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TEXTBOOK

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ENTERPRISE SECURITY MANAGEMENT



Scientific Center of Innovative Research

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The theoretical and applied principles of enterprise economic security and the influence of internal and external factors of the security system are studied. The essence of threats and dangers in the system of economic security is clarified, and the principles and indicators of economic security are analyzed. The basics of diagnosing the external environment of the enterprise, methods of diagnosing financial crises, and methods of evaluating intellectual capital are disclosed. The main aspects of the development and implementation of the organization's economic security strategy, monitoring techniques, and criteria for ensuring the security of the organization's personnel are presented. Each topic is provided with a corresponding educational training, which covers: control questions and tasks; essay topics; recommended literature.

Compiled for higher education applicants, graduate students, teachers, scientists, and everyone interested in the enterprise security issues and/or improves language skills, as well as studies organization's foreign security experience in English.

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INTRODUCTION

In recent decades, the use of the concept of “security” has expanded significantly. Security issues are the subject of the increased attention of scientists, politicians, and public figures. And this is not accidental but is explained by the peculiarities of the current state of social development. Back in the mid-80s of the last century, a new sociological theory emerged, according to which in the last third of the XX century humanity entered a new phase of its development – the risk society. It was supported by several foreign and domestic experts in the field of risk, believing that the next stage would be a risk management society. In a broad sense, the risk is combined with danger, the probability of an undesirable event occurring. Therefore, it is clear that, to a large extent, ensuring security is risk management.

According to the Great Explanatory Dictionary of the Modern Ukrainian Language, “security” is a state when nothing threatens someone for some reason. Following the Explanatory Dictionary of V. Dahl, secure means not dangerous, not threatening, not harmful, preserving, faithful, and reliable.

Security – the absence of danger; preservation; reliability. To ensure safety means to save, to ensure the absence of danger.

Thus, in the absolute sense, the meaning of the word “security” is a state with no dangers. However, this is hardly possible in the real world.

Here are some definitions found in the scientific literature.

Security is the ability of an object, phenomenon, or process to retain its essence and main characteristics under the conditions of a purposeful, destructive impact from outside or within the object, phenomenon, or process itself.

Security – protection against threats at the system level.

The security of the object is the protection of vital interests of the object from both internal and external threats.

Security is defined primarily as measures or actions that ensure prevention and prompt response to relevant threats for the sake of safe functioning.

Therefore, today the concept of “security” is interpreted not only as the absence of dangers and threats.

Security is a state of protection of an individual, society, or state from external and internal dangers and threats, based on the activities of people, society, the state, and the world community of peoples to identify (study), prevent, mitigate, eliminate (liquidate) and repel dangers and threats capable of destroying them, depriving them of fundamental material and spiritual values, inflicting unacceptable (inadmissible objectively and subjectively) damage, blocking the way for survival and development.

Economic security is the most important qualitative characteristic of an economic system, which determines its ability to maintain normal operating conditions; sustainable resource provision and development, as well as consistent implementation of economic interests.

In the scientific literature, the concept of “security” is often associated with the concept of sustainability, and stability. Sustainability is a necessary condition for the security of economic systems.

The concept of “security” is also interconnected with the concept of “development”. In a general sense, development is an irreversible, purposeful, regular change in matter and consciousness. The development of the economic system is impossible without its security.

In the textbook “Enterprise Security Management” it is proposed to consider some issues that are important for providing the enterprise, its staff and will help create the basis for the formation of an enterprise management system.

The purpose of ensuring the economic security of the enterprise is to achieve high efficiency and stability of its operation and create prerequisites for further development through the timely identification, localization, and prevention of external and internal threats.

While preparing the textbook, the educational and methodological literature on the economic security of an enterprise, personnel security management, security of mass events, and competitive intelligence was used.

The authors of the textbook “Enterprise Security Management” expresses sincere gratitude to the reviewers – Doctors of Economic Sciences, Professors N.V. Zachosova and O.O. Kundytskyi for support, constructive comments, meaningful advice, and suggestions.

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FUNDAMENTALS OF THE ENTERPRISE ECONOMIC SECURITY

- 1.1. The essence of security and economic security of the enterprise.
- 1.2. Grouping of dangers and threats to the economic security of an institution, organization, and enterprise.
- 1.3. Definition of the concept of “security activity”.
- 1.4. Mechanisms of security activity of the enterprise.
- 1.5. Formation of a security system. Features of hierarchical systems.

Main categories and concepts: security, security activity, economic security, threat, danger, security system

1.1. The essence of security and economic security of the enterprise

Security – the absence of danger; preservation; reliability. To ensure safety means to save, to ensure the absence of danger.

Thus, in the absolute sense, the meaning of the word “security” is a state with no dangers. However, this is hardly possible in the real world.

Here are some definitions found in the scientific literature.

Security is the ability of an object, phenomenon, or process to retain its essence and main characteristics under the conditions of a purposeful, destructive impact from outside or within the object, phenomenon, or process itself.

Security – protection against threats at the system level.

Object security is the protection of the vital interests of the object from threats, both internal and external.

Security is, first of all, defined as measures or actions that ensure the prevention and prompt response to relevant threats for the sake of safe functioning.

Security is a state of protection of an individual, society, or state from external and internal dangers and threats, based on the activities of people, society, the state, and the world community of peoples to identify (study), prevent, mitigate, eliminate

(liquidate) and repel dangers and threats capable of destroying them, depriving them of fundamental material and spiritual values, inflicting unacceptable (inadmissible objectively and subjectively) damage, blocking the way for survival and development.

Economic security is the most important qualitative characteristic of an economic system, which determines its ability to maintain normal operating conditions; sustainable resource provision and development, as well as consistent implementation of economic interests.

The problem of the safe functioning of an enterprise was studied by such foreign and domestic economists as O. Arefyeva, M. Zhyvko, R. Kachalov, M. Kernytska, H. Kleyner, A. Kiriyyenko, D. Kovalov, H. Kozachenko, I. Mihus, T. Momot, A. Odintsov, V. Senchahov, V. Tambovtsev, S. Pokropyvnyi, N. Reverchuk, V. Franchuk, V. Shlykov, V. Yarochkin, Z. Zhyvko.

Based on the analysis of their scientific works, the *following approaches to understanding the essence of the economic security of an enterprise can be distinguished* (Fig.1.1.):

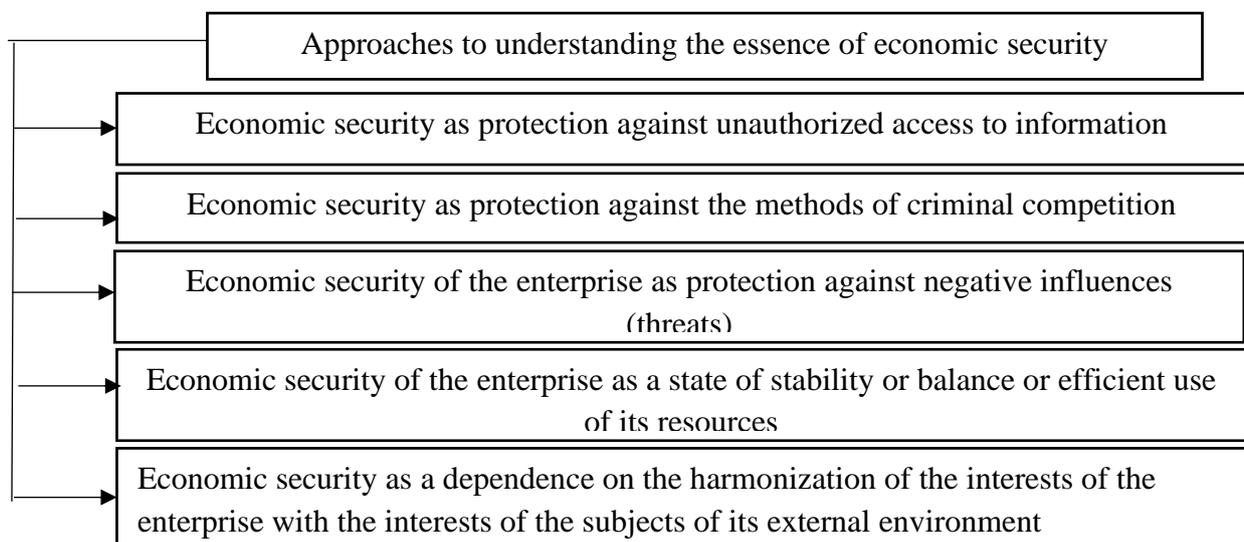


Figure 1.1. Approaches to understanding the essence of economic security of the enterprise (ESE)

And now let's dwell in more detail on the features of each of the approaches to the interpretation of ESE.

1. *Economic security as protection against unauthorized access to information.*

Initially, the concept of economic security was considered as ensuring conditions for the preservation of commercial secrets and other enterprise secrets. This is how it was interpreted in the publications of the early 90s of the last century. The problem of economic security was proposed to be solved on the assumption that the degree of reliability of the entire information storage system is determined by the level of security of its weakest link, which is considered to be the organization's personnel. Although the information in the modern conditions of the “information” society plays an extremely important role in all spheres of the economy, this approach to determining the economic security of an enterprise is still too narrow. After all, the possession of the so-called “know-how” does not guarantee its effective application and achievement of the goal of the enterprise.

2. *Economic security as protection against the methods of criminal competition.*

Ensuring the economic and information security of entrepreneurship is a process aimed at protecting entrepreneurial structures and individuals whose activities contain an element of entrepreneurship, from the use of criminal competition methods against them and from other activities that harm them as a result of violations of legislation or business ethics. Entrepreneurship security is a state of civilized business in which there is no economic or other damage caused to business intentionally or unintentionally by individuals or social organizations (including legal ones) in violation of the law or business ethics.

3. *Economic security of the enterprise as protection against negative influences (threats).* According to this approach, scientists understand such a concept as the state of protection of the vital interests of an enterprise from real and potential sources of danger or economic threats. Within the framework of this approach, some researchers take into account the negative impact on the activities of the enterprise only of external nature.

Thus, one of the first domestic researchers of this problem, D. Kovalov, and T. Sukhorukova, consider the economic security of an enterprise as “... the protection of its activities from the negative effects of the external environment, as well as the ability to quickly eliminate various threats or adapt to existing conditions that do not adversely affect its activities. This definition does not take into account the fact that the ongoing changes in its internal environment can negatively affect the functioning of the enterprise, and therefore its economic security”¹.

Also, within the framework of this understanding of the economic security of an enterprise, one can single out an approach according to which it is believed that it is impossible to fully protect against possible losses, so protection should be aimed at minimizing them. Consequently, N. Reverchuk defines the economic security of an enterprise “... as a system of active protection against possible material, human and financial losses, in which there are or possible losses less than the established norms. Active protection is based on anticipation of actions containing a threat to the economic safety of the company. If protective measures are taken after the occurrence of a dangerous event, this is a passive guarantee of safety. Such protection is aimed at survival, not at the successful development of the enterprise”².

4. *Economic security of the enterprise as a state of stability or balance or efficient use of its resources.* Proponents of this approach understand the economic security of an enterprise as the state of its corporate resources (capital, personnel, information, technologies, machinery, and equipment) and entrepreneurial capabilities, which guarantees their most efficient use, prevention of internal and external negative impacts (threats), stable operation and sustainable development.

Within the framework of this approach, it is also necessary to highlight the understanding of the economic security of an enterprise as such a state of using its resources, in which negative impacts on it are minimized: that is, the probability of an

¹ Kovalev, D., Sukhorukova, T. *Ekonomycheskaia bezopasnost predpriyatiya*. [Economic security of the enterprise]. *Ekonomyka*. № 10, 2013. PP. 47-56 [in russian].

² Reverchuk N.Y. *Upravlinnya ekonomichnoyu bezpekoyu pidpryyemnyts'kykh struktur* [Management of economic security of business structures]. L'viv: LBI NBU, 2004. 195 p. [in Ukrainian].

undesirable change of the subject, its property, affecting its external environment, is small (less than a certain limit) or existing and (or) possible losses below the limits established by the enterprise. From this point of view, it is impossible to completely protect yourself from unwanted changes, you can only reduce the likelihood of their occurrence or possible damage to a certain limit. In particular, N. Pidluzhna believes that "... the economic security of an enterprise is a characteristic of a self-organizing and self-developing system, that is, it is a state in which economic parameters make it possible to maintain its main properties: balance and stability while minimizing threats"³. With this approach, ensuring the economic security of an enterprise is to a certain extent identified with activities aimed at minimizing economic risk, because the probability of an undesirable event is often considered a risk.

From the point of view of some researchers, the economic security of an enterprise and risk management, as directions for preventing or reducing the negative impact of threats to the functioning of an enterprise, almost duplicate one another.

5. *Economic security as dependence on the harmonization of the interests of the enterprise with the interests of the subjects of its external environment.* A group of Ukrainian scientists led by A. Kozachenko proposes to understand economic security "... as a measure of harmonization in time and space of the economic interests of an enterprise with the interests associated with it of external entities acting outside the enterprise"⁴. Interest in this case is understood as the interaction of the enterprise with the subjects of the external environment, as a result of which the enterprise receives a profit. As a result, an enterprise is recognized as in a state of economic security if its production and economic activity is profitable.

³ Pidluzhna N.O. Orhanizatsiia upravlinnia ekonomichnoiu bezpekoiu pidpriemstva [Organization of economic security management of the enterprise]: Avtoref.dys. kand. ekon. nauk. Donetsk, 2003. 20 p. [in Ukrainian].

⁴ Kozachenko H.V., Ponomar'ov V.P., Lyashenko O.M. Ekonomichna bezpeka pidpriemstva: sutnist' ta mekhanizm zabezpechennya [*Economic security of the enterprise: essence and mechanism of provision*]: monohrafiya . K.: Libra, 2003. 280 p. [in Ukrainian].

1.2. Grouping of dangers and threats to the economic security of an institution, organization, and enterprise

The study of a significant number of scientific papers devoted to the classification of threats to the enterprise's activity⁵ made it possible to determine 20 classification features by which it becomes possible to characterize a certain threat or their combination. In the process of generalization and grouping, the following classification of threats to the enterprise's activity was obtained (Fig. 1.2).

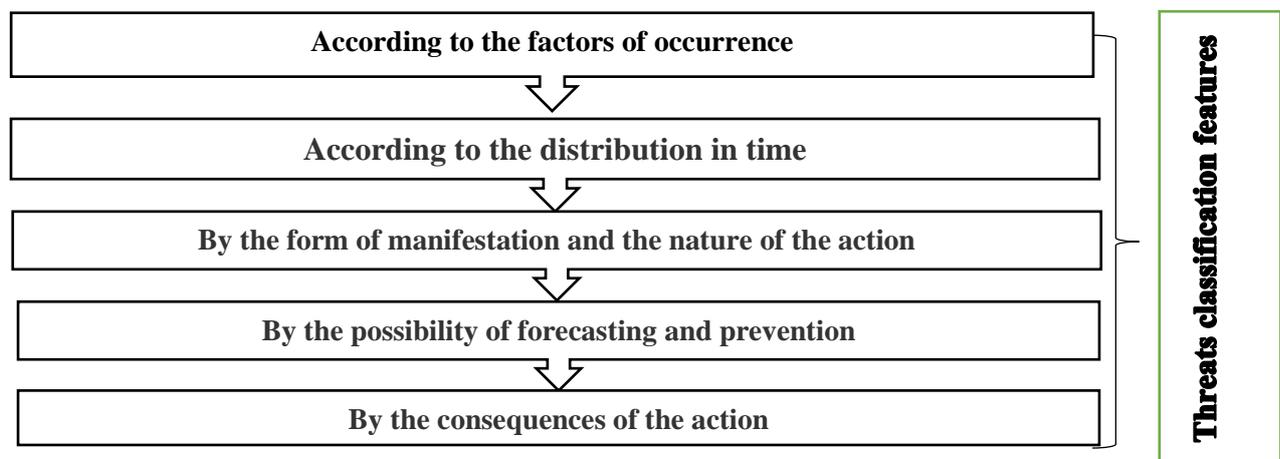


Figure 1.2. Threats classification features

⁵ Yepifanov A.O., Plastun O.L., Dombrov'kyi V.S. Finansova bezpeka pidpryyemstv i bankivs'kykh ustanov [*Financial security of enterprises and banking institutions*]: monohrafiya . Sumy: DVNZ «UABS NBU», 2009. 295 p. [in Ukrainian]. Yermoshenko M. M. Ekonomichni ta orhanizatsiyni zasady zabezpechennya finansovoyi bezpeky pidpryyemstva [*Economic and organizational principles of ensuring the financial security of the enterprise*] : prepynt naukovoyi dopovidi / za nauk. red. M. M. Yermoshenka. K. : Nats. akademiya upravlinnya, 2005. 77 s. [in Ukrainian]. Zhyvko Z.B. Metodolohiya upravlinnya ekonomichnoyu bezpekoyu pidpryyemstva [*Methodology of managing economic security of the enterprise*]: Monohrafiya. L'viv : Vyd-vo Liha-Pres, 2013. 474 p. [in Ukrainian]. Rudnyts'kyi V.S., Davydyuk T.V., Den'ha S.M., Stetsiv I.I., Zhyvko Z.B. Upravlins'ki informatsiyni systemy v obliku, analizi ta audyti [*Management information systems in accounting, analysis and auditing*]. Navch.posibnyk . K. : UBS NBU, 2015. 242 p. [in Ukrainian]. Zhyvko Z.B. Upravlinnya systemoyu ekonomichnoyi bezpeky pidpryyemstva [*Management of the economic security system of the enterprise*]: navchal'nyy posibnyk. L'viv: Vydavnytstvo: L'vDUVS, 2016 . 212 p. [in Ukrainian].

1) According to the factors of occurrence (Fig. 1.3):

1.1) According to the reason of occurrence the threats are classified into:

→ objective, arising independently of the will and consciousness of the enterprise and due to circumstances and phenomena that objectively characterize the environment;

→ subjective, due to conscious or unconscious actions or inaction of the enterprise.

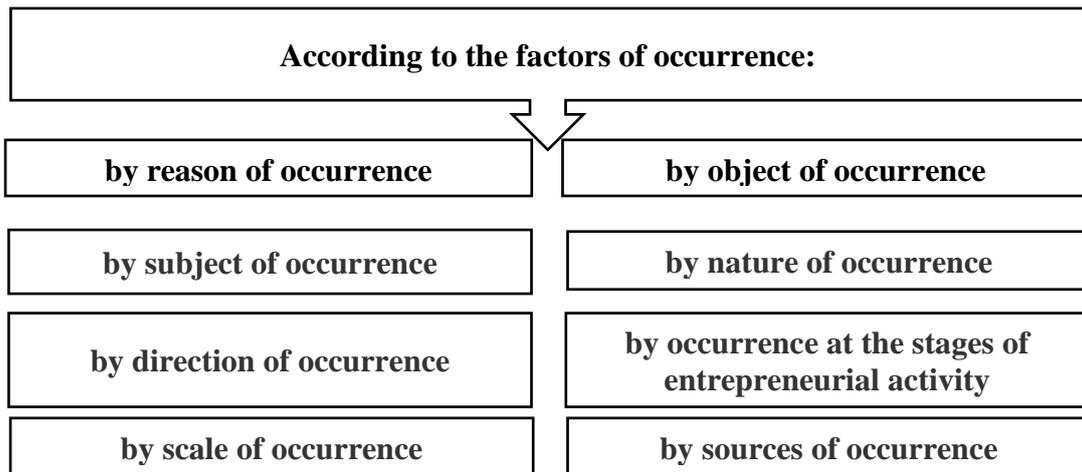


Figure 1.3. Classification of threats by the factors of occurrence

1.2) According to the object of occurrence (Fig. 1.4):

- | | |
|---|------------------------|
| → staff; | → financial assets; |
| → property: | → capital: |
| → intangible assets (technology, know-how); | → financial capital; |
| → tangible assets; | → intellectual capital |

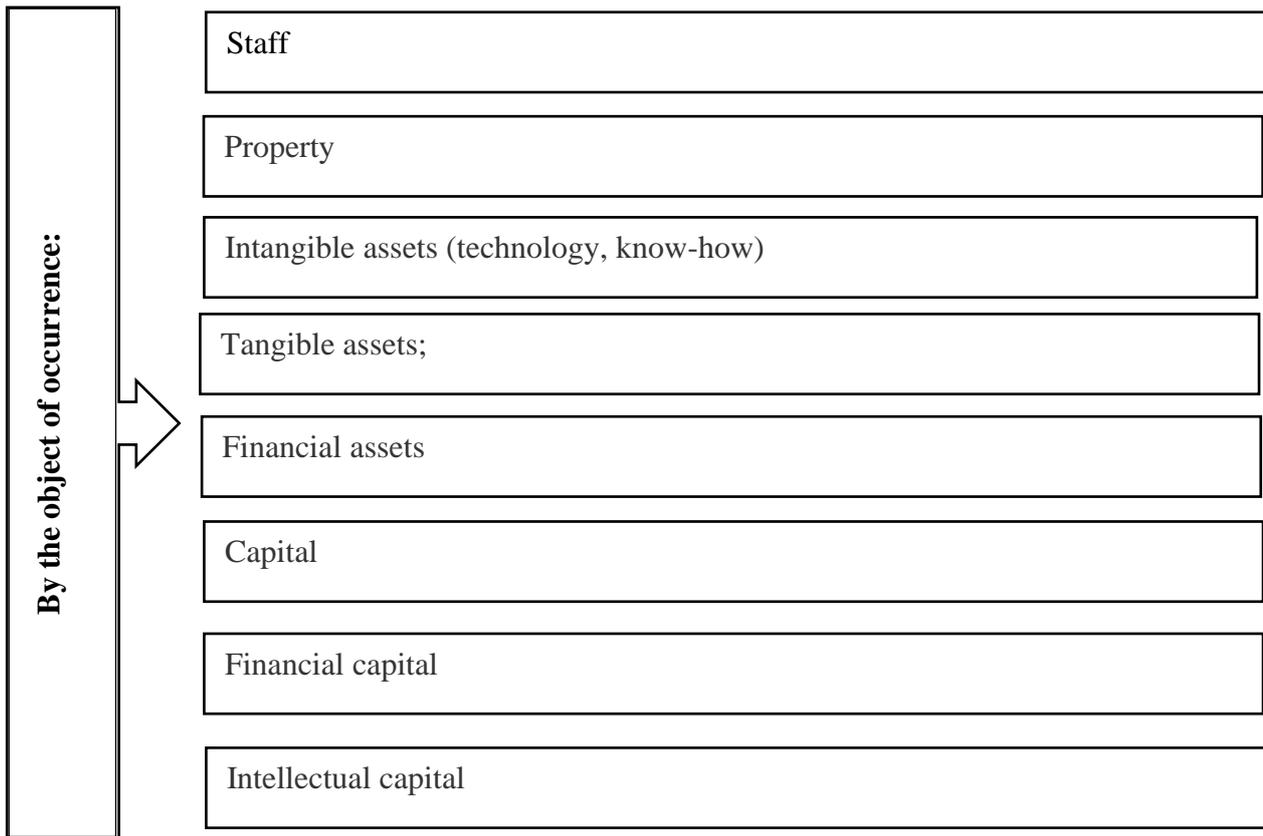


Figure 1.4. Classification of threats by the object of occurrence

1.3) According to the subject of occurrence:

- from criminal structures;
- from competitors;
- from employees;
- from their management;
- from suppliers and other subjects of market relations.

1.4) According to the nature of occurrence:

- political threats;
- economic threats;
- man-made hazards;
- legal threats;
- criminal threats;
- environmental threats
- competitive threats;
- counterparty threats;
- social threats;
- administrative threats;
- information hazards

1.5) According to the directions of occurrence:

- external threats arising outside the enterprise and not related to its production activities;
- internal threats that arise during the production and sale of products directly and depend on the forms, methods, and organization of work at the enterprise itself.

Regarding internal factors Savytska H.V. refers the following:

1. shortage of own working capital as a result of inefficient production and commercial activities or inefficient investment policy;
2. low level of engineering, technology, and organization of production;
3. decrease in the efficiency of using the production resources of the enterprise, and its production capacity;
4. creation of excess balances of construction in progress, work in progress, inventories, and finished products;
5. poor clientele of the enterprise, which pays late or does not pay at all by bankruptcy;
6. lack of sales due to the low level of organization of marketing activities to study product sales markets, form a portfolio of orders, improve the quality and competitiveness of products, and develop a pricing policy;
7. attracting borrowed funds into the turnover of the enterprise on unfavorable terms;
8. rapid and uncontrolled expansion of economic activity.

1.6) By occurrence at the stages of entrepreneurial activity (Fig. 1.5):

- at the stage of organization of the company;
- at the stage of development of entrepreneurial activity;
- the company is in decline.

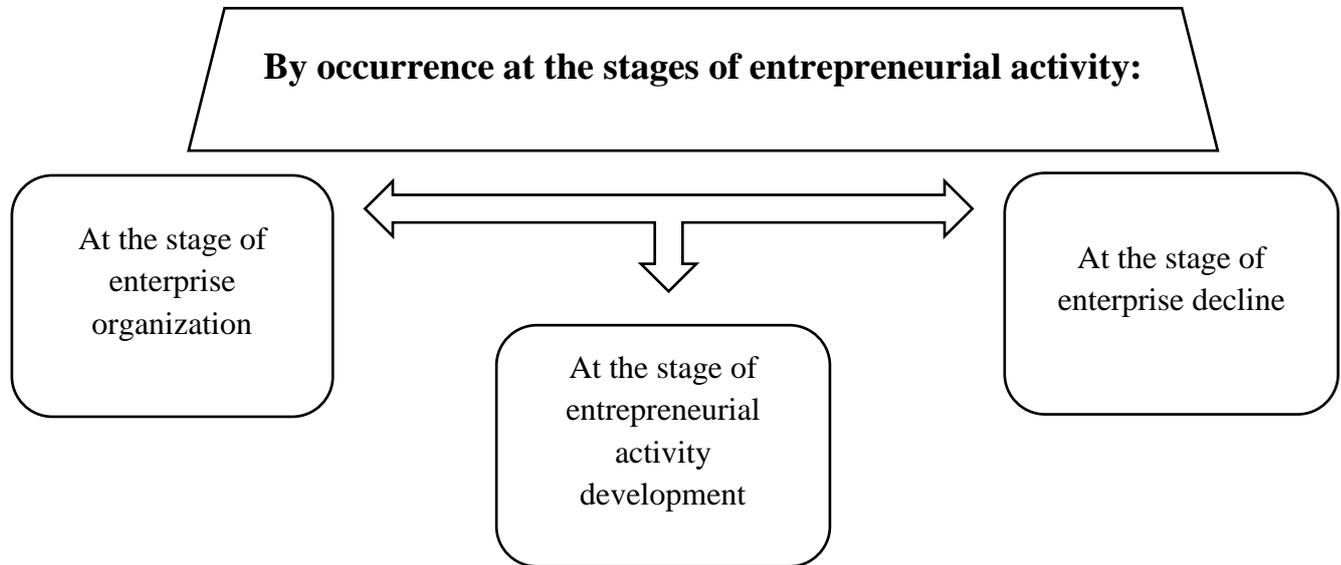


Figure 1.5. Classification of threats by occurrence at the stages of development

1.7) According to the scale of occurrence:

- nationwide (on foreign territory; on the territory of the country);
- local (on the territory of the region; on the territory adjacent to the enterprise);
- individual (throughout the enterprise and its divisions).

1.8) According to sources of origin:

→ natural origin, caused by a variety of meteorological, geological, hydrological phenomena, and natural fires; damage to plants, animals, and people by diseases or pests;

→ anthropogenic origin, which is a consequence of human activity and can be caused by both false, that is, unintentional, and intentional human actions;

→ technogenic origin, that is, resulting from the scientific and technological progress of mankind and can manifest itself in the form of industrial accidents, fires, unprovoked explosions, emissions of hazardous radiobiological, chemical, biological

substances, transport accidents, destruction of structures, buildings, and engineering networks.

1. According to the distribution in time (Fig. 1.6) :

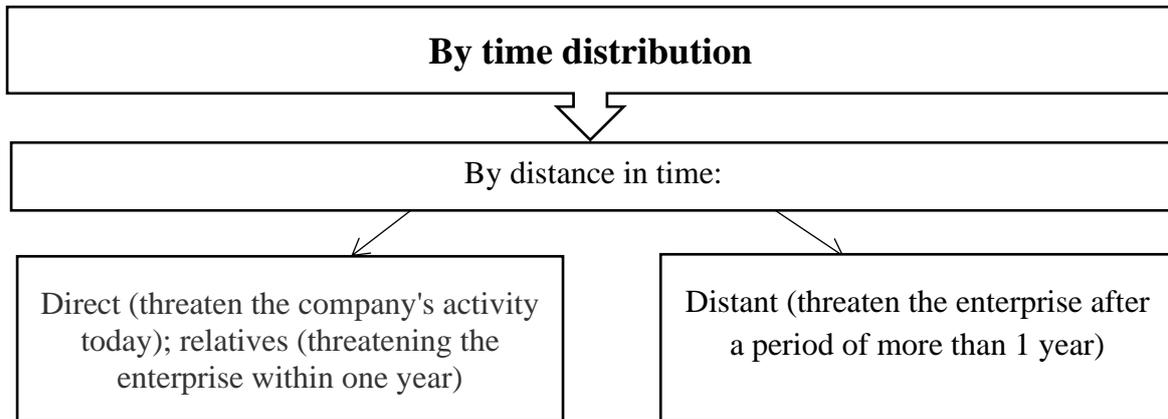


Figure 1.6. Threat classification by time distribution

2.1) *By distance in time:*

—direct (which threaten the activities of the enterprise today); relatives (threatening the enterprise within one year);

—distant (which threaten the enterprise after more than 1 year).

2.2) *By duration of action:*

—temporary:

—long-term, the impact of which can be traced for 5-10 years or more;

—medium-term, the effect of which is noticeable within 1-5 years;

—short-term, the impact of which is limited within 1 year;

—permanent, which throughout the entire period of the existence of the enterprise threaten its activities;

—one-time, the impact of which is determined by certain circumstances.

3) According to the form of manifestation and the nature of the action:

3.1) By the nature of the impact on the enterprise's activities:

—threats of the direct impact that directly affect the level of economic stability.

This group should include: cases with economic partners (suppliers, consumers), competition between businessmen, and cases with contact audiences (state institutions for regulating business activities, tax authorities, the media, monetary authorities, investors);

—Threats of indirect impact, which may not have a direct regular impact on the level of risk, but contribute to its change. These include: socio-demographic, cultural, political, scientific and technological, economic, and legal.

3.2) By the form of manifestation:

—quantitative threats (associated with the failure or deterioration of the performance of the enterprise in comparison with the established standards);

—qualitative threats (associated with qualitative changes in the development of the enterprise, in particular, bankruptcy, corporate conflicts, market collapse, and freezing of bank accounts).

3.3) By field of manifestation:

—threats to investment activity;

—threats to financial security;

—threats to material security;

—threats to design and technological support;

—threats to production activity;

—threats to marketing and sales activity;

—threats to research activity.

4) By the possibility of forecasting and prevention:

4.1) According to the possibility of forecasting:

- expected, which are known from the experience of economic activity and can be detected in time with the help of certain indicators;
- unpredictable, which occur suddenly and cannot be predicted.

4.2) By degree of probability:

- improbable;
- unlikely;
- real

4.3) By manifestation of the probability of occurrence:

- explicit, that is, really existing, visual;
- latent, that is, hidden, disguised.

4.4) By possibility of prevention:

- manageable, the level and consequences of which can be controlled or which can be prevented;
- unmanageable, the process of management of which is impossible or too complicated and impossible to prevent.

5) According to the consequences of the action:

5.1) By degree of overcoming:

- restorative, involving the possibility of eliminating the negative consequences of the impact of threats;
- irreplaceable, the results of the influence of which cannot be completely eliminated.

5.2) By the extent of the damage:

- insignificant, the impact of which does not create any material or financial losses at the enterprise;
- significant, causing certain significant losses at the enterprise;
- catastrophic, the impact of which leads to decisive losses of material, financial, and human resources and leads to bankruptcy and liquidation of the enterprise.

5.3) According to the degree of danger:

- dangerous and especially dangerous.

The proposed classification makes it possible to most fully present the characteristics of threats.

1.3. Definition of the concept of “security activity”

The vital activity of any social system is destabilized by various threats, destroying it from within or from without. The destabilizing influence of subjective origin on the organization is especially enhanced when it is successful. For self-preservation, the social system performs the main function – the function of security, that is, it carries out security activities.

In science and practice, this term is not widely used and is called differently: ensuring security: economic, informational, technological, military, etc. Security activity along with the activity aimed at the development are also important because, without them, the social system loses its “immune properties”, that is, stability and self-sufficiency, which ultimately leads to losses and destruction. Therefore, in practice, knowledge of real security mechanisms is required, thanks to which one or another type of activity can be attributed and applied as secure. Hence, there are scientific and professional discussions between scientists and practitioners aimed at finding a true understanding of the essence of security activity, its mechanisms, and its integration into various processes and activities. However, there is still no unequivocal answer, so

there is a need to propose another scientific and methodological approach to solving this scientific and practical problem, namely, considering the activity, its structure, and mechanisms from the point of view of a systematic approach.

The main approaches to the interpretation of the terms “security” and “activity”, which made it possible to identify the key parameters of the enterprise's security activities (Fig. 1.7).

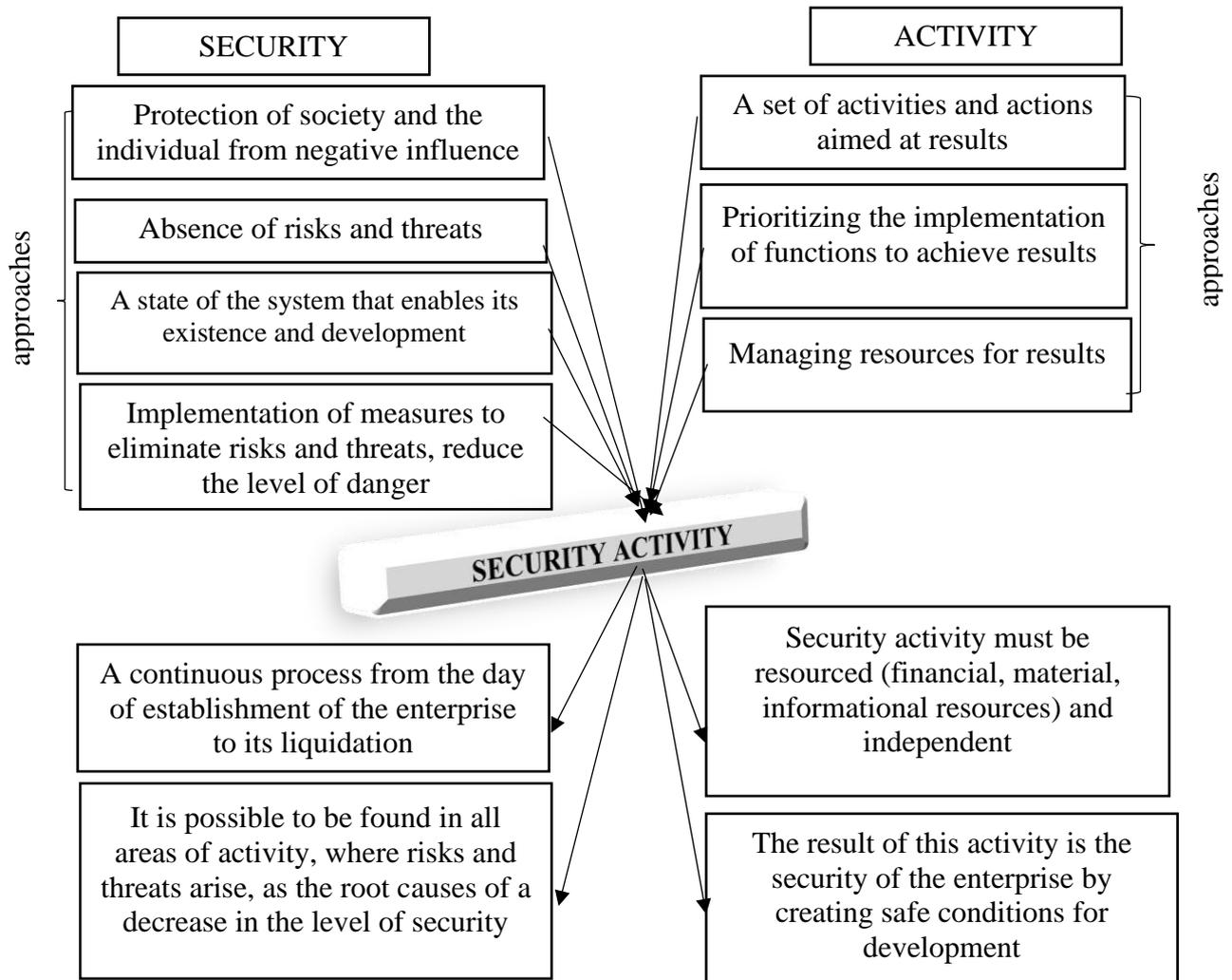


Figure 1.7. The main parameters of the enterprise's security activity

Moreover, one should remember that:

- entrepreneurial activity is based on the principle of independence, which, on the one hand, limits the intervention of state authorities, and on the other hand, following the theory of self-preservation, ensuring the security of an enterprise as a system is its

main function;

- activity is not an analogue of “operational”, “investment” or “financial”, it allows their implementation.

Taking into account V. Franchuk's definition, we consider it appropriate to clarify and present the interpretation of the term “security activity of the enterprise «as follows: the enterprise's activities, in cooperation with external security entities, to ensure the dynamic stability of functioning and the formation of safe development conditions through protection against external and internal threats and risk minimization»⁶.

We believe that the use of the term “security activity of the enterprise” is relevant and is determined by the following important points:

- the existence of any socio-economic system, including enterprise is possible only if its security is ensured;

- achievement of interests, including for an enterprise – making a profit, possible in the case of development, which is impossible without the formation of safe conditions;

- the state assumes obligations to ensure the security of the primary link of the national economy, but it is difficult to talk about the effectiveness of such activities in the current conditions of our country.

In addition, the activities of state security do not provide counteraction to all risks and threats.

In scientific sources, the issues of ensuring the economic security of enterprises, and the formation of a system for ensuring its economic security are studied the most⁷.

⁶ Franchuk V. I. Ekonomichna bezpeka sub'yektiv gospodars`koyi diyal`nost [Economic security of business entities]: pidruchny`k. L`viv: L`vDUVS, 2015. 236 p.

⁷ Varnaliy Z.S., Zhyvko Z.B., Bilyk R.R., Onyshchenko S.V., Zhyvko M.O. Finansova bezpeka [Financial security]: navch. posibnyk; za red.Z.S. Varnaliya. L`viv: Liha-Pres, 2018. 300 p. [in Ukrainian].

Vasenko V.K., Push L.A., Shul`ha I.P., Zachosova N.V., Herasymenko O.M. Ekonomichna bezpeka derzhavy, sub'yektiv hospodaryuvannya ta tin`ova ekonomika [Economic security of the state, economic entities and the shadow economy]: kolektyvna monohrafiya / Za zah. red. d.e.n., prof. Vasenka V.K. Cherkasy: Vyd-vo TOV «Maklout». Cherkasy, 2010. – 367 p. [in Ukrainian].

Vasyl'tsiv T. H., Voloshyn V. I., Boykevych O. R., Karkavchuk V. V. Finansovo-ekonomichna bezpeka pidpryemstv Ukrayiny: stratehiya ta mekhanizmy zabezpechennya [Financial and economic security of enterprises of Ukraine: strategy and mechanisms of support]: monohrafiya / [za red. T.H. Vasyl'tsiva]. L`viv: 2012. 386 p. [in Ukrainian].

Veretennykova H. B. Ekonomichna bezpeka pidpryemstva: planuvannya y orhanizatsiya [Economic security of the

In particular, the essence, structure, and functions of the system for ensuring the economic security of an enterprise are revealed⁸. There are also scientific attempts to introduce the term “security activity” into scientific circulation, to reveal and substantiate its essence and mechanisms. However, there is a need to improve the very concept of “security activity”, the titles of security mechanisms, and the disclosure of the content and structure of security activities in the ambush of a systematic approach.

Security activity is a form of the active attitude of security subjects to the security reality, the meaning of which is to make appropriate changes in it based on the assimilation and development of security culture. That is, it is an activity aimed at countering threats, restoring activity to protect corporate interests, and preserving the integrity of processes or systems based on the assimilation and development of a security culture.

In terms of content, security activity has a complex nature and structurally contains three components of the mechanisms:

- a) informational and operational;
- b) preventive and prophylactic;
- c) liquidation and restoration⁹.

In practice, each of these security activity mechanisms is implemented through several specific security functions (types of security activity), which contain appropriate methods and means. At the same time, the logic of the sequence of this process technologically has the following form: a specific mechanism of security activity is implemented through specific safety functions, each of which, in its turn, is performed by using appropriate methods and means. For example, to implement the information and operational mechanism of security activities to obtain information

enterprise: planning and organization] : konspekt lektsiy. X. : KHNEU, 2008. 83 p. [in Ukrainian].

Herasymenko O.M. Indykatory otsinky stanu systemy ekonomichnoyi bezpeky torhovtsiv tsinnymy paperamy [*Indicators of assessing the state of the system of economic security of securities traders*]: monohrafiya. Cherkasy: TOV «Maklaut» Cherkasy, 2011. 250 p. [in Ukrainian].

⁸ Hubarev O. O. Ekonomichna bezpeka [*Economic security*]: konspekt lektsiy. X. : KHNEU, 2007. 59 s. [in Ukrainian].
Donets' L. I., Vashchenko N. V. Ekonomichna bezpeka pidpryyemstva [*Economic security of the enterprise*]: navch. posibn. dlya stud. vyshch. navch. zakladiv. K. : TSUL, 2008. 239 p. [in Ukrainian].

⁹ Donets' L. I., Vashchenko N. V. Ekonomichna bezpeka pidpryyemstva [*Economic security of the enterprise*]: navch. posibn. dlya stud. vyshch. navch. zakladiv. K. : TSUL, 2008. 239 p. [in Ukrainian].

about possible thefts at the enterprise, it is possible to carry out detective or security activities using the video surveillance method. To do this, a video camera is needed as a tool, which is installed in the right places. It is also necessary to observe the main security principles: timeliness, legality, and a combination of publicity and confidentiality.

At the same time, it is necessary to understand that a set of relevant types of functions, methods, and means are used in practice to implement this or that security mechanism. Their number depends on the type of threat and the object on which its influence is directed.

1.4. Mechanisms of security activity of the enterprise

Analyzing the practice of security activities in terms of the application of these mechanisms, the authors concluded that there is a need to improve their titles and clarify the content. First of all, it is necessary to change the name of the information and operational mechanism, leaving its content. This can be justified by the fact that the result of the implementation of this mechanism is the identification of a threat. It is clear that for this it is necessary to collect and analyze information about destabilizing factors, and to use appropriate methods for selecting threats from their set. Therefore, it is logical for this mechanism of activity to be called “threat detection mechanisms”. As for preventive mechanisms, in practice, it is quite difficult to find out the boundaries between the terms of warning and prevention of threats. Therefore, it is appropriate to use the term “threat prevention mechanisms”. It will also be more effective when the liquidation and recovery mechanisms in regulatory documents and practice are divided into two groups: mechanisms for the elimination (termination) of threats and recovery mechanisms.

Considering the mechanisms of security activity, it is necessary to proceed primarily from its logical structure, that is, there are mechanisms with which security activity begins, and there are mechanisms that end its technological cycle. Therefore,

it is advisable to place the security mechanisms in the following sequence:

- 1) mechanisms for preventing threats to the beginning of its occurrence or implementation;
- 2) threat detection mechanisms;
- 3) threat elimination mechanisms;
- 4) mechanisms for the resumption of activities, conditions, and compensation for damage.

The essence and role of each of these mechanisms are given below.

Under the warning mechanisms, security of activity is understood as a set of relevant activities, methods, and means related to the development of regulatory, organizational documents, and management decisions on enterprise security issues and their application to prevent the occurrence or action of a threat.

The use of threat prevention mechanisms involves the development of regulatory support and the formation of conditions that prevent potential or real losses in the process of the social system.

It is worth noting that these mechanisms should be formed at two levels: the state and the enterprise level. At the state level, they are developed and applied in the form of laws of Ukraine and by-laws that regulate the process of the functioning of the organization, as well as ensure security. At the enterprise level, appropriate security standards should be provided: in the charter, regulations on structural divisions, job descriptions, contracts, etc. For example, safety regulations when performing welding work; fire action plans; regulations in contracts for the supply of materials of issues of responsibility of the buyer for violation of the terms of the contract, etc.

The threat detection mechanism is a set of relevant activities, methods, and tools related to the collection and analysis of information about threats and documentation of illegal actions in the appropriate time and space¹⁰.

The use of threat detection mechanisms will make it possible to document illegal

¹⁰ Ekonomichna bezpeka v umovakh hlobalizatsiyi svitovoyi ekonomiky [*Economic security of the enterprise*]: [kolektyvna monohrafiya u 2t.]. Dnipropetrovs'k: «FOP Drobyazko S.I.». T. 2, 2014. 349 p. [in Ukrainian].

actions in a timely manner, monitor the state of the social system, etc., resulting in the formation of an information base about potential or real threats that were or are in the course of its activities. For example, *information about such threats*:

market instability; an increase in production costs due to an increase in the level of wear and tear of equipment;

the predominance of the use of outdated technologies;

loss of products as a result of the imperfection of the logistics system; violation of the technology of growing forest resources;

on the preparation of accidents, fires, the commission of other emergency actions;

on the preparation of theft, damage to forest products;

about a possible disruption in the supply of forest timber according to the contract, etc.

Thanks to this mechanism, operational and feedback links between the subjects and forces of security activities are provided.

In real activity, for various reasons and circumstances, security agents fail to fully prevent threats, which is why they still destabilize the operation of the enterprise and cause damage to it. Appropriate mechanisms are required to eliminate them.

Threat liquidation (cessation) mechanisms are understood as a set of types of activity security and corresponding confidential methods, methods of work in emergencies, as well as means related to the elimination (cessation) of threats at any stage of its implementation.

Liquidation mechanisms by the subjects of security activity create appropriate conditions and opportunities for the elimination (termination) of threats. For example, the introduction of security at the enterprise makes it possible to detain persons who commit theft in production.

Recovery and compensation mechanisms are understood as a set of activities and corresponding methods and means necessary for the resumption of processes, quantitative or qualitative indicators of activity, communications and integrity of the enterprise, etc. after the implementation of the threat, as well as compensation for the

damage caused. An example of the use by subjects of recoverable mechanisms for restoring the working state, processes, etc. can be (Fig. 1.8).

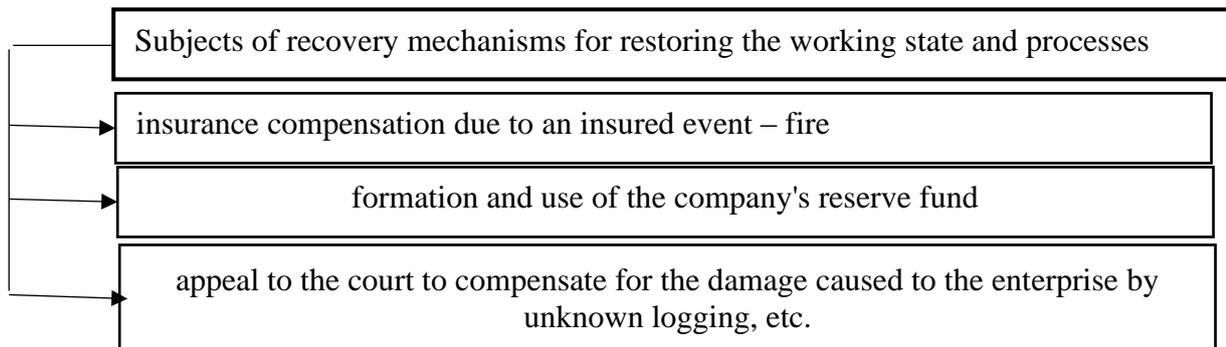


Figure 1.8. Subjects of recovery mechanisms for restoring the working state and processes

The main components of these mechanisms are:

- 1) specific security functions (types of security activities);
- 2) security activity methods;
- 3) means of security activity;
- 4) security operation principles.

Their content is disclosed in scientific publications¹¹.

Security activity is complex in structure and connections and at the same time integrated into different areas of activity, in connection with which it must be organized and implemented in the form of a system. Otherwise, the security activity requires a systematic approach, which is based on the foundations of theoretical knowledge. *Theoretical knowledge* is the highest reflection of reality with the help of abstract thinking and research, in the process of which the essential properties or aspects of an object are singled out, and objective patterns, connections, and trends of its

¹¹ Donets' L. I., Vashchenko N. V. Ekonomichna bezpeka pidpnyemstva [*Economic security of the enterprise*]: navch. posibn. dlya stud. vyshch. navch. zakladiv. K. : TSUL, 2008. 239 p. [in Ukrainian].
Ekonomichna bezpeka v umovakh hlobalizatsiyi svitovoyi ekonomiky [*Economic security of the enterprise*]: [kolektyvna monohrafiya u 2t.]. Dnipropetrovs'k: «FOP Drobyazko S.I.». T. 2, 2014. 349 p. [in Ukrainian].

development that are inaccessible to sensory cognition are revealed.

The main content of theoretical knowledge in the field of security is:

- 1) identifying and studying specific causes, relationships, dependencies, interactions, and processes that make it possible to explain the facts of the emergence and action of threats, violation of the integrity of processes and objects;
- 2) abstracting from directly observable characteristics, proposing and substantiating hypotheses that allow explaining the causes, processes, or mechanisms, established facts of the occurrence of threats, violation of the integrity of processes and objects;
- 3) formulation of theoretical conclusions in the field of organization security.

The main tool of a systematic approach is organizational activity. Organizing an activity means streamlining it into a coherent system with clearly defined characteristics, a logical structure, and a process for its implementation¹². That is, we are talking about the formation of such elements of the security system that are interconnected and create a single whole. At the same time, it must function towards a common goal when each of these elements fulfills its role.

1.5. Formation of the security system. Features of hierarchical systems

When forming an enterprise security system, it is necessary to take into account the general, that is, inherent to any system, essential characteristics. It boils down to the following: any real system throughout its life functions under the conditions of a hierarchy of subsystems, the influence of the external environment, which is often destabilizing in nature, and therefore dynamic.

Thus, the organization's security subsystem should be an organic component of the enterprise system. It must be considered as a form of interaction between the relevant security subjects, which has a certain management hierarchy based on a

¹² Ekonomichna bezpeka v umovakh hlobalizatsiyi svitovoyi ekonomiky [*Economic security of the enterprise*]: [kolektyvna monohrafiya u 2t.]. Dnipropetrovs'k: «FOP Drobyazko S.I.». T. 2, 2014. 349 p. [in Ukrainian].

systematic approach. It should also be assumed that it is connected with other Ukrainian security systems. This is explained by the fact that many of the tasks that the enterprise security system has cannot be performed independently, without the help of other stakeholders, without the necessary decisions made at the highest level, and above all at the state level. The creation and functioning of an enterprise security system are influenced by its strengths and weaknesses, which should be taken into account since this affects the efficiency of activities and their results. In addition, it should contain a comprehensive mechanism for the protection of certain security objects and compensation for damage caused and not be costly for the enterprise.

Forming the security system must be based on the fact that it belongs to hierarchical systems, that is, it includes other systems and subsystems, and it is also a top-level security subsystem. Hierarchical systems have certain properties that must be taken into account.

The main properties of hierarchical systems are: the duality of the qualities of elements in the system – an element simultaneously has individual and systemic qualities, the more complex the hierarchical structure of the system, the higher its individual properties, and the more clearly they appear in the supersystem, the less it is connected with other elements (systems) of the supersystem.

At the lower levels, the elements are simplified (only a useful function is needed) (Fig. 1.9).

The systemic approach makes it possible to form the security system as a complete social organism, without concentrating on its individual subsystems and elements. Even the best functioning of some of them does not guarantee the effective functioning of the entire system as a whole, since there is always an interaction between its components. At the same time, it is necessary to remember that any social system can function effectively under the following conditions:

- a) system integrity;
- b) limited autonomy of system elements and their actions;
- c) internal and external activity of the system.

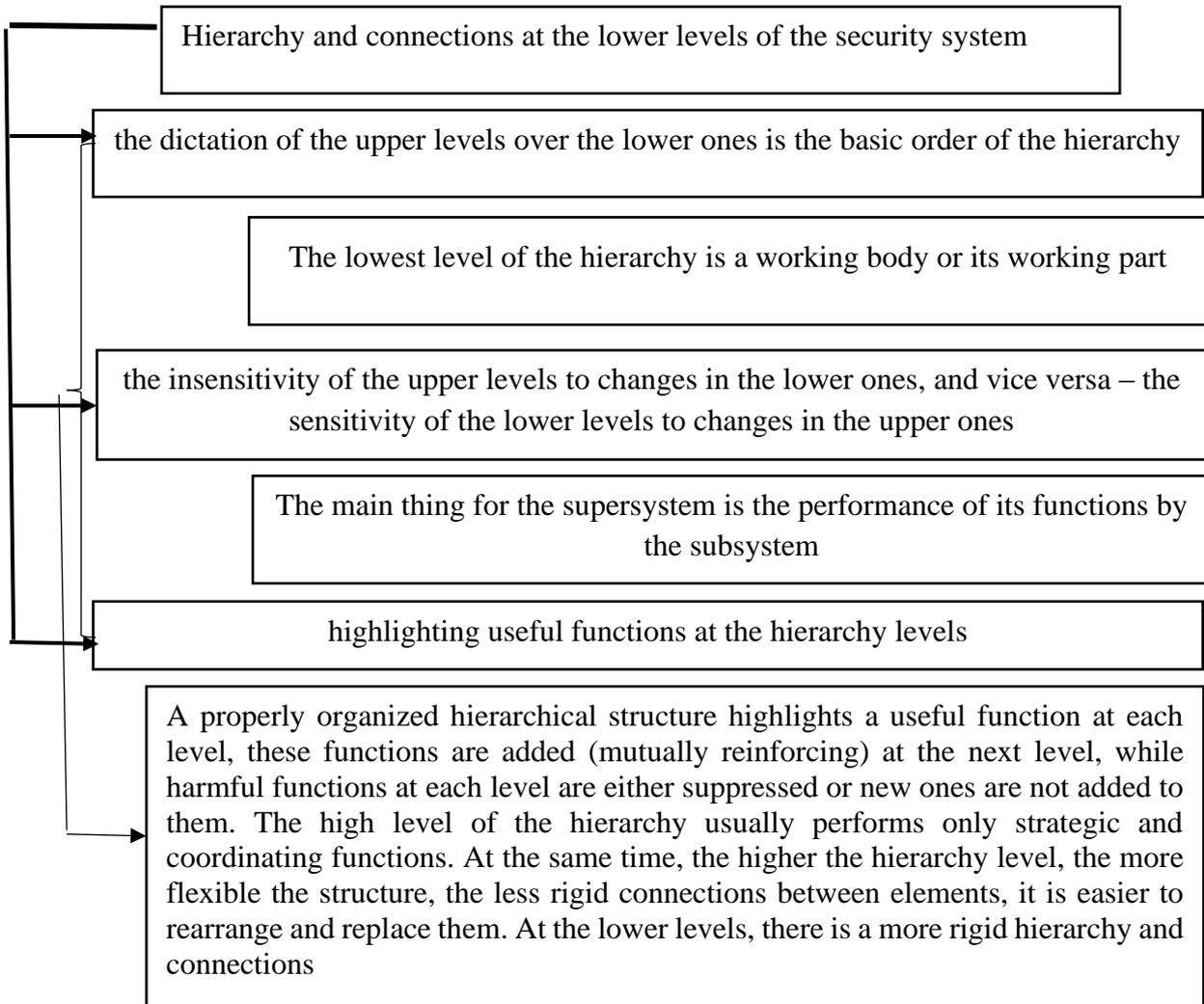


Figure 1.9. Simplifying the elements in the system

The same requirements are equally valid for the organization's security system. In the process of functioning, the security system acts as an integral entity in which there is a relationship between its structure and functions. The security function is implemented by the structure, in the process of which a functional safety effect occurs due to the combination of actions of safety elements of the system. This combination is based on the interaction and integration of the main properties of the elements: affinity and difference. As a result, the system acquires a functional and effective security effect in the form of stability and self-sufficiency of the system.

Thus, the security system does what, under no circumstances, each of its elements

separately can do. Therefore, the activity of the security system is a constant reproduction of the functional effective effect of security.

The security system can have any number of elements. Nevertheless, they must be consistent with the main goal of the system, and their number should be such that it is enough to achieve this goal.

Security activity is complex in content and structure. Its effectiveness and result directly depend on the skill level of specific subjects of activity, primarily on their knowledge and ability to apply a systematic approach. Mastering the technologies of the system approach makes it possible to create effective security systems, which in practice leads to a reduction of losses, and even better, their prevention. In addition, security systems can be used as a way of understanding the security reality, formally describing the structure of the system and functional connections, as well as optimizing security activities and managing them.

EDUCATIONAL TRAINING

1. The essence of security and economic security of the enterprise.
2. Grouping of dangers and threats to the economic security of an institution, organization, and enterprise.
3. Hierarchical levels of the enterprise economic security.
4. The phenomenon of the concept of “security”.
5. Paradigm and genesis of the term “security”. Philosophical aspect of understanding security.
6. Comparative characteristics of approaches to the definition of “security”. The concept of “interest”, “risk”, “threat”, “danger”.
7. Fundamentals of the enterprise economic security.
8. The essence of enterprise security and economic security.
9. Functional objectives of the enterprise economic security (EES).
10. Hierarchical levels of economic security.
11. Factors of economic security.
12. The impact of the external environment on the system of economic security.
13. The internal environment of the enterprise and its impact on the EES system.
14. Definition of the concept of “security activity”.
15. Mechanisms of the enterprise security management.
16. Formation of a security system. Features of hierarchical systems.
17. The essence and components of the economic potential of the enterprise.
18. Model representations of the essence of the “security” category.
19. Definition of the concept of “security activity”.
20. Security activity mechanisms.
21. Threat prevention mechanisms.
22. Threat detection mechanisms.
23. Threat elimination mechanisms.
24. Recovery mechanisms.
25. Constituent elements of security activity mechanisms.
26. The concept of “security potential”, its components.
27. Principles of security potential formation.

Control questions that applicants for the master's degree must know and be able to answer:

1. The essence and content of the concept of economic security of the enterprise
2. Threats to the economic security of the company, institution, and organization.
3. Classification of threats.
4. Criminal encroachments on material values (products), premises (including residential), buildings, and other resources.
5. Internal threats and threats to the economic security of the business.
6. Grouping of dangers and threats to economic security.

7. Features of ensuring the economic security of an enterprise, institution, and organization.

8. The main functional goals of the economic security of an institution, organization, and enterprise.

9. Important stages in the history of the development of the economic security category.

Study questions:

1. The essence and evolution of the concept of economic security of entrepreneurship in the country's national security system.

2. Characteristics of environmental threats, and their impact on the enterprise security system.

3. The internal environment of the enterprise as the basis for countering threats.

Recommendations on the subject matter:

In the process of preparing for training questions on this topic, it is recommended to:

- characterize the evolution of the study of enterprise economic security;

- characterize and assimilate external threats;

- characterize and assimilate the internal environment of the enterprise as a guarantee of countering threats to economic security.

Additional questions:

1. The history of the concept of economic security of the enterprise.

2. The place of economic security of the enterprise in the system of national security.

3. Classification of external threats to the economic security of the enterprise.

4. Classification of internal threats to the economic security of the enterprise and ways to neutralize them.

Questions and tasks for self-control:

Task: Work through the literature, and complete the task.

Task 1. Group external and internal threats to the economic security of the enterprise.

№	External threats to ESE	External threats to ESE
1		
2		

Task 2. Identify the main threats and present measures for their localization and elimination.

№	Threats	Measures to eliminate them
1		

Topics of essays and reports:

1. Historical aspects of the organization's security formation.
2. The essence and evolution of the concept of economic security of entrepreneurship in the country's national security system.
3. Classification features of risks and threats, their features.
4. Characteristics of threats from the external and internal environment, and their impact on the security system of the enterprise.



THE CONCEPT OF ENTERPRISE SECURITY ACTIVITY MANAGEMENT. ENTERPRISE ECONOMIC SECURITY SYSTEM

Study questions:

- 2.1. Fundamentals of organizing the management of the economic security of an enterprise
- 2.2. Principles of organizing the management of the economic security of the enterprise.
- 2.3. Functions of the enterprise economic security department.
- 2.4. The concept of the system of economic security of the enterprise.
- 2.5. Principles and elements of the enterprise economic security system.

