“Improvement of the enterprise economic security management in global environment”

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IMPROVEMENT OF THE ENTERPRISE ECONOMIC SECURITY MANAGEMENT IN GLOBAL ENVIRONMENT

Abstract

The basic features of enterprise economic security management are determined. It is proved that the system of enterprise economic security should be considered from the point of view of the impact on it of a multitude of various threats which ensure this system functioning and entering into contradiction with other elements of the system. An improved approach to the management of enterprise economic security is proposed in the global environment. The necessity of further and deeper study of the flow of such destructive and destabilizing phenomena is substantiated because such threats can cause irreversible consequences and threaten the functioning of the enterprise economic security management. The next stage of the study should be a comprehensive assessment of the interconnection of such destructive and destabilizing phenomena as threats, risks and dangers.

Keywords threat, danger, interconnection, economic security of the enterprise, enterprise economic security management

JEL Classification A1, L3, G32

INTRODUCTION

Under the current conditions of the Ukrainian economy the enterprise faces the problem of creating and managing the economic security system as awide variety of factors affecting the subject of management both positively and negatively. Their impact can reduce or, in the worst case, destroy substantially the environment in which the enterprise exists. Under such conditions it is important and necessary for all economic entities to have the flexible and adaptable enterprise management system. The aim of this process is to improve its methods on the basis of ensuring the enterprise economic security (EES) as a whole. The consequences of not considering the peculiarities of such managerial process of economic security may be the following: low productivity, production inefficiency, loss of competitive advantages of economic entity, etc. Therefore, one of the urgent tasks is to improve the enterprise economic security management (EESM) in the global environment.

1. LITERATURE REVIEW

Pasternak-Taranushenko and Kravchenko (1998) proposes to consider the economic security system as an interconnected set of all types of protection of national interests, in particular political, military, economic, legal, informational, etc. Besides, the author defines the state

economic security as an integrated system with a large number of branches or directions, e.g. demographic, ecological, resource, energy, information and others.

There is a slightly different and more interesting approach where a scientist Belokurov (2006) suggests considering the category "economic security of the enterprise" in terms of availability of competitive advantages. The author notes that the main objective of the provision of the EES is to achieve competitive advantages stipulated by the correspondence of material, financial, personnel, technical and technological potential and organizational structure of the enterprise to its strategic goals and objectives, but the fact of the existence of such potential advantages without their use and implementation does not guarantee economic security for the enterprise.

A number of destructive factors of the external environment caused the emergence of another grounded approach to EES which is called protective. Its supporters are Kovaliov and Sukhorukova (1998), Kozachenko and Liashenko (2009).

The definition of enterprise economic security in the work of Kovaliov and Sukhorukova (1998) is as follows: a set of factors determining the provision of economic interests, ability to withstand threats, independence, solvency, stability, etc. However, despite the detailed study of the environmental factors, the scientists did not consider the need for sustainable development and the need to take into account the time factor, which we consider the main disadvantage of this concept.

The supporters (Dubetskaya, 2003; Zabrodsky & Kapustin, 1999; Goryachova, 2003) of sustained protective approach identify the enterprise economic security to sustainability and development. Scientists pay special attention to the basic conditions of existence of the enterprise, the need to comply with certain parameters, although in this way the essence of the enterprise economic security is not fully revealed, indicating only the sustainable development of the business entity.

Some scientists presume sustainable development is connected with identifying the threats to economic security and valuable opportunities to cope with them.

Pettigrew and Whip (1991) underlined that effective company's economic security management often brought the competitive success and should be investigated from the point of view of the enterprise competitiveness.

Kaplan and Norton (1992) investigated the balanced scorecard measures of effective functioning of enterprise and showed the special features of economic safety of any economic system.

Despite the intensive development of theoretical and methodological basis of company's economic security management, many practical problems remain unsolved and require further development and improvement in scientific and practical aspects, in particular: the development of a comprehensive system of enterprise economic security; improvement of actual and development of a new mechanism of enterprise economic security management adapted to the present conditions; analysis and systematization of threats both of the external and internal environment of the enterprise economic activity, etc. Therefore, the abovementioned issues require further research.

