

Leadership and Strategic Skills for Business Continuity: A Framework for SME Managers

Lankesh Somashekar*

Department : Business Continuity Management / Operations Management

Institution: Swiss School of Business and Management

Genève, Switzerland

Lankeshdba23@gmail.com

* Corresponding author

Accepted: 10/02/2025 Published: 13/03/2025

How to Cite this Article:

Somashekar, L (2025). Leadership and Strategic Skills for Business Continuity: A Framework for SME Managers. *Journal of Advanced Management Studies*, 2(1), 20-28.

DOI: <https://doi.org/10.36676.jams.v2.i1.27>



Abstract

SMEs are vital to economic growth, yet they struggle to preserve business continuity during crises and market uncertainty. A resilient and adaptable leadership style is needed in the fast-changing business landscape, economic downturns, technology upheavals, and unexpected global crises. This article discusses SME managers' leadership and strategic abilities for resilience and sustainability. Visionary leadership, agile decision-making, risk management, technological integration, and strategic alliances are discussed. A comprehensive approach to help SME managers manage disruptions is proposed by integrating theoretical and empirical views. The report advises SME executives on creating an adaptive culture, improving crisis management, and using digital transformation for company continuity.

Key words: Business Continuity, SME Management, Leadership Skills, Strategic Management, Crisis Leadership, Risk Management, Digital Transformation etc.

Introduction

SMEs drive employment, innovation, and economic growth in many economies. Over 90% of firms and 50% of jobs are SMEs, according to worldwide economic reports. SMEs have many problems that endanger their long-term viability notwithstanding their importance. Their limited financial resources, risk mitigation systems, and lack of competent strategic planning render them vulnerable to market upheavals, financial downturns, and unexpected catastrophes. Business continuity and resilience require strong leadership and strategic management to address these weaknesses.

Understanding Business Continuity for SMEs

Business continuity is an organization's capacity to maintain vital operations and quickly recover from disruptions. SMEs generally lack the resources to adopt complete risk management methods, unlike large organizations with continuity planning teams. They are vulnerable to recessions, pandemics, cyberattacks, and geopolitical instability due to this deficit. Business continuity planning (BCP) helps SME managers reduce these risks and maintain operations despite uncertainties.

The Role of Leadership in Business Continuity

Leadership plays a crucial role in fostering resilience, adaptability, and proactive decision-making within SMEs. Various leadership styles contribute differently to SME sustainability:

- **Transformational Leadership:** Encourages innovation, vision-driven decision-making, and employee motivation to navigate challenges effectively.



- **Adaptive Leadership:** Ensures flexibility and responsiveness to changing market conditions.
- **Crisis Leadership:** Focuses on swift and decisive action during periods of uncertainty.
- **Ethical Leadership:** Builds stakeholder trust and long-term credibility in the business. Research suggests that SMEs led by transformational and adaptive leaders are more likely to survive economic crises and leverage disruptive changes as opportunities for growth.

Strategic Management for Business Continuity

Strategic management is vital for SMEs to remain competitive and resilient. Unlike large corporations with dedicated strategy teams, SME managers often juggle multiple responsibilities, making strategic thinking essential. Effective strategic management includes:

- **Risk Assessment and Mitigation:** Identifying potential risks and developing contingency plans.
- **Market Trend Analysis:** Understanding industry changes and adapting business models accordingly.
- **Financial Planning and Diversification:** Managing cash flow and investing in diversified revenue streams. By incorporating these elements into their decision-making, SME managers can create a proactive and resilient business structure.

Impact of Digital Transformation on Business Continuity

Technology is a crucial enabler of business continuity in SMEs. The adoption of digital tools for remote work, e-commerce, and data management has proven essential in mitigating operational disruptions. SMEs that embrace digital transformation can improve efficiency, customer engagement, and market competitiveness. Key technological interventions include:

- **Cloud Computing:** Enables data storage, remote access, and seamless business operations.
- **Artificial Intelligence (AI) and Big Data:** Assists in predictive analytics and data-driven decision-making.
- **Cybersecurity Measures:** Protects businesses from data breaches and cyber threats. SMEs that leverage digital tools for business continuity planning are better positioned to withstand economic shocks and unforeseen disruptions.

