



APPLIES TO ACADEMIC YEAR 2013/2014

ELE 3712 Risk Management and Governance

Programme

Elective

Responsible for the course

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Term

According to study plan

ECTS Credits

7,5

Language of instruction

English

Introduction

In a wide sense, risk is the difference between best case and worst case scenarios, i.e. possible but uncertain future situations with more or less significant impact for actors and stakeholders.

Risk management is a logical process or approach that seeks to eliminate or at least minimize the level of risk, for example - associated with business activity or business operation. Essentially, the process identifies any type of situation that could result in damage to any company resources or to many stakeholders, and then takes steps to correct factors that influence such damage.

Neglecting risk management thinking and risk management activities is risky indeed, both in business contexts, and in other societal or interpersonal ones. Or, as some people have put it, risk management can prevent crises from happening or prepare for the best possible handling of crises, i.e. critical, often survival or life-threatening situations.

This course offers research-based instruction, as one among several activities carried out by the *BI Centre of Risk and Insurance Research*, cf. <http://www.bi.no/roff>

The course is not about financial risk management or business risk management only, but on purpose interdisciplinary and holistic in its approach. The course focus is on more or less fresh real-life and business-life case illustrations, and on offering a common denominator across the whole range of business school subjects.

Learning outcome

Acquired knowledge

After completing the course, students should:

- know the most important terminology, theories, approaches and authors' names within risk research and risk management
- understand the strengths and weaknesses of chosen theories and approaches

Acquired skills

After completing the course, students should:

- be able to apply concepts and theories fruitfully and critically to business practice, business research and other problems of relevance to business activity
- be able to draft and organize work with an "intelligent" or holistic risk management approach to situations and business contexts

Reflection

After completing the course, students should:

- be able to identify risk and risk management issues in other business school subjects
- be able to ask critical questions about such theories and about business practices, not least when it comes to ethical and responsibility aspects
- have acquired a reflected attitude regarding risk and risk management with respect to their own roles in business and work life, professional life and private life
- be aware of the risks of uncritical belief in superficial risk management

Prerequisites

No special prerequisites are required.

Compulsory reading

Books:

Hillson, David and Ruth Murray-Webster. 2007. Understanding and managing risk attitude. 2nd ed. Gower.

(Mandatory ca 130 pages and recommended ca 100 pages)

Power, Michael. 2004. The risk management of everything : rethinking the politics of uncertainty. Demos. (the text is now available online, see <http://www.demos.co.uk/files/riskmanagementofeverything.pdf>)

Collection of articles:

Brinkmann, J. and M. Aarset. 2013. Risk management texts I (paper). Handelshøyskolen BI

Brinkmann, J. and M. Aarset. 2013. Risk management texts II. These texts will be made available electronically, most likely via It's learning

Recommended reading

Books:

Fraser, John, Betty J. Simkins. 2010. Enterprise risk management. Wiley

Mitroff, Ian I. and Gus Anagnos. 2001. Managing crisis before they happen : what every executive and manager needs to know about crisis management. Amacom

Power, Michael. 2007. Organized uncertainty : designing a world of risk management. Oxford University Press

Renn, Ortwin. 2008. Risk governance : coping with uncertainty in a complex world. Earthscan. (Aarset, M.. 2010. Kriseledelse. Fagbokforlaget. Parts of this book can be used as an alternative to Renn 2008 by students reading Norwegian)

Course outline

- Interdisciplinary risk research
- Definitions
- Risk identification
- Risk assessment
- Risk control
- Risk financing
- Management
- Critical success factors in risk management, in particular human factors
- Risk perception, risk attitudes, risk communication
- Risk dialogue with stakeholders
- Risk ethics, risk and responsibility
- Risk perception and communication
- Risk participation and governance
- Issue and crisis management

Computer-based tools

Relevant online resources related to the course topics are either made available to the students and/or developed in cooperation with the course participants and BI's LearningLab.

Learning process and workload

The students are expected to keep track of their learning process across various assignments. Therefore presence at lectures is essential. Students must write a short diary of one's learning process, covering each class meeting typically with 3-5 lines. This diary must be available as a basis for a short conversation with the instructor in the periphery of a class meeting. Furthermore there will be given a variety of assignments in class and at It's learning i.e. multiple choice test and peer review.

Please note:

1. The work on the term paper begins typically two weeks after the start of the course, at the latest.
2. The students need to be present at least 75 % of the plenary sessions.
3. The term paper in progress has to be presented in the plenary for gathering feedback

Recommended workload in hours:

Student activity	Use of hours
Lecture participation	32
Prepare for lectures, follow up lectures	28
Read mandatory/recommended course readings independently of class	20
Write term paper, individual and group work together	70
Assignments and indiv feedback	20
Other group work during and in addition to class , e.g. related to presentations	30
Total recommended use of hours	200

Use of hours

Instructor hrs (class hrs, local hrs)

28 hours - Lectures (28+0)

4 hours - Going through in class and giving feedback on assignments (2+2)

Online It's Learning tests [will be considered]

8 hours - Tutorials (group supervision) (4+4)

5 hours - Administration of learning activities, web and online resources. (0+5)
45 hours total

Examination

A project paper concludes the course, and is handed out when course starts and is to be handed in at the end of semester. The project paper may be solved individually or in groups of up to 3 students.

Examination code(s)

ELE 37121 - Project paper, which accounts for 100 % of the grade in the course ELE 3712 Risk Management and Governance, 7,5 credits.

Examination support materials

All written support materials allowed.

Re-sit examination

A re-sit is held in connection with the next scheduled exam in the course.

Additional information

The term paper topic is either chosen by the group members and approved by the lecturer, or chosen from a lecturer's list which will be made available in the third session the latest. The max term paper length is 15x350 words; contents, abstract and necessary appendices are permitted in addition.

The text collections are updated once a year and preferably available online instead of in paper.