Chapter 4

Strategic Planning, Cultural Context, and Business Continuity Management: Business Cases in the City of Shkoder

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ABSTRACT

This study is focused on the role, importance and practice of Business Continuity Management (BCM) in relation with Strategic Planning (SP) and Cultural Context (CC) by offering a holistic framework for short-term and long-term strategic business analysis. The purpose is to create a unique structured plan for understanding the organizational failure willingness and to create a culture of readiness, feedback and risk management. The methodology used is quantitative with questionnaire for collection data. The study sample includes 50 organizations from four different sectors: banking, services, industrial and insurance in Shkoder (Albania). The research findings show a positive correlation between SP and BCM (0.54%), with a significant positive impact of SP on BCM. A positive correlation is founded between SP and CC (0.588%). The study suggests that placing the BCM in the Corporate Culture may be entitled as another manner of integrating BCM and SP in one structure. Between culture and strategy there is a huge number of characteristics and similarities they have in common with each other.

DOI: 10.4018/978-1-5225-2673-5.ch004
INTRODUCTION

Even though crises, risk, and destruction intimidate the short/long-term survival of some business organizations, and regardless the risk has the most important impact in organizational dynamics in front of this hastily changing business world, still strategic management scholars continue to demonstrate limited and partial awareness in the organizational risk. It also must be considered that the effect of geopolitical actions impact on the globalization and the organizations can react differently depending on cultural context and on interest markets. Overall, the studies about the relationship between organizational risk and strategy are limited. Such limits have their consequences in these studies which are constrained to be divided and to change the face of organizational risk from application and responsibility (Wiseman, 1999; Ruefli et al., 1999).

According to Ritchie (2003), for making a strategic plan it is needed to make some additional research and experimental work and also some enlargements of the conceptual model linked to crises operation, risk and destruction. It also required expanding the meaning of the implementation of crises operation, risk and destruction by usage of further fields and regulations, by giving attention to the disciplinary-action of the organizational crises, which appeal for an integrative approach of crises operation, risk and destruction (Sheaffer & Mano-Negrin, 2003).

Referring to Graham and Kaye (2006), the organization should firstly inspect the business and figure out the risk in order to determine and to fulfill a valuable program for business continuity management and finally to fulfill effectively the business continuity program.

According to Selden and Perks (2007), failing to plan is planning to fail. It means that businesses must know to manage the urgent situation they may face in any time. The greatest plan is to be done before the incident and not after it. It has been pointed out by the author also the importance about the integration of Business Continuity Management (BCM) with Strategic Planning (SP) in one structure which is in the same line with this study’s research aim.

The aim of this study is to underline the role, importance, and the practice of Business Continuity Management (BCM), Strategic Planning (SP), and the relation between them in short and long-term. In addition, the study focuses on integrating in one holistic framework that includes BCM with SP by analyzing the factors that are likely to influence the integration of BCM with SP by analyzing the factors that are likely to influence the integration of BCM with SP in one structure.

By studying the relation between BCM and SP, particular attention has been given to the intervention of Cultural Context (CC) as a moderating variable, especially by defining the timeframe orientation (long term or short term). Also, the research work is centered on the key components of Business Continuity Planning which provide an obvious plan for organizational failure willingness. It means paying more interest in practical strategies and having a total approach to construct general ability in the urgent willingness and feedback as well as to have risk elimination.

Herbane et al. (2004) mentioned that more research and practical studies centered on the strategic role of BCM about integrating BCM and SP in one structure are needed since the field of the study so far is without revealing. In addition, literature shows that ample research in the field of BCM is strongly connected with CC. Cultural context is a unique factor that directs regulation and ultimately the planning success, because every organization has a special plan, and because it does not exist in any manual solution design in business continuity management.

The Business Continuity Institute’s Good Practice Guide for several years has supported “Integrating BCM in the Organization’s culture” as the only one of the management practices. Regardless of this