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Economic Security of the Enterprise as an Object of Management

Abstract. Introduction. *The article conducts research and defines the essence of the enterprise as the primary link of the economy and an independent business entity and law. The concept of "enterprise" is considered from the standpoint of different branches of knowledge and concludes that the economic essence of the enterprise, as a whole, is that its activities are aimed at making a profit, and its objective conditions are a continuous repetitive process of reproduction.*

Purpose. *The purpose of the article is to explore the specifics of economic security of the enterprise from the standpoint of its consideration as an object of management.*

Results. *The scheme of properties of economic security of the enterprise as an object of management such as reliability, flexibility, efficiency and controllability are constructed. In addition, there is a definition given to each of these properties and their connection is shown. It is determined that today, ensuring the economic security of the enterprise is a priority for any organizational and legal form of the enterprise.*

Conclusions. *The practical meaning of the obtained results is that they can be the basis for further study of the problems of economic security of Ukrainian enterprises.*

Keywords: *economic security; enterprise; threats; management.*

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Економічна безпека підприємства як об'єкт управління

Анотація. *У статті проведено дослідження та визначено сутність підприємства як первинної ланки економіки та самостійного суб'єкта господарювання і права. Розглянуто поняття «підприємство» з позиції різних галузей знань і підсумовано, що економічна сутність підприємства полягає в тому, що його діяльність ставить за мету одержання прибутку, а її об'єктивними умовами є безперервний постійно повторюваний процес відтворення. Визначено, що діяльність як найважливіша сутнісна ознака підприємства є однією з головних причин існування поглядів на підприємство як на динамічну систему, властивостями якої є надійність, гнучкість, результативність, довготривалість та керованість. Досліджено специфіку економічної безпеки підприємства з позиції її розгляду як об'єкта управління. Побудовано схему властивостей економічної безпеки підприємства як об'єкта управління таких як надійність, гнучкість, результативність та керованість. Надано визначення кожної з цих властивостей та показано їх взаємозв'язок. Встановлено, що визначальною формою прояву економічної свободи підприємства, тобто критерієм визначення економічної безпеки, є власність в частині володіння ресурсами, здійснювання управління, розпорядження доходами, а основу економічної свободи промислового підприємства становить свобода прав власності. Виявлено, що актуальним на сучасному етапі функціонування економіки та господарства є новий підхід до управління підприємствами та розробка такої господарської стратегії, яка б могла дозволити організації і підтримку своїх переваг на ринку в довгостроковому періоді. Сьогодні забезпечення економічної безпеки підприємства є пріоритетним завданням для будь-якої організаційно-правової форми підприємства. Вирішення цього питання включає усунення зовнішніх та внутрішніх загроз, а також розробку стратегії стійкого, економічно безпечного та ефективного розвитку в довгостроковій перспективі. Практичне значення одержаних результатів полягає в тому, що вони можуть бути основою для подальшого дослідження проблем забезпечення економічної безпеки підприємств України.*

Ключові слова: *економічна безпека; підприємство; загрози; управління.*

Formulation of the problem. The current stage of the economy requires a new approach to enterprise management, the development of such an economic strategy that has allowed the organization to maintain its competitive advantages in the long run. In today's conditions, it is very important to ensure sustainable and most efficient operation of the enterprise. One of the main factors in the high potential of its development and growth in the future is economic security.

In modern economic conditions, ensuring the economic security of the enterprise is a priority for any of its organizational and legal forms, the solution of which includes not only eliminating the threat of crisis, but also maintaining sustainable and most effective development and forming a cost-effective trajectory of sustainable development. All the above determines the relevance of this study.

Analysis of recent research and publications. The problem of exploring the essence and ensuring the

economic security of the enterprise is quite widely represented in the scientific works of such Ukrainian and foreign scientists as: M. Bayeux, I. Blank, S. Bir, O. Vishnevskaya, S. Glazyev, E. Grandry, E. Gottelmann, R. Datskiv, Z. Zhivko, O. Zakharov, E. Kamyshnikova, O. Kirichenko, G. Kozachenko, A. Laptev, T. Logutova, O. Lyashenko, N. Mayer, V. Ortynsky, I. Stratan, V. Tambovtsev [1]. The research of these scientists studies the economic security of the enterprise from different functional and essential approaches, but modern science faces the lack of a single definition of economic security, lack of understanding of its main features, which reduces the predictability of prospects and the identification of threats and dangers. That is why it is necessary to study the economic security of the enterprise and characteristics of the enterprise as an object of management in order to ensure its sustainable development.

Formulation of research goals. The purpose of the work is to study and define the essence of the enterprise as the primary link of the economy and an independent business entity and law, as well as to study the specifics of economic security of the enterprise from the standpoint of its consideration as an object of management.

