



HANKEN

HANKEN SCHOOL OF ECONOMICS
ANNUAL REPORT 2018



Rector's review

Hanken's EQUIS accreditation was renewed in late December 2017 and during 2018 the School consolidated its position as one among the 1% of business schools in the world with the three most prestigious international accreditations, the Triple Crown. One of Hanken's central goals today is to uphold that status, which means that we are constantly working at developing the quality of our work and activities.

Hanken received its best ranking ever in 2018, placing 65 in the global Financial Times' Masters in Management-ranking. Hanken's research was ranked as tenth best in the world according to citation rate in U-Multirank, which compares research at 1600 universities throughout the world. In my view, the fact that a small university like Hanken does well in international comparisons is proof not only of the relatively strong impact of a small entity, but also of our commitment to academic excellence and to developing as a university.

We are constantly working at developing education at Hanken through modernising our study environment but also through our focus on teaching and digitalising education. One of the main focuses in 2018 has been to develop a series of so-called MOOC courses (Massive Open Online Course). Hanken created its first open-for-everyone course based on the Principles of Service Management, a series of videos by Emeritus Professor Christian Grönroos. With the completion of the second course, closer to 3000 persons from over 130 countries have participated.

Corporate responsibility and social responsibility have been cornerstones at Hanken since we in 2008 signed the UN principles for responsible management education (PRME). Today we have several research centres devoted to this area. One of these is also one of the foremost in its field, the institute for humanitarian logistics, founded ten years ago. The centre can pride itself on having the world's first professor in humanitarian logistics and is instrumental in seeing that

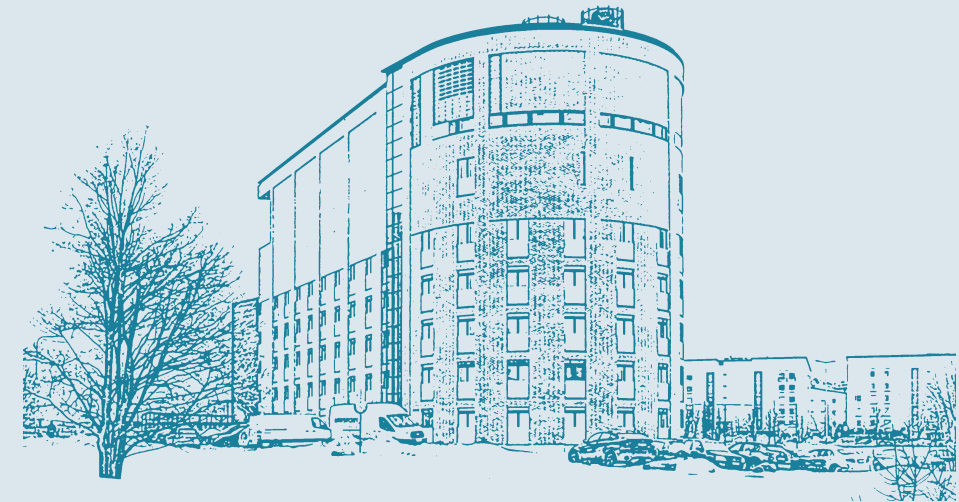
aid is more effective and reaches those in need in disaster areas.

To be able to continue to invest in more projects it's necessary that our resources allow this. The annual accounts show that Hanken's finances continue to be stable despite the figures being bleak, as they are at every other university in Finland. As Hanken turns 110 in 2019, we'll continue our fundraising with "creativity" as our theme. I want to thank all of you who have already contributed for your inestimable support for and trust in what we do.

I also want to sincerely thank Hanken's teachers and staff, who are tireless in their work for our common good, our motivated and ambitious students, our active alumni and our committed partners – together we will make Hanken strong, now and in the future.

Lastly I want to thank the outgoing board of 2018, especially our long standing chairman Björn Wahlroos, for your great and wholehearted commitment to Hanken.