Main categories and concepts: program, target program, environmental program, basics of management organization, management functions of the SESE, basics of management, management principles, functions of the economic security department (ES), management mechanism

2.1. Fundamentals of organizing the management of the economic security of an enterprise

An important component of national security is the economic security of enterprises, which affects the development of the entire country as a whole, because the economic security of Ukraine depends on the stable functioning, development, guaranteed protection of the material and financial resources of an individual business entity.

T.T. Kovalchuk considers the reasons for the danger of Ukraine in the shadow economy¹³. In order to overcome any problems, you need to know their causes.

¹³ Koval'chuk T. Detinizatsiya ekonomiky – faktor finansovoyi bezpeky Ukrainy [Detification of the economy is a factor of Ukraine's financial security]. *Bankivs'ka sprava*. № 2, 2001. PP. 3–11.

Thus, exploring economic security at the country level, Ya. Zhalilo believes that this is a multifactorial category that characterizes the ability of the national economy to expand reproduction in order to meet the needs of its own population and the state at a certain level¹⁴. At the micro level, economic security is less researched than at the macro level. It is necessary to consider the enterprise from the point of view of ensuring its security.

An enterprise is an independent entity created by the competent state authority or local government, or other entities to meet public and personal needs through the systematic implementation of production, research, trade, and other economic activities.

In the Civil Code of Ukraine, the interpretation of entrepreneurial companies is defined as follows, namely: these are “companies engaged in entrepreneurial activities with the aim of making a profit and then distributing it among the participants (entrepreneurial companies) can only be created as business companies (full company, limited company), limited or additional liability company, a joint-stock company or production cooperatives”¹⁵.

According to the economic dictionary, *the security of an enterprise* is a state of protection of its vital interests from unfair competition, illegal activities of criminal formations and individuals, the ability to withstand internal and external threats, maintain the stability of the operation and development of an enterprise in accordance with its statutory goals.

The essence of economic security is to ensure the progressive economic development of society in order to produce the necessary goods and services that satisfy individual and social needs. Previously, all issues related to security were

¹⁴ Malyy i seredniy biznes u poshukakh mistysya v stratehiyi ekonomichnoho zrostannya v Ukrayini [Small and medium-sized businesses in search of a place in the strategy of economic growth in Ukraine]: zb. nauk, stately (Ser. «Bezpeka ekonomichnykh transformatsiy»); za red. Ya. A. Zhalila. K.: Al'terpres, 2002. Vyp. 19. 118 p.

Zhalilo Ya. A. Tin'ova ekonomika yak "instytutsiyna pastka" na shlyakhu ekonomichnoyi modernizatsiyi [The shadow economy as an "institutional trap" on the path of economic modernization]. *Ekonomichna teoriya*. №2, 2018. PP. 22-40. URL: http://nbuv.gov.ua/UJRN/ecte_2018_2_4

¹⁵ Tsyvil'nyy kodeks Ukrayiny [*Civil Code of Ukraine*] vid 16.01.2003. №435- IV. K.: Parlament-s'ke vyd-vo, 2004. 352 p. [in Ukrainian].

assigned to state bodies. Recently, there has been a reproduction of the security system, in which the state plays the leading role.

At the micro level, economic security is manifested in ensuring the normal and stable operation of the enterprise, preventing information leakage.

The economic security of the enterprise can be interpreted as:

— the state of security of all systems of the enterprise in the implementation of economic activities in a certain situation;

— the state of all enterprise resources (capital, labor resources, information, technology, equipment, rights) and entrepreneurial abilities, in which their most effective use is possible for stable functioning and dynamic scientific, technical and social development, the ability to prevent or quickly level out various internal and external threats;

— a set of organizational and legal, regime and security, technical, technological, economic, financial, information-analytical and other methods aimed at eliminating potential threats and creating conditions for ensuring the effective functioning of business entities in accordance with their goals and objectives;

— the state of the socio-technical system of the enterprise, which allows avoiding external threats and resisting internal factors of disorganization with the help of available resources, entrepreneurial abilities of managers, as well as structural organization and management connections.

The main goal of managing the financial and economic security of an enterprise is to achieve high financial stability of the enterprise and protect its financial and economic interests from external and internal threats to ensure sustainable development in the long term.

The main *functional goals of economic security* include:

— Ensuring high financial efficiency of work, financial stability and independence of the enterprise;

— ensuring technological independence and achieving high competitiveness of the technical potential of an enterprise;

— achievement of high management efficiency, optimal and efficient organizational structure of enterprise management;

— achieving a high level of personnel qualification and its intellectual potential, proper efficiency of corporate R&D;

— minimization of the destructive impact of the results of production and economic activities on the state of the environment. The components of the activity mechanism are presented in Fig. 2.1.

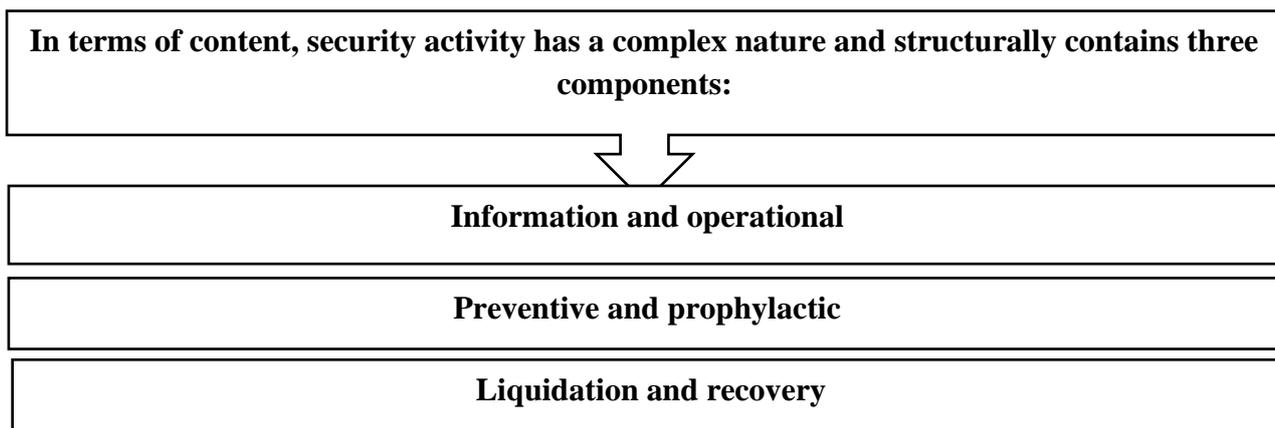


Figure 2.1. Components of the mechanism

The main and functional goals predetermine the formation of the necessary structure-forming elements and the general scheme for organizing economic security.

The general scheme of the process of organizing economic security includes the following actions (measures) carried out sequentially or simultaneously:

a) formation of the necessary corporate resources (capital, personnel, information rights, technology and equipment);

b) general strategic forecasting and planning of economic security by functional components;

c) strategic planning of the company's business activities;

d) general tactical planning of economic security by functional components;

e) tactical planning of economic activity of the enterprise;

f) operational management of the economic activity of the enterprise;

- g) implementation of a functional analysis of the level of economic security;
- h) general assessment of the achieved level of economic security.

The concept of economic security has an arbitrary form. The scheme of managing the economic security of the enterprise is shown in Fig. 2.2.

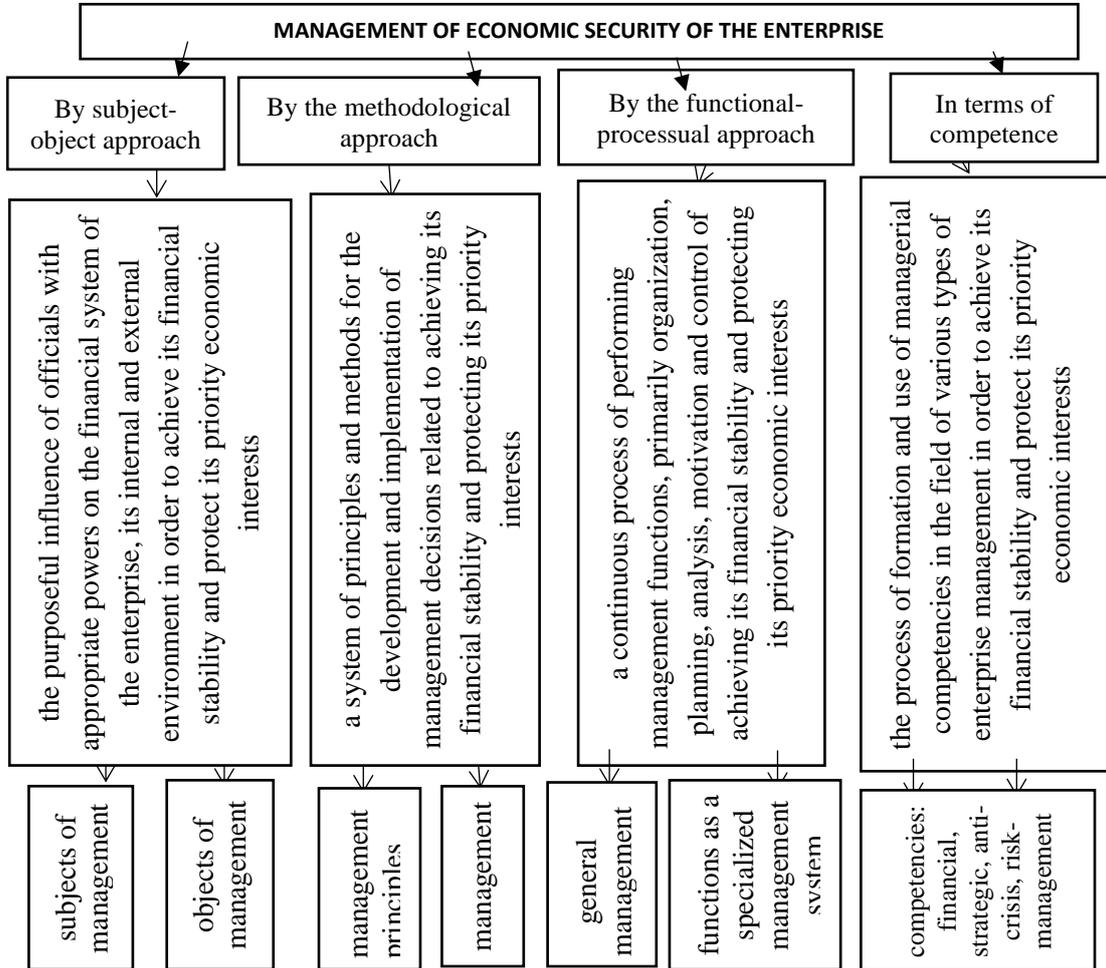


Figure 2.2. Management of economic security of the enterprise

2.2. Principles of organizing the management of the economic security of an enterprise

In conditions of uncertainty and market fluctuations of the economy, with the growth of competition, for the successful functioning of the enterprise in the market, the organizational and economic mechanism (OEM) of the formation of economic security (ES) becomes important. It is one of the fundamental parts of the company's strategic development. Principles of building security potential (Figure 2.3).

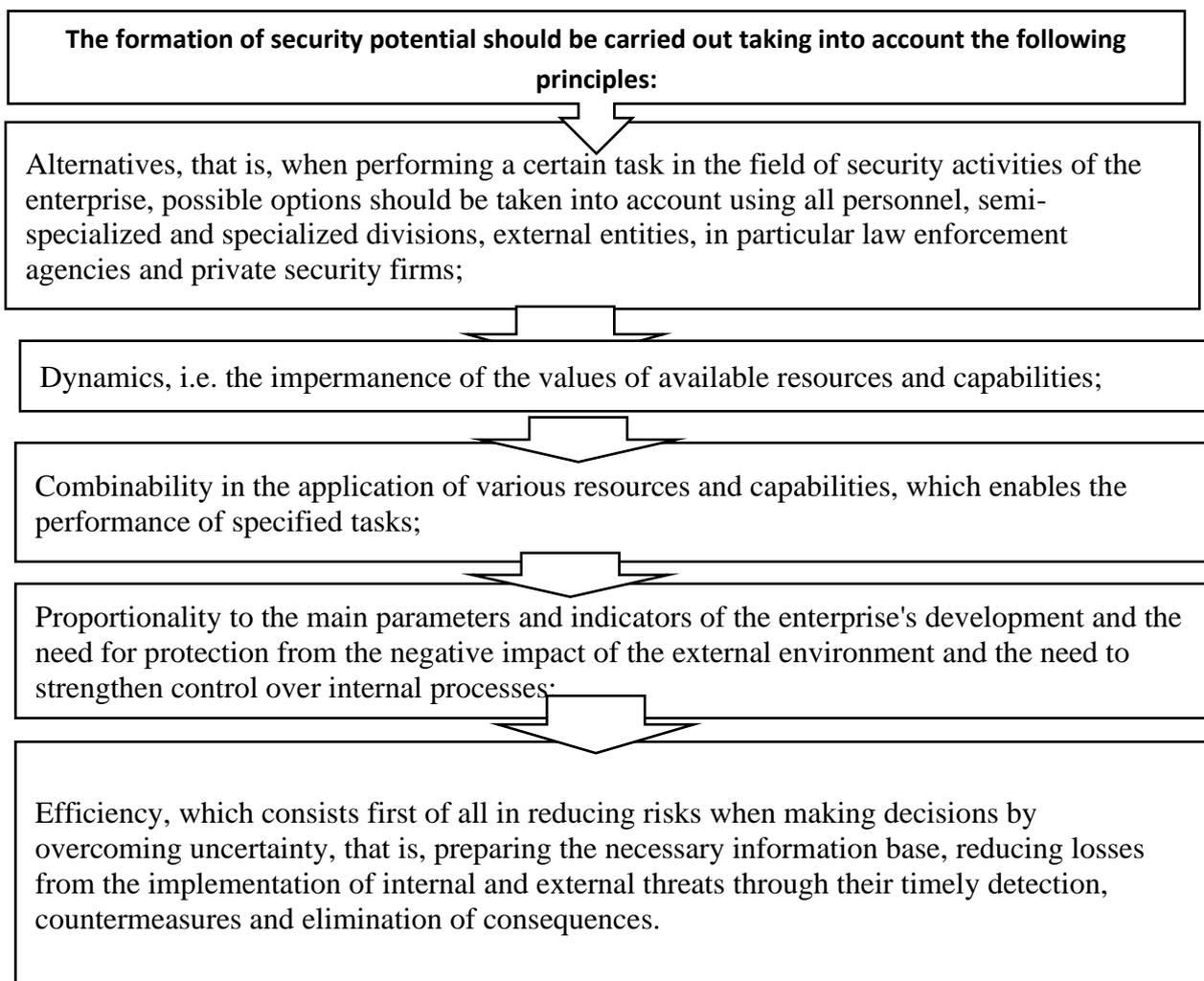


Figure 2.3. Security Capability Building Principles

The subjects of the mechanism are divided into *internal and external*. Internal subjects are responsible persons, services, divisions that ensure its work.

External subjects are those that are not subordinate to the management of the enterprise, but at the same time have a significant impact on the state of its economic security. These include: public authorities at all levels, competitors, criminal structures, etc.

As for the **basic principles of constructing an OEM, the formation of an ESE**, the following can be attributed to them:

The principle of expediency (the effectiveness of the safety mechanism should be higher than its cost);

The principle of timeliness (identification of economic security threats and their prevention);

The principle of planning (work to ensure the economic security of the enterprise is organized on the basis of a single plan);

The principle of comprehensiveness (full coverage of all areas of the enterprise's activity by the mechanism of formation of economic security);

The principle of continuity (functioning of the mechanism on a permanent basis, regardless of the presence of threats to economic security);

The principle of combining publicity and confidentiality (distinguishing information into public and secret. Certain information is available to a limited number of people);

The principle of cooperation (constant coordination of the work of all units of the security service);

The principle of responsibility (each executor bears personal responsibility for the results of the decisions made);

The above list is not exhaustive. It can be adjusted, but it should be taken into account that there are no contradictions between the principles. The presence of conflicting principles gives rise to a failure of the economic and organizational mechanism of the mechanism of economic security, which can lead to significant

losses by the enterprise in the level of economic security.

The set of strategic decisions in the context of the nature of the response to changes in internal and external environmental factors has been divided by a number of researchers into two main elements – groups of strategies to support economic security (strategies to eliminate existing threats, prevent possible threats, compensate for damage) and groups of strategies to restore economic security (strategies to increase income), cost reduction, asset sales, comprehensive upgrade strategy).

The specific role of the investment and innovation activity of an enterprise in the modern economic system and its extreme sensitivity to the state of the economy makes it more risky compared to other areas of activity. Its increased riskiness can threaten the economic security of the enterprise.

The dualistic nature of the impact of investment and innovation activities on the state of economic security is that, on the one hand, the safe development of an enterprise is impossible without the introduction of product and process innovations, technological changes, investment activities, and on the other hand, their implementation leads to an increase in risky activities of the enterprise when promoting products to the market, the remoteness of the return on investment, which, as a result, may lead to a deterioration in the level of economic security of the enterprise.

Thus, the specific nature of the economic security management process is given by the presence of the following features characterizing this process:

- decision-making and development of a complex system in time can have a large number of strategies;
- at the stage of formation of a decision and adoption of managerial influence, analysts do not have the opportunity to present a complete picture of the development of the situation;
- decision-making is based on forecasting the trend of the system development in time;
- there is uncertainty associated with the further impact of the decision on the problem situation.

In general, the ability to quickly respond to various changes in the external environment is formed by creating a new or improving the existing mechanism for managing economic security and provides the enterprise with competitive advantages to achieve certain goals. It is advisable to form the management of economic security as a subsystem of the overall management system, closely related to the solution of other problems by the enterprise, and therefore it should be of a subordinate nature. Mostly, the economic security management mechanism can be described by means of a scheme, the main parameters of which describe the content of management actions, their leading functions and options for possible solutions.

Stage I. At the first stage of determining the mission and strategic goals of the enterprise in the framework of managing its economic security, it should be taken into account that the goal is influenced by both external factors relative to the system (external requirements, needs, programs) and internal factors (needs, opportunities, programs of the system itself and its elements, performers)

At the same time, the latter factors are objectively influencing the process of goal formation, especially when using the definition of “goal” in management systems as a means of inducing action. The goal can be formed based on interaction, disputes or coalitions between both external and internal factors that existed before and were in constant motion and integrity.

An assessment of the radicalness and duration of changes in the external and internal environments is the basis for creating and controlling the balance of an enterprise with the external environment, and analyzing the capabilities of an enterprise.

Identification of the weight of threats for a particular enterprise is proposed to be carried out using the “threat-loss” matrix, which determines the position (zone of critical, high, medium, low and minimum levels of danger) based on two benchmarks – the probability of a threat and the possibility of losing the achieved level of economic security.

The evaluation is carried out in two blocks:

1) at the first stage, the probability of a threat is proposed to be determined by an expert method using a scoring scale. Expert assessments obtained as a result of processing a questionnaire survey of managers and specialists of the enterprises under study make it possible to distribute the threats to the economic security of the enterprise into 5 groups according to the probability criterion, taking into account the characteristics and historical data of the industrial facility.

2) at the second stage, according to the data of correlation-regression analysis, the position of the identified threats was determined by the criterion of the degree of influence on the dynamics of the level of economic security of the enterprises under study. At the same time, possible threats to the economic security of the enterprise are identified according to the main subsystems.

Thus, the management of the economic security of an enterprise should be based on the principles of ensuring its rational level, which does not limit the possibility of progressive development of the system and at the same time reserves resources to maintain the stability of marginal conditions, given the dualistic nature of the impact of investment and innovation activities on the state of economic security. We propose to understand rationality in the context of ensuring the level of economic security as a balance of a timely, adequate response of an enterprise to changes in the external and internal environment, that is, compliance with the potential destructive consequences of threats.

Stage II. To make a decision on the priority of an enterprise's response to self-preservation, stabilization, the formation of a competitive, innovative position or a position to ensure long-term potential within the framework of managing the economic security of an enterprise, the use of the hierarchy analysis method is proposed. The hierarchy analysis method was first developed by T. Saati and is widely used in the analytical planning of well-known companies in Western countries, such as Ford, Microsoft.

The sphere of implementation of this method is the allocation of resources, the definition of values in the selection of other solutions, the analysis of “cost-effectiveness”. *The process of applying this method consists of three stages.*

1) The first step is the structuring of the selection problem, which results in a representation of the decision-making process through a subordinate hierarchy or network. In its elementary form, the hierarchy is formed from the top (goal) through intermediate levels – criteria to the lowest level, which is a set of alternatives and a system of links that demonstrate the mutual influence of factors (criteria) and alternatives. Thus, the basis of the first stage is the application of a systematic approach to the decision-making problem, implemented using the following provisions:

- identification and explanation of tendencies towards greater specialization and a decrease in the connectivity of system elements;

- identification and ordering of the dominant elements before describing the system as a whole, focusing on the use of limited resources primarily to control the dominant elements;

- when collecting relevant information about the system of using the creative abilities of the decision maker to determine the desired purpose and structure of the system, identifying the components and forming alternative intervention strategies;

- focus on the final result, facilitating the comparison of alternatives in order to choose the most acceptable;

- as an open system, the methodology should use information from the external environment to check the correctness of the system control and modification of its purpose, or allow simulating the reactions of the external environment.

2) At the second stage, criteria priorities are established and each alternative is evaluated according to the established criteria using the method of pairwise comparisons of elements regarding their influence on their common characteristic. The system of pairwise comparisons gives a result that can be presented as an inverse symmetrical matrix. The assessment is carried out on the basis of the intensity scale from 1 to 9 proposed by the author of the method. Therefore, the hierarchy analysis

method allows one to decompose a complex decision-making process by highlighting the elementary, formalized components of this process.

3) At the third stage of the implementation of the hierarchy method, using the mechanism for determining the eigenvectors of the priority matrices and the algorithm for calculating the global priorities of alternatives in relation to the goal, the final rating is calculated – the position of the priority of alternatives in the decision-making process with a guideline for the implementation of the above goal. Thus, the method of hierarchies is based on a systematic approach and expert assessment and allows, at an intermediate stage, to form a rating of local criteria priorities in relation to the goal. The ability to check the inconsistency of expert assessments by determining the level of consistency and their possible correction is another advantage of the hierarchy method. According to this methodology, we will determine the priorities of alternatives of qualitative criteria for the system of economic security of the enterprise. For this purpose, it is necessary to consider alternatives to the goal to which they contribute. In our case, the alternatives are the reactions of the enterprise to self-preservation, stabilization, the formation of a competitive, innovative position or a position to ensure long-term potential within the framework of managing the economic security of the enterprise. Local criteria, in our opinion, are the qualitative characteristics of the enterprise economic security management system.

In Fig. 2.4 the hierarchical relationship between the chosen alternatives and criteria in the system for ensuring a rational level of enterprise economic security is schematically depicted.

Thus, the enterprise economic security management system is considered as a special kind and relatively independent, local subsystem of enterprise management.

The proposed concept of managing the system-wide characteristics of the economic security system of an enterprise solves the problem of improving management processes through the use of new universal formalized qualitative characteristics of the system: communicativeness, maneuverability, stability and adaptability.

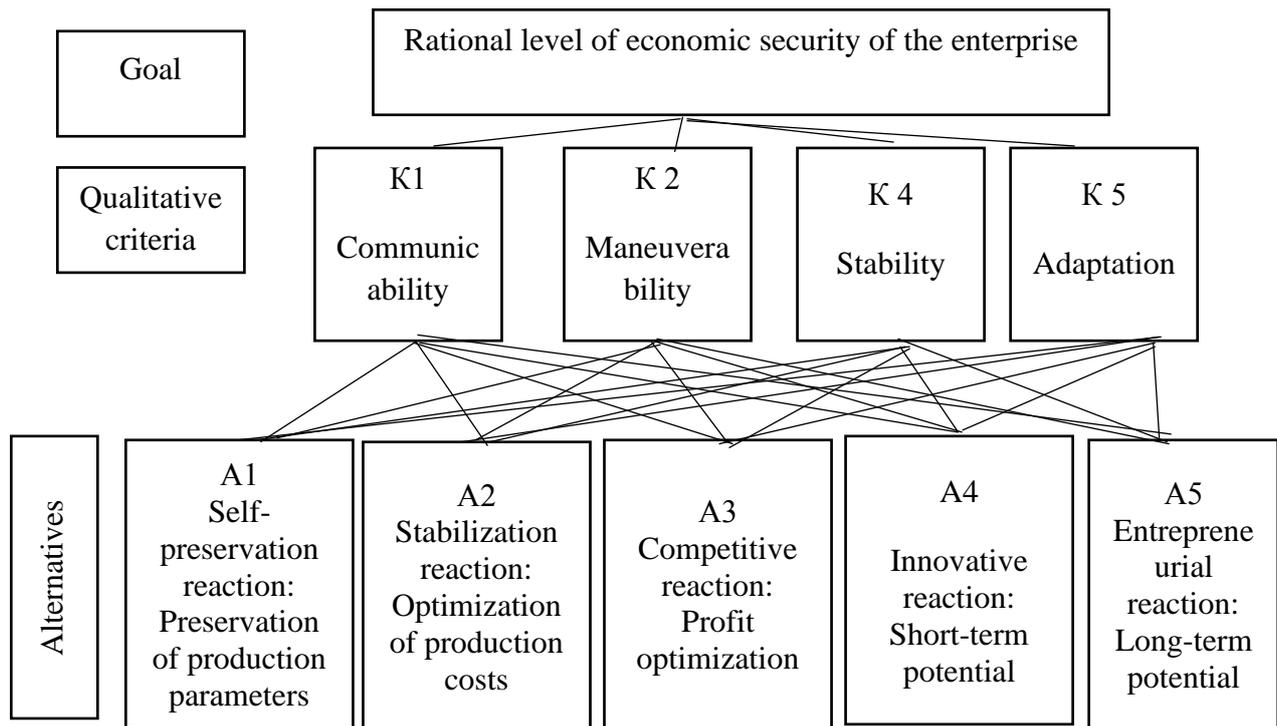


Figure 2.4. Hierarchical relationship between the chosen alternatives and criteria in the system for ensuring a rational level of ESE

A separate element of the constructed system is the use of the proposed methodological approach, which makes it possible to increase the degree of economic feasibility of making a decision on the priority of the enterprise's response to self-preservation, stabilization, the formation of a competitive, innovative position or a position to ensure long-term potential within the framework of managing the enterprise's economic security.

The management of the economic security of an enterprise should be based on certain principles and methods and implemented through dedicated management functions. The implementation of the above principles in the management of the economic security of an enterprise enables to achieve the goals of management and realize the tasks set.

The integrated use of the proposed methods, both general and methods in relation to management functions, will increase the efficiency of ensuring the economic

security of the enterprise and the interest of each employee in achieving an increase in its level, as well as reveal ways to counter threats and dangers in today's unstable economic environment.

2.3. Functions of the department of enterprise economic security

The Economic Security Service (ESS) is a structural unit of an enterprise involved in production and commercial activities.

ESS of the enterprise is subordinate to the head of the enterprise and is created by his order. The activities of the ESS are carried out in cooperation with the structural divisions of the enterprise. The structure and staff of the ESS, depending on the size of the work and the characteristics of the activity, are determined by the manager of the company. Appointment to the position of the head of the ESS of the enterprise, as well as his dismissal, is carried out only by the head of the enterprise.

These and other requirements are included in the Regulations on the Economic Security Service, developed at the direction of the director.

The most optimal structure of the ESS can be determined by analyzing all the functions of ensuring economic security and isolating from the whole complex the most adequately corresponding to the types of activity of the enterprise. The main tasks of the ESS are the following (Fig. 2.5):

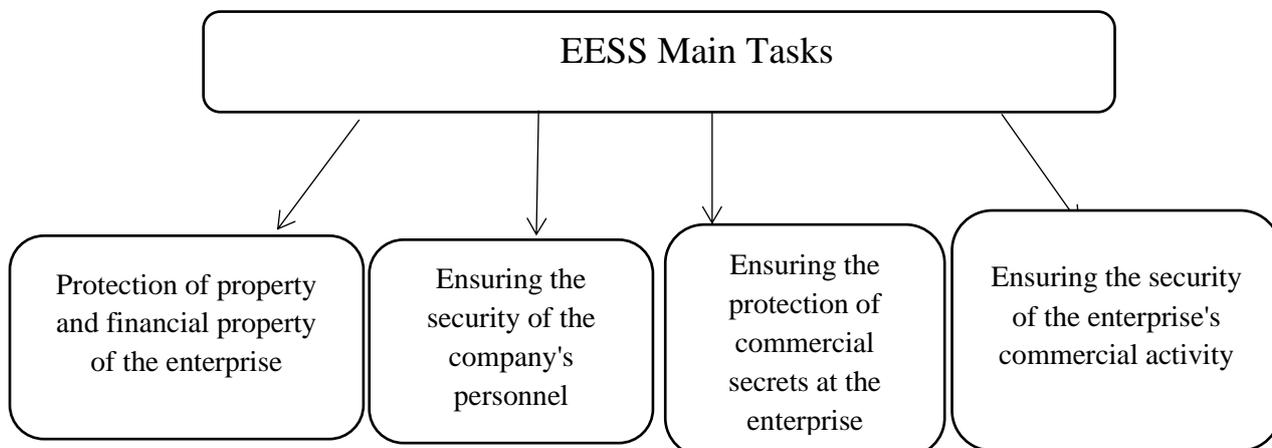


Figure 2.5. The main tasks of the EESS

To solve these problems, the economic security service performs several functions at the enterprise, among which are the following.

Administrative management – consists in preparing decisions on the creation and maintenance of a security system; distribution of duties, rights, powers; establishment of responsibility of employees of the enterprise for ensuring economic security.

Accounting and control – is implemented by highlighting the most important areas of financial and commercial activities and work to identify external and internal threats to the financial stability and stability of the object;

assessment of their sources;

establishing control over critical situations;

keeping records of negative factors affecting the safety of the enterprise;

accumulation of information about unscrupulous competitors, unreliable partners, individuals and organizations that encroach on the vital interests of the enterprise.

Economic management – involves the participation of the ESE in determining the necessary material and other resources, in the preparation and implementation of measures to ensure the safety of property, finances, protection of trade secrets, etc.

Social and personnel – implies the participation of the ESE in the selection and placement of personnel, studying the causes and localization of possible conflicts, identifying the prerequisites for social tension, instructing employees on their competence, monitoring compliance with the rules of the regime and security.

Organizational and managerial – consists in the participation of the ESE in the creation and maintenance of the effective functioning of the structure that manages the security process, as well as flexible temporary structures in certain areas of work, in organizing interaction and coordination between individual parts of the system to achieve the goals.

Planning and production – is implemented in the development of a comprehensive program and individual target plans for ensuring the security of the enterprise, in the preparation and implementation of measures for their implementation and maintenance of the security regime.

Organizational and technical – is carried out by means of material, technical and financial support of the enterprise security system, development of special equipment.

Scientific and methodological – is implemented in the accumulation and development of experience in ensuring security; organizing training for employees of the enterprise; in the scientific analysis of emerging security problems and methodological support for the activities of enterprise units in this area.

Information and analytical – consists in the purposeful collection and processing of information related to the field of security, the creation and use of the necessary technical and methodological means of analytical processing of information, the organization of information support for interested departments and individual employees with information available in the economic security service.

Having formed a set of functions, the implementation of which will ensure reliable protection of the company, the manager describes the structure and quantitative composition of the ESE. When determining the ESE structure, they proceed from the “costs – efficiency” ratio, implying the possibility to use the services of specialized enterprises to one degree or another. For an average enterprise, on the basis of the cost-effectiveness ratio, it is possible to use the so-called *matrix scheme for constructing an economic security system*, which is represented in the form of Table 2.1.

Table 2.1. The functions of the enterprise's structural subdivisions to ensure economic security

Unit	Loss forecast	Evaluation of partners and competitors	Protection of material and financial resources	Data protection	Personnel selection and inspection
Legal Department	X			X	X
Economic services	X	X		X	
Marketing department		X			
Security department			X		
Human Resources Department					X

The matrix structure of the formation of an economic security system involves the use of existing units while concentrating control and coordination powers in the hands of a certain official, for example, a deputy security director. For large enterprises with numerous personnel, highly profitable production using high technologies, it is advisable to create their own economic security service with a more complex structure, which includes several divisions, which together with their activities provide solutions to problems in four areas: protection of material assets, protection of commercial secrecy, human resources and business security.

A possible variant of performing the organizational structure of the economic security service of an enterprise is shown in Fig. 2.6.

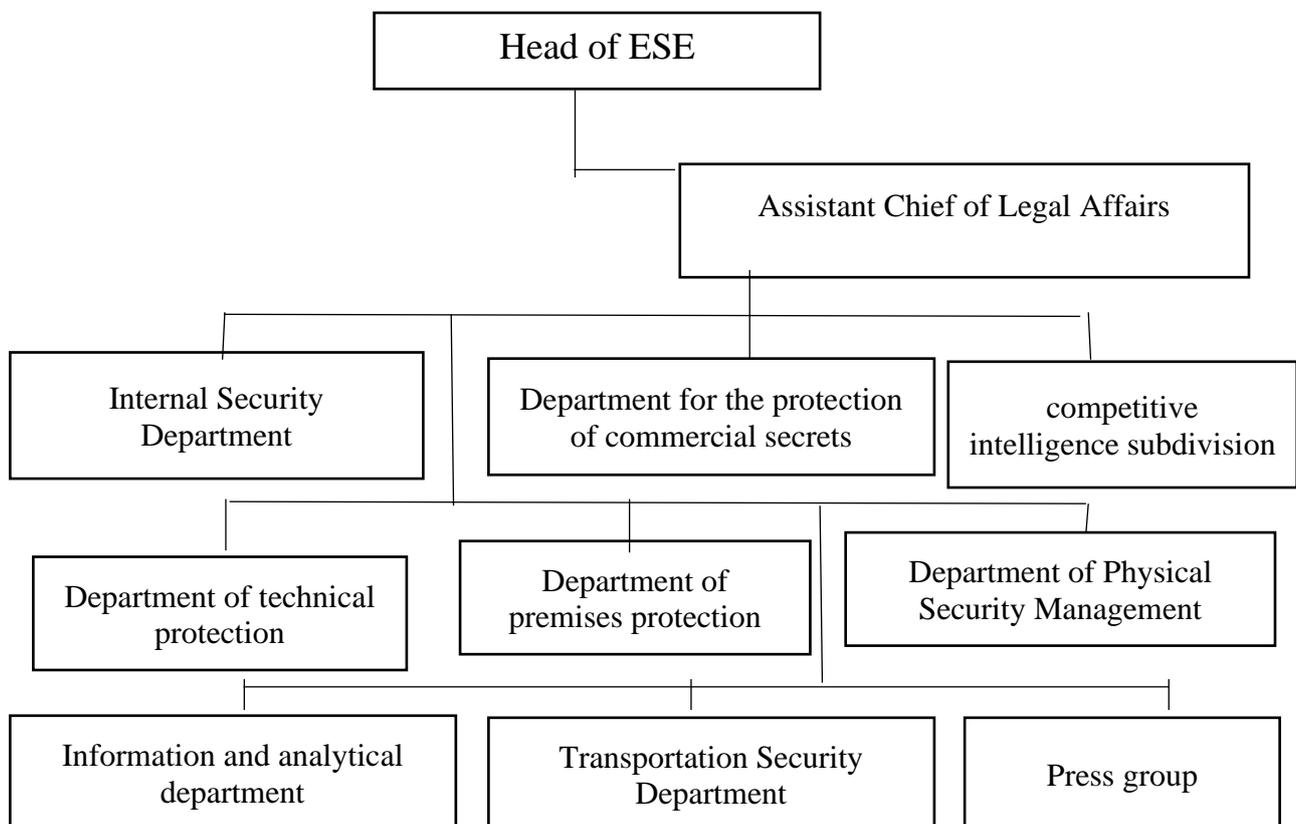


Figure 2.6. Option of building the organizational structure of the economic security service of the enterprise

The main principles of the security service organization are fixed in the fundamental legal, legal and organizational documents of the enterprise, based on

legislative regulations, as well as the charter of the enterprise, the collective agreement, employment contracts, internal labor regulations for employees, job responsibilities of managers, specialists, workers and employees. The fundamental documents that give legal force to the organization and activity of the ESE are its charter, regulations on structural divisions, staffing tables, job descriptions, instructions for office work.

2.4. The concept of the system of enterprise economic security.

Studying the features of the economic security of corporations in modern economic conditions, it is advisable to focus special attention on the fact that they face the issue of skilful organization of production, marketing, innovation-investment and other processes. At the same time, activities must be organized in such a way as to minimize losses. This leads to the need for an integrated approach to the protection of economic activity, which is reflected in the need to create a system of economic security. Under *the corporate economic security system* is expedient to understand an organized set of interconnected elements of the corporation's external and internal environments, the activities of which are aimed at facilitating the achievement of its strategic and tactical goals by protecting the interests of the business entity from the influence of destabilizing factors.

The main tasks to be solved by the security system of any enterprise should be:

- 1) diagnosis and analysis of the level of economic security, including identification, forecasting and systematization of the consequences of threats to the economic security of the enterprise;
- 2) development and implementation of measures, recommendations for increasing the level of economic security and evaluation of their effectiveness;
- 3) continuous monitoring of changes in the external and internal environment of the enterprise and adjustment of operational management measures of the economic security system of the enterprise.

4) identification of additional opportunities that can significantly affect the efficiency of the enterprise.

The process of forming the corporation's economic security system (SEBC) is presented in Fig. 2.7.

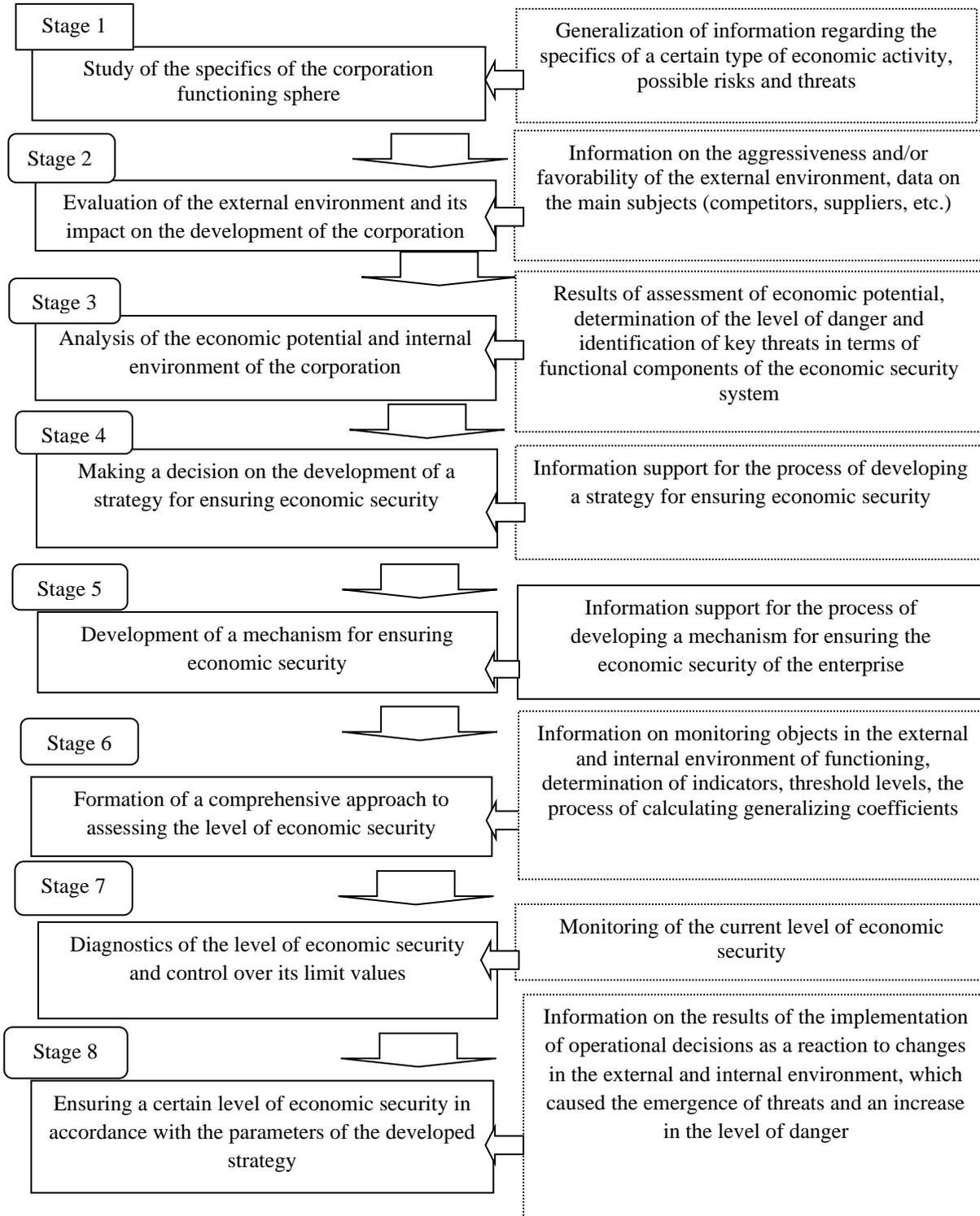


Figure 2.7. The process of forming the system of economic security of corporations

In order to comply with the criterion of minimizing the total time for the formation of SES C, it is important that the corporation go through all the stages identified in Fig. 2.7, which in the future will ensure a quick response to changes in the external and internal environment, minimizing losses from negative impacts and achieving high rates of development.

The structure of the system of economic security of companies is shown in Fig. 2.8

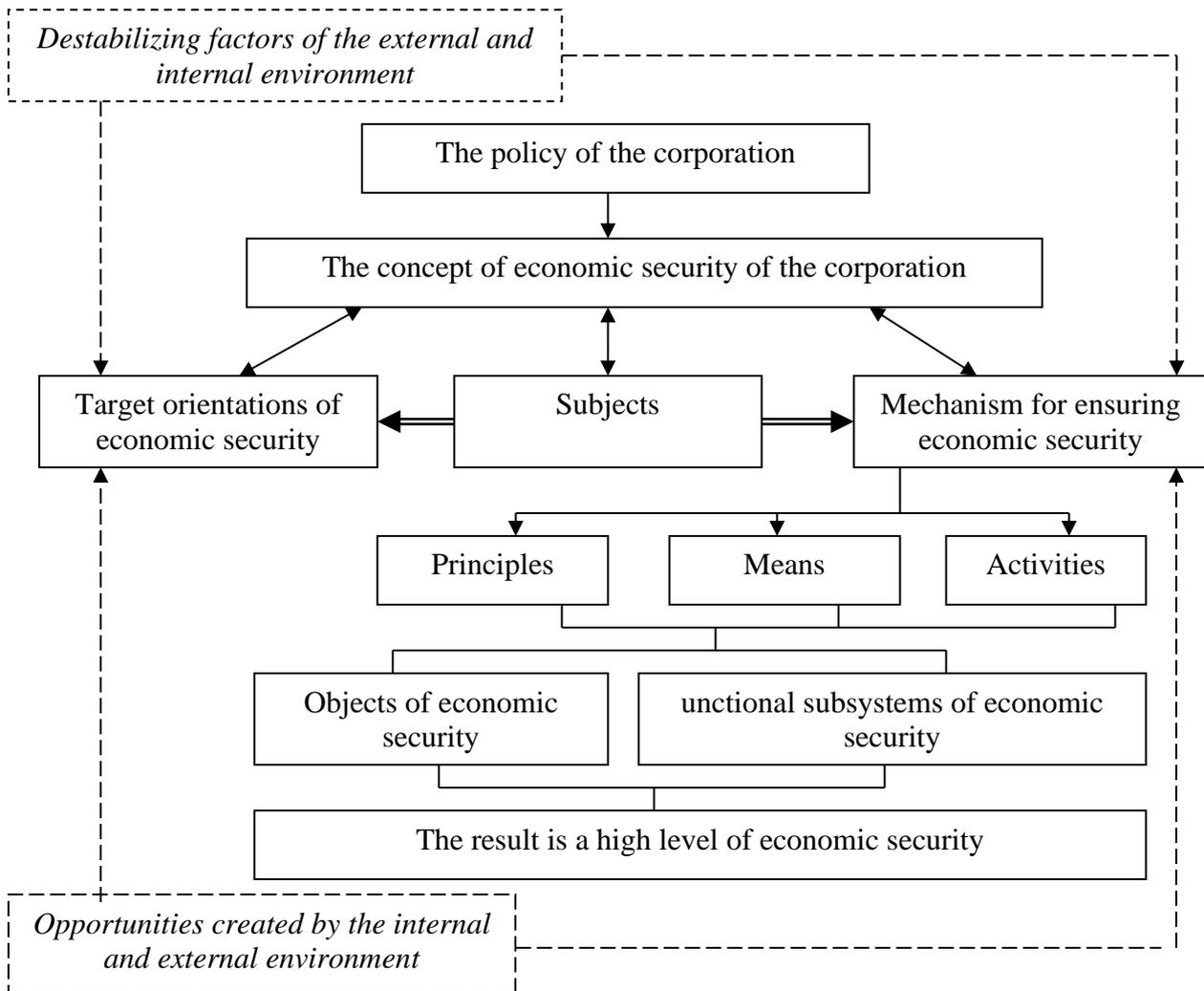


Figure 2.8. The structure of the system of corporation economic security

Analyzing Fig. 2.8, it is necessary to detail the content of the main concepts. First of all, it is advisable to note that any corporation operates in the market, which causes the influence of other subjects of the market infrastructure on it and its activities, that is, a macro-level of influence on the ESC is formed. This level is characterized by its

inherent destabilizing factors and opportunities that will affect the activities of all or some of its subjects.

The state of ES is also affected by the microenvironment, that is, the processes and relationships in the enterprise itself, which also entail the emergence of threats or opportunities. In addition, the microenvironment is characterized by the influence of policies and strategies that regulate the work of the enterprise as a holistic entity.

It should be noted that *the corporate policy* is a purposeful activity related to the adoption of responsible decisions in the field of relations between different subjects in order to create safe conditions for development and prevention of the onset of crisis situations in the course of its activities¹⁶. An important element of the activity policy is a strategy, that is, a combination of planned actions and quick decisions to adapt to new achievements in the business environment and a new disposition in the competitive field.

The process of ensuring ESC should be based on the goals, concept, definition of subjects, mechanism, objects and definition of functional subsystems. The initial structural element of SESC is its targets. *The targets of the economic security of a corporation* are the desired results that the corporation should achieve as a result of the implementation of the economic security policy.

It is possible to form the following list of corporate goals in the field of ES:

- 1) detection, prevention, neutralization and localization of threats;
- 2) creating conditions for the use of opportunities;
- 3) protecting financial stability;
- 4) protection of rights and interests;
- 5) strengthening of intellectual potential;
- 6) preservation and enhancement of property and resources;

¹⁶ Vasenko V.K., Push L.A., Shul'ha I.P., Zachosova N.V., Herasymenko O.M. Ekonomichna bezpeka derzhavy, subyektiv hospodaryuvannya ta tin'ova ekonomika [*Economic security of the state, economic entities and the shadow economy*]: kolektyvna monohrafiya / Za zah. red. d.e.n., prof. Vasenka V.K. Cherkasy: Vyd-vo TOV «Maklout». Cherkasy, 2010. – 367 p. [in Ukrainian].

- 7) increasing the competitiveness of products in the domestic and international markets;
- 8) improving the efficiency of information support;
- 9) focus on standards and leadership;
- 10) prevention of manifestations of unfair competition;
- 11) protection of corporate interests of shareholders, management, employees;
- 12) creation of safe working conditions;
- 13) ensuring the independence of the enterprise, preventing and creating conditions to avoid hostile takeovers;
- 14) production of high-quality and safe products with an adequate price;
- 15) creation of conditions for safe and effective innovation and investment activities;
- 16) increasing the degree of personnel interest in the effective operation of the enterprise;
- 17) minimizing the harmful impact of the results of production activities on the environment.

The *concept of economic security of a corporation* can be understood as guidelines for making decisions that contribute to the achievement of ES goals, that is, it is a system of views, ideas, and targets aimed at identifying problems and developing ways to solve them.

The structure of the ESC concept: a description of problematic situations in the activities of the corporation (a list of threats and opportunities, the causes and factors of threats, the possibility of negative consequences of the implementation of threats and positive consequences – from the use of opportunities), the mechanism for ensuring ES (a set of subjects, objects, principles, means, measures and the process of evaluating the level of ES), monitoring and evaluating the process of implementing the concept¹⁷.

¹⁷ Vasylytsiv T. H., Voloshyn V. I., Boykevych O. R., Karkavchuk V. V. Finansovo-ekonomichna bezpeka pidpryyemstv Ukrainy: stratehiya ta mekhanizmy zabezpechennya [*Financial and economic security of enterprises of Ukraine: strategy and mechanisms of support*]: monohrafiya / [za red. T.H. Vasylytsiva]. L'viv: 2012. 386 p. [in Ukrainian].

The content of the ESC concept should contain general principles, formed taking into account the specifics of functioning, the definition of institutional and functional positions, and the mechanism for providing.

The purpose of developing the ESC concept is to develop an initial document of a fairly brief content that would serve as the basis for achieving the ultimate goal, namely, it regulated the scope of integrated ESC support and determined its place in the overall management structure.

The EBC concept provides that its management should formulate a system of priority interests, identify the interests of the subjects of the external environment interacting with it, and select such forms and methods of harmonizing or reconciling these interests so that the results of the interaction of the enterprise with these subjects ensure its profitable work¹⁸.

The key positions in the development of the ESC concept can be considered the following:

- the business security system cannot be the same in different enterprises, institutions or organizations. Its difference and uniqueness depends on the specialization and structure of production activities, production potential, the place of the enterprise in the market, the qualifications and discipline of personnel, etc.;

- the security system of an individual enterprise is relatively independent and separate, relative to the security systems of other business entities. At that time, if we proceed, for example, from the administrative-territorial division, the security system of an individual company is an integral element of the economic security system of a city, district, region, country;

- the security system of the subject for entrepreneurial activity can only be complex. Its provision is closely related to the level of provision of scientific, technical, personnel, environmental, information, physical and other;

¹⁸ Veretennykova H. B. Ekonomichna bezpeka pidpryyemstva: planuvannya y orhanizatsiya [*Economic security of the enterprise: planning and organization*] : konspekt lektsiy. X. : KHNEU, 2008. 83 p. [in Ukrainian].

- effective security of an enterprise is possible provided that the choice and use of forces, means and security measures is carried out on the basis of a well-thought-out concept that determines both strategy and tactics.

- each enterprise is a system that includes different interconnected constituent elements, and the qualitative features of which are not characteristic of its parts and components. It is on the border of internal and external relations of the system (enterprise) that gaps can form, through which various types of threats to its economic security are realized. To ensure the proper degree of protection against them, it is necessary to oppose activities that are systemic in nature¹⁹.

2.5. Principles and elements of the economic security system of the enterprise.

The basic principles of the functioning of systems can be quite correctly attributed to the enterprise as a socio-economic system. These principles are as follows.

The principle of effective goal setting, the essence of which is that the goal of the effective behavior of the system is set by the supersystem.

The principle of integrity states that the whole is greater than the sum of the composition of its elements, that is, the system has properties that are not inferred from the properties of its elements and the ways they are combined.

The principle of determinism – the cause of a change in the state of a system is always outside the system.

Optimum principle – the system must move towards the goal along the optimal trajectory.

The principle of specialization and cooperation is that, moving towards its goal, the system tends to specialize in the performance of its function and cooperate with other systems.

¹⁹ Herasymenko O.M. *Indykatory otsinky stanu systemy ekonomichnoyi bezpeky torhovtsiv tsinnymy paperamy [Indicators of assessing the state of the system of economic security of securities traders]*: monohrafiya. Cherkasy: TOV «Maklaut» Cherkasy, 2011. 250 p. PP. 42-43 [in Ukrainian].

The principle of hierarchy declares that the development of the system is accompanied by a hierarchy.

On the basis of the considered theories and the essence of the approach to the functioning of the company as an open system, it is possible to draw up a generalized scheme of the system of factors of the company's economic security.

The study of scientific sources showed a lack of unity both in the methodology for diagnosing economic security at all levels, and in the absence of unity in the views of the authors regarding the structure of the functional components of economic security. Almost all authors in the composition of economic security put financial security at the forefront, while other components have significant variability. Their number ranges from 4 to 14.

At the state level, the following components of economic security are distinguished: macroeconomic, financial, foreign economic, investment, scientific and technological, energy, production, demographic, social, food.

At the regional level there are financial, energy, social, investment, scientific and technological, foreign economic components of economic security

At the company level, the following functional components of economic security are distinguished: financial, intellectual, technical and technological, political and legal, informational, environmental, market, power; financial, personnel and managerial, production, marketing, interface, environmental, power. It is worth emphasizing that the inconsistent number of components of economic security complicates the system of indicators for assessing the level of economic security and monitoring the state of economic security. Taking into account the different state of the economic and social development of the regions and other factors affecting the level of economic security of the regions, it is advisable to single out the following components of economic security at the regional level: financial, foreign economic, investment and innovative, energy, socio-demographic, environmental, industrial and food.

The external environment of the region can be conditionally divided into 3 levels: the macro level, the meso level and the macro level. The factors influencing the state of economic security of the region at the macro level include: global economic globalization, the global trend towards regionalization, the global financial crisis. The factors influencing the state of economic security of the region at the mesolevel include the following: state-legal, scientific-technical, economic, social-natural, natural-resource environment. The factors influencing the state of economic security of the region at the micro level include the following: the level of development of industry and agriculture in the region, the historical-geographical and cultural-ethnic features of the region, the degree of investment attractiveness of the region.

The subjects of the economic security of a corporation are individuals or legal entities participating in the organization of the process of integrated provision of the ESC.

The decomposition of ESC subjects is reflected graphically in Fig. 2.9.

The purpose of the functioning of the mechanism of interaction in the integrated provision of ESC is the development and use of economic, legal and organizational measures to prevent or eliminate the consequences of the influence of destabilizing factors, the most efficient use of available resources and the achievement of targets.

Among the measures of the mechanism of interaction, it is advisable to highlight the following:

- 1) optimal distribution of functions and powers between the subjects of ensuring economic security;
- 2) making decisions based on complete and reliable information, as well as adhering to the strategic goals of the activity;
- 3) making optimal management decisions in the face of a lack or inconsistency of information;
- 4) timely response to the influence of destabilizing factors;

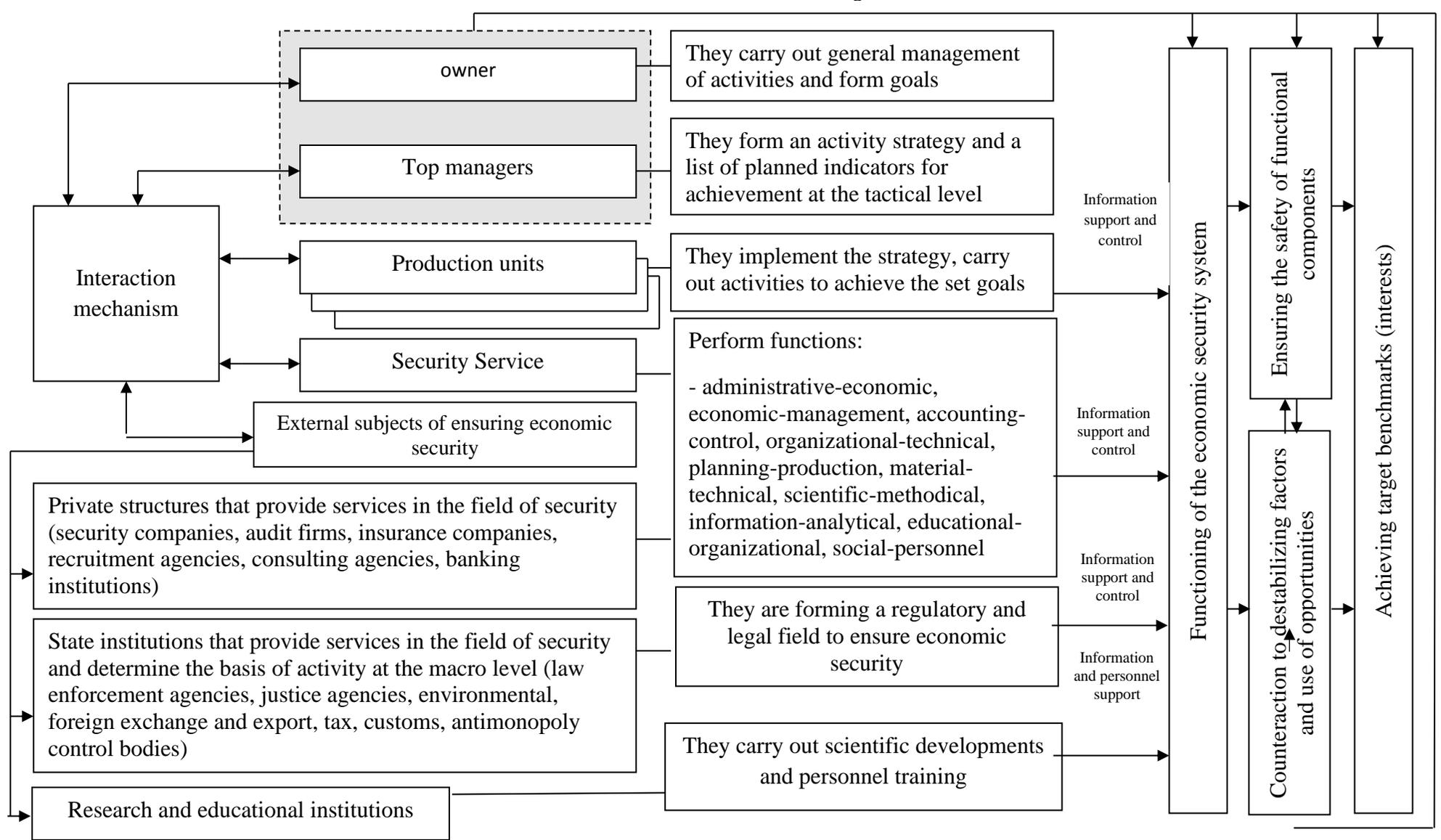


Figure 2.9. Decomposition of subjects of complex provision of economic security of corporations

5) centralization of management of the complex support of ESC in the process of making strategic decisions and the possibility of independent decision-making by other subjects within a certain competence with accountability to top management;

6) full and effective use of available forces and means, taking into account the advantages and results of their interaction;

7) assessment of the level of effectiveness of actions to ensure ESC; 8) formation, continuous improvement and control over the activities of the security system;

9) adjustment of the activity strategy in accordance with the characteristics of the internal and external environments

The functions of state institutions and security services of corporations to ensure economic security by functional components are reflected in Table. 2.2.

Table 2.2. Functions of the security service and external entities to ensure economic security by functional components

Subjects	Functional components of the economic security of corporations									
	Financial	Personnel	Technical and technological	Innovative	Production	Informational	Ecological	Power	Market	Interface
Corporation Security Service										
<i>Private structures</i>										
security companies										
audit firms										
insurance companies										
recruitment agencies										
consulting agencies										
banking institutions										
<i>State institutions</i>										
law enforcement										
justice authorities										
environmental control authorities										
currency and export control authorities										
tax authorities										
customs control authorities										
antimonopoly authorities										
<i>Scientific institutions</i>										
research institutes										
educational institutions										

Organization of interaction between the constituent components of the company's economic security system. Considering the fact that the only entity that has a direct impact on all the functional components of the ESC is the security service of the corporation, there is a need for a comprehensive study of its activity processes (Fig. 2.10).

