



ESPAE GRADUATE SCHOOL OF MANAGEMENT

AT

ESCUELA SUPERIOR POLITECNICA DEL LITORAL - ESPOL

PRME AT ESPAE

SHARING INFORMATION ON PROGRESS

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GUAYAQUIL-ECUADOR



ANTECEDENTS AND COMMITMENT

In this our first report on progress, since the signature of the Principles for Responsible Management Education in November 2007, it is important to think on the path we took since 2006 with the purpose of setting a model of development that helps us to better understand our achievements and challenges.

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. In 2006, during the review of the School strategy, several faculty and administrators discussed and advocate for it. We decided to include it in our mission and therefore not only to convey a message but also to commit ourselves and school resources to the “issues in SR”, that we believed were neglected, at least in the local Academia, and were very important for a developing country such as Ecuador.

In Ecuador, like in most Latin American countries, corruption is a quasi-cultural phenomenon; manifestations of bribery and nepotism are frequent, and poverty and inequality are high. Thus, for ESPAE, it is a great challenge to work with business people, young professionals and entrepreneurs, to develop awareness and discuss about our share in the solution of social problems around us and how we can have an impact.

Before the Global Forum in December 2008, my participation in the working group on “How to get started” let me review the record of activities done in regard with social responsibility that I have been keeping for several years. Revising the activities and giving some kind of order to what has developed spontaneously led to the recognition of type of activities such as knowledge acquisition, knowledge sharing and outreach, which we noticed are not necessarily sequential. This observation showed, in hindsight, the process that ESPAE followed and is currently experiencing.

After the Global Forum we systematized and represented graphically our experience in a sort of model (see fig. 1) that we will use to frame our PRME experience in this report. We also believe that the challenge is the complete integration into the School, continuity and growth of the process and further evaluation.



We recognize that we are at an early stage; nevertheless our experience may be useful for sharing with others that may be afraid to get involved foreseeing a more complex starting phase.

Virginia Lasio

Director

PRME: A Step by Step Business School Spiral Approach

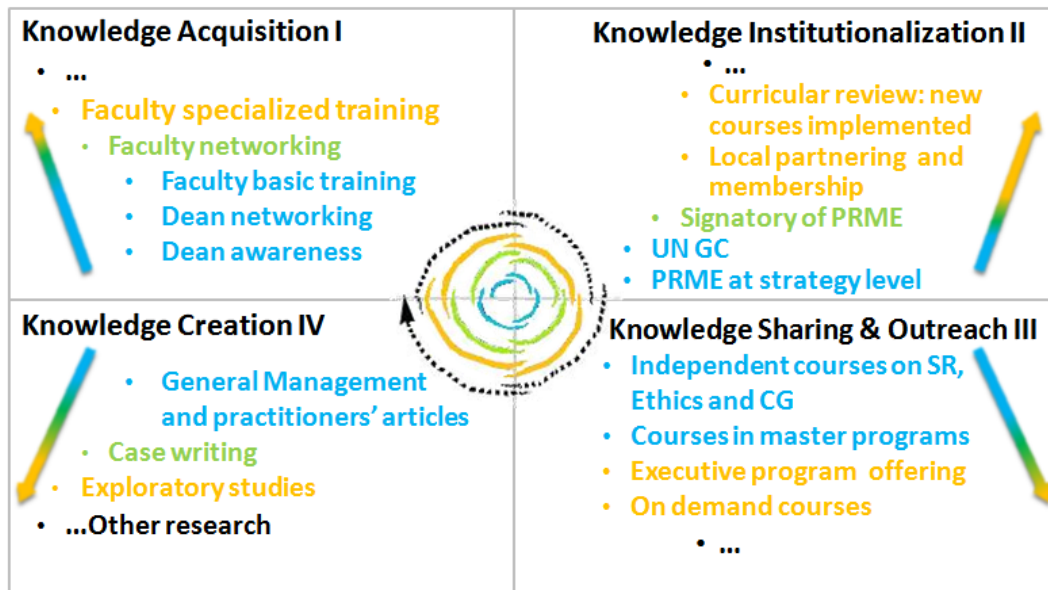


Figure 1

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. Our experience tells us that these are overlapped activities. The PRME spiral metaphor tries to explain that every cycle increases our knowledge, reinforce institutionalization, involve more people and develops the knowledge creation capacity.

“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.

Following, we list the main activities of this stage:

- A formal 24 hours seminar was offered for faculty as part of Faculty Development Program, in agreement with VINCULAR from Universidad Católica Valparaíso-Chile. August 2007.
- The dean attended an International Conference in SR about the role of civil society. September 2007.
- A selected group of 6 faculty members attend a training program in Corporate Governance part of an IDB program. May 2008
- Two faculty members attended the II Meeting on SR in Ecuador organized by IRSE, Capital Group -June 2008
- Graduate Management School Faculty attended the first open 5-module program in SR. the Program offered by ESPAE.
- The school organized open conferences for faculty, students, and general public were offered: in May, June, July 2007 and October 2008

Millennium Development Goals: An advance report for Ecuador-May 2007

Introduction of Good corporate governance practices- June 2007

Labor inclusion of handicapped workers: review of local law and practices- July 2007

Citizenship and professional ethics- October 2008

- During 2008, the school encouraged several faculty members to participate in the PRME working groups; even if their participation has not been very active I believe they benefited from being involved in the discussions and knowing about what other schools were doing.



