Leadership, Crisis Management, and Business Continuity

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ABSTRACT

The objective of the current research was to identify the mediating role of crisis management between leadership and business continuity. Crisis management has always been considered as a responsibility of the leaders of the organizations. Moreover, leaders have to show their true leadership skills during the time of crisis in order to keep things going. For meeting the objectives of the study, the data has been collected from 384 employees working at public sector organizations of UAE. The data has been collected by applying survey techniques and self-administered questionnaires were distributed using simple random sampling. The findings from structural equation modelling revealed that leadership has a significant direct impact over business continuity as well as crisis management. this shows that leaders that are efficient in leadership holds the capability to manage the crisis. Moreover, the mediating role of crisis management between leadership and business continuity is also significant.

Keywords: leadership, business continuity, crisis management sustainability
INTRODUCTION

It is a requirement of the 21st century that crisis managers consider business continuity and the performance role of an organization in the progress as a serious issue along with higher efficiency and potency by the management organizations (Alharthi & Khalifa, 2019; Krishnan, Ganesh, & Rajendran, 2022). Business continuity is surfacing as a major area of concern for most organizations (Asad & Kashif, 2021). Leadership is preferred by firms most often when it comes to ensuring business continuity (Asif, Asad, Bhutta, & Khan, 2021). Business continuity is actually the main issue that prevents the onset of disasters as opposed to normal operations (Adegboye, Ojeka, Alabi, Alo, & Aina, 2020). When addressing the issue of service delivery in nations, the phrase "business continuity" is used in the most restricted sense possible (Alharthi & Khalifa, 2019; Rasheed et al., 2021; Nasir & Rao, 2020; Almheiri, Romle & Omar, 2022).

The benefits of emergency preparedness as well as emergency preparedness as a whole are evident in addition to their importance (Asad, Shabbir, Salman, Haider, & Ahmad, 2018). Programs demand that this be done as soon as possible so that more people can agree to and complete this task (Khan, Asad, Khan, Asif, & Aftab, 2021). A government agency is required to know specifically what is required of employees in order to protect them (Chethiyar, Asad, Kamaluddin, Ali, & Sulaiman, 2019), as well as to present time-related information (Alkhuzaie & Asad, 2018). Not many robots are present in the fastest growing species, there is a need for more thorough testing. The employee is employed as a staff member at the company (Allam Z., Asad, Ali, & Ali, 2021; Ali et al., 2021), so please make time for a more important meeting (Asad, Muhammad, Rasheed, Chethiyar, & Ali, 2020). Business continuity schemes in the United Arab Emirates make sure that the company is implementing a strategy for quick and affordable recovery of its major operations, reduction of unfavorable effects, local management in the UAE organization (Haider, Fatima, Asad, & Ahmad, 2016), protection of consumer data processing, and precise recognition of the company's base and framework (Fadhel, Aljalahma, Almuhanadi, Asad, & Sheikh, 2022).

Since difficulties with business continuity are primarily due to a lack of crisis management, crisis studies have become increasingly popular (Eikelenboom & Jong, 2019). Therefore, developing strategies is essential because they impact the organization's sustainability (Asad, Asif, Allam, & Sheikh, 2021). However, crisis management may act as a potent impetus for company
continuation (Dauda, 2013). The term "crisis management" has been used in the public sector to define the role of the government in responding to unplanned catastrophes and disasters that affect the general public (Thomas & Terry, 2022). A creative perspective is needed since crisis management has developed into one of the most crucial approaches, structures, and procedures for institutions to cope with catastrophes. An astute leadership is needed by management to oversee the organization's business continuity process and guarantee that crises are handled properly (Bowers, Hall, & Srinivasan, 2017).

As a result, leadership is crucial for ensuring corporate continuity while anticipating the future, innovating and doing many other tasks that go beyond traditional management (Asad, Shabbir, Salman, Haider, & Ahmad, 2018). Since crisis management acts as a bridge between leadership and company continuity, the current study looks into how leadership contributes to maintaining operations during a crisis. In the context of including the variables in a model, this research study is unique as business continuity is demonstrated by analysis in United Arab Emirates public sector organizations. Its outcome will help to generalize the theories and presumptions underlying the proposed model and expand knowledge of public organizations issues in the United Arab Emirates.

