

## ASSURANCE OF BUSINESS CONTINUITY TOWARDS UNCERTAINTY-BASED THINKING

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### **Abstract**

*The future world of work is uncertain. What was relevant today, might not be actual tomorrow. The new reality has reshaped managers' vision regarding the assurance of business continuity. Hence, it confronted workplaces and business leaders. The pressure of risk has impacted the anatomy of future work. The magnitude and consequence of impact are colossal. Today when never, the workplace needs dynamic manager leaders who are up to the challenge. Employees feel unstable, which inflicts a threat to the workplace. Combating "new reality" fatigue requires effective task management. The focus is on future business strategies and propositions. Consequently, how to prepare leaders in the fourth industrial revolution in times of disruption? How ready leadership is to rein and align performance strategies purposefully by improving the employee capabilities, creating meaningful work experiences, and delivering supportive management? The future is nothing but a proposition. Moreover, it is the acceptance of today and preparing for tomorrow. The study considers the pandemic period as the Black Swan event, even though many might consider it as the White Swan event. In times of disruption, the tactical game is challenged by additional "moving variables". The uncertain future demands flexibility, and fast adaptation. Furthermore, this process requires a strong organizational culture and leadership management. Leaders need to envision how to nurture individuals in cross-functional teams. The goal of the study is to investigate managers' vision regarding the assurance of business continuity and how to advance with a new reality in times of disruption. The study will present results via analyzing workplace trends and their future implications in the time of the pandemic. The study discusses disruption, decentralization, disillusionment, and destabilization that business leaders, therefore, the workforce faces in times of uncertainty. The change is unstoppable, new markets are emerging, businesses are in the mode of anticipation. The study is pilot research from the project, with a mixed methodology, a combination of quantitative and qualitative methods. The study intends to review existing literature to explore the Black Swan event. Second, the study conducted expert interviews with business leaders to obtain feedback on current events. Besides, the study performed an online survey to acquire data from workplace expectations in times of disruption. The results of the study contribute to a better understanding of the risks associated with business continuity in times of disruption. It elaborates and offers the reasoning behind considering the pandemic as the Black Swan event. Finally, the study provides recommendations to businesses and manager leaders on how to respond to new developments in times of disruption.*

### **Keywords**

*Business continuity; strategy; risk; workplace; disruption, manager leaders*

## **Introduction**

The future is nothing but a proposition. It is a strategic direction of business activities, human capital management, so on. into the future. Frankly speaking, it is a strategic aligning of Xs and Os.

Today, business continuity depends on the alignment of purpose in times of disruption. Pandemic has influenced the future of work anatomy. It has challenged workplace management and leadership. Many businesses became vulnerable to the “new reality”. Therefore, business continuity was questioned as there was no assurance of longevity.

Pandemic has instructed businesses to align their business purposes in the time of disruption. Spencer (2013) indicates that to design a business model, we have to decide what we mean by value (for both our customers and ourselves), and we have to figure out how to bring together the elements needed to make it happen in such a way that it will not easily be duplicated or outperformed. It obliged them to adjust and shift workplace dynamics. The tactical redesign of corporate culture and structure became a must. The impact on internal and external business environments was significant. Hiles (2014) argues that business dynamics demand a recovery plan and capability that are flexible and adaptable to meet the specific priorities and circumstances at the time of disaster or disruption.

Pandemic has impacted business management and leadership. The role of engagement and participation in daily activities increased. Moreover, it prompted businesses to concentrate on building a strong connection. Leading by example generated different magnitude. Consequently, the interaction between managers and subordinates moved to more personal levels. According to Green (2017), the recognition program is one of the most powerful opportunities managers must reinforce company culture, improve the mindsets of their people, and improve overall performance. The key is to make the recognition program meaningful, repetitive, and simple.

An overall impact from the pandemic is early to calculate; however, the workplace manager leaders are required to support employees to maximize their role in business longevity. Mutual trust needs to be created to build future strategies, which could be a vital part to show assurance of business continuity. Newth (2012) states that there are many definitions of leadership and the practice of leadership varies from leader to leader as well. However, it is well known that the purpose of leadership is to strategically manage an organization by setting a strategic direction. Today, management cannot dictate but collaborate and work as a whole team.

