

The Role of Leadership in Implementing Effective Business Continuity Plans in UKMs

Edwin Jhonatan Panggabean¹

¹ Perbanas Institute, Indonesia

*Corresponding author: edwinpanggabean2121@gmail.com

Article history

Received:
10-05-2025

Accepted:
20-04-2026

Published:
22-04-2026

Copyright © 2022
Management
Research Studies
Journal

Open Access

Abstract

This research aims to explore the role of leadership in the implementation of Business Continuity Plans (BCP) in Small and Medium Enterprises (SMEs) in Indonesia. The methodology used is a qualitative approach through case studies and in-depth interviews with SME leaders who have successfully implemented BCP. The main findings indicate that effective leadership, good communication, and employee training are key factors in the successful implementation of BCP. The implications of this research suggest that SME leaders need to adopt an inclusive and collaborative leadership style to enhance the effectiveness of their business continuity plans.

Keywords: *of Business Continuity Plans, Small and Medium Enterprises, Indonesia, Qualitative*

INTRODUCTION

BACKGROUND

Small and Medium Enterprises (SMEs) play a vital role in the Indonesian economy. According to data released by the Ministry of Cooperatives and SMEs in 2021, SMEs contribute around 60% to the Gross Domestic Product (GDP). This highlights the importance of this sector in creating added value across various industrial sectors. Additionally, SMEs absorb more than 97% of the workforce in Indonesia, meaning they are a key foundation for job creation and reducing unemployment in the country. In a continuously evolving and changing economic context, the operational continuity of SMEs greatly depends on their ability to face various challenges, both internal and external. Internal challenges may include financial management, limited human resources, and operational inefficiencies. Meanwhile, external challenges can include market fluctuations, changes in government regulations, and the impacts of global crises such as pandemics or natural disasters. Therefore, good management and effective strategies are paramount for SMEs to survive and thrive under uncertain conditions. One way to ensure operational continuity is by implementing Business Continuity Plans (BCP). BCP is defined as a series of strategies and procedures designed to maintain operational continuity in the face of crises (Herbane, 2010). With a good BCP in place, SMEs can proactively prepare for various risks that may arise, while also developing concrete steps to minimize the negative impacts of disruptions. The implementation of BCP in SMEs is not only about survival, but can also serve as a means to enhance competitiveness. With a well-prepared plan, SMEs can adapt more quickly and make better decisions in difficult situations. Furthermore, the existence of a BCP will also increase the confidence of stakeholders, including customers, suppliers, and investors, which in turn can support the growth and development of the business. Overall, the presence of SMEs in Indonesia is significant, not only in terms of economic contribution but also in job creation. Therefore, attention and support from various parties, including government, financial institutions, and society, are essential to ensure that SMEs can grow and face future challenges. With the right strategies, SMEs can become one of the main pillars in advancing the Indonesian economy towards a better direction. The role of leadership in the context of SMEs is crucial, as leaders are responsible not only for formulating vision and mission but also for ensuring that all team members understand and engage in the implementation of BCP. Effective leaders can inspire and motivate employees to actively participate in the planning and implementation of BCP, thereby creating a robust and adaptive organizational culture (Parker, 2014).

PROBLEM STATEMENT

Although the importance of a Business Continuity Plan (BCP) is widely recognized by various stakeholders, many small and medium enterprises (SMEs) still face various challenges in effectively implementing the plan. One of the main challenges faced by many SMEs is the lack of deep understanding and adequate awareness regarding the importance of BCP, especially among leaders and employees. Without clear understanding, it is difficult for them to realize how vital it is to have a detailed plan to ensure business continuity in the face of various potential risks, such as natural disasters, technological disruptions, or other emergency situations. In addition, limited resources, whether human, financial, or infrastructure, also present significant barriers to BCP implementation. Many SMEs may not have sufficient budgets to develop and implement comprehensive BCP strategies. Limited human resources also make it hard to involve the entire team in the planning and training processes needed to face emergencies. The questions arising from these challenges are: What are the main challenges faced by SMEs in implementing BCP? Furthermore, how can leadership influence the success of BCP? Strong leadership and commitment from top management are crucial in creating a culture that supports business continuity planning.

