

BUSINESS CONTINUITY MANAGEMENT: A THEORETICAL REVIEW

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Abstract: Business continuity management (BCM) will always be relevant so long as threats and crises are capable of influencing the objectives and posterity of firms. Continuity in firms' affairs is not actualized by desires, but deliberate expressions given to strategic navigations as outlined in the guide and policy of BCM, hence the necessity for its active relevance in firms' operations. Irrespective of this potency to firms' viability especially as regards its sustainable posterity, there is a paucity of effective practice and awareness of BCM engagement in most firms, hence the need for study, which sought to define a strategic insight into the description of BCM and its dynamics in the affairs of firms. In actualizing this objective, the study utilized a qualitative approach (descriptive review) in discussing the following; the evolution of BCM, drivers of BCM, creating an effective BCM process, BCM as a strategic tool, and the management by interest theory perspective to BCM. The study further made the following recommendations; first, BCM must be strategically positioned to influence every facet of a firm's engagement with its environment. Also, BCM is most effective when the managerial cadre is actively involved and highly competent in the administration of BCM affairs. Finally, the BCM protocol should advance an optimized communication mode that ensures effective comprehension for stakeholders (especially organizational members).

Keywords: business continuity management, management by interest theory.

1. INTRODUCTION

Continuity in business engagements, services and goals is not a default function, much real and subtle in the mind of every business manager is at its basis a need to survive the insecurities (i.e. threats) in its environment, break-even in its operations, gain relevance in its market space and amongst competitors, and ultimately a need to be recognized as a market leader and pace-setter in offering services and solutions in its industry. The avalanche of strategic protocol explored in actualizing the realities of these needs is at its core triggered by a survivalist bias; hence, all organizations are conscious that continuity is not an inherent trait in business operations but a conscious decision that prompts the deployment of optimized strategies to implement their designed advantages and realities in their industries and environment.

In recent times, the survivalist bias although arguably a paranormal mindset to business operation by management is now much more heightened than ever known; this is provoked by the effect of globalization, technological advancement, liberal trade policies, the flexibility of business ownership and structure, economic transaction ease, ease of business operations, etc. these factors irrespective of their threat potentials can be explored, exploited, managed, relatively controlled, and avoided via the survivalist instinct.

The managerial competence level of individual business firms directly influences the extent to which threat potentials can be identified, analyzed, explored, exploited, managed, relatively controlled, avoided, and ultimately harnessed to become an opportunity for their businesses, hence gaining them a relative, heightened or absolute advantage in their industry. In firms where management is not sufficiently competent in addressing business continuity affairs, experts in business processes may be consulted to initiate, maintain and sustain activities of business continuity until the firm's management is competent in administering such affairs (Herbane, Elliott & Swartz, 2004).

The survivalist bias is rightly captured by Morwood's (1998) postulations that business continuity is dependent on the guaranteed survival of core business activities and support functions. Hence, business continuity management (BCM) has sprung in diverse industries as a pragmatic approach to address the survivalist bias via systematically offsetting the insecurities (i.e. threats) faced by businesses in their industries and environment. Herbane, Elliott & Swartz (2004); and Reuvid, 2006 posit that BCM has metamorphosed into a system that recognizes a business firm's exposure to threats (external and internal) and structures strategic resources to offer avoidance, recovery, and overcoming. Irrespective of the firm's effort in coordinating assets against their insecurities, the best of such efforts without a structured process will limit their expected results, hence BCM offers a strategic platform for harnessing strategic resources for a synergized reaction and response to environmental threats; hence, optimizing firms' expectation in surviving and been relevant in their industry.

The study objective is geared at defining a strategic insight into the description of BCM and its dynamics in the affairs of firms. In actualizing this objective, the study utilized a qualitative approach (descriptive review). The remaining segment of this study is grouped under these headings; evolution of BCM, drivers of BCM, creating an effective BCM process, BCM as a strategic tool, management by interest theory perspective to BCM, conclusion and recommendations.

