

2021

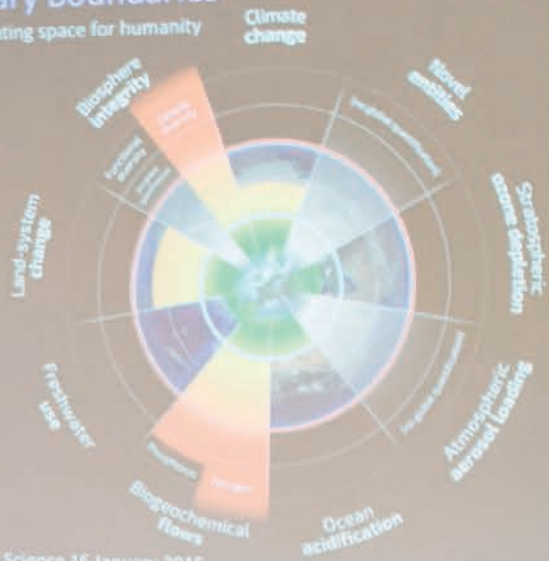
ANNUAL REPORT

STOCKHOLM SCHOOL
OF ECONOMICS



Planetary Boundaries

A safe operating space for humanity



Steffen et al Science 16 January 2015

- DMU-TASKER
- JERAD EKSTRÖM
 - ERIK GRÖNQVIST
 - LINNÉ
 - JOHANNE AWET
 - E. SEGLER/PAULINIS
 - MATS ANDERSSON



Johan Rockström, professor of environmental science and Director of the Stockholm Resilience Centre, lecturing within the framework of Global Challenges.

TABLE OF CONTENTS



- 4 A MESSAGE FROM THE PRESIDENT – KNOWLEDGE, RESEARCH, AND EDUCATION MORE IMPORTANT THAN EVER
- 5 A STRATEGY THAT DELIVERS RESULTS
- 6 THE STOCKHOLM SCHOOL OF ECONOMICS IN 2016 – A STATE OF CHANGE
- 8 CUTTING EDGE RESEARCH
- 10 MORE PROFESSORSHIPS AND NEW PROFESSORS
- 11 DEVELOPMENT AND CHALLENGES
- 12 MORE NEWS
- 14 A MESSAGE FROM THE CHAIRMAN



KNOWLEDGE, RESEARCH, AND EDUCATION MORE IMPORTANT THAN EVER

Oxford Dictionaries named “post-truth” as Word of the Year in 2016. We live in a time when “alternative facts” echo across the media landscape and George Orwell’s novel “1984” tops the sales charts.

WHEN FEELINGS, PONDERING and rumor are considered sufficient basis for fateful decisions, knowledge, research and education become a brighter beacon in increasingly foggy times. Science, critical thinking and balanced analysis are among the most effective social vaccines we have to enable a better future.

At the Stockholm School of Economics, we are continuously strengthening our scientific positions, and this is reflected in our core areas of finance, business administration, and economics. As evidence of this shift, five new professors were appointed in 2016, and the proportion of female professors has more than doubled. We still find ourselves at far too low a level, although the direction and pace of the shift are good. We can also affirm that the overall gender distribution among our students is steady. In the area of sustainability, our research institute, the Mistra Center for Sustainable Markets (or MISUM) has had a great impact.

An increasing number of the School’s employees come from outside Sweden and our Master programs are continuing to become more international. Along with the increasing number of double degree programs that we offer, it was particularly gratifying to host the CEMS Annual Events this year, which brought together representatives from 30 of the world’s leading business schools, and culminated with a large graduation ceremony for students from all of those schools. In 2016, we were also named as Sweden’s most international institution of higher education by STINT – a clear indication that our strategic approach is fruitful and that we are well on the way to becoming a leading international business school based in Stockholm.

