



International Diploma in Risk Management

Module four: Risk Leadership

Module aims

The overarching aim of this module is: 'to provide a thorough understanding of the complex strategy making process and the relationships between corporate governance, management practice, moral/ethical considerations and risk management outcomes'. This will be accomplished by exposing the student to an organised series of readings that deal with different aspects of the strategic management process and understanding this in the context of prevailing corporate governance frameworks and values-based management practices. We will study the formal risk management requirements as expressed by various rule-based and principles-based corporate governance frameworks and contrast these with alternative ways of construing strategy formation in organisations. In particular, we want to consider the potential interaction between formal planned and controlled processes with responsive initiatives where strategy emerges when opportunities and threats are dealt with on an ad hoc basis as and when they arise. We will consider different explanations for potential benefits from effective risk management practices and relate this to alternative strategy making processes that eventually may constitute more effective integrative risk management practices. We will study experiences and lessons learned from high reliability organisations and thereby integrate different strategic, organisational, and cultural characteristics into the analyses of risk management effectiveness.

Module syllabus

Unit One: Strategic management and risk leadership in overview. Describe the formal strategic management process comprising: mission statement, external and internal analysis, strategy formulation and implementation, and strategic control.

Unit Two: Understanding the strategic environment. Outline the SWOT analytical approach and contrast the analyses of strengths, weaknesses, opportunities, and threats to formal risk analysis. Describe scenario planning and consider its potential advantages.

Unit Three: Corporate governance. Study different approaches to risk analysis and risk management:

- A multinational finance perspective.
- An international business perspective.
- An integrative risk management perspective.
- A strategic exposure perspective.

Unit Four: Strategic management processes. Discuss strategic controls in the context of management information systems and benchmarking.

Unit Five: Risk management frameworks. Strategic flexibility and real options perspectives in strategic decision making.

Unit Six: Strategic management in action. Alternative views on the strategy formation process:

- Emergent strategy and autonomy.
- Lower level development efforts and resource commitments.
- Participatory and dispersed decision making.

Unit Seven: Strategic management and risk management - a closer look. Strategic response capabilities and responsive organisations.

Unit Eight: Strategic management and risk management - an even closer look. Risk management rationales and the risk-return relationship.

Unit Nine: Strategic management challenges. Integrating risk management and strategic management.

Unit Ten: Risk leadership and ethics. Challenges arising from ethical dimensions of strategy, governance and risk management.