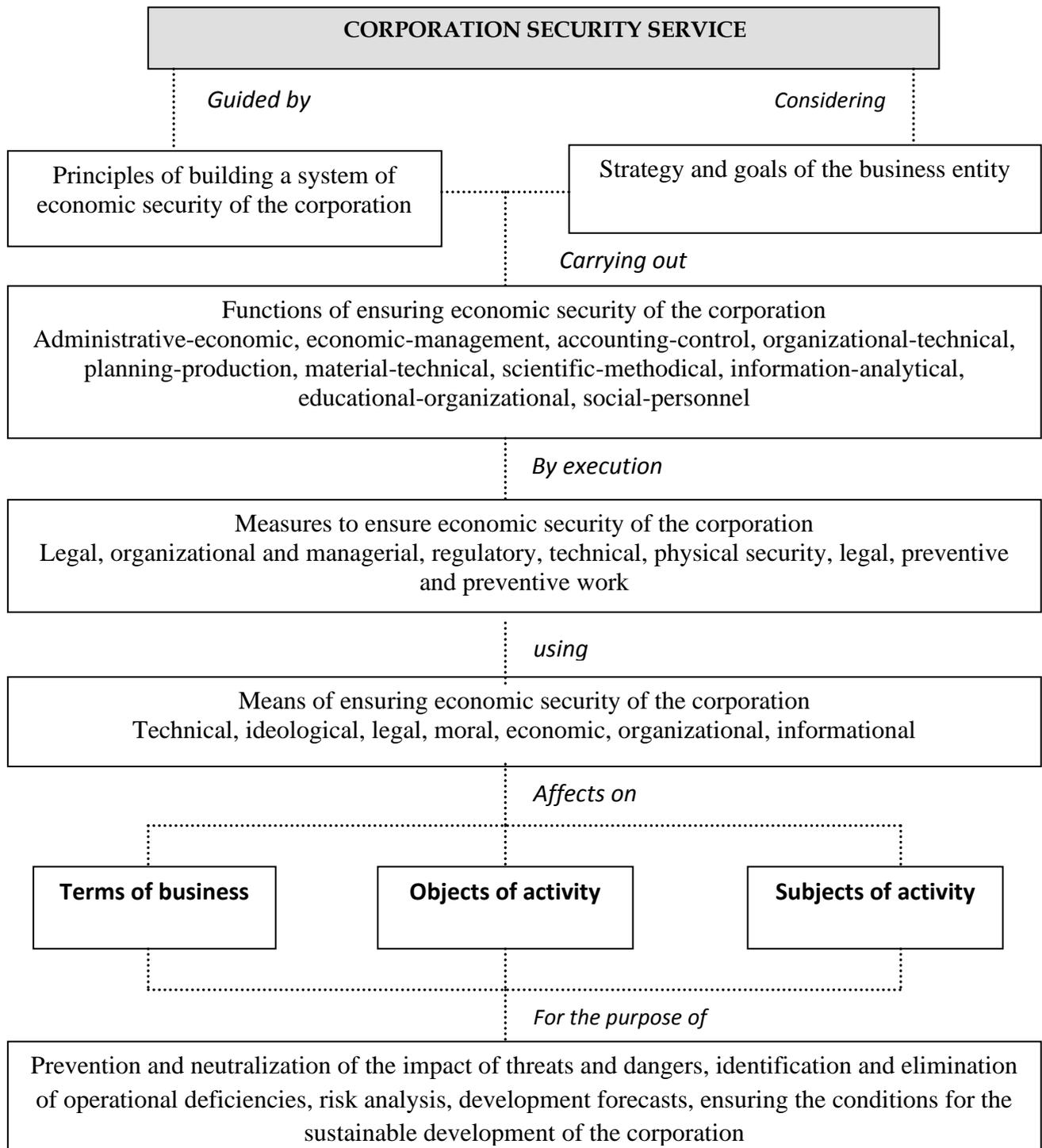


Figure 2.10. The structure of the enterprise security service activity process

The structure of the security service depends on a number of factors:

- the nature and specifics of the corporation's activities;
- volumes of production;
- number of employees;
- innovative activities, volumes of confidential information;
- the state of the external environment and the market (including the activity of competitors).

The primary task for the successful formation of the security service of the corporation is the selection of personnel to work in this structure, taking into account the following requirements:

the availability of appropriate education (according to the educational and qualification level of a bachelor, specialist or master) and professional competencies (knowledge, skills, abilities) to ensure security in the corporation;

- definition in the qualification characteristics (tasks and responsibilities) of specific tasks in the activities to ensure security in the corporation;

- consolidation in the job descriptions of the enterprise personnel of the relevant rights and obligations to ensure security;

– passing the appropriate briefing on security methods in the corporation;

- the presence of the existing motivation to ensure the security and devotion of the corporation²⁰;

– systematic completion of advanced training courses by employees in order to study the latest theoretical achievements and practical methods of work in the relevant areas of activity.

1. Detailed qualification characteristics and titles of works on economic security are given in state documents, such as the National Classifier of Professions DK 003:2010 and in the Handbook of Qualification Characteristics of Workers'

²⁰ Hubarev O. O. Ekonomichna bezpeka [*Economic security*]: konspekt lektsiy. X. : KHNEU, 2007. 59 p. [in Ukrainian].

Professions "Security of Economic Activities of Enterprises, Institutions, Organizations"²¹.

To properly build a system of security measures, it is necessary to study in detail each of their elements. It is important to note that the security service has a number of specific functions. Taking into account the proposals for the complex of such functions²²:

- administrative and management (preparation of regulatory documentation regarding the provision of ESC, determination of the rights and duties of officials in this area);

- economic and administrative (participation in economic activity together with other divisions to create conditions for the effective use of resources and increase the efficiency of activities);

- accounting and control (analysis of the results of financial and economic, marketing, production and commercial, innovation and investment activities of the enterprise with the aim of identifying crisis areas or functioning problems);

- organizational and technical (creation of additional structures from separate areas of security: security, information protection, intelligence, counterintelligence and coordination of their activities);

- planning and production (development of programs and plans in the field of security);

- material and technical (material, technical and technological loading of the sphere of ES provision);

- scientific and methodical (accumulation and dissemination of best experience in the field of ES, involvement of scientists in solving current problems, organization of employee training);

²¹ Donets' L. I., Vashchenko N. V. Ekonomichna bezpeka pidpryyemstva [*Economic security of the enterprise*]: navch. posibn. dlya stud. vyshch. navch. zakladiv. K. : TSUL, 2008. 239 p. [in Ukrainian].

²² Ekonomichna bezpeka pidpryyemstv [*Economic security of enterprises*]: pidruchnyk / Ortyns'kyy V.L., Kernyts'kyy I.S., Zhyvko Z.B. ta in.; K.: Alerta, 2011. 704 p. [in Ukrainian];

Ekonomichna bezpeka v umovakh hlobalizatsiyi svitovoyi ekonomiky [*Economic security of the enterprise*]: [kolektyvna monohrafiya u 2t.]. Dnipropetrovs'k: «FOP Drobyazko S.I.». T. 2, 2014. PP. 9-17. [in Ukrainian].

- informational and analytical (collection, accumulation and processing of information in the field of ES);
- educational and organizational (work with structural divisions on the formation of skills and abilities in the field of ES);
- social and personnel (acceptance of direct participation in the process of formation of the labor team and development of corporate culture).

One of the main functions of the security service is the activity of neutralizing the influence of destabilizing factors, which are manifested in the formation of a complex of measures to ensure the ES, the structure of which is shown schematically in Fig. 2.11.

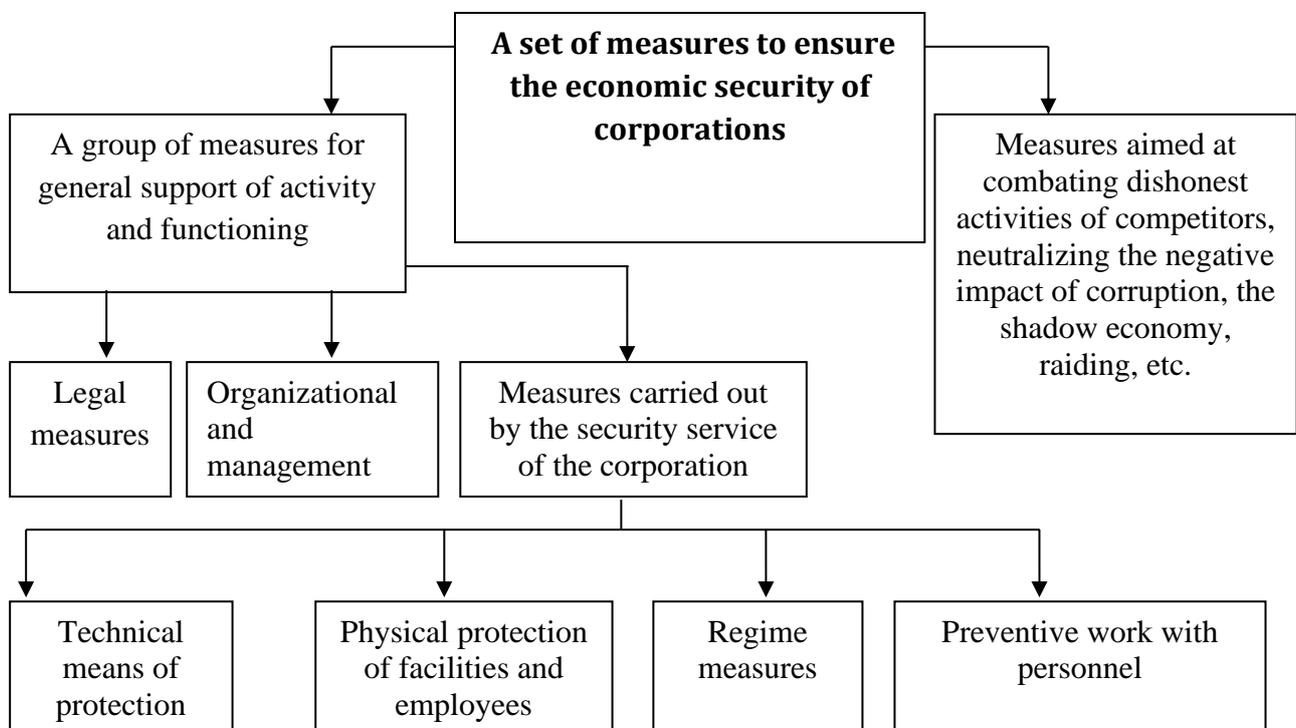


Figure 2.11. A set of measures to ensure ESE

Legal measures consist in a thorough study and adaptation to practice of legal documents regulating the scope of entrepreneurial activity. These measures are aimed at ensuring a sufficient level of security of corporations in the legal sphere at the state level. The collection and systematization of information in this area is carried out by a

specially created division of the corporation – the legal service²³. An important element of such activity is not only the study of existing regulatory documents, but also the development of new regulatory documents that should regulate specific relations in the process of activity, the development of proposals and legislative initiatives.

Organizational and managerial activities include activities carried out by the administration of the corporation. They aim to ensure the security of the corporation and all employees, to monitor the implementation of decisions, rules and regulations. These methods are developed on the basis of the authority of the manager, responsible persons, their rights and opportunities²⁴. The head acts as an administrator, a subject of power, using the right granted to him. Organizational and managerial methods have a direct impact on the managed object through the formation of an appropriate organizational structure, the creation of a corporate management system, the generation of orders, instructions given in writing or orally, operational instructions, control over their implementation, a system of administrative means to support labor discipline, etc. They are designed to ensure organizational clarity and labor discipline.

Regime measures carried out in a corporation involve the creation of such a situation in order to minimize losses from competitors or hostile persons (enterprises). For this purpose, each enterprise introduces security regimes adapted to its own conditions and needs, approves instructions and regulations that determine the behavior of employees and create an opportunity to protect the commercial interests of the corporation. These documents include:

- provisions (concept) for ensuring the security of the corporation;
- regulation on access control;
- instructions for the behavior of employees in the process of performing their duties;

²³ Ekonomichna bezpeka pidpryyemstv [*Economic security of enterprises*]: pidruchnyk / Ortyns'kyy V.L., Kernyts'kyy I.S., Zhyvko Z.B. ta in.; K.: Alerta, 2011. 704 p. [in Ukrainian].

²⁴ Yepifanov A.O. Finansova bezpeka pidpryyemstv i bankivs'kykh ustanov [*Financial security of enterprises and banking institutions*]: monohrafiya / A.O. Yepifanov, O.L. Plastun, V.S. Dombrov'kyy. Sumy: DVNZ «UABS NBU», 2009. – 295 p. [in Ukrainian].

- instructions that determine the process of establishing contacts with other organizations, as well as voicing the corporation's position in the negotiation process;
- instructions for working with confidential information and documents²⁵.

The control of the system of regime measures is carried out by conducting scheduled and unscheduled inspections. Their goal is to study the effectiveness of regime measures, as well as adapt them to changing conditions.

Physical security (security activity) in the corporation is one of the important components of the protection system, which necessitates a clear definition of its structure (Fig. 2.12)²⁶.

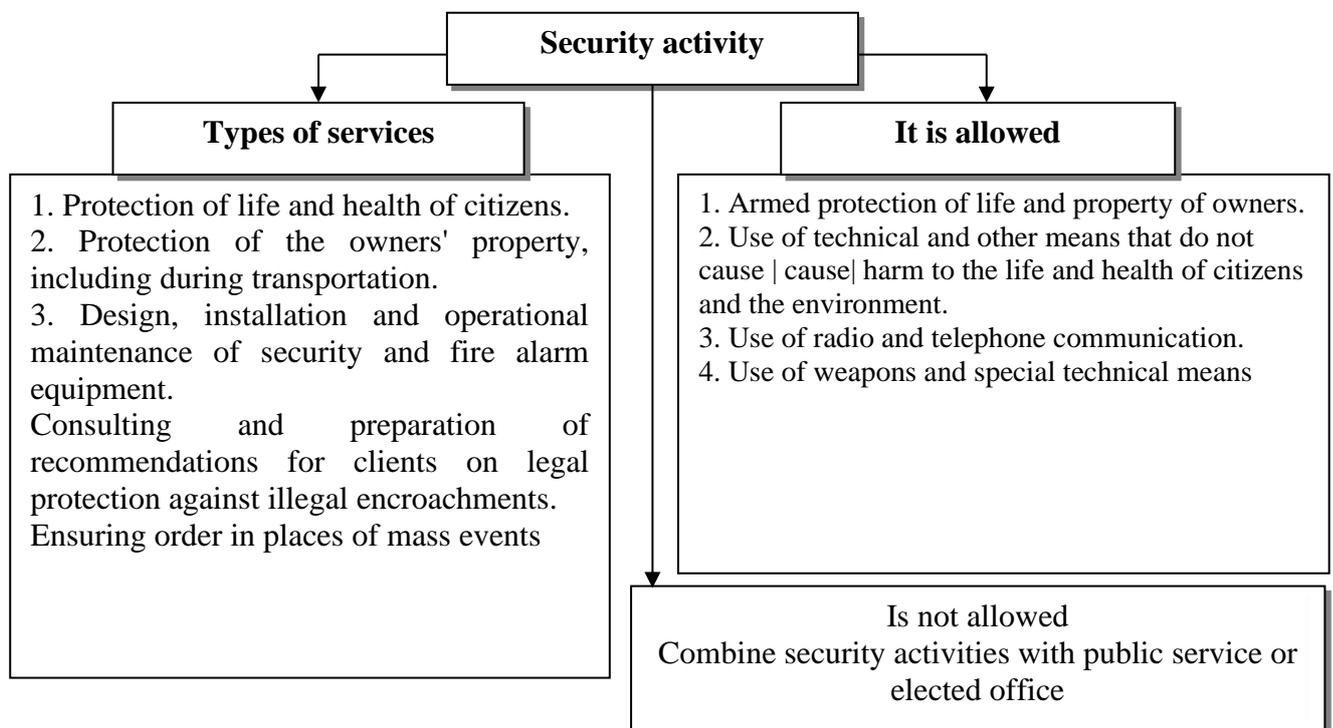


Figure 2.12. The structure of security activities

Technical means are used to prevent the penetration of a foreigner from entering the territory, into the information network, and also not to allow access to the object's documentation. The action of technical means should be directed at employees of other

²⁵ Ekonomichna bezpeka pidpnyemstv [*Economic security of enterprises*]: pidruchnyk / Ortyns'kyy V.L., Kernyts'kyy I.S., Zhyvko Z.B. ta in.; K.: Alerta, 2011. 704 p. [in Ukrainian].

²⁶ Yermoshenko M. M. Ekonomichni ta orhanizatsiyini zasady zabezpechennya finansovoyi bezpeky pidpnyemstva [*Economic and organizational principles of ensuring the financial security of the enterprise*] : prepynt naukovoyi dopovidi / za nauk. red. M. M. Yermoshenka. K. : Nats. akademiya upravlinnya, 2005. 77 p. [in Ukrainian].

enterprises, criminals and individuals. Computer networks of corporations are vulnerable elements; therefore, they require special protection by technical means. Other areas that should be under technical supervision are the interior of the facility, laboratories and workshops, rooms for experimentation and innovation, meeting rooms, etc.

Preventive work is a specific element of the corporation's protection system, since it does not have strictly regulated procedures and rules for its implementation. The main methods of work in this area are the study of the moral and psychological climate in the corporation, the establishment of the degree of conflict between the team or individual employees, the study of negative moods in the team, as well as the possibility of disclosing confidential information to competitors by disgruntled employees. One of the key tasks in this area is the formation of a sense of devotion to the corporation and pride in the success of its work through the formation of a corporate culture.

The objects of economic security of a corporation are resources that are used in the course of activities and are subject to protection: financial, material, informational, intellectual, personnel relations (within the enterprise and with external counterparties), and image.

The functional subsystems of the economic security of a corporation are types of activities, as well as areas of interaction with the external environment (financial, personnel, technical and technological, resource, information, power, political and legal, market, and interface).

In general, each of the functional components can be represented as a set of interests in certain areas of the corporation's activities regarding the future and desired state of indicators that are within their limiting values. That is, the effectiveness of the SES functioning is determined by the integral level of the ESC, which is based on the indices of the ES level in the functional components.

The mechanism for ensuring ESC is developed taking into account the principles, measures and means on the basis and through which all activities in this area are carried out.

As for the principles, it is advisable to adhere to the generally accepted list of them:

1) complexity (consistency) – the need to create such a security system that would ensure the security of all objects of the corporation's protection;

2) priority of prevention measures (timeliness) – early detection of threats and prevention of their harmful effects;

3) continuity – the constant operation of the system;

4) legality – work must be carried out on the basis of current legislation;

5) planning – security activities are organized based on a single concept set out in a comprehensive program and in specific action plans for individual areas of security;

6) optimality – achieving the maximum functional efficiency (return) of the economic security system at certain fixed costs of the resources allocated for it;

7) interaction – consistency in the activities of all participants in the system, including close business contacts and coordination of actions with external organizations that ensure the security of corporations;

8) a combination of publicity and confidentiality – on the one hand, the system of basic security measures should be known to all employees of the corporation, and on the other hand, a number of methods, forces, means, methods of ensuring security should be secret and known to a narrow circle of specialists;

9) competence – professionalism of all participants in the system²⁷.

10) observance of corporate ethics - this is the feature that contributes to the smooth operation of the corporation, regardless of the types of products or activities, and also creates a “team spirit” of the staff;

²⁷ Ekonomichna bezpeka pidpryyemstv [*Economic security of enterprises*]: pidruchnyk. Ortyns'kyy V.L., Kernyts'kyy I.S., Zhyvko Z.B. ta in.; K.: Alerta, 2011. 704 p. [in Ukrainian].

11) differentiation – allows for the correct selection of means and measures to counter threats, depending on the nature and degree of scale, the possibility of their implementation and heredity;

12) control, which should be carried out at all stages of the functioning of the system in order to identify inaccuracies in its work and eliminate them in a timely manner.

Means are a kind of tools for the influence of subjects on objects and functional subsystems in the corporation's SES; at the same time, the use of certain funds is determined by the size of the corporation, the number of personnel, and the specifics of the activity, etc. The following means can be distinguished:

1) technical (use of equipment and technologies that protect the environment, production processes that ensure the physical protection of economic interests);

2) legal (laws and by-laws aimed at protecting economic interests, as well as charters, orders and commands of the corporation's management);

3) economic (elements of the economic mechanism that allow protecting the economic interests of business entities and members of society);

4) organizational (formation of organizational institutions and security structures);

5) information (control over the dissemination of information, restriction of access to data);

6) ideological (formation of a corporate ideology of economic security);

7) moral (formation of culture and ethics to ensure economic security).

Measures are the activities of a corporation that reflect its goals and are carried out by the subjects of the economic security system.

Measures include:

1) information and analytical activities (including intelligence activities and counterintelligence), involving the collection and analysis of information about processes at different levels of the national economy in order to form an information

base for the realization of one's own interests, as well as identifying threats and dangers;

2) managerial activity – involves the adoption of managerial decisions in the field of ensuring economic security;

3) organizational activity – the formation of an appropriate structure and the selection of personnel in the field of security of the corporation.

Another aspect that should be taken into account in the process of forming the system of economic security of corporations is the ability to reliably block the channels of leakage of confidential information. The primary task is to determine the list of information constituting a trade secret and to identify sources of leakage of confidential information²⁸.

Potential sources of leakage of trade secrets can be²⁹:

1. Corporation documentation (orders, business plans, business correspondence, etc.). This is the most common form of information exchange, its accumulation and storage. An important feature of documents is that they are sometimes the only source of the most important information (for example, a contract, an IOU, etc.), therefore, their loss, theft, destruction can cause irreparable damage. The structure of documents is a subject of separate consideration, since documents can have not only different content, but also different physical forms – material carriers. The variety of forms and content of documents in terms of purpose, direction, nature of movement and use is a tempting source for attackers, which naturally draws their attention to the possibility of obtaining the information they are interested in.

2. The staff of the corporation (all those working in the corporation, including the head). In some sources of confidential information, people play a special role, since they are able to act not only as a source, but also as a subject of malicious actions. They not only own and disseminate information within the framework of their functional

²⁸ Zhyvko Z.B. Metodolohiya upravlinnya ekonomichnoyu bezpekoyu pidpryyemstva [*Methodology of managing economic security of the enterprise*]: Monohrafiya. L'viv : Vyd-vo Liha-Pres, 2013. 474 p. [in Ukrainian].

²⁹ Varnaliy Z.S., Zhyvko Z.B., Bilyk R.R., Onyshchenko S.V., Zhyvko M.O. Finansova bezpeka [*Financial security*]: navch. posibnyk; za red.Z.S. Varnaliya. L'viv: Liha-Pres, 2018. 300 p. [in Ukrainian].

duties, but can also analyze, generalize it, draw certain conclusions, and under certain conditions, hide, sell it and commit other criminal acts, up to criminal connections with intruders.

3. Partners, contractors or clients who use or used the services of the corporation are most aware of the sources of the company's most important secrets. Therefore, they deserve careful attention when analyzing the protection system.

4. Manufactured products or services rendered. Products are a special source of information, the characteristics of which are actively hunted by competitors. A new product or one that is being prepared for production deserves attention; at the same time, the stages of its "life cycle" are taken into account: design, layout, prototype, testing, mass production, operation, modernization and decommissioning. Each of these stages is accompanied by specific information, manifested through various physical effects, which, in the form of unmasking signs, can reveal protected information.

5. Technical means of ensuring production activities. These tools represent a broad group of sources of confidential information. The group of means for ensuring production activities includes, in particular, telephones and telephone communications, televisions and industrial television installations, radio receivers, radio broadcasting systems, public address systems, amplifying systems, cinema systems, security and fire systems and other technical means. their parameters can be sources of converting acoustic information into electric and electromagnetic fields capable of forming electromagnetic channels for intercepting confidential information.

6. Indirect sources (production waste, advertising, press publications). Most of the information can be obtained from indirect sources. Professionally conducted analytical work sometimes gives excellent results. Usually this source is not given much attention, so it is the most accessible. For example, production waste, which is called useless, can tell a lot about the materials used, their composition, production features, and technologies. And you can get them almost safely and legally in landfills, garbage dumps, scrap metal collection sites, in trash cans in offices. Skillful analysis

of this waste can reveal a lot about the secrets of production. Certain trade secrets can also be revealed in publications – books, articles, monographs, reviews, messages, brochures, reports, theses, etc.

From sources of confidential information, you can also obtain data on the composition, content and direction of activity of a corporation of interest to competitors. Naturally, they really need such information, and they will find ways to get it. Therefore, a competent protection system, developed taking into account all its features, will prevent many problems.

The importance of information resources in the process of providing ESC is on the same level with other resources, in particular, financial, labor, material, etc. Information in management is effective only if after its use there was a useful activity of employees and a positive material or managerial effect was achieved³⁰.

It must be remembered that before the formation of the security service structure, it is necessary to determine its type:

Type I – a service that is a part of the corporation structure and is held at the expense of its funds;

Type II – a service that exists as an independent economic unit (commercial or state ownership), whose services are used for a fee for the integrated provision of ES³¹.

For a thorough analysis of the activities of the corporation to ensure its own ES, it is necessary to dwell in more detail on the involvement of outside forces to fully cover this area.

Considering the events of recent years, we can state the fact that the creation of firms specializing in outsourcing is becoming more common, that is, their main activity is to fully or partially perform tasks or conduct integral business processes that are not core for the enterprise, but are of significant importance for its full functioning. These areas include the comprehensive provision of ESC.

³⁰ V.S.Rudnyts'kyi, T.V.Davydyuk, S.M.Den'ha, I.I.Stetsiv, Z.B.Zhyvko *Upravlins'ki informatsiyni systemy v obliku, analizi ta audyti [Management information systems in accounting, analysis and auditing]*. Navch.posibnyk. K. : UBS NBU, 2015. 242 p. [in Ukrainian].

³¹ Zhyvko Z.B. *Upravlinnya systemoyu ekonomichnoyi bezpeky pidpryyemstva [Management of the economic security system of the enterprise]*: navchal'nyy posibnyk. L'viv: Vydavnytstvo: L'vDUVS, 2016. 212 p. PP.83 [in Ukrainian].

*Under the outsourcing of the economic security of the company we mean a set of services related to the remote control of various areas of the company's security*³².

In the process of making a decision to involve outsourcers in the field of security, the priority is to analyze all areas of the corporation's economic security and determine those in which it is advisable to use such services. For this, areas with the most complex processes and in need of highly qualified personnel with significant work experience are singled out, which in turn causes high costs for the corporation, provided that this problem is solved independently.

The benefits of outsourcing include:

- growth of business profitability by reducing the cost of servicing business processes;

- concentration of all efforts on the core business by transferring related business processes to outsourcing;

- attraction of extraneous accumulated experience;

- reliability and stability in the fulfillment of all obligations by the outsourcing company in accordance with the signed service agreement and current legislation;

- the flexibility of the scale (increase/decrease) of the business due to the absence of additional costs, since there is no need to spend money on creating new (reducing) jobs, staff training, equipping jobs, additional taxes, compensation, etc. A change in the scale of the business will be accompanied only by a revision of the cost of services transferred to outsourcing;

- “offshore benefit”, when an enterprise refuses a certain staff of workers and transfers some part or all of the work to other firms located abroad, which is much cheaper due to the difference in wages “inside” the company and “outside” (outside the country).

Disadvantages of outsourcing:

- risk of confidentiality violation;

³² Zhyvko Z.B., Chernobay L.I., Chernobay D.A. *Identyfikuvannya ryzykiv pry motyvuvanni personalu pidpryyemstva [Identification of risks when motivating the company's personnel]. Naukovyy visnyk L'vDUVS. Seriya ekonomichna / holovnyy redaktor V. V. Sereda. L'viv: L'vDUVS. Vyp. 2, 2017. PP. 179-189. [in Ukrainian].*

- the cost of outsourcing can be significant;
- the threat of bankruptcy of the outsourcing company and the emergence of additional problems in finding another outsourcing company and transferring all cases to it.

The involvement of specialized companies is advisable for the following areas of ES support:

- protection of facilities and personnel;
- protection of information and trade secrets;
- recruitment, development of measures to ensure personnel security;
- complex provision of the object's ES;
- conducting internal investigations, including investigating the facts and peculiarities of intra-corporate conflicts;
- analysis, development and control of the implementation of the enterprise ES concept;
- conducting competitive intelligence;
- organization of security measures for engineering and technical facilities;
- ensuring fire and environmental safety.

Domestic enterprises need to take into account international experience in the field of ES outsourcing of enterprises. At the same time, an important point is to consider national characteristics and the degree of development of this service market. The effect of the use of these services is quite ambiguous, because in a relatively undeveloped (on a global scale) market, the problem of a significant cost of outsourcing arises, which makes its use unprofitable. It is also advisable to reckon with macroeconomic and political risks, and their impact on all business entities. Such a situation may cause a negative impact on the outsourcer with the aim, for example, of misappropriation of the enterprise. It is advisable for domestic enterprises to use the services of proven outsourcers whose name is unblemished or belongs to a well-known international company with a positive image.

EDUCATIONAL TRAINING

1. The main elements of the concept of security activity management.
2. Formation of the economic security system of the enterprise
3. Functional structure of the enterprise management system.
4. Management of financial and economic security of the enterprise
5. Economic Security Functions
6. Develop the concept of managing the security activity of the enterprise.
7. Outline the main parameters of enterprise security activity.
8. The structure of the concept of enterprise security and its influence on the formation of the concept of security activity management.
9. Identification of internal and external risks and threats.
10. Security activity strategy.
11. Security activity policy.
12. Methods and means of information modeling of economic security systems of management processes and systems.
13. Elements of the enterprise economic security system.
14. The concept of the of enterprise economic security system.
15. Basic principles of construction and organization of the system for ensuring the enterprise economic security.
16. Organization of the interaction of the components of the enterprise economic security system
17. Levels of ensuring the economic security of the enterprise, institution, and organization, regularities of management of the self -organizing security system of the enterprise, institution, and organization.
18. Priorities in the application of measures that must be taken by the security service units of the enterprise to fulfill the tasks assigned to them.
19. Organization of the interaction of the components of the system of economic security of an institution, organization, and enterprise.
20. Management algorithm.
21. Formation of a management system for financial and economic security of an enterprise, institution, and organization based on theoretical approaches to management.
22. Provisions and features of systemic, program-targeted, and institutional approaches.

Control questions that applicants of the "master's" educational degree must have in their notes and be able to answer them:

1. Fundamentals of organizing the management of the economic security of an enterprise
2. Principles of organizing the management of the economic security of the company.
3. Functions of the department of economic security of the company.

4. Functions and management process of the economic security system of enterprises, institutions, and organizations

5. Principles of organizing internal and external interaction in solving problems of ensuring the economic security of a company, institution, organization.

6. Regulations on the economic security unit of an institution, organization, or enterprise.

7. Defining the tasks and functions of the economic security unit of an organization, institution, enterprise.

8. Determination of the functional components of the mechanism for managing the system of economic security of an institution, organization, company.

9. The powers of the structural divisions of the enterprise, institution, organization, types and directions of their activities to prevent threats, risks, dangers and ensure economic security.

10. Distribution of powers and responsibilities between structural subdivisions when taking measures to counter risks and threats to the activities of an institution, organization, enterprise.

Study questions:

1. Fundamentals of organizing the management of the economic security of an enterprise

2. Principles of organizing the management of the economic security of the company.

3. Functions of the department of economic security of the company.

Topic Suggestions:

In the process of preparing for studied questions on this topic, it is recommended:

- to define key bases of the organization of management of economic security of the enterprise;

- get acquainted with the organization's classification of the principles of managing the economic security of the company;

– to explore the main functions of the department of economic security of the enterprise.



METHODOLOGICAL SUPPORT FOR ASSESSING THE ECONOMIC SECURITY OF THE ENTERPRISE AND ITS PLACE IN THE SYSTEM OF CORPORATE RELATIONS. FINANCIAL SECURITY OF THE ENTERPRISE

Study questions:

- 3.1. Components of Ukraine's economic security and their assessment methodology
- 3.2. Regulatory and legal provision of economic security in the system of corporate management of the enterprise.
- 3.3. Elements of the financial security system.
- 3.4. Financial security mechanism

Main categories and concepts: economic security, assessment methodology, legal provision, corporate management, financial security system, management mechanism, financial security mechanism.

3.1. Components of Ukraine's economic security and their assessment methodology

The methodology for calculating the level of economic security of Ukraine was developed in order to define the level of Ukraine's economic security as the main component of the national security of the state and determines the list of main indicators of the state of economic security of Ukraine, their optimal, threshold and limit values, as well as methods for calculating the integral index of economic security. This methodology is used by the Ministry of Economy of Ukraine, and calculations are made quarterly based on official statistical data.

The terms used in this technique have the following meaning³³:

³³ Nebava M. I., Mironova Yu. V. Ekonomichna bezpeka pidpry'emstva. [Economic security of the enterprise]Elektronny`j navchal`ny`j posibny`k. Vinny`cya : VNTU, 2017. 75 p.

economic security is the state of the national economy, that makes it possible to maintain resistance to internal and external threats and is able to meet the needs of the individual, family, society and the state;

threats to the economic security of Ukraine are a combination of existing and potentially possible phenomena and factors that create a threat to the realization of national interests in the economic sphere;

economic security criteria are real statistical indicators that are used to assess the state of the country's economy in terms of ensuring its sustainable development;

indicators of economic security are real statistical indicators of the development of the country's economy, which most fully characterize the phenomena and trends in the economic sphere;

the optimal values of indicators are the range of values within which the most favorable conditions are created for reproducible processes in the economy;

threshold values of indicators are quantitative values, the violation of which causes unfavorable trends in the economy;

limit values of indicators are quantitative values, the violation of which causes threatening processes in the economy.

The components of economic security are: macroeconomic, financial, foreign economic, investment, scientific and technological, energy, production, demographic, social, food security.

Macroeconomic security is the state of the economy in which a balance of macroeconomic reproduction proportions is achieved.

Financial security is the state of the budgetary, monetary, banking, currency system and financial markets, which is characterized by balance, resistance to internal and external negative threats, the ability to ensure the effective functioning of the national economic system and economic growth.

Financial security, in turn, contains the following components:

- budgetary security is the state of ensuring the solvency of the country, taking into account the balance of income and expenditures of the state and local budgets, and the efficiency of the use of budgetary funds;

- currency security is the state of exchange rate formation, which creates optimal conditions for the progressive development of domestic exports, the unhindered inflow of foreign investment into the country, Ukraine's integration into the world economic system, and also protects as much as possible from shocks in international currency markets;

- monetary security is the state of the monetary system, which is characterized by the stability of the monetary unit, the availability of credit resources and such a level of inflation that ensures economic growth, and an increase in real incomes of the population;

- debt security is such a level of internal and external debt, taking into account the cost of servicing it and the efficiency of using internal and external borrowings and the optimal ratio between them, sufficient to solve urgent socio-economic needs, which does not threaten the loss of sovereignty and the destruction of the domestic financial system;

- the security of the insurance market is the level of provision of insurance companies with financial resources, which would allow them, if necessary, to compensate for the losses of their customers stipulated in insurance contracts and ensure efficient functioning;

- security of the stock market is the optimal volume of market capitalization (considering the securities presented on it, their structure and liquidity level), capable of ensuring the stable financial condition of issuers, owners, buyers, trade organizers, traders, joint investment institutions, intermediaries (brokers), consultants, registrars, depositaries, custodians, and the state as a whole.

Foreign economic security is the state of compliance of foreign economic activity with national economic interests, which ensures the minimization of state losses from the action of negative external economic factors and the creation of favorable

conditions for the development of the economy due to its active participation in the global division of labor.

Investment security is the level of national and foreign investments (subject to their optimal ratio), which is able to provide long-term positive economic dynamics with an appropriate level of funding for the scientific and technical sphere, the creation of an innovative infrastructure and adequate innovative mechanisms.

Scientific and technological security is the state of the scientific, technological and industrial potential of the state, which allows to ensure the proper functioning of the national economy, sufficient to achieve and maintain the competitiveness of domestic products, as well as to ensure state independence at the expense of its own intellectual and technological resources.

Energy security is a state of the economy that ensures the protection of national interests in the energy sector from existing and potential threats of an internal and external nature, allows you to meet the real needs for fuel and energy resources to ensure the livelihoods of the population and the reliable functioning of the national economy in normal along with emergency modes, and martial law.

Social security is a way of state development in which the state is able to provide a decent and high-quality standard of living of the population regardless of the influence of internal and external threats.

Demographic security is the condition the state, society, and the labor market protection from demographic threats, which ensures the development of Ukraine, reckon with the totality of balanced demographic interests of the state, society and the individual according to the constitutional rights of citizens of Ukraine.

Food security is the level of food supply for the population, which guarantees socio-economic and political stability in society, sustainable and high-quality development of the nation, family, individual, as well as maintainable economic development of the state.

Industrial security is such a level of development of the country's industrial complex that can ensure economic growth and its expanded reproduction³⁴.

The methodology contains the following **stages of constructing an integral assessment of economic security**:

1. formation of a set of indicators;
2. determination of characteristic (optimal, threshold, and boundary) values of indicators;
3. normalization of indicators;
4. determination of weight coefficients;
5. calculation of the integral index

Indicators of the state of economic security of Ukraine, their characteristic values are developed to assess the state of economic security of Ukraine for each component of economic security. The selection of a set of indicators is carried out taking into account world experience and the achievements of Ukrainian scientists. The frequency of revision of the system of indicators and their characteristic values in connection with changes in the national and world economy is carried out if necessary, but at least once every two years.

The range of possible values for each indicator is divided into 5 intervals:

The range of possible values of each indicator is divided into 5 intervals:

$$[x_b^l, x_{thr}^l), [x_{thr}^l, x_{opt}^l), [x_{opt}^l, x_{opt}^u], (x_{opt}^u, x_{thr}^u], (x_{thr}^u, x_b^u], \quad (3.1)$$

where x_b^l, x_b^u - economically achievable minimum and maximum values of the indicator or lower and upper limits;

x_{thr}^l, x_{thr}^u - threshold lower and upper values of the indicator, i.e. values that should not be crossed;

x_{opt}^l, x_{opt}^u - the minimum and maximum optimal values of the indicator, that is, the interval of optimal values.

In this case x_{opt}^l and x_{opt}^u are in the range of threshold values $[x_{thr}^l, x_{thr}^u]$.

³⁴ Nebava M. I., Mironova Yu. V. Ekonomichna bezpeka pidpry`emstva. [Economic security of the enterprise]Elektronny`j navchal`ny`j posibny`k. Vinny`cya : VNTU, 2017. 75 p.

The value of x^l_{opt} can be equal to x^u_{opt} , then the interval $[x^n_{opt}, x^{in}_{opt}]$ is transformed into a point x_{opt} .

The values of x^l_b , x^l_{thr} , x^l_{opt} , x^u_{opt} , x^u_b , x^u_{thr} are determined by the expert method.

The value of the normalized indicator at the points x^l_b , x^u_b is determined by the expert method or is 0.5.

The task of normalizing indicators is the transition to such a scale of measurements, when the “best” value of the indicator corresponds to the value 1, and the “worst” value corresponds to 0, which can also be interpreted as a percentage: 0 corresponds to 0%, 1 to 100%. From the point of view of mathematics, this is the task of normalization of variables, and from the point of view of statistics, it is the transition from absolute to normalized values of indicators that change from 0 to 1 and already characterize the degree of approximation to the optimal value by their value.

When forming a feature space (a set of indicators), it is important to ensure the informational unidirectionality of indicators x_i . For this purpose, indicators are divided into stimulators and destimulators.

The relationship between the integral assessment I and the indicator-stimulator is direct, between I and the indicator–destimulator – the opposite. Destimulants are converted to stimulants by rationing.

The calculation of *the integral indicator for each area* and for the first method of calculating the normalized values of indicators is carried out according to the formula:

$$I_{j1} = \sum a_{ij} \cdot z_{ij1}, \quad (3.2)$$

where a_{ij} are weight coefficients that determine the degree of contribution of the i -th indicator to the integral index;

z_{ij1} – normalized values of input indicators x_{ij} calculated by the first method.

The calculation of *the integral indicator for each area* for the second method of calculating the normalized values of indicators is carried out according to the formula:

$$I_{j2} = \sum a_{ij} \cdot z_{ij2}, \quad (3.3)$$

where a_{ij} are weight coefficients that determine the degree of contribution of the i -th indicator to the integral index;

z_{ij2} – normalized values of input indicators x_{ij} , calculated by the second method.

Generalized integral indicator for each area:

$$I_j = (I_{j1} + I_{j2})/2, \quad (3.4)$$

$$I = \sum b_j \cdot I_j, \quad (3.5)$$

Where b_j are the weight coefficients of economic spheres.

The weight coefficient of the j -th sphere is determined by an expert among the N -th number of experts as the ratio of the sum of points given by all experts in this field to the total score.

$$b_j = \frac{\sum_{n=1}^N S_{jn}}{\sum_{k=1}^M \sum_{n=1}^N S_{kn}} \quad (3.6)$$

where S_{jn} is the assessment of the j -th sphere, which was given by the n -th expert;

N is the number of experts;

M is the number of spheres of the economy.

It is also possible to determine these coefficients by the method of principal components based on the integral indices of individual sectors of the economy.

Thus, the integral index of the state's economic security is determined hierarchically: at the lower level – the indices of individual sectors of the economy according to the formula 3.3, at the top – the generalized index according to the formula 3.4. Indices of individual areas can also be determined hierarchically, in particular, this applies to financial security, the components of which are budgetary, currency, and debt, etc.

Methodological approach to assessing the economic security of the region and industry. Under the conditions of a market economy system, as well as fundamental social, socio-economic, political and other changes in the country, the

level of favorable economic and legal environment for entrepreneurship differs significantly across the regions of the country, as well as at the industry level. This makes it impossible to form an effective system for ensuring the country's economic security. This requires the following:

- ranking the regions of the country and determining the list of those that are characterized by a critically low level of economic security;
- development of priority measures to strengthen economic security, in particular in conditions of limited resources;
- monitoring and evaluating the effectiveness of measures aimed at increasing the level of economic security of entrepreneurship in regions with a critical level³⁵.

Excessive administrative and financial centralization of power and a rigid administrative hierarchy objectively reduce the incentives for the effective development of regional economies. In order to level the foundations of the economic security of entrepreneurship in the territories of the country and its socio-economic systems in economically developed countries (the example of the USA, Canada³⁶, appropriate measures are being taken to strengthen the participation of the state in production, economic and entrepreneurial activities; implementation of budgetary subsidies and loans, and government orders; improvement of tax policy; improvement of legal regulation; strengthening administrative control; targeted budget financing for the development of certain sectors of the local economy (especially capital-intensive and low-income ones).

Regarding such specifics, it is necessary to apply the coefficient of efficiency of ensuring the economic security of the industry (sector of the economy) (KEj), which expresses the ratio between the beneficial effect of the functioning of enterprises in the

³⁵ Nebava M. I., Mironova Yu. V. Ekonomichna bezpeka pidpry'emstva. [Economic security of the enterprise]Elektronny`j navchal`ny`j posibny`k. Vinny`cya : VNTU, 2017. 75 p.

³⁶ Pro skhvalennya Kontseptsiyi reformuvannya mistsevoho samovryaduvannya ta terytorial'noyi orhanizatsiyi vlady v Ukraini [On the approval of the Concept of reforming local self-government and territorial organization of power in Ukraine]. 333-2014-r, potochna redaktsiya - Prynyattya vid 01.04.2014 Rzporyadzhennya KМУ vid 1 kvitnya 2014. # 333-r. Kiyv. URL: <https://zakon.rada.gov.ua/laws/show/333-2014-%D1%80#Text>

industry and the costs and/or lost benefits (both actual and direct) associated with an inadequate level of economic security.

The application of this methodology at the regional level requires taking into account local threats and risks of entrepreneurial activity, its social role at the local level, as well as the share of taxes paid to local budgets³⁷.

$$EC_j = [GDP \times P_j \times (ETL_j + STL) + LPF_j + SV_j] / GDP \times P_j \times (1 - LESE_j), \quad (3.7)$$

where GDP is the volume of gross domestic product, UAH;

P_j is the coefficient of the share of the j -th industry in GDP;

ETL_j is a coefficient reflecting the level of general taxation of entrepreneurial activity in the j -th industry;

STL – coefficient reflecting the level of social taxation of wages;

LPF_j is the total amount of expenses by enterprises of the j -th industry for payment and material incentives for labor, UAH;

CV_j is the social role of enterprises in the j -th industry, expressed in terms of value, UAH;

$LESE_j$ – coefficient reflecting the level of systemic risk of entrepreneurial activity in the j -th industry; $LESE_j = [0-1]$.

In general, the assessment of the level of formation of the system of economic security of entrepreneurship in the industry can be reduced to the calculation of the economic effect as a comparison of the costs and/or lost benefits by the subjects of the system of economic security of entrepreneurship with the economic and social benefits from their functioning:

$$E_j = B_j - 3_j, \quad (3.8)$$

where E_j is the effectiveness of the policy of strengthening the economic security of the industry (sector of the economy), UAH;

B_j – expressed in value terms based on calculations and the results of expert assessment of the overall social and economic role of enterprises in the industry UAH;

³⁷ Solomina H.V. Zabezpechennya finansovo – ekonomichnoyi bezpeky pidpryyemnytstva [Ensuring financial and economic security of entrepreneurship]: navchal'nyy posibnyk. Dnipro: Dnipropetrovs'kyy derzhavnyy universytet vnutrishnikh sprav, 2018. 234 p.

3j – the amount of costs (lost useful effect) required for the implementation of measures related to leveling the shortcomings of the economic and legal environment of entrepreneurship, concerning the inadequate level of its economic security, UAH.

To ensure a higher level of adequacy and completeness of the assessment of the effectiveness of the subjects' efforts designed to ensure a high level of economic security of the industry's entrepreneurship, it is advisable to calculate the integral index of its change as a geometric mean of the indices of individual indicators³⁸:

$$I_m = \sqrt[n]{im_1 + im_2 + \dots + im_n} / n, \quad (3.9)$$

where I_m - integral index of changes in the state of the level of economic security of the industry;

$im_1 + im_2 + \dots + im_n$ - indices reflecting the ratio of changes in individual indicators of economic security of entrepreneurship in the industry (sector of the economy) in the reporting year compared to the base year;

n - quantity indicators that are analyzed.

Within the framework of this technique, a number of integral indices can be calculated, in particular, integral indices of macroeconomic indicators of entrepreneurship development; efficient use of the industry's resource potential; business climate; social efficiency of entrepreneurship; the level of development of infrastructure facilities to support and ensure the economic security of enterprises in the industry. The main conclusion about the effectiveness of the system of economic security of the industry (sector of the economy) can be based on a comparison of the rate of improvement of the integral indicator and the increase in the volume of costs (potential losses) to finance measures to ensure it.

³⁸ Solomina H.V. Zabezpechennya finansovo – ekonomichnoyi bezpeky pidpryyemnytstva [Ensuring financial and economic security of entrepreneurship]: navchal'nyy posibnyk. Dnipro: Dnipropetrovs'kyy derzhavnyy universytet vnutrishnikh sprav, 2018. 234 p.

3.2. Regulatory and legal support of economic security in the system of corporate management of an enterprise³⁹

The most important factors affecting the economic security of an enterprise is the degree of perfection of the legislative framework. The main documents regulating the activities of the corporation are represented by two levels: state and intra-corporate (Fig. 3.1).

The effectiveness of the system of economic security of joint-stock companies depends on the legislative framework operating in the state. It should be noted that the law of Ukraine “On Joint Stock Companies”, adopted by the Parliament in spring 2008, brought the domestic corporate legislation closer to world standards.

Thus, finally, part VIII of the Law dealt with the issue of the authorization of the supervisory board and defined its key field in the network of the company's bodies, established the requirement for the acquisition of the supervisory board by cumulative voting, which allowed minority shareholders to hold such positions. Mechanisms of control over the executive branch were also established, the procedure for convening and holding meetings was drawn up, and the rights of shareholders were expanded. They received the right to demand the redemption of their shares in case of disagreement with the accepted decisions. However, the new law of joint-stock companies was mixed, many critical comments have a serious basis.

The desire of the participants to get rid of the negative image that was created for OJSC and CJSC and to start a new history with private and public joint-stock companies cost the joint-stock companies a great deal of money and working time to replace the official names with countless documents.

³⁹ Economic security of the enterprise. Electronic study guide (2017). Structure. M. I. Nebava, Yu. V. Mironova Vinnitsia: VNTU. 75 p. URL: https://web.posibnyky.vntu.edu.ua/fmib/33nebava_ekonomichna_bezpeka_pidpriyemstva/index.html

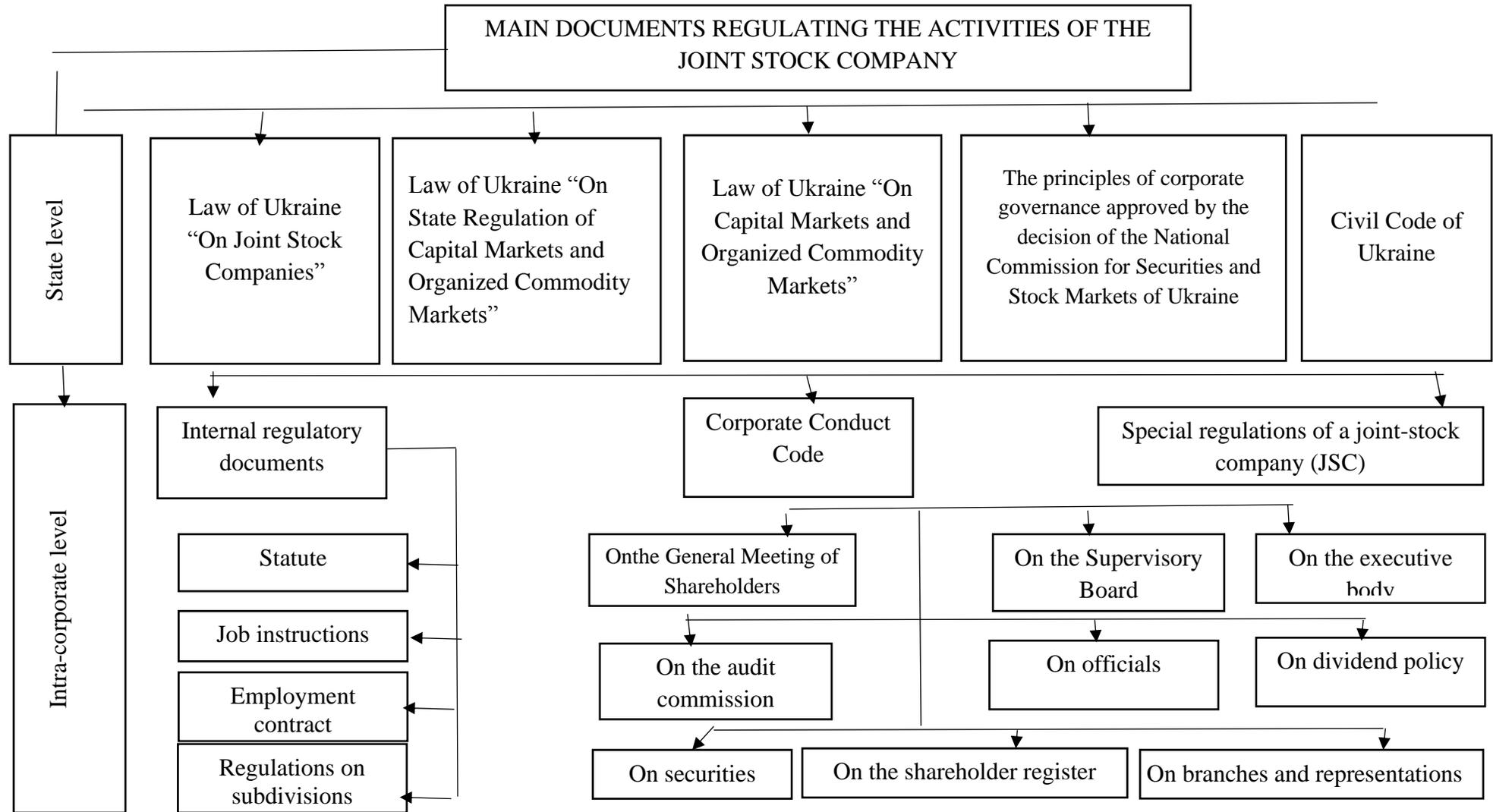


Figure 3.1. Main documents regulating the activities of the joint-stock company (JSC)

Art. 24 of the Law protects public companies from such an important source of funds as the private placement of additionally issued shares, requiring that all agreements for the purchase and sale of shares be conducted through the stock exchange. The issue of possible sanctions for non-compliance with the requirements of the Law is also important. Sanctions were established 3 months after the appearance of the Law in connection with the adoption on December 25, 2008 of the Law of Ukraine “On Amendments to Certain Legislative Acts of Ukraine on Liability for Violations on the Securities Market”.

The main problem of amending the company's charter is the need to re-register all documents: licenses, certificates, patents, land lease agreements, design documentation for construction, etc. Joint-stock companies may have technical problems with the implementation of property rights to real estate (for example, a mismatch between the name of the owner in the right of constituent documents for real estate and the new name of the company. The law also established a wide and detailed list of issues within the exclusive powers of the general meeting of shareholders (clause 2, article 33), however, the general meeting of shareholders “may resolve any issues related to the activities of a joint-stock company” (clause 1, article 33), while the broad powers of the supervisory board (clause 2, article 52) are not its exclusive competence. This can lead to a mix of competencies.

From the very beginning, Ukraine followed the classic German model of a two-tier system of governing bodies with a ban on simultaneous membership in the supervisory board and the executive body. Today, the main problems associated with the executive bodies of joint-stock companies are the high degree of independence enjoyed by the executive body, especially if it is elected by the general meeting of shareholders, and the qualification of the relationship between management and the joint-stock company. All this made the position of the head of the executive body an extremely successful tool for the so-called raider seizures. Managers of Ukrainian companies will still work under an employment contract (clause 5, article 58).

However, the charter or internal regulations of the company will determine whether to elect (dismiss) the executive body of the general meeting of shareholders, or the supervisory board of the company. Even if the executive body is elected by the general meeting of shareholders, the supervisory board has the right to stop the powers of the executive body and appoint an acting executive body to resolve the issue by the general meeting of shareholders.

A number of legislative acts on corporate governance were also adopted. Thus, on June 7, 2011, the Law of Ukraine “On Amendments to the Law of Ukraine “ on Accounting and Financial Reporting in Ukraine” dated May 12, 2011 was signed⁴⁰. The Law regulates the transition of financial market participants to International Financial Reporting Standards (IFRS).

By law, public joint stock companies, banks, insurers, as well as enterprises engaged in business activities by types, the list of which is determined by the Cabinet of Ministers of Ukraine, dated January 1, 2012, prepare financial statements and consolidated financial statements in accordance with international standards. The rest of the enterprises will be able to independently determine the appropriateness of their application of IFRS.

In addition, from January 1, 2012, a rule came into force, according to which financial market participants are required to publish annual financial statements and annual consolidated financial statements together with an auditor's report no later than April 30 of the year following the reporting period. This requirement applies to public joint-stock companies, enterprises issuing mortgage bonds, mortgage certificates, corporate bonds and real estate fund certificates, as well as professional participants in the stock market, banks, insurers and other financial institutions. Such disclosure will be made by posting on its own web page with publication in periodicals or non-periodicals.

⁴⁰ Zakon Ukrainy Pro vnesennia zmin do Zakonu Ukrainy "Pro bukhhalterskyi oblik ta finansovu zvitnist v Ukraini". [Law of Ukraine On Amendments to the Law of Ukraine "On Accounting and Financial Reporting in Ukraine"]. Vidomosti Verkhovnoi Rady Ukrainy (VVR), 2011, N45, art. 484. Dokument 3332-VIiu. Potochna redaktsiia vid 12.05.2011. URL: <https://zakon.rada.gov.ua/laws/show/3332-17#Text>

On June 8, 2011, the Law of Ukraine “On Amendments to Certain Laws of Ukraine (Regarding the Number of Members of a Limited Liability Company)” dated May 12, 2011 was signed, providing for an increase in the maximum number of members of limited liability companies from 10 to 100⁴¹. The law also provides that if it becomes necessary to increase the size of the authorized capital in connection with the transformation of a limited liability company into a joint-stock company, the formation of the authorized capital by such a legal entity is carried out within five years. Currently, the minimum authorized capital of a joint-stock company is UAH 1,200,000.00.

On November 28, 2011, the Law of Ukraine “On Amendments to the Law of Ukraine “On Securities and the Stock Market” on Disclosure of Information on the Stock Market” dated April 21, 2011 came into force⁴². In particular, the changes relate to the possibility of registration by the issuer of securities (except for shares) of the base issue prospectus during an open (public) placement. This will allow the issuer to simplify the process of registration of subsequent issue prospectuses if the issuer plans to place securities more than once. In addition, the Law eliminates technical shortcomings in the system of information disclosure by securities issuers.

Factors of threats to economic security in the corporate management system of the enterprise. Recently, the economic conflict has become the dominant factor in the threat to economic security in the corporate governance system. The subject of almost any organizational, labor, consumer or commercial conflict, one way or another, is the use, possession and disposal of property.

An economic conflict is a conscious confrontation of the parties over the production, distribution, use and exchange of material values.

⁴¹ Закон України Про внесення змін до Закону України "Про бухгалтерський облік та фінансову звітність в Україні". [Law of Ukraine On Amendments to the Law of Ukraine "On Accounting and Financial Reporting in Ukraine"]. Відомості Верховної Ради України (ВВР), 2011, N 45, art. 484. Документ 3332-VІІІ. Поточна редакція від 12.05.2011. URL: <https://zakon.rada.gov.ua/laws/show/3332-17#Text>

⁴² Закон України Про внесення змін до Закону України "Про щирні папери та фондовий ринок" швидко розкриття інформації на фондовому ринку. [Law of Ukraine On Amendments to the Law of Ukraine "On Securities and the Stock Market" regarding disclosure of information on the stock market]. Відомості Верховної Ради України (ВВР), 2011, N 43, art.447. Документ 3264-VІ. Поточна редакція від 21.04.2011. URL: <https://zakon.rada.gov.ua/laws/show/3264-17#Text>

Economic conflicts include conflicts based on contradictions between the economic interests of individuals or groups in terms of resources, sphere of economic influence, distribution of property, benefits, etc. Scholars have formulated two approaches to understanding economic conflict. The first approach was formed by representatives of Marxist theory. From this point of view, social conflicts permeate the economy and the way it exists. The main market mechanism – competition – is a form of conflict, all areas of economic relations include hidden and obvious confrontations. This point of view is also shared by other (non-Marxist) researchers: not only confrontation, but also an agreement between two market agents automatically opposes them to other agents (regardless of their intentions), pushes existing firms and those seeking to enter the market to use conflict strategies (K. Schmidt)⁴³.

The second approach, namely the neoclassical school, understands economic conflict not as competition in general, but as its extreme forms: rivalry for resources between parties that incur costs in connection with attempts to weaken or remove each other (J. Hirschleifer, S. Scaperdas and etc.).

Conflict *behavior* is understood as a wide range of actions (from the threat of judicial intervention to the confiscation of property by the state). That is, the object of an aggressive strategy in this case is not only limited resources or consumers, but also rivals.

To understand the essence of corporate conflict, consider the concept of “*conflict*” The term “conflict” means:

- 1) clash of opposite sides, opinions, forces;
- 2) clash of two or more strong motives that cannot be satisfied simultaneously.

Thus, a *corporate conflict* is 1) a contradiction between the participants in corporate relations to determine the ways of development of a corporation; 2) contradictions arising between joint-stock companies, shareholders and managers, investor and society.

⁴³ Nebava M. I., Mironova Yu. V. Ekonomichna bezpeka pidpriemstva. [Economic security of the enterprise]. Elektronnyi navchalnyi posibnyk. Vinnytsia : VNTU, 2017. 75 p. URL: https://web.posibnyky.vntu.edu.ua/fmib/33nebava_ekonomichna_bezpeka_pidpriyemstva/index.html

Corporate conflicts can lead to:

- violation of the norms of the current legislation, the charter or internal documents of the company, the rights of a shareholder or a group of shareholders;
- lawsuits against the company, its management bodies or decisions made by them;
- early termination of the powers of existing management bodies;
- significant changes in the composition of shareholders⁴⁴.

Corporate conflicts can be classified according to their essence, content, and hidden goals. The first group of conflicts is related to the violation of the norms and procedures of corporate law. This type of conflict is perceived by shareholders as an encroachment on their interests. The consequences of ignorance of the laws can be catastrophic: from penalties from regulatory authorities to multi-million lawsuits under economic agreements; from the invalidation of the powers of management bodies, including the CEO, to the complete loss of business.

The second group of conflicts is associated with hostile takeovers. These are conflicts that arise in the process of an attempt by a group of shareholders (an outside investor) to establish control over the enterprise. Statistically, this type of conflict is the leading one. There are often conflicts against the background of receiving dividends. That is, conflicts between large and small shareholders arising from the distribution or use of the enterprise' profits.

Conflicts related to competition include conflicts aimed at undermining the financial position and competitiveness of a joint-stock company. More often they are expressed in an attempt to take over a joint-stock company or violations in relation to its bankruptcy procedure.