WITHIN OUR BACHELOR PROGRAM in Business and Economics, we introduced the Global Challenges track. This is a package of courses aimed at raising our students’ awareness of the world around us and the risks that surround us. The Bachelor program in Retail Management continues to attract high numbers of applicants and the program is being continuously developed in close collaboration with business and industry. Our continued executive education offering has been more clearly integrated, partly with the change of name from IFL to SSE Executive Education, and partly with the moving of the operations to the School’s own premises on Sveavägen. Our unique, centrally located campus will continue to evolve as the organization develops. We are privileged to offer a central location in one of Europe’s most innovative cities, which acts as a magnet for talented students, researchers and staff. By attracting talent from many different places, through internationalization and by further strengthening our finances, we want to continue developing a competitive business school.

MOST IMPORTANTLY OF ALL, is remembering that the Stockholm School of Economics is not just a building and a place. It is a hub of knowledge, a circle of friends, a community. It consists of and is supported by networks and interest groups, but without the students, alumni, partner companies, Board of Directors, employees, foundations, and everyone else that the School holds close to its heart, we would never have made the progress that we did over the year. Many thanks to everyone who made it possible!

Professor Lars Strannegård,
President of the Stockholm School of Economics

A STRATEGY THAT DELIVERS RESULTS

From being a Swedish business school with an international element to a highly ranked international business school based in Stockholm.

The Stockholm School of Economics' strategy of internationalizing its offering and positioning itself as a highly-ranked school in international contexts is paying off. This year, more than 50 percent of the Master students admitted will come from countries other than Sweden, and our programs continue to climb in the international rankings. During the year, we have also been named as Sweden's most international educational institution.

INTERNATIONAL RANKINGS IMPORTANT

International ratings are an important factor in remaining an attractive option for highly qualified students. Over the year, we have climbed in the Financial Times' global evaluations of Master and MBA courses. Our Master program in Finance was ranked No. 16 in the world, the Master program in Management climbed 16 places and the Executive MBA program a full 19 places. For the tenth consecutive year, we were ranked as the best business school in the Nordic and Baltic countries by the Financial Times and, during the year, we were also named as Sweden's most international educational institution in the STINT* internationalization index for 2016.

AN INTERNATIONAL STUDENT ENVIRONMENT

Applications to our Master programs have increased and it is encouraging that the number of qualified applications has risen by about 10 percent and the number of applications from paying students has increased by nearly 30 percent. Of the students attending our Master, MBA and PhD programs, about half come from a country other than Sweden and about 26 percent of the foreign students embark on their careers in Sweden.

RETAIL MANAGEMENT PROGRAM TO BE TAUGHT IN ENGLISH

The Bachelor program in Retail Management has a strong connection to Swedish retail companies. By internationalizing the program effective from the 2018 fall semester, we want to broaden its attractiveness, opening the program up to qualified students from both Sweden and other parts of the world. This also benefits Swedish retail companies already operating in a global market.

* The Swedish Foundation for International Cooperation in Research and Higher Education



STOCKHOLM SCHOOL OF ECONOMICS 2016 – A STATE OF CHANGE

Continuous change is needed if we are to remain a world-class business school. Among other events over the year, we launched the Global Challenges education track on the Bachelor program in Business and Economics, we intensified equality work and decided to introduce an alternative admission for the Bachelor program to reach students from a broader recruitment base.



The School highlighted the year's Pride Festival alongside with the Student Association.





SUCCESSFUL LAUNCH OF GLOBAL CHALLENGES

Global Challenge was launched in September for the new Bachelor students on the Business and Economics program. We are proud to be running this ambitious and innovative initiative in sustainability within higher education. The expanded curriculum supports our ambition to prepare the leaders of the future for addressing global challenges that face the world, equipped with knowledge in environmental issues, economic risk and poverty, among other aspects. The program has attracted great interest among our corporate partners, our management programs, the media and, not least, among new and prospective students.

