



ESPAE GRADUATE SCHOOL OF MANAGEMENT

AT

ESCUELA SUPERIOR POLITECNICA DEL LITORAL - ESPOL

PRME AT ESPAE

SHARING INFORMATION ON PROGRESS

DECEMBER 2012

GUAYAQUIL-ECUADOR



ANTECEDENTS AND COMMITMENT

In our third progress report since the signature of the Principles for Responsible Management Education in November 2007, we describe the activities conducted during the period December 2010-2012, following the same format of our previous reports.

ESPAE, Graduate School of Management, was created in 1983 at ESPOL (a Polytechnic University) in Guayaquil, Ecuador. The involvement and adoption of the value of Social Responsibility at ESPAE was mostly an unplanned and spontaneous process. Therefore we formalized it as part of our mission, thus not only conveying a message but also committing ourselves and school resources. In a recent review of our mission, values and strategy, SR was recognized by our stakeholders as one of the main axis of the School, although we are also aware that we have a long way to go ahead.

For ESPAE, to work with business people, young professionals and entrepreneurs, to develop awareness and discuss about our contribution in the solution of social problems continues to be challenge. Until now we have focused our work mostly in the business community; for the next years we are committed with the dissemination of the principles among Ecuadorian universities, through the Global Compact local network in which we are actively involved.

Virginia Lasio

Director



OUR SCHOOL

ESPAE Graduate School of Management at ESPOL

- Founded in 1983
- Guayaquil-Ecuador- Latin America
- PMBA, EMBA, Master in Project Management (MPM), Master in Hospital Management (MGH), Master in Taxation (METRI) Aprox. 357 students (ESPOL aprox. 11713 students).
- 2020 alumni 40 faculty members (PT & FT&visiting)
- 25 staff

MISSION

“Contribute to the improvement of managerial and business capacity of private, public and non for profit organizations in Ecuador, as well as their integration into the global economy by providing graduate education to experienced professionals that is focused on entrepreneurship, ethics and social responsibility as core values. We enrich our education through applied research and the school participation in development projects and consulting”.

VALUES

We believe that our organization identifies with the following values:

Academic Excellence and Rigor: We believe that excellence and demand in all academic aspects (programs, syllabus, teachers, students, etc.) will be enhancing our mission fulfillment and the achievement of our vision.

Ethics and Social Responsibility: We believe that our actions must be guided by ethics and conviction because we are responsible for the society development.

Diversity: We believe that for the accomplishment of our mission and the development of our country all professionals and ESPAE workers should have the opportunity to access to excellence in education without discrimination of religion, race, sex or political beliefs.



Global Vision: We are convinced that globalization is key for society transformation. In that sense, we promote a clear vision of the global changes and trends in the world, as well as to keep a global perspective when analyzing our actions.

Quality Service: We believe that the quality, care, opportunity and flexibility in service we provide, is our main characteristic and allows us to satisfy our internal and external customers.

Innovation: We recognize as a differentiating element for people, business and society development, entrepreneurial spirit, and the search for newer and better ways to create and transform current business status.



THE PRINCIPLES FOR RESPONSIBLE MANAGEMENT EDUCATION

Purpose: We will develop the capabilities of students to be future generators of sustainable value for business and society at large and to work for an inclusive and sustainable global economy.

Values: We will incorporate into our academic activities and curricula the values of global social responsibility as portrayed in international initiatives such as the United Nations Global Compact.

Method: We will create educational frameworks, materials, processes and environments that enable effective learning experiences for responsible leadership.

Research: We will engage in conceptual and empirical research that advances our understanding about the role, dynamics, and impact of corporations in the creation of sustainable social, environmental and economic value.

Partnership: We will interact with managers of business corporations to extend our knowledge of their challenges in meeting social and environmental responsibilities and to explore jointly effective approaches to meeting these challenges.

Dialogue: We will facilitate and support dialog and debate among educators, business, government, consumers, media, civil society organizations and other interested groups and stakeholders on critical issues related to global social responsibility and sustainability.