Strategic Collaboration as a Business Continuity Strategy

One of the most effective ways for SMEs to overcome resource constraints is through strategic collaboration. Unlike larger corporations, SMEs often lack access to capital, market networks, and industry expertise. By forming partnerships with stakeholders such as suppliers, financial institutions, government agencies, and industry peers, SMEs can:

- **Access financial support** through government grants or venture capital funding.
- **Enhance supply chain stability** by building strong relationships with suppliers.
- **Gain market knowledge** through collaboration with industry leaders and business mentors.
- **Expand their customer base** by leveraging strategic alliances. Strategic collaboration increases SMEs' resilience, making them more capable of handling market fluctuations and crises.

Review of literature

(Xu et al., 2022) studied “Does small and medium enterprise differential leadership increase subordinate knowledge hiding? Evidences from job insecurity, territorial consciousness and leadership performance expectation” However, the differential aspect of leadership has been apparently disregarded in both theoretical and empirical fields, despite the fact that leadership is thought to be an important antecedent of knowledge concealment in SMEs (small and medium companies). This study analyzes whether or if and how the differential leadership of small and medium-sized enterprises (SMEs) effects the

knowledge concealment of subordinates. It does so by drawing on the conservation of resource theory and social cognition theory.

(Herbane, 2020) studied “Locational Contiguity and Business Continuity: Perceived Organizational Resilience of Small- and Medium-Sized Enterprises in U.K. Business Parks We conceive and investigate organizational resilience via the lens of four components: active, temporal, posture, and performance. Resilience is defined as the capacity to react and adapt to stressful situations. This multidimensional perspective on resilience takes into account the perspectives of top managers in addition to other indicators, such as the existence of formal business continuity management and the type of such management.

(Vargo & Seville, 2011) studied Crisis strategic planning for SMEs: Finding the silver lining Despite the fact that the capacity of company owners and managers to think strategically in the middle of a crisis is a critical component in determining the long-term survival of an organization, there is currently very little guidance available on how to accomplish this in the most efficient manner. In order for organizations to be resilient during times of crisis, they need to navigate a set of apparent contradictions that juxtapose effective planning with adaptability to changing circumstances.

(Lacey, 2013) studied Business continuity management for small and medium sized enterprises Three years ago, the International Labor Organization (ILO) began making efforts to counteract the consequences of influenza epidemics on livelihoods as well as health and safety in the workplace. This was done in response to the fact that workers, employers, and communities were facing the risk of a devastating pandemic. Because of its one-of-a-kind tripartite structure, it is in an extraordinarily advantageous position to address the concerns of governments, employers, and workers about the dangers that are presented by the illness.

(saad et al., 2021) studied Conceptualization of SMEs’ business resilience: A systematic literature review Although there is a fragmented body of literature on definitions, metrics, and factors that influence the idea of business resilience, there has been a significant rise in the amount of attention paid to studies on business resilience in the academic community. For this reason, it is necessary to conduct an inventory of the existing information on the subject areas and organize it in order to establish a foundation in this section of the field.

(Asgary, 2016) studied Business Continuity and Disaster Risk Management in Business Education: Case of York University Increasing levels of business interruptions and catastrophic occurrences, on the one hand, and local, national, and international campaigns, on the other hand, have had the effect of increasing enterprises’ knowledge, attention, and demand for the need of business continuity management.

(Radenović & Živković, 2022) studied The Effectiveness of Business Continuity Management System in Enterprises Within the context of the modern business world, companies are confronted with a wide range of unanticipated and unforeseeable occurrences and disruptions, which have the potential to put their whole operations and survival in grave danger. Enterprises that are able to detect and manage such risks and vulnerabilities in an efficient and effective manner are able to keep their operations running, generate value for their stakeholders, and even improve their business performance.

(Wilson, 2016) studied Small Business Crisis Management Strategies It is possible that a premature closure of a small business might occur if the company does not have sufficient crisis management measures in place. In order to investigate the crisis management measures that three proprietors of small businesses have used in order to withstand an unexpected disruption in their operations, a qualitative multiple-case research was conducted.

(Roffia & Dabić, 2024) studied The role of management control and integrated information systems for the resilience of SMEs This study investigates the resilience of small and medium-sized businesses

(SMEs) in relation to the COVID-19 pandemic. More specifically, the paper focuses on the influence that certain factors related to management control, integrated information systems (enterprise resource planning [ERP]), information and communication technology (ICT) systems, and financial resources had on the resilience of SMEs.

