



AUCA

SCHOOL OF ENTREPRENEURSHIP &
BUSINESS ADMINISTRATION

Sharing Information on Progress Report

American University of Central Asia
Kyrgyzstan, Bishkek

July 2018

Welcome to
AUCA







OFFICE OF THE DEAN

Commitment to PRME

I am proud to report that SEBA has not wavered in its investment in PRME's six principles of purpose, values, method, research, partnership and dialogue. Over the last two years, we have implemented and recalibrated a number of our programs that allow students and faculty to be part of exciting projects with more university support. The enclosed document details the efforts of SEBA that are directly related to the principles of PRME.

One such key program is a SEBA-led, liberal arts major program called Social Entrepreneurship and Design Thinking, a first in Central Asia. Social Entrepreneurship and Design Thinking draws inspiration and insight from a wide variety of disciplines such as philosophy, economics, business, sociology and environmental science. The program aims to train creative leaders capable of solving myriad social problems from the past as well as those that are new and emerging today. Many of these problems have long eluded solutions promoted by charities, international organizations and governments distributing aid. Social entrepreneurship

has developed as an alternative approach. A social entrepreneur applies business logic to sustainably and profitably propose solutions while maintaining an underlying goal to maximize human and environmental welfare.

Anyone can become a social entrepreneur, and the skills required of these leaders extend beyond the vocational skills acquired in traditional business programs. Success in such an endeavor relies on cementing connections between knowledge drawn from multiple disciplines. The successful social entrepreneur may rely as much on an understanding of economic theory as she does on the ability to integrate an understanding of history, culture, and other factors, in order to understand the unique difficulties faced by a group while creating and leading a diverse team to solve these challenges. Success in social entrepreneurship also requires the ability to integrate an attention for detail with a large-scale approach required of innovation managers.

Our strategic mission, "Our Mission is to leverage our liberal arts tradition to promote free and open knowledge creation and expression by our faculty, staff, graduate and undergraduate students. We aspire to elevate our community through responsive teaching informed by research and professional connectedness, and to create a new generation of civically and globally minded leaders and entrepreneurs."

We are excited to continue integrating PRME's values into our programming and community. By doing so, we hope to not only strengthen PRME and SEBA's missions, but invoke positive change in the global business world.



Yours Respectfully,
Jayarethanam Pillai
Dean of SEBA

Six Principles of PRME

As an institution of higher education involved in the development of current and future managers we declare our willingness to progress in the implementation, within SEBA, of the following Principles. We will report on progress to all our stakeholders and exchange effective practices related to these principles with other academic institutions:

Principle 1: Purpose

Developing 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.

Principle 2: Values

Developing and incorporating into our academic activities and curricula the values of global social responsibility as portrayed in international initiatives such as the United Nations Global Compact.

Principle 3: Method

Developing educational frameworks, materials, processes and environments that enable effective learning experiences for responsible leadership.

Principle 4: Research

Developing 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.

Principle 5: Partnership:

Developing close interaction with managers of SMEs and large local and family firms to extend our knowledge of their challenges in meeting social and environmental responsibilities and to explore jointly effective approaches to meeting these challenges.

Principle 6: Dialogue:

Developing and facilitating a support dialog and debate among educators, students, business, government, consumers, media, civil society organizations and other interested groups and stakeholders on critical issues related to global social responsibility and sustainability.

Our Mission is to leverage our liberal arts tradition with business to promote free and open knowledge creation and expression by our faculty, staff, graduate and undergraduate students. We aspire to elevate our community through responsive teaching informed by research and professional connectedness, and to create a new generation of civically and globally minded leaders and entrepreneurs.

The American University of Central Asia SEBA provides an education and research agenda rooted in global best practices, grounded in regional social and business concerns and committed to bettering the theory and practice of economics and business education throughout Central Asia.

Our vision emphasizes a focus on regional social and business concerns rooted in global best practices. This is linked to our mission and the emphasis therein on entrepreneurial leadership. SEBA is engaged with numerous entrepreneurial activities, which are detailed further below. These activities are of particular relevance to our students and academics. In Central Asia and Kyrgyzstan in particular, established corporations are a rarity, while small businesses and startups are a regular occurrence and a probable path for many SEBA graduates. Even for our students that work in more traditional domains, the skills gained in entrepreneurship are expected to prove useful in accordance with the “intra-preneurship” theory. Given this relevance of entrepreneurship to our students, SEBA has determined to engage in this area not only academically, but also with respect to research. While we are too small of a School to compete across all business disciplines, we aim to establish a niche in entrepreneurship excellence.