“Knowledge Institutionalization”

The second quadrant is where three of the PRME principles, Purpose, Values and Method, may be worked. 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 or 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.

Values (2)

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

ESPAE is currently developing 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.

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, temperament test (MBTI), admission test, etc., conduct team building sessions at the beginning of each program , and assist students with their conflict resolution during their masters.

We also recognize that ethics and SR are not silos, and consequently to promote discussion among faculty, integrate E&SR in diverse courses as well as into research, interdisciplinary work should be promoted as well. In an effort to achieve this goal, we plan a faculty seminar on teamwork, to be delivered next September.



“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)

- ESPAE started a membership with IRSE (Instituto de Responsabilidad Social Empresarial)
- Cooperation agreement with SNV (Netherlands Development Organization) to collaborate in their Inclusive Business Project.
- 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.
- Started the first executive education program in SR; started in August 2008. The second is planned for August 2009.
- ESPAE is sponsoring with scholarships a Values campaign organized by a local business group - Ecuador Triunfador /NOBIS Group. 2008 6 2009
- Contribution with articles to local Business magazines :
 - Virginia Lasio, [Líderes responsables](#). Revista América Economía - Ecuador No. 38, Enero 2009
 - David Matamoros. [Responsabilidad ambiental: Un novedoso concepto en este país](#). Revista Leadership año V No. 2, Septiembre 2008
 - Virginia Lasio. [Una perspectiva micro de la responsabilidad social empresarial](#). Revista Industrias, Año XIII, Numero 4, Abril 2008
- In 2007, 2008, and 2009 ESPAE faculty contributed with materials development and teaching in a leadership program of the Andean Corporation of Foment CAF, to develop communitarian leaders. In 2008 and 2009, several MBA students were involved in administrative duties as well as course facilitators in this program.
- The Director of ESPAE participated as a panelist in the II Encuentro por la RS in Ecuador, organized by Capital and IRSE, to discuss the role of Business Schools



on Social Responsibility. The PRME were also shared with the audience and reproductions of the Spanish version of the brochure were distributed.

“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 include cases, technical notes, books, and scholarly research. Until now the following work have been done by ESPAE professors:

- Juan Morales (2008) *Ética y Sociedad*. Serie Nuestros Valores ESPOL, ESPAE, Universidad del Azuay (Book sponsored by ESPAE)
- **Sara Wong (2008)**. [Detrás de la cifras de la pobreza](#). ESPAE Technical note. This note explains poverty measures and presents results on poverty rates by type of households for Ecuador.
- S. Wong, R. Arguello, & K. Rivera (2008). [Fiscal Policies and Increased Trade Openness: Poverty Impacts in Ecuador](#). PEP Working Paper. This research quantifies the effects on poverty in Ecuador of a bilateral trade liberalization with the USA and fiscal changes (value added tax and direct taxes) which seek to compensate tariff revenue losses, so that the government deficit remains constant.
- Sara Wong (2009). [Poverty Impacts of Trade Integration with the EU: Lessons for Ecuador](#). Work in progress. This research comes in timely, as Ecuador is currently negotiating a trade agreement with the EU. Preliminary results show positive effects in poverty reductions when a free trade agreement with the EU is adopted, and highlight the potential gains and losses for the Ecuadorian economy –by sectors and factors of production.
- **William Loyola. (2009)**. [Tiendas más eficiente en zonas marginales](#). Case Study
- Global Entrepreneurship Monitor (GEM) Ecuador 2009- special topic: social entrepreneurship-Work in progress.
- Virginia Lasio & Ma del Carmen Almeida. Work in progress. Exploration of the Influence of Employee Functional Background and/or Department in their Understanding of Corporate Social Responsibility. Data from Ecuador, Peru and Venezuela.



- Walkyria Rivadeneira. Digital Library – Work in progress. Current project in association with Human Computer Interaction Lab, University of Maryland. Aimed at primary school students, has the objective to assess the impact of the Access to multicultural collections in childrens’attitudes toward libraries, technology and diverse cultures.

Our challenges

Until now, ESPAE has mainly focused the efforts on the academic aspects, teaching and research. The challenge is for ESPAE on the educational side to integrate environmental issues that have been neglected until now, and on the organizational side to fully become a socially responsible organization. Thus besides the continuity in scholarly activities, and giving continuity to projects started in previous years, for the year ahead we plan to :

- a) Introduce environment and sustainability issues through conferences for students, faculty and general audience (in a similar way as we used to introduce SR issues years ago). For this purpose, we are envisioning an alliance with the local chapter of the Business Council for Sustainable Development (CEMDES).
- b) Offer SR training to the school staff and administrators. ESPAE is currently contributing with a campus wide initiative of paper recycling, and individually has been campaigning for printing reduction; in addition, in 2009, all presentation cards for faculty and staff have been printed in recycled paper, and we will continue efforts for a better management of our consumption.