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**Business Continuity during the COVID-19 Pandemic.
Ways of Working in Romanian Companies**

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Abstract

The purpose of business continuity management is to allow an organization to re-establish its critical processes, after the occurrence of a disaster. Business continuity management represents the key for the enterprises to protect themselves against the risks which are inherent in their environment. In this context, multiple development cycles for business continuity have been proposed by various authors, where the aim was to identify and avoid potential risks in order to continue business processes and services without interruption (Gibb and Buchanan, 2006). Besides the technical backups, the Business Continuity Management must include also social aspects. It has been discovered that service disruptions have a significant negative effect on customers' loyalty.

In this paper, we present and develop the following questions: What is business continuity management and why does an enterprise need a business continuity plan? Did the companies in Romania previously create and test business continuity plans? Are the companies in Romania ready to follow their business continuity plans and continue the activity during this COVID-19 pandemic?

To develop the previously mentioned questions, a quantitative research based on a questionnaire has been applied on a sample of 140 people who are working in various companies in Romania. The main purpose of the research is to identify if the companies in Romania are ready to face this pandemic period.

The result is that enterprises in Romania have already developed business continuity plans and they are ready to continue most of their activities during this period, but they haven't tested, nor reviewed the continuity plans regularly.

This case study presents new insights of current practices in Romania during COVID-19 pandemic for a better understanding of business continuation in an organization, besides analysing the literature and highlighting the prerequisites of a Business Continuity Plan.

Keywords: business continuity plan, companies in Romania, pandemic, business continuity management, organizations, crisis management.

JEL Classification: M20

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1. Introduction

Most professionals agree that, to succeed, business executives spend considerable time analysing the market, developing and deploying strategies, to define performance and financial objectives, to establish and execute operating plans, to report financial results and to communicate with the parties' stakeholders. Most would also agree that, before the global preparation for the transition to the year 2000, business continuity management was not an important priority for all business executives.

Crisis management is based on methods that deal with both the reality and the perception of crises. These methods are documented in a business continuity management plan. Crisis management also uses indicators to define which scenarios constitute a crisis and must therefore trigger the necessary intervention mechanisms. It concerns communication during the phase of reaction to an emergency.

The business continuity plan must be well established, thoroughly tested and in line with the business needs, in order to increase the likelihood of successful recovery of vital documents for the organization.

This paper is organized in two sections. The first part presents the origins and the development over the years of Business Continuity Management. The focus in this part is on how Business Continuity Management evolved and on a conceptualization of the possible strategic role of Business Continuity Management. The second part is represented by the research done in various companies across Romania to exhibit their Business Continuity practices during COVID-19 pandemic.

The main purpose of this research is to generate a better understanding of current practices of Business Continuity Management in small, medium and large sized companies across Romania and to recommend some key actions to be considered by organizations on the journey to improve the resilience to crisis situations.

2. Problem Statement

Business continuity management is the process by which an organization prepares for future incidents that could threaten its primary mission and its long-term viability. These incidents can be local events, such as a building fire, regional events, such as an earthquake, or global events, such as a pandemic. The main components of business continuity management are: management support, risk assessment and reduction, impact analysis, business recovery and business continuity strategy, awareness and training, tests and maintenance. The management support must demonstrate that it supports the development, maintenance and proper execution of a business continuity plan by allocating appropriate resources, personnel and budgets.

Additionally, the risk assessment and reduction must identify potential risks from threats such as fire or flood and determine their likelihood and potential impact on the business. These tasks must take place on site and in the various departments of the company, so that the risks associated with all credible events are understood and properly managed.

Furthermore, impact analysis is used to identify the business processes that play a key role in preserving the functioning of business units in the event of a disaster, and to determine when they must be completely restored.

Thus, business recovery and business continuity strategy focus on the measures, people and resources required to re-establish a critical business process. For a proper execution of the plan, it is crucial to inform about the business continuity management program and the continuity plans, as well as to raise awareness among the parties concerned. The business continuity development represents the main goal, alongside with proactive management and having a readiness to handle any type of incidents (Păunescu, Popescu, and Blid, 2018).