Incorporate into academic activities and curricula the values of global social responsibility as portrayed in international initiatives such as the United National Global Compact is critical.

Evidence of the values of social and corporate social responsibility can be found in many places throughout the curricula of the undergraduate and graduate programs as well as in other academic activities. This includes the following:

- Business ethics is a required course for the BBA students, related courses are required for MBA students, and critical thinking on ethical issues is a crucial part of School, Program and Course Objectives.
- The University has created a code of conduct regarding student assignments, as well as processes to deal with any violation, including plagiarism.
- The Entrepreneurship course allows students to invest in business projects, resulting in more social enterprise business plans and more attention focused on social responsibility in other business projects.
- The Entrepreneurship Center is boosting its activities and plans to expand to include a Social Entrepreneurship Program. Additionally, SEBA is on the verge of launching the business innovation incubator.
- Undergraduate students are showing an increased interest in writing theses on corporate social responsibility, business ethics, and related topics.
- SEBA often works in close collaboration with the UNHCR to support community engagement. Previously, for example, AUCA Faculty worked with UNHCR on a refugee support program, in which AUCA Faculty critically reviewed the business plans brought by these individuals. Additionally, SEBA Faculty has often served on panels for UNHCR Conferences and events, wherein advice and expertise is offered.

The 5-year strategic plan, which is summarized above with the five Supporting Strategies, is a SEBA wide initiative: *student excellence and success, intellectual contributions, community engagement and external relations, brand focus & additional revenue generation*. The outcomes encompass activities for all faculty and staff, extend to both internal and external stakeholders, and include academic and professional engagement. The metrics to evaluate conformance towards meeting these outcomes are intended to ensure that faculty and staff are held accountable for their realm of action. In fact, these Strategies as well as the numerous gaps identified in our AACSB iSER are intended to serve as a basis for Faculty Service to SEBA. Work towards addressing gaps and reaching goals have been completed.

The high level of participation and collaboration between faculties is indicative of a strong culture with motivation to reach these common goals. While setbacks are inevitable, we are therefore optimistic that this collaboration will continue to push us towards our intended outcomes and the successful completion and acceptance into the AACSB and AMBA Accreditation Schemes.

Consistent emphasis has been the unimpeded flow of information to our students. This is facilitated through our student oriented teaching style and focus on students' critical thinking. We believe that free and open knowledge creation is an essential ingredient of a vibrant and open society. Thus, SEBA is positively contributing to the overall Mission of the university – and that of our primary grantor, the Open Society Foundation – as well as the interests of Kyrgyz society as a whole.

This idea of contributing to society is further exemplified by our focus on creating a new generation of civically and globally minded leaders and entrepreneurs. First, the creation of the Entrepreneurship Center will support our relationships with external stakeholders, including the local community. Secondly, it will support our continued efforts to remain not just integrated with the community, but as a force for good in the community.

This Center is intended to attract innovators with great ideas, or people interested in learning more about social entrepreneurship. Therefore, this Center is expected to promote the research potential of our Faculty. However, this center is primarily established as a social impact center within SEBA. The mission of this initiative is to respond to accelerating interest in social entrepreneurship activity that aims to transform unjust or unsatisfactory systems and practices in domestic and international settings into opportunities and growth initiatives.

American University of Central Asia is an international, multi-disciplinary learning community in the American liberal arts tradition that develops enlightened and impassioned leaders for the transformation of Central Asia. We at SEBA believe that our School's mission is consistent with the broader mission of the university. Indeed, our mission is built on the foundation of the AUCA mission, remaining consistent with the liberal arts tradition and the emphasis on leadership for our graduates.

For instance, AUCA 5 year goals for the university are consistent with SEBA's Supporting Strategies. The relevant university-wide goals are:

- Raise QS (Quacquarelli Symond) emerging European and Central Asian ranking from 117 to 75
- More on QS rankings in Standard 2.
- Increase foreign students from 30% to 50%
- Increase graduate students to 400
- Increase total students to 1600
- Increase tuition vs. grants. Now 55% grants.
- Increase the number and quality of applicants
- Broaden the faculty. Increase international faculty.
- Attract students from China, Jordan, Iran, South Korea, Pakistan, and more.