LITERATURE REVIEW

When a leader's actions have an impact on their followers, this is known as transformational leadership (Asad, et al., 2022). The followers are motivated to go above and beyond their capabilities by the leader's behavior. Information technology encourages people to make predictions or mark deadlines (Asif, Asad, Kashif, & Haq, 2021). It becomes more important for the government to ensure that they see the signs of progress. This includes a positive change in the followers’ attitudes and the organization as a whole. Creativity is a prominent feature of a company that work in the daily activities for managing situations of crisis to keep the organizations sustainable (Khalil, Asad, & Khan, 2018; Lazim, 2022; Adangabe & Boateng, 2022). The created item may be intangible (such as idea, a scientific theory, a musical composition, or a joke) or a physical object (such as an invention, a printed library work, or a painting).
Leadership serves to boost the work, motivation, and morale performance of followers via a wide array of operations (Montiel & Delgado-Ceballos, 2014); these consist of attaching the follower's sense of identification and self to a project and to the aggregate identity of the institution (Sulaiman, et al., 2022); being actually a shining example for fans in order to influence all of them (Amir & Asad, 2018) and to elevate their interest in the job (Matinaro & Liu, 2017); challenging followers to take better ownership for their work, and recognizing the strengths and weak spots (Asad, Tabash, Sheikh, Al-Muhanadi, & Ahmad, 2021), which enables the innovator to line up fans (Sulaiman & Ahmed, 2017) along with duties that enhance their performance (Alrowwad, Abualoush, & Masa'deh, 2020; Asad, Asif, Bakar, & Sheikh, 2021). Competitive advantage is actually defined as the critical advantage one organization entity has over its own rivalrous companies within its own affordable business (Asad, Asif, Khan, Allam, & Satar, 2022). Achieving competitive advantage builds up and installs a company better within business setting to keep its continuity (Epstein & Roy, 2001).

On the other hand, Transactional leadership is actually a style of management in which innovators market compliance through fans by means of both penalties and rewards (Alrowwad, Abualoush, & Masa'deh, 2020). Through incentives and consequences body, transactional leaders are able to maintain fans encouraged for the temporary (Adnan & Valliappan, 2019). Unlike transformational leaders (Allam Z., Asad, Ali, & Malik, 2022), those utilizing the negotiable technique are not hoping to alter the future (Almansour, Asad, & Shahzad, 2016), they aim to maintain factors the very same (Bhaduri, 2019). Forerunners making use of transactional leadership as a model focus on fans' operate in order to discover inconsistencies and deficiencies and as the creativity is a sensation where one thing in some way useful and new is actually constituted the researcher is expecting a high positive impact of leadership on sustainability (Albatayneh, 2014; Muñoz-Pascual, Curado, & Galende, 2019) as this hypothesis is compatible with other hypotheses in other studies (Epstein & Roy, 2001).

Transactional leadership or negotiable management is the portion of one design of management that pays attention to guidance, performance, or company; it is an indispensable component of the Full Range Leadership Model (Haider, Asad, & Fatima, 2017). Transactional leadership is a design of leadership through which forerunners advertise compliance by fans through both incentives and penalties (Abasilim, Gberevbie, & Osibanjo, 2019). And an organization, a
competitive advantage is the attribute that permits a company to outmatch its own competitors (Darcy, Hill, McCabe, & McGovern, 2014). Based on that the researcher is expecting a high positive impact of Transactional Leadership on competitive advantage as this hypothesis is compatible with other hypotheses in other studies.

**Theoretical Framework**

Based on the examined literature, the framework was created with the use of three distinct hypotheses that addressed the independent, mediating, and dependent variables. In this regard, situational theories of leadership operate under the premise that the most effective management style varies depending on the situation (Nidumolu, Prahalad, & Rangaswami, 2009). The Goleman Theory of Situational Leadership from 1995 has been applied to cater. Situational Leadership is comprised of six designs, according to Daniel Goleman, author of Emotional Intelligence (Naciti, 2019). Furthermore, M. Peter's Diamond Model, which is a diamond-shaped model that focuses on explaining why certain fields in a country are actually necessary for survival, is the most well-known theory for competitive advantage (Alemu, 2016). Thus, using the two theories and the support of the literature, crisis management is used as a mediator between leadership and business continuity which is the main theoretical contribution of the study as shown in figure 1.

**Figure 1:** Theoretical Framework

**METHODOLOGY**

This study's research methodology was based on the quantitative research approach, which involves statistically identifying and gathering data in order to employ statistics for data analysis (Henseler & Fassott, 2009). As a result, survey-based methodologies can swiftly and effectively collect a large number of data samples for a study's quantitative research strategy. Additionally,
by using crisis management as a mediator, this study methodology has been applied successfully in the area of business continuity. For adopting the responsibility of leadership reading crisis management and business continuity, this study used a self-administrative questionnaire. The leadership (Asad, Asif, Allam, & Sheikh, 2021), crisis management (Bowers, Hall, & Srinivasan, 2017), and business continuity (Dauda, 2013) sections of the questionnaire were separated into three separate sections and were adopted from the prior studies. The constructions in this investigation have been modified from Strongly disagree (1)-strongly agree (5) were the first two points on a five-point Likert scale that was used to adjust the study's components for prior research (7). Governmental organizations of the UAE undertook this study. This study uses a survey-based methodology for data collection, which has several benefits and is most appropriate for this investigation. The maximum sample size for social sciences was 384, hence 384 people were chosen as the sample. The SMART PLS SEM analysis approach is used to analyze the study model.