KAREN SPENS



Hanken's first student housing project

The 17 January 2018 was a historic day when the foundation stone for the unique eight-storey building containing Hanken's first-ever student housing was laid. The building, a product of the long-term collaboration between Hanken and Arcada, is situated on the Arcada (UAS) Campus at Arabianranta in Helsinki.

The building combines student housing with sports facilities in a unique way. It will contain 103 student lodgings, ranging from 21 to 56 square metres in size, on floors 1 to 5 and a sports centre with a fitness gym and a test lab on floors 6 to 8. The sports centre will be mainly used by Arcada, but it can also be rented. The construction work will take approximately a year and the building will be ready to welcome its first tenants

in February of 2019. With this building completed, the area will be able to offer over 600 apartments to students.

These student apartments are part of a strategic co-operation between Arcada and Hanken. Fastighets Ab MajSPORTen, with Hanken as 40% owner, is building the apartments. The Arcada Foundation owns the remaining 60%. The sports centre in turn is being built by Fastighets Ab Arcadahallen, owned by The Arcada Foundation.

According to Rector Karen Spens, co-operation with Arcada has undisputed synergies; she views the opportunity to invest in student housing as valuable.

"Joint solutions allow us possibilities that we couldn't have achieved on our own; we're more than pleased with this

joint project and the new opportunities created by joining forces", says Spens.

These attractive modern apartments in the Arabianranta campus area will be certain to attract new tenants as soon as they are finished. The student housing project is not just a local endeavour; it is sure to give Hanken a competitive advantage internationally. Some of the apartments are set aside for international students and the promise of accommodation can be a decisive factor for many students abroad when deliberating moving to Finland.

"With the help of centrally located and affordable housing, Hanken can attract an increasing number of international students to Helsinki", Spens continues.

TEXT: MARLENE GÜNSBERG



New research network for AI cooperation



May 2018 saw the launching of Hanken's and Arcada's joint project AILab@Arcada&Hanken. The project draws on high-level expertise concerning methods within the scope of artificial intelligence and machine learning. The project aims to be a resource for Hanken researchers interested in research methods within the field of artificial intelligence.

At the start, Timo Korkeamäki was Dean of Research at Hanken. Part of the joint project funding is profile funding from the Academy of Finland, and the whole idea with this type of funding is to highlight quantitative research and to bring about cooperation between the quantitative experts and those working with qualitative subjects.

"You hear about AI and machine learning everywhere, and these are used as research methods in many fields, including those that are traditionally qualitative. This project aims at giving our researchers an opportunity to take that step towards research methods with artificial intelligence", says Korkeamäki.

"The joint project is here to stay. Wor-

king with Arcada is a natural choice where AI is concerned, as their expertise is of a high standing", says Timo Korkeamäki.

There is an enormous amount of data in the data bases surrounding us, and the amount of data and computer power is on the increase. Artificial intelligence gives us the possibility for a more thorough analysis of data and helps us understand things difficult for humans to grasp – the connection between different forms of data. Artificial intelligence changes not only research in economy, but the economy itself as well as society as a whole.

"Hanken is also involved in several high-profile research projects, e.g. Professor of Practice Peter Sarlin is working with many other well-known researchers within the transatlantic project "Digging into High Frequency Data". This project examines risk in financial markets, and collects data and links between data points. It has a significant societal value; it keeps us up-to-date and can even predict financial crashes", concludes Korkeamäki.

TEXT: CAMILLA BERGHÄLL

Gamification on the rise

Companies are becoming increasingly interested in gamification of products and services to attract new customers. Gamification is the application of game-design elements in contexts that traditionally are not associated with gaming. Research around gamification is also gaining momentum with Finland among the world pioneers in the field. The research has been focused on subjects ranging from the technicalities of designing gamified solutions to the psychological aspects of how to make an otherwise boring process more enjoyable with gamification.

"Gamification is a change initiative that e.g. tries to influence how you perceive or perform a certain process or work routine by integrating elements of gaming into it. One of the basic ideas of gamification is that you create a desire to play that helps groups or organisations to learn new things at work without complicated processes", says Mikko Vesa, Associate Professor in Management and Organisation at Hanken.