Most importantly, both the university as whole and SEBA recognize that our Mission is somewhat deeper than that for the typical, US based university: our operating environment is challenging, and the country in which we live and work is in need of transformational leaders in order to increase living standards and opportunities. As a university and as a School, we are well positioned to develop leaders whom can help transform both the Kyrgyz Republic and the region. For both the university and SEBA, the Missions reflect this overarching endeavor.

SEBA expanded its areas of concentration to include: Social Entrepreneurship, Innovation, and Case Methods. The 4 year undergraduate program is expanded to include 6 main specializations and special certifications for completing any one of these specializations were provided by organizations such as IAA and professional exemptions from ACCA. Furthermore, SEBA is awaiting final confirmation of CFA University Affiliation Program in Fall 2018 or in Spring 2019. In addition the MBA program has now been revamped to adopt an exciting modular form of teaching, which involves a '7-1-7' program, meeting state requirements of a 120 credit hours and a 2-year program. In Fall 2018, MBA program will be undergoing AMBA accreditation and will be reporting on its success in future reports.

Keeping abreast of the developments in the world, curriculum has introduced the compulsory teaching of big data, data mining and artificial intelligence to the undergraduate business program, ensuring nobody is left out in the new world block chain technology. This led to the setup up of the research centres under the SEBA umbrella: Futuristic Intelligence Institute (FII) and Organizational Research Institute (ORI).

Finally, our curriculums have been revamped to include learning objectives such as subject matter and general skills. The general skills include written and verbal skills. Subject matter knowledge includes knowledge on subjects including: management, leadership and entrepreneurship, accounting and finance, business operations, PR and marketing, data management and strategy. These strategies ensure our graduates are well-rounded, with the skills to lead and the expertise to be worthy of having followers. Additionally, the critical thinking skills ensure that our graduates are able to integrate wherever they may go, be it in Kyrgyzstan, Central Asia or the wider world.

SEBA incorporates continuous internal and external feedback with respect to our Mission, Outcomes and Supporting Strategies. This includes feedback from faculty and staff, as well as the Alumni Advisory Council (AAC) and Business Advisory Council (BAC). Our Mission was created by a wide variety of faculty and staff members, including our Strategic Development Team, the Dean, Chairs, and other supporting faculty. Importantly, the members working on the Mission and all Supporting Strategies were not members of the PR or HR teams; rather, they were members of the team that actively “live” the values of SEBA. In this way, the SEBA Mission is not simply an aspiration, but is rather a reflection of what we do and who we are as an institution.

Continuous improvements have been made to the Supporting Strategies in particular, as we evaluate new opportunities, unexpected challenges, and simply update our objectives with time. Again, this process included a wide variety of stakeholders, ultimately to include each QACC sub-committee (and therefore each full-time faculty member). Where revisions to the Supporting Strategies are merited, SEBA ensures that any proposed changes remain consistent with SEBA’s Mission and the Mission of AUCA. Given the broad nature of AUCA’s mission and goals, however SEBA maintains the discretion needed to adjust to the operating environment.

Many of the Supporting Strategies are interlinked, such that growth in one area (revenue, for example), supports other areas (intellectual output, recruitment, and student excellence processes). This connection is especially important given the limited resources of SEBA; it brings efficiencies and allows us, simply put, to achieve more. This AACSB application has, we acknowledge, provided useful direction in identifying areas for improvement. However, our operating environment is unique in many ways, and so we continue to focus on a customized, rather than one-size-fits-all, approach to our growth.

Additionally, feedback is now better heard from external stakeholders through meetings and other interactions with Business Advisory Council. These meetings were implemented after learning that SEBA was paying insufficient attention to the needs of employers and other external stakeholders. This will assist not only with potential revisions to the SEBA Supporting Strategies, but also with respect to curricular development and career outcomes and skills for our students. We hope to further improve upon the quality of interactions with the Alumni Advisory Council, a process which is underway but is undergoing a reformatting.

The American University of Central Asia has a long history of development, with remarkable achievements to date starting from 1993 as the Kyrgyz-American School (KAS) and continuing with the American University of Central Asia (AUCA) today. Since its founding, nearly 3,000 students have graduated from the AUCA system. Operating out of a modern and spacious campus in the capital of Kyrgyzstan, AUCA is the first institution of higher education in the region that operates according to the American model with a credit-hour system and an American-style curriculum.