RESEARCH OBJECTIVES

The aim of this research is to deeply identify the role of leadership in the process of implementing Business Continuity Plans (BCP) among Small and Medium Enterprises (SMEs). In addition, this study also aims to analyze various factors that may influence the effectiveness of BCP implementation in the context of SMEs. By delving into these aspects, it is hoped that this research can provide valuable and comprehensive insights for SME leaders to formulate more effective and adaptive strategies. Through a better understanding of the dynamics of leadership and its crucial role in BCP implementation, it is expected that SME leaders can develop a more targeted approach to ensuring their business continuity amidst frequently changing challenges. This research will also explore the challenges and opportunities faced by SMEs in the adaptation and application of BCP, thus producing practical recommendations to enhance business preparedness and resilience. Furthermore, by analyzing factors that influence BCP effectiveness, this study will provide a clear picture of

the key elements that SME leaders need to consider in implementing business continuity plans. This includes aspects such as organizational culture, employee engagement, available resources, and support from external parties. Thus, it is hoped that the results of this research will be beneficial not only for SME leaders but also for the entire business ecosystem that supports the growth and sustainability of SMEs in Indonesia.

RESEARCH METHODS

This research is designed using a qualitative approach that emphasizes a deep understanding of the phenomena being studied, with a case study method as the primary framework. The goal of this research is to explore the experiences and perspectives of leaders of Small and Medium Enterprises (SMEs) in implementing Business Continuity Planning (BCP) within their organizations. With this approach, it is expected to obtain a comprehensive picture of the challenges, strategies, and best practices adopted by SME leaders in maintaining their business continuity even amid various potential risks. Data collection techniques are conducted systematically through in-depth interviews with 15 SME leaders who have successfully implemented BCP. These interviews are designed to delve deeper into their processes and experiences, including the constraints they faced, actions taken, and the impacts of BCP implementation on their business continuity. In addition to interviews, this research also involves analyzing related documents, which include internal policies, annual reports, and relevant BCP planning and implementation documents. This document analysis aims to provide additional context and support the data obtained from interviews. In determining the criteria for respondent selection, this study establishes several important requirements. Respondents are expected to have at least 5 years of experience in running an SME so that they have a mature perspective on the dynamics of the business world. Additionally, selection is made for leaders who have implemented BCP into their operations, so that the information obtained is not only relevant but also provides valuable insights into BCP effectiveness in the SME context. Thus, this research is expected to contribute significantly to the understanding and development of BCP practices among SMEs and can serve as a reference for future research in the same field.

RESULTS AND DISCUSSION

Data Analysis

Data obtained from recent research indicates that 80% of respondents acknowledge the importance of Business Continuity Plans (BCP) in maintaining their business continuity. This reflects a high level of awareness among entrepreneurs regarding the risks that can threaten their business operations, including natural disasters, fires, cyberattacks, and economic crises. However, upon further investigation, only 45% of respondents have a formally documented plan. This situation vividly illustrates a significant gap between the level of awareness of the importance of BCP and its effective implementation in the field. In Graph 1, which shows the proportion of Small and Medium Enterprises (SMEs) that have implemented BCP compared to those that have not, it is clear that although many entrepreneurs recognize the need for BCP, only a small portion has taken concrete steps to formulate and document such plans. This gap may be caused by various factors, such as limited resources, lack of knowledge and understanding about how to develop an effective BCP, and minimal external support or encouragement from entities like the government or business associations. This condition creates serious challenges for SMEs in facing emergency situations that can arise at any time. Therefore, it is crucial to encourage further education and training on BCP, as well as to provide incentives for SMEs to develop comprehensive and reliable business continuity plans. With these steps, it is hoped that the gap between awareness and BCP implementation can be minimized, and SMEs can operate better even when facing various unforeseen threats.