2. METHODS

The goal of the article is the development of theoretical and methodological principles of enterprise economic security management, the substantiation of the mechanism of enterprise economic security management in global environment.

To achieve the goal in scientific investigation, the following general scientific and special methods and techniques of research were used: abstract-logical, method of analysis and synthesis – to clarify the essence of the concept of the enterprise economic security, the formation the justification of the system of enterprises economic security management; methods of generalization and abstraction – to study the categorical basis of economic security, theoretical foundations and tools for managing the economic security of enterprises; systematic and integrated approach – for the development of scientific and methodological recommendations of main principals of the system of enterprises economic security management.

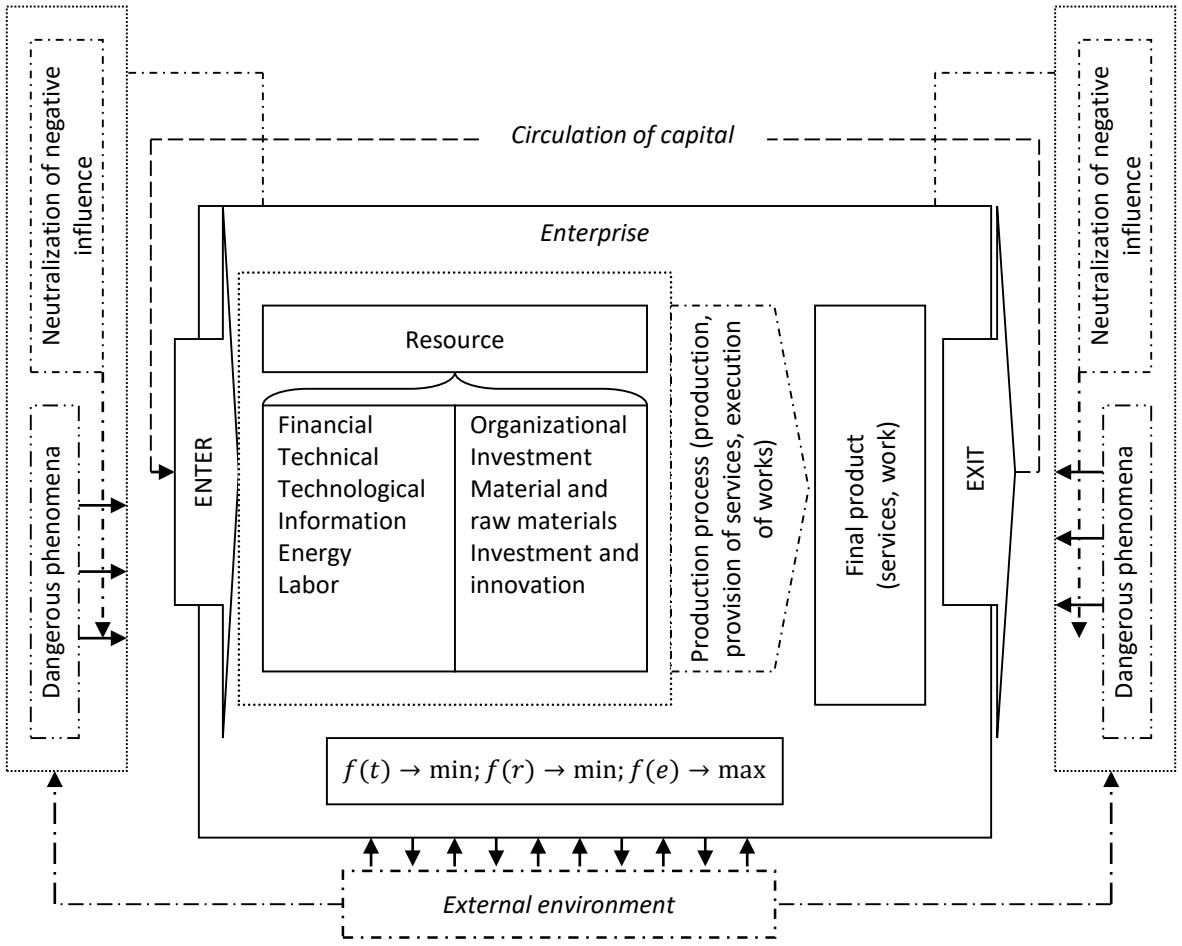
3. RESULTS

Considering the study of different interpretations of the enterprise economic security of different scientists, it was concluded that the development of theoretical base increased branching of economic security concept.

Although there is practically no consideration of admissibility which would reproduce and cover certain types of economic activity, their peculiarities in the scientific literature, therefore, it was considered to propose proper interpretation of the enterprise economic security: it was the desired state of the enterprise, which provides the most efficient use of all available types of resources (material, technical, financial, human, informational, etc.) in the current and future periods to achieve the main mission of the business entity, resulting from a targeted set of measures for avoiding, weakening, localizing or adapting threats, at minimum possible losses and time intervals that are acceptable and economically feasible for enterprise managers at a given level of rejection of input and output parameters (Figure1).

Realizing that the enterprise economic security is a rather ambiguous and complex phenomenon, it is necessary to underline that it expedient to allocate and distribute the functions of managing the enterprise economic security as a control system and functions of economic security management as a specialized management system, namely: a set of management functions as a control system are standard for any type of management, and the composition of management functions as a spe-

Source: Developed by the author.



Note: $f(t)$ –function of minimizing time; $f(r)$ – function of minimizing enterprise resources; $f(e)$ – function of maximizing the effect (result of activity).