The game-design elements can be simple, like letting the users collect "points" and establish leader boards over

their performances. The need to compete with your neighbour is in general deeply rooted in humans. Nowadays it's even possible to compete about on whose rooftop a solar energy system is most effective.

"In my current research project we are examining how gamification motivates micro producer-consumers of solar energy, but also makes them vigilant about the privacy of their day-to-day life", says Reza Movarrei, postdoctoral researcher at Hanken.

These gamified household energy solutions provide real-time consumption and production data as well as feedback on how to be more efficient with energy consumption and its costs. The social comparison aspect adds to the incentive to perform even better. When you consider the scale, even a little improvement is a large improvement in country-level energy management. On the other hand, there are certain issues of integrity and security to take into account.

"Details of energy consumption and production patterns reveal the consumer's lifestyle, habits and other sensitive things,

for example when he is not at home. We study how these concerns affect the motivating aspects of gamified solutions and how any negative effect can be prevented", says Movarrei.

TEXT: JOHAN SVENLIN AND MARLENE GÜNSBERG

- » Gamification is used in e.g. customer loyalty programmes, social media, product development, and management.
- » This includes for example engaging consumers in new product innovation or, engaging employees in adopting a new process for doing certain tasks.
- » The vast variety of approaches and tools available for gamification of business, consumption and production processes provide endless opportunities for gamification.



Unique student exchange flourishes



Universities and research have through the centuries been international. Both researchers and students have spent time at universities abroad, either at their own initiative or as invited guests. In 1987, this exchange took on more organised forms when the EU Commission established the ERASMUS Programme for both teacher and student exchange. Since then, over 9 million students have taken part in the exchange programme.

At Hanken student exchange started in 1989 with four students from Sweden arriving through a bilateral cooperation agreement. In 2018, 292 students studied abroad while Hanken accepted 191 international students. Most exchange students move in European circles through ERASMUS, but Asia has also become very popular.

At the moment Hanken has 120 partner universities throughout the world. Johanna Lilius has been involved in developing the range of Hanken's partner universities from the very beginning:

"The quality of our partner universities has become increasingly important through the years, and today we always conduct a thorough background check on any university before entering into an exchange agreement".

In 2009 Hanken introduced an obligatory clause for students, unique among universities in Finland. All Hanken bachelor degree students must either study or complete an internship abroad. The exchange must not prolong one's studies; studies abroad must be full-time (30 ECTS) and part of one's degree.

A healthy international exchange is of course an important part of internationalisation and an integral part of Hanken's work to achieve quality accreditations. Hanken must be able to provide students with opportunities for an international degree as well as offering a solid and adequate amount of courses in English for the incoming international students.

"The competition for exchange agreements with good partner universities is fierce. Hanken's triple accreditation is a clear advantage here. Hanken's other partners and networks also form part of a sort of quality label", explains Lilius. QTEM for students of quantitative subjects, GBSN for students and researchers in developing countries, SCANCOR for researchers at Stanford University and ASLA-Fulbright for mobility between Hanken and universities in the US, are examples of valuable networks where Hanken needs to be present", she concludes.

TEXT: MARLENE GÜNSBERG



Business sector's interest in Hanken on the increase

Hanken's long-standing cooperation with the business sector in Finland is well established.

It has encompassed internships, case studies in teaching and research, Hanken's partner programme and the latest addition, the Hanken International Talent Initiative. This initiative helps foreign students to become established on the Finnish labour market.

In the past year, the business sector has shown a marked increase in its interest for cooperation with Hanken. Our alumni are attractive on the labour market and we can be proud of our recruitment percentage as 94% of our graduates have found employment within three months of graduating.

"Hanken's students are very satisfied with their education and its relevance for their career development. We currently top the statistics nationally in this area", says Susanna Paul, career planner at Hanken.

Companies are also interested in employer branding and being able to recruit on the spot at Hanken. During the annual Hanken Network Day companies have the opportunity to be in direct contact with the students.

"It's important for companies to make themselves known to students as early as possible as most students will have a job

lined up already when they graduate", Paul continues.