Outline of the main research material. The study of the essence and consideration of the definitions of economic security allow us to make assumptions about the existence of certain specifics of economic security of the enterprise from the standpoint of its consideration as an object of management. There are several reasons, which, in fact, relate not so much to the general understanding of the economic security of the enterprise, but to it as an object of management, which make it possible to assume the existence of such specifics. In particular, such reasons include, firstly, the need to clarify the understanding of the enterprise as an object of management, and secondly, as an object, that, striving to achieve a certain level of economic security, requires the choice of methodological basis and special tools for managing such security.

It is necessary to note that the presence of a strong potential of knowledge of management could create the illusion of transparency of the first reason, i.e. the understanding of the enterprise as an object of management. Indeed, "enterprise as an object of management" is not only common, but also a mandatory topic of many texts and textbooks on management [2; 3]. However, the specification of the research requires a deeper study of the characteristics of the enterprise as an object of management, which may arise at the intersection of different areas of knowledge about the enterprise. Variety of views on the object of management, which in this case is the enterprise, is a prerequisite for identifying security factors in the management of such an object or, conversely, a prerequisite for identifying threats to its economic security. In addition, any enterprise is a rather complex socio-economic system, the achievement of a certain state of economic security of which

significantly depends on the ability to reconcile certain interests, the bearers of which are representatives of both external and internal environment of the enterprise. This provision, on the one hand, complements the need to clarify the understanding of the enterprise as an object of management, and on the other – concerns the choice of theoretical basis for managing economic security of the enterprise, i.e. focusing on a particular economic theory of such management [11; 12]. Therefore, the study of economic security as an object of management must be preceded by some explanations.

Economic security is not an abstract concept. At each stage of the vertical of economic security – from the highest to the lowest – such a concept has a specific subject field: interstate relations, state, region, enterprise or human life. Each subject field has its own characteristics and specifics for identifying its economic security [9]. However, the enterprise remains the main structural unit of the economy of any type: both administrative-command and market. The study of the enterprise itself, its essential characteristics, and components, internal and external relations in the context of the study of management of its economic security becomes particularly relevant.

The destruction of the old system of operation, the creation of new foundations and the opening of new opportunities, the need to reconsider views on enterprise in the context of globalization and many other factors require the study of the theoretical basis of "enterprise" in various fields of knowledge that intersect with economic security. Therefore, before considering the economic security of the enterprise as an object of management, we must focus on a multifaceted consideration of its actual subject field, i.e. the enterprise.

The enterprise can be considered as the primary link of the economy, and as a certain set of means of production, their complex, and as a certain team, which under the guidance of managers produces goods or provides services, or as an object of law and so on [8; 17]. Let's consider the interpretation of the concept of "enterprise" in terms of different areas of knowledge, which in aggregate form are given in table. 1.

We comment on the interpretation of the concept of enterprise from the point of view of different branches of knowledge, of course, based on the fact that the very linguistic form of this concept combines both property-value and effective-entrepreneurial nature. The point is that the term "enterprise" in the Russian language is used, as a rule, in two meanings. The first meaning reveals the concept of the enterprise as a production institution - a factory, factory, workshop. In the second sense, it means conceived, done by someone. Such ambiguity is not inherent in the Ukrainian language.

In the legal literature, which reveals the realm of the legal field of knowledge, it is repeatedly emphasized that the concept of "enterprise" has an economic origin and, above all, is an economic category.

Table 1. Interpretation of the concept of "enterprise" in different fields of knowledge

Field of knowledge	Interpretation of the concept
Law	The enterprise is the main organizational unit of the national economy of Ukraine. Enterprise – an independent business entity, which has the rights of a legal entity and carries out production, research and commercial activities in order to obtain the appropriate profit (income).
	Enterprise as an object of civil law – is a property complex used for business activities.
	An enterprise is a separate property complex owned by an entrepreneur who is the object of law
Economics	An enterprise is a business unit in which the factors of production are combined systematically and purposefully in order to achieve the goals of this business unit and its owner after the manufacture and sale of products (works, services).
	The enterprise is a system of logical models.
	Enterprise (industrial) – a complex engineering complex that can be the object of criminal intentions and actions in the current conditions, and terrorism, claims of criminal structures, unfair competitors, raiders.
Administration	An enterprise is an object of management, which in the conditions of market relations and competition is a complex multilevel hierarchical system, the main purpose of which is to meet the relevant needs of society in goods (services) in the long run and maintain its competitiveness.
	An organization (enterprise) is a combination of elements for the implementation of a program or goal based on certain rules and procedures.
	An enterprise is a set of actions that lead to the formation and improvement of relationships as a whole.
	Enterprise – a mechanism that provides an exchange of activities and controls the games within the organization, as well as creates conditions for the activity of game participants.
	Enterprise – a set of production units associated with common interests in the production of a product or group of products.
	An enterprise is a socio-economic institution, i.e. a set of people and groups united to achieve any goal, solve problems based on certain rules and procedures, division of labor and responsibilities.