## **Business continuity**

Engemann and Henderson (2012) claim that a business continuity starts from senior management commitment. Business continuity is directly related to retaining employees. During pandemic retention numbers has been a topic of discussions. Businesses cannot just cut employees. Every person lost, is an asset to the business. Therefore, losing employees during the pandemic affects any type of business. Each employee is essential whether for short or long-term business continuity.

Workplaces need manager leaders to support employees to maximize their role in business success. Burtles (2016) recognizes that in any organization, no matter what the size, all disciplines have a hierarchy, and the business continuity management structure is no exception. Although managers will play a leading role in the development and delivery of the business continuity program, they will need to engage with several others who will contribute to its success.

An on-time involvement of manager leaders in business developments benefits the whole organizational culture. It has the potential to provide real-time feedback when needed, focus attention on plans, sustain retention at the workplace, accept employee behavioral change, and finally to grow employ accountability. This type of internal development prepares employees better. It enhances their skills and capabilities, recognizes their role at the workplace, and encourages personal growth with new challenges.

To encourage continuity, businesses need to quickly evaluate all products and services offered. They need to focus on products and services that have a longer lifespan on the product lifecycle. Those decisions do not necessarily mean losing market share, but the opposite. A strong product line with enough product depth creates a competitive advantage.

The “new reality” is complicated. Therefore, change management is a must. Grecu et al. (2009) accept that change management is the process of developing a planned approach to change in an organization. Businesses must shift the focus on succeeding. For business continuity, this means that managers need to eliminate waste in productions. They must find hidden factories to gain a time advantage. The study believes that focusing on reining and alignment of purpose in the times of disruption demands an understanding of VUCA. According to Hollingworth (2016), VUCA describes the nature of the change that the world is currently facing: its parameters describe how the change will affect us daily. Furthermore, Johansen and Johansen (2012) state that leadership direction is particularly important in the VUCA world where the confusion is everywhere.

According to Wolke (2017), there is no unified definition of risk concepts applied in business literature. A relatively commonly used definition of risk is based on possible damage or the potential loss of a net asset position, with no potential gains to offset it. In addition, Springer (2019) elaborates that risk management is a process composed of four distinct, yet dependent, activities: risk planning, risk assessment, risk analysis, and risk handling. Nevertheless, knowledge management is an important step in identifying risks. Badea (2019) underlines that once a risk is cataloged, one could update the risk index the organization is vulnerable to.

### **Workplace in uncertainty**

In times of pandemic, VUCA should allow businesses to better anticipate potential issues with its consequences. Clark (2016) elaborates on recent Business Continuity Institute surveys that have demonstrated that the pandemic is a threat taken very seriously across all sectors. It must prepare to analyze and measure alternative actions and realities. Therefore, there is a need to deliver new directions to adapt to a new environment.

- Volatility – The nature and dynamics of change, and the nature and speed of change forces and change catalysts
- Uncertainty – the lack of predictability, the prospects of surprise, and the sense of awareness and understanding of issues and events
- Complexity – the multiplex of forces, the confounding of issues, no cause-and-effect chain, and confusion that surrounds organization.
- Ambiguity – the haziness of reality, the potential for misreads, and the mixed meanings of conditions; cause-and-effect confusion

Business management is required to carefully analyze and measure the relevance of the four components mentioned above. VUCA components assist businesses to redefine their business vision, therefore mission and values. It can create clarity for the assurance of business continuity. And finally, showcase the agility of the businesses for the future. Each component allows businesses to calculate potential future risks and developments. It is better to have a clear picture, compared to unrealistic goals. Besides, Springer (2019) emphasizes that when discussing risk, we must also address rewards.

The biggest challenge of reining and alignment of purpose in the times of disruption is digital technologies and digital learning. Pandemic revealed how insecure businesses were while aligning their teams to digital technologies. To create assurance for business continuity, businesses have to observe surroundings and develop calculated initiatives to position their businesses effectively and adapt to the change.

