

## Annual Report 2006

HSE to become a top international university



Business life and the society at large have high expectations of business know-how. HSE has made a determined effort to meet this challenge. On the national level, we are one of the largest entrepreneurship educators and the leading management educator. On the international level, HSE actively participates in the development of pan-European education products and quality assurance systems. HSE researchers collaborate with the world's leading universities.

***"Internationalization is not a fad – it is a necessity for Finland and HSE"***

Internationalization is not a fad – it is a necessity for Finland and HSE. Business life, if anything, is completely international. So is the everyday life of business students and business managers seeking further education. Last year, 268 HSE business students embarked on an international exchange program and 355 managers came to Finland to enhance their professional skills. More than 100 international teachers or researchers visited HSE and 194 international exchange students came here.

HSE tests the standard of its education on the demanding international market. We are one of the 17 leading European business schools that form the CEMS network, which collaborates to produce the pan-European Master's program. The Financial Times ranked this CEMS MIM program second in Europe in 2006. In managerial training, the HSE EMBA program was marketed not only domestically but also in Seoul, Singapore, Poland, China and Taiwan. With 333 international business leader graduates in 2006, the EMBA program is one of the largest export products in the Finnish university sector.

HSE is a node in the international network of education and research in business studies. We are members of the European CEMS network of leading business schools and of the global PIM student exchange network. Our students have the valuable opportunity to study in 88 high-quality business schools in 35 countries. HSE researchers collaborate with leading research groups in Europe, America and Asia. In 2006, HSE researchers published more than 90 internationally refereed articles and gave papers at more than 120 scientific conferences.

The standard of research at HSE has continually increased, as evidenced by the positions of

trust held by our researchers in leading journals of their fields, an increasing number of publications in prestigious business journals and, for instance, the Best Paper Based on PhD Thesis Award granted to our researcher Anton Helander at the Industrial and Purchasing Conference last year. The amount of competitive research funding is increasing strongly. In 2006, external research funding amounted to €13.6 million, which is 67 per cent more than in the previous year.

The HSE strategy incorporates the continuous improvement of quality, which is monitored through international accreditations, peer reviews and rankings. In 2006, HSE held two of the three key international quality accreditations, EQUIS and AMBA. Of the business universities providing similar MSc education to that at HSE, the Financial Times ranked us 24th in Europe and second in the Nordic countries. This is a good platform to continue towards the HSE vision, a world-class business school.

**Eero O. Kasanen, Rector, HSE**

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The year 2006 was productive for HSE. Vuosi 2006 oli tuloksellinen.



The operating environment of universities is going through a period of transition. In 2006, the structural development of universities, in particular, has inspired debate. The international university sector, both in Europe and worldwide, is developing rapidly and competition for talented students is becoming more intense. Due to many restrictions, Finnish universities are facing increasing challenges in ensuring their place among the top universities in the world.

***"The number of high-quality refereed international articles increased, and there was a clear rise in the amount of competitive funding from all key funding sources."***

In 2006, HSE met the challenges by implementing policies in line with the new [strategy](#) adopted in the spring. One of the central themes during 2006 was also the planning effort aiming at the creation of a new top university, the report on which was published in early 2007.

Research at HSE is co-ordinated into a focused, theme-based HSE Research concept, which is supported by the research support service team. The teaching strategy builds heavily on the program-based degree reform. Research and teaching are boosted by HSE's traditionally strong societal services in their various forms.

In research, the number of high-quality refereed international articles increased, and there was a clear rise in the amount of competitive funding from all key funding sources. A new HSE department, the Department of Business Technology, received a highly positive assessment in the National Centre of Excellence evaluation by the Academy of Finland. The year 2006 saw 20 new doctoral degrees, which exceeded the target by one, and there were 347 Master's degrees completed.

For the 9<sup>th</sup> time running, HSE management training services were evaluated to be the best in Finland in a survey carried out by Taloustutkimus Oy. The operations of the Small Business Center and the New Business Center incubator continued along a stable path. The Open University provided valuable services to a large number of students. The library caters for the entire field of economics studies throughout the country, and was the most efficient library in the field, measured by any indicator.

The starting point for administrative development at HSE is continuous improvement. HSE is responsible for co-ordinating the joint service center of the universities in the Helsinki metropolitan area. It has pioneered a number of national development projects, for example in the fields of ICT and acquisitions. In future, HSE and the State Treasury will pilot the development of an electronic management system for government procurement.

In productivity projects, the greatest reform was the abolition of the International MBA unit and the incorporation of its MBA services into the operations of HSE Executive Education Ltd. The year 2006 saw the introduction of the new salary system and preparations for piloting performance-based pay in two units. The Facility and Security Administration made new long-term decisions.

A brand reform was carried out in 2006, by which all the units at our university incorporated the acronym HSE and the old one, HKKK, was abandoned. The new HSE portal was launched in the spring. Corporate co-operation continues to thrive and HSE acquired new partners in 2006.

In 2006, quality projects focused on the self-evaluation linked with the quality accreditation of the Association to Advance Collegiate Schools of Business (AACSB), the results of which will become available in spring 2007. The European Foundation for Management Development (EFMD) approved the EQUIS quality accreditation interim report given by HSE. HSE participated in the ESMU Benchmarking Program for the fifth time in 2006.

The staff satisfaction survey gave an average result for government or university staff (general grade 3.26), which, considering the great changes underway, can be considered a satisfactory result. The independence and challenging nature of the work, facilities, tools and atmosphere, and the image of the employer all received positive assessments in the survey.

The high point in 2006 was the magnificent conferment ceremony in May, with five foreign and four Finnish Honorary Doctors, 51 Doctors and 95 Masters being conferred.

HSE has contributed to the development of operational preconditions for universities, for instance, through the debate on the new top university. Only sufficient freedom can create the prerequisites for responding swiftly to the challenges posed by a changing operating environment, in which case universities can enhance their productivity further.

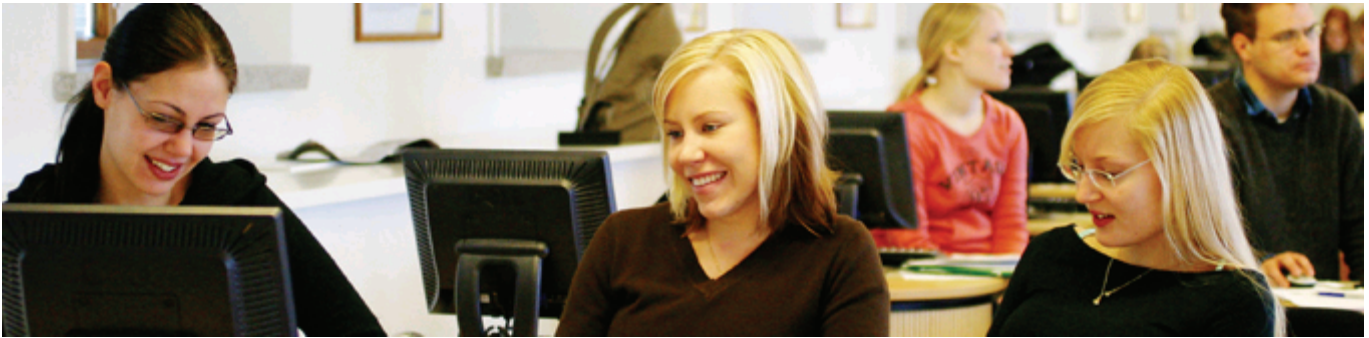
### **Esa Ahonen, Administrative Director, HSE**

Photo: The management group of HSE. Rector **Eero O. Kasanen** (right), Administrative Director **Esa Ahonen**, 1st Vice Rector **Olli Ahtola** and 2nd Vice Rector **Timo Saarinen** (left).

