CONCEPTUAL PRINCIPLES OF SETTING UP ECONOMIC SECURITY

КОНЦЕПТУАЛЬНЫЕ ОСНОВЫ ФОРМИРОВАНИЯ ЭКОНОМИЧЕСКОЙ БЕЗОПАСНОСТИ ПРЕДПРИЯТИЯ

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Abstract. The article provides an overview of setting up economic security of enterprise. The author analyzes the goal, functions, group of measures and outlines the targets and factors of setting up enterprise economic security. The model of setting up economic security of enterprise is represented.

The essence of the economic security of the enterprise is defined in the work from the positions of the system approach, the author’s definition of the economic safety of the enterprise is formulated. The category “economic security” at the national and sectoral levels is specified, which explains their interdependence in the process of forming the economic security of the enterprise. The formation of the components of the economic security of an enterprise based on such internal components of economic security as financial, intellectual–personnel, information, resource, technical and technological, power and external–political, legal, market, interface, and environmental, is considered. A model for the formation of the economic security of an enterprise is developed, based on eight successive stages aimed at identifying internal and external threats to the economic security of an enterprise by assessing it for elements to preserve and multiply the economic resources of the enterprise, to prevent crises in a timely manner and to neutralize negative factors. The problems of formation of economic security of food industry enterprises, microclimate and their institutional provision are reflected.

A method for assessing the level of economic security of food industry enterprises is proposed, which is based on assessing the level of the components of the formation of the economic security of the enterprise and determining the integral index. The mechanism for the formation of the economic security of the enterprise was developed and proposed, including measures of state regulation that affect the organization of economic security, the creation of socio–economic, organizational and legal conditions for effective reproduction, development and use of the scientific and technological potential of the food industry, the introduction of modern environmentally friendly energy — and resource–saving technologies, production and sale of new types of competitive products.

Аннотация. Статья посвящена формированию экономической безопасности предприятия. Исследована цель, функции, группы мероприятий, очерчены цели и факторы формирования экономической безопасности предприятия. Представлена модель формирования экономической безопасности предприятия.
В работе из позиций системного подхода определена сущность экономической безопасности предприятия, сформулировано авторское определение экономической безопасности предприятия, уточнена категория «экономическая безопасность» на национальном и отраслевом уровнях, что объясняет их взаимозависимость в процессе формирования экономической безопасности предприятия. Рассмотрено формирование составляющих экономической безопасности предприятия, в основу которых положены такие внутренние компоненты экономической безопасности, как финансовая, интеллектуально–кадровая, информационная, ресурсная, технико–технологическая, силовая и внешние — политика–правовая, рыночная, интерфейская, экологическая. Разработана модель формирования экономической безопасности предприятия, в основу которой положено восемь последовательных этапов, направленных на выявление внутренних и внешних угроз экономической безопасности предприятия путем ее оценивания по элементам для сохранения и приумножения экономических ресурсов предприятия, своевременного предупреждения кризисных явлений и нейтрализации негативных факторов. Отражены проблемы формирования экономической безопасности предприятий пищевой промышленности, микроклимата и их институционального обеспечения.

Предложена методика оценки уровня экономической безопасности предприятий пищевой промышленности, в основу которой положены оценки уровня составляющих формирования экономической безопасности предприятия и определение интегрального показателя. Предложен механизм формирования экономической безопасности предприятия, включая меры государственного регулирования, которые влияют на организацию экономической безопасности, создания социально–экономических, организационно–правовых условий для эффективного воспроизводства, развития и использования научно–технического потенциала пищевой промышленности, внедрение современных экологически безопасных, энерго– и ресурсосберегающих технологий, производства и реализации новых видов конкурентоспособной продукции.

**Keywords:** enterprise economic security, threats of enterprise economic security, model of setting up economic security of enterprise.

**Ключевые слова:** экономическая безопасность предприятия, угрозы экономической безопасности предприятия, модель обеспечения экономической безопасности предприятия.

An important condition of efficiency enhancement and stable enterprise development within unsteady environment is setting up economic security of enterprise. Until now there are no defined stages of setting up enterprise economic security. There are very many different programs and concepts which are worked out and implemented in big business enterprises, but they all are internally working and occasionally used.

*Analysis of the latest researches and publications*

Theoretic researches of setting up economic security are outlined in scientific efforts of L. Donets, A. Zayinchkovsky, T. Ivanyuta, V. Ortynsky, T. Slobodyanyak, O. Shnypko and others. Despite the significant contribution of the scientists, there are still unresolved issues of practical aspects of setting up enterprise economic security in the national and world scholarly literature. Among others, there are no integral and thorough researches of the conceptual principles of setting up enterprise economic security. The package of measures for enhancement of the level of setting up enterprise economic security needs improvement.