Also, the key to successfully face a possible incident is having an organizational learning system in place because it will help the activity to be continued without having any disruptions as the knowledge propagation is a great mechanism integrated into organizational learning (Bratianu, Prelipcean, and Bejinaru, 2020).

All staff must have scheduled regular tests for the continuity management program and continuity plans. The continuity management systems and the corresponding documentation must be maintained in order to remain relevant and in line with the priorities of the company.

Preparing for emergencies is no longer just for companies located in regions with high seismic activity or threatened by cyclones. In addition to pandemics and natural disasters, it must now take into account anthropogenic disasters, such as an attack. Knowing how to act during an emergency is a key part of preparedness and can do all the difference when every second counts.

An example of a recent emergency event that has affected both large and small companies is the COVID-19 pandemic.

The following figure (Figure 1) shows the actions needed to meet the requirements for business continuity management.

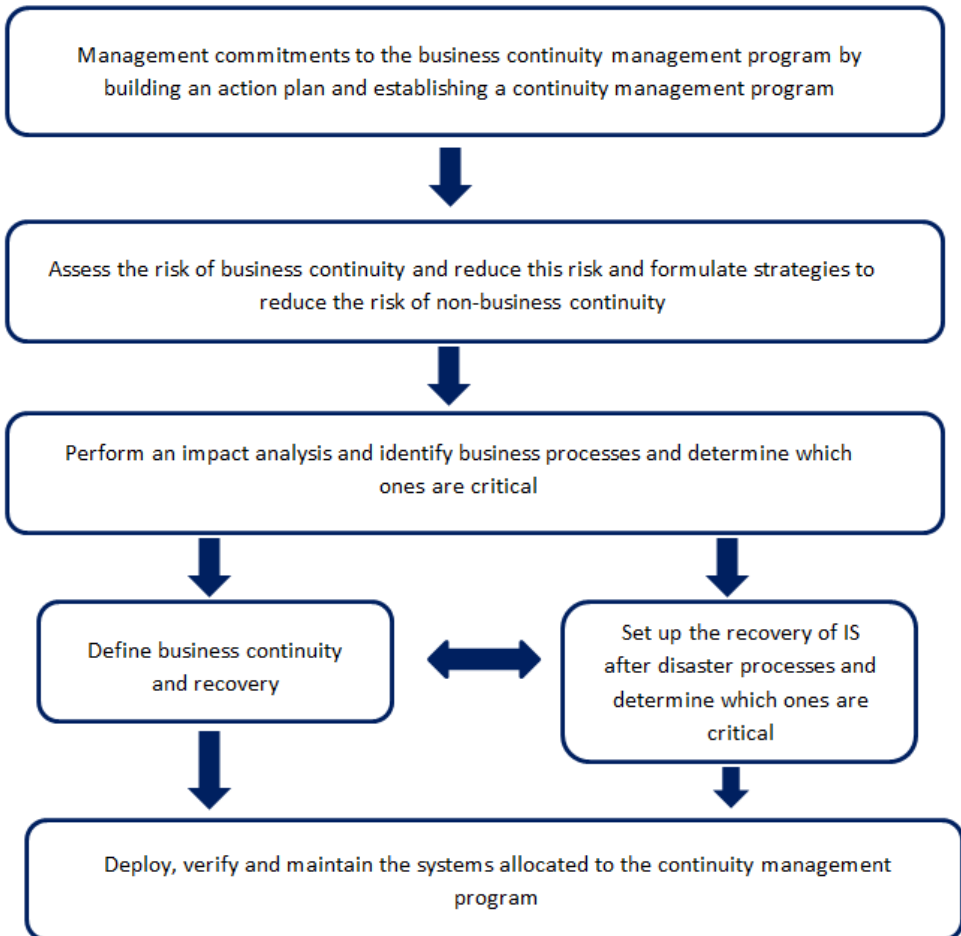


Figure 1. Flow diagram corresponding to the requirements relating to business continuity management

Source: Authors' own contribution

A pandemic is the outbreak of a disease worldwide. An influenza pandemic occurs when a new type of influenza A virus appears against which humans have little or no immunity. This virus then begins to cause serious illness and spreads easily from person to person. Many countries have started to prepare for a pandemic. They identified their critical infrastructure sectors, such as finance, banking, energy, transport and public administration. These sectors must develop business continuity plans aimed at preserving critical business functions during a pandemic. A pandemic can have a devastating economic impact, as it makes staff unavailable, which is likely to result in business disruption. If a pandemic occurs, it is likely to be long-term and general, and may require temporary changes in many parts of society: schools, offices, transport and other public services, in particular.