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## Annual Report 2006

Education quality management systems reformed in 2006



At HSE's Helsinki campus, it is possible to complete a Bachelor's degree in five degree programs, and a Master's degree in 13 programs. One Bachelor's degree program and one specialization area are in English, and four Master's degree programs are in English.

**HSE 2006  
3,674 undergraduate  
(BSc/MSc) students of  
which 896 were  
BSc students.**

The 2006 student selection admitted 546 new students to HSE. They were admitted to take either both Bachelor's and Master's degrees or only Master's degrees in Economics and Business Administration.

The Mikkeli unit admitted 82 new students to take the Bachelor of Science in Economics and Business Administration degree. International students accounted for 32 of all the new students and they represented Bangladesh, the Netherlands, the UK, Japan, China, Lithuania, Mexico, Nepal, Poland, Germany, Russia, Vietnam, Estonia and the US.

### Supervision of studies plays a major role

The aim is to make the supervision of studies an integral part of the complete life cycle of studies. New students in fall 2006 were assigned not only a peer tutor but also a teacher tutor. The progress of studies is also supported by a study psychologist, who participates in implementing various courses and offers personal advice to students. Various welfare services are also on offer.

In the beginning of their studies, the students take a course on study skills, which improves their abilities to cope with their studies. At the Master's level, all students take a number of courses common to all, which are aimed at supplying a shortage in Master of Science in Economics and Business Administration education.

The supervision of students not proficient in Finnish has also been improved. All new foreign students receive the *Information Guide for International BSc and MSc Degree Students*, and personal study guidance has also been enhanced.

## **JOO agreement**

HSE is a party to the national Flexible Study Right Agreement (JOO). The majority of admitted JOO students in 2006 came from the Helsinki region.

The number of students utilizing the JOO agreement has remained stable in recent years. In 2006, approximately 70 HSE students took the opportunity presented by the JOO agreement to study in other universities, whereas the number of incoming students from other universities studying in HSE was approximately double.

In 2006, HSE, the University of Helsinki, Helsinki University of Technology, Tampere University of Technology and the University of Tampere collaborated to introduce electronic application for JOO studies. HSE received a total of 140 JOO applications, 125 of which were electronic.

## **Education quality management system**

HSE reformed its quality management system for education in 2006. Evaluation of teaching is an important part of it. At the end of each course, feedback is collected from the students registered for the course, regardless of the teaching method (lectures, exercises, seminars, multiform teaching, online courses, etc.). Students are seen as co-operation partners, who must take responsibility for their own learning. If more than 60 per cent of the course participants give feedback, it will be published. During the course, teachers collect feedback through the course website.

The feedback is delivered to the teacher, the teacher responsible for the subject, the head of the department offering the course and the director of the degree program. Program directors bring the feedback to the program groups for discussion. In addition to teaching staff, the program groups comprise students and alumni or other work-life representatives. Information on the feedback is also given to the Rectors and to the Teaching and Research Council, which ultimately monitors the quality of education. The feedback is taken into account when planning the curriculum for the next academic year.

The teachers are also asked for an assessment of how their own expectations regarding the course were realized. The aim is to help teachers to develop their courses and teaching skills and to develop the teaching premises and equipment.

## **Continuous evaluation**

Undergraduate degrees (BSc/MSc) are continually evaluated in a variety of ways. There are annual surveys into, for example, the functionality of the student selection and entrance examinations, the views of recent graduates, how they have found employment, and the views of companies that have recruited HSE graduates. The student union monitors the teaching and awards the Teacher of the Year, as does HSE. Foreign accreditations are also part of HSE's international quality assurance.

## **Reformed Doctoral Program**

The HSE Doctoral Program was reformed in connection with the degree reform, and it underpins the school's new vision "HSE – a world-class business school". The goal is a high international standard and quality in researcher education. The international aspects of the Doctoral Program have been promoted by a more flexible structure, new courses supporting internationality better than ever, and thoroughly revised postgraduate study guides in Finnish and English. HSE has expanded its teaching provision in English in its areas of strength. The aim is also to promote the publication of research by doctoral students in international refereed journals and to encourage students to take part in international exchanges or courses as part of their postgraduate studies. Furthermore, the English-language website of the Doctoral Program invested in international visibility in 2006.

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### Programs



### The Bachelor's Degree Program in International Business

The Bachelor's Degree Program in International Business, BScBA, at the HSE Mikkeli Campus, attracted 446 applicants. The new academic year was begun by 82 (79) students, one of whom was admitted based on studies at the Open University. In addition to the actual intake quota, there were 14 students who had postponed the commencement of their studies the previous year and who now began their studies. The majority of the new students stated that the BScBA was their first choice.

**Programs:**  
[BScBA](#)  
[ITP](#)  
[CEMS MIM](#)

Studying abroad for a term is compulsory for BScBA students. At the end of 2006, HSE's Mikkeli unit had 49 partner universities. There were 80 outgoing exchange students to 27 foreign universities during the year. Correspondingly, 58 foreign exchange students came to the Mikkeli Campus. Participation in the Canadian-European Community Program for Co-operation in Higher Education and Training (CEMEC, 2003–2006) strengthened the internationality of the BScBA program.

Small-scale projects by visiting professors, studies and reports for local companies and theses by students promoted regional impact. Co-operation with other university units at the Mikkeli University Consortium also aimed at increasing regional impact. In addition, the BScBA program collaborated with the Microfilming and Conservation Centre of the National Library to implement the Digibusiness joint project, the results of which will be used in 2007 in teaching and later in developing the services provided by the Microfilming and Conservation Centre.

### ITP combines academic education and practical corporate projects

The Information Technology Program (ITP) was organized for the twelfth time in 2006. It comprises an educational section and development projects implemented together with partner companies. The ITP has two sub-programs: Content & Media and Business & Technologies. Education organized by the sub-programs during the summer gave the students an overview of information and communication technologies.



The ITP aims at combining academic education and practical corporate projects into a whole that promotes the goals of the students as well as the partner companies. The corporate projects support the partner companies' own development needs.

All the students in the program participated in the projects co-ordinated by project co-ordinators and successfully completed 12 projects in 2006. The companies were also offered the opportunity to hire a group of four to five students for the summer to work on an ITP corporate project.

Besides HSE's undergraduate students, the ITP is targeted at MBA, JOO and exchange students in partner universities. In addition to academically designed courses, a variety of auxiliary events and guest lectures were arranged during the summer.

## **CEMS MIM**

The special CEMS MIM (Master in International Management) degree program is a joint Master's degree program of 17 European universities. HSE students can apply to take the international CEMS MIM specialization degree alongside the HSE Master of Science in Economics and Business Administration degree. The one-year program comprises CEMS MIM specialization courses in the students' home university and an exchange university, a practical training period, language studies and study units on work-life skills. By the end of 2006, a total of 64 HSE students have graduated from the program.

For HSE departments, the MIM program provides an opportunity to offer the students top international business know-how. Furthermore, the international network offers a first-rate environment for collaboration in teaching and research. The program is implemented by HSE International Relations in co-operation with the Department of Languages and Communication, Career Services, and Corporate Services.

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## Annual Report 2006

Teaching support: Center for Innovative Education supports teaching



The Center for Innovative Education (CIE) collaborates closely with the teachers in the development of teaching, teaching experiments and implementation of new information and communications technology.

As in previous years, teachers were offered personal pedagogical and technical support in the context of online teaching and material production. The joint Helsinki Business Campus virtual university project of HSE and the Hanken Swedish School of Economics and Business Administration provided the teachers with the Medialab workspace.