The necessity of setting up enterprise economic security is caused by the following aspects: constant interaction between enterprise and factors of external environment as the major source of threats, which can undermine its activity; presence of weak pockets in the enterprise performance
and possibility of working out measures to eliminate them in time; demands of market system to ensuring economic security as a factor of stable development of enterprise and providing its competitiveness.

As the Ukrainian scientists [1] think, the concept of setting up enterprise economic security is based on the authors’ understanding the core of economic security of enterprise, it expects the enterprise administration to form a system of inhouse priority interests, identify interests of interworking market participants and select such forms and methods of congruence of these interests in the way that the results of the interaction between enterprise and the market participants got profitable operations.

We understand setting up enterprise economic security as a purposeful process of creation a complex of interdependent organizational and legal measures to establish effective use of economic resources of enterprise and protection of its interests against outer and inner threats to ensure sustainability and development.

The main goal of setting up enterprise economic security is prevention of critical situations and minimizing influence of negative factors on the enterprise activity.

The main objects of setting up enterprise economic security are as follows: production, people, information relating to trade secret, intellectual property, financial resources, capital assets, current assets, intangible property, company’s morale.

The subjects of setting up economic security fall into internal (employees) and external (the state and its institutions, banks, competition, intermedia, consumers, suppliers).

According to the goal we have pointed up the following groups of measures of setting up enterprise economic security: employment, financial and economic, resource, information analysis, technical—technological, innovative, legal, power.

The main functions of setting up enterprise economic security are: monitoring and identification of economic security threats, taking steps to prevent or neutralize them, constant support of operating functionality of enterprise, timely forecasting and prevention, creating and keeping ready means and measures to provide economic security, effective management of enterprise resources and building its capacity. The main functions of setting up economic security can be seen in Figure 1.

Taking into account the main goal, functions and main groups of measures of setting up enterprise economic security, we have pointed up main targets for the enterprise to reach in all fields of activities in the end of the strategic period and in the intermediate stages.

The main targets of setting up enterprise economic security include: ensuring high efficiency activity, financial stability and independence of enterprise; optimization of enterprise resource potential use; achieving high competitive technical potential of enterprise; ensuring high competitive status; achieving high—efficiency management, optimal organized structure of enterprise management; minimizing disruptive influence of external environment; ensuring enterprise functioning within legal boundaries; achieving the necessary level of information support of all enterprise departments, protection of own trade secret; effective organization of enterprise personnel security, its capitals, property, as well as commercial interests etc.

Setting up economic security of enterprise for its efficiency enhancement, protection of interests, timely respond to external environment changes and ability to adapt quick is based on the following main principles:

– consistency — creating a security system to ensure safety of enterprise, its property, personnel, information, different fields of activity from threats risks, force—majeure circumstances. All enterprise employees should participate in maintenance of enterprise security. Enterprise security ensuring program should become the organizational form of complex use of means and measures;

– continuity — security system should be continuous, it should protect enterprise interests in the face of risk and uncertainty;
— adaptibility — management system’s ability to adapt to external and internal environment changes of enterprise in order to avoid threats and dangers;
— promptitude — revealing different destructive factors, taking measures to prevent their harmful effects and damage on enterprise;
— economic efficiency — expenses for taking measures to security ensuring should be economically sound;
— adequacy — enterprise economic security should be ensured by highly skilled staff;
— planning — good organization of security system functioning;
— development — the need of taking into account rapid changes happening in the external environment, system’s ability to develop, extend and alter in structure;
— unity — coherence and coordinated action of all departments of enterprise economic security service;
— prompt attention — short system reaction on changes in external environment using only actual information;
— legality — functioning of economic security management system according to demands of current law [3].

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Figure 1. Functions of setting up economic security of enterprise. Composed after [2].

Compliance with these principles will contribute to efficiency enhancement of enterprise performance and setting up enterprise economic security.

It should be pointed out that when setting up enterprise economic security it is important to consider all the factors making an impact on it. Thus, the next stage of research is generalization of factors of setting up enterprise economic security considering the goal, targets, principles, functions and main groups of measures. Analysis of scientific literature shows that most academic economists don’t classify factors of setting up economic security by certain marks. Scientists outline the following general typical factors: direct factors of manufacture; stable demand of
production; reliable suppliers; external competition; national economic regulation; reliable protection of trade secret; adequacy of enterprise directorate etc. [4].

We recommend to divide the factors to: international basis, state basis, enterprise basis, personnel basis. Main factors of influence on setting up enterprise economic security can be seen in Figure 2.

![Factors of setting up enterprise economic security](image)

Figure 2. Main factors of influence on setting up enterprise economic security.

