



LEADERSHIP IN A GLOBALIZED WORLD : COMPLEXITY, DYNAMICS AND RISK

Cours-séminaire de Frannie LEAUTIER

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Schedule: Lectures: Two sessions on Thursday: from 17:00-19:00 and from 19:15-21:15, commencing on Thursday February 26 and ending on Thursday April 9, 2009.

Summary: The course starts from the premise that corporate leaders and politicians operate today in a complex interconnected world. The degree of interconnection affects not only how they make all kinds of decisions but the outcomes of the decisions as well. Decision-makers need to be conversant with the behavior of interconnected systems in order to make effective decisions under different strategic and risk scenarios. Leaders need not only have a good grasp of the key elements driving their decisions but have to be prepared with the right set of values and behaviors to be successful in specific contexts. This course will cover six main themes: (1) globalization and global discontinuities; (2) understanding the dynamics of change; (3) introduction to complexity and risk; (4) leadership and governance; (5) approaches to risk management; and (6) applications to specific contexts.

Through a rich array of case studies, course materials, and interactive sessions, participants will be challenged to consider the following questions: (a) what are the principal patterns of shifts taking place in the world today and what types of discontinuities do they create? (b) What are the dynamics of change that produce such shifts? (c) What do you need to know about interactions and integration to better navigate your specific context? (d) What is the role of leadership and governance in dealing with key risks? (e) What types of risk management approaches exist to handle the key problems that arise with increased complexity? And (f) what particular approaches are suitable for your specific context.

Grading:

Item	Share of final grade (%)	Due date
Case studies (4)	40	April 2 (2 sessions); April 9 (2 sessions)
Class Seminars (4)	40	March 5; March 12; March 19; March 26
Seminar leadership	10	Assigned each class
Class participation	10	All semester

Session 1 (February 26th 17h00-19h00): What leaders need to know about tectonic changes taking place today

- Overview of the seminar
- Introduction to key questions in complexity and risk

Session 2 (February 26th 19h15-21h15): Globalization and Global Discontinuities

- People: population growth and distribution, migration, aging and youth, urbanization, city growth and connectivity, disease burden shifts
- Resources and environment: water systems, food production and distribution, energy efficiency and renewability, environmental sustainability
- Economic integration: finance and financial systems, trade and commercial interaction, production and sourcing, sales and branding

- Technology and knowledge: rise of the knowledge economy, science and technology

Session 3 (March 5th 17h00-19h00): Understanding the dynamics of change

- Emergence of logistics as a turning point in economic and business outcomes, producing both opportunities for success and added risks
- Increased mobility and connectivity are producing further pressures on productivity due to simultaneously morphing and divergence of preferences
- Transformations in ownership and financing arrangements are creating new risks but also opportunities
- Interconnectedness is putting a premium on the interaction between knowledge and culture
- The evolution of key risks affecting decision-making around the world is raising the need for effective tools for risk management
- Growing demands for ethical and accountable leadership across the world (even more so after the 2008 global financial crisis)

Session 4 (March 5th 19h15-21h15): Understanding the dynamics of change

- Group exercises and presentations

Session 5 (March 12th 17h00-19h00): Introduction to complexity and risk

- Complexity and interactions among previously independent systems
- Complexity and risk patterns: new risks and challenges, more frequent risks, added severity of risk, and synchronization of risks
- Complexity and outcomes of strategy or a course of action
- What you need to know in general

Session 6 (March 12th 19h15-21h15): Introduction to complexity and risk

Practice exercises in a seminar format to handle three sets of questions:

- How can you react to global constraints and develop appropriate adaptive strategies?
- Looking at the challenge of sustainable development, what are the options for functioning in areas exhibiting difficulty in prediction?
- How can actions of agents lead to global properties that affect your decision environments?

Participants will work with a series of case studies and tools of scenario analysis that allow them to define policy actions when predictions are hard to make

Session 7 (March 19th 17h00-19h00): Leadership and Governance

This session will introduce the specific skill sets needed to be an effective leader in a changing world. This includes:

- Ability to function in environments with low predictability
- Preparedness to handle diverse potential futures
- Values and behaviors that serve as a guide in making choices in challenging circumstances
- Capacity to identify patterns of change (shifts), extract important relationships (interactions), and select from a variety of approaches for handling challenges

Session 8 (March 19th 19h15-21h15): Leadership and Governance

Group exercises and presentations with examples from the following specific contexts:

- Rehearsing for diverse globalization futures;
- Leadership in post conflict countries; and
- Strategic mapping of pressure points for decision-making

Session 9 (March 26th 17h00-19h00): Approaches to Risk Management

This session will cover the following topics:

- Risk assessment at the firm level
- Assessing risk in an industry
- Managing sustainability risk in the long and medium term
- Risk-based approaches for policies
- Scenario generation and analysis

Session 10 (March 26th 19h15-21h15): Approaches to Risk Management

- Group exercises and presentations with examples from the following specific contexts:

Session 11 (April 2nd 17h00-19h00): Applications to specific contexts: Industries and Firms

Participants will work together in groups to analyze three types of industries, using the class time to practice skills acquired:

- Logistics industry
- Construction industry
- Chicken export industry

Session 12 (April 2nd 19h15-21h15): Applications to specific contexts: Sectors

Participants will work together in groups to analyze three types of sectors, using the class time to practice skills acquired:

- Transport systems
- Energy companies
- Water systems

Session 13 (April 9th 17h00-19h00): Application to specific contexts: Geographical levels

Participants will work together in groups to analyze three geographical levels, using the class time to practice skills acquired:

- Cities
- Countries
- Regions

Session 14 (April 9th 19h15-21h15): Application to specific contexts: Policies

Participants will work together in groups to analyze three types of policies, using the class time to practice skills acquired:

- Education, science and technology
- Infrastructure investments
- Participation and democracy