Figure 1. Enterprise economic security: simulation model of the system

Table 1. Distribution of the main functions of enterprise economic security management

Source: Developed by the author.

MANAGEMENT AS A CONTROL SYSTEM FUNCTIONS	Functions	Functions	MANAGEMENT FUNCTIONS AS A SPECIAL MANAGEMENT SYSTEM FOR ENTERPRISE SECURITY
	Formation of effective information systems	Development of the strategy of providing economic security of the enterprise	
	Conducting an analysis of the state of economic security	Management of financial security of the enterprise	
	Planning measures to ensure the economic security of the enterprise	Management of personnel security of the enterprise	
	Determination of criteria for choosing achievement of goals and results	Management of technical and technological security	
	Planning and developing an assessment scale for achievement of goals and results	Legal security management	
	Development and implementation of an effective system of stimulating the implementation of the adopted decisions	Management of innovation and investment security	
	Coordination of the implementation of decisions	Environmental security management	
	Control over the implementation of decisions	Information security management	

cial system of enterprise security management is determined by specific economic interests and the business entity that need protection (Table 1).

The concept of the mechanism should be based on a well-balanced system of basic scientifically-based principles, i.e.: complexity, adequacy, purposefulness, integrity, consistency, systemicity, dynamism, priority, awareness, sufficiency, efficiency (Figure 2).

The study and re-interpretation of the existing philosophy that has developed over many years of enterprises existence, the creation of appropriate organizational structures, provision of professional training of specialists in economic security, anticipation of possible adverse situations and planning of preventive measures and programs, which should include relevant systems with specific information providing, is the basis for creating a mechanism for managing economic security of enterprises. Such a mechanism is the motive part of the control system, which provides effective influence on the factors whose state determines the result of the object of control, that consists of certain elements (Nikitina, 2015).

It is generally known that the main purpose of management is to ensure the stability and efficiency of the system. The tasks are determined based on the established goals. Considering the specific conditions of the company's activities, which have formed in the

Source: Developed by the author.

