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MODELLING BUSINESS CONTINUITY AND RECORDS MANAGEMENT IN DIGITAL ENVIRONMENT

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ABSTRACT

Small and medium-sized enterprises (SMEs) play a pivotal role in national economies, employing nearly two-thirds of the labour force and contributing significantly to government income. Selangor, a thriving economic landscape with the highest number of establishments among Malaysian states, relies predominantly on SMEs. The strategic location of Selangor at the heart of Peninsular Malaysia has attracted numerous SMEs, making it crucial to understand and enhance their business continuity and records management practices. To address this, a qualitative multiple case study was conducted, focusing on SMEs in Selangor. The study aimed to evaluate the comprehensiveness of business continuity management, assess business continuity plans (BCPs) for records management, and explore the implications of non-compliance with BCPs for SMEs. The research utilized document reviews and interviews with SME business owners and continuity managers, explicitly focusing on managerial-level respondents in the records and information system department. Findings underscored the importance of identifying vital records within SMEs, such as active contracts, financial records, and personal customer information. Regular updates to BCPs were highlighted as crucial to align with organizational changes. The study revealed diverse approaches to records management, with some SMEs designating division managers as custodians and others involving management, records committees, and imaging specialists. Integrating stakeholder perspectives was identified as a critical factor in developing comprehensive BCPs. Discrepancies were observed in including records in BCPs, emphasizing the need for a standardized understanding. An organized BCP was deemed essential, with SMEs emphasizing the significance of recovery plans, regular audits, and discussions with top management. In conclusion, the research findings emphasize the need for SMEs in Selangor to evaluate and integrate their BCPs and records management practices to enhance overall resilience. The study contributes practical insights for improving business continuity and records management efforts, providing valuable guidance on identifying vital records, engaging stakeholders, specifying roles, and maintaining organized BCPs. The results offer SMEs in Selangor an opportunity to strengthen their readiness and resilience for business continuity by customizing strategies effectively.

Keywords: Business continuity plans (BCPs), records management practices, small and medium-sized enterprises (SMEs), integration of BCPs and records management and vital records.

INTRODUCTION

Small and medium-sized enterprises (SMEs) are responsible for employing nearly two-thirds of the labor force in the country. They contribute to the government's income through income taxation, and households benefit from taxes, profits, and salaries. Thailand, Malaysia, and the Philippines are emerging countries that rely on SMEs for economic development, as per the World Bank's classification of countries (Mintah, Gabir, Aloo and Ofori (2022)). These nations are also vulnerable to various natural disasters that affect all businesses, including SMEs. In December 2021, the worst flood disaster affected around 50,000 SMEs in several districts in Selangor. These SMEs experienced losses such as damage to their premises, machinery, business records, and information, destruction of raw materials, and final products due to water inundation. This led to the expected closure of their operations (Auzzir, Haigh, and Amaratunga, 2018). To survive and expand, SMEs must maintain accurate records.

According to the latest report on business establishments by the Department of Statistics Malaysia, Selangor has the highest number of establishments among all states in Malaysia as of 2019. This indicates that the state's economic landscape is thriving, mainly driven by SMEs. Most of the businesses in Selangor are SMEs, which significantly contribute to the state's economy. The state's strategic location is one of the main reasons for its success in attracting SMEs. Selangor is located at the heart of Peninsular Malaysia, acting as a natural gateway to the rest of the country. A study needs

to be conducted to investigate the records management aspects of Small and Medium Enterprises (SMEs) business continuity management practices. This study aims to evaluate the comprehensiveness of business continuity management and assess their business continuity plans for records management aspects. Additionally, the study will assess the implications of non-compliance with a business continuity plan for SMEs. The outcome of this study will contribute to the comprehensive framework of business continuity planning and the records management aspects by SMEs.

