



ESPAE GRADUATE SCHOOL OF MANAGEMENT

AT

ESCUELA SUPERIOR POLITECNICA DEL LITORAL - ESPOL

PRME AT ESPAE

SHARING INFORMATION ON PROGRESS

DECEMBER 2014

GUAYAQUIL-ECUADOR



ANTECEDENTS AND COMMITMENT

In our fourth progress report since the signature of the Principles for Responsible Management Education in November 2007, we describe the activities conducted during the period December 2012-2014, following the same format of our previous reports.

ESPAE, Graduate School of Management, founded in 1983 at ESPOL (Escuela Superior Politecnica del Litoral) in Guayaquil, Ecuador celebrated its 30 anniversary in 2013. 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 advocated 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, a quasi-cultural phenomenon, poverty and inequality are still a concern, and the role of firms and managers is critical for improvement. Thus, for ESPAE, it is a great challenge to work with business people, young professionals and entrepreneurs, to develop awareness and discuss about our role and joint impact in the solution of social problems.

During the period reported, our work reflect consistency with our mission, and actions towards accomplishing our goals.

Virginia Lasio

Dean



OUR SCHOOL

ESPAE Graduate School of Management at ESPOL

- Founded in 1983
- Guayaquil-Ecuador- Latin America
- AACSB International accredited August 2014
- PMBA, EMBA, Master in Project Management (MPM), Master in Hospital Management (MGH), Master in Taxation (METRI) Aprox. 350 students (ESPOL aprox. 11.000 students)
- 2321 alumni
- 44 faculty members (PT & FT & Visiting)
- 35 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

- 1. 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.
- 2. 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.
- 3. Method:** We will create educational frameworks, materials, processes and environments that enable effective learning experiences for responsible leadership.
- 4. 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.
- 5. 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.
- 6. 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

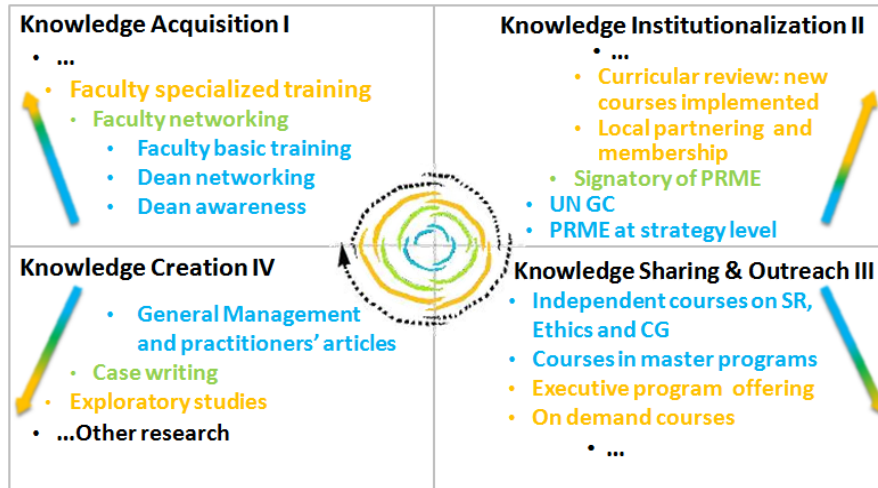


Figure 1. PRME step by step

Each group of activities triggered a knowledge cycle of a spiral characterized by the following 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. Being signatory of the PRME has been a continuous learning experience for ESPAE.

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 to expansion of our knowledge and 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 conducted during the period of reporting of this stage:



- On July 2013, Students of MAE XXIX, as part of their Social Responsibility course, received a conference about “Environmental problems affecting businesses” in which the representatives of two companies gave a talk about recycling. Tania Gonzales from “Intercia” and Antonio Portilla from “Fui Reciclado”.
- On August 2013, ESPAE organized the conference “Millennium Development Goals and post-2015 Development Agenda”, by Fernando Pachano, Program Specialist, Area Democratic Governance, Social Development and Poverty Reduction, UNDP-Ecuador.
- On February 2013, ESPAE organized the conference “Antitrust Law”, presented by Pedro Paez, Superintendent of Market Power Control.
- Advancing our partnership with CEMDES (Ecuadorian Chapter of the WBCSD), in 2013 and 2014, ESPAE continues a series of three annual conferences facilitating the exchange and learning from good practices in sustainability. Attendants were members of the local business community, alumni, students and faculty. It is interesting to note that since 2011 these conferences have obtained financial support from local businesses.