Recently, corporate greenmail has become widespread. The term “greenmail” in the classical sense characterizes a situation in which a certain block of shares in a joint-stock company is owned by a company (group of persons) unfriendly to the joint-stock

⁴⁴ Nebava M. I., Mironova Yu. V. Ekonomichna bezpeka pidpriemstva. [Economic security of the enterprise]. Elektronnyi navchalnyi posibnyk. Vinnytsia : VNTU, 2017. 75 p. URL: https://web.posibnyky.vntu.edu.ua/fmib/33nebava_ekonomichna_bezpeka_pidpriemstva/index.html

company. But the peculiarity of such a situation requires the already named company (the company that is the object of corporate blackmail) to buy back the shares at a significant premium (i.e. at a price significantly higher than their current market value) in order to prevent the application of the takeover procedure to it.

It is worth noting that often the concept of “greenmail” is associated with some of its separate form. For example, greenmail can be understood as particular cases of opposition to the reorganization of society, which, of course, does not exhaust the entire range of greenmailers’ activities.

The emergence of these concepts is primarily due to the imperfection of the current domestic legislation, relatively little experience in the joint-stock form of doing business, incorrect privatization, a million-strong army of small shareholders, the scale of corruption in society and, in the end, the high profitability of this type of activity. The current legislation of Ukraine does not regulate the legal status of minority shareholders and, as a result, there are endless litigation between the majority and “minority” shareholders of business entities.

There are two groups of legal relations in the process of corporate greenmail and counteraction to it:

- relations in which a certain corporate greenmailer (a group of corporate greenmailers) united by common interests acts as an active subject, and a joint-stock company is the opposing subject. The object is the relationship between shareholders and the joint-stock company, based on the requirements of the current legislation and the principles of corporate behavior;

- relations in which the joint-stock company, its shareholders loyal to it, as well as the managers of the joint-stock company as a passive subject – a separate corporate greenmailer (a group of corporate greenmailers) acts as an active subject. In this case, the object is the relationship that has developed in the process of corporate greenmail.

The number of corporate conflicts in Ukraine remains significant. Thus, during 2012, the State Securities and Stock Market Commission received 6287 appeals from

individuals about violation of their rights and legitimate interests on the securities market for consideration. Almost 78% of them are from minority shareholders⁴⁵.

One of the problems is the violation of shareholders' rights by selling all the assets of the company, making decisions by the executive body (or its chairman alone) to create another legal entity and transfer all assets to it.

A typical violation is the failure to carry out a general announcement of the general meeting of shareholders in the local press and one of the official print publications of the Verkhovna Rada of Ukraine, the Cabinet of Ministers of Ukraine or the State Commission for Securities and Stock Market of Ukraine; ignoring by the executive body of shareholders' demands holding in aggregate more than 10% of the votes to convene a general meeting or include additional issues on the agenda of the general meeting.

Ukrainian managers are characterized by a careless attitude to constituent documents (charter, constituent agreement) and underestimation of their role in the activities of the enterprise, and, as a result, neglect of the procedure for developing constituent documents. Inaccuracies lead to ambiguous interpretation of certain provisions, which causes corporate conflicts.

The reason for the conflict may be non-compliance with the established procedures for preparing and holding a general meeting of shareholders, at which the management bodies of the joint-stock company are formed, and issues important for the enterprise's activities are resolved.

There is also the problem of a clear distinction between the functions of the manager and the owner. The owner must act as the initiator of any changes in the management of the enterprise, but very often these issues are resolved by managers. Since the goals of managers do not always coincide with the goals of the owners, the adoption of certain managerial decisions by managers can cause dissatisfaction with

⁴⁵ Iorgacheva M.I. Corporate conflicts in Ukraine: main types and their significance. Lviv Polytechnic National University Institutional. PP.170-180. URL: <https://ena.lpnu.ua:8443/server/api/core/bitstreams/7fa179ab-2b1a-47c5-bb88-1bdce78118fc/content>

the owners and lead to conflict. A corporate conflict can be prevented by timely and reliable transfer of information to all participants in corporate relations.

Thus, shareholders and potential investors need information about the ownership structure to assess the risks associated with the capital structure. Consumers are interested in the range of products, the share of the product occupied by the national market and the markets of other countries, cases of non-compliance of products with regulatory requirements, etc. Local authorities are interested in the social programs of the enterprise, employment of the population, payment of taxes, the impact of the enterprise's activities on the environment (waste, emissions).

Staff and trade unions need to know how salaries, pensions, health benefits, redundancy benefits, company-funded training opportunities, disability benefits, work injury, and occupational disease reporting are handled.

The managerial component of economic security in the corporate governance system involves an assessment of the work of the management bodies of a joint-stock company, their composition and competence. First of all, we are talking about the supervisory board, which is an integral link between shareholders and management and a guarantor of ensuring a balance of interests of the main participants in corporate governance. This is a body that protects the rights of shareholders of the company and, within the competence defined by the charter and the Law, controls and regulates the activities of the executive body. This body, on behalf of the shareholders, carries out general management of the company's activities, controls, motivates, and evaluates the activities of management. Its significance as the main mechanism of corporate governance in the context of underdeveloped, inefficient external mechanisms (financial markets, bankruptcies, etc.) is especially considerable.

3.3. Elements of the financial security system

Main categories and concepts are the following: economic security of an enterprise, financial security of an enterprise, internal threats, external threats, approaches to the economic security of an enterprise, factors of financial security of an enterprise, characteristics of the economic concept of financial security, types of financial security, indicators of financial security of an enterprise, normal threshold value, critical threshold value, system element, system, structure, sustainability, balance, state, development, financial diagnostics.

In a market economy, a certain number of requirements are imposed on the activities of an enterprise, because the influence of the external environment is reflected directly or indirectly in the adoption of managerial decisions by the enterprise's management. Depending on the timeliness and fidelity, the adoption of managerial decisions will depend on the functioning and development of the enterprise, ensuring its economic security.

Today, a lot of attention is paid to economic security issues. However, the economic security of an enterprise is a fairly broad concept. It includes different types of security: financial, power, information, technical and technological, legal, personnel security, etc.

The main component of the economic security of the enterprise is financial security. The new scientific literature is dominated by an approach in which the financial security of an enterprise is considered as a basic component of its economic security. Some authors adhere to the definition of financial and economic security, thereby reinforcing the importance of the financial component of economic security. Some scholars link these two concepts, while defending the objectivity of the existence of the financial and economic security of the enterprise.

Table 3.1. Approaches to the interpretation of the category “economic security of the enterprise”

No.	Approach	Author	Definition
1	efficient use of corporate resources	E. Oleinikov [40]	the state of the most efficient use of corporate resources to prevent threats and ensure the stable functioning of the enterprise now and in the future
		A. Arefyeva and T. Kuzenko [5]	the state of efficient use of resources and available market opportunities, which allows the enterprise to avoid internal and external threats, ensures its long-term survival and sustainable development in the market in accordance with the chosen mission.
		O. Hrunin [61]	such a state of the enterprise in which, with the most efficient use of corporate resources, it achieves prevention, mitigation or protection against existing dangers and threats or unforeseen circumstances and basically ensures the achievement of business goals in a competitive and economic risk environment
		Pokropyvnyi S.F. [42]	a certain state of corporate resources (capital resources, personnel, information, technology, machinery and equipment) and entrepreneurial opportunities, which guarantees their most effective use for stable operation, dynamic scientific, technical and social development, prevention of internal and external negative impacts (threats) .
		Kopytko M.I. [85]	the existing state of the resources of the business entity of their physical protection and efficiency of use
2	the priority is to ensure its sustainability, protection of interests and the possibility of development	E. Vorobyov [181]	sustainability of the socio-economic system, its ability to self-develop and interact in the context of globalization of economic life
		N. Podluzhna [140]	characteristic of a self-organizing and self-developing system; a state in which economic parameters make it possible to preserve its main properties: balance and stability while minimizing threats
		Kamlyk M.I. [71]	The state of development of an economic entity, characterized by the stability of economic development, the effectiveness of neutralizing negative factors and counteracting their influence at all stages of its activity.
		Koshembar L.A. [86]	The state of development of the enterprise, characterized by the stability of economic and financial development, the effectiveness of neutralizing negative factors and counteracting their influence at all stages of its activity
3	protection against external and internal threats	L. Bendikov [13]	protection of its scientific, technical, technological, production and human potential from direct and indirect economic threats associated with inefficient

No.	Approach	Author	Definition
			scientific and industrial policy of the state or the formation of an unfavorable external environment and the ability of an enterprise to reproduce
		A. Kolosov [39]	the state of protection of the vital economic interests of the enterprise from internal and external sources of danger
		D. Kovalev, T. Sukhorukova [88]	protection of its activities from the negative impacts of the external environment, as well as the ability to quickly eliminate various variant or threats, adapt to existing conditions that do not negatively affect its activities
		V. Ortynskyi, I. Kernytskyi, Z. Zhyvko [130]	the security of its potential from the negative effects of external and internal factors, direct or indirect economic threats, as well as the ability of the subject to reproduction
		Mishyn O.Yu., Mishyna S.V. [119]	the state of security of business processes and their resource support, which helps to avoid or prevent internal and external threats and ensures stable operation and extended reproduction with minimal losses in the enterprise.
		Biloshkurska N.V., Biloshkurskyi M.V. [14]	the state of its protection from the negative influence of factors of external and internal origin, which is achieved through the effective use of production resources, adaptation to changes, development and implementation of strategic directions of development to ensure sustainable functioning and harmonization of one's interests with the interests of the subjects of the external environment
4	universal, because it includes all above characterized approaches	T. Vasylytsiv [178]	the state of functioning, in which the enterprise and its products are competitive in the market and at the same time the most efficient use of resources, intellectual and human resources; stability of functioning, stability and progressivity of development; the ability to counteract the negative impacts of the external and internal environment of its functioning are guaranteed
		Z. Zhyvko [207]	the state in which the economic development and stability of the enterprise is ensured, the protection of its vital interests, economic (material, informational, financial, and labor) resources and the ability to respond in a timely manner, adequately and without significant losses to changes in the internal and external situation and the negative impact of destabilizing factors
		Kopytko M.I. [205]	a complex concept that characterizes the state and ability of an enterprise to organize its activities (production, innovation, financial and investment, foreign economic, etc.) in such a way as to reliably protect itself from negative factors of the influence

No.	Approach	Author	Definition
			of the internal and external environment, as well as to intensively minimize the impact or eliminate the consequences of implementation threats and dangers, to qualitatively adapt to existing conditions with the least losses, while the content of the concept is a set of measures that help maintain the proper level of competitiveness and economic stability of the enterprise, and allow ensuring high motivation of employees based on the results of their labor achievements.

Such scientists as: O.Yu. Amosov, O.V. Arefyeva, O.I. Baranovskyi, I.O. Blank, Z.S. Varnaliy, V.I. Holovko, K.S. Horyacheva, L.I. Donets, M.M. Yermoshenko, A.V. Minchenko, R.S. Papekhin, and V.M. Sharmanska consider the issues of ensuring the financial security of the enterprise. They focus on defining the essence of the concept of financial security, highlight some aspects, features and characteristics. In particular: I.O. Blank distinguishes *financial security* as a quantitatively and qualitatively determined level of the enterprise and its financial condition, which ensures the protection of the financial interests of the company from potential threats and risks of an internal nature⁴⁶; R.S. Papekhin considers the *financial security* of an enterprise as the ability of an enterprise to develop various strategies and pursue financial strategies in accordance with the corporate strategy of the enterprise in terms of competitiveness with other firms⁴⁷. M.Yu. Pohosova, V.S. Lebedeva note that the *financial security of an enterprise is a component of the economic security of an enterprise, reflecting such a state of the enterprise* that⁴⁸:

- 1) allows to ensure financial stability and solvency, liquidity and sufficient financial independence of the enterprise in the long term;
- 2) ensures the optimal attraction and efficient use of financial resources of the enterprise;

⁴⁶ Blank I.A. Upravlenie finansovoj bezopasnost'ju predpriyatija (2004) [Financial management of the enterprise security], Jel'ga, Nika-Centr, Kyiv, Ukraine, 784 p. [in russian].

⁴⁷ Papehin R.S. (2007) "Factors of financial stability and security of the enterprise", Ph. D. Thesis, Volgograd, Russia, p. 21. [in Russian].

⁴⁸ Pohosova M. Yu., Lebedieva V. S. (2014). Analiz metodychnoho zabezpechennia otsiniuvannia finansovoi bezpeky pidpriemstva. [Analysis of methodological support for assessing the financial security of the enterprise]. Zbirnyk naukovykh prats KhNEU. Ekonomichni nauky. №3. PP. 57-61.

3) allows identifying the dangers and threats to the state of the enterprise and develop measures for their timely elimination;

4) allows to independently develop and implement a financial strategy;

5) evaluates quantitative and qualitative indicators with threshold values.

The authors N.Ya. Kravchuk, O.Ya. Kolisnyk, O.O. Melykh notice that the *financial security of an enterprise*⁴⁹:

1) *it is an important component of the economic security of an enterprise, based on the independence, efficiency and competitiveness of enterprises, which is reflected through a system of criteria and indicators of its condition, characterizing the balance of cash flows, receivables and payables, sufficient liquidity of assets and the availability of the necessary cash reserves, and financial stability;*

2) *the level of provision of the enterprise with financial resources sufficient to meet its needs and fulfill existing obligations;*

3) *the quality of financial instruments and services, which prevents the negative impact of possible miscalculations and direct abuses on the financial condition of the enterprise;*

4) *the degree of protection of financial interests at all levels of financial relations.*

D. Vankovych notes that financial security should be considered more broadly as an opportunity to ensure its sustainability in various, including adverse conditions, emerging in the external environment, regardless of the nature of its impact on the activities of the enterprise, the scale and nature of internal changes. Thus, the financial security of an enterprise is defined as “the security of its activities from the negative effects of the external environment, as well as the ability to quickly eliminate various variant threats or adapt to existing conditions that do not negatively affect its activities”⁵⁰.

⁴⁹ Kravchuk N.Ia., Melykh O.Iu. (2010). Finansova bezpeka [Financial security]: Navchalno-metodychnyi posibnyk. Ternopil: Vektor. 277 p. [in Ukrainian].

⁵⁰ Vankovych D., Demchyshak N., Kulchitskyi M. (2012). Problemy finansovoho zabezpechennia investytsiinoi diialnosti v Ukraini. Svit finansiv. 1 / 2012. PP. 39-43. [in Ukrainian].

O. I. Baranovskyi notes that “financial security is an extremely complex multi-level system that covers: the financial security of an individual citizen, households, population, entrepreneurs, organizations, etc.”⁵¹ However, A.O. Amosov adds that financial security is a concept that includes a set of methods, means and measures to protect the economic interests of the state at the macro level, along with corporate structures and financial activities of business entities at the micro level⁵².

Further, A.O. Amosov proposes to consider the financial security of an enterprise as a measure of harmonization in time and space of the economic interests of an enterprise with the interests of the subjects of the external environment associated with it, operating outside the enterprise⁵³.

The financial security of an enterprise as a state of the economic system is explained by the absence of various dangers and threats to the enterprise, as well as the prevention of their occurrence and the avoidance of large losses due to threats. *The concept of financial security is also the ability of an enterprise to ensure the normal functioning of its activities now and in the future.*

By analyzing various interpretations of the notion of financial security, one can conclude that the **financial security of an enterprise** is *an integral part of the entire enterprise security system, a state where an enterprise can spend enough money to protect the enterprise from internal and external threats, creating conditions for the development of an enterprise, harmonization in time and space, the economic interests of the enterprise with the interests of the subjects of the external environment associated with it.*

Such constituent elements as functions of financial security of the enterprise, possible threats to the company's activity, objects and subjects are included in the concept of “financial security”.

⁵¹ Baranovskyi O.I. (2004). Finansova bezpeka v Ukraini (metodolohiia otsinky ta mekhanizmy zabezpechennia) : Monohrafiia. K. : Kyiv. nats. torh.-ekon. un-t. 759 p.

⁵² Amosov, O.O. (2011). Finansova bezpeka pidpryyemstva v suchasnyh ekonomichnyh umovah teoretychnyj aspect. [Financial security of the enterprise in modern economic conditions: theoretical aspect]. Problemy ekonomiky. № 4. PP.76–80. [in Ukrainian].

⁵³ Ibid

Thus, from the foregoing, it is possible to determine some factors of the financial security of the enterprise:

- the amount and size of all financial resources available at the enterprise;
- a general set of approaches to settlement relations and financial flows of the enterprise;
- the ability to control internal and external threats to the enterprise;
- stability and sustainability of the enterprise's financial system.

The following *characteristics of the economic concept of "financial security" can be distinguished:*

- miscalculation of early warning of the enterprise against threats;
- ensuring the efficient operation of the company;
- balance and stability of the financial position;
- prevention of a crisis state and bankruptcy of the enterprise.

The purpose of ensuring the financial and economic security of the enterprise is to achieve high efficiency and stability of its operation and create prerequisites for further development through the timely identification and prevention of external and internal dangers and threats.

It should be noted that the *financial and economic security of an enterprise is a dynamic feature that changes under the influence of factors and threats of the internal and external environment.*

The role of financial security in the system of economic security is presented in Fig. 3.2.

Hence, financial security of an enterprise is an integral part of economic security. The place of the financial security of the enterprise in the system of economic security of the enterprise is shown in Fig. 3.3.

Financial security affects the entire activity of the organization, operational, investment and financial, therefore, it is possible to analyze the interpretation of the concept of financial security and identify six approaches to the clarification of this concept (Fig. 3.4.).

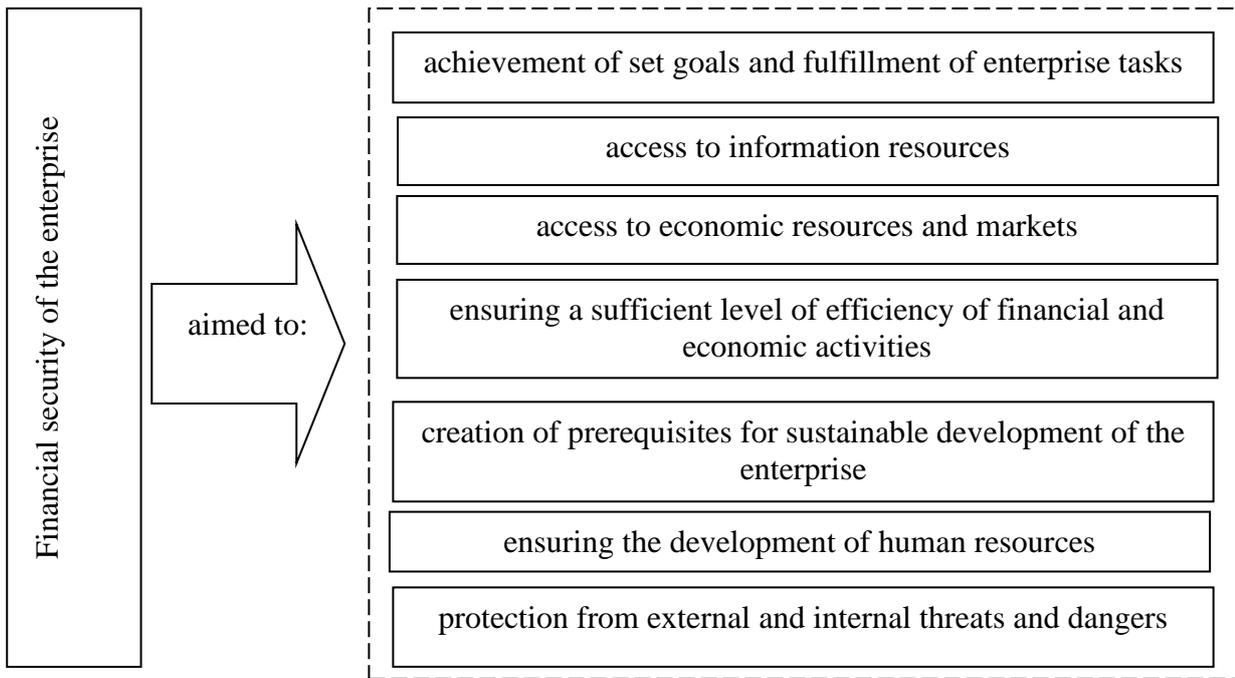


Figure 3.2. The role of the financial security of the enterprise

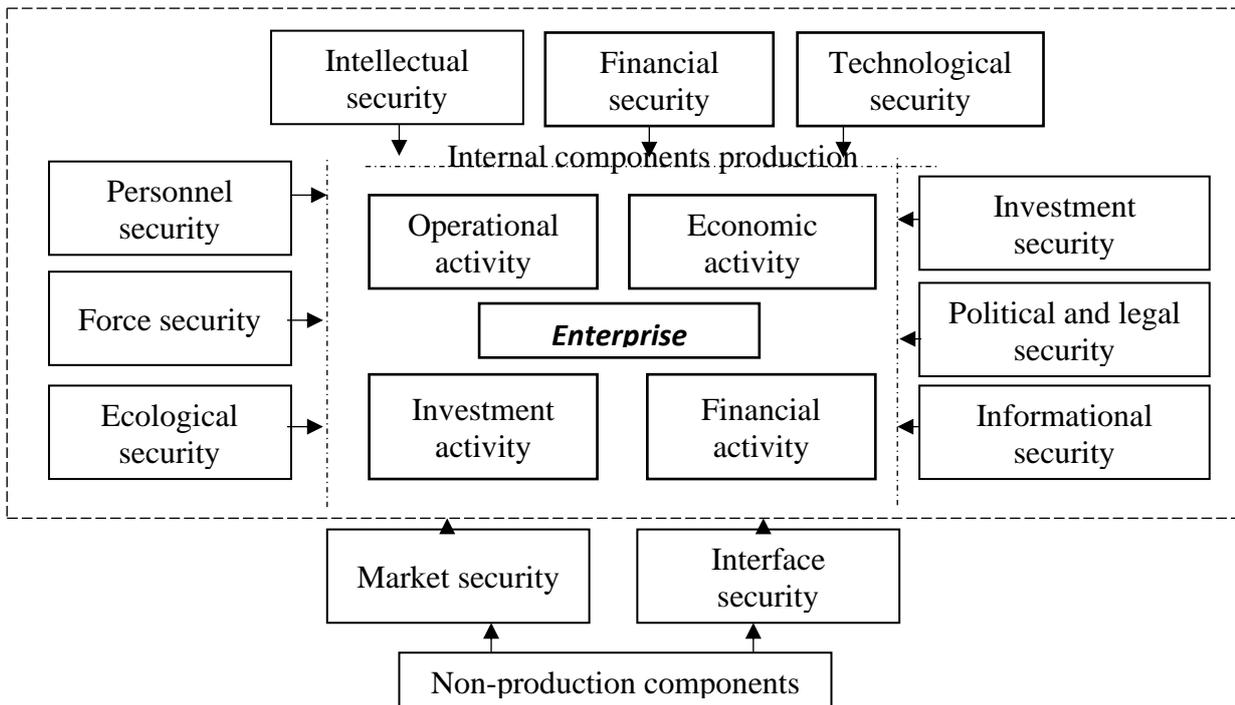


Figure 3.3. The place of the financial security of the enterprise in the system of economic security of the enterprise

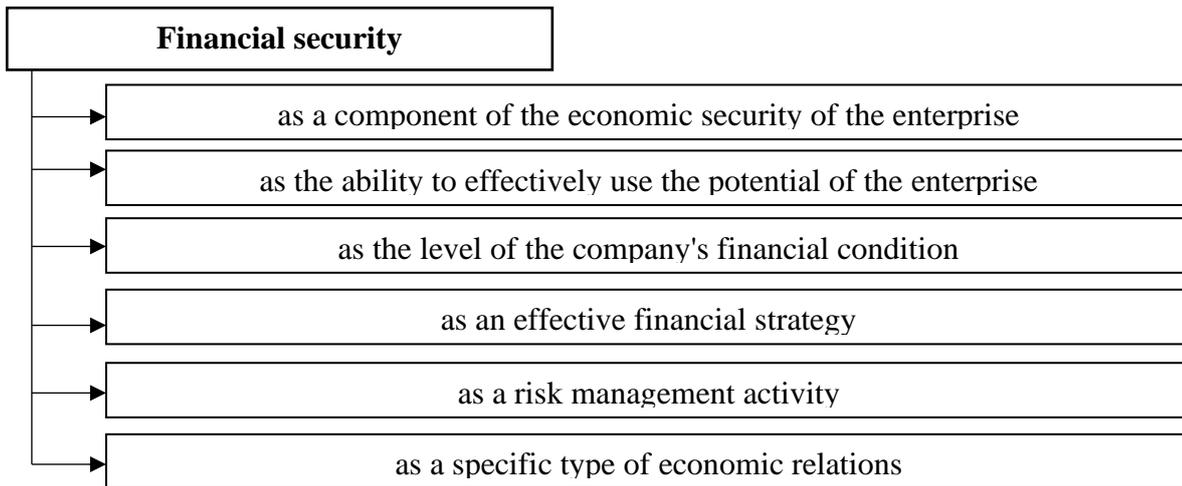


Figure 3.4. Approaches to the interpretation of the concept of financial security

To make certain the sustainable financial security of the enterprise, it is necessary to perform the following tasks:

1. Ensuring the protection of the enterprise from internal and external threats.
2. Evaluation and diagnostics of the current financial condition of the company.
3. Development of a set of measures and recommendations to ensure financial security.
4. Budget planning for the implementation of various measures to ensure financial security.
5. Development and implementation of financial strategy.
6. Effective implementation of current and operational financial planning.
7. Constant implementation of financial control.

3.4. The mechanism for ensuring the financial security of the enterprise

The financial security of an enterprise is a dynamic characteristic of the system of financial resources of an enterprise, the interaction of which allows the formation of positive financial flows for the development of an enterprise. It is characterized by the ability of an enterprise to function safely to achieve its goals.

Hence, the prerequisites for solving the problem of financial security of enterprises are the following:

- 1) localization of the problem within the system;
- 2) study of the relationship with the external environment;
- 3) establishing the causes of the problem;
- 4) development of recommendations to eliminate the problem;
- 5) determining the necessary resources to localize and fix the problem.

The financial security of the company as a complex and multifaceted concept is characterized by a significant complexity of the system of internal and external monetary and economic relations.

According to the objects of protection, the following types of financial security are distinguished:

- *budgetary* – covers the relationship of the enterprise with the budgets of different levels regarding the payment of taxes, fees and mandatory payments, the implementation of budgetary financing, obtaining a tax credit, reimbursement of value added tax, etc.;

- *banking* – is aimed at the relationship of the enterprise with banks for organizing credit and deposit operations, opening current accounts, making cashless payments;

- *insurance* – consists in the organization of the enterprise's relations with insurance companies regarding the protection of its property, financial or business interests;

- *investment* – shows the possibility of attracting, investing and using investment resources in the development of the enterprise;

• *stock* – characterizes the market attractiveness of the company's securities, the possibility of its entry into the financial market in order to invest in financial assets;

• *monetary and credit* – regulates compliance with settlement and payment and credit disciplines at the enterprise;

• *currency* – shows the security of foreign exchange transactions in the implementation of foreign economic activity of the enterprise.

According to N. Dekhtyar and A. Deineka, *financial security is one of the important characteristics of ensuring the protection of an enterprise's activities from the influence of negative factors of the external and internal environment and reflects the level of efficiency and stability of the enterprise's functioning in the current and long term perspective*⁵⁴.

The financial security of an enterprise is a component of the economic security of an enterprise which:

1) makes it possible to ensure financial stability, solvency, liquidity and financial independence of the enterprise in the long term period;

2) ensures optimal involvement and effective use of the company's financial resources;

3) makes it possible to identify dangers and threats to the state of the enterprise and develop measures for their timely elimination;

4) makes it possible to independently develop and implement a financial strategy;

5) should be evaluated by quantitative and qualitative indicators that have marginal values.

Consequently, financial security as a component of economic security occupies a special place, since finance is the engine of any economic system and ensures the most efficient use of corporate resources.

⁵⁴ Dekhtiar, N.A., Deineka O.V. (2015). Finansovo-ekonomichna bezpeka pidpriemstva: sutnist ta mekhanizm zabezpechennia [Financial and economic security of the enterprise: essence and mechanism of provision]. Stratehii ekonomichnoho rozvytku: derzhava, rehion, pidpriemstvo: kolektyvna monohrafiia: u 2-kh t. / za zah. red. K.S. Shaposhnykova. Kherson : Helvetyka. T. 2. PP.1-17.

The indicators of the financial security of an enterprise are the threshold values of the following indicators:

- coverage ratio,
- autonomy coefficient,
- level of financial leverage (debt ratio),
- interest payable ratio,
- return on assets,
- return on equity,
- weighted average cost of capital,
- enterprise development indicator,
- diversification indicators,
- profit growth rate
- sales volume,
- assets,
- the turnover ratio of receivables and payables, etc.

When determining the threshold values of financial security indicators, one can use a classification that involves the choice of two threshold values: critical and normal.

The normal threshold value characterizes a high level of financial security, at which the degree of use of the enterprise's potential is maximum or close to reasonable standards.

The critical threshold reflects the minimum acceptable level of financial security. Overcoming this level means the transition of the enterprise into a financially dangerous zone, characterized by insufficient resources for financial and production activities, inefficient use of resources, etc.

Financial security is achieved by conducting a balanced financial policy in accordance with the doctrines, concepts, strategies and programs adopted in the prescribed manner in the political, social, informational and, in fact, financial spheres.

Consider a comparative description of approaches to the mechanism for ensuring financial and economic security under the influence of exogenous and endogenous factors (Table 3.2.).

Table 3.2. Comparative characteristics of approaches to the mechanism for ensuring financial and economic security under the influence of exogenous and endogenous factors

Approach's Name	Target	Means of achievement	Limitation
Financial and economic [49, pp. 116-123]	creation of a mechanism for ensuring the financial and economic security of enterprises and the influence of external and internal environments on it	- identifies and stops competitors' attempts to implement dishonest competition; – reveals facts of violation of contractual obligations by partner-consumers and product suppliers	lack of comprehensive and timely access to external information
Counterintelligence , intelligence (53, pp. 389-421)	ensuring the economic security of enterprises in order to prevent threats	counteraction to intelligence measures of a preventive nature (verification, counterintelligence, economic (industrial) espionage, economic wars	is used in the presence of a specific object of danger with a clearly defined goal of taking actions on the occurrence of adverse events

Consider the mechanism for ensuring the financial safety of the company Fig. 3.5.

The mechanism for ensuring financial security should be implemented based on the development of appropriate scientific theory, concepts, strategies and tactics, the implementation of an adequate financial policy, the definition of objects, the availability of the necessary security institutions (subjects), the definition and specification of interests, the systematization of threats, the use of means, and security methods (Fig. 3.6.).

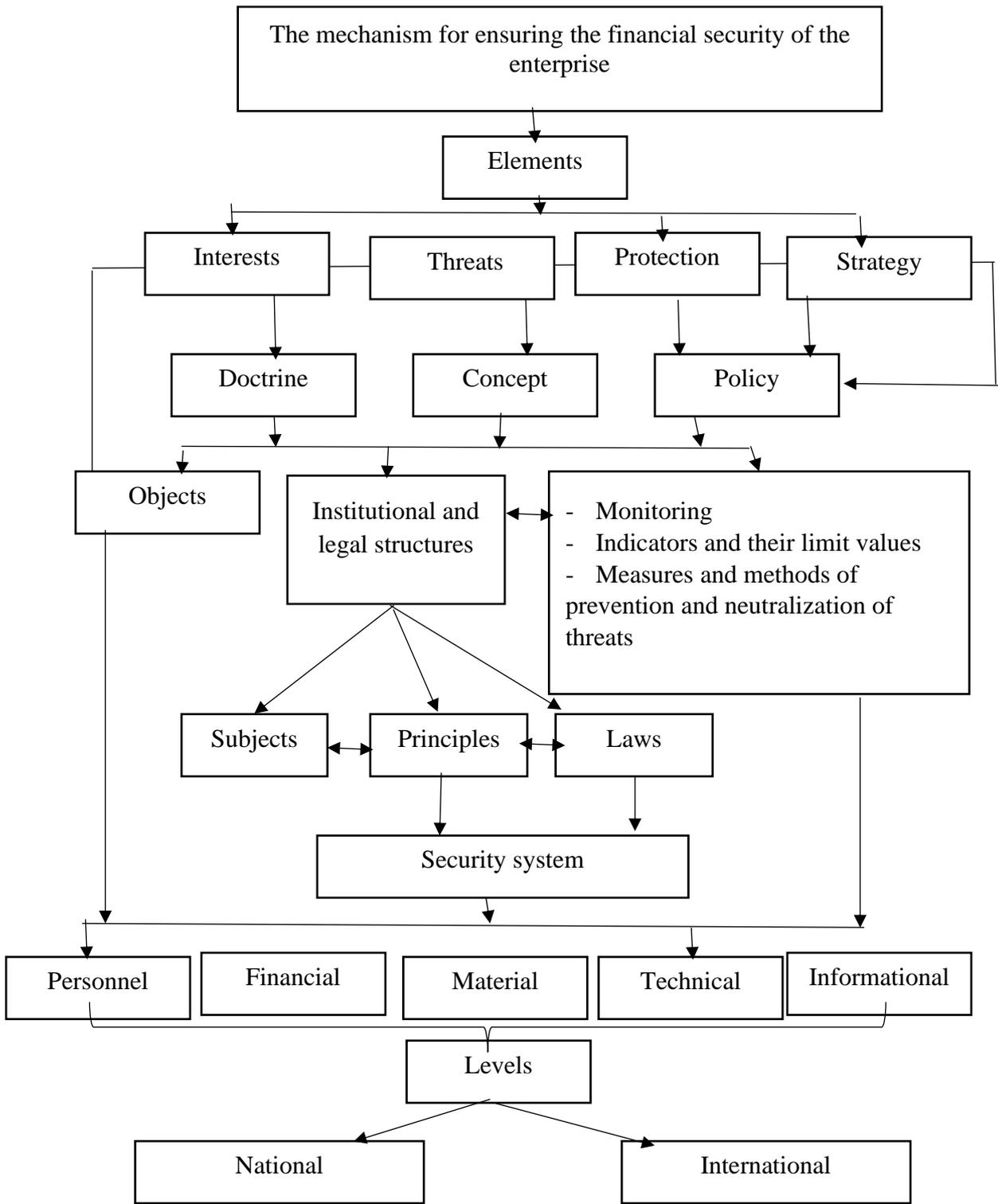


Figure 3.5. The mechanism for ensuring the financial security of the enterprise

[74, p. 522]

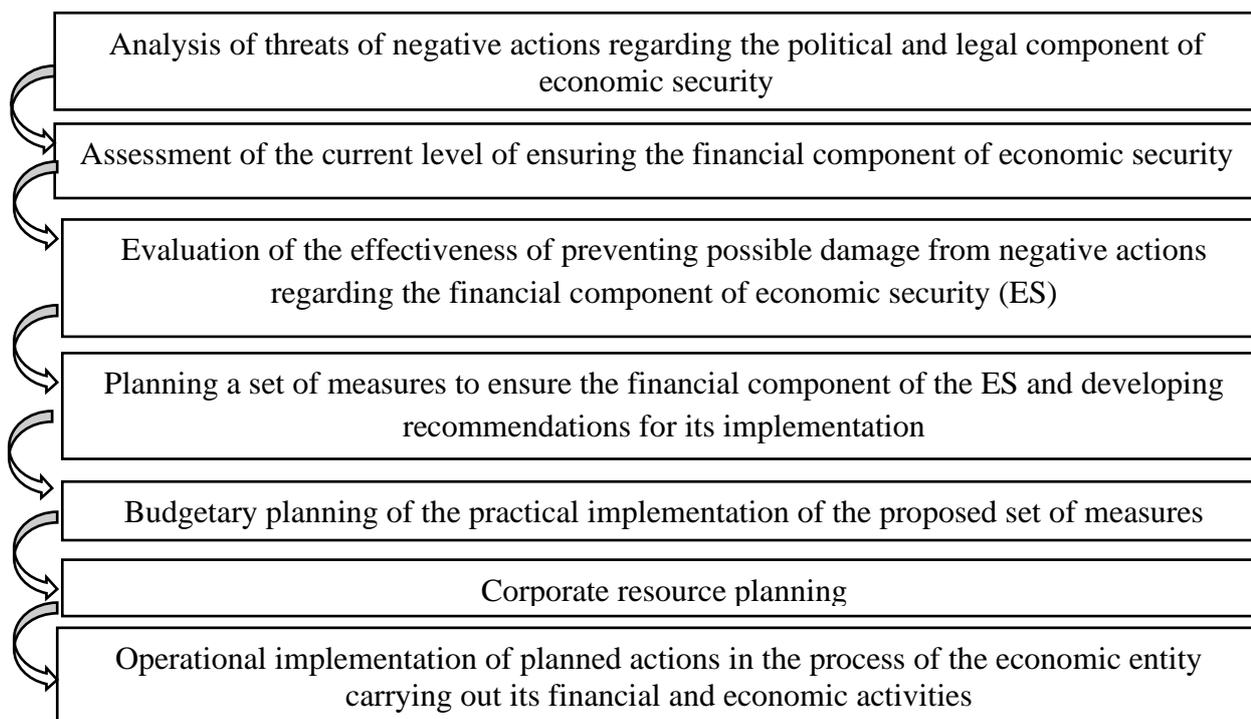


Figure 3.6. Scheme of the stages of ensuring the financial component of the economic security of the enterprise

The concept of financial security should contain priority goals and objectives for achieving security, ways and methods to attain them, adequately reflecting the role of finance in the socio-economic development of the state. Its content is designed to coordinate nationwide actions in the field of security at the level of individual citizens, business entities, industries, sectors of the economy, as well as at the regional, national, and international levels.

The mechanism for ensuring the financial security of enterprises, regarding the possibilities of using the external environment, and subject to the influence of time and space, is important for a business entity, as it requires constant monitoring of the external environment and timely adaptation to its internal interests, the ability to prevent external threats, the dynamics of behavior change, and the timely creation of a number of precautionary measures to avoid loss of profit. It is necessary to take into account the frequency and change of dynamics, the determinism of factors, factor analysis of the impact on one or another subject, relative speed and frequency. It is

necessary to track not only external factors in the temporary space caused harm to the enterprise (partnerships, competitors, intermediaries), but also the impact of internal actions or inaction of employees of the economic entity itself. Untimely submission of information or perversion of information, deliberate detention can lead to negative PR, and therefore, as a result, to a decrease in profitability or bankruptcy of the enterprise.

EDUCATIONAL TRAINING

1. Components of Ukraine's economic security and their assessment methodology
2. Regulatory and legal provision of economic security in the system of corporate management of the enterprise.
3. The main spheres and directions of activity of the economic security services, tasks and functions.
4. A methodical approach to assessing the economic security of the region and industry.
5. A complex of methodological approaches to the assessment of the economic security of the enterprise.
6. Technology for modeling the state of economic security of the enterprise.
7. Factors of threats to economic security in the corporate management system of the enterprise.
8. Management relations in the system of economic security of an institution, organization, and enterprise.
9. Methods of managing the security system of an institution, organization, and enterprise.
10. Elements of the financial security system.
11. A mechanism for ensuring financial security.
12. Threats to the financial interests of the enterprise while ensuring its financial security.
13. Develop a classification of types of threats to the financial interests of the enterprise while ensuring its financial security.
14. The concept of behavioral direction management.
15. The concept of intensifying commercial efforts.
16. The concept of capital.
17. Marketing concept.
18. New product concept.
19. The concept of strategic business units.
20. The concept of management by objectives.
21. The essence and types of financial security of the enterprise.
22. Approaches to determining the financial security of enterprises.
23. Classification of types of financial security of enterprises.
24. Classification of types of threats to the financial interests of the enterprise while ensuring its financial security.

Control questions for self-training

1. Name the main stages of the methodical approach to determining the level of economic security of Ukraine.
2. Reveal the essence of the main subsystems of financial security.
3. What methods are used to normalize features in assessing the country's economic security?
4. How are gross coefficients calculated by sector of the economy?
5. What component, besides the economic one, is singled out when assessing the economic security of a region or industry?
6. Highlight the main approaches to determining the economic security of an enterprise.
7. How to assess the level of economic security of an enterprise, taking into account gross investments?
8. How to determine the interface component of the economic security of an enterprise?
9. What level of intellectual security provides a high level of economic security of the enterprise and why?
10. What is the peculiarity of the application of express methods for assessing the level of economic security of the enterprise?
11. List the main documents regulating the activities of the joint-stock company.
12. What are the main changes in the management system during the transition of joint-stock companies to public or private ones?
13. How is the type of joint stock company chosen?
14. What are the possible sanctions for non-compliance with the requirements of the Law of Ukraine “On Joint Stock Companies”?



INFORMATION SUPPORT OF THE ENTERPRISE FINANCIAL SECURITY. MANAGEMENT OF THE FINANCIAL SECURITY SYSTEM OF THE ENTERPRISE

- 4.1. Ensuring information security of the enterprise.
- 4.2. Directions of information security.
- 4.3. Functions of the financial security department of the enterprise
- 4.4. Analysis of the financial condition of the enterprise

Main categories and concepts: directions, security, ensuring information, financial security, information security, information component, types of Information

4.1. Ensuring information security of the enterprise

In the context of the financial and economic crisis, domestic enterprises operate under the uncertainty of changes in market conditions, imperfections in the financial, economic and organizational-legal mechanism for ensuring the economic security of the enterprise, and in particular its information component.

The level of threats and risks to enterprise security information is constantly increasing. This is especially due to the development of modern technologies, numerous information crimes, espionage, and industrial espionage. Economic entities interact with a large number of contractors seeking to realize their interests, and there are great threats to the external environment, who are trying legally and illegally to obtain information about the financial condition of the enterprise, plans for future development, information about the production process and marketing of goods, suppliers, and partners.

It often happens that by poaching staff or arranging for their employee, competitors try to illegally obtain information about the enterprise. Therefore, to ensure the information security of the enterprise, it is necessary to apply preventive measures, both legal and financial.

The mechanism for ensuring the information security of business entities should be formed and implemented in practice through a comprehensive solution of problems associated with the multifactorial nature of the difficult-to-control and predictable modern environment for the functioning of the information security system of enterprises. Modern business conditions require the creation of an information-supported management system. That is why ensuring the information security of the enterprise is a rather urgent issue of the present.

The developed countries of the world spend about 9-12% of their profits on business security. In Ukraine ensuring the security of an enterprise is often reduced only to the presence of a security guard.

In English, the word “information” first appeared in 1387. This word acquired its modern spelling in the 16th century. In the East Slavic language, the word “information” came from Poland in the 17th century. In the middle of the XX century information has become a general scientific concept, but it is still quite controversial in the scientific field. There is no generally accepted definition of the concept “information”, and it is used mainly on an intuitive level⁵⁵.

The legal basis for the definition of the term “information” is the Law of Ukraine “On Information” and the Civil Code of Ukraine.

Thus, according to the Law of Ukraine “On Information”, the term “information” means any information and/or data that can be stored on physical media or displayed in electronic form⁵⁶.

In agreement with the Law of Ukraine “On the Protection of Economic Competition” information is data in any form that can be stored on any media (including correspondence, books, notes, illustrations (maps, diagrams, organizational charts, drawings, schemes, etc.), photographs, holograms, film, video, microfilms, sound recordings, databases of computer systems, full or partial reproduction of their

⁵⁵ Shcho take informatsiia? [What is information?]. Materialy sait. URL: <https://sites.google.com/site/informaci1234/home/domen-ru>. [in Ukrainian].

⁵⁶ Zakon Ukrainy «Pro informatsiiu». [Law of Ukraine "On Information"]. Vidomosti Verkhovnoi Rady Ukrainy (VVR), 1992, № 48, art.650. Redaktsiia vid 01.01.2023, pidstava - 2524-IX. URL: <https://zakon.rada.gov.ua/laws/show/2657-12#Text>.

elements), explanations of persons and any other publicly announced or documented information⁵⁷.

Taking into account the interpretation of the term “information” by the Civil Code, this term means documented or publicly announced information about events and phenomena that took place or are taking place in society, the state and the environment⁵⁸ [Art. 200].

There are many interpretations of the concept “information” by scientists, then let’s examine some of them.

In particular, Tsyutsyupa S.V. believes that information is one of the most important resources along with material, energy and human resources⁵⁹.

Kortych B.A. considers that information is certain fact, a set of any data, and knowledge⁶⁰[p. 41]. For a more complete understanding of the concept “information” we present its types. (Table 4.1.)

Table 4.1. The Main Types of Information⁶¹ [p. 124-136]

<i>Type of information</i>	<i>Interpretation of information</i>
Statistical	official documented state information that gives a quantitative description of mass phenomena and processes reflected in the economic, social, cultural and other spheres of life. State statistical information is subject to systematic open publication.

The main types of information are presented schematically in Fig. 4.1.

⁵⁷ Zakon Ukrainy «Pro zakhyt ekonomichnoi konkurentsii». [On the protection of economic competition]. Vidomosti Verkhovnoi Rady Ukrainy (VVR), 2001, № 12, art.64. URL: <https://zakon.rada.gov.ua/laws/show/2210-14#Text> [in Ukrainian].

⁵⁸ Tsyvilnyi Kodeks Ukrainy . [Civil Code of Ukraine] vid 16.01.2003 r. №435- IV. Vidomosti Verkhovnoi Rady Ukrainy (VVR), 2003, №№ 40-44, st.356 [in Ukrainian].

⁵⁹ Tsiutsyupa S. V. (2012). Klasyfikatsiia informatsii v systemi ekonomichnoi bezpeky pidpriemstva. *Vcheni zapysky Universytetu «KROK»*. Un- t ekonomiky ta prava «KROK». T. 2. № 32. K., 2012. PP. 150-155. [in Ukrainian].

⁶⁰ Hanushchak T.V. (2016). Finansova bezpeka biznesu. [Financial security of business] .Navchalnyi posibnyk. K.: Departament polihrafi University «KROK». 266 p. [in Ukrainian].

⁶¹ Ibid

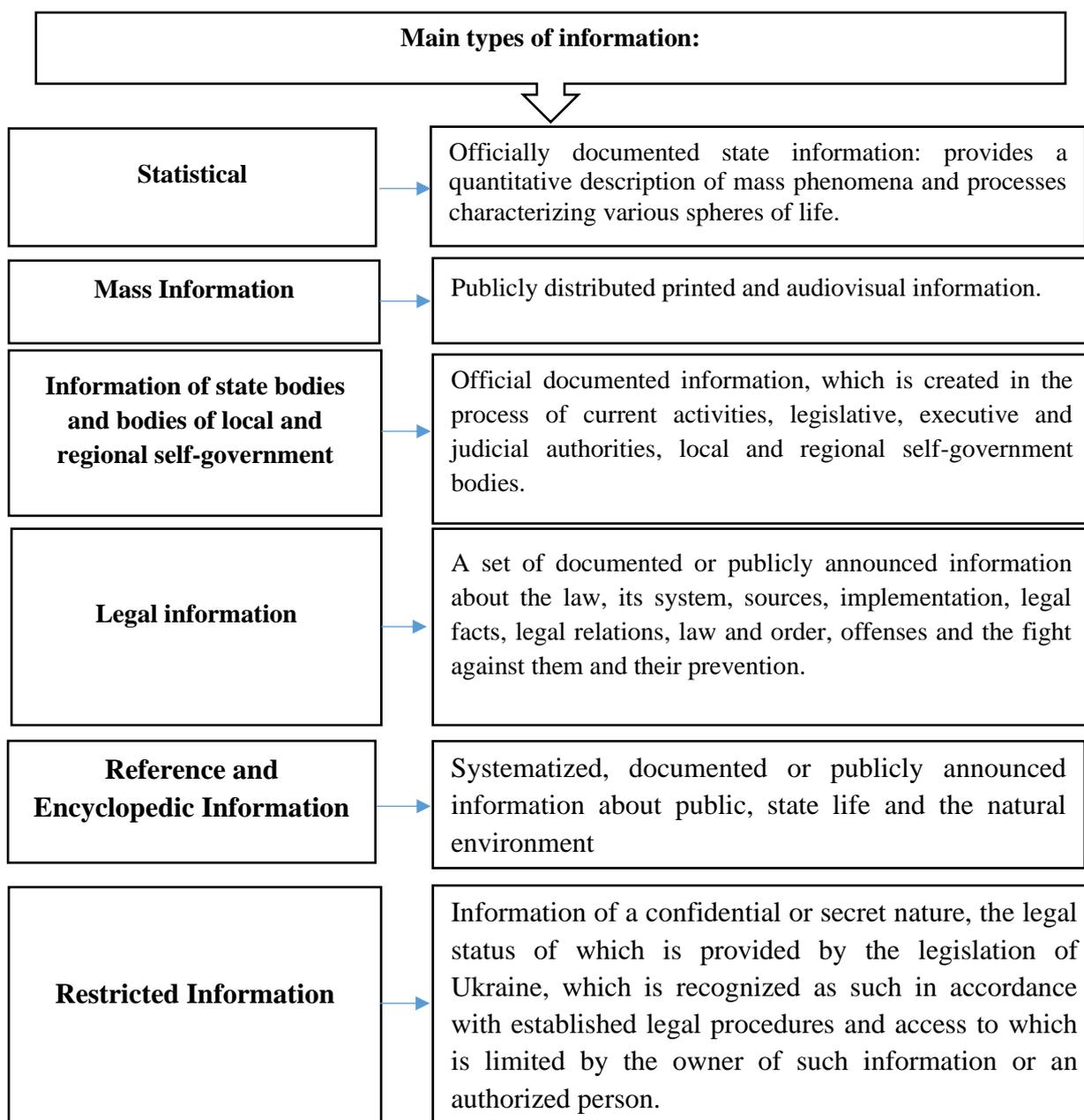


Figure 4.1. Types of Information

Secret information containing information constituting state and other information provided for by law secrets (banking, commercial, official, professional, lawyer), the disclosure of which is detrimental to the individual, society and the state.

In the conditions of constant development of the information environment of the enterprise, it is necessary to ensure its information security at all stages of activity.

There are different approaches of economists regarding the term “information security”.

Information security is the state of security of the information space, which ensures the formation and development of this space in the interests of the individual, society and the state⁶² (Table 4.2).

Table 4.2. Approaches to the definition of “information security”

Author	Content of the approach
V.S. Iftemchuk, V.A. Hryhoryev, M.I. Manylich, H.D. Shutak ⁶³	ensuring the protection of information from accidental or intentional access by persons who do not have the right to do so; an integral property of information characterized by confidentiality, integrity and availability; security of devices, processes, programs, environment and data, ensuring the integrity of the information processed, stored and transmitted by these means; property of the environment to ensure the protection of information.
Z.B. Zhyvko, M.O. Zhyvko, Kh.Z. Bosak ⁶⁴	it is the protection of information and supporting infrastructure from accidental or intentional actions of a natural or artificial nature that can cause unacceptable damage to the subjects of information relations, including owners and users of information and supporting infrastructure.
A.N. Azrylyyan ⁶⁵	ensuring the protection of information from accidental or intentional access by persons who do not have the right to do so; an integral property of information characterized by confidentiality, integrity and availability; protection of devices, processes, programs, data, environment that ensures the integrity of the information processed, stored and transmitted by these means; the property of the environment to ensure the protection of information.
S.I. Melnyk, M.Yu. Tsup ⁶⁶	This is the state of protection of the organization's information environment from internal and external threats. The content of information security is the implementation of effective information and analytical support for the economic activities of the company. At the same time, the corresponding services perform some functions that together characterize the process of creating and protecting the information component of economic security.

⁶² Hanushchak T.V. (2016). Finansova bezpeka biznesu. [Financial security of business] .Navchalnyi posibnyk. K.: Departament polihrafii Universytetu «KROK». 266 p. [in Ukrainian].

⁶³ Heneza rynkovoï ekonomiky (politekonomika, makroekonomika, ekonomichnii analiz, ekonomika pidpryemstva, menedzhment, marketynh, finansy, banky, investytsii, birzhova diialnist): Terminy, poniattia personalii [The genesis of the market economy (political economy, macroeconomics, economic analysis, enterprise economics, management, marketing, finance, banks, investments, stock market activity): Terms, concepts of personality] (2004) / [ukladachi: V.S. Iftemchuk, V.A. Hryhoriev, M.I. Manylich, H.D. Shutak.; za nauk. red. H.I. Bashnianyna i V.S. Iftemchuka]. K.: Mahnoliia-plius. 688 p. [in Ukrainian].

⁶⁴ Zhyvko Z.B., Zhyvko M.O., Bosak Kh.Z. (2010). Information security and information protection: Textbook. Lviv: Liga-Press. 145 p.

⁶⁵ Bolshoi ekonomycheskyi slovar [Tekst] : slovar. [Big economic dictionary [Text]: dictionary]. (1994) / M. Yu. Ahafonova, A. N. Azrylyian, S. Y. Dehtiarev y dr.; Pod red. A. N. Azrylyian. M. : Pravovaia kultura. 1994. 525 p. [in russian].

⁶⁶ Melnyk S.I., Horban I.M., Tsup M.Iu. (2014). Sutnist i klasyfikatsiia naukovykh ekonomichnykh interesiv. *Naukovyi visnyk Lvivskoho derzhavnoho universytetu vnutrishnikh sprav*. Serii ekonomichna. Vypusk 1. PP. 57-66.

Author	Content of the approach
O.M. Stepanova, L.M. Dehtyariova ⁶⁷	protection of information and supporting infrastructure from accidental or intentional actions of a natural or accidental nature that may harm the owners of the information resource or users of the information and supporting infrastructure.
O. A.Sorokovs'ka, V.L. Hevko ⁶⁸	public relations on the creation and maintenance at the proper level of vital activity of the information system of a business entity.
Kislov D.V. ⁶⁹	the state of protection from the impact and use of information that may slow down or prevent their use and implementation.
M.M. Tsymbalyuk, I.S. Kernytskyi, Z.B. Zhyvko, M.I. Kopytko ⁷⁰ [p.107]	the state of security of the information space that ensures the formation and development of this space in the interests of the individual, society, and the state.

Analyzing the above views on the definitions of the concept “information security”, it should be noted that they consider different aspects of ensuring information security, and actually complement each other.

To protect the enterprise from leakage of confidential information, it is necessary to:

- control the access of company employees to classified information and databases;
- do not abuse the hiring of temporary employees if they automatically get access to confidential information;
- install CCTV cameras and control persons moving within the company;
- install a device for the destruction of secret documents;
- secret documents must be destroyed personally by employees responsible for the security of the company;

⁶⁷ Stepanova O.M., Dehtiarova L.M. (2009). Informatsiina bezpeka v umovakh rozvytku informatsiinoi systemy pidprijemstva. Informatsiina bezpeka, № 1. Vyd-vo: Skhidnoukrainskoho nats. un-tu im. V. Dalia. S. 59-63

⁶⁸ Sorokovska O. A., Hevko V.L. (2010). Informatsiina bezpeka pidprijemstva: novi zahrozy ta perspektyvy. *Visnyk Khmelnytskoho natsionalnoho universytetu*. № 2, T. 2. C.32-35.

⁶⁹ Kislov D.V., Transformatsiini protsesy media-bezpeky ta media-teroryzmu. [Transformational processes of media security and media terrorism]. *Informatsiia i pravo*. № 2 (2), 2011. DOI [https://doi.org/10.37750/2616-6798.2011.2\(2\).271569](https://doi.org/10.37750/2616-6798.2011.2(2).271569). URL: <http://www.ippi.org.ua/kislov-d-transformatsiini-protsesi-media-bezpeki-ta-media-teroryzmu> . [in Ukrainian]

⁷⁰ Konkurentna rozvidka. [Competitive intelligence]. Kurs lektsii. [Tsymbaliuk M.M., Kernytskyi I.S., Zhyvko Z.B., Kopytko M.I.]; za red.prof.I.S.Kernytskoho. Lviv: Liha-Pres, 2013. 264 s. [in Ukrainian]

- create special envelopes in which secret information will circulate within the company;
- monitor the use of copiers and the removal of documents from the enterprise;
- establish places for receiving visitors, do not leave them alone;
- equip soundproof rooms and check them for discussion of important issues of the enterprise;
- use only numbered notebooks for keeping office records;
- at the end of the working day, hide all important documents in a safe;
- establish personal responsibility of employees for the preservation of confidential information with a clear definition of the penalty for leaking this information.

Increased requirements for information security require appropriate measures at all stages of the life cycle of information technology. Plan these activities at the end of the stage of risk analysis and selection of countermeasures. An obligatory part of these plans is the periodic verification of the compliance of the existing information security regime with the security policy, certification of the information system (technology) for compliance with the requirements of a specific security standard.

The purpose of the risk assessment process in the process of ensuring the information security of an enterprise is to determine their characteristics in the information system and its resources. Based on such data, the necessary information security management tools are selected.

The key factor in ensuring the information security of an enterprise is its personnel. The main activities in the work with which are: conducting analytical procedures for admission and dismissal; training and instruction in practical steps to protect information; control over the fulfilment of information protection requirements, promotion of a responsible attitude to information storage, etc.

The most common and dangerous threats to availability are unintentional errors of regular users, operators, system administrators and other persons maintaining information systems.

These errors usually become threats (incorrectly entered data or errors in the program that led to the system crash), sometimes they create weaknesses that attackers can take advantage of. Statistics show that about 65% of losses are the result of unintentional errors. Based on this, the most radical way to deal with unintentional errors is maximum automation and strict control.

In second place in terms of losses are thefts and forgeries. According to data circulating among specialists, total damage in the amount of \$1.882.000.000 is caused to organizations in 1 year. It can be assumed that the true amount of damage is much higher, since many companies for obvious reasons hide such incidents. In most of the investigated cases, the perpetrators turned out to be full-time employees of firms who were well aware of the working hours and security measures⁷¹.

The main task of the enterprise is timely identification of threats and their prevention. One of the tasks of the management is a number of measures to prevent computer crimes. They are divided into technical, organizational and legal (Table 4.3.)

Table 4.3. Measures to prevent computer crimes⁷² [p. 193-194]

Technical	Organizational	Legal
1. protection against unauthorized access to the system; 2. redundancy of special computer subsystems; 3. organization of computer networks with the possibility of redistributing resources in the event of a malfunction of individual links; 4. Installation of fire detection and extinguishing equipment; 5. Taking constructive measures to protect against theft, sabotage, explosions; 6. alarm installation.	1. protection of computing centers; 2. careful selection of personnel; 3. availability of a plan to restore the computing center's operational capacity after its failure; 4. universality of means of protection from all users (including senior officials); 5. exclusion of cases of carrying out especially important work by only one person.	1. copyright protection of programmers; 2. control over developers of computer systems; 3. improvement of administrative, civil, legislation in the field of computer law.

⁷¹ Vydy informatsiinykh zahroz. [Types of information threats.]. URL: <https://sites.google.com/site/vidiinformacijnihzagrozinform/>

⁷² ibid

4.2. Directions of information security

Information security is the protection of information and supporting infrastructure from accidental or intentional actions of a natural or artificial nature that can cause unacceptable damage to the subjects of information relations, including owners and users of information and supporting infrastructure.

Information protection is a set of measures aimed at ensuring information security.

In practice, information protection occurs by maintaining the integrity, availability, and, if necessary, confidentiality of information and resources used to enter, store, process and transmit data. The main security mechanisms that ensure the protection of information resources include:

- access control;
- logging and auditing;
- identification and authentication;
- cryptography;
- screening.

It is necessary to pay attention to the degree of importance of information resources, because the necessary level of protection depends on this. Information, data and knowledge within the information economy are the most promising goods that require appropriate advertising in specific market segments. At the same time, information resources should be classified and structured according to their value, which makes it possible to regulate access to them and formulate appropriate proposals to counterparties. The result of this process is the formation of the price of the proposed information resources and the discovery of some data, information and knowledge for consumers to confirm it. The pricing process for information resources is quite complex, given the competition of information sources, the problems of the dynamics of its usefulness and value, a large number of potential threats of unauthorized receipt and use. Conventionally, threats can be divided into accidental and intentional.

Deliberate threats through their systematic use can be carried out due to random or prepared attacks by unauthorized requests or virus programs. The consequences resulting from the implementation of threats are the loss of information, modification (changing information to false, it is correct in form and content, but has a different meaning) and familiarization with extraneous information. The result of such changes can be unpredictable, ranging from harmless misunderstandings to huge financial losses.

Prevention of such consequences is the main task of information security. To create information security tools, it is necessary to determine the nature of threats, the forms and ways of their possible identification and implementation in the information system. Today it is impossible to imagine any organization without electronic data. Documents, accounts of clients and organizations, mail, advertising information, programs, files with graphic video/audio data, corporate databases, etc. – everything is located on the disks of local area network servers. Thus, information is a kind of heart that ensures the life of corporations or enterprises.