TOWARDS GREATER EQUALITY AT THE SCHOOL

We have intensified our efforts in the area of equality, with the objective that everyone – students and staff alike – should feel welcome, regardless of gender, ethnicity, gender identity or gender expression, social background, functional ability, sexual orientation, age, religion, or faith. Much of the work in 2016 consisted of awareness-raising activities, closer cooperation with the Student Association, and improved handling of reported experiences of discrimination or harassment.

SSE INCLUDED IN GOVERNMENT'S RESEARCH POLICY BILL

It is gratifying that our conscious effort to be included among the educational institutions being financed with public funds yielded results in this year's research policy bill. Hopefully this means we will be able to continue investing in our ambitious research program.



ALTERNATIVE ADMISSION – A NEW FOCUS ON BROADER ADMISSIONS AND RECRUITMENT

With the aim of finding highly motivated and qualified students from a broader recruitment base, we have decided to introduce an alternative admission for its Business and Economics and Retail Management Bachelor programs for the 2017–2018 academic year. This quota will account for at least five percent of the total number of students admitted to the courses.

EXTENDED COMMUNICATIONS THROUGH NEW MARKETING CHANNELS

To reach out to talented students from target groups less represented among current applicants, we have invested in new marketing channels. In 2016, we carried out several advertising campaigns on public transport in Sweden's three largest cities, the marketing in our social channels has been developed and intensified and our external web has been adapted visually to reflect the school and make the structure clearer.



SSE ART INITIATIVE – ART AS A SOURCE OF KNOWLEDGE

This initiative in the arts and humanities is continuing, with the aim of providing students with a broader knowledge base and making them better decision makers. SSE Art Initiative partners with, or has partnered with, Moderna Museet, Tensta Konsthall, Magasin III, the Royal Institute of Art, the Royal College of Music in Stockholm, the School of Architecture at the Royal Institute of Technology, as well as a network of galleries and artists.

CUTTING EDGE RESEARCH

Research at the Stockholm School of Economics (SSE) is internationally renowned and the PhD program attracts students from many parts of the world. Our research is cutting edge – a strong incentive for many companies seeking to participate in our Corporate Partnership Program. The research influences the education provided by the School, and the real-life challenges faced by the companies are used as examples in teaching situations.

MISTRA CENTER FOR SUSTAINABLE MARKETS, MISUM

CONFLICTING GOALS BETWEEN GLOBAL SUSTAINABILITY TARGETS

A research report by Ranjula Bali Swain reveals that a focus on economic growth and consumption is incompatible with the UN's global goals for sustainable development. The study says that there are conflicting goals between the sustainability targets, although there are factors that can contribute to development (health, government investment) and environmental sustainability (renewable energy) without triggering conflicts.

MOBILE DATA FACILITATES RELIEF IN CONNECTION WITH NATURAL DISASTERS

Erik Wetter's research on how mobile data is applied to achieve improvements in decision making in development and crisis management shows how the work of relief organizations in connection with natural disasters is facilitated using large amounts of data.



Erik Wetter is an affiliated researcher at Misum, and is researching on how mobile data is used to improve crisis management with the help of large amounts of data.

THE SWEDISH HOUSE OF FINANCE/DEPARTMENT OF FINANCE

WAGES IN THE FINANCIAL SECTOR UNDER SCRUTINY

Daniel Metzger and Per Strömberg attracted considerable attention for their article *Since you're so rich, you must be really smart: Talent and the Finance Wage Premium*. Wages in the Swedish financial sector have risen sharply relative to other wages in the country, and the relationship is particularly strong in the top of the pay league. Why and how this affects other sectors are issues that the authors explore in their article.

RECORD NUMBER OF PUBLICATIONS

During the year, fully nine articles by researchers at the Swedish House of Finance were published in one of the three leading journals in finance research.

PRESTIGIOUS ASSIGNMENT IN MEMORY OF NOBEL

During the year, Per Strömberg was Chairman of the Committee for Sveriges Riksbanks Prize in Economic Science in Memory of Alfred Nobel.