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

In previous years specific courses on ethics, social responsibility, and corporate governance were included in the pensum; 131 (2013) plus 172 (2014) students have attended those courses as can be seen in table 1.



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

PROGRAMS	MODULES	DATES	STUDENTS
EMAE 17	Corporate Social Responsibility	14,15 SEPT 2013	39
MGP 9	Ethics and Social Responsibility	2, 3 MAR 2013	46
MGP 9	Sustainable Development	10, 23, 24 MAR 2013	46
		Total 2013	131
METRI 9	Ethics and Values	15, 16 NOV 2014	38
MGP 9	Environmental Impact Analysis	18, 19 JAN 2014	46
MGP 9	Analysis and Evaluation of Social Projects	JAN 25, FEB 8, 2014	46
MAE 29	Corporate Governance Seminar	JAN-APR 2014	20
MAE 30	Corporate Social Responsibility	MAY – AUG 2014	22
		Total 2014	172

During 2014, the school contracted a new professor in the area of sustainable value chain; we also developed a new master program – currently at the approval stage by the Higher education authority Master in Sustainable Agribusiness.

Values (2)

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

ESPAE developed its own code of conduct, and we include 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, admission test, etc., conduct team building sessions at the beginning of each program, and assist students with their conflict resolution during their masters.

In 2014, we reoriented our entrepreneurship emphasis for business ideas generation to a problem solving approach, experimenting with the Part time MBA and an Ideas boot camp. We will be monitoring to share the results in future reports.

MBA Students Business Plans

Ecuadorian higher education law requires that a student present a final graduation project before obtaining their master degree. Consistent with the entrepreneurship axis derived from ESPAEs mission, students in PMBA and EMBA have the requirement to complete a Business Plan as final project; business plans account for about 70% of total graduation projects. Among these final graduation projects, about 40% are social – environmental oriented as shown in figure 2.

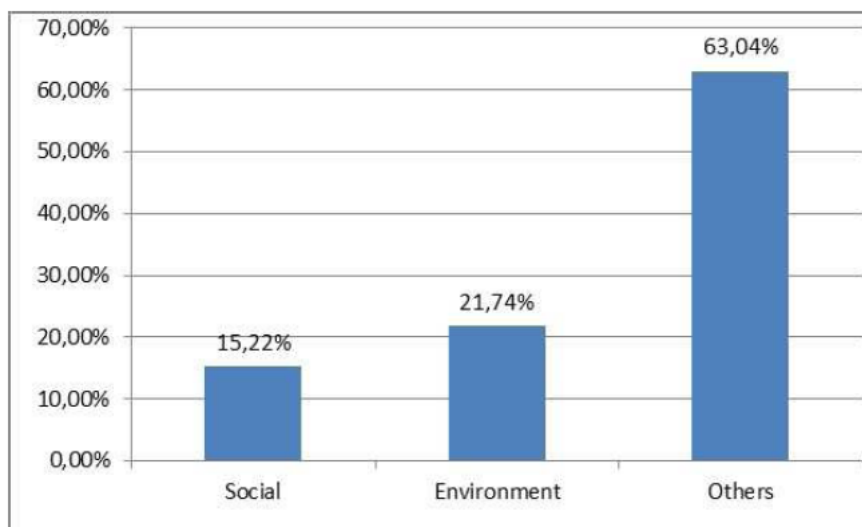


Figure 2. Final Masters Projects Orientation

Proposals with an environmental and social objective:

MBA 28: 3 of 11 projects focus in social responsibility

Bloq-Eco S.A.	Bloq-Eco S.A. offers high quality eco blocks at lower prices, which contributes to protect the environment by reusing the rice husk ash, agricultural waste from the rice production.	MAE 28
RECOME S.A.	Recome’s objective is to recycle computer and electronics scrap in Guayaquil. This project aims to reduce the electronic waste through:	MAE 28

	<ol style="list-style-type: none"> 1) Collection and destruction of electronic components 2) Collection and sorting of reusable items (recycled) for re-selling worldwide 3) Receiving donations of computer equipment. 	
Ecoroofs	This green roof system consists in the construction of a garden in the roofs with the aim of improving their appearance and enjoy its health benefits like the temperature regulation, and energy savings.	MAE 28