An important issue in the theory of information security organization is the determination of its directions based on a complex approach to protection methods. Conditionally, the following areas of protection organization can be defined as: legal, administrative, engineering and technological. As part of the latter, software-mathematical (computer software protection products) are defined as autonomous.

The formation of any theory in the methodological aspect involves the definition of methods for cognition of the subject area and scientifically based influence (organization, management, etc.) on the subject area.

The analysis of scientific and practical sources and other empirical material made it possible to formulate a subject method (“method of applying methods”, method – principle) – a complex application of managerial, legal, and engineering-technological methods of information protection in automated computer systems.

Based on these provisions, it can be concluded that there is a need to form the problem of certain aspects (institutions) of the general theory and practice of

information security for the protection of information in automated computer systems. In this regard, it is possible to single out two parts of the theory: general (fundamental, general provisions) and special parts (relations in separate directions of functions based on general provisions).

Information protection is a set of organizational and technical measures and legal norms to prevent the facts of causing damage to the interests of the information owner. For a long time, information security methods were developed only by state bodies, and their implementation was considered as the exclusive right of the state. However, with the development of commercial and entrepreneurial activities, the number of unauthorized access attempts to confidential information has increased, industrial espionage has spread, and the problems of information security have become the focus of scientists and specialists attention from different countries. Therefore, the need for information security specialists has increased significantly.

The problem of information security cannot be solved without the introduction of new ideas, new knowledge, new policies in the field of informatization. Conceptual proposals for the broad involvement of domestic scientists and manufacturers in solving this problem as a component of national security. Ignoring information security issues can lead to difficulties in making critical decisions in various fields of activity.

A large number of approaches to the interpretation of information security indicates the role that it plays in the process of effective development of the enterprise, since it ensures the protection of information in all areas of the enterprise. The directions of information security are presented in Table 4.4.

Information security has the following generally accepted areas:

1. A system of measures aimed at preventing unauthorized access to information, its unauthorized modification or violation of integrity. This direction is often called Informational security.

Table 4.4. Directions of Information Security⁷³ [69, p. 40]

Name of the direction of information security of the enterprise	Characteristic
The first direction of information security of the enterprise	the organization needs to develop and implement a simple system for classifying the degree of confidentiality of processing materials (“Secret”, “Company use only”, “Public use”, “Personal use”)
The second direction of information security of the enterprise	it is necessary to constantly work with the company's personnel on the rules for the use of confidential information.
The fourth direction of information security of the enterprise	assign the obligation to determine the secrecy of the document to the person who developed it, this person can later change the degree of secrecy of this information.

2. Protection of the political, state and public interests of the country, common moral values; prevention of calls to violate territorial integrity; prohibition of information containing ideas of war, violence, discrimination and infringement of human rights.

3. Prevention of the dissemination of information constituting a state secret, as well as information with restricted access and information moving across the state border of a closed type.

Measures to prevent information leakage, which must be applied in the process of protecting information, are presented in Fig. 4.2.

International aspect. For the first time, the problem of information security was introduced by the United States in 1947 when the US National Security Act was adopted. The practical solution of information security problems, bringing to responsibility for a violation or threat to information security in each state is carried out in the manner prescribed by the norms of international law, relevant interstate agreements, as well as domestic legislation.

⁷³ Informatsiina bezpeka derzhavy. [Information security of the state]: navch. posib. dlia stud. spets. 6.170103 «Upravlinnia informatsiinoiu bezpekoiu», 125 «Kiberbezpeka»/ V.I. Huriev, D.B. Mekhed, Yu.M. Tkach, I.V. Firsova. Nizhyn: FOP Lukianenko V.V. TPK «Orkhidea», 2018. 166 p. : il. [in Ukrainian].

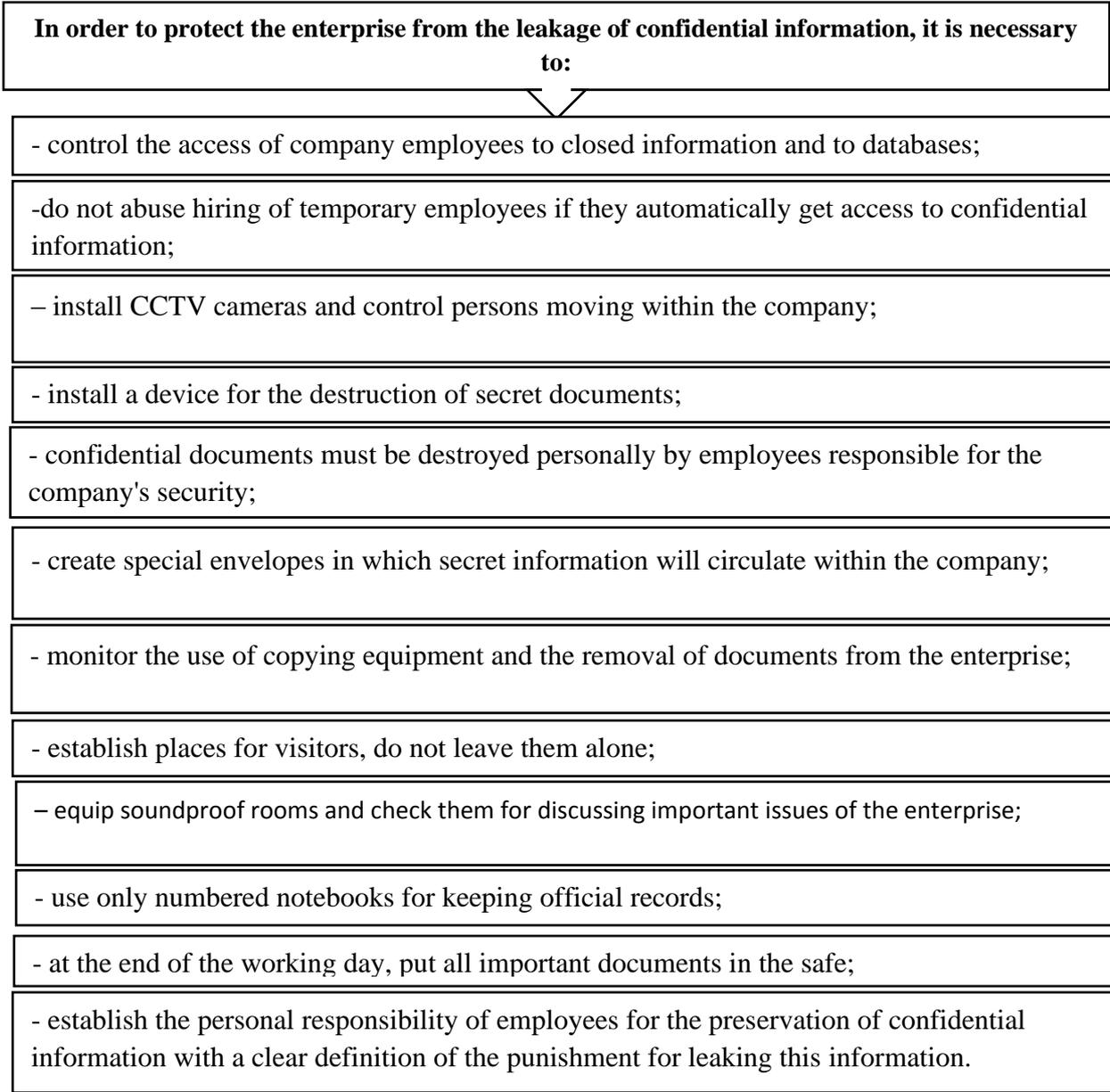


Fig. 4.2. Measures to be taken to preserve the information

Information security is regulated by certain norms of international law, fixed in the documents of the UN and UNESCO, documents of European international organizations, as well as in the regulations of individual states. There is an international norm regarding distorted information, including calls for the overthrow of the state system in another country. International documents fix the protection of intellectual information, as well as the protection of commercial information.

Every more or less developed country has data protection laws in different areas, for example:

- France has a Law on Information, Information Files and Human Rights (1978);
- Germany, Austria, Belgium, Denmark, Ireland – Data Protection Act (1990);
- Finland, Iceland – Law “On Personal Information Protection”;
- Luxembourg - Law “On the use of information in the process of working with a computer.

Information wars are taking place in the world, carried out with the help of special institutions, diplomatic representatives in host countries; special technologies that include the latest achievements in the field of information and communications.

Information wars are carried out to ensure the political, economic interests of governments, political parties and movements to exercise power and protect national interests on the territory of another state or in certain regions. The information war is carried out in order to promote the ideas of mass influence on public opinion, as well as to study the reaction of the international community to certain predicted decisions.

Examples (of information operations):

- “Desert Storm”, “Desert Thunder” in the Persian Gulf;
- “Restoring Hope” in Somalia;
- “Common Effort” in Bosnia and Herzegovina;
- “Autonomy of Albania”;
- “Storm in Hawaii”.

The information war has two aspects (two types of security):

- ideological aspect;
- technological aspect.

The *ideological aspect* includes the indoctrination of the population, which leads to the instability of the political situation in the country, to the disorientation of the population and to panic. Even a slight penetration of information in order to ensure the operation leads to significant material consequences and the interests of a more

developed country. In addition, the massive influence of information on public opinion leads to a calm attitude towards aggressive steps and even military actions.

From the point of view of *technical support*, we are talking about the fact that at a certain time software virus, logical bombs, embedded in the memory of information computer networks, are activated. They are capable of destroying control programs, databases, as well as terminating accounts in foreign banks, drowning out television and radio broadcasts in a certain region, and stopping the operation of army communication and control points.

Information expansion can include the spread of the sphere of influence of transnational corporations in a certain region in order to compete, conquer the information market and receive income from information activities.

Information intervention is biased information disseminated through communication systems, subjective facts and subjective information that influences public opinion and decision-making in another state.

Information pressure is one of the types of information threats used to resolve international problems, to prevent international conflicts or to force a state that violates international rules to enter the international legal field. Information pressure is used as a method of preventive diplomacy.

4.3. Functions of the financial security department of the enterprises

As a rule, retailers divide information requiring protection into two categories – confidential information and trade secrets.

A trade secret is:

- information about suppliers, sellers and buyers of products;
- information about the methods of acquiring and selling products;
- terms of cooperation with suppliers;
- production cost;

- the size of the trade margin;
- volume of production and sales of own products;
- current and future production plans;
- information about production equipment;
- information about the nature and features of the production technology;
- property status, quantity and value of commodity stocks;
- store marketing research; store opening marketing programs; store promotion marketing programs;
- information about plans for purchases, sales and investments;
- information disclosing indicators of the current financial position and plans for the future;
- information about the balance sheet of the enterprise;
- information about financial transactions;
- information on the status of bank accounts;
- information about the level of income;
- information about the system of remuneration;
- information about the specialty, qualification level and place of residence of the enterprise's employees;
- information on the security organization of structural divisions;
- other information related to production, economic, financial, managerial and other activities that do not constitute state secrets and the disclosure of which may cause material damage to the enterprise or damage its business reputation.

Confidential information includes:

- constituent documents, documents allowing to engage in entrepreneurial activity and its separate types;
- information on all established forms of state reporting;
- data necessary to verify the calculation and payment of taxes and other obligatory payments;

- information on the number and composition of employees, their wages in general and by profession and position, as well as the availability of vacancies;
- documents on payment of taxes and obligatory payments;
- information about pollution of the environment, non-compliance with safe working conditions, sale of products that are harmful to health, as well as other violations of the legislation of Ukraine and the amount of damage caused; solvency documents;
- information on the participation of officials of the enterprise in cooperatives, small enterprises, unions, associations and other organizations engaged in entrepreneurial activities;
- information that, in accordance with applicable law, is subject to announcement.

The subjects that pose a threat to information security are various types of intruders (external threat) and enterprise personnel (internal threat). Considering that as a result of capturing important information of an enterprise, attackers can cause significant damage to both the financial condition and the image, it is not worth neglecting the organization of information security, but also spending significant funds on acquiring various kinds of software or services existing on the market today is not needed. An information security organization requires a balanced approach in terms of acquiring the necessary tools to ensure it.

The organizational function involves the formation of a system for managing the financial and economic activities of an enterprise, institution, or organization based on direct and feedback links between the control and managed systems.

Practical implementation of the organization of management of financial and economic security of entrepreneurship involves:

- regulation of management functions, operations and procedures;
- determining the composition of the financial and economic security unit and the number of employees to implement each management function;
- establishment of job rights and duties, reflected in the relevant job instructions and regulations on the service (department, division) of the enterprise's financial and

economic security.

The implementation of the mechanism of financial and economic security of a business entity requires a certain management and organization. The basis of such an organization should be a targeted approach to ensuring the main purpose of security. Given the interpretation of the mechanism of financial and economic security as a system of levers, tools and ways of functioning of a business entity, which ensures its financial interests, the latter can be the basis of such an organization as a goal to be achieved. The economic environment for the existence of a business entity, in particular the presence of external and internal threats, is not specified (a narrower understanding of security), however, such constancy of functioning must be achieved, including in conditions of crisis processes and phenomena. In addition, one should proceed from the axioms of financial security, namely, universality, non-recurrence and openness.

It is also necessary to take into account the hierarchical structure of the mechanism of financial and economic security of business entities. Since there is a certain ordering according to the levels of perception of the essence of the mechanism of financial and economic security (broader and narrower understanding), its functions (basic and specific), and tasks (three levels), there must be a certain hierarchy according to the levels of implementation of such management in ensuring security. Consequently, there is a need to single out and streamline, according to the hierarchical principle, the typical stages and tasks that arise in the process of financial and organizational relations of the implementation of the mechanism of financial and economic security according to the levels of responsibility of the governing bodies.

The mechanism of financial and economic security is aimed not so much at eliminating threats as at building an effective process that ensures financial stability, operational sustainability and profit-making by an enterprise in conditions of uncertainty and risk. The process of functioning of such a mechanism is multi-stage and purposeful. Given this, it is possible to single out the levels of governing bodies, each of which will correspond to a certain amount of responsibility and authority,

taking into account the stage and task of implementing the mechanism of financial and economic security.

The governing structure consists of three levels, endowed with an appropriate amount of authority and responsibility, namely:

the first level – top management of the company – the highest governing body,

the second level – middle management – an intermediate governing body,

the third level – the executive apparatus of the financial department – the lowest governing body.

The management of the financial and economic security of an enterprise presupposes the existence of a certain control object⁷⁴. When building a general system of this management, its object is the financial activity of the enterprise as a whole. Enterprise security management as a management system includes certain management subjects.

The modern practice of financial management makes it possible to single out three main *groups of such subjects*: the owner of the enterprise (1st level of responsibility), a general financial manager (2nd level of responsibility), and a functional financial manager (3rd level of responsibility). A feature of the organizational management of the mechanism of financial and economic security of business entities is the unequal distribution of functions, tasks, etc. between governing bodies in different economic conditions, with different sets of tasks while using different approaches to ensuring financial security. The corresponding structure arises during the formation of the functional structure of the financial management of a business entity, which is most often encountered in practice.

⁷⁴ Zabezpechennia finansovo-ekonomichnoi bezpeky pidpriemnytstva [Ensuring financial and economic security of entrepreneurship]: navchalnyi posibnyk/ H.V.Solomina. Dnipro: Dnipropetrovskiy derzhavnyi universytet vnutrishnikh sprav, 2018. 234 p. [in Ukrainian].

4.4. Analysis of the financial condition of the enterprise

Financial condition is the ability of an enterprise to conduct business based on timely repayment of all types of debt, a rational capital structure and economic assets⁷⁵.

It reflects in value form the overall results of the enterprise's work on the management of financial resources. The financial condition of the enterprise is determined by the following elements:

- profitability of the enterprise;
- optimal distribution of profits remaining at the disposal of the enterprise after paying taxes and obligatory payments;
- the availability of own financial resources, not only of the minimum required level for organizing the production process and the process of selling products;
- rational allocation of fixed and working capital;
- solvency and liquidity.

The financial condition of the enterprise depends on the results of its industrial, commercial and financial activities, i.e. the higher the indicators of production and sales of products, works and services, the lower their cost. When the higher the profitability and the higher the profit, then the financial condition of the enterprise is better, and vice versa⁷⁶.

The financial and economic condition of the company is assessed by the balance sheet analysis method. The company's balance sheet reflects the composition of resources and sources of resource formation. The ratio of certain constituent elements of an asset and a liability, as well as the relationship between them, has a significant impact on the ability of an enterprise to conduct a correct, efficient economic activity. The ability to carry out effective management of the financial condition of the company depends on the appropriateness of using one or another method of assessing the

⁷⁵ Boychyk I.M. *Ekonomika pidpryyemstva [Enterprise economics]*: navch. posibn. K. : Vyd-vo Atika, 2002. 478 p. [in Ukrainian].

⁷⁶ Fedorenko V.I. *Otsinka ta diahnozyka finansovoho stanu pidpryyemstva [Assessment and diagnosis of the financial state of the enterprise]* V.I. Fedorenko . *Ekonomika ta derzhava*. 2004. № 1. PP. 26-29 [in Ukrainian].

financial condition. To assess the financial condition of an enterprise, the following methods are used: coefficient, complex, integral, break-even and equilibrium⁷⁷.

The most common is a coefficient method based on the calculation of a system of coefficients that reflect various aspects of the enterprise's activities and take into account the factors of internal and external influence on the financial condition of the enterprise. However, the disadvantage of this method is the lack of standard values for most of the coefficients used. The information for the analysis of the financial condition is: the balance sheet of the enterprise, the statement of financial results, the statement of cash flows, the statement of equity, the report on products, as well as the materials of marketing research and audits⁷⁸.

To assess the financial condition, several groups of indicators are used, namely, indicators of solvency, indicators of financial stability, indicators of business activity.

The financial condition is understood as a set of indicators reflecting the ability of an enterprise to pay off debt obligations. It is characterized by the availability of financial resources necessary for the normal functioning of the enterprise, the expediency of their placement and efficiency of use, financial relationships with other legal entities and individuals, solvency and financial stability. The financial condition determines the competitiveness of the enterprise in the market, its image, potential in business cooperation. Since under market conditions enterprises bear full economic responsibility for the results of their activities and for preventing bankruptcy, the role and importance of analyzing the financial condition of economic entities of various forms of ownership, assessing their liquidity, solvency and financial stability is increasing significantly.

The main purpose of the analysis of the financial condition is the timely identification and elimination of shortcomings in the financial activities of the

⁷⁷ Mitsenko N.H. *Ekonomika pidpryyemstva [Enterprise economics]*: navch. posibn. L'viv.: "Mahnoliya. 2006", 2008. 688 p. [in Ukrainian].

⁷⁸ Boychuk I.M. *Ekonomika pidpryyemstva [Enterprise economics]*: navch. posibn. K. : Vyd-vo Atika, 2002. 478 p. [in Ukrainian].

enterprise and the search for ways to strengthen the financial condition of the enterprise and its solvency.

The main tasks of financial analysis are:

–General assessment of the financial condition and the factors that determine it.

–Calculation of analytical characteristics of solvency, liquidity, monetary and market stability of the company, and determination of cause-and-effect relationships between them.

–Assessment of compliance with financial, settlement and credit discipline.

–Analysis of the efficiency of capital use and assessment of the enterprise's business activity.

–Development of specific measures aimed at effective use of financial resources and strengthening of the company's financial condition. Internal and external sources of information are used to analyze the company's financial condition. The main sources of information for analysis are: – balance sheet (f. 1);

– report on financial results (f. 2);

– analytical accounting data, etc.

Analysis of the solvency and liquidity of the company.

The defining feature of a company's financial condition is its ability to pay. Solvency is determined by the ability of the enterprise to quickly repay its obligations, primarily short-term ones.

Liabilities are repaid using cash and cash equivalents. In this regard, along with the assessment of solvency, analysts determine the liquidity of the enterprise, that is, it is the ability to convert (exchange) current assets into means of payment (cash).

At the enterprise, according to liquidity, property is divided in the following sequence:

– cash (in cash and on bank accounts);

– short-term financial investments and securities; – receivables;

– finished products, goods, production stocks;

– fixed assets, intangible assets and work in progress.

In the practice of analytical work on assessing solvency and liquidity, the following indicators are determined:

1. absolute liquidity ratio – is determined by the ratio of the amount of cash (in cash and on bank accounts) (MC) to short-term (current) liabilities (CL). $ALR = MC/CL$.

Limit value = 0.1–0.2 and above.

2. quick liquidity ratio – is determined by dividing the amount of cash (AC) plus the amount of receivables (AR) to short-term (current) liabilities (CL). $QLR = (AC+AR)/CL$.

Limit value (norm) = 0.7–0.8 and above.

3. total liquidity ratio (coverage) – is determined by the ratio of the value of all current assets (CA) to short-term (current) liabilities (CL). $TLR = CA/CL$.

Limit value = 2.0 and above. These indicators are analyzed for the reporting period, compared with the planned and data of previous periods, and thereby study the dynamics of their behavior.

Conclusion: The obtained liquidity indicators point out a positive trend of the enterprise regarding the state of solvency.

Analysis of the financial stability of the enterprise.

The financial stability of the enterprise is one of the most important characteristics of the financial condition of the enterprise. It is associated with the level of dependence on creditors and investors and is generally characterized by the ratio of own and borrowed funds, which forms an overall assessment of the financial stability of the enterprise.

In the world and domestic accounting and analytical practice of assessing financial stability, a system of indicators is calculated. The economic literature offers a large number of analytical indicators, but the main ones are:

1. coefficient of autonomy (financial independence) – is determined by the ratio of equity capital to the balance sheet total (the higher the indicator, the greater the share of equity capital in the enterprise; the critical limit is up to 0.5). $CA = EC/BS(T)$

2. the coefficient of monetary dependence – is determined by $1 - \text{the coefficient of autonomy}$ (less and up to 0.5). $\text{CMD} = 1 - \text{CA}$

3. coefficient of monetary stability – is determined by the ratio of equity plus long-term liabilities to the total balance sheet currency (critical value ≥ 0.7). $\text{CMS} = (\text{RE} + \text{LTL}) / \text{BS(T)}$.

4. financial risk ratio (shoulder of financial leverage; leverage) – is determined by the ratio of attracted capital to the amount of own capital (critical value < 1 ; it is considered normal when only a third of the assets (property) of the enterprise is formed at the expense of attracted capital). $\text{FRR} = \text{RAC} / \text{OC}$.

5. Equity maneuvering coefficient – is determined by the ratio of own working capital to the amount of the company's own capital (the larger the value, the better the financial condition; critical value > 1). $\text{Maneuvering} = \text{OC} / \text{CC}$

6. the coefficient of security of current assets with own working capital – is determined by the ratio of own working capital to the amount of current assets of the enterprise (better, when a higher indicator). $\text{CSCAOWC} = \text{OWC} / \text{CAE}$

7. The coefficient of permanence of assets – is calculated by the ratio of the value of non-current assets to the amount of equity capital (critical value = 1.0). $\text{CPA} = \text{VNCA} / \text{EC}$

8. the ratio of current to non-current assets – is determined by the ratio of the amount of current assets to the amount of current assets of the enterprise (critical value depending on the type of activity). $\text{CA to NCA} = \text{ACA} / \text{ACAE}$. These indicators are determined for the reporting period, compared with planned data, with data from previous periods and with critical values, and thereby determine the level of financial stability of the enterprise, their dynamics and the reasons for the changes that have occurred.

Rating assessment of the company's financial condition.

The rating provides an opportunity to generally assess the financial situation and level of solvency of a particular enterprise. The need for an enterprise rating is determined by the desire of business entities to navigate and have an integral

assessment of the financial position of each business entity. The most complete definition of the concept of “rating” is given by Yu.L. Logvynenko: “This is the value of a certain relative rating, valid at a certain moment or for a certain period of time, which the rating subject, as a result of the rating process, assigns to the object under study and considers it the most optimal for its positioning according to the selected criterion or set of criteria among others similar in terms of the main parameters economic entities”⁷⁹

There are two main approaches to the construction of complex rating assessments: accounting (balance sheet) and expert. The expert approach is based on data obtained in the course of a survey of experts who are invited to evaluate the enterprise under study based on experience, qualifications and analysis of quantitative and qualitative information. The use of an expert approach to building ratings allows, in certain cases, to identify all the nuances and take into account several information, which ultimately allows you to get an adequate picture of the current situation. However, the application of this method is associated with a number of difficulties, such as insufficient information, the problem of expert competence, the influence of subjective factors on the assessment of a specialist, the complexity of organizing the work of a group of experts, the imperfection of the technology for conducting examinations and processing information, as well as the relatively high cost of such studies. The accounting approach implies that when building a rating for an enterprise, the analyst uses the financial reporting data available to him. On their basis, he/she calculates the necessary indicators and, using various methods of statistical data processing, calculates a comprehensive rating of the enterprise under study or ranks objects. Although the assessment obtained in this way is objective, it may not fully reflect the

⁷⁹ Logvynenko Yu.L. Sutnist' reytynhuvannya pidpryyemstv ta yoho znachennya v rynkovykh umovakh [The essence of enterprise rating and its significance in market conditions]. *Visnyk Natsional'noho universytetu «L'vivs'ka politekhnika»*. *Problemy ekonomiky ta upravlinnya*. № 640. 2009. PP. 319–327. [in Ukrainian].

real economic situation, since it is based only on financial reporting data and does not take into account many qualitative indicators of the enterprise's activity⁸⁰.

It should be noted that the processing of public financial reporting data does not oblige the researcher to use only absolute values when conducting an analytical study. According to the reporting data, it is possible to calculate relative, qualitative and dynamic indicators that are used in the rating assessment. Within the framework of the balance approach, the rating assessment of an enterprise is formed not on the basis of subjective opinions of experts, but as a result of comparison with the best results of the entire set of analyzed enterprises. Reference values of indicators arise as a result of competition in the market conditions. The reference enterprise, which has all the best indicators, can be both conditional and real. The main idea of the rating assessment methodology is to compare the indicators of a certain enterprise with the corresponding indicators of a reference enterprise. Since the financial and economic activity of each compared enterprise is reflected by several indicators, the comparison with the reference enterprise is multidimensional. The degree of remoteness from the standard is determined by calculating a complex indicator, which is a function of the compared indicators, that is similar to the distance between points in a multidimensional space.

A wide range of analytical indicators used to analyze the financial condition of an enterprise needs to generalize the information received in order to make appropriate management decisions. In this regard, in practice, a rating assessment of the financial condition of the enterprise is determined.

The calculation of the rating of the financial condition of an enterprise can be carried out based on similar data from competing enterprises or based on these indicators of the enterprise under study in dynamics, that is, taken over past periods. The algorithm for determining the rating of the financial condition can be reflected in the following sequence:

⁸⁰ Sheremet A.D. , Lohvynenko Yu.L. Sutnist' reytynhuvannya pidpryyemstv ta yoho znachennya v rynkovykh umovakh [The essence of enterprise rating and its significance in market conditions]. *Visnyk Natsional'noho universytetu «Lvivs'ka politekhnika»*. *Problemy ekonomiky ta upravlinnya*. № 640. 2009. PP. 319–327. [in Ukrainian].

1. Input information is presented in the form of a table a_{ij} , where $i = 1, n$ – indicator numbers; $j = 1, m$ – numbers of analyzed periods.

2. In the table, we select an additional column $m+1$, in which the value of the indicators (indicators of the reference enterprise) is maximized, i.e., the indicators for which the upward trend is positive are taken for calculation.

3. Indicators of the table a_{ij} are standardized in relation to the corresponding indicator of the reference enterprise, which is reflected in column $m+1$: $x_j = a_{ij}/\max a_{ij}$

4. The value of the rating score is determined by the following formula: $R = -x_1 + x_2 - x_3 + \dots + x_m$; where R_j is the rating score for the j -th period (enterprise); x_{ij} is the standardized i -th indicator of the j -th period (enterprise). The company with the lowest R value has the highest rating.

A comparative rating assessment can be based on any number of comparative indicators.

Periods, j Indicators, a_i 1 2 3 ... j_m Reference enterprise ($j_m + 1$) a_1 a_2 a_3 ... a_n
 Rating score Enterprise rank

No.	Periods, j	Indicators, a_i 1 2 3 ... j_m	Reference enterprise ($j_m + 1$) a_1 a_2 a_3 ... a_n	Rating score	Enterprise rank

The main idea of the rating assessment methodology is to compare the indicators of a certain enterprise with the corresponding indicators of a reference enterprise. Since the financial and economic activity of each compared enterprise is reflected by several indicators, the comparison with the reference enterprise is multidimensional. The degree of remoteness from the standard is determined by calculating a complex indicator, which is a function of the compared indicators, which is similar to the distance between points in a multidimensional space. A set of six indicators of financial stability and solvency is the basis for establishing a rating score using the reference

enterprise method, although other indicators of financial and economic activity can also be used to build a rating score for enterprises. The application of this rating technique includes the following stages (Fig. 4.3).

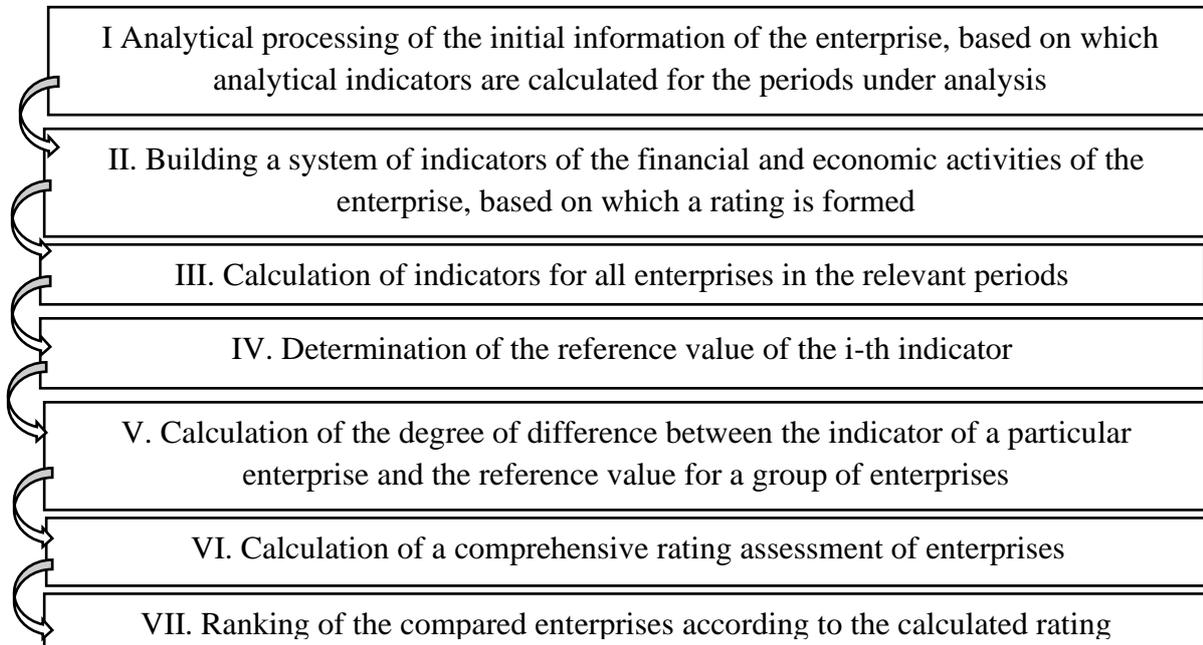


Figure 4.3. Stages of the rating assessment methodology

Let us consider in more detail the algorithm for constructing a comparative rating complex assessment of enterprises in the form of sequential procedures:

1. It is assumed that the system of financial indicators is defined and the indicators included in it, calculated according to the financial statements and accounting of the compared enterprises. The calculated indicators are written in the form of a matrix a_{ij} , in which the rows correspond to the serial numbers of the indicators, and the columns correspond to the serial numbers of the compared enterprises.

2. For each indicator, the best value is determined (it can be the maximum, minimum or other optimal value, depending on the content of the indicator) and put in an additional column of the matrix corresponding to the reference enterprise.

3. The matrix a_{ij} is normalized according to the indicators of the additional column, as a result of which a matrix x_{ij} of the coordinates of enterprises relative to the

standard is formed. Its indicators are formed by dividing the indicators of each row of the matrix a_{ij} by the indicator of the additional column A_{\max} .

$$X_{ij}^{\max} = a_{ij} / A_{\max} \quad (4.1)$$

4. The rating score of each compared enterprise is calculated by the formula: max

$$R_j = \sqrt{\sum_{i=1}^n (1 - x_i)^2} \quad (4.2)$$

That is, the sum of the differences between the unit and each indicator of the enterprise is found, which are brought to the square, and the square root is calculated from the sum. The geometric content of the rating is the distance from the point with the coordinates of the indicators of the compared enterprise to the point with unit coordinates, which corresponds to the reference enterprise. Thus, the rating score shows the degree of proximity of the indicators of the compared enterprise to those of the reference enterprise.

Compared enterprises are sorted by the values of the rating indicator. If the procedure for researching enterprises with the lowest rating to the highest rating is provided, then the ranking takes place according to the compilation of the rating score. The highest rating is assigned to the enterprise with the lowest rating value. The above algorithm for constructing a comparative integrated rating can be used to compare both the indicators of enterprises for the reporting period and the rates of change in indicators for comparative periods. In the first case, the current state of the financial and economic activities of enterprises is compared, and in the second case, the dynamics of changes in indicators. Comparison of enterprises will be objective if it is carried out both on the basis of indicators for the reporting period and on the basis of the rate of change in indicators combined into a single set of indicators used for comparison.

The advantages of the described methodology for constructing the compared complex rating assessment of enterprises are the following features:

- the rating score is formed based on a multidimensional reflection of the financial and economic activities of enterprises in the system of indicators;

– the system of indicators is based on the data of public reporting of enterprises, which makes the assessment accessible and mass, it can be carried out by an external analyst;

– makes it possible to determine not only the integral assessment of the financial condition of a particular enterprise in dynamics, but also the determination of the integral assessment of each enterprise from a homogeneous group;

– rating assessment allows comparing enterprises taking into account the best results of all competitors;

– you can use the technique for any values of indicators – both positive and negative;

– a fairly simple estimation algorithm, which makes the technique less time-consuming;

– no need to create new software;

– this algorithm for constructing a rating score has been tested in practice.

The rating assessment by the reference enterprise method takes into account the most important indicators of financial and economic activity that characterize the individual qualities of the enterprise:

– coefficient of financial independence;

– characterizes the financial independence of the enterprise from external sources of financing its activities;

– the coefficient of financial dependence – shows the share of borrowed funds in the financing of the enterprise;

– flexibility of working capital;

– characterizes the share of stocks, that is, tangible production assets in own current assets.

EDUCATIONAL TRAINING

1. Corporate culture and employee loyalty.
2. Types of corporate culture. Types of personnel behavior.
3. Components and elements of the personnel loyalty system of enterprises.
4. Increasing the level of business activity.
5. Instruments of corporate culture influence on the of employees' behavior.
6. Corporate values.
7. Elements of corporate culture.
8. Basic principles of building a corporate culture.
9. The relationship of corporate culture and employee loyalty at the enterprise.
10. Types of the company's personnel loyalty in the system of economic security.
The main components of staff loyalty.
11. "Loyalty Pyramid".
12. Factors influencing the formation and increase in the level of loyalty of the enterprise personnel.
13. The essence of the enterprise's personnel safety, the main criteria for personnel safety.
14. Threats to the personnel security of the enterprise.
15. Characteristics of the personnel assessment parameters.
16. The main reasons for using a polygraph
17. Certification of personnel and methods of personnel verification.
18. The essence of personnel safety.
19. Staff loyalty.
20. Characteristics of personnel assessment parameters using Midot 's tools.
21. Negative impact on personnel security: internal and external threats.
22. The main groups of personnel security criteria.
23. Assessment of the state of personnel safety of a business entity.
24. A dangerous type of abuse is internal entrepreneurship and other threats.
25. Classification and methods for preventing threats to the personnel security of an enterprise.
26. Methods for preventing threats to the personnel security of the enterprise.
27. Certification of personnel and organization of the certification process.

Control questions to consolidate the material:

- 1) Determine the main elements of enterprise information security (EIS).
- 2) Draw a classification scheme for EIS threats.
- 3) Make a diagram of the mechanism for ensuring the information security of the enterprise.
- 4) Determine the main methods for assessing financial security at the macro level.
- 5) Develop a mechanism for analyzing the financial condition of the enterprise.
- 6) What does the analysis of the financial condition of the company give?
- 7) What are the stages of financial analysis?

8) What is a rating assessment of the financial position of enterprises?

Task 1. Develop a classification of methods for assessing the personnel of financial and economic security services.

Task 2. Develop a scheme for the sequence of establishing allowances, additional payments, bonuses to employees of an institution, organization, enterprise for activities to ensure the economic security of the enterprise.

Task 3. Develop mechanisms for managing the enterprise economic security.



CORPORATE CULTURE AND LOYALTY OF EMPLOYEES IN THE SYSTEM OF ECONOMIC SECURITY OF THE ENTERPRISE. EVALUATION OF THE SECURITY STATUS OF STAFF INVOLVED IN ECONOMIC ACTIVITIES

- 5.1. Corporate culture and employee loyalty.
- 5.2. Types of corporate culture. Types of personnel behavior.
- 5.3. Components and elements of the personnel loyalty system of enterprises.
- 5.4. The essence of the company's personnel security, the main criteria for personnel security.
- 5.5. Threats to the personnel security of the enterprise

Main categories and concepts Corporate culture, employee loyalty, corporate culture, personnel behavior, components of the personnel loyalty system, elements of the personnel loyalty system, personnel security

5.1. Corporate culture and employee loyalty

Analyzing the sphere of ensuring the economic security of corporations, one cannot level the influence of corporate culture on the formation of a stable level of their functioning. This is due to the fact that one of the important elements in achieving a high level of economic security is the well-coordinated and productive work of the staff. Only with the skilful implementation of the personnel policy and the prevention of threats from the personnel, it is possible to achieve the desired activity indicators. Therefore, the formation of a corporate culture is one of the dominant factors in achieving the desired indicators in the personnel sphere.

The corporate culture of an enterprise should be understood as a management tool that allows ensuring the appropriate level of competitiveness of the enterprise and its economic security by forming a system of values and norms of behavior common

to all employees, creating a favorable microclimate for work and forming business rules at all levels.

Based on the proposed definition of corporate culture, it can be argued that it allows to determine the management ideology of the enterprise under study, the purpose of which is to increase the level of business activity by:

- formation of appropriate relationships between employees and the enterprise;
- building a system of principles for the activities of employees and the enterprise as a whole;
- organization of a system of relations with business partners, competitors, consumers;
- determination of position in society and economy;
- formation of corporate ideological positions.

The instruments of corporate culture influence on the behavior of employees in a corporation are:

- change of objects of attention on the part of the manager. This is one of the most powerful methods, because through repeated actions, the manager lets employees know what is important and what is expected from them;
- changing the style of crisis and conflict management;
- transformation of training programs. Aspects of corporate culture are internalized by subordinates because of how they are expected to perform their roles;
- changing the motivation system. Company culture can be transformed by changing the system of rewards and privileges;
- change of emphasis in personnel policy;
- change of organizational symbols and rituals;
- the company's code of ethics, a set of basic rules for employees, a collective agreement, standards of professional practice, since these documents contain information about the components of corporate culture;

- conducting a reputation audit, especially on internal analytical activities of services, the main task of which is to assess the compliance of the company's declared values with the methods of their implementation⁸¹.

Attributes of corporate culture:

External: appearance, clothing, what and how employees eat, presenting themselves at work, business style; communication system and language of communication, that is, the use of oral, written, non-verbal communication, abbreviations, gestures.

Internal:

1) the values that people rate in their lives, in the organization: their fortune, titles, career advancement, the work itself;

2) relationships between people, differing in age and gender, status and power, experience and knowledge, religion and citizenship;

3) work ethic and incentives:

- attitude to work and responsibility for assigned work;

- division of labor and performance of official duties;

- design and cleanliness of the workplace;

- quality and evaluation of work and remuneration;

- career paths⁸².

Values are those concepts that are used to designate objects, phenomena and their properties, as well as abstract ideas that embody generalized ideals and thus act as a standard.

Without a unified value system, organizations would not be able to function stably and achieve business success. It is the values that form the core of the corporate culture of the organization, the culture of communication and interaction in it.

⁸¹ Hakova M.V. Korporatyvna kul'tura yak instrument upravlinnya povedinkoyu personalu pidpryyemstv hotel'no-restorannoho hospodarstva [Corporate culture as a tool for managing the behavior of personnel of hotel and restaurant enterprises]. *Naukovyy visnyk Uzhhorods'koho natsional'noho universytetu* . Vyp. 3, 2015. PP. 61- 65. [in Ukrainian].

⁸² Ukrayinets' I., Ivanyts'ka A. Korporatyvna kul'tura yak vyryznyayuchy osoblyvist' orhanizatsiyi [Corporate culture as distinguishing feature of the organization]. *69-ta student-s'ka naukovo-tekhnichna konferentsiya. Sektsiya «Ekonomika i menedzhment»: zbirnyk tez dopovidey*. Natsional'nyy universytet «L'vivs'ka politekhnik». L'viv : Vydavnytstvo L'vivs'koyi politekhniki, 2011. PP. 727–729. [in Ukrainian].

Corporate values include:

- definition of the organization and its “face” (i.e. high level of technology, high quality products, leadership in their industry, dedication to the profession, innovation, etc.);
- distribution of authority and power (respect for social roles);
- attitude towards people (concern for people and their needs, exclusion of favouritism and privileges for individuals, respect for human rights, opportunities for advanced training and self-realization, fairness in pay, motivation of people);
- selection criteria for leadership positions (seniority or performance, priorities, influence of informal groups);
- organization of work and discipline (voluntary or compulsory discipline, flexibility in changing roles, the use of new forms of work organization, etc.);
- leadership and management style (authoritarian, consultative or collaborative styles, use of target groups, personal example, flexibility and adaptability);
- decision-making processes (who makes decisions, who is consulted, individual or collective decision-making, the possibility of compromises);
- information dissemination and exchange;
- the nature of contacts (flexibility in the channels of official communication, the possibility of contacts with top management, forms of communication, norms of behavior for managers, barriers to mutual understanding, special conditions for communication);
- ways to resolve conflicts (desire to compromise, using official or informal ways, participation of top management in resolving conflict situations);
- assessment of performance (real or formal, hidden or open, by whom, how the results are used)⁸³.

⁸³ Zakharchyn H.M., Lyubomudrova N.P., Vynnychuk R.O., Smolins'ka N.V. Korporatyvna kul'tura. [Corporate culture]: Navch. posib. L'viv: NULP, 2011. 317 p.

Experts believe that one of the main reasons for the emergence of a crisis in a company is the lack of systematic and targeted work to develop and adapt the corporate culture to changing conditions⁸⁴.

We can assume that the phenomena of corporate culture and risk are closely interconnected. If the corporate culture is weak, then it can become a source of risk for the company or even lead to a crisis, and vice versa, the risk caused by other reasons can reveal the essence of the corporate culture and the declarative nature of the company's values⁸⁵.

Consider the elements of corporate culture that are important for the enterprise in the framework of ensuring the economic security of the enterprise:

- The mission of the enterprise forms the corporate culture, the cohesion of the company's employees around the idea, forms the unity of opinions and views, similar behavior patterns that serve as the basis for ensuring the economic security of the enterprise.

- Corporate philosophy and ideology forms the values and principles that guide employees to achieve the goal.

- The corporate spirit forms informal, friendly relations that have developed between employees to ensure the implementation of the goal, which contribute to the creation of a favourable climate and ensure the effectiveness of the implementation of the goals.

- The style of management and leadership forms the style and behaviour model of the enterprise's management, and also ensures the fulfilment of the tasks set.

- Corporate governance forms the standards of interaction between personnel and structural divisions of the company, thus providing the power side of ensuring economic security. Corporate ethics forms a set of ethical standards of conduct that ensure information security and protection of trade secrets.

⁸⁴ Karvatska N.S. Etyka biznesu [Business ethics]. URL: <https://msn.khnu.km.ua/course/view.php?id=2786> [in Ukrainian].

⁸⁵ Kovan S. Ye., Mokrova L.P., Ryakhovskaya A.N. Teoriya antikrizisnogo upravleniya predpriyatiyem [Theory of anti-crisis management of an enterprise]: [ucheb. posobiye]; pod red. M.A. Fedotovoy, A.N. Ryakhovskoy. M.: KNORUS, 2009. P. 45–91., p. 46 [in russian].

- The corporate image and reputation forms the image of the company in society, its perception increases public confidence in the company, creates favourable conditions for cooperation with partners and suppliers.

- Human resource management forms the personnel policy of the company, assesses the importance of personnel as a human resource.

- The culture of property forms an assessment of the properties of the work of personnel, labour efficiency.

Threats to economic security are of an objective nature and, as a rule, arise due to a conflict of interests of the parties involved in corporate relations. Threats and risks that arise bear economic danger to the enterprise and can be a source of damage. A corporate culture that can be described as effective must take into account the interests of all parties and participants in corporate relations.

5.2. Types of corporate culture. Types of personnel behaviour

From the point of view of ensuring the safety and integrity of the enterprise, the components of the corporate culture are:

- *The thinking of the company's personnel is adjusted to ensure safety;*
- *Relationships, norms governing the style of behaviour to ensure or maintain the existing level of security.*

Accordingly, the corporate security culture is understood as a component of the corporate culture, which manifests itself through the understanding of safety as a value and behavior as a norm in relationships.

Taking into account the market conditions and the requirements for ensuring economic security, there are such types of corporate culture with characteristic features⁸⁶:

⁸⁶ Magura M.I. Organizatsionnaya kul'tura kak sredstvo uspeshnoy realizatsii organizatsionnykh izmeneniy [Organizational culture as a means of successful implementation of organizational changes] *Upravleniye personalom*. № 1, 2002. pp. 24-29. [in russian].

- *Authoritarian type of culture.* With authoritarian methods of managing economic security, which are determined by the unconditional fulfilment of the tasks set, wide control over the activities of employees. Companies operating in the commercial and financial spheres form this type of culture.

- *Bureaucratic type of culture.* This type is characterized by authoritarian methods of managing economic security through the use of force to emerge on subordinates through orders that provide for unconditional execution. Management methods are guided by the functional distribution of responsibilities, with a clear execution of instructions. Security for this type of culture is ensured by the implementation of instructions and rules.

- *Democratic type of corporate culture focused on results.* This type is characterized by democratic ways of managing economic security, which are provided by the method of economic motivation. Economic security is ensured through the achievement of results, victory in the competition. Management of economic security is carried out through the formation of success, image, status.

- *Liberal type of corporate culture, people-oriented.* This type is characterized by liberal methods of managing economic security, based on the absence of clearly established procedures, rules and regulations, the activity is based on the achievement of mutual agreement. Methods for managing economic security for this type of culture is the formation of a style of perceiving a person as an individual, and a proper assessment of professionalism.

The process of forming a corporate culture in terms of security is quite complex, lengthy and dynamic. It is in constant improvement, the management quite often changes the rules and norms of behaviour at the enterprise in accordance with their vision of corporate security, and development strategy.

Considering the corporate culture of safety as the basis for the choice of strategy and behaviour, two types are distinguished:

1. The corporate culture of safety has already been relatively formed, an effective system of economic security has been introduced at the enterprise, some of the safety

functions are performed on their own, others are performed by private security structures on the terms of the contract.

2. The corporate safety culture is formed to a small extent, or practically not formed, in this case the organization of security at the enterprise has the form of physical protection.

Enterprises that effectively organize corporate culture to achieve a high level of security have advantages and prospects for development, this is especially noticeable in conditions of unfair competition, corruption and other threats arising in the external environment⁸⁷.

Thus, it is possible to formulate the main principles of building a corporate culture aimed at ensuring the sustainable development and economic security of the enterprise:

- creation of such a system of recruitment, training and stimulation of personnel, according to which employees share the goals of the organization and work to achieve them;

- constant improvement of the professional level of senior and middle managers, as well as other employees;

- organization of continuous exchange of information between employees to form an idea of the current state of the enterprise and changes in the situation in real time;

- distribution of power and delegation of authority to employees, necessary for the prompt and adequate overcoming of the problem situation;

- combination of teamwork with personal responsibility of the employee for achieving set goals;

- constant analysis of the current situation and development of a program of rapid response to a crisis situation⁸⁸.

⁸⁷ Vorozhbyt V.V. Systema tsinnostey u korporatyvnyy kul'turi yak zasib pidtrymky ekonomichnoyi bezpeky pidpryyemstva [The system of values in corporate culture as a means of supporting the economic security of the enterprise]. URL: <http://www.repository.hneu.edu.ua/jspui/handle/123456789/2652> [in Ukrainian];

Rudkovs'kyy O.V. Korporatyvna kul'tura – metod zabezpechennya ekonomichnoyi bezpeky [Corporate culture - a method of ensuring economic security]. *Visnyk Khmel'nyts'koho natsional'noho universytetu*, № 3. T. 3. 2015. pp. 233-239. [in Ukrainian].

⁸⁸ Malashchenko V. Vplyv korporatyvnoyi kul'tury na ekonomichnyy rozvytok i bezpeku pidpryyemstva [The influence of corporate culture on the economic development and security of the enterprise] . *Visnyk natsional'noyi akademiyi derzhavnoho upravlinnya pry Prezydentovi Ukrayiny*. № 4, 2011. pp. 175-183 [in Ukrainian].

The effectiveness of the developed corporate culture of the enterprise is evidenced, especially, by the level of employee loyalty.

Corporate culture has a significant impact on the loyalty of the company's employees, in particular those who have been working there for a long time (Fig. 5.1).

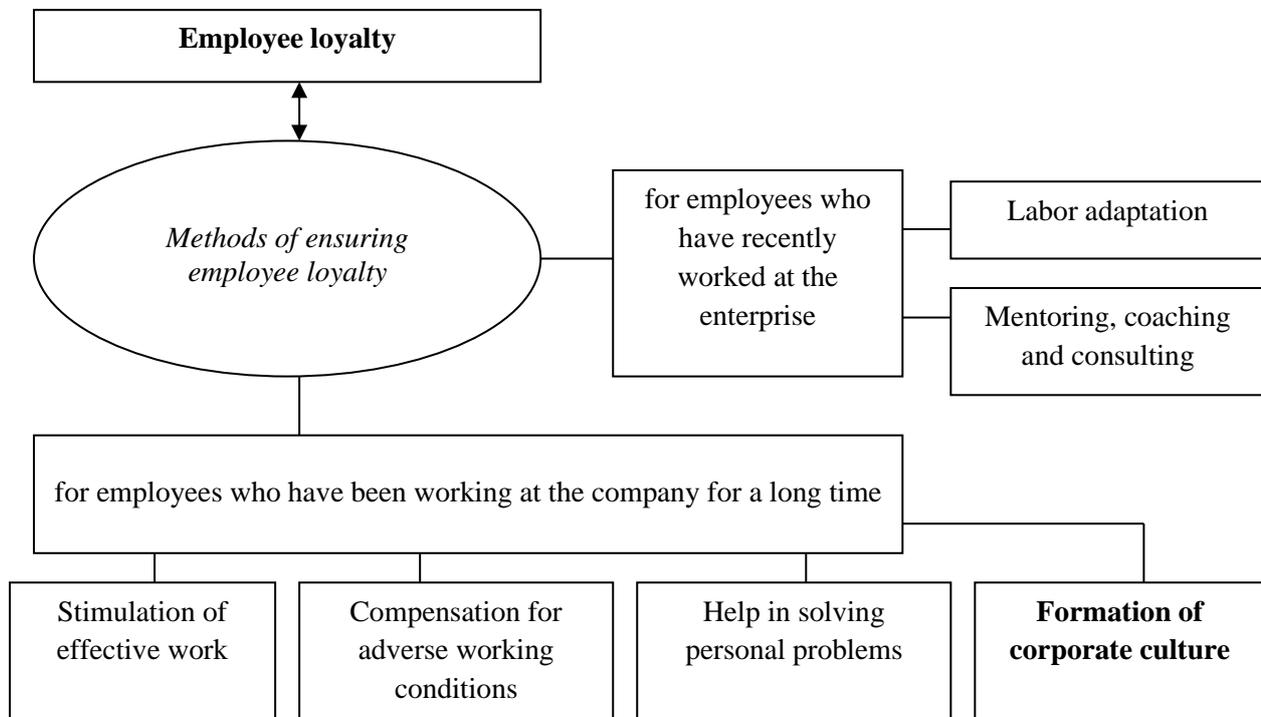


Figure 5.1. The relationship of corporate culture and employee loyalty at the enterprise

Source: composed by the author based on ⁸⁹

The combination of the labour motivation system and the corporate culture system will contribute to the achievement of the desired level of staff loyalty, which will help to increase the security of the enterprise in the personnel sphere.

A high level of staff loyalty is an important factor in strengthening personnel security, since a loyal employee appreciates his job in this particular company, shows a desire to work for the benefit of the organization, is proactive and active in solving

⁸⁹ Chernenko S.A. Osnovni napryamy zabezpechennya loyality personalu v konteksti ekonomichnoyi bezpeky pidpnyemstva [The main directions of ensuring personnel loyalty in the context of economic security of the enterprise] *Ahrosvit*. № 17, 2013. PP. 38-42 [in Ukrainian].

tasks, contributes to the development and support of corporate culture, and a devoted attitude towards the organization. Therefore, the management of personnel loyalty in the system of ensuring the economic security of the enterprise, it is important to track disloyal employees, potentially posing a threat to the personnel security of the enterprise. Disloyal employees are easily persuaded to violate the rules of the organization, cooperate with competitors, fraud, and abuse of power. They form a negative image within the organization and act as a destructive element in the development of the enterprise.

Characteristics of personality types and analysis of their behavior in the context of the impact on the loyalty of the behavior of such employees in the system of economic security are presented in Table. 5.1.

Table 5.1. Types of loyalty of the enterprise's personnel in the system of economic security

Loyalty type	Characteristic	Impact on the enterprise and the level of its economic security
Demonstrative (open) disloyalty	The employee deceives, violates the agreements reached, demonstrates a consumer attitude towards the enterprise, the priority of his own interests over the collective ones.	Disloyal employees influence colleagues: violate their values and beliefs, sow doubts about conscientious and quality work
Hidden disloyalty	The employee regularly complies with the rules and requirements at work, due to the possibility of punishment or expectation of reward.	Spreads negative rumours about colleagues and management of the enterprise, provokes others to criticize the rules and regulations, etc.
Zero loyalty	Applies to employees who have just been hired, who are not informed about the corporate culture of the enterprise	An employee can be influenced by both loyal and disloyal employees, with consequences.
Loyalty at the level of external attributes	The employee is ready to wear branded clothing, other distinctive signs and symbols, behaves in accordance with corporate rules and standards.	The employee is an active consumer of the company's products
Loyalty at the level of actions and behavior	The employee adheres to the traditions adopted at the enterprise, observes the standards in communication with customers, observes discipline due to his attitude towards the company	This level of loyalty is sufficient for most employees, but not for management personnel. Employees are not ready for self-sacrifice and striving for development
Loyalty at the level of belief	Only 10-15% of employees reach this level. They devote themselves to work as much as possible, show intolerance about the violations of other employees, and are active in solving problems.	Employees endure difficult times at the enterprise more easily and stay to work, guided by a sense of loyalty and ownership. Tend to trust management decisions
Loyalty at the level of identity	The employee identifies himself with the company, is devoted to it.	The employee is not subject to the negative influence of the environment, his/her loyalty does not depend on the amount of remuneration.

Personnel loyalty can be interpreted as a universally oriented component of personnel security, because the attitude of employees is an important factor in achieving stability in the personnel sphere of a business entity⁹⁰ [p.130].

Personnel loyalty is a multi-structural concept, in which the following components can be distinguished:

- emotional relation to the enterprise (feeling of loyalty, devotion, pride);
- acceptance of values, goals, norms, rules, procedures of the enterprise;
- readiness for concrete actions for the benefit of the enterprise.

5.3.Components and elements of the personnel loyalty system of enterprises

This list is incomplete, as it does not take into account all the components of this concept. For a more detailed analysis of the concept of loyalty and its importance in the formation of a stable level of EES, it is advisable to investigate the peculiarities of its structure (Fig. 5.2).

Personnel loyalty cannot be considered as a separate category – it is related to management loyalty, as well as consumer loyalty to the company, this can be demonstrated using the “loyalty pyramid” (Fig. 5.3).

The key to the formation of staff loyalty to the enterprise is the enterprise's loyalty to the staff⁹¹ [c. 390]. In modern conditions, under the management of personnel loyalty, it is expedient to understand the purposeful influence on the factors that shape it, in order to ensure its further development and strengthening⁹² [p. 75].

⁹⁰ Marenych A.I., Mekheda N.H. Vyyavlennya ta zapobihannya zahroz kadrovyy bezpetsi pidpryyemstva [Identification and prevention of threats to personnel security of the enterprise]. *Finansovyy prostir*. № 3, 2012. PP. 127–132., 130 p. [in Ukrainian].

⁹¹ Sardak O.V. Formuvannya loyal'nosti v systemi upravlinnya personal-marketynhom pidpryyemstva [Formation of loyalty in the personnel-marketing management system of the enterprise]. *Naukovyy visnyk NLTU Ukrayiny*. Vyp. 22.8. 2012. PP. 387-392. [in Ukrainian].

⁹² Kravets' A.A., Lyashok N.Yu. (2012). Loyal'nist' yak umova profesiynoyi motyvatsiyi personalu pidpryyemstva [Loyalty as a condition of professional motivation of the company's personnel]. *Aktual'ni problemy ekonomichnoho i sotsial'noho rozvytku rehionu: Zbirnyk materialiv II Vseukrayins'koyi naukovo-praktychnoyi konferentsiyi* (m. Krasnoarmiys'k, 20 hrudnya 2012) / Krasnoarmiys'kyy industrial'nyy instytut DonNTU. V 2-x tomakh. T. 1. Donets'k : «Svit knyhy», 2012. 330 p. PP. 74–77. [in Ukrainian].

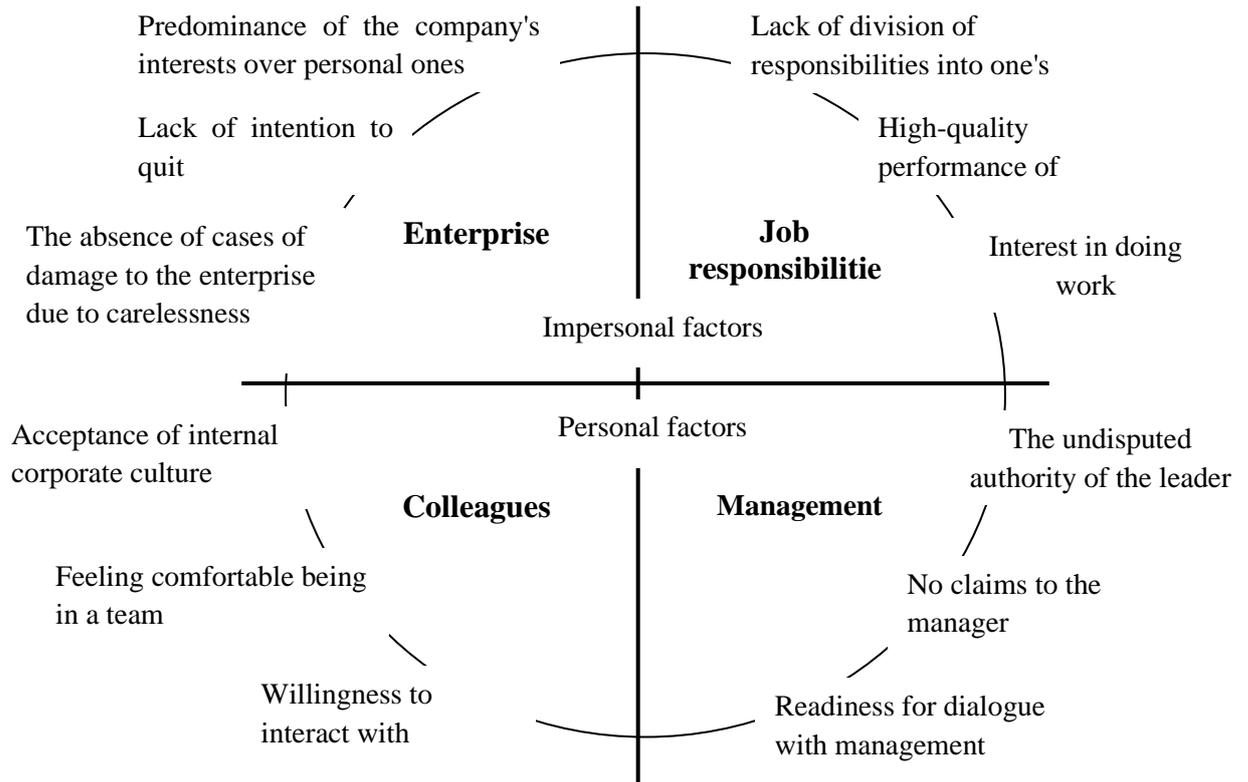


Figure 5.2. Components and elements of the personnel loyalty system of enterprises

The factors that influence the formation and increase of the level of loyalty of the company's personnel in order to ensure the appropriate level of economic security include the following:

- administrative and management (fulfilment by the enterprise of its rules: clear compliance with the Employment Agreement, the statute, elements of the established corporate culture, awareness of employees, control of the activities of employees, clear orders and adequate tasks in accordance with the qualifications of the employee, properly organized working hours, etc.).