2. EVOLUTION OF BCM

Herbane, Elliott & Swartz (2004) postulate that BCM evolved from the thoughts of the crisis management theory (CMT); CMT denotes the framework by which business firms interact with their environment and resolve or de-escalate risk or threats that may disrupt its engagement and interest (Richardson, 1994; Preble, 1997). Hence, the articulation of diverse business activities and their direct and indirect interface with environmental factors are identified and analyzed with a view of profiling their threat or opportunity status and taking strategic responses where necessary. In advancing its niche in organizational affairs, BCM goes further to connote an offensive or proactive approach to environmental dynamics and is business-centric (i.e. firms, suppliers, customers, etc.), while CMT connotes a defensive or reactive approach to environmental dynamics and is socio-centric (local community, government, etc) (Preble, 1997; Herbane, Elliott & Swartz, 2004).

The interest of management in pioneering and actively engaging in BCM activities is better articulated from the agency theory perspective. The agency theory perspective acknowledges a dichotomy in the role and expectation of the principal (i.e. owner) and agent (i.e. management) relationship. The principal has entrusted relative authority and decision-making status to the agent with a high emphasis on maximizing the principal's investment interest in return for stated incentives and rewards; the agent in optimizing his relevance and actualizing the deed of such agency perspective initiates and engages diverse strategic protocol and BCM activities in achieving and sustaining the principal's interest which has a ripple effect of gaining the agent's incentive or reward.

The management administers BCM via a deliberate comprehension of relevant environmental stakeholders who possess a diverse degree of impact (i.e. low or high) on the core business mandate. Having analyzed the environmental variables or stakeholders, the management goes further to ascertain the level of vulnerability their firms are exposed to, the knowledge of this vulnerability on its own does nothing to elevate the potency of identified threats in exploring such vulnerability, hence, management needs to further devise and deploy strategic resources in planning, execution, and evaluation of strategic measures initiated to diminish such firm's vulnerability and possibly reconfigure such threat to the firms advantage and advancement of the business interest.

BCM is now more of a strategic function than a tactical function, and firms that are committed to long-term sustainability and relevance in their industry have enshrined and enacted BCM policy to guide and ensure their posterity. Hence, BCM policy amongst other things ensures that BCM engagement requires cross-functional unit involvement, engagement, and commitment. The articulation of BCM policy must align with the core mandate of the firm and advancement of its

stakeholder's interests; hence BCM policy factors in the peculiarities (i.e. culture, size, environmental dynamics) of the firm, regulatory and legal obligations, involvement of relevant stakeholders, synergy with other organizational and cross-functional policies, hierarchical structure and delegation framework for BCM engagement, specific objective of the BCM, effective communication framework, etc. (GSMA, 2007).

2.1 Drivers OF BCM

Krell, (2006) rightly captures the core drivers of BCM; the topical rise in the need to engage BCM in firms is mostly propelled by certain factors which include but are not constrained to the following;

First, is the increased global, regional, and national interruption of business engagements; this is evidenced by the activities of terrorism, health-related outbreaks (i.e. COVID-19, ebola, monkeypox), international wars (i.e. Russia-Ukraine war), civil conflict, economic sanctions and legal constraints, climate change, etc. The increased escalation of these activities is constantly interrupting business activities, hence the need to enshrine BCM as an organic strategy that limits, controls, or overcomes the effect of such activities against the goals of business firms.

Also, the adverse effect of business interruptions on firms resulting from firm's interconnectivity. The effect of globalization, technological advances, the synergy of financial and economic transactions, deployment of backward and forward integration, etc. has significantly created a labyrinth amongst business firms; which aims at making service delivery and actualization of business interests relatively easy. Notwithstanding this benefit, the synergy and interconnectedness also make such firms vulnerable to the activities of business interruption; hence, a seemingly affected firm and industry in a specific geography may possess a significant ripple effect on the activities of a firm and industry in another geography. The reoccurrence of this situation also prompted the establishment and utilization of BCM as a proactive strategy in limiting the vulnerability of firms due to their interconnectivity status.