(Oliveira Saraiva et al., 2024) studied Turnaround, Decline, and Strategic Posture of SME: Empirical Evidence The purpose of this research is to investigate the ways in which the environment, strategic stance, and organizational structure all play a role in the decline and performance of small and medium-sized businesses (SME).

Research Objectives

This study aims to develop a comprehensive framework for leadership and strategic skills that SME managers need to enhance business continuity. The specific objectives are:

1. To identify key leadership traits that contribute to business continuity in SMEs.
2. To explore strategic management practices that enhance SME resilience and sustainability.
3. To examine the role of digital transformation in sustaining SME operations during crises.
4. To assess the impact of strategic collaborations on SME growth and continuity.

Methodology

The contribution of the research technique is extremely important at the time of study. The technique chosen is to search the e-proposal of his work by a number of criteria. Opinion, issue type and the academic study scores of research workers and their standard fall under the category of influential parameter in circumstances where the problem may be implemented. Based on these results, the quantitative approach in this study exists in the form of preferred technique supporting this research.

• Research Design

This research will use mixed-methods, including quantitative and qualitative methods. This study seeks to explore how leadership behaviors and strategic capabilities improve Business Continuity (BC) and Disaster Management (DM) in SMEs. The quantitative component will include questionnaires for managers and employees of small and medium-sized enterprises (SMEs) to assess leadership practices, BC and DM success, and organizational preparation. Using statistical analysis, leadership behaviors, strategic skills, and resilience results will be examined. The qualitative component will include in-depth interviews and focus group discussions with BC and DM experts, SMEs, and stakeholders. This simplifies examining complex perspectives, concerns, and disruption management best practices. These methodologies are used to triangulate the results to offer a comprehensive research that considers the complexities of leadership and strategic management in SMEs". The study's approach will allow for actionable solutions that are tailored to SMEs' needs to address BC and DM issues.

• Sample Size

In total, there will be 240 small and medium-sized enterprise (SME) managers participating in the study. These managers will come from a variety of industries, including retail, manufacturing, services, and technology. For the purpose of providing a comprehensive examination of small and medium-sized enterprise (SME) leadership and strategic management in business continuity, the sampling criteria will ensure diversity in terms of business size, operational issues, and leadership experiences.

Leaders effectively guide teams during crises.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	70	29.2	29.2	29.2
	Agree	76	31.7	31.7	60.8

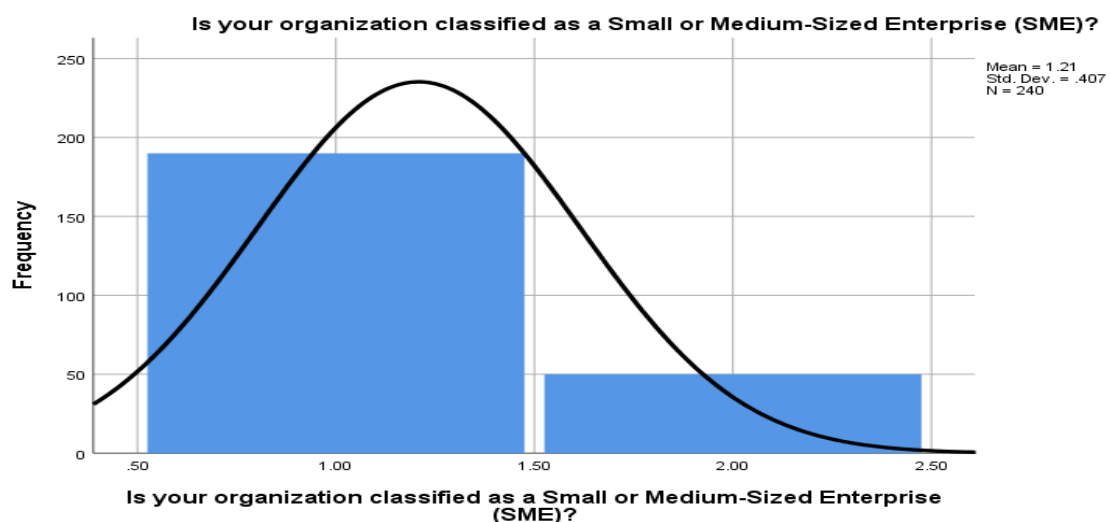


Neutral	42	17.5	17.5	78.3
Disagree	40	16.7	16.7	95.0
Strongly Disagree	12	5.0	5.0	100.0
Total	240	100.0	100.0	