The ITC strategy from 2002 was updated as a development plan. The use of ITC and networks in teaching increased during the previous strategy period. Well over half of active courses had access to online facilities and the future goal is to better utilize the interactive elements of the online facilities. The improvement of the quality of online teaching, methods and skills are crucial in the next planning period.

Creating a uniform interface and look for online facilities, two years in the making, was completed in 2006. The aim of the harmonization was to make online studies easier for students, and also to make updating the online facilities more efficient.

HSE participated in the Finnish Virtual University activities. The CIE Board granted virtual university appropriations to six projects for developing teaching. The projects deal with a wide variety of issues, such as teacher education, implementing courses utilizing new teaching methods and infrastructure development.

Kuva: Aino Huovio

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## Annual Report 2006

2006 saw new records and new directions in research



2006 was a year of new records and directions in research. Special support for research, the introduction of the HSE Research network and research priorities and efforts to increase the impact and internationality of research all bore fruit.

There were more international EU projects and funding than ever before, and top international researchers also discovered HSE. Research funding applications to the Finnish Funding Agency for Technology and Innovation, Tekes, and the Academy of Finland targeting business competence succeeded beyond expectations. HSE had more Tekes or Academy-funded research projects than ever before.

***"There were more international EU projects and funding than ever before, and top international researchers also discovered HSE."***

As research funding is very competitive, the funding decisions reflect the scientific impact of the research, both nationally and internationally. HSE succeeded extremely well in the competition. The percentage of accepted funding applications was considerably higher than the average (24 to 26 per cent). More than 80 per cent of HSE applications for EU funding were successful, while more than 60 per cent of Tekes applications and 53 per cent of Academy of Finland applications met with success. In all, the research funding decisions amounted to €13.6 million, which is more than triple the funding in previous years.

### **HSE Research network and research priorities**

HSE Research is a network that develops, organizes and supports research strategy and implementation. It also forms a shared platform and brand for research at HSE. It comprises four forms of activity:

- the advisory board and management team, which create research policies and organize research into programs and co-ordinated wholes in line with the priorities.
- research programs, which combine practical relevance and top scientific research, and which are committed to maintaining the high quality of research at HSE and the extensive utilization

of research results.

- a research service team, which supports research projects and programs and researchers at different stages of the project life cycle, and
- departments and subjects, which are responsible for research competence and its development, and which help create research projects.

The research priorities in 2006–2009 are: *Globalization & Competitiveness, Financial Markets & Services, Information Economy, and Business Networks*. In these areas, various HSE departments and research units have significant scientific strengths and know-how.

### *Globalization and Competitiveness*

Research topics within this focus area pertain to globalization and its impact on economic activity at both corporate and national economic levels. Global environmental and energy issues also belong to this focus area. Special targets of research include competitiveness and the means for its promotion, innovation, entrepreneurship and management.

### *Financial Markets and Services*

In addition to financial markets and services, this focus area includes a wide variety of research topics, ranging from ownership and risk management to production and interpretation of economic information, auditing, business law, and customer behavior in financial services.

### *Information Economy*

The focus area includes micro- and macro-level studies on the adoption, functioning, significance and benefits of information and communications technology. Research targets include e-commerce and marketing, and both new business models and the improvement of the efficiency of existing models with the help of information and communications technology.

### *Business Networks*

The focus area's research topics include the study of the birth mechanisms of new business sectors and transitional periods in existing sectors, entrepreneurship, network economy and marketing, development and management of strategic business networks created by companies, and the profitability, management and competitiveness of business networks.

## **Publications**

The number of publications and references made to them can be taken as an indicator of the scientific standard and impact of research. In 2006, HSE researchers once again published a record number of high-quality scientific articles in prestigious international journals. They were also cited considerably more often, on average, than other Finnish publications in economics.

According to the HSE RESCAT database, by 5 February 2007, there were 437 scientific publications from 2006, that is, 1.92 per teacher or researcher person year. There were 76 scientific papers read at international conferences in 2006.

## **International research**

The internationalization of research progressed positively in 2006. An increasingly large share of research involves international co-operation.

More than 90 per cent of research articles were published in refereed foreign journals and one in four involved foreign researchers. The number of EU projects has increased manifold in the past three years and separate research co-operation agreements have been signed with different countries. HSE participated in 14 EU research projects in 2006, four of which it

co-ordinated. The projects involved several dozen co-operation partners.

In 2006, the Department of Business Technology received funding from the Academy of Finland's FiDiPro program to invite the renowned professor **Kaylanmoy Deb** to conduct research at HSE for two years, beginning in 2007.

Foreign professors also engaged in long-term research visits or co-operation at the Departments of Economics and International Business.

### **Relevance of research**

The impact of HSE research on companies and business and industry in general is also evident through research projects because companies were committed to the projects, either by investing their own resources or by providing valuable data for researchers. New research projects target the priority areas defined by HSE, that is, business networks, information economy, financial markets and services, and challenges posed by globalization and competitiveness. The research priorities have attracted a number of major Finnish companies to co-operate with HSE in EU and Tekes projects.

### **Popularization of science**

HSE has always been an active popularizer of science, and organized an "Economics afternoon" at the Finnish Science Forum, presenting topical research results of interest to the general public.

In 2006, the HSE Research network began a new practice: the Research Day, which will become an annual research review. The program for the first Research Day included the presentation of the strategic research priorities and the research carried out within them, a lecture by the Researcher of the Year and presentations by the candidates for the Doctoral thesis award.

The Studia Economica and Jaakko Honko Lectures, open to the general public, are an established way of popularizing science. HSE researchers also actively participate in social debate on current topics and are in demand for expert interviews on the economy, financing, taxation or business.

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Research units



### CEMAT sheds light on the phenomena of the global economy

The Center for Markets in Transition (CEMAT) is a multidisciplinary unit specializing in studying eastern European and Asian international markets that are in rapid transition. The research into these areas aims to shed light on the central phenomena of global economics, such as post-socialism, the EU's eastern expansion and the China phenomenon.

**Yksiköt:**  
**CEMAT**  
**CKIR**

The Center operates through basic and applied research, Master's level courses, business management training and international co-operation. CEMAT's activities have a strong societal dimension, since the Center's staff are represented in international trade associations and federations as well as in international academic commissions. Through its multidisciplinary profile, CEMAT for its part, implements the HSE aim of combining academically high-quality know-how with social relevance.

During its eight years of operation, CEMAT has established itself particularly in the ranks of Finnish actors in the field of East European studies. It participates in the Finnish Graduate School for Russian and East European Studies and the Graduate School of Contemporary Asian Studies by representing HSE on their Executive Boards and thereby developing Finnish expertise in the field. The established position of CEMAT is also reflected in funding as it participates in the Academy of Finland's research program on Russia, and, in 2006, received a third of the Ministry of Education's funding for Russia projects. Funding from foundations has played an important role as CEMAT has developed research focusing on Asia, and Asian foundations have also supported the activities. Research topics with relevance to business and industry include comparisons of rapidly developing markets from the perspective of Finnish companies going international.

CEMAT's research on international markets is partly carried out as international research co-operation with the best research institutes in the target regions, such as north-western Russia and China. A number of researchers from the target regions have annually visited CEMAT through researcher exchange programs funded by the Academy of Finland and others. CEMAT participates in international higher education co-operation by representing HSE in the CEEMAN (Central and East European Management Development Association) and BMDA (Baltic

Management Development Association) organizations.

The Small Business Center and CEMAT have collaborated to develop internationalization training for the Russian market. Corporate co-operation was intensified in 2006 by promoting corporate collaboration in producing theses and research reports.