In addition, firms at the essence of their activities seek to build, advance, and sustain value propositions and firms' interests. Business continuity is anchored on the deployment of managerial competencies and strategic resources in ensuring that the building, advancement, and sustenance of value proposition and firms' interest is uninterrupted; hence, BCM is developed and engaged to preserve the essence for which business firms are established.

Furthermore, the emergence of new legal and regulatory mandates for business operations is another key driver. The increasing call for transparency and due diligence in administering business firms' affairs has resulted in the enactment of new policy guides, and the structuring of legal and regulatory frameworks to ensure businesses conduct their engagement of value propositions in the fair interest of all concerned stakeholders. Procedures for registering, scaling up business, assessing certain resources (i.e. funding), belonging to certain economic exchange bodies, etc. have mandated the inclusion of certain clauses that can only be addressed by the inclusion and engagement of BCM in business firms' activities.

More so, beyond the need for firms to be a going concern, BCM is also driven by benefits inherent in its engagement. Hence, BCM is not only a survival strategy but also a proactive strategy deployed to earn benefits which includes; resilience in value differentiation to optimize customers' experience, identify and remedy the firm's vulnerability in its environment, enhance customer loyalty, advance employee engagement, and effectively accommodate stakeholders interest to advance legitimacy.

Finally, the firms' inadequate BCM programme is a key driver of BCM optimization and engagement. Firms that encounter insufficient BCM training, inadequate involvement of employee in BCM activities, and inadequate and ineffective BCM functions are at the mercy of their environment, hence a drive to optimize BCM engagement. Some reasons for these inadequacies may include insufficient funds, lack of BCM experience, ineffective managerial competence, inactive support of BCM engagements from the executives, etc. Irrespective of the reason, a neglect of the BCM engagement creates sufficient loopholes for threats in the environment to devalue a firm's relevance in its marketplace and industry.

2.2 Creating an Effective BCM Process

The optimal harnessing of a BCM process is reflective of the benefit accrued to such a practising firm, hence, the validity of such harnessing begins at the creation of a BCM process. Executing an effective BCM process is dependent on the articulation of certain variables that are necessary to ensure that the process is gainful. Karakasidis (1997) outlines certain guides to the creation of an effective BCM process;

First, an effective BCM process demands the approval active involvement and engagement of a firm's executive. This involves enabling a work environment and structure that facilitates BCM activities, adequate funding of the BCM activities, sufficient resource allotment for BCM activities, etc. The active involvement, support, and engagement of a firm's executive is non-negotiable in the creation of an effective BCM process.

Also, the creation of a BCM unit or committee is essential to the effectiveness of a BCM process. BCM is a continuous process and not a one-off event, hence the effective articulation of a firm's vulnerability with regard to the dynamics of its environmental demands and proportionate strategic response to the anticipated effect of such environmental observation requires a constant engagement of organizational members with a mandate to structure BCM objectives and protocols in advancing the firms' interest. The BCM unit or committee is responsible for the holistic BCM programme, factoring in the structures, procedures, strategies, content, timing, and components necessary for an effective BCM process.

In addition, competence in business impact analysis (BIA) is essential to the creation of an effective BCM process. BIA connotes a structured approach to the identification and assessment of potential interruption (i.e. accident, disaster, etc.) effects on vital business operations. Effective deployment of BIA requires competence in determining BIA assumption and scope of operation, effective instrument for retrieving vital information, methodology for developing such instrument (i.e. questionnaire, interview), identification and collection for response from the appropriate respondents, analysis and interpretation of retrieved data (Wan, 2009).