The data shows that 29.2% of respondents strongly agree and 31.7% agree that leaders effectively guide teams during crises, totaling 60.9% with a positive perception. Meanwhile, 17.5% are neutral, 16.7% disagree, and 5.0% strongly disagree. “This suggests that while a majority view leadership as effective in crisis situations, a significant portion either remain neutral or express dissatisfaction with leadership effectiveness

Is your organization classified as a Small or Medium-Sized Enterprise (SME)?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	190	79.2	79.2	79.2
	No	50	20.8	20.8	100.0
	Total	240	100.0	100.0	



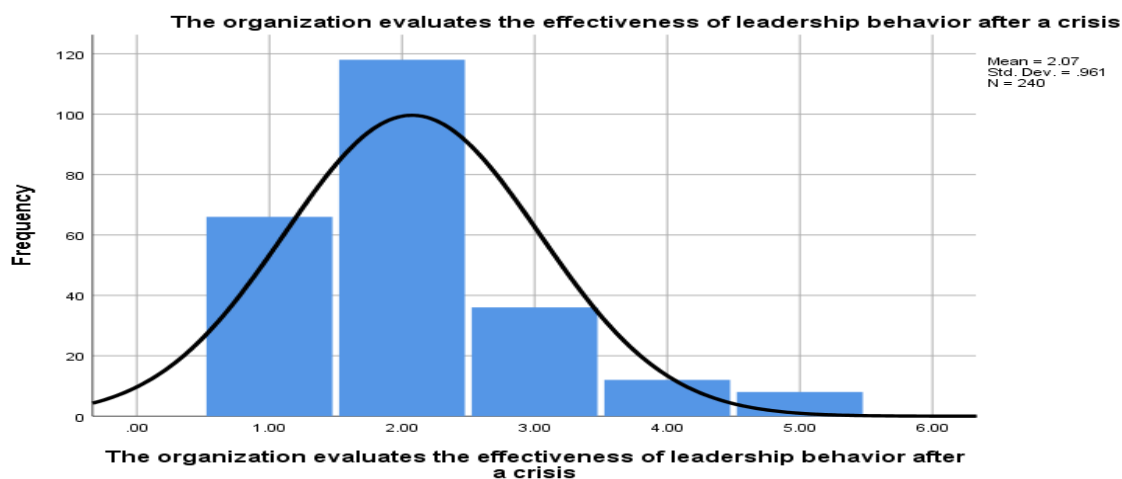
The data shows that 79.2% of respondents' organizations are classified as Small or Medium-Sized Enterprises (SMEs), while 20.8% are not. This indicates that the majority of the organizations represented in the survey fall under the SME category.

The team possesses the necessary skills to handle crises effectively.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	80	33.3	33.3	33.3
	Agree	56	23.3	23.3	56.7
	Neutral	82	34.2	34.2	90.8
	Disagree	16	6.7	6.7	97.5
	Strongly Disagree	6	2.5	2.5	100.0
	Total	240	100.0	100.0	