Nikoline Stenman-Möller works with Hanken's partner programme. In 2018 Hanken had a total of 18 partner companies. Stenman-Möller as well has noticed the increased interest in this kind of cooperation.

"It's become very popular for companies to participate in our courses, either as guest lecturers or through giving case tasks to students", says Stenman-Möller. "Employer branding and visibility in social media have also become increasingly important lately", she continues.

Linking new partners to Hanken is an extensive process, one that requires detailed negotiations with common values as an important factor. Sustainability is an important basic principle for Hanken and companies seem to be increasingly interested in participating in the courses within this sector.

"We have had very positive feedback from companies regarding cooperation, and our students are more than satisfied with the direct contact they have and with being able to work with real case tasks. In the long run, we want a win-win situation for all parties", concludes Stenman-Möller.

TEXT: MARLENE GÜNSBERG





Hanken's first MOOC course



In October 2018 Hanken arranged its first Massive Open Online Course (MOOC), a net-based course open for everybody. The course “Principles of Service Management” was given on the online platform FutureLearn with millions of users the world over and a wide variety of courses offered.

The course is based on the video lectures given by Emeritus Professor Christian Grönroos. Gustav Medberg has planned and coordinated the course and co-created the course content.

“The course includes exercises and tests in the form of multiple-choice questions, articles, material for discussions and online-tests. All course material is automated so that no-one has to correct anything manually. The teachers moderated discussions and answered questions during the course” explains Medberg.

The course focused on how service companies are led – both traditional service companies, such as banks and tourism enterprises, but also companies producing goods and wishing to be redefined as service producers. Course participants learned about value creation,

productivity in service production, profitability in customer relations, brand management and internal marketing.

“The course builds on basic theories about what service is, the mind-set around it– service and the customer being the most important factors whether you are selling a product or working as a hairdresser. Christian Grönroos’ theories can be applied within all sorts of activities; this was mirrored in the very diverse background of course participants”, says Medberg.

The first round of the course attracted 1600 participants from over 130 countries. Most of them were Europeans, but there were also participants from Egypt, China and South America, for example.

“The participants were a mix of CEOs from Finland or management consultants, academic researchers and entrepreneurs with small businesses like bike hires. It was really interesting to have all these people meet on the course”, says Medberg.

In the next few years, the course will be given on the online platform FutureLearn twice a year.

TEXT: CAMILLA BERGHÄLL



Hanken highlights global goals for sustainable development

In November of 2018 the nation’s first theme week highlighting the UN global goals for sustainable development took place. Today’s world faces many serious challenges to sustainability such as destruction of the environment and increased inequality; Hanken has committed to finding innovative and collective solutions to these global problems.

The week kicked off with the conference Responsible Organising #2. The conference viewed sustainability from different perspectives, from sustainable finance and accounting to the rights of refugees. Speaking at the conference, President Tarja Halonen emphasized the role of universities, pointing out that those who are educated and aware also have the responsibility to answer to the challenges to sustainability. A panel discussion took up the question of governance concerning social and corporate responsibility.

“There was a consensus among the panel that more law based governance is needed as voluntary mechanisms have over the years proved to be ineffective and have led to free-riding”, says Sanchi Maheshwari, Social Responsibility Coordinator at Hanken.

During the SDG week ten different events on the sustainability theme were organised in both Helsinki and Vaasa. The events included seminars, exhibitions, breakfast with advice on how to reduce chemical and plastic waste, and a day dedicated to clothes donations.

One important goal in Hanken’s strategy is to educate responsible experts and to integrate sustainability into every activity. Hanken signed the Principles for Responsible Management Education (PRME) more than ten years ago. Hanken has committed to integrating the global goals for sustainable development.

“The 2030 agenda for Sustainable Development Goals provides a global blueprint for dignity, peace and prosperity for people and the planet, now and in the future. The short-term frame necessitates urgent and far-reaching action from all of us. Hanken has both the ability and responsibility to contribute to sustainable development through education and research. This will positively influence and shape tomorrow’s leaders and society as a whole, furthering our commitment to social responsibility and societal impact”, says Maheshwari.