Business continuity management – evolution over time

It was in the 1970s that the concept of continuity of activity appeared (Rothstein, 2002). Traditionally, the provisions relating to business continuity focus on technical components (recovery plans for computer systems, management of technical incidents, etc.) (Bandyopadhyay, 2000), and the definition of these plans was based on the theory of probabilities applied to planning (in English, “probability-based planning”).

It was not really until the late 1990s that business continuity became a concept extended to the entire enterprise, without the definition of plans escaping the intensive use of probability. Therefore, business continuity management is considered to be a constituent part of risk management.

From 2001, driven by the collective awareness following the September 11th attacks, the development of business continuity management is marked by a diversification of approaches and methods. A first set of works gives it a new role, already tending to make it a full-fledged management discipline (Bennasar, 2010), (Besleau, 2008). Thus, to cope with events that have a strong impact and a low probability of occurrence (Bandyopadhyay 2000), we will cite the transition to analysis methods based on impacts instead of methods based on probability.

Since 2006, regulations, standards and certifications play a capital role in the development of what has become a major subject. Banks and insurance companies are among the first companies to advocate the development of business continuity plans in their organizations.

Business continuity management is a form of management, a set of rules on which decision-making is based for the implementation and maintenance in operational condition the procedures, solutions, organizations and know-how aimed at approaching the principle of business continuity. The business continuity plan describes these choices that will have to be made according to the situations in which we will find ourselves.

There are several standards and directives of international scope in terms of business continuity management. The most successful standard in business continuity management is BSI 25999 published in 2006 by the British Standards Institution. This standard follows the work of the Business Continuity Institute and in particular the PAS 56 standard – the specification for business continuity management, published in 2003 (BCI 2007). BS 25999 has been designed to establish the process, principles and terminology related to business continuity management.

BS 25999 served as the basis for the structure of the first standard on business continuity with an international focus (St-Germain et al. 2012). ISO, the main international standardization organization, and more precisely one of its Technical Committees, TC 223, is conducting a series of works on crisis management, resilience and business continuity (Picard 2010). On this last section, there was a publication in May 2012 of a new ISO standard in the 22300 series on social security, a standard which took up all recommendations of the BS 25999.

3. Research Methods

This case study is based on a quantitative research, using the questionnaire. To carry out the survey, we applied the questionnaire starting mid-April until mid-August 2020 to employees in random, different small, medium and large sized companies across Romania. The persons who took part in this survey are working in various industries (accounting, banking, legal, human resources, etc.). In addition, this questionnaire has 22 questions, divided in three sections. A total number of 140 questionnaires were collected.

The main purpose of the research is to generate a better understanding of current practices of Business Continuity Management in small, medium and large sized companies across Romania, to discover which are the vital functions and resources to business operations and to recommend some key actions to be considered by organizations on the journey to improve the resilience to crisis situations.

Four research hypotheses were formulated:

1. Companies in Romania have Business Continuity Plans, but they are not tested, nor reviewed regularly;
2. Companies in Romania are ready to face this pandemic period and the activity can be greatly accomplished when working from home;
3. The productivity of employees increased during this pandemic period;
4. The employees are feeling safe to continue working from home and the companies are still flexible about remote working.

4. Findings

The presentation of the results begins with the visualization of the characteristics of the respondents. A number of 140 individuals responded to the questionnaire that addresses the business continuity during COVID-19 in different small, medium and large sized companies across Romania.

A large number of respondents are working in the HR department (34.29%), while the least popular departments among the survey respondents are the public sector, training and automotive (0.71%). Also, there were participants to this survey who are working in the food industry (8.57%), banking (7.86%), retail (6.43%), sales (5.71%), energy management (5%), oil & gas (4.29%) and shared services (3.57%).