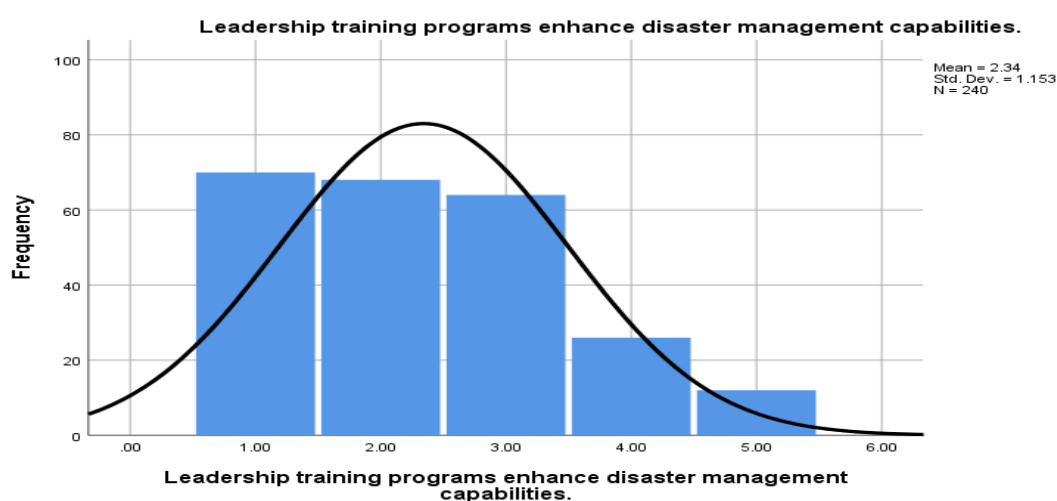
The data reveals that 33.3% of respondents strongly agree and 23.3% agree that their team possesses the necessary skills to handle crises effectively, totaling 56.6% with a positive perception. Meanwhile, 34.2% are neutral, and 9.2% (6.7% disagree, 2.5% strongly disagree) express a negative view. This suggests that while a majority believe their teams are well-equipped for crisis management, a significant proportion remain uncertain or identify skill gaps.

The organization evaluates the effectiveness of leadership behavior after a crisis					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	66	27.5	27.5	27.5
	Agree	118	49.2	49.2	76.7
	Neutral	36	15.0	15.0	91.7
	Disagree	12	5.0	5.0	96.7
	Strongly Disagree	8	3.3	3.3	100.0
	Total	240	100.0	100.0	



The data reveals that 27.5% of respondents strongly agree and 49.2% agree that their organization evaluates the effectiveness of leadership behavior after a crisis, totaling 76.7% with a positive perception. Meanwhile, 15.0% are neutral, and 8.3% (5.0% disagree, 3.3% strongly disagree) express a negative view. This indicates that the majority of organizations prioritize reviewing leadership performance post-crisis, though a smaller proportion either remain unsure or perceive gaps in such evaluations.

Leadership training programs enhance disaster management capabilities.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	70	29.2	29.2	29.2
	Agree	68	28.3	28.3	57.5
	Neutral	64	26.7	26.7	84.2
	Disagree	26	10.8	10.8	95.0
	Strongly Disagree	12	5.0	5.0	100.0
	Total	240	100.0	100.0	



The data indicates that 29.2% of respondents strongly agree and 28.3% agree that leadership training programs enhance disaster management capabilities, totaling 57.5% with a positive perception. Meanwhile, 26.7% are neutral, and 15.8% (10.8% disagree, 5.0% strongly disagree) express a negative

view. This suggests that while the majority believe leadership training programs are beneficial, a significant portion either remain uncertain or feel their impact could be improved.

Results and Discussion

There are 60.9% positive responses, with 29.2% strongly agreeing and 31.7% agreeing that leaders effectively steer teams during crises. Meanwhile, 17.5% are neutral, 16.7% disagree, and 5.0% strongly disagree. This implies that while a majority perceive crisis leadership as effective, a significant percentage are neutral or dissatisfied. SMEs must engage in leadership development to improve crisis management and decision-making.

The data shows that 79.2% of respondents' companies are SMEs and 20.8% are not. The majority of the survey's firms are SMEs, underscoring the importance of leadership and strategic abilities for business continuity.

33.3% strongly agree and 23.3% agree that their team can handle emergencies, totaling 56.6% favorably. While 34.2% are indifferent, 9.2% (6.7% disagree, 2.5% strongly disagree) are negative. This shows that while most believe their teams are crisis-ready, a significant proportion are uncertain or perceive skill shortages. To improve SME disaster readiness, regular personnel training and skill development are crucial.

27.5% strongly agree and 49.2% agree that their organization analyzes leadership behavior following a crisis, totaling 76.7% with a positive perception. While 15.0% are indifferent, 8.3% (5.0% disagree, 3.3% strongly disagree) are negative. This shows that most organizations prioritize post-crisis leadership performance reviews, but a smaller minority are unclear or see gaps. Structured feedback and post-crisis assessment systems help improve crisis leadership.

Leadership training programs improve disaster management, according to 29.2% of respondents strongly agree and 28.3% agree, totaling 57.5%. Meanwhile, 26.7% are neutral and 15.8% (10.8% disagree, 5.0% strongly disagree) are negative. This implies that while most believe leadership training programs are good, a significant portion are doubtful or think they may be improved. SMEs should incorporate real-life crisis simulations and advanced problem-solving strategies into disaster management training to improve effectiveness.