Alongside Professor Per Strömberg, Assistant Professor Daniel Metzger attracted considerable attention for the article, *Since you're so rich, you must be really smart*.

DEPARTMENT OF ACCOUNTING

SHORTCOMINGS AND OPPORTUNITIES FOR IMPROVEMENT IN ACCOUNTING STANDARDS

Niclas Hellman and Tomas Hjelström have studied shortcomings and possible improvements to the international accounting standard for goodwill impairment testing. This research was published in connection with *The International Accounting Standards Board's (IASB) ongoing review of this standard*. The initiator of the project was Professor Emeritus Sven-Erik Johansson who participated posthumously in a paper published in 2016, *Accounting for goodwill under IFRS: a critical analysis*.

DEPARTMENT OF MARKETING AND STRATEGY

DIRECT CONTACT WITH COMPANIES IMPORTANT FOR OPTIMUM RETURN

In her doctoral dissertation *Seeking Alpha – and finding it* Emelie Fröberg showed that fund managers who were more frequently in direct contact with companies performed



Emelie Fröberg, Doctor of Economics, PhD,* showed how fund managers can add value through direct contact.



In a study, Professor Magnus Söderlund shows that customer emotions and satisfaction are affected negatively if a customer is alone in a physical store.

better than other active managers, and managed to generate added value (Alpha).

WHEN THE CUSTOMER IS ALL ALONE IN THE STORE

In a study, Magnus Söderlund shows that customer emotions and satisfaction are negatively affected if a customer is alone in a physical store with no staff within sight. The study, published in *Psychology & Marketing*, thus indicates that there may be disadvantages to replacing employees with robots, which some analysts believe is in the pipeline.

DEPARTMENT OF MANAGEMENT AND ORGANIZATION

IMMIGRATION AND ENTREPRENEURSHIP

Entrepreneurship is an important way out of long-term unemployment for immigrants seeking to establish themselves in the Swedish labor market. In a recently published article in the most prestigious journal on entrepreneurship, Miriam Bird and Karl Wennberg demonstrate that immigrant entrepreneurs' chances



Together with guest researcher Miriam Bird, Professor Karl Wennberg demonstrates that immigrant entrepreneurs' chances of success depend largely on their family and relatives.



Associate Professor Frida Perner has studied Swedish public authorities' use of management consultants.

of success depend largely on their families and relatives, who often contributes to the success of their businesses.

PUBLIC AUTHORITIES' USE OF MANAGEMENT CONSULTANTS

Frida Perner (SSE), Andreas Werr (SSE) and Love Börjeson (Stanford University) have studied Swedish public authorities' use of management consultants. In their twice-award-winning study, *Hiring Management Consultants: the role of chief executive tenure and organizational archetype*, they show how authorities' tendency to engage consultants is influenced by their organizational structure, and by how long the Director-General of the authority has held that post.

DEPARTMENT OF ECONOMICS

SUCCESSFUL RESEARCH REWARDED WITH KUZNETS PRIZE

Binnur Balkan was awarded *Kuznets Prize 2017* for the best essay in the *Journal of Population Economics* during 2016. The article, *Immigration*



PhD student Binnur Balkan was awarded Kuznets Prize 2017 for the best essay in the *Journal of Population Economics*.



Associate Professor Sara Rosengren** writes with Professor Micael Dahlén that advertising investments should be planned based on the desired effect, rather than the channel.

and prices: quasi-experimental evidence from Syrian refugees in Turkey, examines how consumer prices in Turkey are affected by immigration and analyzes this using data on the large, involuntary influx of Syrian refugees.

CENTER FOR RETAILING

WHEN AN ESTABLISHED RETAILER COMMENCES E-COMMERCE OPERATIONS

Mikael Hernant has initiated a project that explores what happens when an established retail business commences e-commerce operations. Using CRM data, he looks at whether the new channel will attract new customers and how the behavior of existing customers changes when they start shopping online.