SEBA specifically has engaged in remarkable growth in just the last several years. Under my leadership, the program has qualitatively and quantitatively improved. This includes:

- Improved standards for admission to SEBA, with the average GPA for admission increasing from 2.8 to over 3.2;
- An increase from 10% to around 70% of faculty with PhD’s or Master’s from internationally respected institutions. Our faculty profile now matches or exceeds that of many Kazakh universities despite Kazakhstan having a GDP per capita approximately 10 times greater than Kyrgyzstan and

paying much higher faculty salaries.

- An expansion of the BAC and AAC;
- Expansion in dual degree partnerships and various international exchange programs;
- Expansion in the number of visiting professors;
- We emphasize this growth over the last several years to denote an important point: SEBA still has gaps – including with respect to intellectual contributions and faculty qualifications. But we believe that our recent experiences support a finding that SEBA can and will meet our objectives over the next several years. This is because the program is small and nimble, in part, but also because SEBA has brought in faculty over the last one and two years who are focused and ambitious to improve. This, in turn, has revolutionized the culture into one where productivity is the norm.

Additional details on recent successes are provided below.

Dual Degree and Faculty Exchange Partnerships

AUCA takes pride in its international student and faculty base, hosting nationals from approximately 25 countries including all the Central Asian states, Afghanistan, China, Holland, France, Germany, Pakistan, Russia, South Korea, Singapore, Australia and the United States. The possibility to maintain partnerships with a number of universities worldwide broadened and strengthened resource base of AUCA, although many aspects are still in the developing mode.

AUCA maintains partnerships with a number of prestigious universities in the USA, Europe and Asia. Through these partnerships, the partner university may send professors as visiting scholars. Additionally, AUCA may send its faculty to these partner institutions for further studies. SEBA faculty have or are serving as visiting scholars at the University of Indiana, Kelley School of Business, Central European University, and more.

SEBA also regularly welcomes high-quality visiting faculty from top institutions, including the National University of Singapore, University of Copenhagen, IIM Calcutta, Rutgers, Washington University in St. Louis and others.

SEBA currently only maintains AACSB recognized program-level exchange or double-degree agreements with the following institutions (students have even more options at the university level): IESEG, Solbridge, International University of Japan (MBA Double Degree), the University of Trento (MSc in Management double-degree), EU Business School, Poznan University of Economics and Business, University of Southern Denmark Faculty of Business and Social Sciences, Gdańsk University of Technology, Caucasus University Business School, MCI Innsbruck, and Stetson University of Florida.

These partnerships also allow for the exchange of students as part of a dual degree exchange program. All of the above partnerships and exchange programs have been completed by SEBA, acting in its own capacity (rather than through the university), and mostly within the last one to two years. Student exchanges directly support our ambitions to expand career opportunities for our students upon graduation. Faculty exchanges directly support our goals to increase teacher effectiveness and intellectual contributions.

Additionally, we believe the partnerships with respected universities demonstrate the strength of the SEBA

program and are tacit acknowledgement of the Program's qualitative growth in recent years. We also believe this gives credence to our ambitions to scale up our performance as an institution with respect to student outcomes, faculty performance and intellectual contributions, as we meet both our own internal goals as well as those outcomes required by AACSB.

Quality Indicators

AUCA is locally famous for the American liberal arts education fostering critical-thinking and utilizing innovative educational methods. The university is known for its high quality, non-conventional, and importantly in this part of the world, corruption-free, education. Amongst higher private institutions in Kyrgyzstan, AUCA is widely recognized as offering the highest quality education in the country. In 2016, AUCA ranked among the top 120+ universities of Emerging Europe & Central Asia (EECA). Moreover, SEBA's BBA program is the most competitive and largest program in AUCA, with around 20% of all students enrolled in AUCA are in the BBA program.

AUCA SEBA is a locally accredited institution for higher education approved by the Ministry of Education and Science of the Kyrgyz Republic. In addition, in November 2016, the BBA program was granted ACCA Accreditation. SEBA is a candidate for AACSB accreditation, and is an advanced candidate for AMBA accreditation.

These quality indicators promote SEBA's Supporting Strategies focused on increased enrollment in both our undergraduate and graduate programs, as well as increased internationalization of our programs. This, in turn, will support our objectives to increase revenue, which further supports various other activities. Indeed, this process is well underway, with an increase in student enrollment from 45 students in 2015-2016 to over 75 BBA students in both 2016-2017 and 2017-2018. The university saw the largest undergraduate admission class in its history (both locally and internationally) in 2016-2017. This is consistent with our strategic outcome to increase revenue through increased enrollment.