**ANALYSIS**

This study has analyzed individual item loadings to identify item loading problems. Table 1 reveals all outer loadings indications on their particular value range from lesser bound 0.737 to a higher bound 0.911 are mentioned.

**Table 1: Outer Loadings**

<table>
<thead>
<tr>
<th></th>
<th>Business Continuity</th>
<th>Crisis Management</th>
<th>Leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td>BC1</td>
<td>0.803</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BC2</td>
<td>0.781</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BC3</td>
<td>0.764</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BC4</td>
<td>0.822</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BC5</td>
<td>0.753</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BC6</td>
<td>0.816</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BC7</td>
<td>0.814</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BC8</td>
<td>0.783</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BC9</td>
<td>0.737</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CM1</td>
<td></td>
<td>0.851</td>
<td></td>
</tr>
<tr>
<td>CM2</td>
<td></td>
<td>0.881</td>
<td></td>
</tr>
<tr>
<td>CM3</td>
<td></td>
<td>0.847</td>
<td></td>
</tr>
<tr>
<td>CM4</td>
<td></td>
<td>0.850</td>
<td></td>
</tr>
</tbody>
</table>
Furthermore, findings of item loadings in table 1 assures that all items are involved in model and all item loadings are above 0.7 whereas, those item loadings having less than 0.7 in which 10 percent of item loadings have been eliminated from the analysis.

**Construct Reliability and Validity**

This study has been determining Cronbach’s Alpha, Composite Reliability and Average Variance Extracted (AVE) for all variables business continuity, crisis management, and leadership. All values of Cronbach’s Alpha for all variables should be greater than threshold level 0.7 (Henseler, Ringle, & Sarstedt, 2015) whereas, in composite reliability all variable values must be less than 0.60 (Henseler, Ringle, & Sinkovics, 2009) however, those values which are 0.70 or greater than 0.70 they are more substantial (Hair, Ringle, & Sarstedt, 2013).

Furthermore, in Average Variance Extracted all variable values should be 0.50 or higher than 0.50 (Henseler, Ringle, & Sinkovics, 2009; Hair, Ringle, & Sarstedt, 2013) are shown in table 2. Therefore analysis of reliability and validity assures that all variable values are according to threshold level which are calculated in table 2.

**Table 2: Construct Reliability and Validity**

<table>
<thead>
<tr>
<th></th>
<th>Cronbach's Alpha</th>
<th>Composite Reliability</th>
<th>Average Variance Extracted (AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Continuity</td>
<td>0.923</td>
<td>0.936</td>
<td>0.619</td>
</tr>
<tr>
<td>Crisis Management</td>
<td>0.880</td>
<td>0.917</td>
<td>0.735</td>
</tr>
<tr>
<td>Leadership</td>
<td>0.939</td>
<td>0.950</td>
<td>0.703</td>
</tr>
</tbody>
</table>

**Discriminant Validity**
This study has analyzed the discriminant validity of all variables business continuity, crisis management and leadership in which it is evident that the instrument applied is reliable as well as valid according to threshold values in table 3. Moreover, discriminant validity was measured which confirms that items utilized to calculate the variables could measure the construct itself as compared to another variable. Similarly, this is confirmed by looking at the same variable value (Henseler, Ringle, & Sarstedt, 2015). The findings of discriminant validity are mentioned in table 3.

**Table 3: Discriminant Validity**

<table>
<thead>
<tr>
<th></th>
<th>Business Continuity</th>
<th>Crisis Management</th>
<th>Leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Continuity</td>
<td>0.787</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Crisis Management</td>
<td>0.704</td>
<td>0.858</td>
<td></td>
</tr>
<tr>
<td>Leadership</td>
<td>0.023</td>
<td>0.202</td>
<td>0.838</td>
</tr>
</tbody>
</table>

As the above analysis of discriminant validity for all variables in the structural model are reliable as well as valid.

**Path Coefficient Direct Effects**

This study has been evaluated the systematic model analysis of the structural model was done to provide a comprehensive picture of path coefficient direct effects. Similarly, it is identified that there is a significant relationship between leadership and business continuity ($\beta=0.280$, $t=1.081$, $p=0.001$). Therefore, the measured variable values of the path coefficient direct effects are mentioned in table 4.

**Table 4: Path Coefficient Direct Effects**

<table>
<thead>
<tr>
<th></th>
<th>Original Sample(O)</th>
<th>Sample Mean (M)</th>
<th>Standard Deviation (STDEV)</th>
<th>T Statistics (O/STDEV)</th>
<th>P Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership-&gt; Business Continuity</td>
<td>0.280</td>
<td>0.005</td>
<td>0.259</td>
<td>1.081</td>
<td>0.001</td>
</tr>
</tbody>
</table>

**Mediator Effects**
Afterwards mediator is introduced in the model and direct effects are observed. Table 5 reveals that mediator effects of all the direct paths are showing significant relationship.