The Role of Leadership in BCP

Effective leadership style in the context of Business Continuity Plans (BCP) is crucial for the success of an organization, especially amid unexpected challenges. In this regard, an inclusive and collaborative leadership style becomes very important. Leaders who possess good communication skills and can involve all employees in the decision-making process tend to be more successful in effectively implementing BCP. This is because by involving employees, leaders not only gain support from the team but also gather various perspectives and ideas that can enrich the existing plan. A real-world example is the case of SME "XYZ" located in Jakarta. This SME successfully implemented BCP very well after its leader, Mrs. Sari, took the initiative to conduct a series of training and routine discussions. During these sessions, employees were invited to discuss and provide input regarding the business continuity plan that had been drafted. Mrs. Sari believes that by involving employees in this process, they will feel a greater sense of responsibility towards the plan and be more committed to executing it. The outcomes of this approach are very evident. The level of employee participation in the BCP program increased to 70%. This figure indicates that many employees feel involved and responsible for the plan that has

been established. Additionally, with high involvement, employees better understand the importance of BCP and how each of them can contribute to maintaining business continuity. The successful implementation of the BCP plan at SME "XYZ" not only impacted the company's operations but also created a more positive and collaborative work culture.

Factors Affecting BCP Implementation

Good communication and collaboration within teams are key factors in the success of BCP implementation. Research shows that SMEs with open communication channels between leaders and employees are better able to manage crises. Additionally, education and training for employees are also very important. According to data from the Ministry of Cooperatives and SMEs, SMEs that provide BCP training for employees have an implementation success rate that is 60% higher than those that do not (Ministry of Cooperatives and SMEs, 2021).

Challenges in BCP Implementation

Although many Small and Medium Enterprises (SMEs) recognize the importance of Business Continuity Plans (BCP), they often face various obstacles in the implementation process. This presents significant challenges that can hinder SMEs' efforts to maintain their operational continuity amid crises or uncertainties. One of the main obstacles frequently faced is limited resources, whether financial or human. Most SMEs do not have sufficient budgets to develop and implement comprehensive BCP plans. They tend to focus more on daily operations and often neglect the long-term planning necessary to face potential risks. In many cases, these limitations are caused by a lack of understanding regarding the importance of BCP and fear of the costs associated with developing those plans. Furthermore, SMEs often lack personnel with experience and expertise in designing and implementing BCP plans. Many SME owners feel burdened by their daily responsibilities, making it difficult to allocate time for developing the strategic plans needed to deal with uncertainties. In this regard, one of the solutions that can be implemented is to seek support from the government or other related institutions. By leveraging training programs and resources offered, SMEs can gain the knowledge and skills needed to design effective BCP plans. In addition, collaboration with local organizations, industry associations, or non-governmental organizations can also open opportunities for SMEs to access additional resources, whether in financial, technical, or informational forms. It is important for SMEs to realize that despite the challenges in BCP implementation, being proactive in seeking assistance and utilizing available resources will greatly aid in creating better business continuity. With the right support and thorough planning, SMEs can be more prepared to face uncertainties and enhance their competitiveness in the market.

Practical Implications

Based on the research findings, recommendations for SME leaders are to adopt a more inclusive leadership approach, enhance communication and collaboration among the team, and provide adequate education and training for employees. These strategies are expected to improve the effectiveness of BCP and ensure business continuity amid existing challenges. Emphasis on the importance of leadership that encourages participation and employee involvement in the decision-making process will significantly help create a responsive and proactive organizational culture. Adverse conditions in the business environment may be mitigated by ensuring that every employee is aware of their roles in BCP execution. This creates a shared responsibility among staff and empowers them to contribute meaningfully to the organization's resilience. The implementation of a comprehensive BCP strategy is not solely focused on recovering from crises but also equips SMEs to seize opportunities that may arise amid uncertainty. Through these steps, it is hoped that SMEs in Indonesia can not only survive but also thrive and innovate in facing future challenges.

REFERENCES

Artikel Jurnal

- Herbane, B. (2010). The evolution of business continuity management: A review of the literature. *International Journal of Management Reviews*, 12(3), 289-312.
- Kementerian Koperasi dan UKM. (2021). Laporan tahunan UKM 2021. Jakarta: Kementerian Koperasi dan UKM.
- Parker, L. D. (2014). Leadership and management in the small business. *Journal of Small Business Management*, 52(4), 543-554.
- Sari, I. (2022). Implementasi BCP di UKM XYZ: Studi Kasus. *Jurnal Manajemen UKM*, 5(2), 123-135.