PRME: A Step by Step Business School Spiral Approach

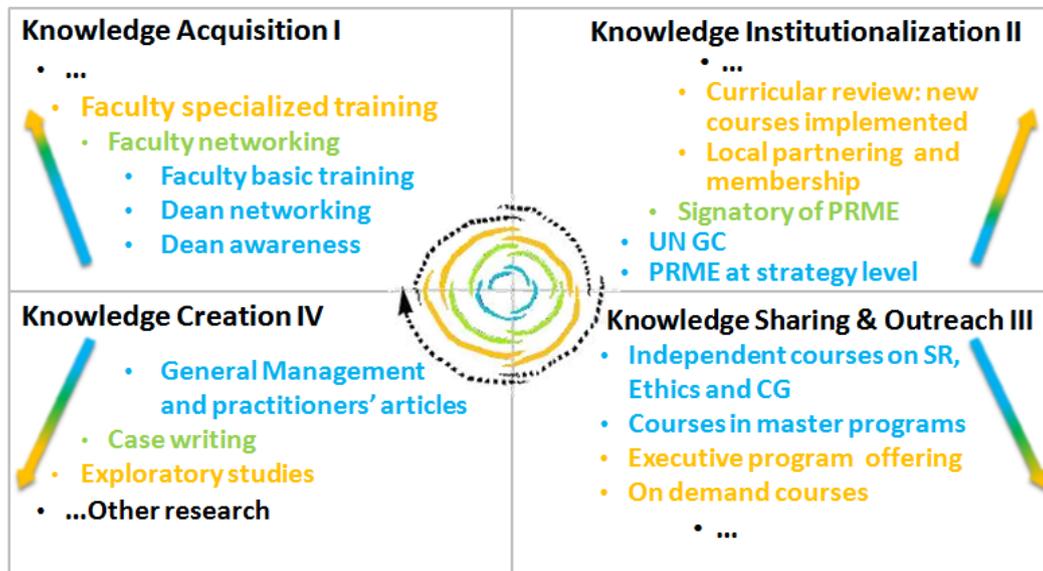


Figure 1. PRME step by step

Each group of activities triggered a knowledge cycle of a spiral that is characterized by the stages: Acquisition – Institutionalization – Sharing – Creation. Nevertheless, our experience tells us that simultaneous stages may occur and that some of the activities may overlap. The PRME spiral metaphor tries to explain that every cycle increases our knowledge, reinforce institutionalization, involve more people and develops the knowledge creation capacity.

I-“Knowledge Acquisition”

The first quadrant of the model includes instrumental activities, a kind of knowledge toolbox that feeds the process. We propose to organize these instrumental type of activities into three groups, the first one describes how the whole school got basic knowledge at the very beginning, and includes activities that happened before the PRME signature, the second one is related expansion of our knowledge of the network and the last group has to do with specialized knowledge.

Some of the activities pertaining to Knowledge sharing & Outreach also allow for internal knowledge acquisition; when is the case we include the activity under both categories.



Following, we list the main activities of this stage:

- In January 2011, ESPAE concluded the Social responsibility program where staff, professors and more than 30 professionals in this area participated.
- In January 2011, ESPAE, partnering with Centre for Social Responsibility and Sustainable Development of the Catholic University of Valparaiso-Chile, the Guayaquil Chamber of Industry and the Ecuadorian Consortium for Social Responsibility (CERES) presented the Social Responsibility Standard ISO 26000 was presented by ESPAE, to the local business community.
- Advancing our alliance with CEMDES (Ecuadorian Chapter of the WBCSD), in 2011 and 2012 we offered a series of three annual conferences facilitating the exchange and learning from good practices in sustainability. Attendants were member of the local business community, alumni, students and faculty. It is interesting to note that since 2011 this series have obtained financial support from local business.

Date	Topic of the Conference	Speakers
August 2011	Intangibles Value	Roberto Palacios Dueñas, ESPAE professor, as the keynote speaker; Roberto Chavarría, president of Veritas DDB, and Ramiro Pita, authorized agent of the trust “Grasas Unicol” spoke, as well.
September 2011	Sustainability Report	Jhon Chiriboga Icaza, manager of Equilibre, and Andrés Bolek, corporate brand manager of Cervecería Nacional gave their testimonies working with this tool that ensures competitiveness.
October 2011	Public-Private Alliances	Developed by Elisa Strecke, Internal Junior Advisory in cooperation with the private sector - German Development Cooperation in Ecuador. Freddy Cabello presented the case of KOAKA/UNOCACE Foundation.