Consequently, businesses should accept technological advancements and encourage digital learning. Workplace and human capital need technological advancement. Businesses need to encourage a culture of learning in the organization. Furthermore, businesses should recognize the difference between spaced and continuous learning to provide in-time learning/training to enhance the productivity of the workplace.

Moreover, pandemic enforces that businesses need to consider several trends that shape the workplaces. For business continuity, it will be a mistake to leave them without attention. The study identifies the following trends that will influence the longevity of the businesses going into a new reality:

- Alternative Workforce
- Impact Businesses on Society
- New competencies of future leaders
- Effect of Generations

At first, opportunities in the alternative workplace will challenge business. Today, many choose to freelance, contract, and gig work. The workplace will be impacted, as it will be harder for businesses to retain full-time employees. For successful business continuity businesses need committed employees. Besides, the job profiles are changing, and pandemic pushed for more automation. AI supported technologies will take away repetitive works. Additionally, to assure business continuity in the future, businesses must recognize four forces at work: disruption, destabilization, decentralization, and disillusionment at work.

Second, today, and the future intensifies focus on sustainability. Customers are more attentive to the sustainability of businesses more than ever. Therefore, it manipulates and encourages businesses to strategize. The impact of businesses on societies will be a huge indication for business continuity.

Furthermore, new competencies of future leaders must be needed for business continuity and adaptability in times of disruption. Phillips and Connell (2011) state that excellent leadership motivates employees to stay in an organization. Effective leaders have good interpersonal skills and can guide coach, and mentor employees. Leaders need to have unique soft skills combined with technical skills. Agile leaders will be a cornerstone of long-term business success. And finally, the study identifies that generations will play a huge role in the longevity of the business.

The study considers the pandemic period as the Black Swan event, even though many might consider it as the White Swan. According to Taleb (2015), a Black Swan is a high-impact event well beyond expectations set by a normal bell-curve distribution. Humans are inclined to narrate causes for Black Swan outliers after the fact. Furthermore, Tuominen (2016) acknowledges that the newly created standard is not just to be reached and maintained but represents a foothold, a starting point, for new and continuous improvement.

The risks associated with business continuity are high during the current pandemic. Even though risks are perceived differently by people, they come with the same size, type, or significance. Those factors do affect businesses and their ability to identify, analyze, and communicate potential risks.

**Table 1. Black Swan vs. White Swan event**

<b>Black Swan Event</b>	<b>White Swan Event</b>
Characteristics	
Highly Improbable	High Certainty
Unpredictable	Certainty
Massive Impact	Impact Easily Estimated
After the fact, explained to appear less random and more predictable	After the fact explanation shifts the focus on errors in judgment or some other human forms of causation

Table 1 illustrates the major characteristics of both events. For the study, the COVID-19 pandemic is highly improbable and unpredictable. It has a massive impact on businesses around the world. The total damage yet to be determined. It is also too early to calculate. Hence, it makes it more unpredictable. Taleb (2015) explains that the best way to withstand a Black Swan event is to understand which risks not to take, to utilize redundancy and balance risk on each extreme of a distribution, to be humble about the knowledge available, and to avoid predictions made with unsound methods. Moreover, the study understands that because of different perceptions people might understand COVID-19 as the White Swan event, as defined by its major characteristics; high certainty, impact easily estimated, and focusing on errors in judgment or some other human forms of causation.

## Research methodology and findings

The current study is pilot research from the project on strategic management, initiated in December 2019. In April 2020, the research was adjusted, and the impact of COVID-19 was added. In the current piece, the study represents the issue of business continuity in times of disruption. Figure 1 illustrates the research design that was incorporated into the study to prepare discussions, conclusions, and recommendations.

The study used a mixed methodology, a combination of quantitative and qualitative methods. Research data was collected via primary research. Primary data examples were online surveys and in-depth interviews. Secondary data was gathered from online sources, notes, and so on.