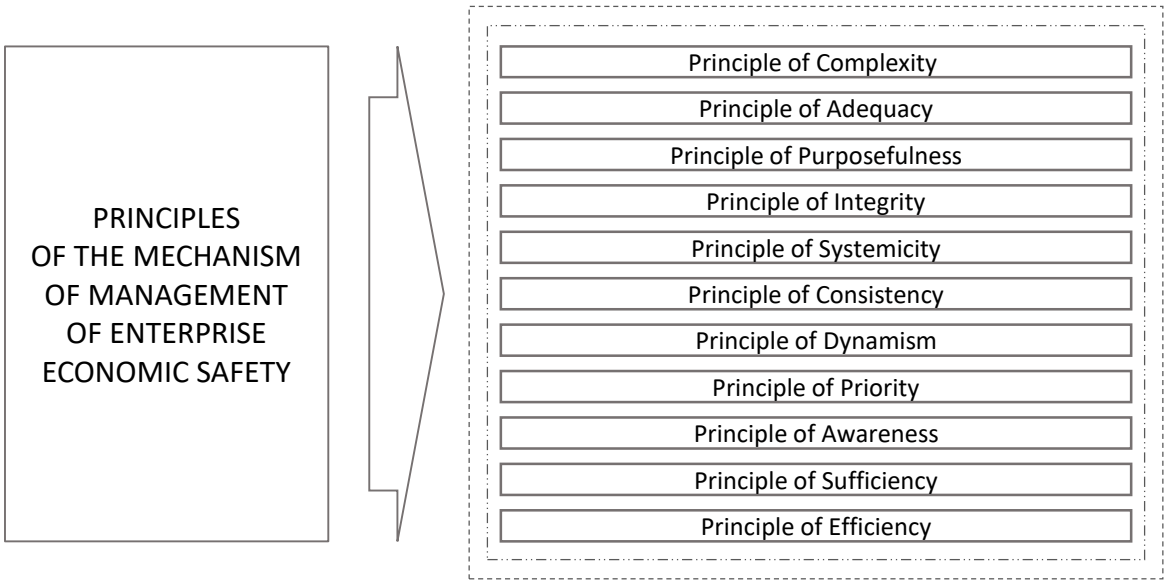


Figure 2. Basic principles of the mechanism of the enterprise economic security management

Source: Developed by the author.

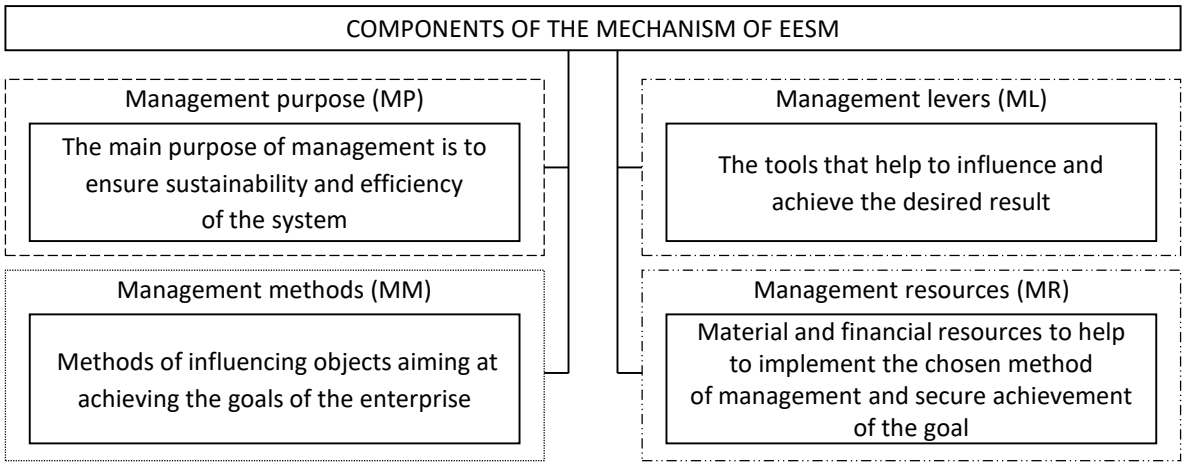


Figure 3. The set of the main components of the mechanism of enterprise economic security management

company's environment and within it, the goals, that the enterprise must achieve, are determined.