In 2012, ESPAE and the Ecuadorian chapter of the Business Council for Sustainable Development (CEMDES) organized another cycle of conferences:

Date	Topic of the Conference	Speakers
August 2012	Water, agriculture and human development	Developed by Luis Dominguez, director of the Center of Water and Sustainable Development in ESPOL and Victor Villacis, general manager of LaFabril who presented the case.
September 2012	Productivity, food security and sustainable agriculture	Developed by Jose Ysambert, Syngenta Crop Protection Ecuador Business Unit Manager who exposed the topic and the case of the same enterprise.
October 2012	Public policies of economic inclusion and sustainable agriculture	Presented by Christian Marlin, Advisor to the Ministry of Agriculture, Livestock, Aquaculture and Fisheries (MAGAP) and Ney Barrionuevo, manager of Inclusys.

II-“Knowledge Institutionalization”

The second quadrant is where three of the PRME principles, **Purpose**, **Values** and **Method** concur. We believe that change starts at individual level, and thus our efforts started with our faculty and students.

Purpose (1)

Besides expressing our commitment signing for the PRME , we reviewed the curricula of our Master Programs(PMBA, EMBA, Master in Project Management, Master In Hospital Management, and Master in Taxation) and ensure that at least one formal course addresses the issues on SR and /or ethics. Because ESPAE mission recognizes ethics & social responsibility as a longitudinal axis in the management education we provide, faculty in diverse fields have been including the subject through cases, articles, exercises, role playing simulations, and class discussions.

Learning goals for our Master programs reveals the importance of being responsible in business; every master program has a specific learning goal related to it.



Master in Business Administration

Our graduates for the PMBA and EMBA master programs will be:

1. Competent* professionals in business management
2. Effective communicators in the business context
3. Professionals able to develop entrepreneurial ventures
4. Sensitive to the global environment of businesses
5. Socially responsible in a business context
6. Professionals able to exploit their creative and innovative abilities as they deal with an environment of continuous changes

Project Management Program

Our graduates will be:

1. Competent professionals in project formulation.
2. Effective communicators in the organizational context.
3. Competent professionals in project management.
4. Professionals able to develop new sustainable projects at the local, regional, national and international context
5. Socially responsible professionals

Hospitals Management Program

Our graduates will be:

1. Competent professionals in the management of health-care organizations
2. Effective communicators in the organizational context
3. Professionals able to exploit their creative and innovative abilities
4. Professionals able to develop new ventures
5. Socially and ethically responsible professionals in the context of health-care service organizations
6. Socially politically and economically sensitive to the health-care systems at the global context

During 2012 the assessment of learning goals of the programs as well as the syllabi review of all our masters reflected a good understanding of social responsibility issues, and that there is a balance in their treatment in several courses through the programs.. From the review process a set of recommendations for faculty members were issued, and their implementation will be assessed during 2013

In previous years specific courses on ethics, social responsibility, and corporate governance were include in the pensum; 246 (2011) plus 189 (2012) students have attended those courses as can be seen in Table 1.



Table 1. Students who attended specific courses on ethics, social responsibility, and corporate governance

PROGRAMS	MODULES	DATES	STUDENTS
MAE27	Social Responsibility and Business Law	MAY-AUG 2011	28
MAE27	Corporate Governance Seminar	SEP-DEC 2011	30
MGP5	Ethics and Social Responsibility	8, 9 JAN 2011	41
MGP5	Environmental Impact Analysis	11, 12 JUN 2011	36
MGP5	Analysis and Evaluation of Social Projects	3, 4 DEC 2011	35
MGP6	Ethics and Social Responsibility	3,4 DEC 2011	43
EMAE15	Corporate Social Responsibility	20, 21 AUG 2011	33
Total 2011			246
MGH5	Ethics and Social Responsibility	14, 15 JAN 2012	24
METRI17	Ethics and Values	14, 15 APR 2012	30
EMAE16	Corporate Social Responsibility	18, 19 AUG 2012	22
MAE28	Social Responsibility & Business Law	MAY-AUG 2012	26
MGP7	Ethics and Social Responsibility	02, 03 JUNE 2012	45
MGP8	Ethics and Social Responsibility	27, 28 OCT 2012	42
Total 2012			189

Values (2)

We believe that understanding diversity is a valuable skill in our students and faculty; one that makes them better citizens prepares them for the business world. Accordingly, we promote diversity and tolerance by developing teamwork skills.