WHAT DOES THE FUTURE OF ADVERTISING LOOK LIKE?

What we include in the concept of advertising is in constant change. In an article in *Journal of Advertising* Micael Dahlén and Sara Rosengren define advertising as "brand-initiated communication intent on impacting people." This definition states that advertising investments should be planned based on the desired effect, rather than the channel (proprietary, purchased, deserved) or discipline (public relations, advertising, promotions).

* Since January 2017 assistant professor at the Center for Economic Statistics at the Stockholm School of Economics.

** Appointed as Professor of Business Administration (marketing) in February 2017.



From left: Professors Anna Dreber Almenberg, Kalle Kraus, Paolo Sodini and Mette Morsing.

MORE PROFESSORSHIPS AND NEW PROFESSORS

Through generous donations, three new professorships have been established in economics, business development, innovation and sustainability. This enables the Stockholm School of Economics to build strong research environments in these areas.

Over the year, five professors were appointed.

NEW WALLENBERG CHAIR IN INNOVATIVE AND SUSTAINABLE BUSINESS DEVELOPMENT

Thanks to donations from the Knut and Alice Wallenberg Foundation and the Marianne and Marcus Wallenberg Foundation, the Stockholm School of Economics (SSE) has been able to establish a professorship titled the Jacob and Marcus Wallenberg Chair in Innovative and Sustainable Business Development, as well as a new research center linked to the professorship. The donations laid the foundation for the Center for Innovative and Sustainable Business Development and is a further step in our commitment to long-term business development, innovation and sustainability. The professorship will be appointed during 2017.

ANNA DREBER ALMENBERG AWARDED THE JOHAN BJÖRKMAN CHAIR IN ECONOMICS

The School received a donation from the Johan Björkman Foundation for purposes including research in economics and, in connection with this, the Johan Björkman Chair in Economics was established. At the same time that Anna Dreber Almenberg gained the title of professor, she also became the holder of the professorship. She is a well-established researcher, whose interdisciplinary studies in behavioral economics have been published in the world's foremost scientific journals.

METTE MORSING PROFESSOR OF SUSTAINABLE MARKETS

Mette Morsing was recruited to the Mistra Chair in Sustainable Markets, which is funded by the Foundation for Strategic Environmental Research (Mistra). The professorship promotes the School's commitment to research, education and engagement in the field of sustainable markets, while reinforcing the impact of the Misum research center. Mette Morsing will play a key role in developing SSE's sustainability efforts and will lead the scientific activities at Misum. The donation was awarded in 2015.

In addition to the appointment of the two professorships funded by donations, Paolo Sodini was promoted to Professor of Finance. Kalle Kraus and Henrik Nilsson were promoted to Professors of Business Administration.

At a solemn ceremony at Stockholm City Hall in May, Hans Kjellberg, Magnus Mähring, Robin Teigland and Karl Wennberg were formally installed as Professors of Business Administration and Paolo Sodini was installed as Professor of Finance.

DEVELOPMENT AND CHALLENGES

To remain relevant, we must further strengthen our range of programs and our resources for research, while also making investments in professional functions that generate added value for students. The thrust of our strategy lies in positioning, internationalization and financing, and it is in these areas that we face the greatest challenges.

TO BROADENING THE IMAGE of the Stockholm School of Economics is an important task. We know there are ambitious and talented people in all parts of the community and we are working hard to reach those who do not see SSE as an obvious choice. This is particularly true on the international front, where we need major resources to keep pace in the growing competition for students.

The Stockholm School of Economics is a catalyst for the leaders of tomorrow and we are aware of the substantial responsibility that this entails. Many of our students quickly gain opportunities to influence business and society after graduating. Accordingly, during their time with us, we place more emphasis on their development into responsible leaders through initiatives such as Global Challenges.