It should be pointed out that enterprise economic security depends upon state and region economic security, because it is based on their financial, raw material and production potential, as well as development perspectives. Presence of multi–level concept of economic security of economic transactors of all levels allows predicting external threats of enterprises. Enterprise economic security has dual nature: on the one hand, it allows its own functioning, on the other hand, it is a part (an element) of economic security of a higher level system and a subject making a region or a state perform their functions. In transitional periods of economic development the researches of macro–economics aspects of economic security dominate.

According to Figure 2, the following two components belong to external (macro–economics) factors of setting up enterprise economic security: on a state basis and on a worldwide basis. Thus, changes on international exchange markets, state of international economics and development of international economic affairs have direct influence on the development of every single state which in turn affects the development of their business structures.

Among external factors of influence on economic security of enterprises on a state basis we have pointed out: social and economic conditions of development; national policy in the field of
work relationship; changes in legal framework and its efficiency; demographic situation; supply and demand of labour force, goods and services.

Social and economic conditions of development of enterprise, branch and state in the whole define social needs and interests, as well as directions for the development of economics in the whole. The referred factor coordinates personal needs and interests of market participants, people using appropriate means of national and regional regulation. According to the social and economic conditions of development there forms the supply and demand on goods and services market, human capital assets market, and on this basis, national policy in the field of development of small and medium business.

National policy in the field of small and medium business development is a significant factor during setting up economic security of enterprises, as it coordinates the direction of legal framework, general tendencies of development of market participants, as well as priorities of development of separate sector of economics. Nowadays Ukraine is in state of reforming its legal and regulatory framework which is followed by a range of negative tendencies for market participants’ activity. The change of law in the tax system, labour rights, trading and foreign–economic affairs leads to legal uncertainty of enterprises, increasing the amount of unplanned extra costs, forms additional risks in market participants’ activity.

That’s why pointing out such a factor as change of legal framework and state of its efficiency in the system of economic security is reasonable, because the referred factor directly influences the process of its setting up.

Speaking about setting up economic security of enterprises, we think it is necessary to mention such a factor of external environment, as demographic situation in the state, region, district etc. Ukraine is a country with population renewal of the first type which is characterised by low birth rate, low death rate and slight population growth.

Supply and demand on the labour market form enterprises’ performance and personnel competitiveness in the whole and every single employee.

We think that national policy in the field of work relationship, specified by us as the next external factor of economic security of enterprises, significantly influences the process of its setting up as the main tool of governmental regulation of human capital assets. Effectiveness of national policy in the field of labour defines legitimacy of authorities, people’s trust in authorities, nature and level of social strain etc. Governmental regulation of labour predetermines employment of population, its educational level, conditions of work in context of payment and safety, and on this basis it is an important factor of setting up economic security of enterprises.

We think an important factor of setting up economic security of enterprises is supply and demand of labour force, as well as supply and demand on goods and services market. Thus, the referred micro–economics factors are crucial while setting up business strategy of enterprises, their economic focus and business stream in particular. It is the supply and demand on goods and services market that define the type of activity, range of products, total of output and in turn set up supply and demand of labour force.

The research of internal — micro–economics — local factors of setting up economic security of enterprises allows to make a conclusion about their weight and substantial significance. We suggest dividing the micro–economic factors into two blocks: on an enterprise basis (business) and on a personnel basis (private). The factors defined by an enterprise are as follows: coherence of owners and personnel interests; competence and professionalism of business administration, administration’s ability to respond to changes in market environment; informational systems capabilities; effective use of resources; firmness and reliability of settlement payments with counterparts.

Present–day development of technology, informational resources is amazing and has direct influence on setting up economic security of enterprises. So, technological capabilities, state of informational resources, level of their safety define competitiveness of enterprise in a particular
way. On the other hand, only enterprises with high income can use cutting-edge technologies (including computing).

The following factors belong to those on a personnel basis: development of personnel credentials; self improvement and self study; personnel intellectual and physical development.

Having analysed different approaches of national scientists [5] to stages of setting up enterprise economic security, defined the goal, targets, tasks and functions (Figure 1), pointed out the main groups and principles, researched the main factors of external and internal environment (Figure 2) which influence the enterprise activity (including its economic security), we’ve worked out a model of setting up enterprise economic security which is described in Figure 1.

The given model fully reveals the key points of setting up enterprise economic security which we understand as a purposeful process of creation a complex of interdependent measures: employment, financial and economic, resource, information analysis, technical–technological, innovative, legal and power measures able to affect balancing of interests of different interworking participants having different interests in order to effectively use economic resources of enterprise and reach the set goals cost–effectively.

If you don’t consider interests of interworking participants, it may result in failing clearly see the possibility of enterprise (in practice) to reach the goal in respect of products consumers and business partners, while the tasks are often not congruent with one another.

Model of setting up enterprise economic security is compiled of the following eight stages (Figure 3).