Most of the respondents are working in companies located in Bucharest, Romania (69.29%), the largest city in Romania.

We can notice in Figure 2 below that there were respondents from other cities as well – Timișoara (9.29%), Călărași (5.71%), Iași (5.71%), Sibiu (4.29%), Galați (3.57%) and Ploiești (2.1%).

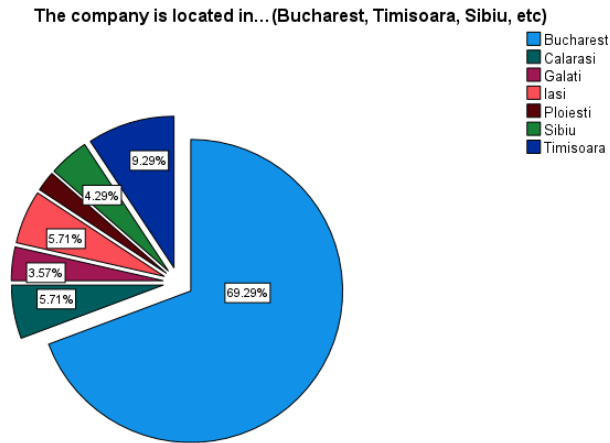


Figure 2. Characteristics of respondents - Cities

Source: Authors' own research results after entering data in SPSS

Regarding the size of the company, most of the respondents are working in companies with a range of 501-1,000 employees (33.57%), followed by the great number of respondents working in large companies of more than 2,000 employees. We can notice in Figure 3 below the statistics.

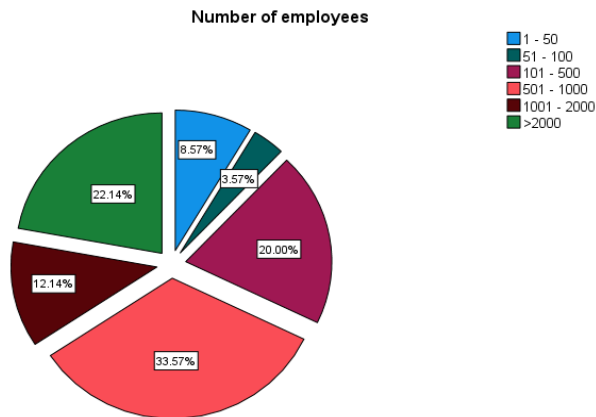


Figure 3. Characteristics of respondents – size of the company

Source: Authors' own research results after entering data in SPSS

The first hypothesis that concerns the companies in Romania who have Business Continuity Plans, but they are not tested or reviewed regularly is demonstrated in the following lines. In Figure 4 we can notice that 88.57% of companies across Romania already have a Business Continuity Plan in place. This means that most of the companies are ready, in theory, to continue their activity following an incident.

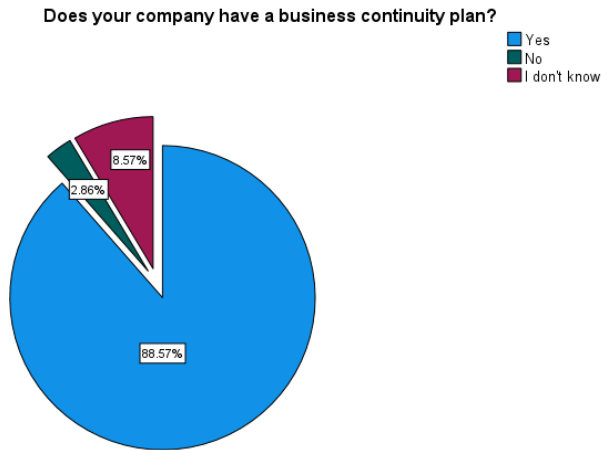


Figure 4. Existence of Business Continuity Plan in companies across Romania

Source: Authors' own research results after entering data in SPSS

As we saw in the above figure, the companies are ready in theory to continue their activity in case of a major emergency. But are they really prepared?