Discussion and Implications

This study provides valuable insights into the leadership and strategic competencies required for SMEs to ensure business continuity. The findings indicate that:

- SMEs that invest in leadership development, strategic foresight, and technology adoption are more likely to survive and thrive in uncertain environments.
- A structured approach to risk management and business continuity planning can help SMEs mitigate economic shocks and external crises.
- Collaboration with external stakeholders enhances SMEs' ability to access critical resources and expertise.

By implementing these insights, SME managers can strengthen their businesses' resilience and contribute to long-term economic stability.

Conclusion

This study emphasizes the importance of leadership and strategic management for SME business continuity. The results imply that proactive leadership, digital transformation, and strategic business continuity strategies help SMEs weather economic downturns. Leadership, crisis management, and crisis response evaluation greatly affect SME resilience and sustainability. The results show that while most SME managers think their leadership is good, a significant percentage are neutral or unsatisfied,



underlining the need for leadership training and skill development. The survey also emphasizes the need of well-equipped teams, as many respondents were unsure about their crisis management capabilities. This shows that SME resilience requires personnel training and skill development. Business resilience also depends on strategic cooperation. Networking, mentorship, and industry relationships help SMEs manage crises, obtain resources, and continue operations. Encourage collaboration with government agencies, financial institutions, and supply chain partners to stabilize SMEs in uncertain markets. Finally, excellent leadership, strategic management, technology, and external collaborations determine SMEs' success and longevity. Policymakers, industry leaders, and SME management must collaborate to build a business continuity and resilience ecosystem. Real-world case studies of SMEs who successfully applied these tactics should be studied to learn how to navigate business uncertainty.

References

1. Xu, J., Zhu, D., & Li, Y. (2022). Does small and medium enterprise differential leadership increase subordinate knowledge hiding? Evidences from job insecurity, territorial consciousness and leadership performance expectation. *Frontiers in Psychology*, 13(September), 1–25. <https://doi.org/10.3389/fpsyg.2022.983669>
2. Herbane, B. (2020). Locational Contiguity and Business Continuity: Perceived Organizational Resilience of Small- and Medium-Sized Enterprises in U.K. Business Parks. *SAGE Open*, 10(2). <https://doi.org/10.1177/2158244020927417>
3. Vargo, J., & Seville, E. (2011). Crisis strategic planning for SMEs: Finding the silver lining. *International Journal of Production Research*, 49(18), 5619–5635. <https://doi.org/10.1080/00207543.2011.563902>
4. Lacey, D. (2013). Business continuity management for small and medium sized enterprises. *Business Continuity Management for Small and Medium Sized Enterprises*. <https://doi.org/10.3403/9780580741081>
5. saad, M. H., Hagelaar, G., van der Velde, G., & Omta, S. W. F. (2021). Conceptualization of SMEs' business resilience: A systematic literature review. *Cogent Business and Management*, 8(1). <https://doi.org/10.1080/23311975.2021.1938347>
6. Asgary, A. (2016). Business Continuity and Disaster Risk Management in Business Education: Case of York University. *AD-Minister*, 28, 49–72. <https://doi.org/10.17230/ad-minister.28.3>
7. Rađenović, T., & Živković, S. (2022). The Effectiveness of Business Continuity Management System in Enterprises. *17th International Conference Management and Safety M&S 2022: Business Continuity Management and Safety*, January, 51–56.
8. Wilson, D. (2016). Small Business Crisis Management Strategies. *Walden Dissertations and Doctoral Studies*. <https://scholarworks.waldenu.edu/cgi/viewcontent.cgi?article=3809&context=dissertations>
9. Roffia, P., & Dabić, M. (2024). The role of management control and integrated information systems for the resilience of SMEs. *Review of Managerial Science*, 18(5), 1353–1375. <https://doi.org/10.1007/s11846-023-00657-6>
10. Oliveira Saraiva, G., Ferreira, J. J., & Alves, M. C. (2024). Turnaround, Decline, and Strategic Posture of SME: Empirical Evidence. In *Journal of the Knowledge Economy* (Issue 0123456789). <https://doi.org/10.1007/s13132-024-01734-1>