One of the main tasks of the enterprise economic security management is prediction, forecasting and prevention of possible threats that can cause the unstable state of the enterprise economic security management, inevitable losses and contradict the enterprise development. By differentiating goals by criterion of importance, they are identified in the first or second order. Thus, a business entity may be in a state of economic security, and this objective is of primary importance only if the objectives of the second order are attained, that is, guarantee of the security of all components within the enterprise structure.

The mechanism of enterprise economic security management is a complex category of management, which can be represented as a set of elements: the management purpose (MP); management levers (ML); management methods (MM); management resources (MR) (Figure 3).

Considering that the change in the state of any factor under the influence of the management process leads to a change in the state of the components and the object as a whole, due to the system nature of the latter, we understand the system of economic security of the enterprise as a whole and the properties of its structural elements in their interrelations.

Thus, the management methods are understood as the ways of influencing the objects in an effort to achieve the goals of the enterprise – meaning ensuring the normal functioning of the management object. The variety of methods of economy security management should be classified by their content and structure according to the economic security and considering the features of every subject of economy into: economic, legal, administrative, social, psychological and manufacturing. Moreover, the management methods must be used comprehensively and anticipating the possible advantage of one or the other according to a particular situation.

Being an open complicated socio-economic system by nature, an enterprise, which is constantly exposed to a large variety of factors of a heterogeneous and changing environment and aims at efficient management, operation and dynamic development, must have some flexibility and adaptability to all the opportunities and a set of destructive and negative phenomena that constantly accompany economic activity. In such a plane, in changing conditions of instability of the market environment which is characterized by a high degree of uncertainty, the dynamics of economic transformations and the multidimensional manifestations of the latter, the resource deficit, high costs in the calculation of cost, constant changes in the political and legal sphere and other unfavorable factors of direct and indirect influence on efficient functioning of the enterprise, the urgent need in using scientifically