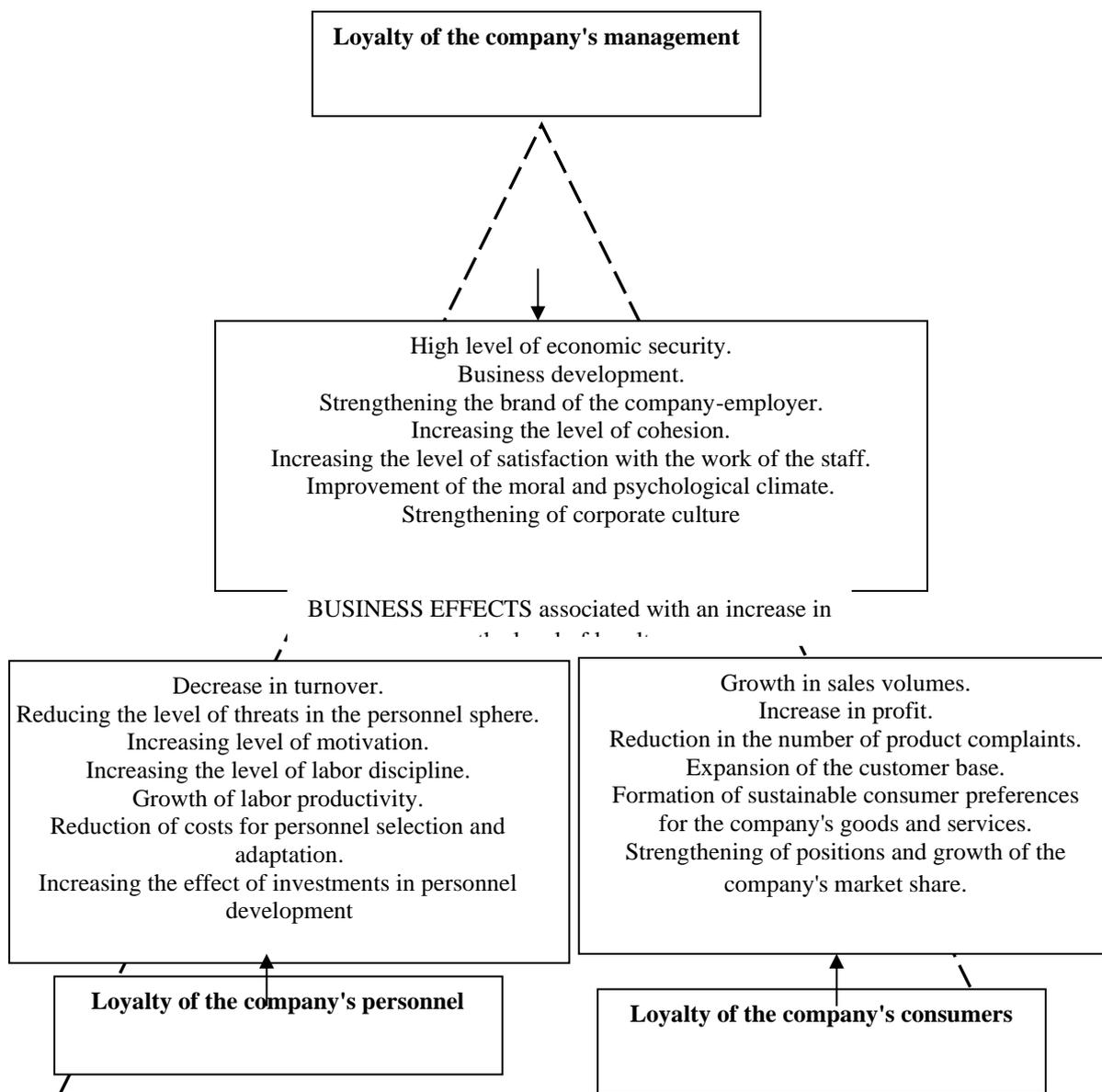


Figure 5.3. "Loyalty Pyramid"⁹³

- organizational and economic (fair remuneration for specific achievements, work motivation, manager's management style, provision of training and advanced training, bonus system, social package (compensation system for food, travel, mobile phone payment, etc.).

⁹³ Marenych A.I., Mekheda N.H. (2012)Vyyavlennya ta zapobihannya zahroz kadroviy bezpetsi pidpryemstva [Identification and prevention of threats to personnel security of the enterprise]. *Finansovyy prostir*. № 3, 2012. PP. 127–132 [in Ukrainian].

- socio-psychological (honesty on the part of the management, trust, attention on the part of the management to the employee, a system of moral incentives, productive relationships in the team, a favorable moral and psychological climate, mentoring, positive (comfortable according to the type of activity) working conditions, psychological compatibility of employees, absence of destructive conflict situations, etc.)⁹⁴.

Loyalty, which arises spontaneously, cannot be directed by managerial actions or corrected. Therefore, the process of forming loyalty should be managed, that is, it should be carried out through a conscious influence on the factors that determine its emergence and strengthening⁹⁵.

When studying the phenomenon of staff loyalty in the organization, the question arises about factors influencing the level of staff loyalty. There is no unequivocal opinion in the literature on this matter. It is believed that attention and care is a kind of payment for loyalty. Employees perceive the level of organizational support as the degree to which the organization values their contribution to the work. This does not include monetary payments, but rather management concessions at the request of the staff, support of the organization in difficult life situations, provision of employees with everything necessary for work, etc. The positive relationship of organizational support with loyalty has been confirmed by many studies.

Consider personal factors that affect loyalty:

1. **Sex.** V.I. Dominyak, referring to a number of foreign authors⁹⁶, claims that women are more committed to the organization than men. It is probably related to the peculiarities of female psychology. But gender here acts as a prerequisite for loyalty. Due to psychological characteristics, women are more susceptible to the

⁹⁴ Verbiv's'ka L.V. Formuvannya stratehii upravlinnya loyal'nisty personalu suchasnoho pidpryyemstva [Formation of the strategy of personnel loyalty management of a modern enterprise]. *Naukovyy visnyk Bukovyns'koho derzhavnogo finansovo-ekonomichnoho universytetu. Ekonomichni nauky*. Vyp. 2., 2013. PP. 68-74. [in Ukrainian].

⁹⁵ Sardak O.V. Formuvannya loyal'nosti v systemi upravlinnya personal-marketyntnom pidpryyemstva [Formation of loyalty in the personnel-marketing management system of the enterprise]. *Naukovyy visnyk NLTU Ukrayiny*. Vyp. 22.8. 2012. PP. 387-392. [in Ukrainian].

⁹⁶ Dominyak V.I. Organizatsionnaya loyal'nost': osnovnyye podkhody [Organizational Loyalty: Basic Approaches]. *Menedzher po personalu*. № 4, 2006. PP. 34-40. [in Russian].

influence of factors that change staff loyalty. Since this organization has a positive environment for building loyalty, women are more loyal here. It can be assumed that there will be more disloyal women than men in an organization with conditions that negatively affect staff loyalty.

2. **Age.** Most researchers note a positive relationship between organizational loyalty and the age of the employee, that is, it is believed that the level of loyalty increases with the age of the employee. This statement seems doubtful. It can be assumed that the high loyalty of older employees does not depend on age, but rather on other factors that have a greater impact on older employees than on younger employees: length of service, opportunities for alternative employment (older employees are less likely to find another job), etc.

3. **Position.** Researchers reveal a connection between job position and organizational loyalty. A high position promotes loyalty. Of course, this factor, as well as the age factor, is related to others, because with the promotion of the employee, the satisfaction with the salary, the significance in the organization, which positively affects the level of his/her loyalty, increases. In addition, there is a possibility of inverse dependence: it is not the position that promotes loyalty, but the HR service selects the most loyal employees for a certain position level, because they possess the necessary characteristics for more responsible work. From this point of view, it is not advisable to select employees “from outside” for high management positions, because they do not know the specifics of the organization and are not yet committed to it.

4. **Education.** The relationship between organizational loyalty and the level of education is ambiguous. On the one hand, a number of researchers believe that education reduces the level of staff loyalty. This is because general knowledge increases an employee's value in the labour market compared to the specific skills needed in one particular organization and shapes his willingness to leave the organization. The results of research in recent years indicate an indirect positive

effect of the level of education on organizational loyalty due to an increase in the level of remuneration.

5. **Marital status.** Organizational loyalty researchers have not come to a consensus on this issue. There are data confirming the connection between loyalty and marital status. The results of numerous studies confirm that married employees are more loyal. Family obligations are primarily economic, which include caring for children and other dependents, significantly affect the need for stability and the desire to continue working in this organization.

6. **Work experience.** Research results show that there is a relationship between loyalty and length of service. When an employee comes to work, it decreases, which is apparently related to the adaptation of the employee. Under favourable conditions, after the end of adaptation, the growth of loyalty begins. Employees with more than 10 years of experience in the organization are the most loyal.

7. **Satisfaction with working conditions.** K.V. Kharskiy points to the connection between loyalty and satisfaction with working conditions⁹⁷. The influence of this factor has become particularly noticeable during the last ten years. These days, the requirements for working conditions have increased significantly. It is considered normal when the company provides its employees with air conditioners, heating systems, clean drinking water, and the opportunity to visit health facilities.

8. **Social involvement in the organization.** Indicators that reduce loyalty include: lack of positive emotional ties and mutual assistance between employees, conflicts in the team and lack of mutual understanding, negative attitude to professional activities in the team, anti-social views dominant in the team, low team cohesion. High social involvement increases loyalty. Employees who work in friendly, cohesive teams tend to be more committed to the organization for many

⁹⁷ Kharskiy K. Blahonadezhnost y loialnost personala. [Reliability and loyalty of staff]. SPb.: Pyter, 2003. 496 p. [in russian].

reasons. On the one hand, they value their team and do not want to part with it. On the other hand, such collectives are teams of like-minded people who share with each other their positive attitude towards the organization.

9. **Reference group influence.** This factor is closely related to the previous one. A referent group is considered to be a group whose norms and values the individual shares, and with which he correlates his attitudes⁹⁸. If such a group exists in the work environment, the employee begins to be influenced by it. In such a situation, his loyalty depends significantly on the attitude of other employees to the organization.

10. **Realization of expectations.** The realization of expectations can be characterized as the degree of conformity of a person's ideas about the organization of the real state of affairs; the difference between what a person encounters at work when receiving a positive or negative experience and what he expected to face⁹⁹. However, studies show that the relationship between this factor and staff loyalty is not always evident. Some of the employees who were disappointed in their expectations after joining the organization, nevertheless remain loyal to it¹⁰⁰.

An important point is the definition of loyalty according to four parameters that demonstrate the relationship: with the company itself, with job duties, with management and with colleagues. When the employee harmoniously takes into account all impersonal and personal factors, it is possible to talk about the formed loyalty to the company-employer.

At the same time, by the process of managing the loyalty of the company's employees, it is necessary to understand the purposeful influence on the factors that shape it, in order to ensure its further development and strengthening.

⁹⁸ Platonov Yu.P. Psikhologicheskiye fenomeny povedeniya personala v gruppakh i organizatsiyakh [Psychological phenomena of personnel behaviour in groups and organisations]. V 2-kh t.: T.1 SPb.: Rech', 2007. 488 p. [in Russian].

⁹⁹ Dominyak V.I. Loyal'nost' personala kak sotsial'no-psikhologicheskaya ustanovka [Loyalty of personnel as a socio-psychological attitude]. *Personal-Miks*. № 5, 2002. 73 p. [in Russian].

¹⁰⁰ Syrotyuk S.D. Metodyka otsinky vytrat na transformatsiyu znannya personalu v samoobuchayushchykh systemakh [Cost estimation method for the transformation of personnel knowledge in self-learning systems]. *Vektor nauky Tol'yattynskoho derzhavnoho universytetu*. Seriya: Ekonomika ta upravlinnya. № 3 (14), 2013. PP. 61-67 [in Ukrainian].

In the process of managing personnel loyalty, it is advisable to focus attention on the study of the following stages:

The first stage is the determination of current loyalty indicators;

II stage – formation of key methods of increasing loyalty;

III stage – assessment of internal and external factors influencing the productivity of labour activity;

Stage IV – development of a system of measures to increase loyalty;

Stage V – determination of methods of material motivation of employees;

Stage VI – assessment and control of the implementation of measures to increase loyalty.

A decisive point in the effectiveness of the process of managing employee loyalty is the timely detection of changes in loyalty phases.

It is impossible to form a loyal workforce in one moment, because this requires the gradual implementation of a system of loyalty management measures, which, in turn, will have an impact on the level of competitiveness and ES.

Modelling the relationship between the process of managing employee loyalty and the level of its competitiveness and economic security is shown in Fig. 5.3.

The work of enterprise management should be aimed at increasing the level of staff loyalty; this can be achieved by combining three components:

1. personnel management;
2. socio-psychological work;
3. ensuring the security of the enterprise, including in the personnel sphere (Fig. 5.4).

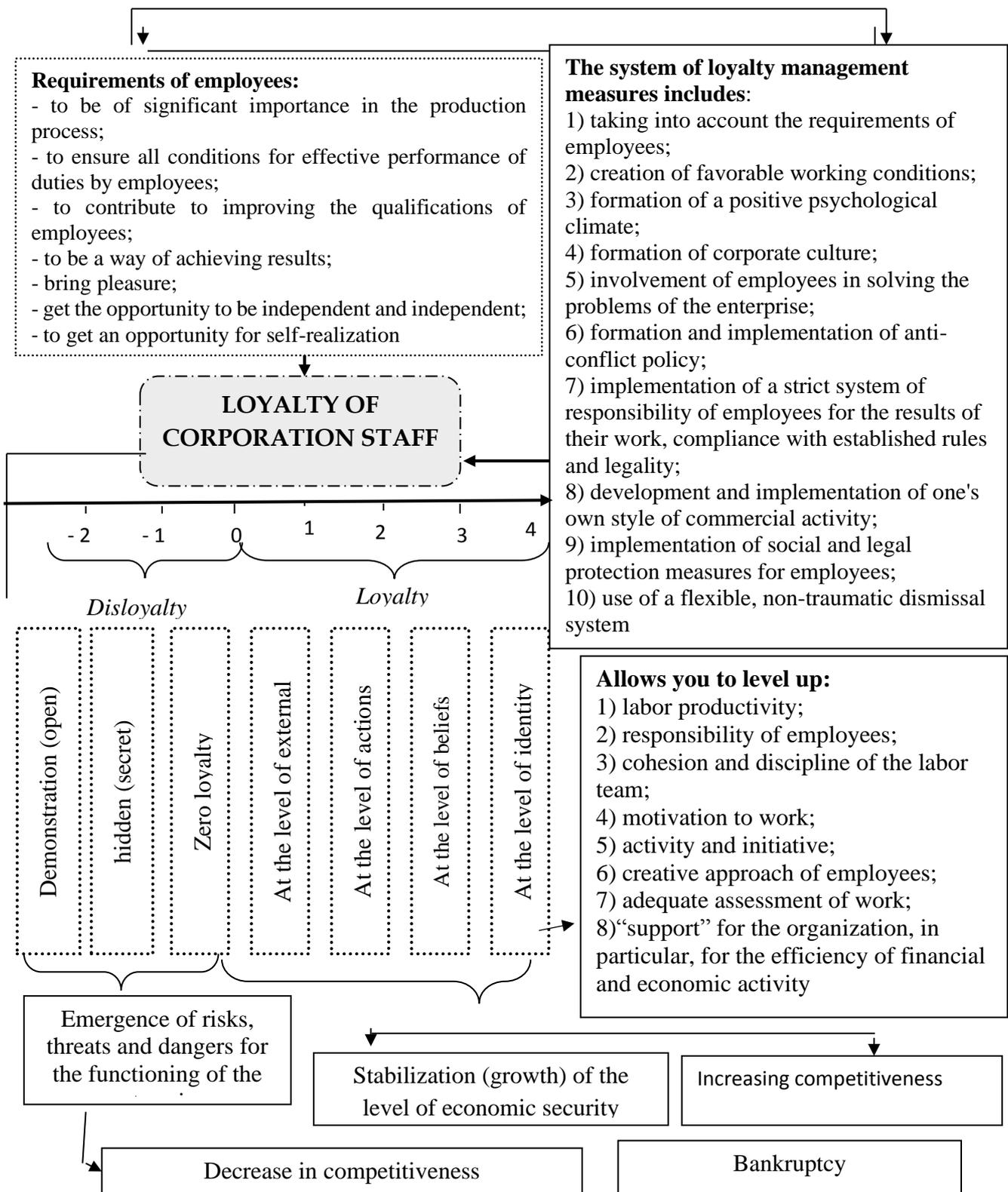


Figure 5.4. Increasing the level of staff loyalty ¹⁰¹

¹⁰¹ Kopytko M.I. Kompleksne zabezpechennya ekonomichnoyi bezpeky pidpryemstv (na materialakh pidpryemstva transportnoho mashynobuduvannya) [Comprehensive provision of economic security of enterprises (based on the materials of the transport engineering enterprise)]: dys. d.e.n.: 21.04.02 / Marta Ivanivna Kopytko K.: VNZ «Universytet ekonomiky i prava «KROK», 2015. 479 p. [in Ukrainian].

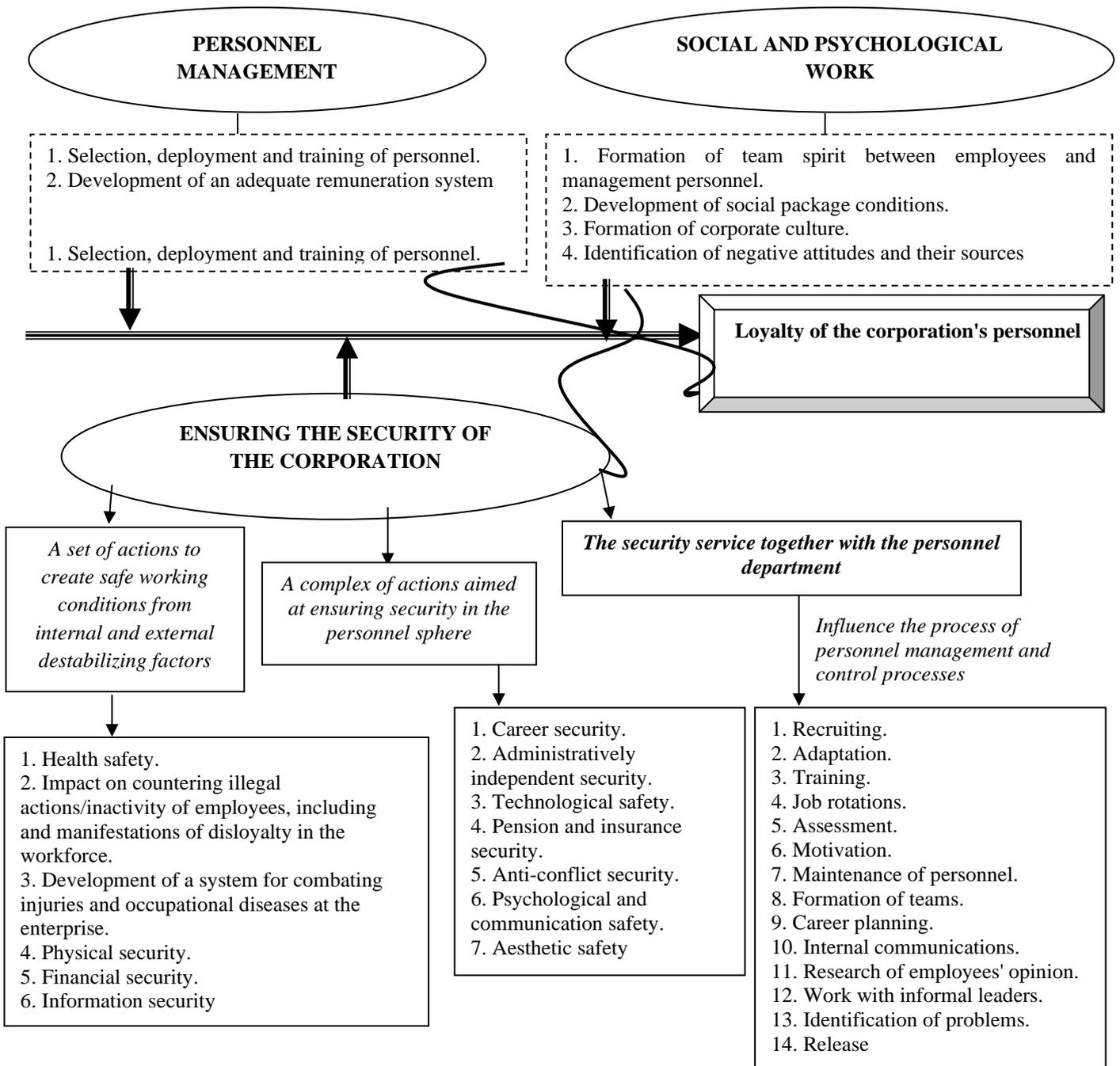


Figure 5.5. Modeling the relationship of the employee loyalty management process with the level of economic security

Thus, one of the dominant elements of the economic security of corporations is the impact on personnel in order to prevent the emergence of negative attitudes in the workforce, minimize the negative impact of unlawful actions of personnel and prevent various kinds of threats and dangers in the personnel sphere. You can influence the

staff by organizing an effective corporate culture that will contribute to the formation of a high level of staff loyalty.

A high level of economic security can only be achieved by providing a system of relationships between corporate culture and staff loyalty through constant adaptation of corporate culture to changing conditions of external and internal environments.

Therefore, it can be argued that staff loyalty is a very complex phenomenon, it is influenced by many factors. Non-material factors, such as involving employees in long-term planning in the organization, training opportunities, the absence of strict rules and requirements for the employee, have no less impact on staff loyalty than material ones. Accounting for these factors, the correct prioritization will allow the manager to use human capital more rationally and, accordingly, significantly increase the efficiency of the enterprise.

5.4. The essence of the company's personnel security, the main criteria for personnel security

Personnel security is the process of preventing negative impacts on the economic security of an enterprise due to risks and threats associated with personnel, its intellectual potential and labor relations in general. Personnel security plays a dominant role in the company's security system, since it is work with personnel, and they are in the first place in any organization.

The proper level of economic security largely depends on the intelligence and professionalism of employees (personnel) working at the enterprise. This component is negatively affected by:

- ✓ dismissal of leading highly qualified employees, which leads to a weakening of the intellectual potential;
- ✓ reduction in the share of engineering and technical workers, and scientists in the total number of employees;

- ✓ decrease in inventive and rationalization activity;
- ✓ lowering the educational level of workers.

The personnel department and the chief engineer personally (if such a position has been introduced) are responsible for the intellectual component of economic security at the enterprise.

The goal of ensuring the security of any organization is a complex impact on potential and real threats that prevent it from successfully functioning in difficult and unstable conditions of the external and internal environment. The most difficult link in the organization's security system is its employees, who act both as objects and as subjects of potential threats. Consequently, the management of an economic entity must take into account the risks directly related to personnel, since they can affect the health and life of employees, communications and relationships between employees, business reputation, income of each employee in the organization, etc.

Earlier in the scientific literature, the problems of personnel functioning safety were considered within the framework of labor protection and personnel motivation, regardless of the organization's personnel safety.

As for the security of the organization associated with the risks of negative impact of employees, this area is quite new for domestic economic science and has been actively updated in recent years, but it requires more attention and study.

An analysis of theoretical approaches to the essence and content of personnel security has shown that the process of ensuring personnel security is associated by most researchers with the process of preventing theft, damage to property and various kinds of destructive actions on the part of the organization's personnel.

However, most scientists define personnel security as part of the general or economic security of a particular socio-economic system. In particular, I. Burda defines personnel security as an integral part of the economic security of an enterprise, the priority tasks of which are protection against threats and risks to create conditions for

the most effective personnel management, as a determining resource for ensuring a high level of competitiveness of an enterprise¹⁰².

A.R. Alaverdov argues that within the framework of personnel security, only one of the aspects of ensuring the organization's security should be considered¹⁰³. It is associated with protection only against those threats that are:

related to the functioning of only one of the activities of the organization – personnel direction;

determined by the activities of legal entities and individuals;

precisely aimed at causing specific property or non-property damage to the organization¹⁰⁴.

N. Reverchuk claims that the personnel security of an enterprise consists in preventing and reducing the risk of a negative impact on the economic security of insufficiently qualified employees of the enterprise, inefficient personnel management to preserve and develop the intellectual potential of the enterprise¹⁰⁵.

The interpretation of I. G. Chumarin, who considers personnel security from the perspective of a process approach, is somewhat different. Personnel security is the process of preventing negative impacts on the economic security of an enterprise due to risks and threats associated with personnel, its intellectual potential and labor relations in general¹⁰⁶.

A similar opinion is also shared by A.Ya. Kibanov, who defines personnel security as the general direction of personnel work, a set of principles, methods aimed at maintaining, strengthening and developing human resources, at creating a cohesive

¹⁰² Burda I.Ya. Ekonomichna bezpeka pidpryemstva ta mistse v niy kadrovoyi bezpeky [Economic security of the enterprise and the place of personnel security in it]. URL: <http://economy.nauka.com.ua/index.php> [in Ukrainian].

¹⁰³ Alaverdov A.R. Upravleniye kadrovoy bezopasnost'yu organizatsii [*Organization personnel security management*]: uchebnik. M.: Market DS, 2010. 176 p., PP. 9 [in Russian].

¹⁰⁴ ibid

¹⁰⁵ Reverchuk N.Y. Upravlinnya ekonomichnoyu bezpekoyu pidpryemnyts'kykh struktur [*Management of economic security of business structures*]. L'viv: LBI NBU, 2004. 195 p. [in Ukrainian].

¹⁰⁶ Chumarin I.G. Chto takoye kadrovaya bezopasnost' kompanii? Kadry predpriyatiya [*What is the personnel security of the company? Enterprise personnel.*]. 2003. № 2. PP. 26-30., 34 p. [in Russian]

team capable of responding in time to constantly changing market requirements, taking into account the organization's development strategy¹⁰⁷.

A. Dzhobava reveals the concept of personnel security in terms of its goals: “Personnel security is a set of measures aimed at preventing illegal actions or facilitating them on the part of the enterprise's personnel”¹⁰⁸. Within the framework of this definition, negative influences on the part of personnel are limited only to their illegal actions, which is not entirely true, since personnel security threats can be both action and inaction of personnel, as well as their insufficient qualifications, inappropriate behavior in conditions of risk or uncertainty. The orientation of personnel security to the prevention of threats suggests the use of a preventive approach to managing the organization's personnel security.

N. Mekheda and A. Marenych state that the personnel security of an enterprise can be studied as a combination of such components of life safety as social motivational, professional and anti-conflict¹⁰⁹.

L.P. Goncharenko connects the problems of developing the organization's human resources and ensuring personnel security, and considers personnel security as “the protection of the socially progressive interests of the organization in developing and improving human capital, maintaining an effective human resource management system and minimizing the risks of the organization associated with its personnel component”¹¹⁰.

Obviously, the author chose only the interests of the organization as the subject of personnel security, which can often conflict with the vital interests of the personnel, which, in turn, leads to personnel security threats. The subject of personnel security should be the interests of both the organization and the hired personnel, and its result should be their mutual protection in relation to all participants in social and labor

¹⁰⁷ Kibanov A.Ya. Upravleniye personalom organizatsii [*Organization personnel management*]. M.: INFRA-M, 2002. 638 p. [in Russian]

¹⁰⁸ Dzhobava A. Osobennosti podbora personala v aptechnyye seti Sankt-Peterburga [*Peculiarities of recruitment for pharmacy chains in St. Petersburg*]. URL: <http://www.selectium.spb.ru> [in Russian]

¹⁰⁹ Mekheda N.H., Marenych A.I. Sotsial'no-motyvatsiyni skladovi kadrovoyi bezpeky [*Social and motivational components of personnel security*]. Finansovyy prostir. 2012. № 2(6). PP. 38-45 [in Ukrainian]

¹¹⁰ Ekonomicheskaya i natsional'naya bezopasnost' [*Economic and national security*]: uchebnik. Pod red. L.P. Goncharenko. M.: Ekonomika, 2007. 543 p. [in Russian].

relations. Failure to balance vital interests, when the security of one object is achieved by limiting the interests of another, leads to a violation of personnel security.

M. Petrov clarifies the definition of personnel security from the perspective of the subject-object approach: personnel security is such a position of the organization as a social community and an individual in it, in which the influence on them from the natural, economic and social environment, as well as the internal environment of the person himself/herself, is not capable of causing any harm. It is more expedient to argue about minimizing the damage from possible harm, and not about its complete absence¹¹¹.

A.L. Miryushchenko understands the personnel security of an enterprise as the activity to create conditions for the functioning of the company, under which the protection of its interests guaranteed by law from the risks and threats associated with its own personnel is ensured¹¹².

This approach differs from others in that personnel security is seen as an activity aimed at maintaining the guaranteed security of the organization. However, the author's position regarding the result of security, defined as “guaranteed protection of interests, as well as regarding the subject of ensuring security, guaranteeing such a result” remains unclear.

Similar shortcomings have a definition proposed by L.I. Lyubavskaya and D.V. Belyaykin, who understand the personnel security of an organization as the proper degree of its protection from any threats associated with its personnel¹¹³.

S.V. Kondratyeva defines the personnel security of an enterprise as a set of actions aimed at ensuring the process of interaction between employees to perform basic

¹¹¹ Petrov M.I. Ekonomichna bezpeka pidpryemstva: sutnist', traktuvannya, tochky zoru [*Economic security of the enterprise: essence, interpretation, points of view*]. Menedzher. 2002. № 1(17). PP. 67-71 [in Ukrainian].

¹¹² Miryushchenko A.L. Sushchnost' kadrovoy bezopasnosti [*The essence of personnel security*]. URL: <http://kadry.ucoz.ru/publ/8-1-0-6> [in Russian].

¹¹³ Lyubavskaya L.I., Belyaykin D.V. Kadrovaya bezopasnost' kak faktor konkurentosposobnosti v sfere bankovskogo predprinimatel'stva [*Personnel security as a factor of competitiveness in the field of banking business*]: ucheb. posob. Novosibirsk: NF RGTEU, 2010. 104 p., PP. 12 [in Russian].

personnel work and measures that will reduce the negative impact of factors in both the external and internal environment of the enterprise¹¹⁴.

O. Lytovchenko adheres to the managerial approach, which defines personnel security as a set of managerial measures related to the effective formation and use of the enterprise's human resources to ensure and maintain the economic sustainability and effectiveness of the enterprise's economic activity¹¹⁵.

According to these definitions, the main objectives of the personnel security of an enterprise are:

ensuring the sustainable functioning of the enterprise and preventing threats to its security;

protection of the legitimate interests of the organization from illegal actions;

prevention of theft of financial and material and technical means, destruction of property and valuables, disclosure, loss, leakage, distortion or destruction of service information, disruption of technical means;

provision of production activities, including informatization tools¹¹⁶

Thus, to determine the essence of such a concept as “personnel security”, there are many views that have both common and distinctive features. In this regard, it is advisable to group the definitions of personnel security in the context of approaches. All scientists who consider the essence of personnel security can be divided into those who consider this concept from the standpoint of the target, process, structural, functional, managerial, resource and comparative approaches (Fig. 5.6).

¹¹⁴ Kondratyeva S.V. Henezys ponyattya «kadrovoyi bezpeky» pidpryyemstva [*The genesis of the concept of "personnel security" of the enterprise*]. Naukova dyskusiya. Ekonomika: realiyi chasu. 2015. № 5(21). PP. 194-198 [in Ukrainian]

¹¹⁵ Lytovchenko O.Yu. Formuvannya kadrovoyi bezpeky pidpryyemstv APK [*Formation of personnel security of agro-industrial complex enterprises*]: avtoref. dys. ... kand. ekon. nauk. Kyiv, 2010. 26 p. [in Ukrainian].

¹¹⁶ Aref'yeva O.V., Lytovchenko O.Yu. Kadrova skladova v systemi ekonomichnoyi mashynobudivnykh pidpryyemstv [*Personnel component in the system of economic machine-building enterprises*]. Aktual'ni problemy ekonomiky. 2008. № 11. S. 95-100 [in Ukrainian].; Burda I.Ya. Ekonomichna bezpeka pidpryyemstva ta mistse v niy kadrovoyi bezpeky [Economic security of the enterprise and the place of personnel security in it]. URL: <http://economy.nauka.com.ua/index.php> [in Ukrainian].; Kibanov A.Ya. Upravleniye personalom organizatsii [*Organization personnel management*]. M.: INFRA-M, 2002. 638 p. [in Russian].; Mekheda N.H., Marenych A.I. Sotsial'no-motyvatsiyni skladovi kadrovoyi bezpeky [*Social and motivational components of personnel security*]. Finansovyy prostir. 2012. № 2(6). PP. 38-45 [in Ukrainian].; Upravlinnia personalom [Personnel management], [S. M.Lykholat, Z. B. Zhyvko, I. B. Hapii, M. R. Yatsyk]. Lviv: Liha-Pres, 2014. 428 p. (navchalnyi posibnyk). [in Ukrainian].; Mekheda N.H., Marenych A.I. Sotsial'no-motyvatsiyni skladovi kadrovoyi bezpeky [*Social and motivational components of personnel security*]. Finansovyy prostir. 2012. № 2(6). PP. 38-45 [in Ukrainian]

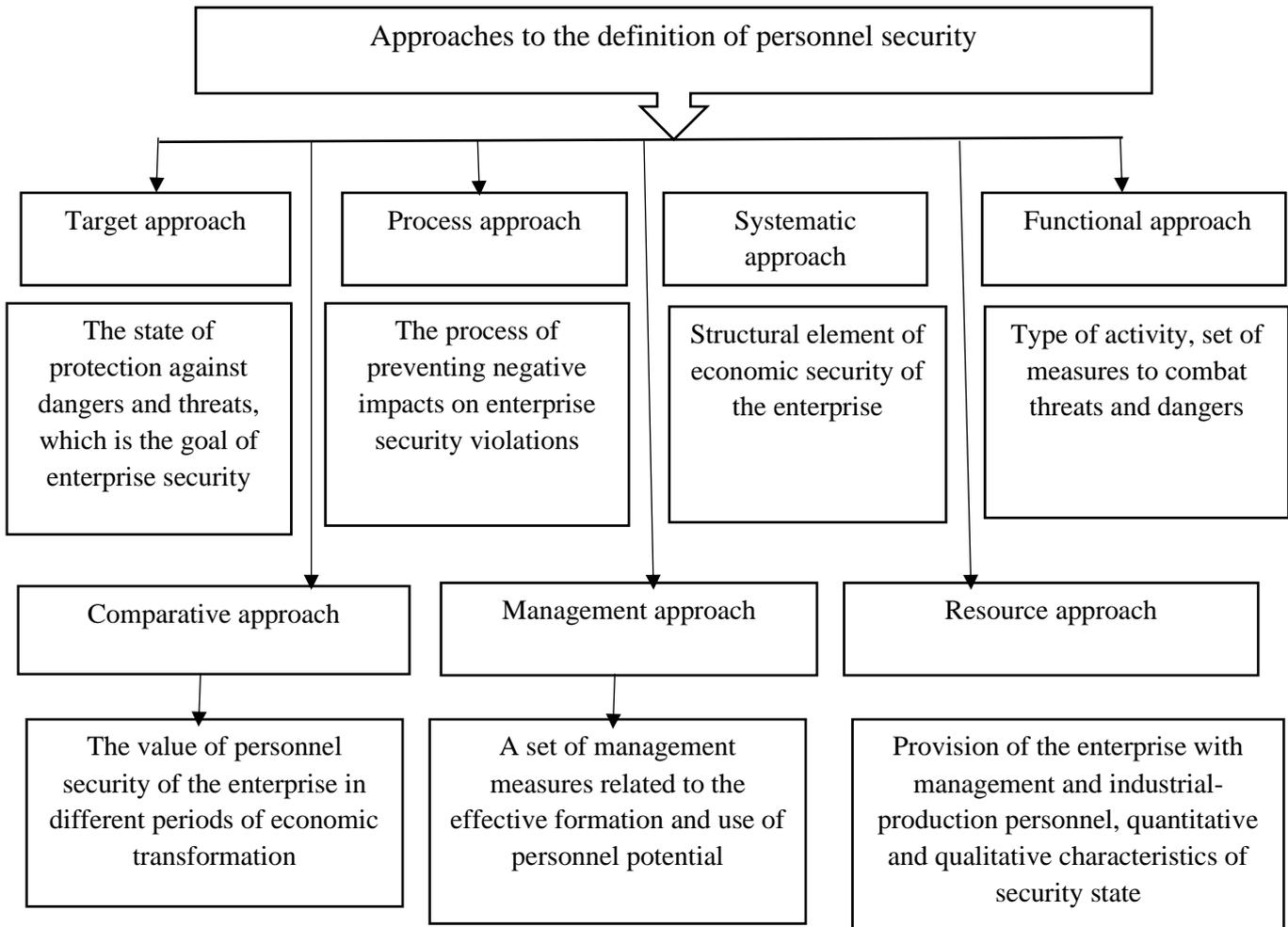


Figure 5.6. Approaches to determining the essence of personnel security

All seven groups of definitions deserve attention. The process approach to determining personnel security is more comprehensive. This is explained by the fact that when using it, in fact, two different concepts are identified – “personnel security” and “personnel security management process”. This group of definitions is characterized by the fact that personnel security means the process of preventing threats.

Ensuring personnel security from the perspective of a systematic approach, of course, has the right to exist, since personnel security is indeed an integral part of economic or general security. However, these definitions do not reveal the essence of the concept, but only indicate the place of the personnel component in the system of economic security or illustrate the structure of personnel security itself.

The group of definitions based on the functional approach is characterized by the greatest disunity, since personnel security is understood as: the general direction of personnel work, legal and information support of the personnel management process, a set of management measures, activities, etc. By itself, this approach is related to the management of personnel security, and not to the disclosure of the essence of the personnel security concept. Its use in combination with other approaches to determining personnel security is quite appropriate.

The management approach is derived from the functional approach and indicates the need to implement management measures related to the effective formation and use of personnel potential. However, this approach is one-sided.

It is appropriate to define personnel security from the position of a target approach, since in the process of ensuring security there is a result, that is, the goal of implementing measures. However, the majority of authors within this approach point to one more feature of personnel security – its state of security. The authors of definitions based on the target approach associate personnel security with such a goal of the enterprise as the state of protection against threats and dangers.

The correctness of this approach is explained by the possibility of defining the essence of personnel security based on the meaning of the word “security”. According to academic dictionaries, security should be understood as the state of protection.

The resource approach, which indicates the need for the availability of resources of the appropriate quantity and quality for the implementation of security measures or the quantitative and qualitative characteristics of the state of protection of the organization interests and the individual, is original. It is impractical to combine personnel security only with the enterprise's provision of personnel resources, the formation of an effective personnel management system and communication policy, since the mere presence of all components does not guarantee the absence of personnel threats and dangers.

The comparative approach focuses on the interpretation of personnel security from the beginning of its emergence to its modern definitions, which makes it possible

to determine the requirements and functions of the security of enterprise personnel in the context of various economic transformations.

In view of the multidimensionality and diversity of approaches to determining the personnel security of an enterprise, its essence must be considered depending on the subject area of the study with the possibility of mutual integration and complementarity of the above approaches.

Based on the consideration of theoretical approaches to the essence and content of the concept of personnel security, we consider it appropriate to define it as a set of conditions and factors that ensure the security of the vital interests of participants in social and labor relations that contribute to the effective and harmonious development of human resources.

The composition of personnel has a direct impact on the level of economic security at the enterprise. The most common types of violations include:

- Scams by leading specialists (managers and middle managers responsible for a specific line of business of the enterprise), mainly outside the walls of their firm, in particular in international organizations.

- “Kickback” – a type of corruption, illegal receipt of remuneration for certain services, hidden commission, retrocession. Hiding a payment is usually a breach of contract, resulting in civil damages.

- Falsification of amounts of “live money” (“cash”) at the cash desk and amounts in bank accounts, forgery of company's checks.

- Unauthorized sale and use of property of the enterprise for personal gain.

- Payment for the work of false (“fictitious persons”), the so-called “snowdrops”.

- Falsification of enterprise documentation using electronic equipment and the Internet (for example, transferring enterprise funds to your personal account, making “necessary” changes to reporting documents).

- Unauthorized transactions with securities, tangible and intangible assets of the company.

- Falsification of reports on the use of travel funds, “representation expenses”, for other needs of the enterprise.

Thus, summing up the results of the conducted theoretical research, it can be stated that regardless of commitment to any particular approach to the interpretation of the concept of personnel security, the current and possible future results of the enterprise's functioning depend on its proper provision.

5.5. Threats to the personnel security of the enterprise

The economic security of an enterprise is such a state of corporate resources (capital resources, personnel, information and technology, equipment and rights) and entrepreneurial opportunities, which guarantees the most effective use of them for stable functioning and dynamic scientific and technical and social development, prevention of internal and external negative influences (threats)¹¹⁷.

The main components of the economic security of the enterprise: intellectual and personnel, technical and technological, legal, financial, informational, and force.

External threats to business activity include:

- the work of special services of foreign states in obtaining information about economic processes in the field of entrepreneurship for the purpose of implementing anti-competitive measures;

- the work of security services of business entities, with the aim of overcoming competitors, taking over sales markets or competitors' property;

- illegal activities of organized criminal groups and individuals with the aim of seizing the property of business entities.

¹¹⁷ Hapak, N. M. Ekonomichna bezpeka pidpryemstva: sutnist, zmist ta osnovy otsinky [Tekst] . Naukovyi visnyk Uzhhorodskoho universytetu : [Economic security of the enterprise: essence, content and basis of assessment]. Seriya: Ekonomika. Red. kol.: V.P.Miklova, M.I.Pitiulych, N.M.Hapak ta in. Uzhhorod : UzhNU. Vyp. 3(40)., 2013. PP. 62–65.

Internal threats to the security of enterprises include:

- illegal or other negative actions of the personnel of a business entity that threaten the functioning and development of entrepreneurship;
- violation of the established information protection regime with limited access for third parties;
- violation of the procedure for using technical means;
- other violations of the rules of the security regime, which create prerequisites for the realization of illegal goals of criminal elements or other participants;
- low level of personnel, organizational, legal, information and analytical support for managing potential risks both in the context of internal and external threats¹¹⁸.

Personnel security is the process of preventing negative impacts on the economic security of the enterprise due to the elimination or reduction of risks and threats related to personnel, their intellectual potential and labor relations in general¹¹⁹. Personnel security is a set of measures aimed at localizing threats emanating from personnel. Personnel security is a combination of components connected to each other by complex and often veiled connections: life security, social-motivational security, professional security.

Thus, among the systems of economic security of the enterprise and personnel management, there is personnel security as a subsystem of structures that will guarantee the stable and maximally efficient operation of the enterprise and high potential for development in the future¹²⁰. A distinction should be made between external and internal threats.

External threats to the company's personnel security are actions, phenomena or processes that do not depend on the will or conscious actions of the company's employees, but lead to damage to the organization.

¹¹⁸ Burda I.Ya. Ekonomichna bezpeka pidpryemstva ta mistse v niy kadrovoyi bezpeky [Economic security of the enterprise and the place of personnel security in it URL: <http://economy.nauka.com.ua/index.php>. [in Ukrainian].

¹¹⁹ Tkachenko V.I. Sutnist' kadrovoyi bezpeky [*The essence of personnel security*] Naukovyy visnyk Uzhhorods'koho natsional'noho universytetu. Vypusk 22, chastyna 3. 2018. PP. 81-84 [in Ukrainian].

¹²⁰ Dzhobava A. Osobennosti podbora personala v aptechnyye seti Sankt-Peterburga [Peculiarities of recruitment for pharmacy chains in St. Petersburg]. URL: <http://www.selectium.spb.ru> [in Russian].

External dangers include :

- working conditions and motivation among competitors are better;
- installation of competitors for persuasion;
- pressure on employees from outside;
- changes in the external economic environment;
- employees falling into various types of addiction;
- inflationary processes, which cannot be ignored when calculating wages and forecasting their dynamics.

Internal threats to personnel security are intentional or negligent actions of company employees that lead to damage to the organization.

Internal dangers include :

- inconsistency in the qualifications of the employees of the positions held;
- insufficient educational level of employees;
- weak organization of the personnel management system;
- weak organization of the education system;
- an ineffective motivation system;
- errors in personnel resource planning;
- decrease in the number of innovative proposals and initiatives;
- dismissal of qualified employees;
- employees are focused on solving internal tactical tasks;
- employees are oriented to respect the interests of the unit;
- lack of corporate policy;
- low-quality checks of candidates when hiring¹²¹.

Among the internal threats to the company's personnel security, one can single out threats related to the employee's personality and threats caused by the characteristics of the team. The main components of threats are presented in Fig. 5.7.

¹²¹ Dzhobava A. Osobennosti podbora personala v aptechnyye seti Sankt-Peterburga [*Peculiarities of recruitment for pharmacy chains in St. Petersburg*]. URL: <http://www.selectium.spb.ru> [in Russian].

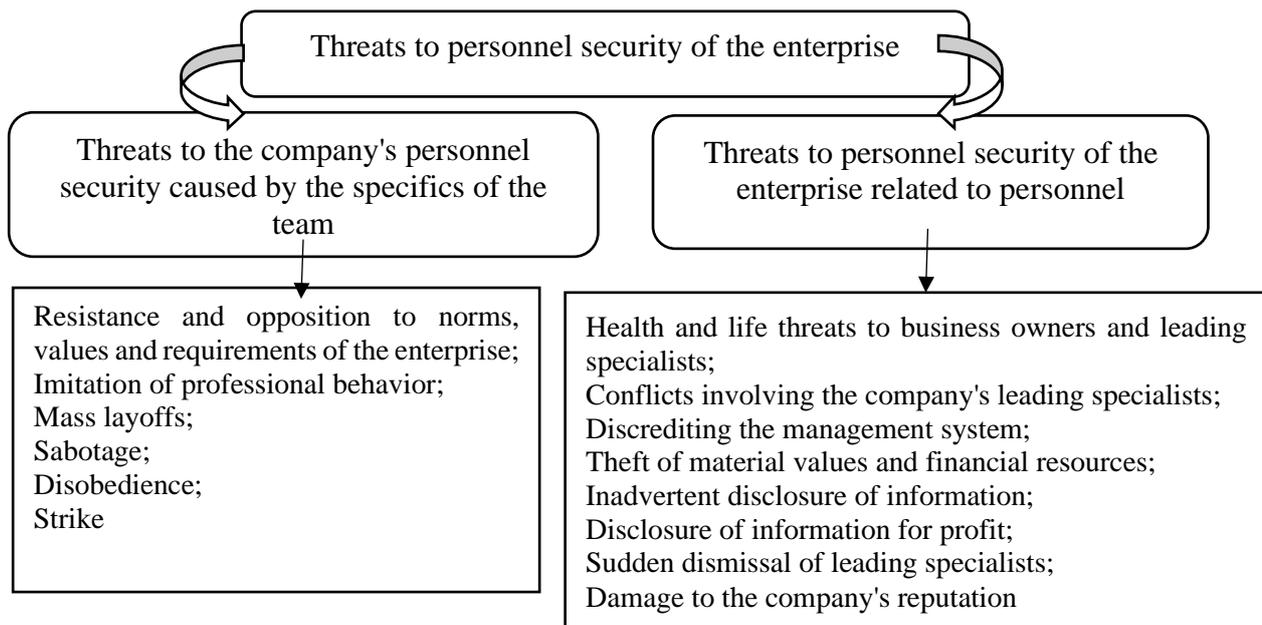


Figure 5.7. Threats to the personnel security of the enterprise

The main groups of personnel security criteria can be distinguished:

- characteristics of the number of personnel and its dynamics;
- indicators of qualification and intellectual potential;
- indicators of the effectiveness of the use of personnel;
- indicators of the quality of the motivational system.

Measures to localize threats to personnel security are distributed:

- according to the source of threats – detailed selection of personnel, continuous work to improve working conditions, training, etc.;
- by the type of threats – the introduction of a professional psychologist into the staff, a clear corporate ethics and culture;
- by security facilities – close cooperation and mutual assistance of managers of all levels of management of the enterprise;
- according to persons carrying out activities – close conditions of cooperation, the implementation of periodic random checks.

The following have a negative impact on the personnel component (Table 5.3):

Table 5.3. Threats to the company's personnel security

<i>Internal threats</i>	<i>External threats</i>
discrepancy between the qualifications of employees and the requirements for them;	the motivation conditions for competitors are better (in this situation, it is not difficult to predict the transition of specialists to competitors);
insufficient qualification of employees;	installation of competitors for poaching;
weak organization of the personnel management system;	outside pressure on employees;
poor organization of the training system;	getting employees into different types of addiction;
inefficient system of motivation;	inflationary processes (it is impossible not to take into account when calculating wages and forecasting their dynamics). The personnel service of the enterprise should be responsible for this component of economic security.
errors in personnel resource planning;	
reduction in the number of rationalization proposals and initiatives;	
the outflow of skilled workers;	
lack of corporate policy or it is "weak";	
low-quality screening of candidates for employment	

Without a doubt, human resources managers can continue this list, which should be done, by analyzing the state of personnel work with a view to safety as a win-win component of labor relations in the enterprise.

Today, the best choice for a manager is a loyal employee. Loyalty is the employee's satisfaction with conditions, remuneration, growth and prospects, the team, protection from external threats (for example, physical threats to the employee and his relatives), etc. The code word here is satisfaction.

The process of protecting the enterprise from danger begins at the stage of selecting employees for existing vacancies. Literally from the first minute when a person engaged in personnel selection sees a candidate for employment. And this protection process exists continuously during the entire period of operation of the enterprise, just as its personnel continuously functions on it. Personnel security depends on how confident the company manager can be in the competence of his employees, that the company will not be in danger due to the fault of the personnel. Therefore, the study of each component of personnel security will allow it to increase its level as a whole, which will positively affect the overall level of economic security of the enterprise.

EDUCATIONAL TRAINING

1. Corporate culture and employee loyalty.
2. Types of corporate culture. Types of personnel behavior.
3. Components and elements of the personnel loyalty system of enterprises.
4. Increasing the level of business activity.
5. Instruments of corporate culture influence on the of employees' behavior.
6. Corporate values.
7. Elements of corporate culture.
8. Basic principles of building a corporate culture.
9. The relationship of corporate culture and employee loyalty at the enterprise.
10. Types of the company's personnel loyalty in the system of economic security. The main components of staff loyalty.
11. "Loyalty Pyramid".
12. Factors influencing the formation and increase in the level of loyalty of the enterprise personnel.
13. The essence of the enterprise's personnel safety, the main criteria for personnel safety.
14. Threats to the personnel security of the enterprise.
15. Characteristics of the personnel assessment parameters.
16. The main reasons for using a polygraph
17. Certification of personnel and methods of personnel verification.
18. The essence of personnel safety.
19. Staff loyalty.
20. Characteristics of personnel assessment parameters using Midot 's tools.
21. Negative impact on personnel security: internal and external threats.
22. The main groups of personnel security criteria.
23. Assessment of the state of personnel safety of a business entity.
24. A dangerous type of abuse is internal entrepreneurship and other threats.
25. Classification and methods for preventing threats to the personnel security of an enterprise.
26. Methods for preventing threats to the personnel security of the enterprise.
27. Certification of personnel and organization of the certification process.

Control questions to consolidate the material:

1. What tasks does the personnel service perform in the modern conditions of the functioning of companies (organizations)?
2. List the main areas of personnel service.
3. Give the main sections of the Regulations on the personnel department, by whom it is approved at the enterprise.
4. On what factors does the number of employees of the personnel service depend?
5. What departments does HR work with?
6. What departments can a HR director manage?

7. The essence of the company's personnel safety, the main criteria for personnel security.
8. Threats to the personnel security of the enterprise
9. Characteristics of the personnel assessment parameters.
10. The main reasons for using a polygraph
11. Certification of personnel and methods of personnel verification.

Task:

1. Group in a table by authors and their approaches to the definition of personnel security
2. Make a classification of personnel security threats
3. Make a list of requirements and competencies of a candidate for the position of personnel security manager
4. Outline the personnel attestation process



INFORMATION AT THE ENTERPRISE AS THE OBJECT OF PROTECTION. THE PROCESS AND FEATURES OF COMPETITIVE INTELLIGENCE AT THE ENTERPRISE

1. The concept and types of information at the enterprise.
2. Ways of presenting information during mass events.
3. Confidential information protection system.
4. The process and mechanism of activity of the enterprise's CI
5. The complex of advantages of CI at the enterprise
6. The consequences of ignoring the CI at the enterprise

Main categories and concepts: types of information, enterprise, advantages of CI, mechanism, protection system, confidential information.

1. The concept and types of information at the enterprise

The general concept of information is presented in philosophy, where it is understood as a reflection of the real world. As a philosophical category, it is considered one of the attributes of matter, reflecting its structure. The view of information from the perspective of its consumers outlines the following concept: *information* is new data that are accepted, understood and evaluated by its user as useful. In other words, *information* is new knowledge that the consumer (subject) receives as a result of the perception and processing of certain information.

The term “*information*” comes from lat. “*informatio*”, which has several meanings:

- clarification, presentation, interpretation;
- representation, concept;
- familiarization, education.

The word “*informatio*” itself consists of the prefix in - (in-, on-, at-) and the verb *formo* (give shape, create), associated with the noun *forma* (form).

In English, the word “information” (in the spelling “informacioun”) first appeared in 1387. This word acquired its modern spelling in the 16th century. In the East Slavic language, the word “information” came from Poland in the 17th century.

From the middle of the XX century information has become a general scientific concept, but so far in the scientific field it remains extremely debatable. There is no generally accepted definition of information and it is used mainly on an intuitive level.

In our opinion, *information from the point of view of security* is data, information, documents that must be protected because of their importance for the subject of activity and the possible consequences (losses, etc.) from illegal interference, or disclosure.

The most complete description of the concept of “information” is given in the definitions of legal acts. In general, the concept of “information” is found in many legislative and by-laws. This is due to:

- peculiarities of the development of national legislation, which was formed on the basis of the need for an urgent settlement of many spheres of public life;
- information relations and information as their subject are an integral part of various types of social relations;
- information can be a commodity, that is, an object of civil law relations, and the circulation of managerial information is the subject of administrative law regulation.

The basis of the legal status of information is determined by the Law of Ukraine “On Information”¹²². *The information* in Art. 1 of the Law are defined as documented or publicly announced information about events and phenomena occurring in society, the state and the environment.

There are also other, more incompatible, definitions of the concept of “information”. But almost all the numerous views on the essence of information are grouped around two concepts – attributive and functional.

The attributive concept of information is one of two philosophical concepts (paradigms) of information. According to this concept, information is an objective

¹²² Закон України «Про інформатику». [Law of Ukraine "On Information"]. Vidomosti Verkhovnoi Rady Ukrainy (VVR), 1992, № 48, st.650. Redaktsiia vid 01.01.2023, pidstava - 2524-IX. URL: <https://zakon.rada.gov.ua/laws/show/2657-12#Text>

internal property of all material objects; it is contained in all elements and systems of the material world without exception.

In other words, information is an essential attribute (property) of matter (hence the name of the concept).

Now many scientists and philosophers believe that it is appropriate to talk about three hypostases of the matter existence:

- 1) a substance that reflects the constancy of matter;
- 2) energy that reflects the movement, change of matter;
- 3) information reflecting the structure and organization of matter.

Information, according to this concept, is contained in the form of structures inherent in material objects (such information is called structural, potential, a priori, internal, information “in itself”). The definition of information as a reflection of diversity is related to this approach.

Information in its general sense is a measure of the heterogeneity of the distribution of matter and energy in space and time; the degree of change that accompanies all the processes taking place in the world. That is, information creates an idea about the nature and structure of matter, about its orderliness and diversity. It cannot exist outside of matter, which means that it has existed and will be forever, it can be accumulated, stored and processed.

In practice, the following categories of information are mainly used: important; useful; confidential; open; secret; coded; closed.

For a better understanding of the essence of information and its features, let's consider the threats that arise when collecting, processing, using information and making managerial decisions.

Specialists of the scientific, technical, production, economic and other services of the enterprise must identify security threats and learn how to correctly and specifically

(in terms of value) assess the company's estimated and real losses as a result of information leaks classified as trade secrets.

A security threat is understood as potential actions or events that can directly or indirectly lead to losses – lead to system breakdown, distortion of information or unauthorized use of network resources, including stored, transmitted or processed information, as well as software and hardware.

Threats are divided into accidental (or unintentional) and intentional. The source of random errors can be software errors, hardware failure, incorrect actions of users or the administration of the local area network. Deliberate threats, unlike random ones, are associated with causing harm to users (subscribers) of a local area network and, in turn, are divided into passive and active ones.

Compromise of information is carried out by making unauthorized changes to the database, as a result of which its user is forced to either abandon it or make additional efforts to detect changes and restore genuine information. When using compromised information, the user can make the wrong decisions with all the ensuing consequences.

The means of realizing the threat of disclosure of confidential information can be unauthorized access to databases (DB), eavesdropping on local area network channels, etc. Each time the receipt of information that is the property of a person (or group of persons), causes significant harm to its owners.

The erroneously authorized use of local area network resources can also lead to the destruction, disclosure or compromise of these resources. Such a threat is mainly the result of errors in the software of the local area network.

Unauthorized use of local area network resources, on the one hand, is a means of disclosing or compromising information, and on the other hand, it has independent significance, since, even without affecting user or system information, it can cause some damage to subscribers or local area network administration. Changes in the amount of damage vary over a wide range: from a reduction in the flow of financial resources to a complete failure of the network.

Unauthorized exchange of information between subscribers of a local area network may lead to one of them obtaining information, access to which is prohibited to him, which, according to the results, is equated to disclosure of information.

Denial of service is a very significant and widespread threat, the source of which is the local computer network itself. Such a failure is especially dangerous in situations where a delay in providing network resources to a subscriber can lead to serious consequences for him. For example, the subscriber's lack of data necessary for making decisions may be the reason for his irrational or suboptimal actions.

Refusal of information consists in non-recognition by the addressee or sender of this information, the facts of its receipt or sending. This, in particular, may entail a reasoned refusal of one of the parties from a previously supported agreement (financial, trade, diplomatic, etc.) “technically” without formally renouncing it, which will cause significant damage to the other party.

Formation of the economic environment – the creation of economically favorable conditions for the production, implementation and investment in the field of ICT for the development of the information society. It is not only about supporting the development of the ICT sector, but also about how to transform the economy of Ukraine and make it competitive.

Information security is the state of protection of the information space, which ensures the formation and development of this space in the interests of the individual, society and the state. Information security plays an important role in ensuring the vital interests of any country.

The purpose of ensuring information security in Ukraine is to create a branched, protected information space, protect the national interests of Ukraine in the conditions of the formation of global information networks, protect the economic potential of the state from the illegal use of information resources, exercise the rights of citizens, institutions and the state to receive, disseminate and use information.

Threats to information security – a factor or a combination of them that create a danger to the functioning and development of the information space, the interests of the individual, society, and the state.

Information protection is a set of means, methods, organizational measures to prevent possible accidental or intentional impacts of a natural or artificial nature, which may result in damage or damage caused to the owners of information or its users, to the information space.

Information protection consists in ensuring its availability while maintaining integrity and guaranteed confidentiality.

The state secret protection system is a set of bodies for the protection of state secrets, acting in cooperation and coordination in accordance with the competence granted by law, the forms, methods and means used by them to protect information constituting a state secret, their carriers and measures taken in their interests.

It should be noted that the violation of information security causes the unsystematic nature of information protection and weak coordination of actions to protect information on a nationwide scale. The level of information security actively affects the state of political, economic, defense and other components of the national security of Ukraine, because the implementation of information threats is mainly harm in the political, military, economic, social, environmental, and other spheres (Fig. 6.1).