According to the survey respondents, 76.43% confirmed that the companies they are working for do not regularly review the Business Continuity Plan. People learn and induce from previous experiences. We first learn how to use a spoon and then learn how to use forks of different sizes. In Business Continuity Management, we firstly need to practice and test, and then we can adapt and improve the scenarios written in the Business Continuity Plan. Table 1 below shows that most of the companies (49.3%) did not test the BCP scenarios within the last 12 months, but there is also a considerable percentage of 30.7% of companies who did test the scenarios, which means companies across Romania do have BCPs but they are not so interested in testing them regularly.

Table 1. BCP being tested in companies across Romania

Has the BCP been tested within the last 12 months?		
	Frequency	Percentage
Yes	43	30.7
No	69	49.3
I don't know	28	20.0
Total	140	100.0

Source: Authors' own research results after entering data in SPSS

The second hypothesis, which relates to the fact that the companies in Romania are ready to face this pandemic period and the activity can be greatly accomplished when working from home it's also tested and demonstrated.

In terms of remote working or working from home, all we need is to have a laptop with all required tools and systems installed, Internet connection and access to vital documents, as well as an organizational learning system. In our digital era, we are able to rely on technology and lucky to have back-up methods well-structured to continue the activity. From 140 respondents to this survey, 96 confirmed that the companies they are working for copy or back-up the organization information, which means 68.57% of them can easily work from home/remotely.

In addition, when developing the Business Continuity Plan, the companies must have an IT recovery plan. A significant percentage of companies across Romania included this aspect in their BCPs (65.71%), which can be noticed in Figure 5 below.

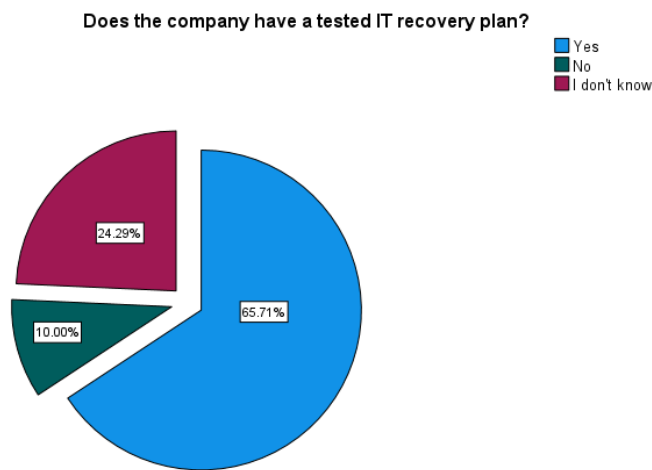


Figure 5. IT recovery plan

Source: Authors' own research results after entering data in SPSS

Furthermore, in case of a service disruption, it is important to keep the key staff or the stakeholders informed about the emergency situation. This aspect should be also included and tested in each Business Continuity Plan & Strategy. While 6.43% of companies across Romania do not have a method to communicate with the stakeholders or key staff and 10% do not know about any method, 83.57% of companies tested and implemented a tool or way to communicate and ease the period of a service disruption.

All above things being considered, we can notice that employees of most of the small, medium and large sized companies across Romania can definitely face this pandemic period, continue their activity and accomplish all tasks, while working from home.

Regarding the productivity of the employees while working from home, hypothesis 3 shows if it has changed during the period of working from home. While the employers considered that the productivity can be impacted during this

period and the employees can be distracted by the family members, children, pets or any other factors, 49.29% of the respondents strongly agree that the productivity has increased during this period of working remotely. In Figure 6 we can notice that more than 72.15% out of 141 respondents consider that the productivity has increased, which demonstrates hypothesis number 3.

