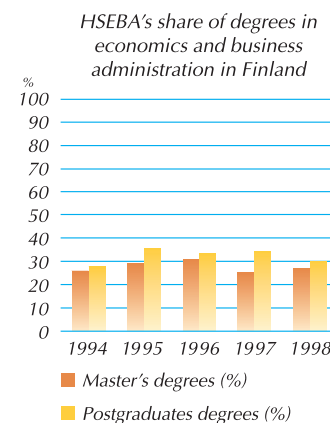


attracted deserved attention. The original exterior was preserved and even improved while the technology required by today's world was installed without disturbing the architectural entity. The State Real Property Authority gave special recognition to the renovation.

The main building was rededicated on September 4, 1998 at the opening ceremonies for the academic year and at celebrations in the evening attended by some 800 persons. Businesses sponsoring furnishings and equipment presented their operations to the many guests in the lecture halls and classrooms bearing their names.

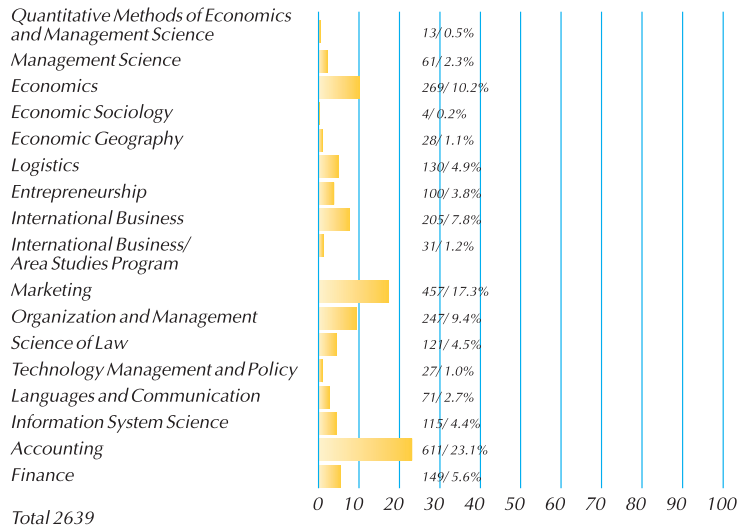
Renovation of the building was linked closely to HSEBA's strategic development. To increase the international character of our university and to further contacts abroad, the International Center was located in the main building, which is frequented by large numbers of students. The staff restaurant was remodeled with the aim of supporting public relations and ties with business and the decor was also chosen to increase employee motivation.

The renovated premises provide much more room for independent study and computer-aided group work and new technology allows exploitation of the latest teaching techniques. The unique equipment of the multimedia learning facilities points to the future. Language teaching has moved beyond the language laboratory into the era of virtual classrooms and computer-aided learning. Teachers have access to a network that allows them to direct students' computers, divide students into groups and even to display information from one student to the entire class.



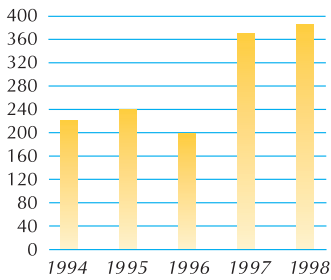


Students by major subject 31.12.1998



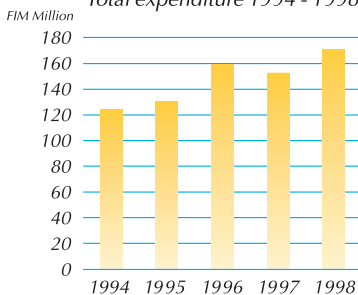
The figures do not include those who began their studies in 1998 because major subjects are not chosen until the second year.