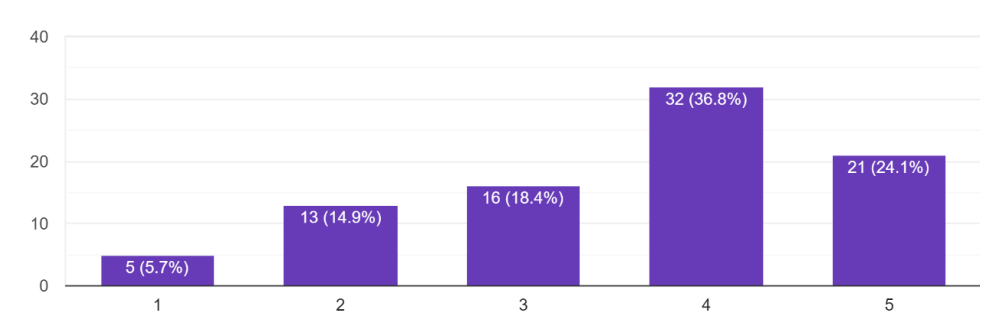
The first, exploratory research was used to discover ideas, information, and insights around business continuity towards uncertainty-based thinking. The second, descriptive research was used to define the characteristics of the existing environment. And lastly, the causal research was used to determine the assurance of business continuity.

The study reviewed existing literature related to assurance of business continuity towards uncertainty-based thinking. Furthermore, the online survey was launched with in-depth interviews. The target audience for the survey were business managers, employees, interns, and owners. The sample population was 100, with confidence level = 95%, and margin error = 5%. An online questionnaire was the instrument used to collect and analyze data. The survey considered the estimated response rate between 20-30%, therefore, approximately 300-400 invites were distributed to the study population.

The research problem was studied through theoretical and practical data analysis. The study blended information shared by five business manager leaders, and 87 online survey responders. From online respondents, 46% were business employees, 34.5% were managers, 16.1% business owners, and 3.4% interns.

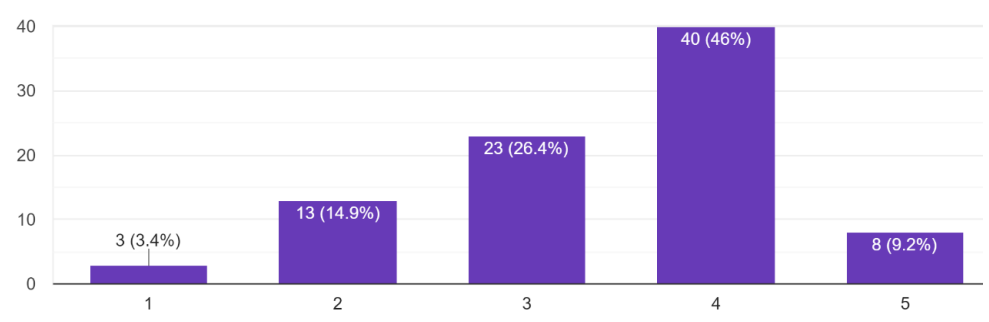
The study asked respondents if business continuity was affected by the COVID-19 pandemic. From 87 respondents, 65.5% believed that it was affected, compared to 20.7% who said "maybe" and 13.8% "no". Additionally, 42.5% agreed that COVID-19 pandemic affected workplace fatigue, turnover, and retention. Besides, 33.3% was "neutral" with 18.4% "disagreed".

The study asked respondents to rank the importance of strategic planning and risk prediction for business continuity. Figure 1 illustrates the following. From 87 respondents, 36.8% ranked the importance of strategic planning and risk prediction for business continuity by "4", 24.1 % ranked by "5", 18.4% by "3", 14.9% by "2" and 5.7% by "1".



**Figure 1. Importance of Strategic Planning and Risk Prediction**

Furthermore, respondents were asked to rank the importance of dynamic manager leaders in times of disruption. The figure 2 illustrates that 46% ranked it by “4”, 26.4% ranked by “3”, 14.9% ranked by “2”, 9.2% ranked by “5” and 3.4% ranked by “1”.