As part of our internationalization, the number of foreign students and researchers is increasing. This places demands on us as an employer and educational institution to provide professional support through, for example, career counseling and a digital learning environment. Effective from the autumn of 2018, the Bachelor program in Retail Management will be provided in English, posing new challenges for our recruitment of students.

OUR AMBITION IS to increase the number of funding sources. By systematizing and professionalizing our fundraising activities, we have managed to increase inflows from both foundations and companies. These efforts will be a top priority in the coming years. In the autumn of 2016, SSE was also included in the Swedish Government's research policy bill, which will hopefully generate additional new opportunities in the future.



MORE NEWS



Anders Richtnér, newly-appointed CEO of SSE Executive Education.

NEW PREMISES AND CEO FOR SSE EXECUTIVE EDUCATION

Efforts to integrate SSE Executive Education (SSE ExEd) into the School were completed with SSE ExEd moving into its new premises at Sveavägen 65 in late 2016. In connection with this, Anders Richtnér was appointed as the new CEO. Anders Richtnér is an associate professor at SSE and has long been active in the interface between academia and industry. For many years, he has been heavily involved in the operations of SSE Executive Education's and he knows the organization and its employees well.

It is gratifying that, over the year, SSE Executive Education maintained its position as the leading Nordic supplier of management training in the Financial Times' rankings, and that it also climbed to 28th place in the global ranking.

"TOGETHER WE CREATE THE FUTURE"

In 2016, work continued to increase donations from foundations, alumni and other private individuals. The campaign, *Together we create the future*, which ran during the autumn and specifically targeted alumni and other friends, was highly successful and brought in more than SEK 3 million. We are very grateful for this generous support, which affords us increased opportunities to offer scholarships to international students, and to improve our career-planning service for students. It will also give us the opportunity to develop and improve our digital environment for teaching and learning.



Expectant CEMS students awaiting the graduation ceremony.

CEMS ANNUAL EVENTS 2016

CEMS is a global network of 30 renowned universities and business schools and some 70 international companies.

This year the Stockholm School of Economics was honored to host the annual conference, followed by a

graduation ceremony for CEMS Master students in International Management. The event attracted a record number of schools and close to 850 students received their CEMS diplomas at the solemn graduation ceremony held at the Ericsson Globe.



The first RAMP participants on the steps in front of SSE.

RAPID ACCELERATION MANAGEMENT PROGRAM (RAMP) – AN INTEGRATION PROJECT FOR TALENTED RECENT ARRIVALS TO SWEDEN

In 2016, the Stockholm School of Economics launched a new educational program with the aim of accelerating the integration of recently arrived academics with work experience who have been granted asylum in Sweden. As part of efforts to strengthen Sweden’s competitiveness, we help ensure that their skills are put to good use. This is an

intensive management training program over a year and interwoven with an internship at a company operating in Sweden. Six women and eight men from the Middle East and Africa are participating in the pilot edition of the program. In 2017, a new edition will commence, with up to 30 participants.

THE STOCKHOLM SCHOOL OF ECONOMICS AND THE BUSINESS COMMUNITY

Our relationship with the business community is of great importance for the School’s development. Through our partnership, we ensure that the education we provide remains current and relevant and that it also prepares students for the workplace. Our Corporate Partnership Program has existed for more than 20 years and is based on a long-term commitment to generating the best possible conditions for Swedish competitiveness. The program plays an important role, both through companies’ contributions strengthening SSE financially, as well as by creating a natural meeting place between academia and industry.

Some 110 companies participate in the program. Nine companies joined during the year.

A new partnership format has been developed whereby SSE’s principal partners, Capital Partners, also become partners of the Student Association. This affords companies greater exposure at the school and greater access to students. The expanded partnership was launched in the spring of 2017.

The new Wallenberg Chair in Innovative and Sustainable Business (see page 10) has attracted interest from a number of our corporate partners, who this year injected additional financial support for the Chair and the research center linked to it.