EMBA 17: 5 of 15 projects focus in social responsibility

Production and commercialization of lubricants from regeneration of used oil.	The aim of this project is to solve the environmental problem caused by the oil waste, transforming the used oil in a reusable one. It begins with the collection of used oil, the production process, and the subsequent sale with a brand.	EMAE 15
PROVIDING INTERNET SERVICES TO THE MARGINAL SECTOR IN QUEVEDO CITY	This service provides internet to marginalized sectors of Quevedo city through the implementation of a copper network technology ADSL2 +	EMAE 15
ECPALLET S.A.: Reuse of rice husk for making pallets	Ecopallet S.A. sells pallets made from a composite of rice husk mixed and other materials, to give strength and durability, with dimensions in American format and European format.	EMAE 15

Ecologic Roof from the use of Rice Husks	The aim of this ecological roof made from the rice waste is to satisfy the consumers' needs contributing in the reduction of pollution.	EMAE 15
RECIMEC	Recimec objective is to extract the residual vegetable oil, used and discarded in the oil industry, in order to reuse it in the elaboration of biodiesel.	EMAE 15

MBA 29: Students of MBA 29 are presenting their business plans. Now, there is one project focused on social responsibility.

PAKAKUNA	Pakakuna is an ecological park built to improve the emotional wellbeing of children and adolescents with cancer	MAE 29
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MPM 6: 3 of 11 projects focus in social responsibility

Ecological blocks	This factory makes Ecological Blocks for the construction sector in Machala City.	MGP 6
Cooking Oil Waste	This project is about the reuse of cooking oil waste of restaurants in a Cooperative of Popular and Solidarity Economy in the City of Guayaquil.	MGP 6
Recycled fluorescent lamps	Recovery of glass and other recycled materials from fluorescent lamps.	MGP 6

MPM 7: 1/3 projects focus in social responsibility

PRODESEC S.A.	Prosedec produces organic fertilizer from the sludge of the wastewater treatment plants, generated by Fishing Companies in the cities: Manta, Montecristi and Jaramijó.	MGP 7
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MHM 5: 1/10 projects focus in social responsibility

COSAGA	COSAGA's main objective is the construction of an Environmental Health Management Corporation.	MHM 5
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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)

In 2013 and 2014, ESPAE and the Ecuadorian Chapter of the Business Council for sustainable Development (CEMDES) organized the following cycles of conferences:

Date	Topic of the Conference	Speakers
August 16, 2013	Enlargement of property of a mean of sustainable production through stock Market.	Paúl Palacios, Director of Siembra Group.



October 22, 2013	Eco-efficiency, cost reduction and sustainability.	Coralia de la Cadena, Manager of Environment at San Carlos Sugar Mill.
August 19, 2014	Value Chain Sustainable Production Systems	Wilmer Pérez, Director of Sustainability at Pronaca
September 28, 2014	Carbon footprint and logistics markets.	Luis Arreaga, Director of CO2mpensa, a consulting company on carbon footprint.
October 28, 2014	Public Policies for Climate Change.	Andres Hubenthal, Undersecretary of Climate Change, Ministry of Environment.

- ESPAE sponsored with a scholarship for the Master in Project Management, a Values Campaign- Ecuador Triunfador- organized by a local business group - NOBIS. ESPAE had been sponsoring this campaign on since 2008. In addition, faculty members, staff and alumni participated as projects evaluators in this contest.
- 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 August to October since 2010. These conferences are held at ESPAE and will start is 7th year in 2015. The conferences mostly dealt with environmental and more broadly sustainability practices. Because of its alliance, ESPAE was accepted as a member of the local chapter of the WBCD, and ESPAE Dean invited as a Board member in December 2013.
- ESPAE Dean was invited as a member of the Board of Ecuador Global Compact Network.
- ESPAE's dean attended the "United Nations Global Compact Leaders' Summit" held in New York on 19 and 20 September 2013.



- “*The business school learning from business*”. Case prepared for the 2013 PRME SUMMIT – 5TH ANNUAL ASSEMBLY: New Ways of Developing Leaders for The Future We Want. The case illustrate the value of the partnership with the local chapter of WBCSD. This study case is available at: <http://goo.gl/7Ny8SW>
- “*Broadening views through teamwork*”. Case prepared for the 2013 PRME SUMMIT – 5TH ANNUAL ASSEMBLY: New Ways of Developing Leaders for The Future We Want. Is about how to learn to apply tools that allow effective teamwork by students and faculty. This study case is available at: <http://goo.gl/QN8hJp>

Publications

ESPAEs publications, allow us to share our faculty research with other universities, business community, scholars, alumni and students.