**Figure 2. Importance of dynamic manager leaders**

The study asked respondents to rank the importance of business and workplace flexibility, adaptation, mutual trust, assurance, commitment, and leadership in times of disruption. Table 2 illustrates the following. The majority of respondents ranked flexibility as “2” and “5”, Adaptation as “3” and “4”, mutual trust as “3” and “4”, assurance as “3” and “4”, commitment as “4” and “3” and leadership “4”, and “3”.

**Table 2. Importance of business and workplace characteristics**

	1	2	3	4	5
Flexibility	4	26	17	19	21
Adaptation	3	21	31	28	4
Mutual Trust	3	19	29	27	9
Assurance	2	14	29	29	13
Commitment	2	10	33	36	6
Leadership	0	16	24	34	13

The respondents were asked to rank the workplace trends identified by the study. Table 3 illustrates the following. The top two rankings for the alternative workplace was “2”

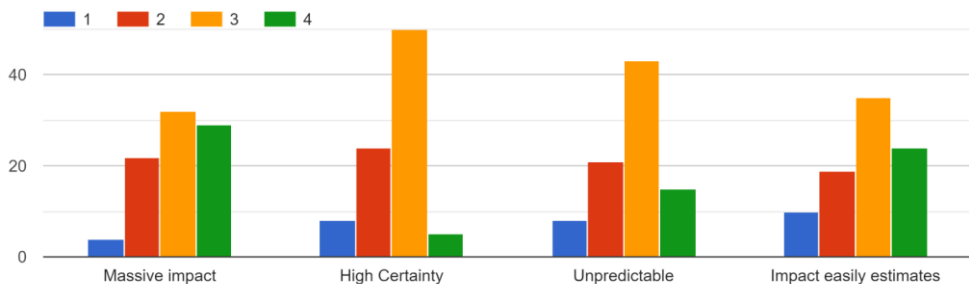
and “3” followed by “5”. Business's impact on society was ranked as “3” and “4” followed by “2”. New competencies of future leaders were ranked as “4” and “3” followed by “2”. And lastly, the effect of generation was ranked as “3” and “4” followed by “2”.

**Table 3. Ranking of Workplace Trends**

	1	2	3	4	5
Alternative workplace	4	<b>23</b>	<b>22</b>	18	<b>20</b>
Businesses impact on society	2	20	<b>40</b>	<b>23</b>	3
New competences of future leaders	5	15	<b>29</b>	<b>33</b>	5
Effect of Generation	6	17	<b>30</b>	<b>18</b>	16

The study continued collecting responses regarding workplace strength for business continuity. Respondents were asked to rank the importance of workplace disruption, destabilization, decentralization, and disillusionment in times of uncertainty. From 87 respondents, 32.2% ranked it “2”, 27.6% ranked “3”, 19.5% ranked “4” 12.6% ranked “5” and 8% ranked it as “1”. Furthermore, respondents ranked the importance of VUCA (Volatility, Uncertainty, Complexity, and ambiguity) for business continuity. From 87 respondents, 31% ranked “3”, 28.7% ranked “2”, 25.3% ranked “4” 10.3% ranked “1” and 4.6% ranked “5”.

The study asked respondents to share their feedback on recognizing the COVID-19 pandemic as a Black Swan event or a White Swan event. The results indicated that 52.9% agreed that the COVID-19 is a Black Swan event in contrast to 25.3% against another 21.8% being “neutral”. Furthermore, when asked about a White Swan event, 41.4% disagreed, compared to 19.5% agreed, and 39.1 % chose “neutral”. To support the data, respondents were asked to rank the impact of the COVID-19 pandemic on business continuity. Respondents had to rank the characteristics of the Black Swan and White Swan events.



**Figure 3. Ranking of Impact of the COVID-19 Pandemic**

Figure 3 illustrates the following situation. The massive impact was ranked as follows: 1(4), 2(22), 3(32), and 4(29). High Certainty: 1(8), 2(24), 3(50) and 4(5). Unpredictability: 1(8), 2(21), 3(43) and 4(15). And Impact easily estimated: 1(10), 2(19), 3(35), and 4(24).