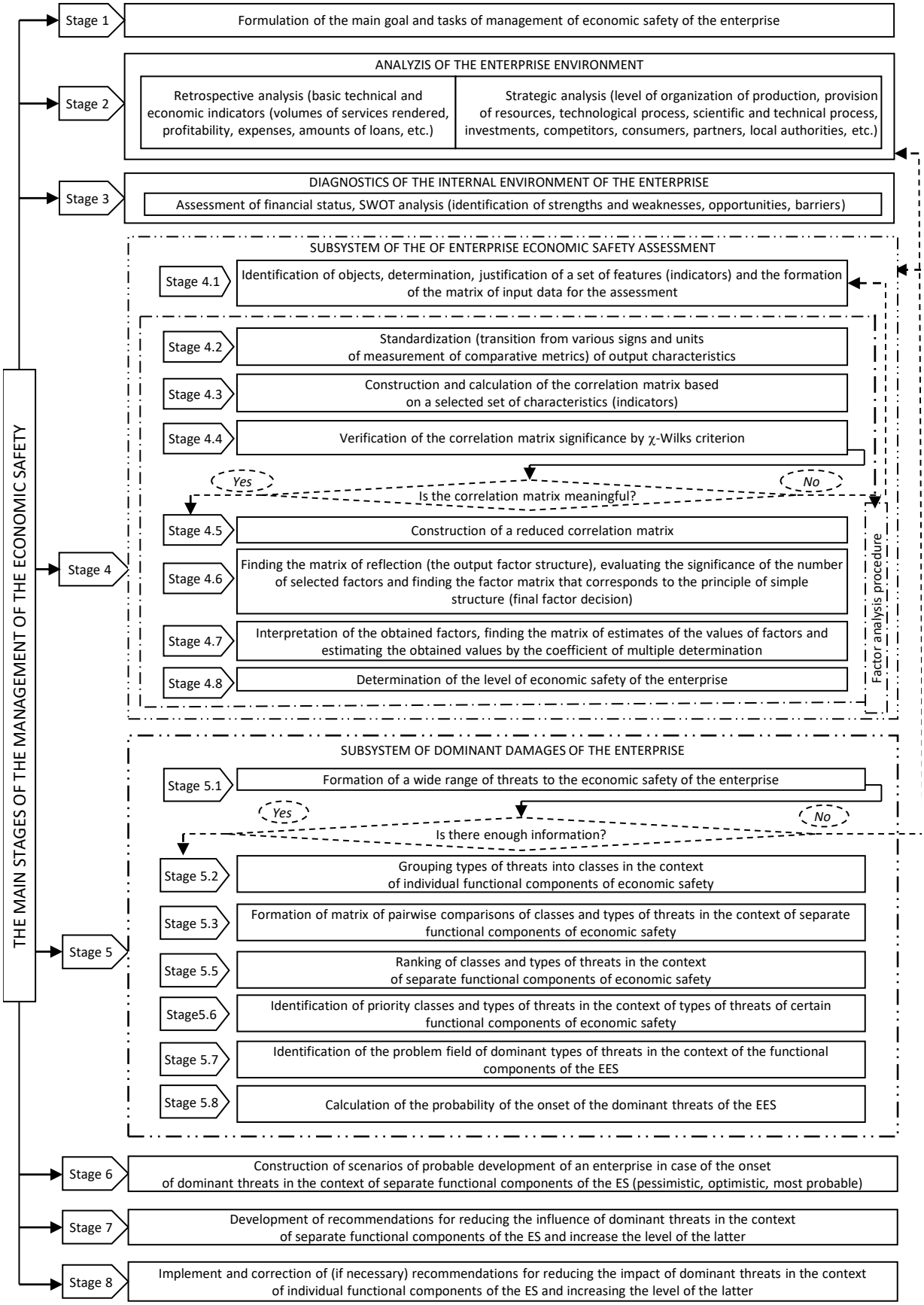


Figure 4. Principal diagram of the management process of the EES

justified methods of management of all spheres of economy and such a complex phenomenon as economic security in particular, is actualized.

In order to increase the enterprise management efficiency, an improved model of the enterprises economic security management is proposed, which provides a multi-stage procedure for the study and analysis of a branched and changing set of external factors, diagnostics of the internal environment through the prism of identification of weak and strong points, potential opportunities and obstacles, development of a preventive measures set in relation to leveling the influence of destructive phenomena and situations, introducing and, if necessary, adjusting the latter, subsystems of assessing the level of economic security and ranking the dominant threats (Figure 4).

The proposed scheme of the management processes implementation sequence aimed at ensuring enterprise stable functioning and, accordingly, achieving the economic security level provides a multi-stage mechanism, which involves constant modification, using a certain set of management methods at all stages, based on information flows, and adapts to changes of the environment.

It should be noted that the proposed model for managing the enterprises economic security is based on use of a recursive approach, which involves defining the class or objects of the methods by pre-assigning one or more (usually simple) of its basic cases or methods, and then assigning, on their basis, the rules for construction of the class have being determined.

CONCLUSION

It is proved that the system of the management of enterprise economic safety should be presented as a cyclically-functional decomposition set of administrative actions aimed at ensuring the economic safety of organization. It will allow to provide timely and reasonable management decisions in conditions of a considerable spectrum of the effects of threats and destabilizing phenomena. An improved approach to the management of enterprise economic security is proposed in the global environment. Investigation and underlining of essential characteristics of enterprise economic security in highly competitive markets has shown that there is no unambiguous idea about its definition in economic theory and practice. It is substantiated that the enterprise economic security management is a complex and multi-stage process, which occupies a special place in the enterprise management system. The next stage of the study should be a comprehensive assessment of the interconnection of such destructive and destabilizing phenomena as threats, risks and dangers that may cause irreversible consequences and generally threaten the functioning of the organization.

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