Among the publications, those derived from the social responsibility axis during 2013 and 2014 were:

2013

- Dominguez, J. M. (2013) “¿Son los Biocombustibles Socialmente Aceptados en Guayaquil, Ecuador?” (Coautor: María Olivares). Revista Mexicana de Agronegocios, Año XV, Volumen 33, 2013. ISSN 1405-9282.
- Wong, S. (2013). Análisis Exploratorio de Pobreza Multidimensional en Ecuador. ESPAE Working Paper Economía y Negocios Series No. 10, Guayaquil, Ecuador.
- Castillo, M. J. (2013) Will I be paid after a loss? ESPAE Working Paper Management Series No. 4, Guayaquil, Ecuador.

2014

- Wong, s. (2014) Pobreza: Una mirada multidimensional, Revista Gestión, October 2014.
- Carter, M., Boucher, S., Castillo, M. (2014) Tecnología financiera innovadora para romper el círculo de riesgo y pobreza rural en Ecuador. Documento de resultados y recomendaciones presentado a la Fundación Ford
- Castillo, M.J. (2014) ¿Qué tipo de seguro agrícola protege mejor al pequeño productor? Revista Ekos No. 245. Noviembre 2014.

IV- “Knowledge Creation”

The fourth quadrant of our PRME Step by Step model 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. Figure 3 shows thematic distribution of ESPAE publications; about 50% is distributed across the main axes derived from the institutional mission: entrepreneurship, global perspective of business and social responsibility.

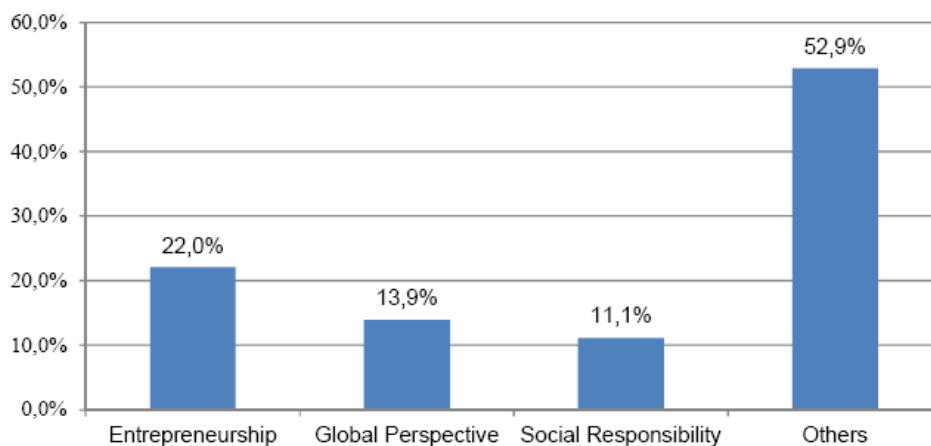


Figure 3. Thematic distribution of ESPAE publications

ESPAE professors have done the following work, across the social responsibility axis:

Sara Wong. Exploratory Analysis of Multidimensional Poverty in Ecuador. ESPAE Working Paper Published on June 2013

Sara Wong. Labor Market Effects of Mandatory Benefit Regulations and Social Security Enrollment for Maids in Ecuador. This study is in execution and was the first place winner in the global competition of Global Development Network (GDN)

María José Castillo. Index Insurance: Innovative financial Technology to break the risk cycle and rural poverty in Ecuador. A report prepared for Ford Foundation. April 2014.

Jorge Rodriguez. Value capture from socially sustainable supply chains practices (work in progress).

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

	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
EMBA	8,1	8,4	7,7	8,4	8,6
PMBA	9	9,1	8,4	8	8,7

On a 10-point Likert type scale

Through faculty

- As part of a curricular review conducted in 2013, we verified that the axis of action expressed in our mission- Entrepreneurship, Global perspective, Ethics and social responsibility- were indeed represented in courses' syllabus along each of our master programs. Thus assuring us that social responsibility issues are not only tackled in the specific course, but along many courses during the master programs.

NEXT STEPS

Start the new Master in Sustainable Agribusiness

Develop line of research on Sustainable Supply Chain

The school will run a self-assessment on Social Responsibility Practices (<http://www.cemdes.org/rse/>) to receive specialized advice for improvement.

The construction project of ESPAE new building will start in mid-2015. Although not applying for certification, the building design meet LEED specification.