More so, assessment of firms' critical needs and prioritization of firm's necessities are vital for creating an effective BCM process. Firms should know the vital needs that are essential to their continuous operations; these needs revolve around the identification of resources and processes that are vital to the firms' operation and relevance in their industry. The inability to identify such leaves the firm vulnerable to the exploitative activities of its environment. Firms' should also prioritize these needs to ascertain their level of relevance in sustaining the interest of their firms, and their ability to leverage their advantages in their industry.

Furthermore, the involvement of organizational members (i.e. employees) and all functional areas in the firm is critical in ensuring commitment to the BCM process and fostering reserve strength of competent employees who are aware of the BCM process and can contribute viable ideas to its effectiveness in the firm.

Finally, there is a need to ascertain the BCM strategies (i.e. mitigation/preventive, crisis recovery and response strategies) and the process for their engagement and evaluation. Acquaintance with these strategies, their peculiarities and the process of activation is necessary for giving the right response to any identified threat in the environment. Hence, this is critical to the creation of an effective BCM process.

2.3 BCM as a Strategic Tool

Strategy in its essence is anchored on deploying distinct capabilities in harnessing resources that produce long-term firms' relevance and influence by servicing unique and optimized values to its market. The deployment of strategy is anchored to gaining competitive advantage for a firm's long-range posterity in its industry; hence possesses an alignment of purpose with the strategic intent of BCM. BCM as a strategic tool seeks to explore competence in addressing identical and potential environmental threats via the promotion of values that enable organizations to avoid and manage threats and optimize opportunities for viable sustainable firms' posterity. BCM further reinforces its strategic relevance as a defence for the present accomplishment of business firms' competitive niche and an offence in furthering and sustaining firms' vision and their relevance in tomorrow's market peculiarities.

In furthering its strategic role, BCM grants strategic insight into the comprehension of the firms' business ((Hibberd, 2011; Ramakrishnan & Viswanathan, 2011). BCM achieves this by involving relevant stakeholders in its decision-making and gaining clarity into their perspective of understanding the realities of the business in their sphere of operation. Adequate understanding of firms' affairs in its environment (i.e. industry) and the involvement of stakeholders in decision-making gives the firm a clear direction and advantage in advancing strategies that will be acceptable to their stakeholders, hence advancing the viable continuity quest of the firm's interest. Insufficient understanding of the firm's business and its industry will negatively affect decision-making (resulting in unfavourable market response to firms' value offerings) and the firm's continuity agenda.

BCM has created a framework for comprehending the firm's interaction with stakeholders and the firm's environment advances its strategic role by responding to the strategic insight gained from its environment, and this it may achieve via

risk mitigation. Risk mitigation as a tool harnessed on the platform of BCM enables firms to take measures (i.e. business strategies) that prevent their interest from being diminished by a significant threat in its environment; hence, firms explore measures that avoid direct impact on their operations and value offerings from significant threats in its environment (Ramakrishnan & Viswanathan, 2011).

BCM also enshrines resilience in firms' operations; BCM achieves this by envisioning potential loss in opportunity due to interruption in firms' operations and creating a sufficient strategy to cushion the effect of such interruptions/crises on the firms' interest. BCM plays a strategic role in embedding the BCM framework into the operational model of a firm's activity; hence, reducing the firms' vulnerability. BCM coordination exploits firms' distinct competence in being strategically prepared and resilient to possible interruptions to their operations (Herbane, Elliott & Swartz, 2004). BCM in furthering resilience ensures a firm competitive advantage and gains viable firms' posterity in its market.

3. MANAGEMENT BY INTEREST THEORY PERSPECTIVE TO BCM

The management by interest theory (MIT) offers strategic clarity to comprehending dynamics in the activation of interest (i.e. strategy) for optimizing firms' advantages and ensuring their viable posterity. MIT denotes the default operational strategy (i.e. BCM) that currently influences firms' decision to engage (i.e. reacting, responding) its environment (Chukwuma & Okonkwo, 2022). Hence, the current management interest (i.e. strategy) results from a significant managerial commitment to pursuing strategic interactions (via BCM) that enable the firm to avoid, mitigate, and overcome the potency of identified and potential threats or crises in its environment.