ESPAE developed its own code of conduct, however starting this year we included in every syllabus a paragraph on Academic Integrity and discuss the implications at the beginning of every course.

The Honor Code was approved by the University Council in the last quarter of 2009.

Methods (3)

Starting in 2008 ESPAE organizes study teams composed by diverse and complementary members; for the conformation of study teams we take into account demographics, admission test, etc., conduct team building sessions at the beginning of each program, and assist students with their conflict resolution during their masters.

MBA Students' Business Plans

Proposals with an environmental and social objective:

MAE 27: 3 out of 10 projects focus in resource conservation

ECOSTONE	These is a project about recycling used tires and then transform them into paving stones, in order to avoid contamination that these tires could cause, turning them into something useful. (Paving stones are used in streets, sidewalks, parks, etc.
RAINWATER	This is a project to recycle rainwater at homes in Quito, so that it can be reused by households giving it the appropriate treatment. It is a futuristic project, due to the predictions that water shortages will be a serious problem in the future. In fact, the EMAAPQ (Water Service Provider in Quito) recognizes that this problem already exists.
BIOMAX	This service is based on the installation of a treatment plant of municipal solid waste (garbage) in order to generate clean electricity using technology "Arc Plasma".

MAE 28: 2 out of 10 projects focus in social environmental

BIOLEGO	Biolego will be a bio-ecological decorative block, useful for construction in public housing. Biolego introduces two innovations: the use of rice husk ash to partially replace the sand and a modular design that allows the reduction of costs of materials and labor in construction.
PINTULLANTAS	Pintullantas will be an ecological waterproof material made with recycled rubber obtained from scrap tires collected from the domestic market. In Ecuador, it is estimated that about 1'900, 000 scrap tires per year end up in dumps or landfills.

EMAE 14: 4 out of 13 projects focus in social environmental MAE 14

<p>SOUTH COMMUNITY CYBER (ESMERALDAS)</p>	<p>Intrapreneurial project of Termoesmeraldas to provide free internet access to the communities: San Rafael, Vuelta larga, Casa Bonita.</p>
<p>COMMUNITY FRIDGES</p>	<p>This project expects to help fishermen from Chanduy community in order to preserve fish in appropriate conditions for marketing.</p>
<p>LANDFILL FOR MUNICIPALITIES IN ECUADOR</p>	<p>Solid waste disposal that will be implemented by standard landfill, which will be built in different areas of the country, and they will provide this service exclusively to small cities simultaneously.</p>
<p>PRODUCTION OF BIODIESEL BASED ON PINION</p>	<p>The pinion is a wild plant whose seeds are not used for food and fits rather dry climates, i.e. it does not require much hydration, and therefore, it might facilitate mass production of biofuels and contribute in reducing pollution.</p>

III-“Knowledge Sharing & Outreach”

The third quadrant includes all the activities aimed at communication and development of relationships with stakeholders, alliances, and outreach activities. We consider that the Principles of Partnerships and Dialogue fit in here, thus we inform the following activities:

Partnerships (5) & Dialogue (6)

- Cooperation agreement was signed with Good Corporate Governance Project with the commitment to incorporate in our curricula seminars on CG, identify and disseminate good practices.
- ESPAE is sponsoring with MPM scholarship a Values campaign organized by a local business group - Ecuador Triunfador /NOBIS Group. 2008, 2009. 2010, 2011, 2012. In addition faculty member and alumni participate pro bono as projects evaluators in the contest.



- In December 2011 the First Assembly of the Global Compact Ecuadorian Network was held in Quito-Ecuador, where Virginia Lasio, director of ESPAE was chosen to be the representative for the Non Entrepreneurial Activity Organizations.
- In 2007, 2008, 2009, 2010, 2011 and 2012 ESPAE faculty contributed with materials development and teaching in a leadership program of the Andean Corporation of Foment CAF, to develop communitarian leaders. During the period, several MBA students were involved in administrative duties as well as course facilitators in this program.
- We signed a Cooperation Agreement with Ecuador Chapter of the Business Council for Sustainable Development (CEMDES in Spanish). The partnership allowed ESPAE to run a successful Breakfast Series on Sustainable Business Development organized annually from July to October 2010 and will start its fifth year in 2013. The conferences mostly dealt with environmental issues that we do not currently address in our MBA programs. Because of this alliance ESPAE was accepted as member of the local chapter of the WBCSD.
- In April 2012 ESPAE organized a conference called: "Good Business Practices for Ecuador Free of Child Labour" by Maria del Carmen Velasco, project manager for the Eradication of Child Labour of the Ministry of Labour Relations. In addition, Paola Jacome, Pro-child Project Coordinator of Telefonica Foundation, explained company's action lines of social innovation projects.
- In July 2012, Pronaca, Cerveceria Nacional and Uniapac shared their experiences in regard to Social Responsibility programs in Ecuador. **The roundtable discussion was organized by students of the MBA 28 as part of the activities in the Social Responsibility and Business Law course**, taught by Dr. Regina Zambrano