Continuing education programs 1994 - 1998



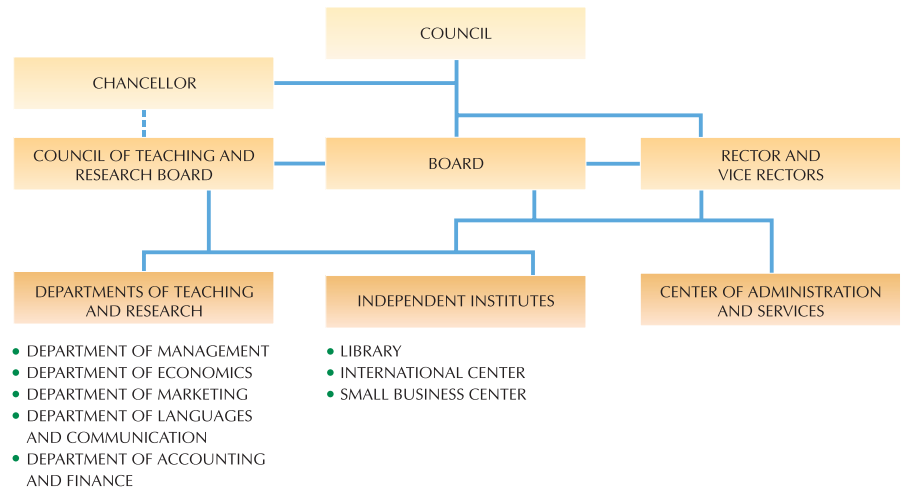
The figures exclude the Open University and include the BBA program

Total expenditure 1994 - 1998



Expenditure FIM Million

ORGANIZATION



FOREIGN EXCHANGE SCHOOLS 1998

EUROPE

AUSTRIA

- Leopold-Franzens-Universität Innsbruck
- Johannes Kepler Universität, Linz
- Wirtschaftsuniversität Wien

BELGIUM

- Université Catholique de Louvain

DENMARK

- Handelshøyskolen i København
- Handelshøyskolen i Århus
- Syddansk universitet, Odense

FRANCE

- Ecole des Hautes Etudes Commerciales, Pariisi
- ESC Bordeaux
- ESC Dijon
- ESC Grenoble
- ESC Lille
- ESC Nantes Atlantique
- ESC Paris
- ESC Poitiers
- ESC Reims
- ESC Rennes
- ESC Rouen
- ESC Toulouse
- ESC Troyes
- ESSEC, Cergy-Pontoise
- IECS, Strasbourg
- INSEAD, Fontainebleau
- Université de Valenciennes et du Hainaut-Cambresis

GERMANY

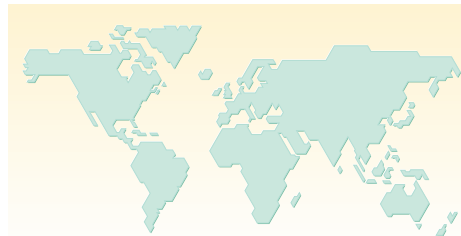
- Universität Bayreuth
- Christian Albrechts Universität zu Kiel
- Europa Universität Viadrina, Frankfurt an der Oder
- Handelshochschule Leipzig
- Humboldt Universität zu Berlin
- Rheinische Friedrich-Wilhelms-Universität Bonn
- Ruhr Universität Bochum
- Universität Duisburg
- Universität Hamburg
- Universität Hohenheim
- Universität zu Köln
- Universität Mannheim
- Universität Osnabrück
- Universität Paderborn
- Universität Passau
- Universität Regensburg
- Universität des Saarlandes
- Universität Trier
- Westfälische Wilhelms-Universität Münster
- WHU Koblenz

ICELAND

- Haskoli Islands, Reykjavik

IRELAND

- University of Limerick



ITALY

- Università Commerciale Luigi Bocconi di Milano
- Università degli Studi di Siena
- Università degli Studi di Macerata

NORWAY

- Norges Handelshøyskole, Bergen
- Norwegian School of Management, Sandvika

SPAIN

- ESADE, Barcelona
- Universidad de Granada

SWEDEN

- Handelshögskolan vid Göteborgs Universitet
- Handelshögskolan i Stockholm
- Linköpings Universitet
- Lunds Universitet
- Stockholms Universitet
- Umeå Universitet
- Uppsala Universitet