The key projection of MIT is the holistic commitment of management and eventually organizational members to the pursuant of the interest (i.e. strategy) that has gained significant managerial cadre support. Hence, BCM as a strategy likewise needs the significant support of management that influences the commitment of organizational members to become a success in its task of advancing the prosperous posterity and relevance of a firm. Hence, a firm's decision-making that supports BCM engagement is a function of the significant (i.e. active involvement and commitment) managerial support to BCM as a default strategy in the firm's operations. In essence, the prioritization and success of BCM in firms is dependent on the adoption of BCM as a dominant interest with significant managerial support and approval.

The MIT assumptions articulate that all firms have explicit interest (i.e. strategy); irrespective of their size and scale of operations, every firm has an interest that ultimately seeks to ensure their relevance in tomorrow's competitive landscape of their industry. Likewise, the BCM as a strategy is innate in the growth and development of every firm. Nonetheless, its innate presence is only a potential which must be optimally harnessed to effect BCM's objective of adequately reacting or responding to environmental threats in sustaining the firm's growth mandate.

Irrespective of the explicit firms' interest captured in the MIT scope, there is an array of other competing interests (i.e. management, organizational members, and stakeholders) that are capable of influencing or becoming the default interest at work in the firm. Hence, a need for the synergizing of interest (i.e. via BCM), properly coordinated by a BCM committee or team with significant managerial approval to design a holistic BCM strategy that evaluates the contribution of all parties (i.e. management, organizational members, and stakeholders) and ensure a unified front in gaining competitive advantages, overcoming threats, and advancing firms growth and development.

The adoption of BCM as a priority connotes that it eventually influences the structure and engagement protocol of firms to the interactions of its environment. This positions the firm to effectively explore the BCM value by being timely and prepared in adequately reacting or responding to identified or potential threats/crises from its environment.

4. CONCLUSION

BCM will always be relevant so long as threats and crises are capable of influencing the objectives of firms. Firms who are committed to their sustainable posterity and competitive advantage invest in the establishment of BCM as a default operational policy in the administration of the firm's affairs. Continuity in firms' affairs is not actualized by desires, but through deliberate expressions given to strategic navigations as outlined in the guide and policy of BCM, hence the necessity for its active relevance in firms' operations. Firms' management must exhibit more commitment in allocating time, resources, and active involvement to the dispensing of BCM protocol for attaining the benefits accrued to the BCM mandate. BCM should hold significant managerial support and engagement to strengthen its validity of ensuring continuity in firms' affairs.

5. RECOMMENDATIONS

Having articulated this review, the study has observed certain gaps that should be filled in advancing the optimality of the BCM engagement, and below are some recommendations to actualize it;

BCM must be strategically positioned to influence every facet of a firm's engagement with its environment. The need for this spans from the reality that BCM requires accurate information to position responsive and reactive strategy in positioning the firm to remain relevant in its market and optimally advance its objectives. BCM's strategic interactions with its environmental stakeholders allow it to discern opportunities that further firms' interest, and threats that diminish firms' interest; hence BCM makes provision for their optimal management.

BCM is most effective when the managerial cadre is actively involved and highly competent in the administration of BCM affairs, and this seems an area in which firms lack the capability, hence limiting the virtue of BCM in advancing the interest of the firm beyond threats and crises.

BCM protocol should advance an optimized communication mode that ensures effective comprehension for stakeholders (especially organizational members). This communication goes beyond the dissemination of information; hence optimized communication goes further to involve organizational members in the BCM decision process and execution. This is done to ensure compliance, acceptance, defence, and advocacy of the BCM engagement by the organization members as they were already involved in the BCM decision process.

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