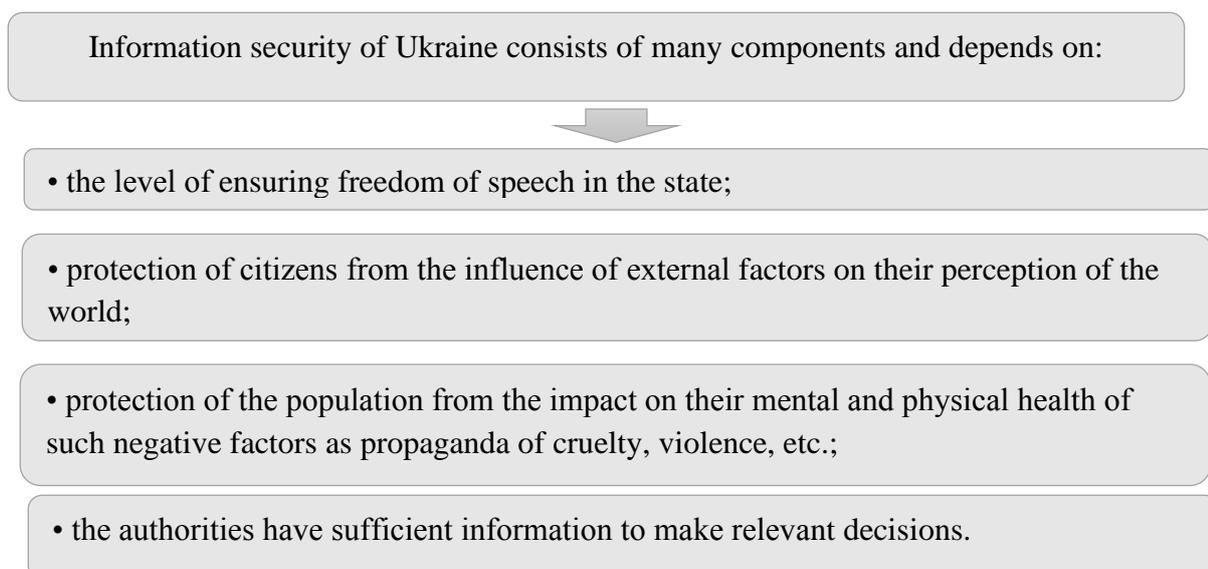


Figure 6.1. Information security components

The situation that has developed in the information sphere of our state requires an urgent solution of such complex problems:

1) development of the scientific and practical basis of information security, namely:

→ determination of the main provisions of the state strategy in the field of creation and provision of conditions for the formation and use of an information resource;

→ support for high rates of its filling;

→ content at the appropriate level of the specified quality criteria: accessibility; credibility; timeliness; completeness;

→ development of modern information technologies and technical means for solving the problem of information protection in information systems;

2) creation of a regulatory framework for the distribution and use of personal information for the purposes of:

→ creation of conditions for information relations between state authorities and public ones;

→ creation of prerequisites for achieving social compromise;

→ creation of conditions for the formation of social partnership as the basis for the democratic development of society;

→ development of information exchange regulations for public authorities and administration;

→ creation of a register of information resources;

→ fixing the responsibility of officials, citizens for compliance with information security requirements;

3) development of mechanisms for realizing citizens' rights to public information;

4) determination of the main provisions of the state strategy in the following areas:

→ the use of mass media on the basis of research into the processes of social consciousness formation;

→ improvement and development of the industry of informing the country's population;

→ development of methods and forms of information policy of the state;

5) development of methods and tools for evaluating the effectiveness of information security systems, tools, and their certification.

Consequently, the information security of Ukraine depends on solving the problems of the formation of public consciousness, the processes of production and reproduction of information resources and access to them, the creation of a civilized market for information products and services, the realization of citizens' rights to information.

Among the numerous problems of ensuring the information security of Ukraine, one can single out several of the most disturbing ordinary citizens – consumers of information (spectators, readers, etc.). After all, about 35% of Ukrainian media reports deal with the topics of violence, cruelty, and criminal activity. From a professional review of events, it is clear that in order to search for a sensation, to attract the attention of readers, such a topic is needed, but given its social and educational significance, it is not¹²³. The situation is no better in the field of electronic media (television, radio). Such information dishonors human dignity, especially negatively affects the psyche of children and young people, distorts their worldview, and creates negative moods in society.

The next problem of the Ukrainian information space is the dominance of foreign television, radio, electronic and printed products.

The danger of this state of affairs lies in the fact that the Ukrainian information space is formed mainly due to topics and problems that are urgent for a foreign state and covered from the standpoint of its own interests. And since Ukrainian citizens have little choice, especially among television and radio programs, they are simply instilled with positions that do not always correspond to reality and the national interests of Ukraine. In addition, foreign information products create serious competition for domestic media and hinder their normal development. The latter lose income not only

¹²³ Ekonomichna bezpeka pidpriemstv, orhanizatsii ta ustanov [Economic security of enterprises, organizations and institutions] : navch. Posibnyk. (2009). [dlia stud. vyshch. navch. zakl.] / [V. L. Ortynskyi, I. S. Kernytskyi, Z. B. Zhyvko ta in.]. K. : Pravova yednist. 544 p. [in Ukrainian].

due to a decrease in the number of subscribers, buyers, but also due to a decrease in the volume of advertising, the distribution of which they are ordered to.

6.2. Ways of presenting information during mass events

The main functional areas of economic security are:

- ensuring high financial efficiency of work, financial stability and independence of the enterprise;
- ensuring technological independence and achieving high competitiveness of an enterprise;
- achievement of high management efficiency, optimal and efficient organizational structure of enterprise management;
- achieving a high level of personnel qualification and its intellectual potential, appropriate efficiency of corporate activities;
- minimization of the destructive impact of the results of production and economic activities on the state of the environment;
- high-quality legal protection of all aspects of the company's activities;
- ensuring the protection of the information field, trade secrets and achieving the required level of information support for all divisions of the enterprise and departments of the organization;
- effective organization of the safety of the company's personnel, capital and property, as well as commercial interests.

To ensure the main and functional goals, an algorithm for an integrated approach to ensuring the economic security of an enterprise is needed:

STAGE 1. Collection, systematization of information about the enterprise, its organizational structure, activities (production, innovation, financial, investment, export-import, etc.), staffing, availability of separate divisions, subsidiaries. That is, this stage involves the systematization of all available internal information.

STAGE 2. Study of information about the internal and external environment of the enterprise. At this stage, a comprehensive understanding of the risks, sources of danger and negative impacts is formed. At the same time, it is important to study the degree of conflict among personnel, the presence and possibility of environmental threats, hazards in the field of labor protection, the problem of selling information constituting commercial information, the creation of a system of “kickbacks” in the supply and marketing process, weak motivation of employees to prevent threats and disinterest in the final results of activity, a significant share of receivables and payables in the company's balance sheet, significant depreciation of fixed assets; on the external environment – actions of unfair competition, the threat of raider attacks, instability of the political environment, problems in the financial market and the currency market, the crime situation, etc.

STAGE 3. Determination of indicators of economic security for each functional component. Indicators of the economic security of an enterprise are indicators of the level of its economic security, which make it possible to identify “pain points” in its activity, to determine the main directions and the most effective ways to improve the efficiency of its activity. The functional components of the economic security of enterprises include: production, financial, intellectual, personnel, political and legal (comprehensive legal support for the activities of the enterprise, compliance with current legislation), information, environmental, power (ensuring physical security), marketing, organizational and managerial.

STEP 4. Calculation based on the collected information of each indicator. At this stage, one may encounter the problem of the complexity of determining certain indicators. In such a situation, it is necessary to use a mathematical apparatus – for indicators characterized by numerical values, methods of mathematical modeling and mathematical statistics – for indicators reflecting the qualitative state of the object under study.

STAGE 5. Comparison of indicator values for each functional component with threshold values. Threshold values are individual for individual enterprises, sectors of

the national economy, and in some cases are determined by expert methods. Highlighting indicators that are outside the allowed values.

STAGE 6. A visual representation of the indicator values, as well as the definition of security zones, threats and dangers. Presentation of research results to different departments of the enterprise management.

STAGE 7. Formation of measures to minimize threats, overcome dangers and avoid the implementation of risks to the maximum for activities in each area.

An important element, without which the concept of “economic security of an enterprise” does not make sense, is the concept of “threat”. Threat is the action of destabilizing natural factors and/or subjective factors associated with the violation of laws, norms and technologies, which can lead to real or potential losses that can cause danger to the enterprise. It is impossible to compile a complete list of threats in the enterprise, because every day others appear or existing ones fade into the background.

The author's approach to the classification of threats:

- by place of occurrence: internal, external;
- according to the degree of danger: especially dangerous, dangerous;
- possible implementation: real, potential;
- by scale: transcorporate, local, individual;
- by duration of action: instant, temporary, permanent;
- by the nature of the direction: direct, indirect;
- according to the results of implementation (offensive): catastrophic, with large-scale losses, with minor losses, without consequences;
- in relation to them: objective, subjective;
- by the possibility of forecasting: forecasted, not forecasted, partially forecasted;
- by objects of encroachment: information, business reputation, tangible and intangible assets, personnel;
- by nature of occurrence: political, competitive, criminal, contractual ;

- by sphere of distribution: production, export-import, financial, technological, personnel, institutional, environmental, organizational, market, innovative;
- by areas of occurrence:
 - physical;
 - economic;
 - oppression by the state;
 - illegal actions on the part of business entities;
 - illegal actions on the part of individuals;
- psychological and informational:
 - encroaching on the psychological climate in the collective of the enterprise;
 - affecting the information environment;
- by nature of origin: natural, man-made, artificially created;
- by possibility of insurance: which are insured, which are not insured, which are partially insured;
- by frequency of action: single, multiple;
- by level of completion: completed and unfinished¹²⁴.

Taking into account the above threats, the management of each enterprise should work on creating and organizing the work of the economic security system, which will allow to neutralize these threats or minimize losses in the event of their occurrence.

Particular attention is required to the threat of the external environment, including from external counterparties. This implies the danger of theft of information constituting a trade secret, cases of industrial espionage, unfair competition, failure to fulfill obligations, cases of physical destruction, etc.

A separate area, characterized by a number of potential threats to domestic enterprises, is holding mass events, negotiating, working with external counterparties

¹²⁴ Ekonomichna bezpeka pidpriemstv, orhanizatsii ta ustanov [Economic security of enterprises, organizations and institutions] : navch. Posibnyk. (2009). [dlia stud. vyshch. navch. zakl.] / [V. L. Ortynskyi, I. S. Kernytskyi, Z. B. Zhyvko ta in.]. K. : Pravova yednist. 544 p. [in Ukrainian]; Ekonomichna bezpeka pidpriemstv [*Economic security of enterprises*]: pidruchnyk (2011) / Ortyns'kyi V.L., Kernyts'kyi I.S., Zhyvko Z.B. ta in.; K.: Alerta. 704 p. [in Ukrainian].

on the territory of the enterprise. It is these elements that are the object of study in this discipline and require careful analysis and study.

A *mass event* is a pre-planned and determined by place, time, number of participants and reasons for a gathering of people that has the character of a holiday, cultural or promotional event or business meeting.

According to the goals and objectives, mass events can be divided into the following types:

1. Cultural and sports events: concerts, sports competitions, festive gatherings.
2. Business meetings and receptions of business partners (meeting of shareholders, as well as other meetings and receptions held in the form of a buffet, buffet table).
3. Advertising and commercial (fairs, presentations, sales, etc.).
4. Other public events: weddings, banquets and meetings on the occasion of various anniversaries, celebrations.

The content of such advertising and commercial events as fairs, sales, presentations are:

- organization of an exhibition exposition of several companies with samples of their products and advertising of their services;
- holding a presentation of companies during the fair, which consists in presenting a company or its new product;
- short speeches by heads of companies and their leading specialists, where the guests of the exhibition or presentation are offered the results and plans of the company and its products;
- sale of fair samples and a certain number of products and products of the company;
- addition of the business part of the fair and the presentation of the entertainment program with concert performances and treats for guests.

In the course of mass events, information is presented by the enterprise. Usually this information is systematized and has the form of a product of an information and advertising profile. The only exception is information of an official nature, as well as

classified as “trade secret”, which is distributed among the participants during business negotiations, shareholders' meetings, etc.

The choice of information and advertising material depends on many factors: on the goals pursued by the enterprise, on its financial capabilities and creative approach to advertising.

Each of the promotional materials can be used in almost any promotional event – mailing, work with customers, during business meetings, at an exhibition. In practice, these and other materials are often combined in order to match the text and design of selected promotional materials with the tasks that the company assigns to them, as well as their ability to convey information to the buyer or consumer.

Information letter – information and advertising material in the form of a letter, made on letterhead and addressed to a specific person. Such a letter gives brief information about the company and its activities.

An information letter is usually sent as the first contact with a potential buyer or partner. A letter can be individual – addressed to only one addressee or typical, when the text is addressed to several addressees at once. The volume of the letter should be small, the style of writing should be free, and the sentences should be as short as possible.

A commercial offer is an advertising material that differs from other types in a lesser advertising orientation and greater information content. A commercial offer, as a rule, is sent to a person who already knows about the activities of the company through preliminary contacts or messages and contains one or more business proposals. A commercial offer usually contains a detailed description of the offer itself, and in the appendix to it, materials describing the proposed object (goods).

An information sheet is an advertising material similar in content to a letter, but it does not contain the attributes of the addressee. The information sheet is of a long-term nature and is designed not for a specific addressee, but for the category of visitors to the company, exhibition. Letterhead is generally not used, and the format may vary. The company logo and company colors are often used in the design.

An advertising card is a carrier of purely advertising information about a particular product or service. It is usually distinguished by a bright design using pictures, photographs, advertising slogans. The main task of an advertising postcard is to draw attention to the company, product, and service.

A *booklet* is a small-format advertising publication, multicolored, made on high-quality paper, with drawings and photographs. It contains an advertising description of a company or a specific product or service. The booklet belongs to the prestigious promotional materials of image nature.

Prospectus is similar in design to the booklet, but differs in a larger volume, it is dominated by color photos and diagrams. Often, the prospectus is dedicated to the anniversary of the establishment of the company, it can contain information about the achievements of the company and its products with photos and brief characteristics of each product or service.

Brochure – a printed advertising medium, which is, in fact, an extended prospectus of at least 20 pages. The brochure contains detailed information about the properties of goods, their features, and methods of application. Brochures are sent or given to interested parties, or added to purchases.

The catalog usually has the format of a small book. It contains a list of goods and services offered by one or several companies. The design of the catalog can be different – from simple text materials placed in sections and containing information about the name, purpose, characteristics of goods and services, to color photographs of goods made in a typographical way.

Press release – material intended for distribution to representatives of the press at exhibitions, presentations, charity events. As a rule, it includes brief information about the company, an overview of products, and prospects for the development of the company. Sometimes the press release provides information about the firm's management.

Calendar is a widely used advertising medium. Desktop, wall and pocket calendars implement an advertising function due to the presence of the name and brand of the subject of advertising, as well as an advertising text.

The advertising campaign also successfully uses such *promotional and gift materials* as notebooks, plastic bags, pens, flags, T-shirts, badges, watches, umbrellas, lighters, and key chains.

Thus, during mass events at the enterprise, there is a risk of unauthorized persons obtaining confidential information or information constituting a trade secret. Therefore, a set of measures to prevent such actions is an integral part of the organizational work in the preparation of each mass event.

6.3. Confidential information protection system

All information resources of the company are constantly exposed to objective and subjective threats of loss of the carrier or value of information. The threat or danger of information loss is understood as a single or complex, real or potential, active or passive manifestation of the unfavorable capabilities of external or internal sources of threat to create critical situations, events, have a destabilizing effect on information, documents and databases to be protected.

The risk of damaging the destabilizing effect of any (open and limited access) information resources is created by natural disasters, extreme situations, accidents of technical means and communication lines, other objective circumstances, as well as persons interested and uninterested in the emergence of a threat. The threats created by these persons include: unauthorized destruction of documents, accelerated fading (aging) of text or images, substitution or seizure of documents, falsification of text or part of it, etc.

For information resources with limited access, the range of threats involving the loss of information (disclosure, leakage) or loss of media is much wider as a result of the increased interest of intruders in these documents.

An attacker is a person acting in the interests of a competitor, an adversary or in personal selfish interests (agents of foreign intelligence services, industrial and economic espionage, criminal structures, individual criminal elements collaborating with an attacker, mentally ill people).

Unlike objective dissemination, the loss of information leads to the illegal transfer of confidential information, documents to a subject that does not have the right to own them and use them for their own purposes. The main threat to the security of restricted information resources is unauthorized (illegal) access by an attacker or an unauthorized person to documented information and, as a result, the acquisition of information and its illegal use or other destabilizing actions.

A third party is any person who is not directly related to the activities of the company (employees of other organizational structures, public utilities, emergency workers, passers-by, visitors to the company), as well as employees of this company who do not have the right to access certain premises, to a specific document, information, and databases.

The goals and results of unauthorized access can be not only the acquisition of valuable information and its use, but also their modification, destruction, falsification, substitution, etc.

A prerequisite for the successful implementation of an attempt of unauthorized access to information resources of limited access is the interest in them from competitors, certain individuals, services and organizations. In the absence of such interest, the threat of information does not arise even if the prerequisites for familiarization with it have arisen. The main culprit of unauthorized access to information resources, as a rule, is the personnel working with documents, information and databases. At the same time, it should be borne in mind that the loss of information occurs in most cases not as a result of the deliberate actions of an attacker, but due to

the inattention and irresponsibility of personnel. Therefore, the loss of information resources of limited access can occur when:

- the presence of interest of competitors, institutions, firms or individuals to specific information;
- the risk of a threat organized by an attacker, or under random circumstances;
- the presence of conditions that allow an attacker to perform the necessary actions and acquire information.

These conditions may include:

- lack of systematic analytical and control work to identify and study threats, channels and the degree of risk of violations of the security of information resources;
- an inefficient information security system or the absence of this system, which creates a high degree of information vulnerability;
- unprofessional organized system of processing and storage of confidential documents;
- disordered selection of personnel and staff turnover, difficult psychological climate in the team;
- lack of a system for training employees in the rules for protecting restricted access information;
- lack of control by the company's management over compliance by personnel with the requirements of regulatory documents for working with information resources of limited access;
- uncontrolled visits to the company's premises by unauthorized persons.

It should always be remembered that the fact of documentation dramatically increases the risk of the threat of unauthorized use of information. The great masters of the past never wrote down the secrets of their art, but passed them on orally to their sons, or students. For that reason, the secret of making many unique items of that time has not been revealed to this day. Therefore, threats to confidential information are always real, differ in great variety and create prerequisites for information loss. It is necessary to thoroughly study the sources of threats to the company's information,

because without this it is impossible to professionally build an information protection system.

6.4 The process and mechanism of activity of the enterprise's CI

There is so much information about related events that the B(C)I service faces the problem of its excess, that is, a high percentage of information “trash”, especially due to the development of the Internet. Even the fact that Ukraine lags behind Russia (not including its Western neighbors) in the “internetization” of its financial and economic activities, economic and political life, the amount of information on the websites “Ukrainian PRAVDA”, “URA-Inform”, UNIAN, ForUm, “Interfax-Ukraine”, “Ukrainian News” are limitless. Then not using these channels of information is a serious omission of the B(C)I service of any enterprise.

The analysis shows that all software products necessary for creating a complete life cycle of computer support for the B(C)I service are available on the Internet.

However, before talking about information protection, the process and mechanism of competitive intelligence, let's stop at the formation of the economic security system of the enterprise and its management. Based on these basic conditions, we will consider the concept of economic security created by the author at the micro level¹²⁵ (Fig. 6.2).

We share the author's opinion that in the interpretation of, which is a key approach to understanding the economic security of an enterprise, the concept should combine both dynamic and static components, the organic combination of which is determined by the following factors: the difficulty of predicting changes in the external

¹²⁵ Zhyvko Z.B. Metodolohiya upravlinnya ekonomichnoyu bezpekoyu pidpryyemstva [Methodology of managing economic security of the enterprise]. Monohrafiya. L'viv : Vyd-vo Liha-Pres, 2013. 474 p. [in Ukrainian]

environment, the impossibility of exercising absolute control over internal environment, conflict of interests, complexity of the problem, etc¹²⁶.

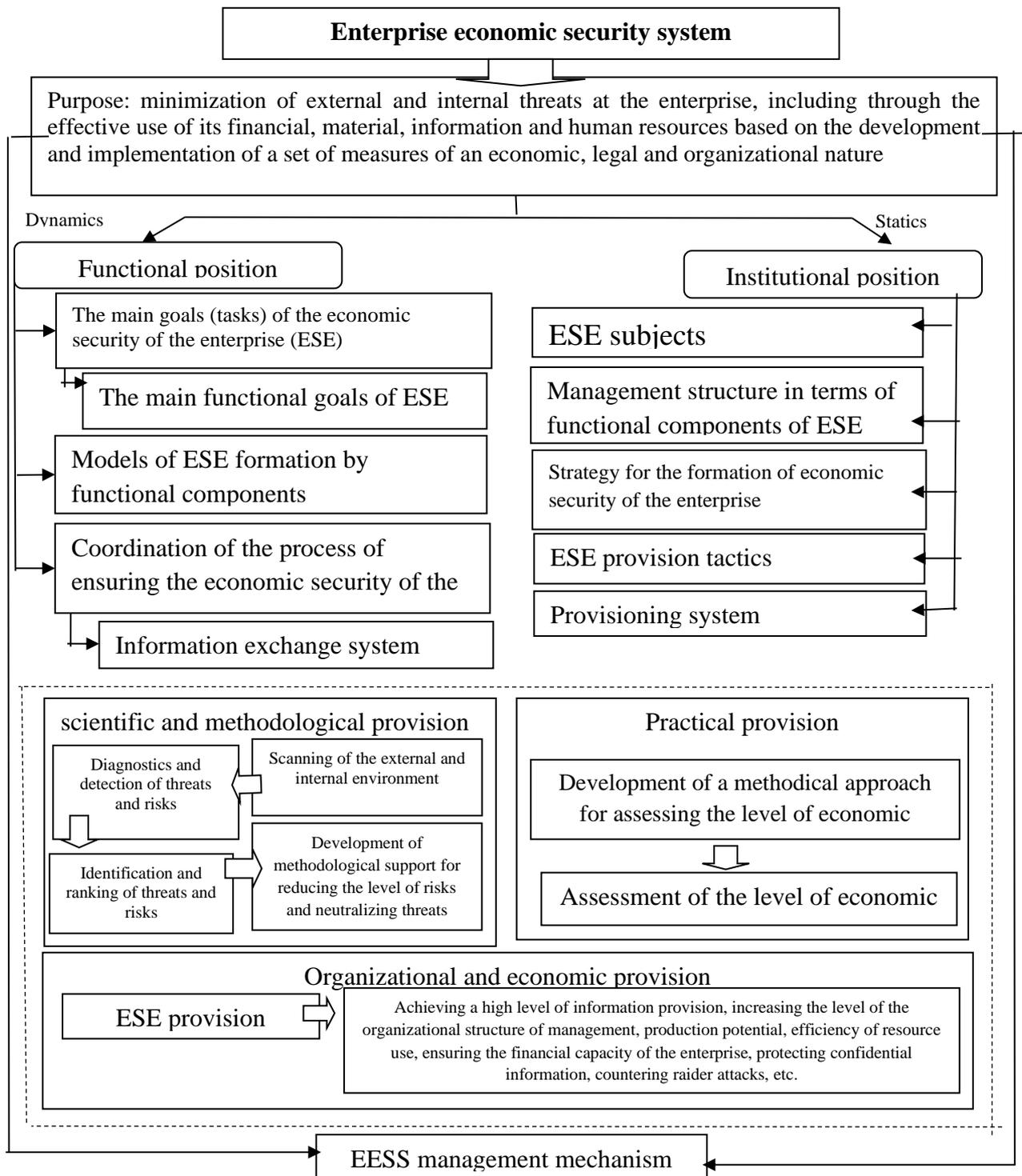


Figure 6.2. Enterprise economic security system

¹²⁶ Zhyvko Z.B. Metodolohiya upravlinnya ekonomichnoyu bezpekoyu pidpryyemstva [Methodology of managing economic security of the enterprise]. Monohrafiya. L'viv : Vyd-vo Liha-Pres, 2013. 474 p. [in Ukrainian]

Separately, it should be emphasized that the developed concept is based on a comprehensive support system, which is conventionally divided into scientific, methodological, practical, organizational and economic components, the content of each we have generally considered above.

It should be emphasized that a significant number of elements of the developed concept were considered by us in the previous section, so we will focus only on individual components.

First of all, we note that effective enterprise management within the framework of the concept of economic security is impossible without the transformation of the existing management system and the formation of new communication links between the structural divisions of the enterprise.

The importance of such a step is due to the fact that, as noted above, the subject of security is a separate specialized unit, partly any other functional unit, and, ultimately and indirectly, every employee of the enterprise. Moreover, at most domestic enterprises, the functions of ensuring economic security are performed by different structural units. So, for example, financial security, as a rule, is provided by the financial director or chief accountant, legal protection is carried out by the legal department, the personnel director is responsible for personnel security, etc. At the same time, the problem of coordinating the actions of all specialists of the enterprise in the system of ensuring economic security, in particular, the competitive intelligence unit, remains unresolved.

Based on the generalized historical experience in the development of intelligence activities, it can be argued that intelligence as a type of human activity is a kind of specific labor for collecting, processing and presenting information through systematized data to managers. In the process of this labor, people enter into economic relations for the production, exchange, distribution and consumption of a specific product – information that eventually acquires a commodity form. The producer of information is intelligence (in our case, the competitive intelligence service), and the consumer is the customer, the manager, and from time to time the government (in our

case, the top manager, the manager of the company). The work of a competitive intelligence officer is to collect “raw” material, analyze it, process it and turn it into final products – data that has an accessible form for perception by the customer. In small businesses, the Competitive Intelligence Officer is simultaneously an intelligence agent, analyst, and marketer. At large enterprises, as a rule, the competitive intelligence service is internally structured and has divisions of agents, audit and analysis, its own philologist-analyst, etc.

1. There is no stable and generally accepted method of competitive intelligence. Carrying out competitive intelligence, the relevant economic entity basically develops its own methodology. However, there are well-known methods of competitive intelligence. Let's take a closer look at some of them. Thus, the Kharkiv Association of Analysts and Competitive Intelligence Professionals (SCIP.ORG.UA) holds the view that there are five stages, united under the name “Intelligence Information Processing Cycle”, as a result of which “raw” information turns into “analytical materials” or knowledge: planning and object selection; collection of published information; collection of information from primary sources; analysis of the collected information and creation of a new product; bringing the results to customers¹²⁷ (Fig. 6.3)

2. The strength of this technique is that it emphasizes the need to move to primary sources after the work with publications has been carried out.

3. In the methodology used by members of the European Association of Competitive Intelligence Professionals, presented in Fig. 6.4., attention is focused on the need to use the results of competitive intelligence activities¹²⁸.

4. The name “4C Methodology” is derived from the first letters of English words, namely: (1) Collection (gathering information), (2) Conversion (turning information

¹²⁷ Intelligence cycle of information processing [Electronic resource] // Competitor Analysis - A brief guide The Basic Principles of Competitive Intelligence. Mode access :http://www.scip.org/Library/intell_cycle.pdf.

¹²⁸ Tekhnicheskaya razvedka v byznese: ponymanyte tekhnolohyy uhroz y vozmozhnostey [*Technical intelligence in business: understanding the technology of threats and opportunities*] [Electronic resource]. Yevropeys'ke ob'yednannya profesionaliv konkurentnoyi rozvidky. Mode access: <http://www.marketing-intelligence.co.uk/competitor-analysis.htm> [in Russian].

into a finished product), (3) Countering (transferring information to the consumer), Communication (inclusion of information in the decision-making process)¹²⁹.

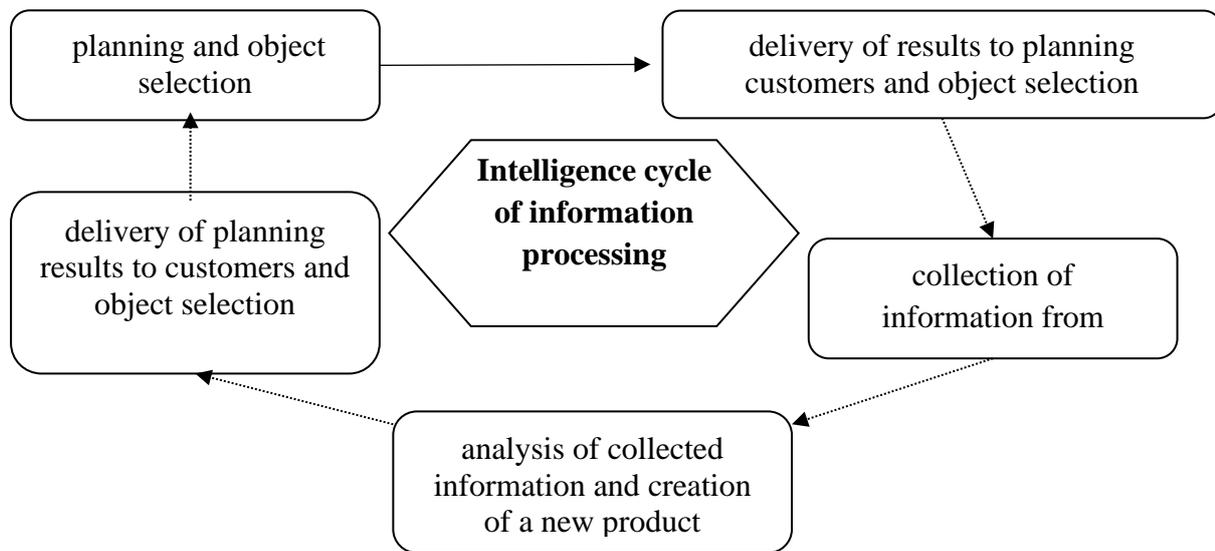


Figure 6.3. Intelligence cycle of information processing¹³⁰

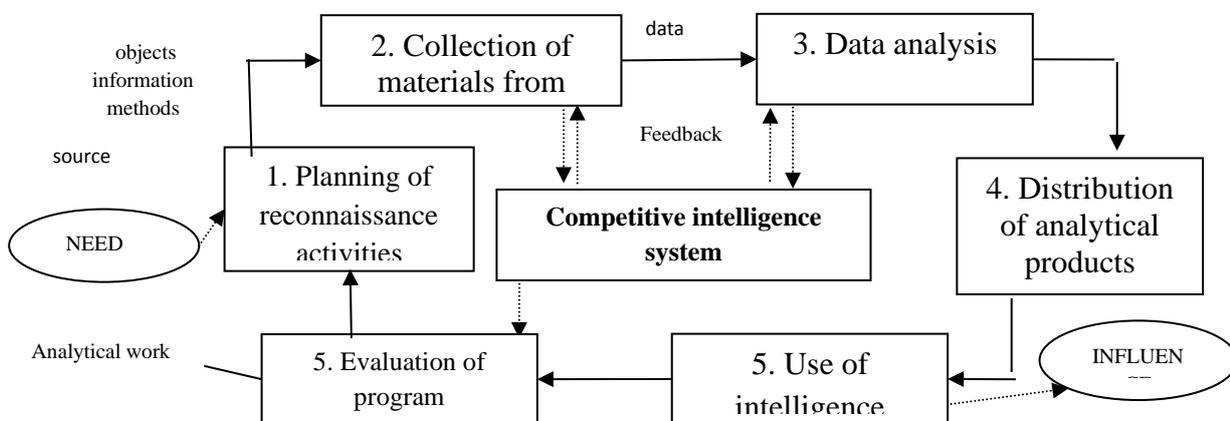


Figure 6.4. Feedback Methodology (According to Ashton & Stacey)

The key to this technique is the provision according to which the information obtained in the process of competitive intelligence depends on changes in needs (Fig. 6.5).

¹²⁹ Arthur Weiss Brief Guide to Competitive Intelligence: How to Gather and Use Competitive Intelligence [Electronic resource] Mode access: https://www.academia.edu/16354330/A_brief_guide_to_competitive_intelligence_how_to_gather_and_use_information_on_competitors

¹³⁰ Intelligence cycle of information processing [Electronic resource] // Competitor Analysis - A brief guide The Basic Principles of Competitive Intelligence. – Mode access: http://www.scip.org/Library/intell_cycle.pdf.

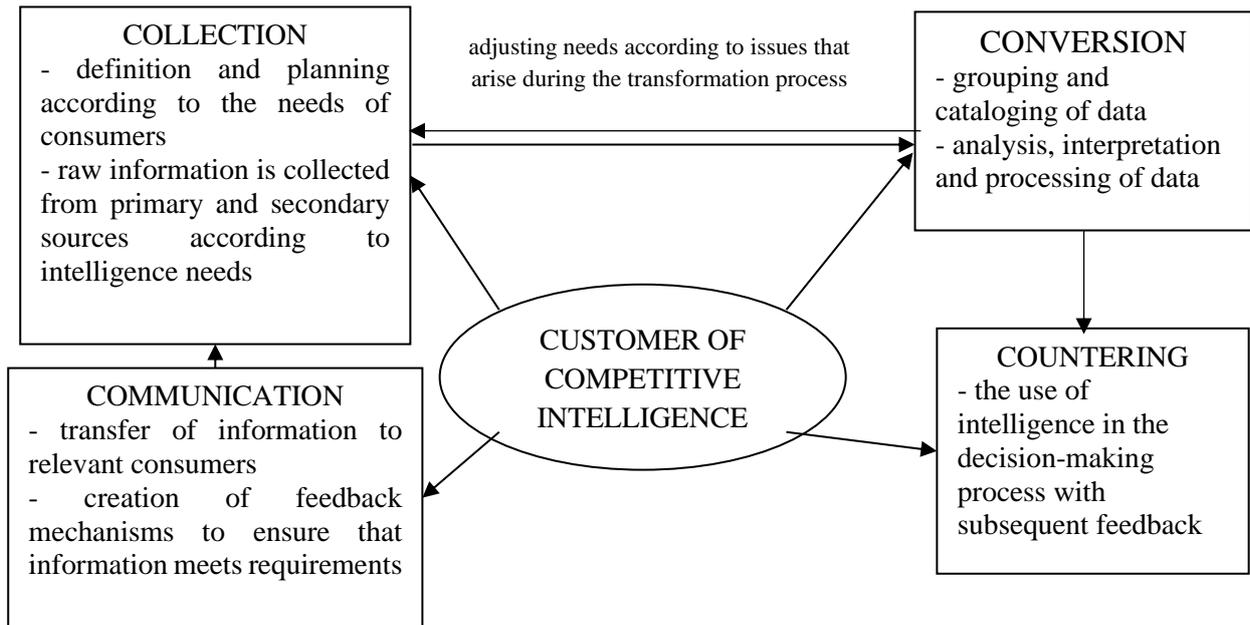


Figure 6.5. 4C Methodology¹³¹

Each stage of the process described in the 4C model includes a large number of sub- processes. The first part of the information gathering stage is identifying user needs or “key questions”¹³². Key questions are set during the user conversation by the intelligence officer in order to clearly define his/her information needs, or vice versa, the user himself/herself forms a request for intelligence regarding the information that he/she needs for specific purposes.

The methodology proposed by Arthur Weiss, who is one of the leaders of AWARE, a company specializing in competitive intelligence and business strategy development (see Fig. 6.5) provides for obtaining four different, but interconnected, types of knowledge about competitors and the competitive environment, namely:

- competitor knowledge – information about individual competitors;
- comparative knowledge – information about common and distinctive characteristics of various competitors;

¹³¹ Herring J.P. A Process to Identify and Define Intelligence Needs [Electronic resource] Jan P. Herring. URL :<http://www.cipher-sys.com/>

¹³² Herring J. P. A Process to Identify and Define Intelligence Needs [Electronic resource] Jan P. Herring. URL : <http://www.cipher-sys.com/>

- market knowledge – extended information about the market, including consumers, suppliers, sales channels, technologies, competition in the industry, partners, etc.

- self -knowledge – information about one's own company¹³³.

All four categories are necessary to build a holistic and complete picture of the company's business environment (Fig. 6.6). Only on the basis of a complete understanding of one's own position in the market and knowledge of competitors can one make the right decisions that will lead to the achievement of market advantages and protection against threats.

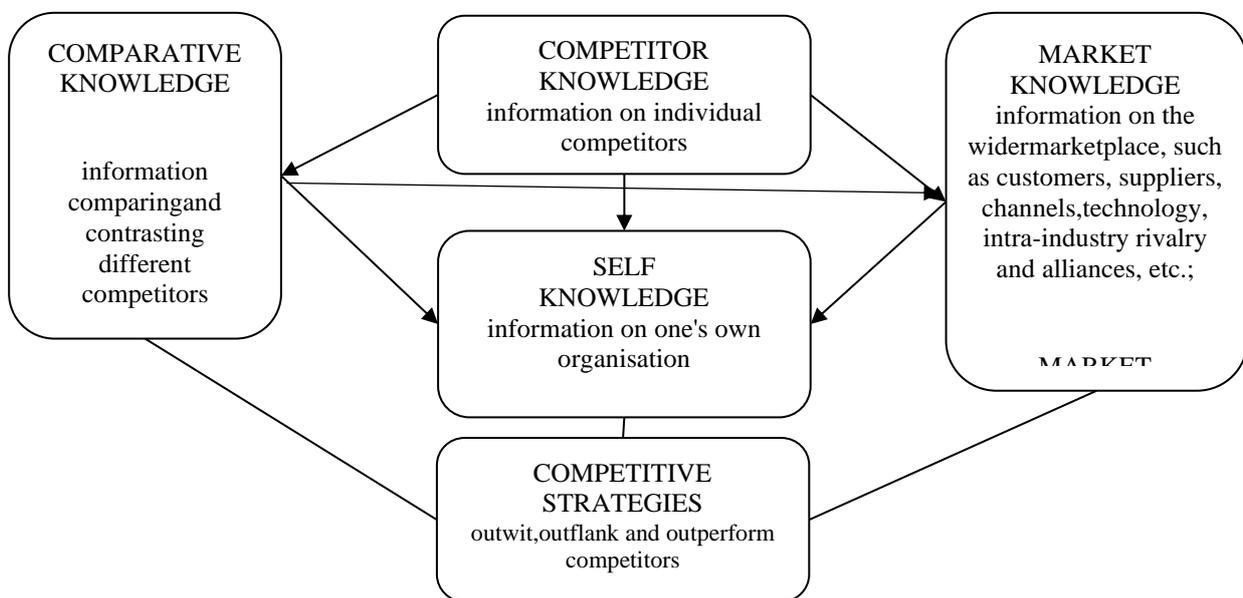


Figure 6.6. Methodology of four types of knowledge of AWARE company¹³⁴

The method presented in Fig. 6.7, compares competitive intelligence with communication. Information is most often one-time and one-way, and communication is constant (regular) and mutual. During communication, the source and the correspondent constantly change places, information flows are regulated by feedback.

¹³³ Zhyvko Z.B. Metodolohiya upravlinnya ekonomichnoyu bezpekoyu pidpryyemstva [Methodology of managing economic security of the enterprise]. Monohrafiya. L'viv : Vyd-vo Liha-Pres, 2013. 474 p. [in Ukrainian]

¹³⁴ Arthur Weiss Brief Guide to Competitive Intelligence: How to Gather and Use Competitive Intelligence [Electronic resource] Mode access: https://www.academia.edu/16354330/A_brief_guide_to_competitive_intelligence_how_to_gather_and_use_information_on_competitors

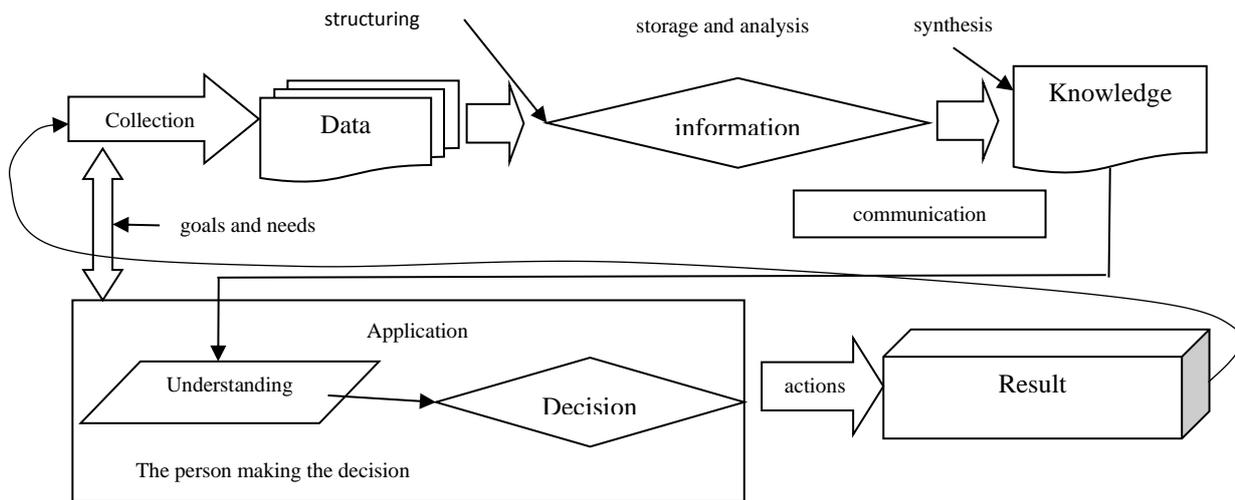


Figure 6.7. Methodology of identification competitive intelligence and communications

Competitive intelligence as a result of communication involves reciprocal actions. The collection and processing of data is directly affected by changes resulting from actions on the system itself and the current environment, tasks are constantly being adjusted, so the effectiveness of communication is much higher¹³⁵.

The 4K+1 methodology is shown in Fig. 6.8, provides for the collection of information in a small list of privileged sources – “Family of sources”¹³⁶. However, economic activity is always associated with the release of information to the external environment, so obtaining information about the enterprise can be carried out through certain channels:

- open general and special publications and databases.
- clients, suppliers, investors, credit organizations, intermediaries, and agents.
- public services, law firms, audit firms, insurance companies, consultants, tax inspectorates, sanitary and fire services, statistical bodies, law enforcement bodies.
- representation at fairs, salons, and conferences.

¹³⁵ Mitrofanov A. A. Ekonomicheskaya bezopasnost' kommercheskikh predpriyatiy i delovaya razvedka [*Economic Security of Business Enterprises and Business Intelligence*] URL : <http://www.bre.ru/security/22843.html> [in Russian].

¹³⁶ Khant Ch. V., Zartar'yan V. Razvedka na sluzhbe vashogo predpriyatiya: informatsiya – osnova uspekha [*Intelligence at the service of your enterprise: information is the basis of success*]. K.: Ukrzakordonviza-servis, 1992. 159 p. [in Russian].

The mechanism of the enterprise's CI activity can be considered according to the aspects schematically presented in Fig. 6.8.

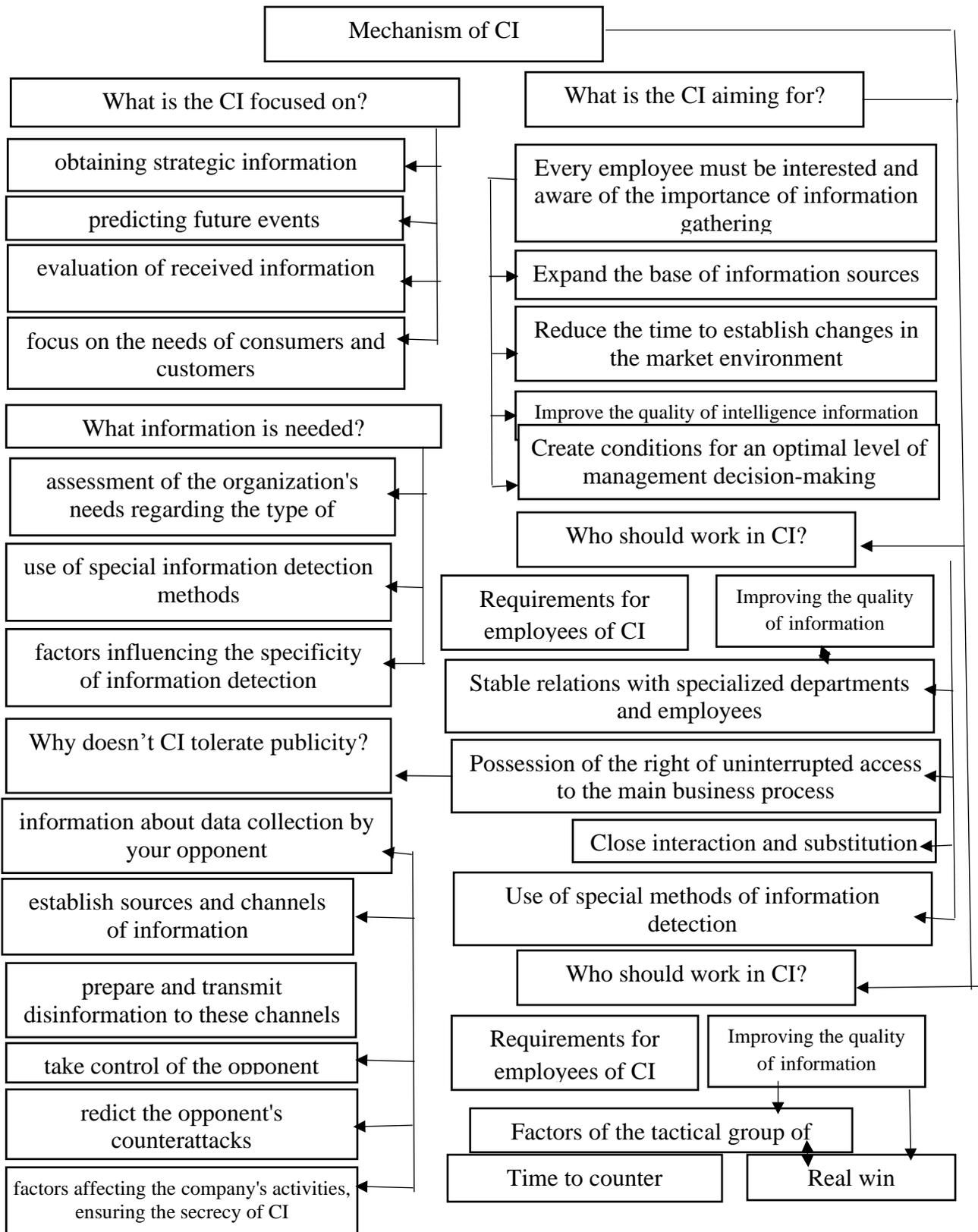


Figure 6.8. Mechanism of CI's activity

Consequently, in the conditions of the information space, it becomes more and more difficult for the state or an individual company to hide anything, no matter how carefully certain facts are hidden, especially when they relate to financial and economic activities. The traces of them or the events accompanying them are so numerous and diverse that even open sources of information can reveal these facts. There are many models that describe the process of performing competitive intelligence. For example, *SCIP* takes the view that there are five stages, grouped under the name “Intelligence Information Processing Cycle”¹³⁷:

- planning and object selection;
- collection of published information;
- collection of information from primary sources;
- analysis of the collected information and creation of the finished product;
- bringing results to the customer.

The strength of this model is that it emphasizes the need to move to primary sources after the work with publications has been done.

The weak side of the presented model is that it does not focus on the key idea of competitive intelligence about the need to include information in the decision-making processes at the enterprise. If the information is reported to the decision maker, informs him/her of a specific situation, and then remains gathering dust on the shelf, then this is not intelligence. But this model misses the needs of its target audience.

The rest of the models do not have this shortcoming, since they include the stage of information use.

Thus, Ashton and Stacey (1995) proposed the model presented in Fig. 6.9, which provides for the need to use the results of intelligence activities.

This model is stronger because it included a feedback phase, where learning from own experience and further improvement of future intelligence planning is assumed.

¹³⁷ Intelligence cycle of information processing [Electronic resource] // Competitor Analysis - A brief guide The Basic Principles of Competitive Intelligence. – Mode access :http://www.scip.org/Library/intell_cycle.pdf.

Thus, the intelligence activity does not exist by itself, but is determined by the needs of the end user.

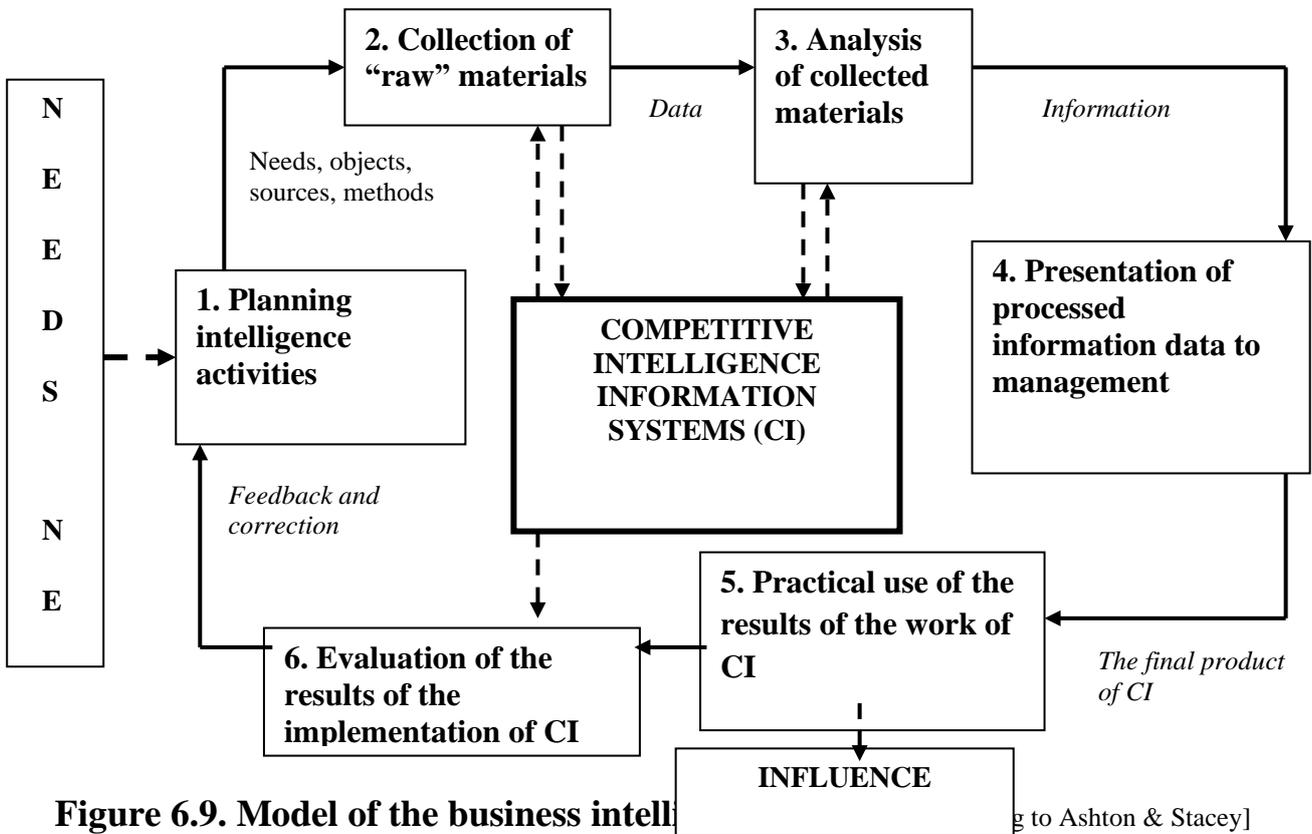


Figure 6.9. Model of the business intelligence process [Adapted from Ashton & Stacey]

There is a simpler model, the “4C Model”, which includes the steps described above, but also recognizes that the information gathered during the intelligence process depends on changing needs. The model includes the collection of information, its analysis, transfer and use, as shown in Fig. 6.10.

1 Stage – Collection of information

Each stage of the process described in the 4C model includes a large number of sub- processes. The first part of the information gathering stage is identifying the user's needs, or “*key intelligence topics*” (KITs).

Key questions are either set during the questioning of the user by the intelligence officer in order to determine what kind of information he/she needs, or vice versa, the user himself invites to intelligence the information he/she needs for specific purposes.

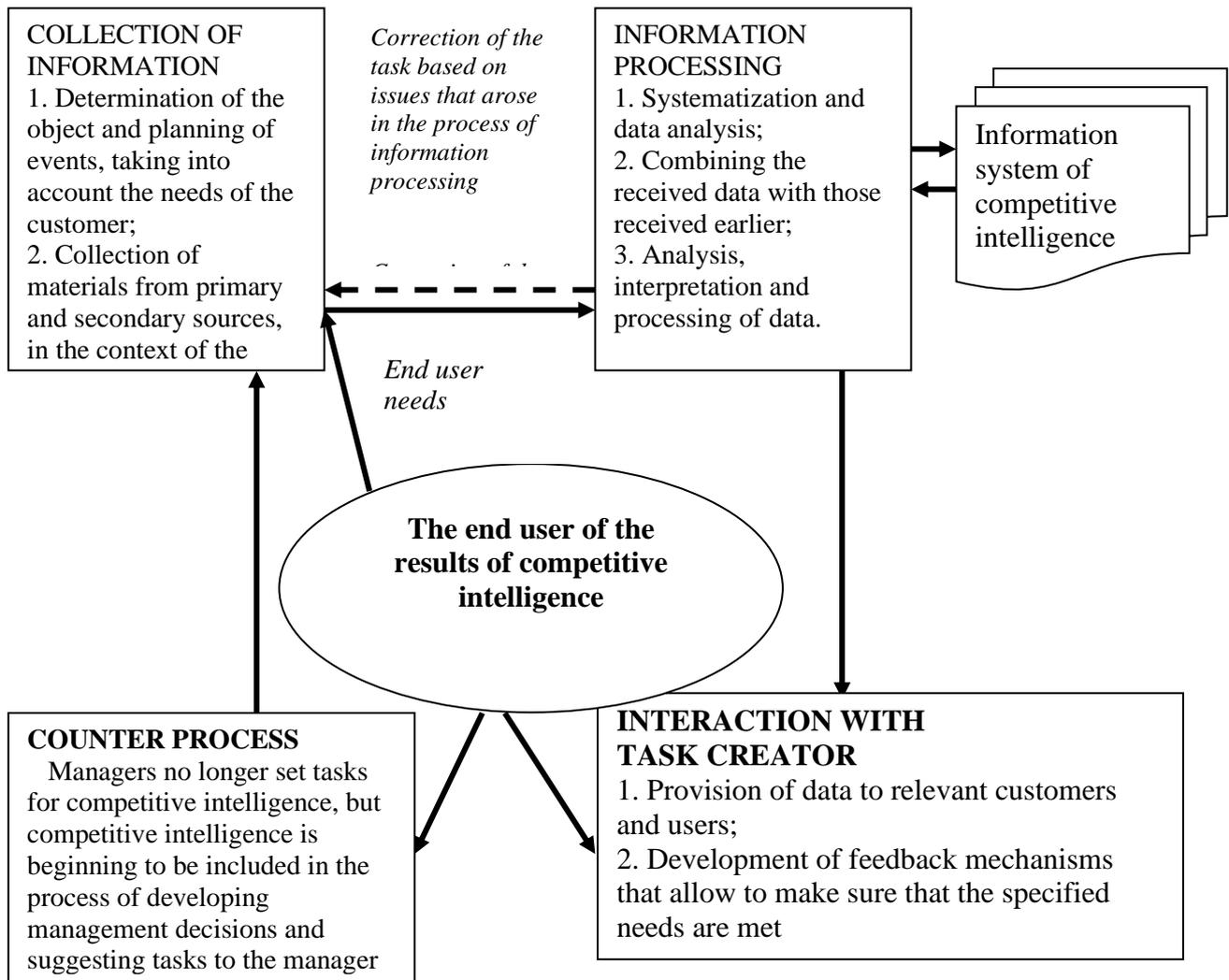


Figure 6.10. 4C process model

This methodology has its origins in the way the CIA approaches the issue. At the CIA level, this methodology is used to help the US government with the task of organizing, targeting, and prioritizing government intelligence resources. Key questions can be divided into three main categories:

- strategic decisions and actions;
- early warning issues;
- description of key players (competitors, buyers, suppliers, partners, and regulatory authorities).

The key issue related to strategic decisions is the most obvious and often the real measure of intelligence success and usefulness. Key questions in this category come in

a variety of forms, from solving specific problems to solving the whole issue. These questions apply to all types of business activities and are aimed at supporting strategic decision making in the company. Here are some examples:

- providing intelligence for the company's strategic plans or forecasting the future state of the business environment;
- evaluation of investment or acquisition decisions;
- assessment of changes in production;
- product development and its mass promotion: how will answer competitors;

The key issues related to early warning are designed to prevent surprises. Their main task is to sense threats in time. An example is the assessment of potential technological innovations, the emergence of new or foreign competitors in the market, the state of affairs of key buyers or suppliers, etc.

Possible changes in legislation would also fall under this category, as would the creation of alliances or changes in ownership among buyers, suppliers and competitors.

Key questions relating to key players are often used last and may simply reflect the need to better understand the player – look into his/her soul. The classic approach to doing key player work is to write a complete description of the competitor (or other key player) including its products, activities, financial capabilities, strengths and weaknesses, and a general approach to solving various issues.

This kind of key questions can also be realized in additional questions such as: “why did they change their strategy?”. Typical uses of Key Player Questions include competitor benchmarking and supporting manufacturing and sales teams in their fight against competitors.

However key questions are a very broad, collective concept, so each key question must be broken down into more specific questions, the answers to which will lead to the answer to the key question. The Competitive Intelligence Work Plan aims to answer these additional questions, given the money, time, sources that can be dealt with morally and legally, and the personal expertise of the Competitive Intelligence Officer. This plan will include searching for sources of relevant information and assessing the

credibility of those sources (if the credibility of the sources is in doubt, additional work may be required to verify the information, possibly by checking through additional sources).

The main rule for checking the source is to answer the question: “why did this information become available to me?”. Thus, for example, when studying the financial position of a company, one of the answers to this question may be that there are legal requirements for reporting companies. As a result, the register of companies, the stock exchange and similar databases have become a potential source of financial information.

The final phase of the information gathering stage is the collection of information itself. In general terms, this is similar to how marketing research first examines secondary sources, and only then primary ones, but there is one difference.

One of the key sources for obtaining competitive information is the company conducting the research itself. In fact, internal sources are, without exaggeration, the best sources of competitive intelligence. For example:

- sales representatives are in daily contact with customers and hear what competitors are doing;
- development and analytics departments may identify new patents or read new research papers related to competitor development;
- the purchasing department can learn something from a supplier serving not only you, but also your competitor;
- the marketing department can make a forecast of consumer preferences based on the feedback.

Regular monitoring of these types of information ensures the successful operation of the competitive intelligence system.

Information from secondary sources may come from a large number of such sources. The Internet is constantly growing in size and new sources of information are emerging. These include the possibility of online access to official government information, materials that companies use to promote their products, in particular,

corporate websites, reports and reviews provided for conferences, and even materials about protests against certain products or against some actions of the company. Until recently, these protest materials would have been distributed among a narrow circle of “their people”, but today they often become available via the Internet – or as protest materials websites specially created for this, or as part of newsgroups or discussion groups (Internet forums).

Often experts mistakenly believe that all the necessary information can be obtained on the Internet. This is not the case yet. Many special print editions do not have archives or online databases. In addition, most job advertisements published in print are not duplicated on the Internet, and graphs and all kinds of diagrams are usually not supported by databases. However, a lot of information is available online and this simplifies the collection process. Typical information found on the Web includes financial information, product information, and general news and commentary.

Financial information can be found in company registries and commercial services. *The European Business Register* contains links to the registers of eleven European countries, and the UK national register is on the website Companies House.

Public information about US companies can be found on the *US Securities and Exchange Commission website*. Some additional and analyzed information is available through commercial providers such as *D&B, Hoovers, Skyfinder* and others.

In addition, important sources of financial information include broker reports and prospectuses, which can be found on specialized websites such as *Hemscott*, as well as commercial databases, and finally company websites.

Information about specific products may come from a competitor, from a retailer, from a product-specific website, from the news, from market research databases, from online media outlets.

Information about patents and trademarks is especially needed when working for the benefit of the new product development department. Previously, obtaining such information was quite expensive, but now it can mostly be obtained free of charge

through the websites of national patent offices, although commercial suppliers such as *Derwent Information* offers it with some additional services.