### **Center for Knowledge and Innovation Research, CKIR**

In 2006, the HSE Center for Knowledge and Innovation Research (CKIR) was involved in nine EU-funded projects. The projects dealt, firstly, with the productivity of information work, and globalization, and their impact on the way work can be organized efficiently from the perspective of both companies and individuals as the difference between work and leisure becomes increasingly blurred. The work has also been informed by views of new open organizational structures and the technologies required by them. The CKIR also studied the impact of networking and a human-oriented approach to service and technology development, including R&D and innovation activities in the global information economy.

Secondly, funded by the EU, the CKIR also develops new business and service models for the service and information society, and studies their impact on the functioning of open reference architecture and technological integration. The information society services and business in sparsely populated areas are a special focus. This extensive research project involves 120 top researchers, 20 European cities or regions and 40 leading European companies. The totality of projects includes 5 EU integrated projects.

Within the EU-funded projects, the CKIR is developing a human and user-oriented research and development method, which will also be applied in open innovation environments amidst people's everyday lives. The CKIR thus contributes to the development of a research and innovation approach and method in open environments, taking research from university or corporate laboratories into real-life situations even as early as at the basic research stage. This approach is primarily associated with ICT-based business development of services. ICT has penetrated the society deeply, down to the everyday structures and processes of work and play.

Based on this ensemble of projects, the CKIR has participated during and after the 2006 Finnish Presidency of the EU in the European-wide development of human and user-oriented open innovation environments and the networks required by them, as well as the necessary management, orchestration, organization and governance models. This is a new European initiative in research and innovation policy, expected to revolutionize European research and innovation structures. This development has emerged to contend with the plans for a European Institute for Technology and Innovation (EIT).

A third EU-funded research area at the CKIR is the nature and impact of human and community-based technology on the development of technology (design rules). The FUGA project develops new technologies for measuring the user experience incited by digital games by measuring the gaming experience with high temporal resolution. The PASION project studies and develops methods that improve the efficiency of social groups using mobile communication technology. MINET co-ordinates the activities of the complex and holistic branches of science focusing on measuring quantities and qualities aiming at a more integrated creation of shared methodology at the European level. The CKIR also studies the impact of emotions and subconscious processes on financial decision making.

The CKIR is a separate institution at HSE. It is academic, international and multidisciplinary. Research at the CKIR is phenomenon or problem-based. During its operation, the CKIR has produced and piloted new co-operation methods for research with innovative companies, municipalities, regions and European and global partners. The CKIR has exceptionally wide domestic and international co-operation networks. Since its inception, the CKIR has co-operated closely with the researchers at Helsinki University of Technology and other Finnish universities and companies. The CKIR has also always attracted international visitors and researchers and this trend has grown and intensified in the past year.

Kuva: Aino Huovio

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## Annual Report 2006

Department of Economics



*Subject: Economics*

The Department of Economics is situated in the Economicum Building together with the Departments of Economics of the University of Helsinki and the Swedish School of Economics, and the Finnish Doctoral Programme 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 2006 by, for instance, organizing shared teaching. Economicum hosts several weekly seminars, which the researchers at the Department of Economics actively participate to organize.

**Professors 4, lecturers 2,  
students 297,  
credits achieved 9507,  
Masters of  
Science graduated 24,  
doctoral degrees 2**

Several comprehensive research projects with outside funding have been ongoing at the Department of Economics. During 2006, a research project at the department focused on institutions and economic development. Another wide-ranging project funded by the Academy of Finland and the Finnish Work Environment Fund examines, in collaboration with certain companies, the effects that organizational innovations in workplaces may have on productivity. Linked with this project, a well-known expert on corporate incentive systems, Professor **Derek Jones** of Hamilton College, visited the department for the spring term. The department is also launching an extensive new research project, which will focus on energy markets. It has received funding from the Yrjö Jahansson Foundation for five years. Furthermore, researchers from the Department participate in the Nordic Center of Excellence in Empirical Labor Economics, which includes research teams from Sweden, Norway, Denmark and Finland.

The department's professors and researchers have actively participated in public social and economic debate. The professors hold positions of trust in public administration (the Scientific Council of the Ministry of Finance, the Scientific Advisory Board of Statistics Finland), and research institutes (Scientific Advisory Board of the Pellervo Economic Research Institute) as well as in the organs of a number of foundations.

Photo: Head of the Department of Economy, professor **Pekka Ilmakunnas**.

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Department of Accounting and Finance



*Subjects: Accounting, Finance, Business Law*

In 2006, the Department of Accounting and Finance awarded 62 Master of Science degrees in accounting, 55 in financing and 16 in business law and achieved the goal set for undergraduate (BSc/MSc) degrees. Finance became the second largest subject at HSE after accounting, in terms of number of graduates.

**Professors 13,  
lecturers 3, students 1153,  
credits achieved 35434,  
Masters of Science  
graduated 133,  
licentiate degrees 1,  
doctoral degrees 3**

In 2006, the research focus in accounting was on information given in financial statements and its utilization, and the research focused on international financial reporting standards (IFRS). Managerial accounting focused on management, performance assessment and bonus systems, while finance research focused on behavioral finance and corporate finance. The focus of business law research and teaching was on corporate taxation, particularly international taxation.

A survey published in the *Accounting and Business Research* journal looked at accounting articles published in established international refereed scientific journals in 1991–2002. In a league of 250 universities, HSE's accounting research ranked second among European universities outside the UK, and twenty-first when UK universities were included. The popular apprentice sub-project of the department's auditing project was continued during the year under review.

In spring 2006, HSE witnessed the establishment of the Nordic Finance Network (NFN), which brings together all the units providing doctoral education in finance in the Nordic countries. The network comprises 14 universities in Norway, Sweden, Finland and Denmark. The co-operation network aims at enhancing doctoral education in finance and promoting research co-operation in the Nordic countries. The co-operation network is hosted by the Graduate School of Finance based at HSE, which is also responsible for Finnish doctoral education in finance. The weekly

*Joint Finance Research* seminar has also provided an excellent framework for international co-operation.

In 2006, the department staff taught at HSE Executive Education Ltd, the Open University and at external education sessions, as well as gave a number of talks at events organized by various companies and associations. The staff also published scientific articles, working papers, research reports and textbooks. In addition, they took part in legislative work on accounting, auditing and taxation, and in the activities of audit boards, as well as organizing professional education in the field.

The President of the Republic of Finland awarded Professor **Jarmo Leppiniemi** with Knight, First Class, of the Order of the White Rose of Finland for his valuable contribution to Finnish business and industry. Professor **Heikki Niskakangas** was a member of a working group on the development of corporate taxation, which aims to harmonize Finnish business taxation with the IFRS and the new Finnish Companies Act. Professors from the department held positions on the boards of HKKK Holding Oy, HSE EE and LTT-tutkimus Oy, as well as numerous companies outside the university.

Photo: Head of the Department of Accounting and Finance, professor **Pontus Troberg**.

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Department of Business Technology



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

Established in 2005, the year 2006 was a time of becoming established for the Department of Business Technology. The four subjects at the department have combined to form a suite of degree programs and research, which, due to demand from practical business management, has become increasingly common both in the leading American business schools and in the recently reformed CEMS universities.

**Students 630,  
credits achieved 17506,  
Masters of  
Science graduated 59,  
licentiate degrees 1,  
doctoral degrees 4**

Primarily operating in the English language, the Department of Business Technology offers a Bachelor's degree in Business Technology, and, at Master's level, specialization in Management Technology, Information Systems Science, or Logistics and Service Management.