At the first stage we define the goal, targets and tasks of setting up enterprise economic security, taking into consideration available economic resources, potential capabilities and influence of factors of external environment.

At the second stage of setting up enterprise economic security we conduct monitoring of external and internal environment.

Building up new concept of enterprise management as an open system, which internal stability depends upon conditions of external environment, it predetermines the necessity of research of interaction between enterprise and external environment issue.

Key factors of enterprise’s success are present in two fields: external (where the enterprise gets all types of economic resources, including information — i. e. knowledge) and internal (which strong and weak points create certain conditions for resources transformation into production and services).

External environment is characterised by a set of factors existing beyond the enterprise which are not sphere of direct influence of its management. It is complex, moving and indefinite; also it forms strategy of enterprise.

Internal environment of every enterprise is formed under the influence of factors having direct affect on the process of enterprise functioning.

At the third stage the analysis of received information is performed, for that purpose an expert group in enterprise economic security service is organised. The group is made up of experts of principal directions of enterprise activity and persons who take important decisions, as well as process, classify, summarize and manage received information [6].
Fig. 3. Model of setting up enterprise economic security.

Stage 1

Setting up enterprise economic security
Defining the aim, targets and tasks of setting up enterprise economic security

Stage 2

Monitoring of external environment
Monitoring of internal environment

Stage 3

Analysis of received information

Stage 4

Revealing internal and external threats of economic security of enterprise

Objects
- products, people, information relating to commercial secret, intellectual property, financial resources, capital assets, current assets, intangible property, company’s morale

Subjects
- internal (employees);
- external (the state and its institutions, banks, competition, intermedia, consumers, suppliers)

Stage 5

Evaluation of economic security by component elements
- financial resource
- intellectual and professional technical-technological
- informational commercial
- politico-legal interfacing

Stage 6

Defining level of enterprise economic security
- absolute
- sufficient
- satisfactory
- unsatisfactory
- critical

Stage 7

Working out measures to consistent balancing of interests of enterprise and external environment parties
- employment
- financial and economic resource
- technical-technological innovative
- legal power
- information analysis

Stage 8

Analysis of results of enterprise economic security implementation
- positive result
- negative result
At the forth stage of setting up enterprise economic security internal and external threats of enterprise economic security are revealed by means of diagnostic of economic security threats, which denotes finding and monitoring factors that define firmness of financial–economic state of enterprise in perspective, as well as performance review of economic security level (finding their maximum and minimum values).

Evaluation correspondence depends on the right choice of threats detection measures for monitoring. Critical values of the performance data represent the line between safe and unsafe zones of enterprise activity.

Diagnostic of economic security threats should include specific industry characteristics of enterprises. System of estimates should include not only estimates (criteria), but also additional analytic estimates to help obtain a comprehensive outline of economic entity state [7].

Evaluation of bankruptcy possibility is an integral part of diagnostics of economic security threats. There’s a range of models of bankruptcy forecasts that allow evaluate and detect a projected grade of financial responsibility of enterprise and its development constancy.

The main task of diagnostics is timely taking management decisions in order to reduce impact of negative financial processes and levelling its economic security threats.

We think, it is necessary to evaluate possible threats to economic security with a multi–faceted integrated index. Building it up, one should take into account different factors:

– integral index should include those indicator indexes which characterise different sides of enterprise activity and allow detect threats effect (both internal and external) on financial and economic activity of enterprise;
– possibility of both quality grade of certain indexes and quantity grade — standalone review of indicator indexes won’t allow to define their meanings in detail;
– when selecting indicator indexes it is necessary to consider possible calculation of their projected values and evaluation its reliability depending on interval of review;
– the methodology of calculation of integral index (which characterizes influence of internal and external threats to economic security of enterprise or to certain its levels) should be rather simple and easy to understand by administration.

At the fifth stage evaluation of economic security by components is performed, that is: financial, intellectual employment, informational, politic and legal, resource, technical–technological, market, interface.

At the sixth stage, considering eight components of enterprise economic security: financial, intellectual employment, informational, politic and legal, resource, technical–technological, market and interface components, the security level of every component is found and their overall security level is calculated. There are suggested to be 5 levels of enterprise economic security: absolute, sufficient, satisfactory, unsatisfactory and critical.

At the seventh stage, working–out of measures for consistent balancing of interests of enterprise and participants of external environment in conducted according to the pointed out (by us) main groups of measure to set up enterprise economic security.

At the eighth stage, the influence of applied measure on certain component of economic security is evaluated, general assessment is given to the received results and summaries on further enterprise activity are formed.

Conclusion

The suggested model of setting up economic security of enterprise is aimed at maintenance and accrual of economic resources of enterprise, timely prevention of critical situations and counteraction of negative factors affecting its activity.
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