**Table 5: Mediator Effects**

<table>
<thead>
<tr>
<th></th>
<th>Original Sample(O)</th>
<th>Sample Mean (M)</th>
<th>Standard Deviation (STDEV)</th>
<th>T Statistics (O/STDEV)</th>
<th>P Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crisis Management -&gt; Business Continuity</td>
<td>0.729</td>
<td>0.736</td>
<td>0.050</td>
<td>14.728</td>
<td>0.000</td>
</tr>
</tbody>
</table>

As the above analysis of mediator effects in table 5 shows that there is a significant relationship between the crisis management and business continuity ($\beta=0.729$, $t=14.728$, $p=0.000$).

**Mediating Effect**

This study has analyzed the mediating effect in which variables used in sequential mediating effect have a significant effect on subsequent variable in the model which showing significant relationship. Table 6 shows the measured mediating role of crisis management.

**Table 6: Mediating Effect**

<table>
<thead>
<tr>
<th></th>
<th>Original Sample(O)</th>
<th>Sample Mean (M)</th>
<th>Standard Deviation (STDEV)</th>
<th>T Statistics (O/STDEV)</th>
<th>P Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership-&gt;Crisis Management-&gt;Business Continuity</td>
<td>0.728</td>
<td>0.731</td>
<td>0.045</td>
<td>16.17</td>
<td>0.000</td>
</tr>
</tbody>
</table>

As the above analysis shows that there is a significant mediating role of crisis management between leadership and business continuity.

**CONCLUSIONS**

The study's results have demonstrated the links between the constructs. According to the investigation, both direct and indirect effects have a favorable and significant impact on business continuity. A company that is facing a crisis must also acknowledge that it is genuinely in difficulty. Leadership may lessen crisis or harm or unknown repercussions by controlling the crisis scenario, according to the major impact of leadership on crisis management. Similar to the
direct impact of leadership on business continuity, crisis management's indirect influence is beneficial and significantly demonstrated the aforementioned finding that crisis management mediates between leadership and business continuity. The organization's stability is ensured through the crisis management process in order to maintain operational consistency. Therefore, leadership has a strong and favorable impact on business continuity. The majority of an organization's leaders are aware of the delicate and unpredictable situation. The crisis managers must be alert and take prompt action to reduce organizational costs, sell loss-making structures, and hunt for commercial prospects. Despite this, they make every effort to maintain strong staff morale.

This study has two management- and theoretical-related ramifications. The study essentially illustrates how leadership and crisis management impact business continuity. The theoretical evidence is first formed by the theoretical implication, which denotes linkages between the constructs that are voiced for potential outcomes. It shows the outcome of the analysis that determined the model's relationship-based contributions. There is an enormous range of theoretical justifications to support the idea that leadership relationships are more productively fostered in administrative environments (Asad, Haider, & Fatima, 2018). First, the theoretical form of proof that leaders are willingly advance in taking activities in response to organizational uncertainty has been shown by the influence of leadership (directly) on company continuity and crisis management (Asad, Asif, Bakar, & Altaf, 2021).

It is possible to handle this dangerous scenario as a crisis. Organizations and individuals engage in crisis management in an effort to lessen the effects on communities of being exposed to risks during actual incidents. This relationship is made obvious by the leadership's effects on crisis management. Finally, business continuity is influenced by crisis management to improve organizational sustainability. Observations made for practical decision-making, therefore, are included in the practical implication. organizational strategy's breadth. As a result, relationship-based recommendations necessitate giving examples like how leaders organize to maintain business continuity through crisis management. It is believed that in order for a company to adapt and prepare for business continuity, the leadership must be an effective leader. On the other hand, crisis management raises performance to lower the likelihood of a company failing. These results advise the organization's leaders to apply the findings to lessen crises, improve
management's capacity for absorbing crises, and fill up to achieve long-term organizational stability.

Despite important theoretical and practical advancements, this study has a lot of restrictions from the beginning to the end. In terms of crisis reductions, leadership has articulated, but to identify various Instead of crisis management, the respondents exhibit leadership. The biggest drawback was only considering one industry and extrapolating the results to all other industries. Due to the fact that only one respondent has responded to the questions, there may possibly be response bias. Because of the small sample size, accurate statistical tests could not be run. Future research can be done to collect information from another organizational context in a different region. Future studies may therefore investigate the suggested relationships by adding background variables to the framework, such as industry type, ownership type, and intraregional changes. Finally, additional conceptualization, validation, testing of hypotheses, and theorization are required.
REFERENCES