The department's professors and other researchers participate in several national graduate schools and in the administration of academic research societies. Research at the department resulted in several publications in international top journals and in conference proceedings.

The research program on the application of stochastic optimization in finance was continued in Management Science. Its aim is to provide solutions to dynamic decision-making problems containing risk and to apply them to practical problems pertinent to Finnish businesses. A co-operation project with Kopiosto, the Finnish Copyright Society, was completed. It was the first in Europe to study the need for digital materials in teaching.

The most extensive research-linked project at the department was preparing the application for the Academy of Finland's call for proposals for Centres of Excellence in Research. The department combined all its resources, apart from the stochastic optimization project mentioned above, for an application for a Centre of Excellence in Business Technology. The application made it to the second round, and experts evaluated that the research team ranked

among the top five in the world.

The department organized numerous events in the past year. One of the most important was the Open Source Software Seminar organized with the Graduate School for Electronic Commerce and Software Industry, a joint effort of HSE's Information Systems Science and Helsinki University of Technology. The seminar attracted participants from other HSE departments and various other Finnish universities.

The Academy of Finland accepted the proposal by the department's subject Quantitative Methods in Economics to invite the top international professor Kalyanmoy Deb to HSE to collaborate with the department's researchers for two years.

Postgraduate studies in Logistics earned public recognition when **Katariina Kemppainen** was awarded for the best doctoral thesis and Professor **Ari P.J. Vepsäläinen** for doctoral thesis supervision.

Photo:Head of the Department of Business Technology, professor **Markku Kallio**.

Updated Apr 12. 2007

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## Annual Report 2006

Department of Marketing and Management



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

In 2006, the Department of Marketing and Management concentrated on building a new co-operation culture. Collaboration between the different subjects was intensified, for instance by providing more shared studies, such as methodology, for the students of management, marketing and international business.

**Professors 17, lecturers 6,  
students 1085,  
credits achieved 35382,  
Masters of Science  
graduated 123,  
licentiate degrees 1,  
doctoral degrees 10**

Overlap in teaching was also reduced and research co-operation between the department's subjects was intensified, for instance by organizing an open day presenting the department's research and research projects. Collaboration between different units was strengthened by actively participating in the planning and implementation of HSE's Executive MBA programs.

Research at the department was active and there was an effort to make it more corporate-oriented. For example, the degree program in Retail and Channel Management, revised in the fall, was targeted to support trade by increasing interaction between researchers and management in the field. Active research was manifest in the number of publications, which was up from the previous year. Articles were also published in more prestigious academic publications than previously.

There were numerous research projects ongoing at the Department of Marketing and Management, funded by such bodies as the EU, Tekes, the Academy of Finland and various foundations. External funding played a major role as approximately 50 per cent of the funding received by the department came from outside HSE.

One particular project deserving a mention is the EU-funded *Transnational learning through*



*local experimenting* project, which explores the traps of a subsidiary economy, the resources of the stakeholder society supporting business management and citizens, and transnational learning.

The beginning of 2006 saw the launch of a collaborative project between HSE's Department of Marketing and Management and Hanken, the Swedish School of Economics, called Strategic marketing and marketing performance, or StratMark for short. It aims to provide practical, yet academically valid, information on the current state of strategic marketing know-how, methods for measuring impact, and the enhancement of know-how in the Finnish business environment. The project involves more than a dozen researchers, who strive to produce academic knowledge that will benefit companies in particular.

Photo: Head of the Department of Marketing and Management, professor **Henrikki Tikkanen**.

Updated Apr 13. 2007

You are: [Frontpage](#) > [About HSE](#) > [Introduction](#) > [Annual Report](#) > [Departments](#) > Languages and Communication

## Annual Report 2006

Department of Languages and Communication



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

The year 2006 was a time of building a new strategy at the Department of Languages and Communication. According to the new strategy, the department has two focuses: language and communications studies offered to all HSE students, and the department's own Master's programs, which are Finnish and Business Communication and International Business Communication (IBC).

**Professors 2, lecturers 28,  
students 79,  
credits achieved 16837,  
Masters of Science  
graduated 7,  
doctoral degrees 1**

The department of Languages and Communication offers language studies to all HSE students. Indeed, excellent language and communication skills are defined as an essential part of the expertise of HSE graduates. In addition to the two domestic languages, the Bachelor's degree includes studies in at least two foreign languages. Furthermore, all Master's level studies include a more demanding study unit, which can be taken in communication in either domestic or foreign languages.

In the Master's programs, communication studies are linked to business studies in a unique way. Making the new programs widely known and distinguishing them from other communication studies on offer were central challenges in the year under review. The Master's programs, which were launched in 2005, have been marketed through advertisements and information sessions, and international marketing strategies have also been planned.

In the beginning of 2006, the Department of Languages and Communication launched an Academy of Finland funded research project called *Does business know how? The role of corporate communication in the business know-how of globalized operations*. Headed by Professor **Mirjaliisa Charles**, the project is part of the Academy of Finland's Liike 2 research program. Researchers in the project, which will run to the end of 2009, include both lecturers of the both department lecturers and postgraduate students of international business

communication.

The single most important event organized by the Department of Languages and Communication in 2006 was the *Talous ja kieli* ('Business and language') seminar held on 20–21 April. Focusing on the theme of language and technology, the seminar addressed this relationship from a variety of angles. The proceedings of the seminar were published in December.

Photo: Head of the Department of Languages and Communication **Tuija Nikko**.

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## Annual Report 2006

### Services



### Corporate Services

Co-operation between HSE and business is based on sustained partnership and customer-driven services in research, training and recruitment. The Corporate Services team offers businesses three forms of co-operation: the Partnership Program, Lecture Hall Sponsoring and participation in research projects. In 2006, Corporate Services continued to build on the Partnership Program's service offering and intensified the marketing of research services.

### Partnership Program

Thirteen leading enterprises were enrolled in the Partnership Program in 2006. Deloitte joined the program as a new partner at the beginning of 2006. An agreement was signed with Kemira in November to take effect on 1 January 2007.

The proceeds from the program help the university to maintain a high standard of teaching and research and foster the internationalization of operations.

Partners were invited to the academic and business communities' annual *What's New* seminar organized in co-operation with McKinsey & Company. The theme for the seminar was the topical subject of *Low Cost Country Sourcing*.

The international relocation of R&D activities was the theme at the business know-how FORUM event held in October under the title *Offshoring R&D*.

Corporate Services organized Round Tables for partners on the topics of distributed leadership and corporate social responsibility.

**PARTNERS:**  
[Booz Allen Hamilton](#)  
[Deloitte](#)  
[Elcoteq](#)  
[Ernst & Young](#)  
[Kesko](#)  
[McKinsey & Company](#)  
[Nokia](#)  
[Outokumpu](#)  
[PricewaterhouseCoopers](#)  
[S-ryhmä](#)  
[Stora Enso](#)  
[TietoEnator](#)

**CEMS PARTNERS:**  
[Elcoteq](#)  
[Kone](#)  
[Nokia](#)  
[Stora Enso](#)

Partners introduced themselves to new students during Orientation Week and at the ARENA Career Fair organized by Corporate Services and Career Services. Four auditing corporations held a joint event for students to introduce them to the auditing business. Experts from Partnership Program participants gave guest lectures in several courses.

## **Lecture Hall Sponsoring**

[Lecture Hall Sponsoring](#) is one of the important ways in which companies may support the development of education and research. In 2006, a total of 21 companies and corporations sponsored lecture halls in the Main Building, the Arkadia Building and the Chydenia Building on the HSE campus. All six sponsorship agreements concerning the Chydenia Building were renewed and relations with other sponsors also remained unchanged.