Source: [2-5; 18-20]

The enterprise is an independent business entity and law. Moreover, among the subjects of economic law, the dominant place belongs to such a subject as an enterprise. This is due to the special economic and social functions of the enterprise in the economic system, namely the functions of the producer who meets the social needs of products, works and services.

Thus, from the point of view of law in general and domestic legislation in particular, an enterprise is an independent economic organization created and registered in the manner prescribed by law to carry out economic activities to meet public needs in goods (products, works, services) and profit. It acts on the basis of the charter, enjoys the rights and performs the duties of its activities, is a legal entity, has an independent balance sheet, current and other bank accounts [3].

The economic essence of the enterprise, as a whole, is that its activity is aimed at making a profit, and its objective conditions are a continuous, constantly recurring process of reproduction.

As an object of management, which in the conditions of market relations and competition is a complex multilevel hierarchical system, the enterprise should be considered simultaneously from several positions. Thus, on the one hand, namely: from the standpoint of integration into a complex system of market relations, the main purpose of the enterprise is to meet the relevant needs of society in goods or services in the long run.

On the other hand, the enterprise as an object of management has its own goals, including ensuring the

appropriate level of competitiveness, increasing market value, the formation of socially responsible behavior and more. In general, within the system approach, the enterprise as an object of management is considered quite diverse – and as a phenomenon [14], and as a process [16], and as a mechanism [15], and as a system of logical models [18]. On the one hand, it complicates the development of approaches to economic security management, and on the other hand – provides opportunities to detail such approaches.

Particular attention in the study of economic security of the enterprise as an object of management deserves the position of J. K. Laft, who concerns the interpretation of the enterprise as a social entity that has some freedom of choice of activities and is a single structure whose elements are interconnected and functioning in order to achieve certain goals. This interpretation of the enterprise at the same time reflects all its features that may be essential in the study of economic security of the enterprise as an object of management, namely: freedom of choice, internal order (as acceptability to control) and social formation.

In the context of the study, we can't ignore the proposed Michel Crozier (M. Crozier) conflict-game approach to the organization (enterprise), considered in many scientific papers at the intersection of economics and mathematics. In particular, within the framework of this approach, M. Crozier considers the enterprise "as a sea of uncertainty with islands of certainty" [20]. This approach reveals the immanence of economic security as

a characteristic of the enterprise and, at the same time, partly explains the difficulties associated with managing economic security.

For the modern economy of Ukraine, one of the main factors hindering the effective development of enterprises, according to World Bank research, along with the high level of taxes is the instability, uncertainty of the economic business environment. Uncertainty, as the lack of quantitative data on the probability of an adverse outcome, is caused not so much by the lack of necessary information, as its excess and distortion. In Ukraine, the pace of generating new information - technological, regulatory, economic, etc. – far ahead of the pace of development of technologies for its transmission. Therefore, the uncertainty that arises on this basis

significantly limits the economic freedom of enterprises, thereby negatively affecting their economic security [12].

Activity as the most important essential feature of the enterprise is one of the main reasons for the existence of views on the enterprise as a dynamic system, the properties of which are reliability, flexibility, efficiency, longevity and manageability. The economic security of the enterprise as an object of management inherited almost all the properties of a dynamic system. Due to the high degree of vulnerability, the exception is such a property as longevity. In fact, the practical absence of such a property, being in itself a threat, forms a number of features inherent in the economic security of the enterprise as an object of management. The properties of economic security of the enterprise as an object of management are shown in Fig. 1.