TEXT: CAMILLA BERGHÄLL



PRME CHAMPIONS 2018-2019

Renewed PRME champion status

For the third time in a row Hanken has been selected to be one of the 38 higher education institutions in the PRME Champions group 2018-2019. The Principles for Responsible Management Education (PRME) is a UN-supported initiative to raise the profile of sustainability in schools around the world, and to equip today's business students with the ability to deliver change tomorrow. The group is dedicated to developing a responsible management education and working with projects related to the challenges of the UN Sustainable Development Agenda 2030.

Hanken Business Forum

The main topic at Hanken Business Forum concerned what lies behind growth and the drive to succeed. This theme was discussed in key notes by Bengt Holmström, MIT and Nobel Prize laureate, Annu Nieminen, CEO for Upright Project and Claudia Ohlsson, Young Global Leader 2017 and CEO for Exponential. Hanken Inspiration Award was also presented during the seminar. This year it went to the Fintech company Enfuze for its ability to create new digital solutions, grow profitably and to create new jobs.



PHOTO: KRISTIAN LÖVEBORG



Anders Wall Scholarship 2018

This year's Anders Wall scholarship of 125 000 SEK was awarded to Hanken student William von der Pahlen. In addition to his studies at Hanken, William is a serial entrepreneur who has contributed to public opinion through the podcast #futucast. He has a global podcast, "The Impossible Show", in the making that plans to feature successful role models.

"I intend to use the scholarship to launch the new podcast "The Impossible Show", where we interview the world's most successful people", says William.



International students recommend Hanken in global survey

According to the International Student Barometer (ISB), a global survey which Hanken participated in together with 129 other universities, 94,3% of our international students would recommend Hanken. The students are satisfied with their experience and feel involved with their studies. Areas such as course content, learning support, and the quality of the lectures and lecturers, places Hanken clearly above the national mean. Research is mentioned as another area where Hanken is particularly strong.



The HUMLOG institute celebrated its 10th anniversary

The HUMLOG Institute is a joint research institute between Hanken School of Economics and National Defence University of Finland (NDU). It conducts empirically grounded research on logistics and supply chain management in the humanitarian context and has become a true hub for humanitarian logistics researchers around the world. The institute celebrated its 10th anniversary in April by organising a seminar on current humanitarian challenges and the state of humanitarian logistics. The panel discussion included Professors Gyöngyi Kovács (Hanken) and Paul Larson (University of Manitoba), as well as Hannu Kari, Research Director at Elisa and Kalle Löövi, Director of International Operations at the Finnish Red Cross.



Scholarship ceremony

On 22 May awards for best master's and bachelor's theses were presented and scholarships for best achievements among exchange students were awarded. At the same time the Rector's List 2018 was awarded to the 10 best-achieving master's students.



Member of the Global Business School Network

Hanken has been accepted into the Global Business School Network (GBSN), a leading network of over 70 top business schools working to strengthen management education for the developing world. The membership allows Hanken to build new networks within education and research. Hanken's first GBSN initiative is to offer two scholarships to students currently studying at or alumni of GBSN member schools from developing countries to Hanken's Master's Degree programme in the 2019-2020 academic year.



Top position in U-Multirank university ranking

Hanken School of Economics has been ranked among the world's top 10 universities in the global U-Multirank university ranking on research and research linkages. The result is the best in the Nordic countries. This year, the number of institutions ranked includes 1600 institutions from around the world compared to earlier 1300 institutions. Despite the increased competition, Hanken continues to perform extremely well among other high profile universities from 95 countries.



PHOTO: GEORGE ATANASSOV

Opening ceremony of Helsinki GSE

Nobel Prize laureates Bengt Holmström and Jean Tirole each gave a speech at the Helsinki Graduate School of Economics (Helsinki GSE) opening ceremony on 24 October. Helsinki GSE is a postgraduate school and research institution for economics founded by Hanken, Aalto University, and University of Helsinki. Bengt Holmström emphasised that now is the right time to found Helsinki GSE as the need for advanced research in economics in today's society is greater than ever.