## **Research co-operation**

The research strategy revised in 2006 was organized under four priority areas to be rolled out to companies, researcher networks and financiers. Research projects were initiated with companies in the fields of the retail value chain and strategic marketing, among others. The year 2006 laid the foundation for research into the service sector conducted at the various HSE departments, and assessed to be of a high standard also in the international perspective.

*"We believe that our partnership enables us to generate mutual added value, expand and enhance our relationship and even more effectively respond to the wishes of students. The most important resource for an expert organization such as ours is the intellectual capital of our experts – their knowledge and expertise. The only way to share and receive expertise is through close co-operation."* Teppo Rantanen, CEO, Deloitte

## **Career Services**

The main task of Career Services at HSE is to serve students and companies and to secure jobs and internships. HSE Career Services holds a strong position in the university sector. The targets for 2006 were mostly met. The focus in activities was in safeguarding and further building on basic services to students and more effectively marketing services to companies. Examples of basic services to students include training in career guidance and job seeking, the mentoring project involving a record 34 pairs, and the CareerWeb service, which relayed nearly 3,000 jobs. A popular event in the field of corporate co-operation was the Arena Career Fair, where the number of participating companies rose from 38 to 57. More than 100 corporate get-togethers were held in 2006. HSE also played an active role in the Aarresaari network of university career services and was the network co-ordinator in 2006.

## **Alumni activities**

The most important aim of the alumni activities is to maintain a relationship between HSE and its graduates and to function as the foundation for the University's stakeholder relations. Alumni activities provide the HSE business know-how network with a unique competitive edge by creating an inspiring meeting place for the alumni, students, teachers and other personnel.

Through its alumni activities, HSE is in contact with more than 8,000 alumni each year, 3,500 of whom are sent a monthly bulletin on university news. Some two dozen alumni events such as class reunions and lectures were organized during 2006.

A seminar on R&D was organized for the doctoral alumni network, in keeping with the theme launched by Corporate Services, while two seminars on academic entrepreneurship were provided for the entrepreneur alumni network. The annual Studia Economica lecture was organized jointly with the Department of Marketing and Management on the topic of *The Significance of Networks and Partnership in Business Life*. Keynote speakers were CEO **Kari Neilimo** and Professor **Kristian Möller**. The lecture was attended by a 300-strong audience.

## **Mentoring**

HSE's alumni activities, Career Services and the student union (KY) joined forces in the annual mentoring program arranged for the seventh time now. The 2006 program involved 34 alumni mentoring HSE students near the completion of their studies on questions relating to career choices and work life.

Photo: A Partnership Program agreement was signed with Kemira in November to take effect on 1 January 2007. In the picture there are CEO of Kemira **Lasse Kurkilahti** (left) and Rector of HSE **Eero O. Kasanen**.

Updated Apr 23. 2007

## Annual Report 2006

### Education services



### HSE Executive Education Ltd

HSE Executive Education Ltd (until 30 September 2006 JOKO Executive Education Ltd) offers training and development services to upper management. The company's main markets in Europe, besides Finland, include countries in the Baltic region. In Asia, its main markets are Singapore, Korea, China and Taiwan. Operations in Asia are managed by a Singapore-based subsidiary. In the year under review, the turnover of the group was approximately €6.8 million.

**Units:**  
[HSE EE](#)  
[SBC](#)  
[Open](#)  
[University](#)

Particular growth in 2006 was achieved through company-specific solutions. The company's best-known brands, JOKO® and the HSE Executive MBA programs, retained their solid market position. In addition to Helsinki, the Executive MBA program is offered in Singapore, China, Korea, Taiwan and Poland. The entire MBA portfolio of HSE was unified under a single roof: the HSE Board took a decision in autumn 2006 to make the provision of the Full-time and Part-time MBA programs part of HSE Executive Education as of 1 January 2007.

During 2006, the company focused on raising its profile of expertise by enhancing the skills of its employees and their role in customer solutions. HSE Executive Education forged co-operation with a European network of consultants and surveyed neighboring areas for partners in a bid to improve the conditions for international operations and to strengthen its role as a development partner.

HSE Executive Education continued its excellent track record in corporate image surveys by ranking first in the Taloustutkimus corporate image survey on management training (Helsinki Metropolitan Area) for the ninth year running. The company was also ranked 42<sup>nd</sup> globally and 18<sup>th</sup> in Europe by the Financial Times in its Executive Education listings. In the FT Executive MBA listings, the company was placed 80th overall. Our placement for the "Career Progress" sector was among the top ten in the world.

The name change on 1 October 2006 to the current HSE Executive Education Ltd was dictated by the internationalization strategy. The company's visual image was also overhauled.

**Small Business Center fostered favorable attitudes towards entrepreneurs and**

## **impacted on new business start-ups**

The Small Business Center (SBC) is a unit that specializes in promoting and developing SMEs and it works in close co-operation with entrepreneurs and SMEs both locally and nationally. Business science knowledge is transmitted for the benefit of Finnish SMEs by means of education, business incubators and research. The operation of the Small Business Center was closely connected with the implementation of the national entrepreneurship program.

The Small Business Center has offices in Mikkeli, Helsinki, St Petersburg and Tallinn, and it engages in a wide range of activities to promote business focusing on the Baltic region. In autumn 2006, the Small Business Center celebrated its move to new premises both in Helsinki and in Mikkeli.

The national education activities focused on the business know-how of SMEs were further enforced in 2006. The Small Business Center contributed to strengthening positive attitudes towards entrepreneurship and the establishment of new businesses while also supporting the development of existing SMEs by enhancing the business competence of management. Some 200 new businesses may be expected to be started by the participants of entrepreneurship programs organized in 2006. The numbers of participants and programs in academic entrepreneurship saw a marked increase. Business incubators were just one of the means used to support the founding of companies by university graduates and other people with higher education.

Approximately 900 managers from SMEs and other organizations participated in the management programs. There were some 600 participants in programs promoting internationalization and export. Development work, mainly in St. Petersburg, promoted the Russian trade of approximately 100 Finnish companies. In addition, through company-specific programs and the Open University, dozens of companies and several hundreds of private individuals have been educated in business know-how.

The research activities of the Small Business Center developed positively owing to a new chair in entrepreneurship in Mikkeli, a new research director and new researcher posts. The research projects focused on high-potential entrepreneurship, internationalization of SMEs, Russian trade and research serving educational activities.

During the year, the Small Business Center participated in numerous international research and development projects in co-operation with other EU SME educational and development organizations and also made an active contribution to the development of the Mikkeli University Consortium.

### **Open University**

*Students 2,548, participation on courses 5,933, computational number of full-time students 521*

The Open University helps disseminate business know-how amongst the wider public. People from different educational backgrounds can learn the fundamentals of the various sectors of business through open education and thus obtain a better understanding of the operating mechanisms of organizations to enhance their performance. Open education is provided in Helsinki and Mikkeli, along with online education available regardless of location.

The degree reform that was effected in autumn 2005 was also felt in the activities of the Open University. The number of in-house courses fell by eight from the previous year and the course offering in degree education by 55 courses. The number of summer courses remained at 47. Summer education for degree students at HSE is provided as Open University education.

The Open University at HSE is large relative to the size of its parent university. The number of Open University students equaled 66 per cent of the university's degree students. The average ratio for universities is 49 per cent.

The LKO figure representing the computational number of full-time-students used as the basis



for funding fell to 521 from the previous year's 603. The fall is mainly attributable to the new method of calculation introduced in connection with degree reform. The realization rate of the LKO target (600) came to 86.8 per cent against an average figure of 72.3 per cent for universities.