SWITZERLAND

- Universität Bern
- Universität St.Gallen

THE NETHERLANDS

- Erasmus Universiteit, Rotterdam
- Tilburg Universiteit

UNITED KINGDOM

- Glasgow University
- London School of Economics
- Manchester Business School

CANADA, UNITED STATES, CENTRAL AND SOUTH AMERICA

ARGENTINA

- Universidad Argentina de Empresa, Buenos Aires

CANADA

- HEC, Montreal
- McGill University, Montreal
- Queen's University, Kingston
- University of Alberta, Edmonton
- University of British Columbia, Vancouver
- University of Prince Edward Island
- University of Western Ontario, London

MEXICO

- Universidad Nacional del Nordeste

UNITED STATES

- AGSIM, Glendale AZ
- Babson College, Wellesley MA
- Columbia University, New York NY
- DePaul University, Chicago IL
- Emory University, Atlanta GA
- Florida Atlantic University, Boca Raton FL
- Fordham University, New York NY
- Hofstra University, Long Island NY
- Indiana University, Bloomington IN
- Pennsylvania State University, PA
- Pittsburg State University, KS
- Texas Tech University, Lubbock TX
- University of California, Davis CA
- University of Colorado, Colorado Springs CO
- University of Dayton, OH
- University of Florida, Gainesville FL
- University of Illinois, Chicago IL
- University of Michigan, Ann Arbor MI
- University of Rochester, NY
- University of South Carolina, Columbia SC
- University of Texas at Austin, TX
- University of Texas at El Paso, TX
- University of Washington, Seattle WA
- Western Washington University, Bellingham WA

ASIA

CHINA

- University of Hong Kong

INDIA

- Indian Institute of Management, Calcutta

JAPAN

- International University of Japan, Tokio
- Sophia University, Tokio

MACAU

- University of Macau

PAKISTAN

- Punjab College of Business Administration, Lahore

SINGAPORE

- National University of Singapore

SOUTH KOREA

- Seoul National University
- Yonsei University, Seoul

THAILAND

- Asian Institute of Technology, Bangkok

AUSTRALIA

- University of Adelaide
- University of New South Wales

IN CONJUNCTION WITH RENOVATION OF THE MAIN BUILDING,
DONATIONS WERE SOUGHT TO ENSURE ACQUISITION OF MODERN
TEACHING TECHNOLOGY. THE FOLLOWING
BUSINESSES CONTRIBUTED:

A. AHLSTRÖM OY
OY ALGOL AB
ASPOYHTYMÄ OY
CULTOR OYJ
DIGITAL EQUIPMENT CORPORATION OY
ELÄKE-VARMA
ENSO OYJ
GWS-YHTIÖT
HELSINGIN PUHELIN OY
JENNY JA ANTTI WIHURIN RAHASTO
OY KARL FAZER AB
AHTI KELO
KEMIRA OYJ
KESKO
KPMG WIDERI OY AB
LIIKESIVISTYSRAHASTO
MERITA PANKKI OYJ
METRA OY AB
NOKIA OYJ
NOVO GROUP OYJ
ONVEST OY
ORION-YHTYMÄ OYJ
OUTOKUMPU OYJ
PARTEK OYJ
RAUMA OYJ
RAUTAKIRJA OYJ
SAASTAMOISEN SÄÄTIÖ
SAP-DIGITAL
SKANSKA OY
SOHLBERG GW OY AB
SUOMEN MESSUT FINNEXPO
SUOMEN OSUUSKAUPPOJEN KESKUSKUNTA
SVH PRICEWATERHOUSECOOPERS OY
TAMRO OYJ
TOYOTA MOTOR FINLAND OY
TIETO CORPORATION OYJ
WERNER SÖDERSTRÖM OSAKEYHTIÖ
YIT-YHTYMÄ OYJ
YRJÖ JAHNSSONIN SÄÄTIÖ



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