Do you consider that the productivity of the employees has changed during this time of working from home? (1 - Strongly disagree; 5 - Strongly agree) [The productivity increased]

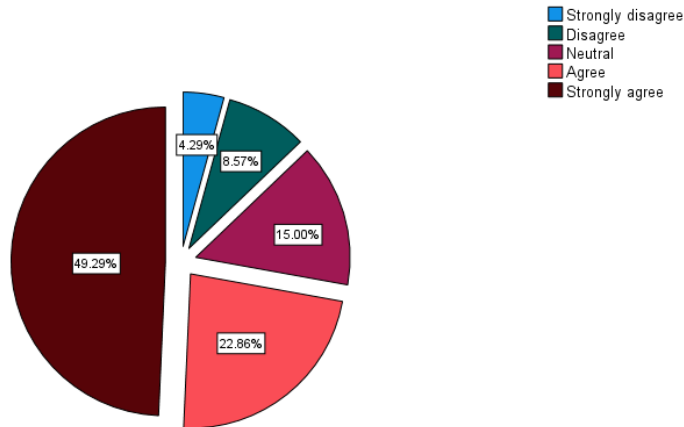


Figure 6. Productivity of employees while working from home

Source: Authors' own research results after entering data in SPSS

On May 18th, 2020, the state of emergency in Romania was lifted and we resumed some of the activities or habits that we previously had, but with certain limits. Hence, the offices could be re-opened and the employers had to decide whether they wanted to continue their activity remotely or not.

In this regard, we have formulated hypothesis 4 and the last one for this study, which concerns whether the employees are feeling safe to return to the office or not.

When asked how they felt (the employees) about returning to the office, the majority, which means 53.57% out of 140 respondents, confirmed that they had mixed feelings. The government didn't provide specific guidelines for the return to office and the employees were concerned. The employees confirmed that they feel safe continuing working from home, rather than returning to the office, even if the safety requirements are met.

In Figure 7 below we can notice that 57.86% of companies are still flexible about working from home, while 7.14% of the respondents confirmed that their companies imposed the return in the office on May 18th, 2020. The companies that required the presence in the office of the employees are activating in the public sector, retail or sales industry. According to the European Commission, the retail sector is one of the most important sectors in the world. The retail sector represents 18% of the GDP and had an annual growth of 8.13% in 2019, in Romania (Busu, Vargas, Gherasim, 2020).

Did your company impose the return to the office or they are still flexible about working from home?

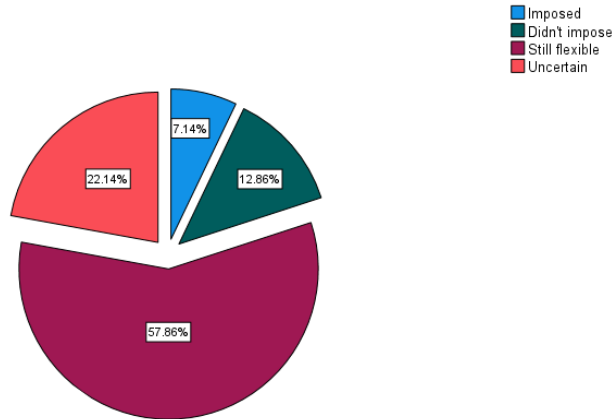


Figure 7. Companies' opinion on continuing working from home

Source: Authors' own research results after entering data in SPSS

Considering the above, the employees are feeling safe to continue working from home and the companies are still flexible about remote working, which demonstrates hypothesis 4.

5. Conclusions

No organization is immune to disruptive events or disruption on duty. Organizations increasingly place quality of service as a strategic issue. However, obtaining this quality of service requires the ability to react to disruptive events without losing control about the system in order to maintain the expected performance. The concept of continuity is born from this will.

In developing a conceptual proposition for BCM to be regarded as having a strategic role, we asked whether firms had strategically oriented BCM in place and, if so, what form this would take in terms of organization and planning. Our analysis offers a synthesis of both concepts and practice to highlight how and why organizations should adopt, integrate and enhance systems to preserve value.

As business continuity becomes more of a mainstream operational reality, strategy researchers should be more attuned to its existence and its cross-functional impact in terms of planning, organizational learning and technological dependencies. Herein lays an opportunity to understand some of the underlying dynamics of organizational behaviour, as organizations prepare for the worst whilst planning for the best. Furthermore, researchers should also be more attuned to the efforts of senior managers to introduce continuity management as part of their new strategies and their attempts to deal with uncertainty.

To conclude, nowadays, the key challenge for the businesses resides in the preparatory process, that is the synchronization of the business continuity plan and procedures with the World Health Organization's and the local health ministry's pandemic alert phases.

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