Studies in Open University led to 24 persons being admitted as degree students. The figure is lower than in the two preceding years (41 in 2005 and 25 in 2004). The degree reform entailed the adoption of new admittance criteria and students were unable to complete the courses required under the new criteria in a single year.

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## Annual Report 2006

### Research services



### LTT

The year 2006 was a mixed one for LTT. It achieved the highest annual turnover in its 70-year history. The increase in operational volume anticipated in late 2005 was realized in this respect. On the other hand, the profitability of operations was unsatisfactory. During the year it also became clear that the Chinese operations launched in early 2006 would not be economically viable with current resources.

**Services:**  
[LTT](#)  
[Business projects](#)  
[Helecon](#)

In keeping with its strategy, LTT focused on research and consultation aimed at individual companies in 2006. These projects concerned the development of new business models, corporate growth strategies, rationalization of processes and various themes pertaining to networking and customer interface management.

In addition, LTT also implemented a significant number of projects for the public sector in 2006. These projects comprised, for example, analyzing the economic effects of given measures in the public sector as well as evaluating various programs and drawing up industrial policy surveys.

LTT was an active contributor to the debate sparked in late 2006 concerning the merger of LTT and HSE Executive Education. The discussions resulted in the decision taken in early 2007 to effect the merger, which also means that 2006 will be the last full year of operations in LTT's history.

### Business projects

The year 2006 was an excellent one in terms of business projects. The combined turnover from projects increased by some 40 per cent from the previous year. Ten projects, on average of a more demanding nature than a year earlier, were completed by commission. These included assessment of a company's chances to seek quotation on an international stock exchange, locate new markets, develop its information systems, polish its corporate image and renew its operations. Customers were pleased with the standard of project work.

**Finnkarelia Virke** commissioned a market and competitor analysis in a new market. The study included determining the major factors and operators in the market and the operating models in the procurement environment.

*"The decision to commission the project from HSE was sealed by its favorable price/quality ratio. The contribution of a skilled instructor was extremely important in a project carried out by students. (--) My personal perception is that the performance of HSE Business Projects is of a good standard compared to other research organizations. Another indicator of the quality of service is that the project came in exactly on schedule."*

Jaakko Mattila, Sales Director, Finnkarelia Virke

## **Library and information services in business science - Helecon Information Center**

### **International services**

The high-quality and multichannel service and materials offering of the HSE Library, Helecon Information Center, fostered the educational and research-related competitiveness of the university. As the nation's leading business information center, it supported business know-how and entrepreneurship education as well as the information needs of persons in a wide range of positions in business and industry and in further education. Its Helecon research follow-up services, in turn, satisfy information needs relating to economics and business science. When measured by the materials and services it provided, the number of service transactions, utilization rate, international interest groups and its custom, the Information Center was the leading business science library in the country.

Over 70 per cent of registered customers hailed from outside HSE, from the nation's other universities and polytechnics and from companies and public administration. Fifty-five per cent of demand from university student customers not enrolled at HSE comes from outside the Helsinki Metropolitan.

Helecon users comprise more than 2,600 customers in the business sectors. The group included customers of the HSE's Small Business Center in the Helsinki Metropolitan Area as well as students of the HSE Open University, whose library services are provided by the Information Center.

The Information Center supported the HSE's research strategy by conveying the most up-to-date research findings to the scientific community through its collections and the more than 100 databases in the digital campus library. RSS news services were developed to better support research follow-up. The library's Journals portal gained 57 per cent more users. The ISI impact factors integrated into journal data further enhanced the value of the portal. A journal reference analysis concerning doctoral theses at HSE showed that doctoral candidates utilize research findings from leading international scientific journals. Tailored information retrieval training programs for researchers and postgraduate students were used to convey up-to-date information on the offering, contents, search systems, effective search practices and reference management systems of online services.

The Information Center promoted the international distribution of the HSE's research findings by developing and maintaining the university's open digital publications portal and the electronic publications portal for doctoral theses and working papers, which continued to gain further popularity with more than 72,000 users and 101,000 distinct sessions. The library is a member of EuroCris (Current Research Information systems) and SPARC (The Scholarly Publishing and Academic Resources Coalition), both organizations fostering the transparency of research. Helecon's in-house international content provision pays the closest attention to research findings from Europe (Helecon – Scima) and Asia (Helecon Asia). The services have users in places as far-flung as Beijing, Qatar and the United States. The library has been invited to become a deposit library for the World Bank, the Asian Development Bank and the South-American Development Bank.

### **Multichannel services**

The library launched a multichannel service in response to the changing channel behavior of customers in a bid to achieve greater availability and usability. Lending demand increased by two per cent to provide loans of over 455,000 volumes. The extensive materials offering of the digital campus library also supports the information needs of students. Mobile services further facilitated library use. The library had over 1,900 registered mobile customers and 23,000 registered local customers.

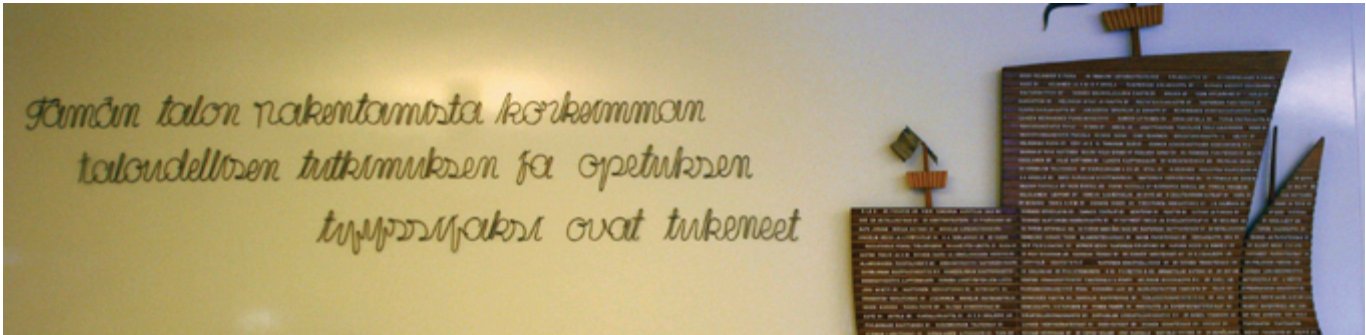
Local services are the channel of choice for customers requiring research literature while the expanding e-book market integrates textbook services into education and learning systems and materials. Flexible rights to study, multidisciplinary, networking, increasingly international students and rising demand for adult education challenged the scientific library to ongoing development of service processes. As the life cycle of studies grows longer, the number of mature student customers in employment continued to rise. Demand-driven information retrieval training programs were developed to meet the needs of students at different life-cycle stages of their studies.

The Information Center is active in the European, American and Asian network of business libraries and participated in the international benchmarking of best practices and the development of quality management systems. The HSE Library fared well in international comparison.

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## Annual Report 2006

HSE Foundation



### HSE Foundation in support of education and research

During 2006, the HSE Foundation gave €979,000 (€1,011,000 in 2005) to HSE and those operating within it in the form of grants and other support with the aim of fostering research and teaching as well as studies. The focus areas of the support were scientific research, theses, travel grants, international student exchange, teaching development projects, the sabbatical leave system, various awards and support for arranging the 2006 Conferment of Degrees.

*"The focus areas of the support were scientific research, theses, travel grants, international student exchange, teaching development projects, the sabbatical leave system, various awards and support for arranging the 2006 Conferment of Degrees."*

### Awards

The award for research groups was bestowed on Professors **Pekka Korhonen** and **Jyrki Wallenius** in recognition of their lengthy research of very high standard in keeping with the strategy of HSE, as well as their formation of an important leading research group in the field of multiple-goal decision-making. The award for Researcher of the Year went to **Niklas Ravaja**, PhD, in recognition of significant scientific output.