NEW PARTNER COMPANIES IN 2016



A MESSAGE FROM THE CHAIRMAN



The Stockholm School of Economics (SSE) is a small university located in a small country on the northern edge of Europe. Accordingly, both SSE and Sweden consider maintaining an open and positive attitude towards the free flow of ideas and people across national borders to be a necessity.

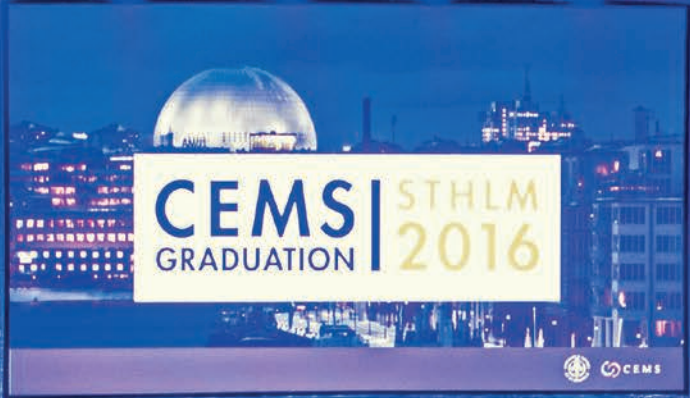
FROM ITS VERY INCEPTION in 1909, SSE viewed its mission as preparing students for international careers – and even back then, languages were included in the curriculum. The internationalization of the School has accelerated dramatically in recent years, starting with the Bologna process, which resulted, among other things, in a range of Master programs, all of which are taught in English. In most cases, SSE's ambition – that half of the students on these programs come from countries other than Sweden – has already been achieved. A very large number of applications are received and, furthermore, applicants are highly qualified.

An unexpected effect of this trend is that the School's offering of language courses has been supplemented with courses in Swedish. During their time at the School, many international students discover that Sweden is a good country to work in and, by studying Swedish, seek to increase their chances of securing their first job in Sweden. By offering an attractive international environment, Stockholm School of Economics contributes to Sweden's overall development. The risk of brain drain is reduced and vital brain-gain is generated. Sweden's competitiveness and attractiveness as a nation increases.

Against this background, it is particularly gratifying that SSE has been included in the government's research bill. This indicates a strong will to support the Stockholm School of Economics and is highly valued. The School has also been strengthened by a number of generous donations that have made possible the appointment of more professors. It is also highly gratifying that the number of female professors has increased markedly.

DESPITE VERY CHALLENGING competition, SSE finds itself in a positive phase of development. The fact that this is possible depends, of course, very largely on particularly strong efforts by the President, other management and other School staff, and I want to extend my tremendous thanks to all those employees, alumni and partner companies for their excellent work over the past year. Many thanks for that! Ahead, new challenges and opportunities await.

Carl-Johan Bonnier
Chairman of the Board



Graduation Banquet in conjunction with the CEMS Annual Events.

STOCKHOLM SCHOOL OF ECONOMICS

The Stockholm School of Economics is rated as the top business school in the Nordic and Baltic countries and enjoys a strong international reputation. World-class research forms the foundation of our educational offering, which includes bachelor, master, PhD, MBA, and executive education programs. Our programs are developed in close cooperation with the business and research communities, providing graduates substantial potential to attain leading positions in companies and other organizations. The school is accredited by EQUIS, certifying that all of its principal activities – teaching as well as research – maintain the highest international standards. The Stockholm School of Economics is also the only Swedish member institution of CEMS and PIM, which are collaborations between top business schools worldwide, contributing to the level of quality for which our school is known.



Stockholm School of Economics · Sveavägen 65
Box 6501 · SE-11383 Stockholm · Sweden
Telephone +46 (0)8-736 90 00 · info@hhs.se
www.hhs.se