Additionally, the university has been successful on a number of fronts with respect to international recruitment and therefore revenue generation. This includes:

- The number of students enrolled from Central Asian region is increasing
- Significant increases of students from Kazakhstan and Uzbekistan
- Despite the new University of Central Asia in rural Kyrgyzstan providing free education for prospective students from Tajikistan, our Tajik student enrollment has stayed steady.
- There is also an increase in enrollment from outside the Central Asian region. We view this as an indicator of the improved visibility and desirability of AUCA as an institution.

Community Engagement

SEBA has made remarkable progress engaging with the local community. Such engagement is essential to pursuing our overarching goal of transforming the region and matching our graduates to positions of leadership. Our new, modern campus, for example, has allowed us to better serve as a platform for nu-

merous local, regional, and international events: in the first year of the opening of the new campus (2015-16), for example, the university hosted 50,000 visitors. These activities directly further Strategic Outcome, relating to external relationships.

Additionally, Strategic Outcome #1, student excellence, seeks to improve student outcomes by improving opportunities for internships and other professional experiences. Currently, all BBA students are required to take part in a junior year internship, and, additionally, our students are also active in the vigorous student life of the AUCA community. The Student Life Office manages these activities, which include Student Senate, Student Club, extracurricular activities, and more. These activities are indirectly beneficial in building the leadership skills of BBA students. Additionally, many of our students are active in business-oriented student groups. This includes:

- ENACTUS Club - a community of student, academic and business leaders committed to using the power of entrepreneurial action to transform lives and shape a better more sustainable world.
- AIESEC Club - an international not for profit organization that provides students with leadership training and internship opportunities.
- ROTARY Club - a global network of 1.2 million neighbors, friends, leaders, and problem-solvers who come together to make positive, lasting change in communities at home and abroad.
- AUCA Case Club – the first case club in Kyrgyzstan where students learn how to solve real-life business problems, organize local case games, and participate in regional case competitions.

Notable Millstones and Outreach Activities

In Spring 2018, SEBA students were participated several competitions and stamped their mark in the global arena:

1. In the All Kyrgyzstan Case Competition – First
2. Invitational HSBC Case Competition – Quarter Finals
3. Coco-cola Case Meet Turkey– First
4. SEBA Senior Students won top Prize in Almaty Case Competition

In other faculty based achievements, two SEBA Professors were specially invited to present their research and findings at the Davis Centre, Harvard University in Fall 2017. Their research was on **“GENDER DIVERSITY: WHAT CAN WE LEARN FROM KYRGYZSTAN?”** This is the first for the University.

Similarly, a SEBA Assistant Professor won Central European University, CEU / HESP Faculty Fellowship in Spring 2018, to conduct research and develop a book on Leadership and Administrative issues in Central Asia, which will be published in Fall 2018.

Last but not least, in Spring 2017 and 2018, respectively, we hosted InkubasiaLab. InkubasiaLAB is a 5-day Business Model Validation Lab accelerator for early/idea-stage, Kyrgyzstan-based entrepreneurs that are tackling social and environmental problems. It is designed to help these entrepreneurs rapidly identify and validate the foundational assumptions of their business. Training will be facilitated by a visiting team of Silicon

Valley professionals who work at Facebook, Google, Apple, LinkedIn, Uber, SAP and other tech companies. This program is now a regular yearly affair and SEBA academics and students have been involved in the program development.

IN SUMMARY

The American University of Central Asia and SEBA develop their activities according to the principles of responsible management and UN principles. SEBA consistently and constantly improves its indicators and efforts in a social responsible management. Our strategic pillars and goals are:

1. Ensure the long-run financial health of the School.
2. Positioning the School as a hub for research and innovative ideas.
3. Create strong links with Kyrgyz and international business.
4. Keeping abreast best practices and innovative methods of teaching
5. All educational programs at SEBA comply with international professional standards, along the lines of AACSB and AMBA
6. Zero tolerance to corruption and plagiarism.
7. Develop the potential of the faculty and the administrative staff of SEBA.
8. Ensure internationalization of SEBA and its students and faculty.

As presented in this report, SEBA-AUCA is focused on fulfilling its mission “to leverage our liberal arts tradition with business to promote free and open knowledge creation and expression by our faculty, staff, graduate and undergraduate students. We aspire to elevate our community through responsive teaching informed by research and professional connectedness, and to create a new generation of civically and globally minded leaders and entrepreneurs”.



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