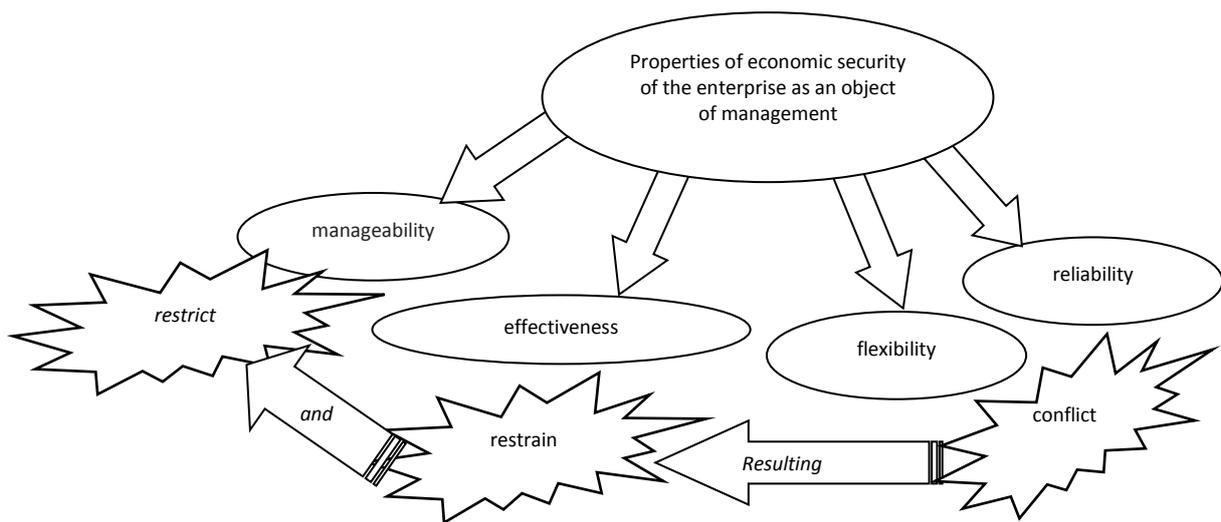


Figure 1. Properties of economic security of the enterprise as an object of management

Source: [19]

Being a dynamic system that is transformed from one quality state to another, the enterprise does not lose the qualities of a holistic system, due to such properties as reliability, flexibility, manageability and efficiency. Considering the economic security of the enterprise as an object of management, each of these properties should be remarked as follows [13]:

- reliability (the ability to ensure a certain level of economic security of the enterprise by using a margin of safety to counter the destructive effects of threats);
- flexibility (the ability to ensure a certain level of economic security of the enterprise through the use of different ways of reconciling interests);
- effectiveness (ability to achieve the goals of managing the economic security of the enterprise);
- manageability (ability to influence the effectiveness of economic security management).

The last property of economic security of the enterprise as an object of management - manageability - describes the ability of the system to regulate and to some

extent – to self-regulation. However, self-regulation of economic security of the enterprise is extremely limited, while regulation can be carried out only to a certain extent. Partially the control limitation comes from a truncated set of its properties, due to the lack of such a property as longevity, in part – a tight intersection of the properties of economic security of the enterprise as an object of management. Namely: such properties as reliability and flexibility can conflict, contradict each other, thus negatively affecting performance and reducing the manageability of economic security of the enterprise. Thus, one of the main features of economic security of the enterprise as an object of management is partial controllability.

The main reasons for the specificity of economic security of the enterprise as an object of management should be sought [6]:

- in the essential features of the proposed understanding of economic security of the enterprise as a measure of economic freedom,

– in the conceptual confusion of explaining the phenomenon of enterprise

– in the manifestations of some factors of exogenous origin.

Therefore, first, considering industrial enterprises, we note that the main form of manifestation of their economic freedom, i.e. a measure of economic security, is property as the right to own resources, exercise management, dispose of income, etc. Thus, the basis of economic freedom of an industrial enterprise is the freedom of property rights. Such a basis has not only a purely scientific explanation, but also a semantic and etymological basis, namely the Latin word "libertas", which means "freedom", today primarily refers to political and social freedoms, whereas originally it had only a legal interpretation and concerned its disposal destiny, life, personal needs.

The economic security of such enterprises depends on the components of property rights that they have been able to secure [7]. The formation of a set of such components is not endless, and that is why economic freedom is subject to the first restrictions associated with the possibility of choice, thereby threatening the economic security of the enterprise.

Secondly, undergoing a series of transformations, economic freedom of property rights begins to determine the content of the process of managing enterprises that act as objects of property rights. Therefore, when highlighting a separate type of enterprise management activities, we should recognize that it is also determined by the appropriate set of property rights. If some circumstances are neglected, the possibility of choosing

alternatives to management decisions may well serve as a criterion for the level of economic freedom of this type of activity. Economic freedom of management includes the freedom of economic activity, which is creative and appropriate activity of the subject, based on the comparison of the result with the costs incurred in order to obtain certain benefits.

In the process of achieving their own goals, a conflict of economic interests is inevitable. As a result, each enterprise seeks to neutralize the efforts of competitors and provide favorable conditions for achieving their goals. Therefore, freedom of competition is one of the types of economic freedom of enterprises, because competition is their natural state and condition of development. Of course, competition restricts the economic freedom of participating enterprises (there is a decrease in choice). However, having some economic freedom and relying on such a property of a dynamic system as flexibility, the enterprise not only adapts to the competitive environment, which is constantly changing, but also generates conditions of competition, thereby expanding the possibilities of choice [10]. As a result, the enterprise reduces the choice for competitors, while strengthening its own economic security.

Conclusions. Therefore, given the very important fact that the economic security of the enterprise, acting as a measure of economic freedom, is influenced by the described factors, the effect of which is twofold, we should hypothesize: economic security of the enterprise is a specific object of management, which should be classified as partially controlled system.

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