The award for the Study Supervisor of the Year went to Professor **Ari P.J. Vepsäläinen** for significant investment in postgraduate supervision in 2005. Additionally, Professors **Pertti Haaparanta** and **Pekka Ilmakunnas** were recognized with an award for their sustained and high-quality supervision of postgraduate students.

The Doctoral Thesis of the Year award was given to **Katariina Kemppainen**, D.Sc. (Econ. & Bus. Adm.), for the doctoral thesis of the highest standard in 2005. In addition, awards in recognition of outstanding doctoral theses in 2005 were bestowed on **Jouko Kinnunen** and **Kirsti Kuisma**, both D.Sc. (Econ. & Bus. Adm.).

The award for Teacher of the Year went to lecturer **Ulla Höckerstedt** while education planner **Leena Ylä-Anttila** was recognized as Administrator of the Year.

### Awards for high-quality publications

In keeping with the policy instituted in the previous year, research papers published in leading academic journals were recognized with high-quality publication awards in 2006. The award is a recognition of particularly laudable and sustained research – a top performance. Awards were bestowed for research papers published since the beginning of 2005. A total of twenty awards for high-quality publications were given in 2006 in association with the distribution of grants in spring and autumn.

## **Donations**

In addition to property returns, donations from companies, other corporations and private individuals comprise a significant portion of the HSE Foundation grants and other support. In 2006, the Foundation received various thesis and activity donations to the sum of €209,000. In addition, the capital of the PricewaterhouseCoopers' special fund increased by €25,000 due to additional investment by the company. Chancellor Jaakko Honko, who played a pivotal role in establishing the Foundation, passed away on 13 February 2006. The sum of €15,000 in donations from private individuals and corporations was received into the fund named in his honor.

## **HSE Foundation 2006**

Chairman of the HSE Foundation Delegation:

Counselor of Commerce, **Heikki Timonen**, M.Sc. (Econ)

Deputy Chairman:

Assistant Managing Director, **Pauli. K. Mattila**, LL.D.

The Chairman of the Board of the HSE Foundation:

**Aatto Prihti**, D.Sc. (Econ)

Deputy Chairman:

**Matti Lehti**, Chancellor, D.Sc. (Econ)

Members of the Board

**Ahti Hirvonen**, D.Sc. (Econ) h.c.

**Veikko Jääskeläinen**, D.Sc. (Econ)

**Eero 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)

Updated Apr 12. 2007

## Annual Report 2006

Student union KY celebrates 95th anniversary



***"Bold new guidelines were laid down in respect of student union communications."***

The year 2006 marked the student union's 95<sup>th</sup> year, which was characterized by confidence derived from experience. Having served as Executive Board member in charge of international affairs, Tessa Viinanen started her second year on the Board as Chairman. Secretary General Sandy Tscherep brought to the table a wealth of experience in this third and final year of his term.

Bold new guidelines were laid down in respect of student union communications. The Student Council came to the conclusion that the information bulletin Punakulma was no longer a relevant medium and decided that it was time for the student union to make the transition from traditional printed media to real-time web-based communications. Development of the communications sector was launched immediately and the student union hired a web developer towards the end of the year to revamp the [www.kyweb.fi](http://www.kyweb.fi) site as the student union's primary communications channel. Communications will evolve into two-way communications in real time. It is time for the student union to take a genuine step closer to its membership.

The experience of student union actors was also manifest as increased influence in the supervision of students' interests both at HSE and in the national arena. At the national level, debate focused on the structural development of universities and study grants. KY was in the vanguard in respect of structural development by focusing on concrete measures such as the closure of business science units at the Universities of Joensuu and Kuopio.

One of the high points of the year was the election of KY alumnus Lasse Männistö as President of The National Union of Students in Finland SYL. Männistö is the first KY-bred President of SYL in 13 years, which may be expected to further encourage KY to take part in national debate.

The possible merger of HSE, Helsinki University of Technology and the University of Art and Design Helsinki was a focal topic of debate throughout the year. The fate of this "innovation university" largely dictates the future of KY as well. Other major projects underway ensure that the new KY officials have their work cut out for them. Besides development of the ky-web, a start on the construction of the Arkadiankatu 28 property is also in the works.

Photo: Students attending Arena Career Fair in November 2006.  
Kuva: Aino Huovio

Updated Apr 12. 2007

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## Annual Report 2006

Events at HSE in 2006 [Poisintoja vuoden 2006 tapahtumista](#)



### Conferment of Degrees 18–20 May 2006

The 13<sup>th</sup> Conferment of Degrees at HSE was held on 18–20 May to confer 95 Master's degrees, 51 doctorates and five honorary doctorates. An additional five persons celebrated the 50th anniversary of taking their Master's degree. Conferrer at the ceremony was Liisa Uusitalo, the most senior HSE Professor and also the first female Conferrer at HSE.

#### Honorary Doctors:

Barbara Czarniawska  
Antti Herlin  
Matti Honkala  
Sir James A. Mirrlees  
Kirsti Paakkanen  
Walter W. Powell  
W. Fred van Raaij  
Raimo Sailas  
Stanley Zions

### HSE Research Day 31 August 2006

The HSE Research Day, held now for the first time, presented research priorities chosen in the spring: Networked Business, Financial Markets and Services, Globalization and Competitiveness and Knowledge Economy. Research at HSE seeks to bring together scientific contribution, practical relevance and the dissemination and impact of research findings.

### ARENA2006 15 years, 8 November 2006

The ARENA Career Fair was held for the 15<sup>th</sup> time. Over the

### Events at HSE in 2006

**11 Jan Highly Commended Award to HSE researchers**

**25 Jan International recognition of an article authored by Pekka Korhonen and Jukka Laakso**

**9 Feb Vice Rector Olli Ahtola elected to the Board of accrediting agency AACSB**

**9 Apr HSE adopts new strategy**

**18 May –20 May 13<sup>th</sup> Conferment of Degrees at HSE**

**29 May StratMark project launched**

**9 Sep Anton Helander, D.Sc. (Bus. & Adm.)**

**receives IMP award**

**22 Sep Professor Markku Virtanen takes Tieteenkesyttäjä 2006 award**

**10 Oct Retail program revised**

**31 Oct Chair endowed in innovations**

**8 Nov ARENA Career Fair 15 years: record number of participants**

years, the Fair has established its position as the biggest and most important networking event for business students and companies. The 2006 Fair attracted 57 companies and thousands of business students.

### **Strategy – HSE – a world-class business school**

The new strategy for HSE was completed in spring 2006 as a result of an exceptionally transparent process. The strategy was compiled from the views of representatives of hundreds of different stakeholders using an innovative web-based tool and given its final formulation by the Advisory Board and the HSE Board.

### **Doctoral theses**

Twenty doctoral theses were examined at HSE in 2006. HSE Doctors received awards both at home and abroad in 2006. Among others, the theses of the following Doctors received recognition:

DSc (Econ) **Anton Helander**, among the top ten doctoral theses in the EDAMBA Doctoral Thesis Competition

DSc (Econ) **Katariina Kemppainen**, HSE Foundation's 2006 award for the doctoral thesis of the highest standard at HSE in 2005

DSc (Econ) **Jouko Kinnunen**, HSE Foundation's 2006 award for outstanding doctoral thesis in 2005

DSc (Econ) **Kirsti Kuisma**, HSE Foundation's 2006 award for outstanding doctoral thesis in 2005

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