Engemann and Henderson (2012) underline that the main components of development begin with the program initiation and the allocation of resources and assignment of responsibilities. Manager 1 indicated that “in times of disruption resources whether

tangible or intangible must be allocated purposefully. The development includes the identification and analysis of the organization's operations, the assessment of natural and man-made threats to the organization, and the selection of the strategies needed to meet the established response, continuity, and recovery objectives. It also includes an analysis of information technology and other organization controls and exposures to manage risks. Besides respondents ranked the importance of strategic planning and risk prediction for business continuity. Additionally, the study identifies that having a dynamic manager leader for business continuity is compulsory.

Additionally, the importance of business and workplace flexibility, adaptation, mutual trust, assurance, commitment, and leadership in times of disruption is recognized by the online survey respondents. Besides, from interviews, manager 3, stated that "business continuity in times of disruption is a delicate notion. It is not only about how businesses will survive but the ability to commit to their employees". Contrary, manager 5, stated that "business continuity is a matter of time, and does not necessarily mean that pandemic is the reason. Many businesses use the current situation to file bankruptcies to generate more revenue from insurances". Hiles (2014) argues that business continuity should ensure you can recover from a disaster within the optimum time frame, suffering only those losses you can afford to bear.

The role of workplace adaptation to uncertainty is clear. As Hollingworth (2016) claims rather than trying to manage change in the workplace, you and your organization need to move with the change. Therefore, businesses must carefully analyze workplace trends and cause-effects for future longevity.

The study identified that respondents were not specific to recognize the COVID-19 whether Black Swan or White Swan event. However, the survey numbers lean towards accepting the COVID-19 as the Black Swan event. From characteristics ranking, illustrated in table 4, the study identifies that massive impact and unpredictability has a small edge over high certainty and impact estimations.

**Table 4. Ranking of characteristics**

	1	2	3	4
Massive Impact	4	22	<b>32</b>	29
High Certainty	8	24	<b>50</b>	5
Unpredictable	8	21	<b>43</b>	15
Impact easily estimated	10	19	<b>35</b>	24

## Conclusion and recommendations

To conclude, the study contributes to better recognize the risks associated with business continuity in times of disruption. No matter, whether it is a pandemic or uncertain new reality, a business must plan, calculate, and strategize. They must anticipate and predict short versus long-term future. As risk management is a cyclic process, once a new risk is identified, the company should introduce it into the company's risk index and draw the strategy framework according to the new situation.

Uncertain future must teach to better allocate business resources whether tangible or intangible. Moreover, human capital is the priority resource for business continuity. Manager leaders and subordinates create a cornerstone of success.

The study on the current pandemic, even though it is still early to calculate impact, recognizes it as the Black Swan event. From the study results, the data support the statement. The COVID-19 has a massive impact, and it is still early to predict what is coming. The study provides recommendations to businesses and manager leaders on how to respond to new developments in times of disruption.

1. Refresh business competencies now. Businesses must align and adapt to the future, therefore organizational structure and culture must be flexible and adaptable.
2. Analyze and measure your strong products and services. Businesses must be strategically positioned in a competitive market to generate profit and revenue growth. Besides, they must stay sustainable.
3. Prepare and equip workplace leaders with the necessary skills and tools. Today leaders must have the ability to adjust in any working environment, therefore the need for soft skills is a must. Digital learning trends and technologies must be encouraged.
4. Get your manager leaders to be involved in daily tasks. Managers leaders must create more meaning to their subordinates. Subordinates must feel needed and supported. It allows us to keep them as full-time employees versus to contract, or gig.

Additionally, the study suggests businesses integrate five Ws and one H into strategic planning. Five Ws and one H are principles and techniques to get a complete investigation on a subject, therefore, to identify, analyze, measure, and develop solutions. It answers questions Who, What, When, Where, Why, and How. It is an essential evidence-gathering tool to assure business continuity towards uncertainty-based thinking. It allows businesses to identify internal and external audiences, determine complexity levels, find solutions, allow tactical time management, and create solutions for effectiveness. The study believes that it will permit businesses to better align themselves with business continuity.

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