MATERIAL AND METHOD

The research conducted in this study used a qualitative approach with multiple case study designs. This approach can be replicated in other research settings focusing on different institutions. According to Creswell (1998), any research question containing 'how' or 'what' falls under the category of qualitative research. This confirms the qualitative approach used in this study. Yin (2003) expressed his concerns about single-case designs, as they limit the scope of study and may not provide the most potent analytical conclusions. Yin also stressed that analytical conclusions drawn from two or more cases independently would be more effective than those from a single case study. Therefore, the multiple case study approach provided a rich and maximized depth of information, resulting in more transferable findings.

This study aimed to investigate the extent to which Small and Medium Enterprises (SMEs) practice business continuity management. The study collected data through document reviews and interviews with SME business owners and business continuity managers. The study also explored whether records management was integrated into business continuity plans or worked in isolation and how implementing a business continuity plan could benefit SMEs. The study focused on SMEs in Selangor, and data were collected from managerial-level respondents in the records and information system department. SMEs outside the Selangor area were excluded, and respondents below the managerial level were not selected for an interview. The findings from these cases led to creating a comprehensive framework for business continuity planning that incorporates records management.

Data were collected through document reviews and semi-structured interviews with five SMEs' managerial-level participants from records and information systems departments, each company participating in this research named C1 to C5. These transcriptions were coded, and thematic analysis focused on integrating records management into BCP practices, the current effectiveness of approaches, and the challenges identified. Through cross-case analysis, the methods used by the five firms were compared. Triangulation enhanced credibility, as insights were cross-verified between interviews and documents.

RESULTS AND DISCUSSION

This study highlights the critical importance of identifying vital records within SMEs as a fundamental element for ensuring the smooth functioning of business operations. Vital records, encompassing active contracts, financial records, employee data, and personal and confidential customer information, are essential for prioritising their management, storage, and protection. The diverse approaches revealed through interviews with SMEs (C1 to C5) highlight the necessity for tailored strategies in identifying and handling vital records. Regular updates to business continuity plans (BCPs) are emphasised as crucial, aligning with technological, staff, and facility changes. This practice ensures that BCPs remain relevant and effective in evolving organisational dynamics, a perspective supported by existing literature.

The preservation of vital records necessitates clear roles and responsibilities within an organisation. Various SMEs adopt different approaches, designating division managers as custodians in some cases (C1 and C4), while others involve management, records committees, and imaging specialists (C2 and C3). Stakeholder involvement is critical in developing a comprehensive BCP, with diverse perspectives and expertise contributing to a tailored approach that effectively addresses potential risks and threats.

A notable finding is the varying perspectives on including records in business continuity plans. While some SMEs (e.g., C2) do not have specific BCPs for records, others (e.g., C1) stress the importance of including records detailing corporate events, audit trails, and financial activities. This

discrepancy underscores the need for a standardised understanding of what constitutes vital records and their role in ensuring accountability and facilitating financial management.

The study emphasises that an organised business continuity plan is essential for maintaining business operations during unexpected events. SMEs stress the significance of recovery plans, including identifying vital records, establishing recovery sites, and approval by management. Regular audits and discussions with top management are highlighted as crucial elements to ensure these plans' ongoing validity and effectiveness. The business recovery plan team, responsible for administrative functions, facilities, logistics, user support, computer backup, restoration, and other critical areas, plays a pivotal role in executing the plan.

In conclusion, the research findings emphasise the need for SMEs in Selangor to evaluate and integrate their business continuity plans and records management practices. This integration is crucial for enhancing overall resilience in the face of disruptions. The study contributes to a better understanding of SMEs' preparedness and provides practical insights for improving business continuity and records management efforts. Identifying vital records, engaging stakeholders, specifying roles, and maintaining organised business continuity plans serve as valuable guidance for SMEs seeking to strengthen their resilience strategies.

CONCLUSION

In summary, this study emphasizes the importance of including records management in the business continuity plans of small and medium-sized enterprises (SMEs) in Selangor. It suggests that SMEs evaluate their current level of integration and seek advice from experts in records management and business continuity planning to customize their strategies effectively. The results of the study offer valuable information to SMEs in Selangor, helping them improve their readiness and resilience for business continuity by integrating records management, identifying crucial records, involving stakeholders, utilizing expertise, communicating effectively, and collaborating with relevant agencies.

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