Alumnus of the year 2018

Hanken School of Economics appointed Mikael Still as Alumnus of the Year during the annual homecoming day Hankendagen on 12 October. Mikael Still is an entrepreneur and professional board member. He has founded Vision Works, Plommonet, RomiSystems, A-zeta Consulting and Nooga. He graduated from Hanken in 1985, majoring in finance. Still has since then been involved in Hanken in many capacities, e.g. as an appreciated guest lecturer, mentor and Hanken Ambassador.

SUSTAINABILITY



NUMBER OF STUDENTS

Bachelor's degree students **1420**

Master's degree students **963**

PhD students **117**

All faculty and staff (FTE) **255**

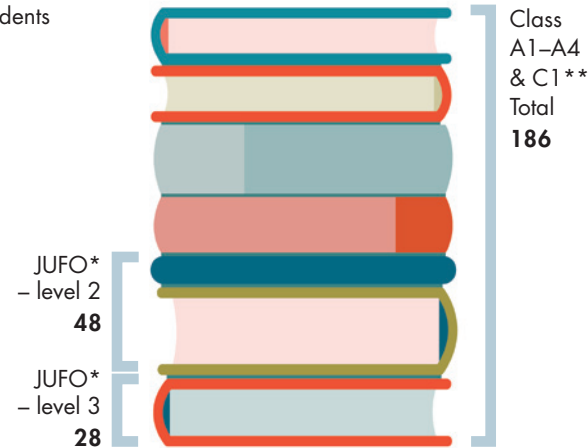


TOTAL 2500

INTERNATIONAL STUDENT MOBILITY



PUBLICATIONS 2018



NUMBER OF DEGREES 2018:

Bachelor's degrees **266**

Master's degrees **312**

Doctoral degrees **6**

*Publication Forum (JUFO) is a classification of publication channels created by the Finnish scientific community to support the quality assessment of academic research

**A1-A4 Peer-reviewed scholarly journal articles, C1 Monographs

Income statement

REVENUE

Grants and benefits 4 744 498,80

Income from commercial activities 898 745,33

Other revenue 286 025,56

2018

2017

4 744 498,80

898 745,33

286 025,56

5 929 269,69

5 759 072,04

EXPENSES

Staff expenses -16 489 222,70

Depreciation -428 755,80

Other expenses -7 677 961,95

-16 489 222,70

-428 755,80

-7 677 961,95

-24 595 940,45

-25 148 852,53

GOVERNMENT FUNDING

16 861 000,00

16 950 000,00

Operating deficit

-1 805 670,76

-2 439 780,49

FUNDRAISING

Contributions 2 257,00

Government matching 0,00

Transfer to capital reserves -2 257,00

2 257,00

0,00

-2 257,00

5 510 640,01

13 755 670,00

-19 266 310,01

FINANCIAL INCOME AND EXPENSES

-4 989 523,82

7 240 333,01

CHANGE IN RESERVES

362,23

145 367,77

SURPLUS/DEFICIT FOR THE FINANCIAL YEAR

-6 794 832,35

4 945 920,29

Balance sheet

ASSETS

Land and buildings 21 866 343,60

Investments 102 997 189,37

Current receivables 1 423 192,05

Cash and cash equivalents 1 883 567,98

21 866 343,60

102 997 189,37

1 423 192,05

1 883 567,98

Total assets

128 170 293,00

136 066 334,70

EQUITY AND LIABILITIES

Equity

Statutory capital 75 185 060,22

Reserves 18 436 883,61

Retained earnings 27 188 517,12

Surplus/deficit for the financial year -6 794 832,35

75 185 060,22

18 436 883,61

27 188 517,12

-6 794 832,35

114 015 628,60

120 546 629,18

Liabilities

Long-term liabilities 5 765 395,20

Current liabilities 8 389 269,20

5 765 395,20

8 389 269,20

128 170 293,00

136 066 334,70

Total equity and liabilities

Hanken students abroad 292

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