IV- “Knowledge Creation”

The fourth quadrant includes research activities. We view research on SR not as an end but as a mean to develop academic materials to feed into the classroom and to lead to a better understanding of local practices. Thus, we plan to include cases, technical notes, books, and scholarly research. Until now the following work has been done by ESPAE professors:

- Sara Wong. Diagnosis of social status in terms of poverty, inequality and development, by urban-rural and regional level in Ecuador for the Latin American Report on Social Inclusion Growth: Results. A report prepared for RIMISP. July 2011.
- Sara Wong. Diagnosis of social status in terms of poverty, inequality and development, by urban-rural and regional level in Ecuador for the Latin American Report on Social Inclusion Growth: Construction of indicators. A report prepared for RIMISP. June 2011.
- Regina Zambrano. “El Palmar Islet”. This case of study is about an avian problem in El Palmar Islet and its relation to social responsibility not only environmental but, above all, safety in air transportation. Also, it includes an analysis of who were directly responsible for this situation.
- Juan Dominguez. “Biofuels: Towards an industry zero-waste” This article presents a brief description of the main raw materials of agricultural origin, corresponding to first-generation technologies, used for biofuel production in Ecuador. It also highlights the importance of new projects for the production of biofuels, seeking more efficient use of resources using all biomass. June 2011.
- Xavier Ordenana, Juan Dominguez. “Contingent Valuation of Mining in Ecuador”: Through an incentive compatibility model, this paper seeks to extend the concept of contingent valuation for mining activities in the case of Ecuador. The Tanlahua quarry, located north of Quito, is used as a case study to determine what amount would be required in order to desist from mining, versus forestry to capture carbon. 2012.

MONITORING

Following some formal and informal monitoring activities:

Through Students

From the Exit Survey we apply to PMBA and EMBA students we can assess their perceptions on the improvement in Ethical Awareness. (See table 2)

Table No 2. Exit Survey Results: Ethical Awareness

	2006	2007	2008-2009	2009-2010	2010-2011	2011-2012
EMBA	8,54	8,8	8,1	8,4	7,7	8,4
PMBA	7,24	8	9	9,1	8,4	8

On a 10-point Likert type scale

Trough Alumni

From an MBA alumni follow up study conducted in 2009:

- 80% consider that course content includes SR principles & ethical values
- Only 26% consider that course content includes environmental topics.



NEXT STEPS

Until now, ESPAE has mainly focused the efforts on the academic aspects, teaching and research, and the dialog with the business community.

It is important to note that the breakfast series in alliance with CEMDES that started to complement our students' knowledge on sustainability turned to a dialog space with business community, which has become highly valued by them.

The current challenges for ESPAE are: on the educational side, to strengthen the discussion of sustainability in an ongoing process of curricular review; on the organizational, side to fully become a socially responsible organization. We have to recognize that actions at the organizational level are complex, because not all of them are under the control of ESPAE. However, during 2012 we confronted an incident (fire) that revealed safety issues in our facilities. This experience served to create awareness, and develop commitment, but more important led to take concrete actions to correct and prevent future problems. We will keep working to provide our community with the safest environment possible.

Concrete actions for 2013 include:

Discussion the Vision 2050 with the business community¹ through our Sustainability Breakfast series,

Promote the principles in Ecuadorian Universities aiming at the increase in signatories of PRME from our country. We team up for this purpose with the local network of the Global Compact.

Keep and improve our recycling practices, and the use of recycled materials, especially paper.

¹ Because of the nature of our school and graduate programs the business community includes also students, alumni and a proportion of our faculty.