General news can be found on a wide range of news sites, or news digest sites such as *Moreover*. The same functions are performed by database providers such as *Factiva, Lexis-Nexis and Thomson with its Dialog and Datastar*. Such sources play an important role as they cover such information in the company as, for example, interviews with executives. In interviews like these, executives often share their (essentially insider's) opinions about their company's path, personnel changes, or expansions, marketing ideas, contracts, and business success. Data of this kind can also be obtained from specialized databases such as *Tenders Electronic Daily or TED*.

The information described above, and information that may be collected from sources within your company, is important. However, if you do not work with primary sources, many questions remain unanswered. At least because the published information often turns out to be outdated and loses its relevance by the time it is published. Nothing can replace contact with people who know the details about the competitor and the industry.

For early warning of competitor moves, there is little alternative to primary sources. Competitive intelligence analysts need to develop activities that will provide them with information about what is happening, and even better, what will happen.

Exhibitions and conferences, for example, are often used to present new products and ideas to the public. Industry experts and consultants, stock analysts, sales journalists, competitors' buyers and suppliers, former employees of a competitor can often provide you with detailed information about a competitor's operations, decision-making process and culture, and agree to speak with you.

Industry experts, in addition, have a broad outlook on the factors that can affect the industry. Although the experts are usually willing to discuss these issues with you, you should remember that this kind of work should not go beyond the ethical framework. It's important to respect trade secrets, avoid pressuring people, don't hide your face, and don't lie about your research goals. It's not always possible to do this, so

sometimes it's better to outsource such work to a specialist who can lead the conversation on the topic you need without the risk of being caught in the fact that he/she seems not to be who he/she really is.

II Stage – the transformation of raw information into an intelligence product

Each key question triggers a large amount of collected information. Some of this information will prove to be inaccurate, false, or incomplete upon closer examination. Just as a picture is made up of pieces of a puzzle, competitive intelligence collects a whole picture from disparate fragments. And even if one or another piece is missing, you can often imagine the real picture without it, in particular, if some of the other fragments are damaged.

At the first stage of the transformation of raw material into intelligence data, information is collected and systematized. It does not matter whether the databases are stored on paper or in electronic form. It is important that the data are assessed for their accuracy and validity, and that data selected as relevant in previous steps can be linked to newly collected data. Thus, any patterns or trends could be compared with each other and a whole picture emerged.

Moreover, just because some details do not seem to be related, one cannot conclude that they are wrong (although they really can be). Such unrelated data may refer to other areas, or they may be fragments of some lost information. Even data that is deemed irrelevant may contain information that will only be revealed in the next study. Thus, all data is potentially useful and should be indexed and stored in a format that allows it to be found when needed.

Part of the task of a competitive intelligence analyst is to use their experience and knowledge to assess what the situation really is. The specialist should be as objective as possible, nonetheless there is a real danger that, in his/her opinion, false opinions, prejudices or assumptions that exist in any organization on the perception of the “outside world” can influence him/her.

The data should not be evaluated in the abstract, but in the context in which they were found, and then they should be used to answer such specific questions that will

lead to the goal set at the beginning of the study. Different types of data will answer different questions, which, when put together, should lead to a clear understanding of what is happening now, or what will happen.

For example, the company's annual report can suggest the "health" of the company, which will be confirmed by information from sales representatives or from articles in specialized publications about hiring personnel or about downsizing. Taken together, they can provide information that is key to investment strategies and financial opportunities.

Working with primary sources, on the contrary, can reveal undisguised hints about the development of new products, which can be confirmed through the analysis of recent patents and data on the registration of trademarks, as well as through press reports about new contracts of the investigated company with suppliers.

In addition, it is important to use the data collected to understand both the market and competitors as a whole, and your own organization: its strengths and weaknesses, opportunities and threats. It is necessary to take into account how different players interact in the market and compare them with each other. Thus, even if the data was collected for a single purpose, the competitive intelligence analyst should always see if this data cannot be used to solve other tasks facing the company, in particular to improve the general understanding of the market and the company's position on it.

III Stage – Interaction with the consumer of information

If those who need intelligence about competitors and the business environment cannot get it, all previous efforts to collect and process information will be in vain. Of course, it is important to protect trade secrets and limit access to confidential information, but it is equally important that the relevant analytical information is delivered to those who need it. For instance, allowing a sales force to begin selling a company's products without knowing the strengths and weaknesses of those products relative to competitors will severely limit the ability of the sales force to perform its functions. Indeed, in this case, the employees of the sales department will not be able

to objectively and convincingly discuss the offered goods with the client who expresses comments, and it is unlikely that they will significantly succeed in sales.

Competitive intelligence services are appropriate for anyone who needs to draw conclusions based on the current actions and future plans of buyers, suppliers or other companies present on the market. In practice, this means that competitive intelligence is needed by almost everyone in the organization – from management to production workers. However, the ways in which interaction with competitive intelligence will be carried out and the frequency of this interaction will be different, depending on the requirements of the information consumer and the exact nature of this information.

The transfer of information can be, for example, oral – by phone, during a personal meeting, or a presentation.

Written information can be transmitted with a certain frequency, for example, every day or every week. These are newsletters sent by e-mail, as well as written reports or analytics created on paper or presented on the corporate Internet.

When there is an initial discussion of the user's requirements, one must not forget to agree “on the shore” about how the intelligence data will be delivered to the recipient and to whom it should be delivered.

A prerequisite is that the results of competitive intelligence work must be suitable for use in the decision-making process, so their presentation must be constructed in such a way as to support this process. There is no need to give the consumer a long document containing all the details. Instead, it is better to make a short countdown that highlights the points necessary for making a decision, and the rest of the data should simply be easily accessible if the customer wishes to familiarize with them.

Comprehensive use of intelligence to effectively defeat competitors.

Properly organized and executed, competitive intelligence work will result in the collection of four different but related types of knowledge about competitors and the competitive environment shown in Fig. 6.11:

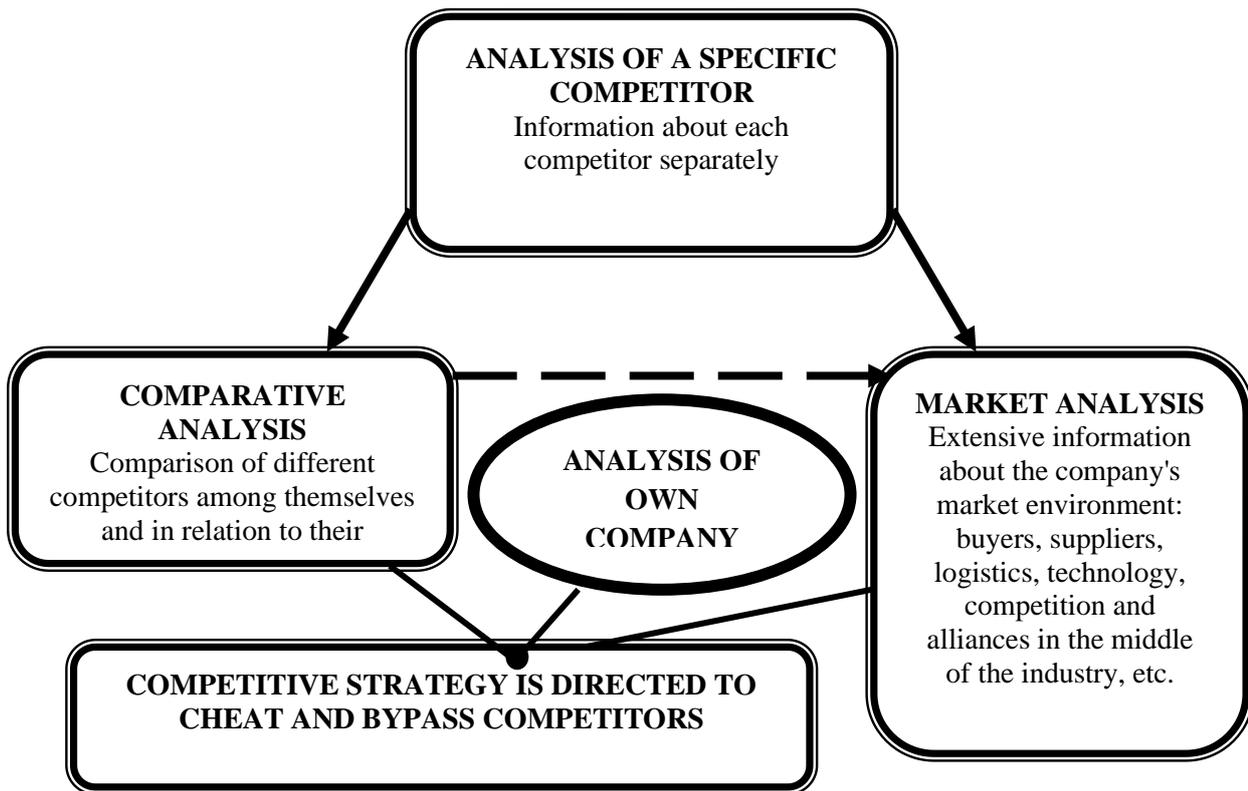


Figure 6.11. Types of competitive characteristics and their definition of strategy

- *Competitor knowledge* – information about individual competitors;
- *Comparative knowledge* – information about the similarities and differences of different competitors;
- *Market knowledge* – extended information about the market, in particular, about buyers, suppliers, distribution channels, technology, competition within the industry, alliances between market participants, etc.;
- *Self-knowledge* – information about their organization.

All these categories are essential to building a complete and comprehensive picture of a company's business environment. Only on the basis of a complete understanding of one's own position in the market and knowledge of competitors can one make the right decisions that will lead to the achievement of market advantages and protect against threats.

The final part of the competitive intelligence process is decision making and strategic planning. All such plans should include measures to continue monitoring the external environment as we move forward and evaluate the results of the steps taken. This will require further information gathering and the lessons learned along the way will improve the quality of future plans¹³⁸. Thus, competitive intelligence allows organizations to develop strategies that can be used to maintain and enhance competitive advantage in order to maintain leadership and stay ahead of competitors in the market. This is an extremely important advantage of competitive intelligence.

Summing up the above mentioned, it can be argued that the collection of competitive information is comparable to gold mining. Nuggets come across occasionally. The miner has to sift through a mass of waste rock until he/she finds a grain of gold that will make all this work useful. Occasionally, a prospector will even be misled by pieces of pyrite, or, as it is also called, “False Gold”!

Similarly, some of the information collected about a competitor will be useless. Sometimes the information can even turn out to be completely erroneous and lead the careless researcher down the wrong path. However, as the specialist gains experience, the competitive intelligence specialist will be mistaken less and less, just as an experienced prospector is not deceived by “Mistake Gold”.

By practicing the skills to recognize real gold, a competitive intelligence analyst helps his/her company maintain a competitive advantage and achieve its goals. If you do not learn to distinguish gold from impurities, the company becomes vulnerable in the environment, and even if it suddenly stumbles upon a deposit, instead of developing a gold-bearing vein, it risks simply washing away all the developments along with the dirt.

¹³⁸ Konkurentna rozvidka. [Competitive intelligence]. Kurs lektsii. [Tsybaliuk M.M., Kernytskyi I.S., Zhyvko Z.B., Kopytko M.I.]; za red.prof.I.S.Kernytskoho. Lviv: Liha-Pres, 2013. 264 p.; Zhyvko Z. B. Upravlinnya systemoyu ekonomichnoyi bezpeky pidpryyemstva [*Management of the economic security system of the enterprise*] : navch. posibnyk. L'viv : Vyd-vo L'vDUVS, 2016. 212 p. [in Ukrainian].; Kernytskyi I.S., Zhyvko Z.B., Kopytko M.I. Konkurentna rozvidka. [Competitive intelligence]. Kurs lektsii. Lviv: Liha-Pres, 2015. 388 p.

6.5. The complex of advantages of CI at the enterprise

Only certain types of businesses operate as monopolists. There are almost always other organizations offering comparable products and services. In addition, they all have the same goals: to get a client, make money and succeed.

In this sense, business can be viewed as a war, a battle for a customer at a loss to a competitor. In addition, in the process of preparing for the purchase, buyers will look and choose from what is available to them in the market. They will make comparisons between companies, consider their good and bad sides. They know that company A is cheaper than company B, but company C provides the best after-sales service. For businesses, not knowing these and many other things is tantamount to losing the battle before it even starts¹³⁹.

To win a war, you need to understand your enemy:

- his/her way of thinking;
- his/her plans;
- his/her weaknesses;
- his/her strengths;
- when it can be attacked;
- when the risks of starting an attack are too great;
- when he/she plans to take the next step.

This applies to business leaders today just as it does to the military. Approximately in 500 BC. The great Chinese strategist Sun Tzu wrote in his book *The Art of War*:

- If you do not know yourself and your enemy, then you are a fool and will surely fail in every battle.

- If you know yourself but don't know your enemy, one day you will win, one day you will lose.

- If you know yourself and know the enemy, then you will win every battle.

¹³⁹ Kernytskyi I.S., Zhyvko Z.B., Kopytko M.I. Konkurentna rozvidka. [Competitive intelligence]. Kurs lektsii. Lviv: Liha-Pres, 2015. 388 p.

Unfortunately, it is not always immediately obvious who exactly your competitor is. At one time, Apple Computers decided that its main competitor was IBM and did not pay attention to Microsoft programs. Meanwhile, life has shown that it was Microsoft that turned out to be Apple's main competitor. As a result, Apple lost private users who began to choose not the manufacturer of computer hardware, but the operating system.

Another story tells about the new head of the company Parker Pens, who asked the Board of Directors who Parker's main competitor was¹⁴⁰. The new manager was told that it was the company Sheaffer, which produced a similar product. The manager objected that Sheaffer was neither the largest nor the most significant competitor. At that time, the members of the Board of Directors suggested that the key competitor was manufacturers of cheap ballpoint pens. The leader again replied, "No". The correct answer was: "Ronson Lighter"!

Parker has conducted research showing that in most cases his pens are used as gifts. The main alternative when choosing a gift of this level turned out to be the top and brand of lighters. It was important to understand that the market for quality pens was a sub-segment of the gift market, and this was the starting point when planning ways to increase sales of Parker's products.

Thus, business competitors are not only those who offer the same or similar product or service. In fact, there are four types of potential competitors:

- organizations that currently offer similar products or services;
- organizations that are offering alternative products or services right now;
- organizations that might offer similar products or services in the future;
- Organizations that could eliminate the need for a product or service altogether.

Companies should adopt techniques to monitor each of these groups of competitors in order to know their competitive advantage.

¹⁴⁰ Ekonomichna bezpeka [Economic security]: Navch.posibnyk. [V.I.Franchuk, L.V.Herasymenko, V.O.Honcharova, Z.B.Zhyvko ta in.]; za red. V.I.Franchuka. Lviv: Vyd-vo LvDUVS, 2010. 244 p.

However, in addition to monitoring current and potential competitors, effective competitive intelligence must also look at the entire business environment as a whole – in the territory where the company's interests are and where its competitors are present. Those companies that have adapted to this environment best than others are closest to success, so it is extremely important to observe changes in the external environment and take them into account when planning a business. Such changes should include technology, legislation, the state of the economy and the situation in the social sphere. The history of business is replete with cases where companies have ignored major changes in the environment in which they operate and have failed.

Here are some examples of such stories:

- O&M Hausser with his doll Lilli and his defeat due to a misunderstanding of the threats posed from abroad;
- Those manufacturers of tube receivers who did not see the advent of the era of transistors;
- Manufacturers of logarithmic rulers, which have gone out of orbit since the advent of calculators;
- Ford Motor Company, which did not take into account changes in the social environment when it launched Edsel motocars in 1957

6.6. The consequences of ignoring the CI at the enterprise

Today, even little girls know about Barbie. The first Barbie doll was released in 1959 and from that moment her popularity began to grow rapidly. The first Barbie had red lipstick and red lacquer nails, plucked eyebrows, bright eyes. Dressed Barbie was in a black and white striped swimsuit. Today, Barbie has become an American symbol and an example of the outstanding success of its manufacturer, Mattel¹⁴¹.

¹⁴¹ Materialy saitu. URL: <https://mapme.club/poradi/15759-khto-buv-proobrazom-barbi-ta-inshi-tsikavi-fakti-pro-legendarnu-lyaltsi.html>

The legend of the Barbie doll testifies that Ruth Handler, one of the founders of a giant toy company, watched her daughter Barbara play with paper dolls. Handler used Barbara as a model for a girl who pretends to be an adult in the game and fulfills these dreams by playing with dolls. In reality, everything was different.

In 1952, the German newspaper *Bild Zeitung* introduced a new cartoon character, Lilli, who instantly became very popular. In August 1955 Reinhard Beuthien, the creator of Lilli, decided to turn his character into a doll¹⁴². However, this doll Lilli was not aimed at children. She always wore a minimum of clothes and was a sex symbol for German men. The doll was first conceived as a joke-souvenir for men, sold in tobacco shops and bars. Germany's main toy manufacturer *O&M Hausser* won the contract to produce this toy. *O&M Hausser*, in addition to Lilli, made toy soldiers and other plastic toys.

Lilli produced by *O&M Hausser* won success not only with her target audience – men. This new doll was also liked by children and women, and different clothing options were developed for the doll. Lilli's sale took place all over Europe and she even reached America. However, the question that interests us is: why do girls play Barbie dolls to this day, and Lilli is almost forgotten.

In 1956 Ruth Handler, her husband Eliot, along with their two children, Barbara and Kenneth, were on holiday in the Swiss city of Luzern. Looking through the windows, Barbara, who was then a teenager, pointed at a doll that looked like a grown woman. It was Lilli. The Handlers bought three dolls and, upon their return to the US, sent an employee of their company to Japan with the task of finding a company capable of producing such toys. Mattel was making toys for boys at the time and saw Lilli as an opportunity to enter the girls' toy market.

By 1959, Mattel had finished developing her new doll, named Barbie, the same as Barbara, the daughter of the Handlers. Like Lilli, Barbie doll was about 11.5 inches tall (approximately 30 cm). However, Barbie looked more innocent, or rather, less sexy.

¹⁴² Materialy saitu. URL: <https://www.freepapers.ru/75/korotke-kervnictvo-po-konkurentnj-rozvc/170694.1044537.list1.html>

URL: <https://www.freepapers.ru/75/korotke-kervnictvo-po-konkurentnj-rozvc/170694.1044537.list1.html>

Her overall appearance was softer, and new manufacturing techniques made it possible to more gracefully perform some small details, such as fingers and toes. Barbie 's first appearance was at the American Toy Fair in New York. From the very beginning, sellers did not find enthusiasm for the new product. However, strong publicity throughout the next year led little girls to beg their parents to buy them a Barbie doll. As a result, she quickly broke all sales records.

During this time in Germany, O&M Hausser knew nothing of the events in the US. The company forgot about the need to monitor the market and this led to its complete collapse.

Rolf Hausser first came across Barbie in a German toy store in 1963. There is evidence that Hausser said: “I knew nothing about what was happening in America. We didn’t even have a radio and the papers didn’t write anything about Barbie.”

Upon discovering the first Barbie, Hausser felt offended, as if his doll had simply been stolen. The following year, 1964, Barbie officially appeared in Germany and Mattel set up its stand at the Nuremberg Toy Fair. Despite this, Hausser did not understand that Barbie was popular and decided that Mattel was very strong. At first, Hausser planned to file a lawsuit for infringement of his rights, but instead he sold the patent for the manufacture of the doll.

In deciding to do so, Hausser and his firm did not do market research and evaluate Barbie 's success at the time. After lengthy negotiations, Hausser sold the rights very cheaply, simply not realizing the real value of Barbie. As a result of such thoughtless and unsupported actions, he was subsequently forced to sell his company, founded by his father and uncle in 1904. Lilli was the company's main product, and without the proceeds from this doll, the firm soon found itself in debt and quickly went bankrupt¹⁴³.

Many companies take pride in the fact that they do not monitor their industry markets, in particular those located in other countries.

¹⁴³ Materialy saitu. rozvdc/170694.1044537.list1.html

URL: <https://www.freepapers.ru/75/korotke-kervnictvo-po-konkurentnj->

O&M Hausser was not a small company. This company exported goods to all European countries, and even to the USA. The products were presented in most European countries and enjoyed a good reputation. However, the owners of the German company had no idea of their competitive environment. Even when Hausser saw Barbie shortly after her first appearance in Europe, he did not begin to analyze the threats and use an adequate strategy to deal with these threats.

Of course, forty years ago the sources of information were not the same as they are today. It can be forgiven that O&M Hausser did not know anything about the events that took place in America before 1963. However, after he personally met Barbie in a store directly in Germany, this was already a straight signal that Lilli had a serious competitor. The right thing to do would be to learn as much as possible about the newcomer – the Mattel company and the popularity of its product – Barbie dolls. By doing so, O&M Hausser could have collected sufficient information to develop an appropriate course of action. This information was available to him.

If only Rolf Hausser took care to assess the position of Barbie sales in America (at the top of the table with toys with about 350,000 dolls sold), he would understand that his company has a “trump card” in negotiations with buyers, since it represents a tasty morsel for them. He said that he first asked for 1% of the profits, but Mattel refused him. Not understanding the actual situation, he admitted that he could not bargain. Worse, he didn't even know how important Lilli was to his firm, or what it loss would mean. Therefore, by giving a patent to an outside organization for a measly penny, he thereby personally signed the death warrant for his company.

The Barbie story is a prime example of how important competitive intelligence is and how dangerous it is to ignore doing thorough market research.

EDUCATIONAL TRAINING

1. Concepts and types of information at the enterprise.
2. Ways of presenting information during mass events.
3. Legal regime of information resources. Documentation of information.
4. Confidential information protection system.
5. Categories of information.
6. Creation of an information array. Classification of information.
7. Information security of business activity.
8. Marketing security.
9. Physical security.
10. Security of information on any media.
11. Policy (concept, program) of enterprise information security.
12. Information resources, products and services.
13. Documentation of information and the value of information.
14. Threats to confidential information.
15. Loss of information resources of limited access.
16. What types of information and main classification features do you know?
17. What are the main features of the classification of information security threats?
18. What are the main stages of information protection?
19. What are the features of the information protection system structure?
20. How does the information security system work?

Tasks for fixing the material:

1. Identify complex information security issues
2. Make a classification of information
3. Schematically represent the main stages of ensuring the EES
4. Schematically represent channels for obtaining information
5. Confidential Information Protection System Algorithm
6. Form a mechanism for the activity of Competitive Intelligence
7. Characterize models that describe the process of performing competitive intelligence.
8. Define main CI stages.
9. Based on the materials of articles and the Internet, compose examples consequences ignoring CI at the enterprise.
10. Prepare theses: Business intelligence process model according to Ashton & Stacey and the model – “Model 4C”.
11. The main difference between business (competitive) intelligence (B(C)I) and industrial espionage.

Issues of current control:

1. Explain the essence of the concept of “information”.

2. Name the main types of information at the enterprise.
3. List the ways of presenting information during mass events.
4. Describe the legal regime of information resources.
5. What are the features of documenting information?
6. Describe the system of confidential information protection.
7. The process and mechanism of the CI activity at the enterprise
8. Complex of benefits of the CI at the enterprise
9. Consequences of ignoring CI at the enterprise
10. Ethical norms of conducting CI at the enterprise



ORGANIZATION OF INFORMATION SECURITY DURING PUBLIC EVENTS. ORGANIZATION OF ENTERPRISE PROTECTION AND MANAGEMENT OF SECURITY ACTIVITIES

- 7.1. Organization of security during exhibitions, conferences, and negotiations.
- 7.2. Organization of information security during exhibitions, conferences, and negotiations.
- 7.3. Organization of regime activities of the company.
- 7.4. Actions of the security service in crisis situations.
- 7.5. Security activity and organization of object protection

Main categories and concepts: information security, service in crisis situations, business reception, termination of the facts, provocative and defamatory statements, explosive devices.

7.1. Organization of security during exhibitions, conferences, and negotiations

In the process of guarding business receptions and meetings, the probability of passing without invitations is minimal. Meeting the host of the evening with his/her guests reduces this possibility to almost zero. To prevent conflicts, the invited party should clarify with the hosts the issue of the presence of guards of invited persons in the hall. If this does not significantly affect the number of guests, the security guard may be with his/her client in the hall. If only persons well known to each other are present at the reception, then it makes sense to strengthen the external security of the building or premises with the help of the guards of the invited persons.

Control over the behavior of persons at a business reception or meeting is quite complicated. Guests do not sit still, but constantly move around the hall, approaching each other as well as the table with drinks and refreshments. This creates certain

difficulties in the work of the security staff of the host, since it is they who have to control the safety of drinks and treats, detect foreign objects in the hall, fix invitees who unexpectedly leave the reception or meeting, prevent minor conflicts that may arise between drunken guests¹⁴⁴.

Protection of advertising and commercial events provides for:

1. Control of visitors to the fair, presentations, sales at the entrance using visual observation of incoming persons and checking their entrance tickets, as well as using selective verification of documents.

2. Termination of the facts of violation of public order in the adjacent territory and the venue of advertising and commercial events.

3. Prevention of targeted damage to exhibition stands, exhibits on them, as well as layouts, and advertising companies.

4. Prevention of products and goods exhibition samples theft manufactured by participating companies for sale.

5. Cessation of provocative and defamatory statements by various persons during the speeches of company executives and leading experts at the presentation.

6. Protection of clothes, belongings and vehicles of participants, guests and visitors of an advertising and commercial event.

7. Prevention of facts of extortion during the fair and sales.

8. Carrying out measures against listening to the conversations of participants and guests in the premises and by telephone and stopping them.

9. Prevention of theft or copying of technical documentation from firms participating in the fair or presentation.

An important feature of this mass event is that it is expedient to solve some of these security tasks in cooperation with the security officers of the companies participating in the advertising and commercial event.

Security of business meetings and receptions provides for:

¹⁴⁴ Menedzhment bezpeky masovykh zakhodiv [Security management of mass events]: konspekt lektsii [M.I.Shtanhret, I.S.Kernytskyi, M.I.Kopytko, Z.B.Zhyvko]; za zah. red. M.I.Kopytko. Lviv: Liha-Pres, 2012. 170 p.

1. Meeting with the head of the guests arriving at the business reception.

2. Coordination of the actions of the main guards and the guards of the invited persons.

The choice of the scheme according to which the guards of the guests will be used (either the bodyguard stays next to the person being guarded during the reception, or merges into the main bodyguard of the event before its end). The issue of the possibility of using bodyguards of the guests as part of the security of the inviting party should be agreed upon before the start of the event, possibly even at the stage of distribution of invitations.

3. Protection of clothing, belongings of guests and vehicles in the surrounding area.

4. Prevention of incidents between guests at a business reception or meeting.

5. Quality control of drinks, snacks and other treats prepared for guests, identification of participants in the event who linger longer than others at the table, and behave unusually.

6. Fixation and observation of persons:

a) those who come to a business reception or meeting with bundles, briefcases, or packages;

b) bringing audio or video equipment;

c) those who come to a business reception or meeting for a short time or leave unexpectedly.

7. Identification in the reception hall and in adjacent rooms of objects that can be a source of danger to people present.

8. Taking measures against listening to the conversations of the reception organizers and guests in the premises and on the phone¹⁴⁵.

¹⁴⁵ Menedzhment bezpeky masovykh zakhodiv [Security management of mass events]: konspekt lektzii [M.I.Shtanhret, I.S.Kernytskyi, M.I.Kopytko, Z.B.Zhyvko]; za zah. red. M.I.Kopytko. Lviv: Liha-Pres, 2012. 170 p.

The list of tasks can be significantly expanded and specified depending on the features of the facility, the nature of the event, and the specific conditions for its implementation.

The general tasks that are solved during the conduct of all the above-mentioned mass events include:

- familiarization with the object of protection, its preliminary and main check before the start of the event;
- Establishing contact with the police and agreeing on cooperation and support, if necessary, on the transfer of offenders to the police;
- prevention of carrying weapons, explosives, flammable, and poisonous substances, drugs, heavy objects and stones to the protected object;
- prevention of access to the territory or to the protected premises of persons with dogs;
- control and maintenance of order in the adjacent territory and in adjacent premises (for example, control of the actions of persons in the neighboring banquet hall).

One and a half to two hours before the start of the event, employees of the security company (or security services) arrive at the facility to check it. Sometimes the cleaning of the object can be done in advance (for example, a day before the start of the event), but in this case, after the end of the cleaning, guards must remain at the location. In the process of cleaning an object, they are primarily looking for:

- explosive devices;
- explosive, flammable substances and liquids;
- chemical toxic substances, substances and liquids with a strong odor;
- various materials and items that can compromise the company in front of the guests;
- unauthorized persons hiding at the facility.

The places where hazardous objects can be found are:

- wells, pits and other holes in the ground, on the floor;

- recess niches and various voids in the walls;
- interior items, furniture, wastebaskets, various boxes, and electrical network panels;
- means of transport that are located in a protected area;
- items of clothing in the reception hall;
- gifts received by the organizers before the start of the event¹⁴⁶.

Browse the object may be associated with the use of various search devices and dogs. In conclusion, they carry out the alignment of security forces, before starting work, they check the coherence of actions, giving simple introductory tasks. The success and effectiveness of security actions largely depend on the quality of preparation for the event. Thus, the lack of special means of control for bodyguards can lead to the impossibility of solving the assigned tasks, or injuries to personnel. Lack of thought in providing a reserve can also affect the ability to quickly respond to the emerging situation. For example, when the car of one of the guests who was present at a banquet in a cafe was stolen, the security, due to the lack of a reserve, could not organize the pursuit of the hijackers, since all the guards were involved in resolving the conflict between the guests and outsiders who broke into the banquet hall.

The most important preventive measure that ensures the conflict-free mass event is proper access control. Before the start of the event, it is advisable to weed out both those who do not have invitations and entrance tickets, and those who came to the event in a state of intoxication or with a dog. Particular attention should be paid to persons who are trying to carry with them various objects and substances that can be a source of danger to those present. Therefore, the guards should keep an eye on people with briefcases and capacious bags, as well as those who have outerwear such that weapons, explosives and flammable substances and everything that can harm people's health or disrupt the event under it can be hidden.

¹⁴⁶ Menedzhment bezpeky masovykh zakhodiv [Security management of mass events]: konspekt lektsii [M.I.Shtanhret, I.S.Kernytskyi, M.I.Kopytko, Z.B.Zhyvko]; za zah. red. M.I.Kopytko. Lviv: Liha-Pres, 2012. 170 p.

To ensure access control, special attention should be paid to foreign objects and gifts. Neglect of this work can lead to the fact that the event can be overshadowed, for example, by the explosion of an electric razor donated to the hero of the day, or the poisoning of several guests at a wedding.

Especially carefully, at least visually, it is necessary to inspect the vehicles entering and leaving the protected area. This is particularly important to prevent strangers from entering the protected object, for example, in the trunk of a car, which the owner left open. Control of the interior and trunk of exiting cars can prevent the abduction of persons who have arrived at a mass event, for example, in order to ransom them from the organizers. Therefore, prior to the start of the event, it is advisable to arrange temporary parking for guests' cars outside the protected area.

During the event, the security guards of the enterprise or the security service must accurately fulfill their duties specified at the preparation stage. They must promptly respond to the emerging situation, prevent emerging conflicts and stop them. The correct measure is to take control of the most restless and aggressive groups of participants, escort them around the facility, and, if necessary, isolate the initiators from the rest of the group until the end of the event.

Security officers should be especially carefully instructed on security measures after the end of a concert, wedding, banquet, election meeting, holiday, etc. Professionals are well aware that the sharpness and intensity of work after the completion of a mass event is no less than at the beginning. At this stage, there is a high risk of crowding in the aisles when guests and spectators leave the hall. There may be cases of theft of outerwear in the wardrobe, which also leads to conflicts. It is at this time that interested parties try to organize a panic among the participants, spread rumors that will turn an organized event into an unorganized crowd (for example, a rumor about a fire). All this requires special attention, vigilance and the correct reaction to the current situation from the guards.

Along with the search for dangerous devices, objects, liquids and materials, the guards search for persons who could remain in the premises or on the territory after the

end of the event. These can be both intruders who remained at the facility and plan to commit some kind of crime after the guards leave, or people who were injured during the event and need help.

Close attention is needed to objects and things that guests may forget. For everything discovered during the check that completes the sweep, a description should be made in two copies. Everything discovered must be transferred to the client or the administration of the protected object, along with one copy of the description. The second copy of the description of the objects, things and documents found during the cleaning, with the mark of the person who accepted the things, is stored in the security company or the company's security service.

7.2. Organization of information security during exhibitions, conferences, and negotiations

Meetings and negotiations during which information constituting the secret either of the company or its partners can be discussed are called confidential. The procedure for holding such meetings and negotiations is regulated by special requirements that ensure the security of valuable, including confidential information (hereinafter referred to as valuable information), which is distributed in an authorized (permitted) mode during these events. The main threat to valuable information is the disclosure of more information about a new idea, product or technology than is necessary.

The reasons why information may be disclosed at confidential meetings or negotiations are well known: employees' poor knowledge of the composition of valuable information and the requirements for its protection, deliberate failure to comply with these requirements, provocation and mistakes of employees, lack of control over the publication of advertising, and exhibition products, etc. The announcement of valuable information in an authorized mode must be justified by

business necessity and expediency for the specific conditions and nature of the issues under discussion.

The main stages of confidential meetings and negotiations¹⁴⁷:

- preparation for the event;
- the process of their maintenance and documentation;
- analysis of the results;
- implementation of the agreements reached.

Permission to hold confidential meetings and negotiations at the invitation of representatives of other organizations and firms is given exclusively by the first head of the firm. The manager's decision about the upcoming confidential meeting is communicated to the referent, the information security manager, the head of the secretariat, the assistant secretary, the confidential documentation manager, the business manager of the firm, and the head of security. In order to further control the preparation and holding of such a meeting, information about this decision is recorded by the referent in a special registration card. This card indicates: the topic of the meeting or negotiations, the date, time, composition of participants for each issue, the person, the head responsible for the conduct, the responsible organizer, control marks, the zone of information about the fact of the meeting, and the zone of information on the results of the meeting or negotiations¹⁴⁸.

Scheduled and unscheduled confidential meetings that take place without the invitation of unauthorized persons are held by the first head, his/her deputies, responsible executors (heads, chief specialists) in areas of work with mandatory prior informing of the referent. On the fact of this message or the holding of such a meeting, the referent starts a registration card of the form described above. Holding confidential meetings without informing the referent is not allowed.

¹⁴⁷ Menedzhment bezpeky derzhavy, rehionu, pidpryyemstva: problemy i vyklyky s'ohodennya [*Security management of the state, region, enterprise: problems and challenges of today*]: kolektyvna monohrafiya [Al'kema V.H., Babets' I.H., Zhyvko Z.B., Kozachenko H.V., Kopytko M.I. ta in.]; za zah.red. d.e.n., prof. Z.B.Zhyvko ; d.e.n., dots. I.H. Babets' . L'viv: Liha-Pres, 2015. 346 p. [in Ukrainian].

¹⁴⁸ Zhyvko Z.B. Metodolohiya upravlinnya ekonomichnoyu bezpekoyu pidpryyemstva [*Methodology of managing economic security of the enterprise*]. Monohrafiya. L'viv : Vyd-vo Liha-Pres, 2013. 474 p. [in Ukrainian].

The access of the company's employees to any confidential meetings is carried out on the basis of the permissive system of personnel access to confidential information in force in the company. Invitation to confidential meetings of persons who are not employees of the firm is authorized only in case of unavoidable necessity for their direct participation in the discussion of a particular issue. Their presence during the discussion of other issues is prohibited.

The responsibility for ensuring the protection of valuable information, keeping the secret of the company during the meeting lies with the head organizing this meeting. The referent provides assistance to managers and, together with the security service, controls the overlap of possible organizational and technical channels for information loss.

The preparation of a confidential meeting is carried out by the organizing manager with the involvement of employees of the company admitted to work with specific valuable information constituting the secret of the company or its partners. From among these employees, a responsible organizer is appointed who plans and coordinates the implementation of the preparatory activities for the meeting itself. This employee informs the referent about the preparation of the meeting or negotiations. The information received is entered by the referent in the registration card¹⁴⁹.

In the process of preparing a confidential meeting, a meeting program, agenda, information materials, draft decisions and a list of meeting participants for each agenda item are drawn up. All documents drawn up in the process of preparing a confidential meeting must be marked “Confidential”, produced and published in accordance with the requirements of the instructions for processing and storing confidential documents. Documents (including draft agreements, contracts, etc.) intended for distribution to meeting participants should not contain confidential information. This information is communicated to the meeting participants orally when discussing a specific issue. Numerical values of the most valuable information (technical and technological

¹⁴⁹ Zhyvko Z.B., Nikolayuk S.I., Osypchuk L.L.ta in. (2010). *Ekonomiko-pravovyy analiz ta audyt [Economic and legal analysis and audit]*: Navch.posibnyk; za red. Z.B.Zhyvko. L'viv: Vyd-vo L'vDUVS. 342 p. [in Ukrainian].

parameters, amounts, percentages, terms, volumes, etc.) are not indicated in draft decisions and other documents or are fixed as a generally accepted value characteristic of transactions of this type and are the starting value for discussion. Projects should not contain a detailed justification for the benefits provided, discounts or deprivation of benefits of certain partners or clients. Documents distributed to meeting participants should not be classified as confidential.

The list of participants in a confidential meeting is drawn up separately for each issue discussed. Only employees of the company who are directly related to this issue are involved in the discussion of the concern. This rule also applies to managers. The list of participants shall include the names, surnames and patronymics of persons, positions held, institutions, organizations, companies they represent, and the names of documents confirming their authority to negotiate and make decisions. The name of the represented company may, if necessary, be replaced by its symbol.

A document confirming the authority of a person (if this is not the first head) in negotiating and making decisions on a specific issue can be a letter, an order, a power of attorney of a company represented by a person, a letter of recommendation from an authoritative legal or natural person, a written response from a company upon request of the authority of a representative, in rare cases – telephone or facsimile confirmation of authority by the first head of the represented company. These documents are transferred by the participants of the meeting to the responsible organizer immediately before the start of the meeting for further inclusion by their referent in the file containing all the materials of this meeting or negotiations¹⁵⁰.

Documents drawn up during the preparation of a confidential meeting, which provides for the presence of representatives of other firms and organizations, are agreed with the referent and the head of the security service. These shortcomings in protecting

¹⁵⁰ Zhyvko Z.B., Nikolayuk S.I., Osypchuk L.L.ta in. (2010). Ekonomiko-pravovyy analiz ta audyt [*Economic and legal analysis and audit*]: Navch.posibnyk; za red. Z.B.Zhyvko. L'viv: Vyd-vo L'vDUVS. 342 p. [in Ukrainian]; Zhyvko Z.B., Serdyukov V.V., Stadnik O.M., Khoroshko V.O. Pravovi osnovy okhorony informatsiyi [*Legal basis of information protection*]. Pidruchnyk; za red.prof.V.O.Khoroshka. Vyd.2. K.: Vyd. DUIKT, 2009. 355 p. [in Ukrainian].

valuable information should be corrected by the responsible meeting organizer. After that, the documents are approved by the head organizing the meeting.

Simultaneously with the endorsement of the prepared documents, the referent, the head of the security service and the responsible organizer determine the venue of the meeting, the procedure for access of the meeting participants to the premises, the procedure for documenting the progress of the discussion of issues, and the decisions taken, as well as the procedure for sending (transferring) to the participants of the meeting formalized decisions and signed documents.

If a confidential meeting is organized in a special (separated) room that has a license to hold such an event and, therefore, is equipped with technical information security tools. Access to such premises of employees of the company and other firms and organizations is allowed by the head of the security service.

Before the start of the confidential meeting, the security service employee is obliged to make sure that there are no unauthorized audio and video recording or transmission devices installed in the premises and that the technical protection means are in good working order on all possible channels of information leakage. The room must be equipped with an air conditioner, since opening windows and doors during the meeting is not allowed. The windows are closed with translucent curtains; the entrance door is equipped with a device that notifies of its loose closure. For the purpose of sound insulation, it is advisable to have double doors (vestibule) or cover the doors with sound-absorbing fabric.

It is not allowed to hold a meeting in unsuitable and not appropriately equipped premises of the company (except for the first manager's office). Devices, equipment and technical means that are not directly used to ensure the progress of the meeting should not be located in the premises for confidential meetings (for example, telephones of the city network, PCs, television, and radio receivers, etc.). If necessary, they should be placed in an adjacent, isolated room. Audio-and video-recording of confidential meetings, photography is carried out only on the written instructions of the first manager of the company and is conducted by one of the employees of the

company who prepared the meeting¹⁵¹. A clean magnetic or photographic medium of information for these purposes is issued by the referent for signature in the accounting form and returned to him with the recorded information at the end of each working day of the meeting.

The access of the participants of a confidential meeting to the premises where it will be held is carried out by the responsible organizer of the meeting under the control of a security officer in accordance with the approved list and personal documents provided by the participants. Before the start of the discussion of each issue, the composition is adjusted. Staying (waiting) in the premises of persons, including employees of this company, who are not related to the issue under discussion, is not allowed.

It is advisable that at the opening of the meeting, the head reminded the participants of the need to maintain industrial and commercial secrets, clarified what specific information is confidential at this meeting.

The course of a confidential meeting is documented by one of the employees who prepared it or by a secretary-stenographer. In private meetings with a high level of confidentiality, the work is done directly by the responsible meeting host. The drawn up protocol (transcript) must have a confidentiality stamp of the required level and be drawn up in a shorthand notebook registered by the referent.

The expediency of recording the course of the meeting by the participants is determined by the manager who organized the meeting, based on the content of the information that is announced. The head has the right not to allow the participants of the meeting to keep any notes or to authorize the keeping of notes on sheets of paper registered by the referent, with their subsequent delivery to this person and delivery by couriers of the company to the place of work of the meeting participants.

¹⁵¹ Ekonomichna bezpeka pidpriemstv, orhanizatsii ta ustanov [Economic security of enterprises, organizations and institutions] : navch. Posibnyk. (2009). [dlia stud. vyshch. navch. zakl.] / [V. L. Ortynskyi, I. S. Kernytskyi, Z. B. Zhyvko ta in.]. K. : Pravova yednist. 544 p. [in Ukrainian].; Ekonomichna bezpeka pidpriemstv [*Economic security of enterprises*]: pidruchnyk (2011) / Ortyns'kyi V.L., Kernyts'kyi I.S., Zhyvko Z.B. ta in.; K.: Alerta. 704 p. [in Ukrainian].

If it is necessary to invite additional persons to the meeting (experts, consultants, representatives of other firms and organizations), the fact of their participation in the meeting is recorded in the minutes indicating the reasons for the invitation. The presence of these persons at the meeting is limited to the time of consideration of the situation for which they were called.

Participants in a confidential meeting, regardless of their position and status at the meeting, are not allowed to:

- bring into the room where the meeting is held, photo, film, and video equipment, computers, tape recorders, players, voice recorders, radios, cordless telephones and other equipment and use it;

- make extracts from documents used in resolving issues at the meeting and having a restricted access stamp;

- discuss the issues submitted to the meeting in places of common use;

- inform about the meeting (issues on the agenda, composition of participants, time and place of the meeting, the course of discussion of issues, the content of decisions, etc.) of any persons not related to the holding of this meeting, including employees of the company¹⁵².

Meeting participants who are caught in unauthorized audio or video recording, use of means of communication, taking pictures, are deprived of the right to further attend the meeting. After the fact, an act is drawn up, a copy of which is sent to the company whose representative this person is, or is given to the first manager of the company – the organizer of the meeting, if this person is an employee of the company. At the same time, the medium of unauthorized recorded information is transferred to the referent for accounting and storage (or destruction). The recording device is returned to the owner. The participants of the meeting cannot announce a larger amount of valuable information than was established during the preparation of the meeting, or

¹⁵² Ekonomichna bezpeka pidpriemstv, orhanizatsii ta ustanov [Economic security of enterprises, organizations and institutions] : navch. Posibnyk. (2009). [dlia stud. vyshch. navch. zakl.] / [V. L. Ortynskyi, I. S. Kernytskyi, Z. B. Zhyvko ta in.]. K. : Pravova yednist. 544 p. [in Ukrainian]; Ekonomichna bezpeka pidpriemstv [*Economic security of enterprises*]: pidruchnyk (2011) / Ortyns'kyi V.L., Kernyts'kyi I.S., Zhyvko Z.B. ta in.; K.: Alerta. 704 p. [in Ukrainian].

report information unrelated to the discussed issue. The composition of the announced information is regulated by the manager who organized the meeting.

After the end of the confidential meeting, the security service employee inspects the premises, locks and seals the door and places it under security.

The documents adopted at the meeting are drawn up, signed, if necessary, reproduced and sent (transmitted) to the meeting participants in accordance with the requirements for working with the company's confidential documents. All copies of these documents must have a restricted access stamp. It is not allowed to send documents containing strictly confidential information. During negotiations regarding the conclusion, extension or termination of any agreement (contract), some additional requirements must be implemented, the compliance of which is monitored by the referent.

In the process of preparing negotiations, it is first necessary to find out the intentions of the organization or firm with which the negotiations are canceled. If this is a little-known firm, it is advisable to get more detailed information about it in order to avoid the wrong choice of a partner or client. Preparatory work for negotiations involves the development of a negotiation plan and the determination, on this basis, of the dosed composition of valuable information, which is allowed to be used in communication with the participants of the negotiations, and the order of its announcement. Information communicated at this stage should not contain industrial or commercial secrets. Employees of the company participating in the negotiations are not allowed to use confidential information in the discussion and disclose the desired results of the negotiations, the results of similar negotiations with other partners. In the course of the informal part of the negotiations, discussion of issues related to the course of the debate is not allowed.

During negotiations, one should not immediately transfer to the partner all the information he/she needs in full. First of all, it should be clarified for what purpose he/she needs this information and how knowledge of this information will affect the course of further cooperation with him/her. At this stage of the negotiations, when

clarifying the essence of mutual intentions, it is advisable to build a discussion in such a way that the answers to the questions are as concise as possible (“yes – no”, “we can – we can’t”). However, after the legal registration of the relationship and the signing by the partners of the obligation of non-disclosure of valuable information, they can be more familiar with the subject of the contract. Based on the results of the negotiations, the agreement should reflect the mutual obligation of the parties to protect valuable and confidential information, the inadmissibility of transferring it to a third party without the prior consent of the parties, the need to familiarize a limited number of employees with the subject of the agreement, they must first sign obligations to keep the information received secret.

In commercial practice, permanent and periodic trade or trade and industrial exhibitions and fairs often become the venue for negotiations. The referent is obliged to know the procedure for protecting the valuable information of the company during these negotiations, instruct their participants and monitor their compliance with the established rules.

Any exhibition is, on the one hand, an excellent source of information useful for business, an object of conscientious marketing research of the goods market, and, on the other hand, a dangerous channel for unauthorized receipt of confidential information regarding new ideas, technologies, and products¹⁵³.

Summarized sources of valuable information in the process of exhibition activities include: exposition, company personnel participating in the exhibition, advertising and exhibition materials. The loss of valuable information occurs as a result of communication between specialists of related professions, but different companies, and the presence of the newest product in the exhibition. Press conferences, seminars, presentations of companies and products held in parallel with exhibition events create an additional threat to the preservation of valuable information. The work of the

¹⁵³ Vasyl'tsiv T. H., Voloshyn V. I., Boykevych O. R., Karkavchuk V. V. (2012). Finansovo-ekonomichna bezpeka pidpnyemstv Ukrayiny: stratehiya ta mekhanizmy zabezpechennya [*Financial and economic security of enterprises of Ukraine: strategy and mechanisms of support*]: monohrafiya / [za red. T.H. Vasyl'tsiva]. L'viv.: 386 p. [in Ukrainian].; Veretennykova H. B. (2008). Ekonomichna bezpeka pidpnyemstva: planuvannya y orhanizatsiya [*Economic security of the enterprise: planning and organization*] : konspekt lektsiy. X. : KHNEU, 2008. 83 p. [in Ukrainian].

company's personnel with visitors of the exhibition should be strictly regulated, primarily in terms of the composition of the declared information about products, technical and technological innovations contained in these products. It must be taken into account that the composition of this information is differentiated depending on the category of visitors – a mass visitor-dilettante (amateur) and a specialist visitor in this field (expert).

It is advisable to use the “black box” method, in which the visitor is informed of everything related to the purpose of the product and consumer qualities, but the technology and methods by which these qualities are achieved, the functionality of the products remains secret. Therefore, the personnel serving the exposition of the company should not have access to information about products classified as industrial or commercial secrets. In turn, the company's specialists who know its secrets should not participate in the work of the exhibition stand. This is explained by the fact that a specialist in the process of discussion with a visitor can get carried away and offer more information than is provided. It is not allowed to acquaint visitors, customers and partners with inventors, designers, technologists working on new ideas and new products.

Advertising and exhibition materials (brochures, press releases, price lists, brochures, etc.) should be considered as a controlled channel for the dissemination of valuable information. At the same time, it should be remembered that this channel is carefully and deeply analyzed by a competitor in order to identify that information that constitute the secret of the company that published the advertising materials.

The protection of information on advertising and exhibition activities provides for a preliminary analysis, an examination intended for the wide disclosure of any information about the activities of the company and its products in order to identify in printouts or display elements of this information (tables, formulas, drawings, photographs, diagrams) confidential information or a hint of the existence of such information. Such information should, as a rule, be analyzed from the opposite point of view – from the point of view of the interest that competitors will show in it, and the

amount of useful information used by the competitor in its content. Materials that have not passed the examination are not subject to publication. The examination also includes further control of all materials published about the company, media reports, advertising publications and exhibition brochures. In addition, similar materials from other companies are analyzed to determine the possible loss of valuable information. Advertising and exhibition publications should not signal to an unscrupulous competitor what to look for and where.

To prevent the disclosure of valuable information in advertising and exhibition materials, one should:

- analyze all proposed publications and published materials in terms of the possibility of extracting valuable confidential information from them;

- carry out splitting of information into parts and distributing them between different advertising and exhibition materials intended for the mass visitor and professional visitors, issue a series of appendices to the main prospectus for specialists of various profiles;

- carry out the splitting of information by types and means of advertising: traditional paper publication, electronic advertising, WEB-page, advertising in the media, etc.

At the same time, a reasonable balance must be observed – advertising and exhibition materials should not be little informative for visitors, all the most important parameters of new products should be reflected in them.

Therefore, the preparation and holding of meetings and negotiations on confidential issues, the registration of their results is associated with the implementation of a number of mandatory procedures necessary for the proper organization of the work of the organizers and participants of these events. If the above requirements are not observed, there is a serious risk of disclosure or leakage of valuable information and secrets of the company, its partners and clients. Control over the fulfillment of these requirements is assigned to the referent, who ensures the

information security of the company's activities, the preservation of its business as well as production secrets.

7.3. Organization of regime activities of the company

Access control is an integral part of the company's security system. The access control regime (as well as the entire security system) must comply with the current legislation, the charter of the company, enterprise, as well as other legal acts regulating the activities of the organization.

1) *The main objectives* of the access control regime are as follows:

- protecting the legitimate interests of the company's rights, maintaining the stability of the internal management procedure;
- preservation of the company's property, its rational and efficient use;
- contribute to the growth of the company's profits;
- achievement of internal and external stability of the enterprise;
- maintaining trade secrets and intellectual property rights.

2) *Requirements* for the organization of the checkpoint regime of the enterprise:

- ensuring the authorized passage of employees and visitors, the import (export) of products and valuables, the rhythmic work of the enterprise;
- exclude illegal passage of persons to protected areas and individual houses (premises), uncontrolled entry (exit) of vehicles;
- timely identification of threats to the important interests of the company, the causes and conditions for the favorable infliction of material and moral damage to the company, its normal functioning and development;
- formation of reliable guarantees for maintaining the organizational stability of external and internal relations of the company; development of a mechanism for prompt response to threats and negative development trends;
- termination of encroachments on the legitimate interests of the company, the use of

legal, economic, organizational, socio-psychological, technical, and other means in identifying and mitigating sources of threat to its security.

3) *Support system*. The access control regime can be defined as a system for providing regulatory, organizational and material guarantees for identifying, preventing and stopping infringements on the legal rights of an enterprise, its property, intellectual property, production discipline, technological leadership, scientific achievements, and protected information; a set of organizational and legal restrictions and rules establishing the procedure for passing facility employees, visitors, vehicles and material assets through checkpoints .

4) *Regulatory Warranties* consist in interpreting and implementing the rules of law, clarifying the boundaries of their actions, in forming the necessary legal relations, and ensuring the lawful activities of the divisions and employees of the company regarding its safety, the use of restrictive measures, the application of sanctions against individuals and legal entities that infringe on the legitimate interests of the company¹⁵⁴.

Organizational guarantees are formed by developing, building and maintaining a high efficiency of the overall organizational structure for managing the process of identifying and suppressing threats to the company's activities, using an effective mechanism to stimulate its optimal functioning that meets the training of personnel.

Material guarantees are formed through the allocation and use of financial, technical, personnel, intellectual, informational, and other resources of the company that ensure timely detection, mitigation and suppression of threats, prevention and localization of possible damage, and the creation of favorable opportunities and conditions for the company's activities. These guarantees fill the regulatory and organizational security measures with practical content, create a real basis for the development of a company's security culture.

¹⁵⁴ Ekonomichna bezpeka [Economic security]: Navch.posibnyk. [V.I.Franchuk, L.V.Herasymenko, V.O.Honcharova, Z.B.Zhyvko ta in.]; za red. V.I.Franchuka. Lviv: Vyd-vo LvDUVS, 2010. 244 p.; Ekonomichna bezpeka pidpryyemstv [Economic security of enterprises]: pidruchnyk (2011) / Ortyns'kyi V.L., Kernys'tkyi I.S., Zhyvko Z.B. ta in.; K.: Alerta. 704 p. [in Ukrainian].

5) *Key Activities* checkpoints are developed by the security service and approved by the head of the company and issued by the instruction on the checkpoint. Responsibility for the organization of the checkpoint rests with the head of the security service. The practical implementation of the access control regime is assigned to the guards (staff at the checkpoint, controllers, security guards), whose employees must know the rules of the access control established at the facility, the current documents for each other passes to the facility (from the facility) of employees and visitors, import (export) inventory items. The access control regime can be set both for the entire facility and for individual buildings, houses, departments, storage facilities, and other special premises.

6) *The requirements for the access control regime* must be communicated without fail to each employee of the facility. All workers and employees of the facility must comply with them. For each case of violation of the access control regime, an administrative investigation should be carried out.

Security duties for the checkpoint regime are determined in the instructions and in the official duties of the checkpoint inspectors.

Preparation of initial data for the development of a checkpoint regime

Entrepreneurship and prohibition (restriction) are inherently contradictory. The art of the developer of the checkpoint regime of the field lies precisely in finding a reasonable combination of prohibition (restrictions) and the interests of the firm's entrepreneurial activity.

The development of measures and regulatory documents of the access control regime begins with the determination of the initial data. Evaluating the initial data, the developer determines the main provisions of the instruction on the access control. It is advisable to propose the following sequence for determining and evaluating the initial data.

1. The organizational structure of the company, the location of its individual elements and the nature of production (activity) on them. Clarification of these issues allows us to solve the following practical tasks:

- allocate objects, sites, houses, premises for which it is necessary to organize an access control regime;
- determine the nature of checkpoints for the passage of employees and vehicles.

2. Conduct an assessment of the “daily volume” of the flows of vehicles, cargo, material assets and people (company personnel and visitors) passing through the checkpoint and into individual houses (premises). Only on the basis of an assessment of the real state of the checkpoints, it is possible to assess the throughput of the existing checkpoints and bring it in line with the tasks of the main production at the facility. Such an assessment will allow you to choose the best option for automation and control of passage, and access to the protected areas.

3. Select on the territory (in order of importance) the categories of objects, vehicles and cargo, as well as the categories of persons crossing the established borders. To achieve clarity in the definitions, it is proposed to classify the premises and the territory of the facility, depending on the conditions of access and the degree of security, into six categories of regime (security zones). *The classification of regime categories is given in Table 7.1.*¹⁵⁵

As follows from the table, six categories of regime are able to cover almost all options for the functional purpose of office space. In addition, the table can give a clear answer to the questions that need to be done when organizing a checkpoint and developing initial documentation for equipping an object with technical security equipment. Bringing premises into one of the security categories helps to regulate and justify:

- access conditions for employees of the enterprise and visitors to the facility, determine public, closed and limited access to facilities, houses, and premises;
- proposals of the administration of the enterprise on the development of an optimal variant of the permit procedure for the passage of persons, vehicles and material assets

¹⁵⁵ Ekonomichna bezpeka pidpryyemstv [*Economic security of enterprises*]: pidruchnyk (2011) / Ortyns'kyy V.L., Kernys'kyy I.S., Zhyvko Z.B. ta in.; K.: Alerta. 704 p. [in Ukrainian]; Zhyvko Z.B. (2016). Upravlinnya systemoyu ekonomichnoyi bezpeky pidpryyemstva [*Management of the economic security system of the enterprise*]: navchal'nyy posibnyk. L'viv: Vydavnytstvo: L'vDUVS. 212 p. [in Ukrainian].

to the facility;

- availability and type of physical protection;
- types of technical means used to ensure security.

Table 7.1. Table of regime categories

Zone category	Zone name	Functional purpose	Employee access conditions	Visitor access conditions	Availability of security	Availability of technical means of protection
0	Free zone	Free places	Free	Free	There is	There is not
I	Observed area	Visitors room	Free	Free	There is	Means of observation
II	Registration area	Staff offices	Free	Free with registration according to documents	Enhanced Security	Security alarm
III	Regime zone	Secretariat, computer rooms, archives	By official ID	For one-time passes	Enhanced Security	Burglar alarm, access control
IY	Enhanced protection zone	Cash operating rooms, warehouses of material assets	With special credentials	By special passes	Enhanced Security	Burglar alarm, access control system, barriers
Y	Top defense zone	Executive offices, meeting rooms, vaults	Access Control System	Access Control System	Enhanced Security	Security alarm, technical means, engineering reinforcement

Development of access control instructions

Access control is an integral part of the enterprise security system. The practical solution of these issues is formalized through the “Instructions on access control”. The specified instruction should determine the system of organizational and legal security measures that establish the permissive procedure (mode) of passage to the facility (from the facility) and may include¹⁵⁶:

1. *General provisions.* This section states:

- regulatory documents from which the instruction was drawn up;

¹⁵⁶ Ekonomichna bezpeka pidpryyemstv [*Economic security of enterprises*]: pidruchnyk (2011) / Ortyns'kyy V.L., Kernys'kyy I.S., Zhyvko Z.B. ta in.; K.: Alerta. 704 p. [in Ukrainian]; Zhyvko Z.B. (2016). Upravlinnya systemoyu ekonomichnoyi bezpeky pidpryyemstva [*Management of the economic security system of the enterprise*]: navchal'nyy posibnyk. L'viv: Vydavnytstvo: L'vDUVS. 212 p. [in Ukrainian].

- determination of the access control regime and the purpose of its installation;
- who is responsible for the management of the access regime, its practical implementation;

- sanctions against violators of the checkpoint regime;
- equipment requirements for different rooms.

2. *The procedure for passing employees of the enterprise, business travelers and visitors through checkpoints.* This section recommends:

- list all checkpoints and their purpose, description, location and establish their uniform numbering;

- state the requirements for the checkpoint equipment;

- establish the procedure for the passage of employees and visitors to the territory of the facility;

- determine the rights and main duties of checkpoint controllers;

- establish a room where it is forbidden to receive visitors and representatives of third-party organizations.

3. *The procedure for the admission of vehicles, export of products, documents and material values to the facility.* This section specifies:

- the procedure for admitting motor vehicles to the territory of the object (from the object);

- entry and parking on the territory of the transport object, which belongs to employees with personal property rights;

- the procedure for passing cars of third-party organizations that arrived with cargo at the object's address during working and non-working hours;

- procedure for export (import) of goods and material values;

- rules for processing documents for the export of material values from the territory of the object.

4. *Types of passes, procedure for their registration.* This section defines:

- types of passes, their number and status;

- description of passes;

- procedure for registration and issuing of passes;
- general replacement and re-registration of passes;
- measures in case of loss of passes by employees.

5. *Duties of officials* with the support of the access control mode.

6. *Accounting and reporting*, procedure for storing passes, seals.

7. Depending on the structure of the enterprise and the nature of its activity, the instruction may contain other sections.

Types of passes

For admission to the enterprise in separate premises, as a rule, several types of passes are established. These can be: *permanent, temporary, one-time and material passes*. Sample forms of passes are developed by the administration of the facility (security service). In their appearance and content, the passes must be different and have protective properties. All types of passes, with the exception of material ones, are issued and issued by the pass office (or other subdivision) upon written requests. *Types of passes are determined depending on the specifics of the enterprise* (Fig. 7.1).

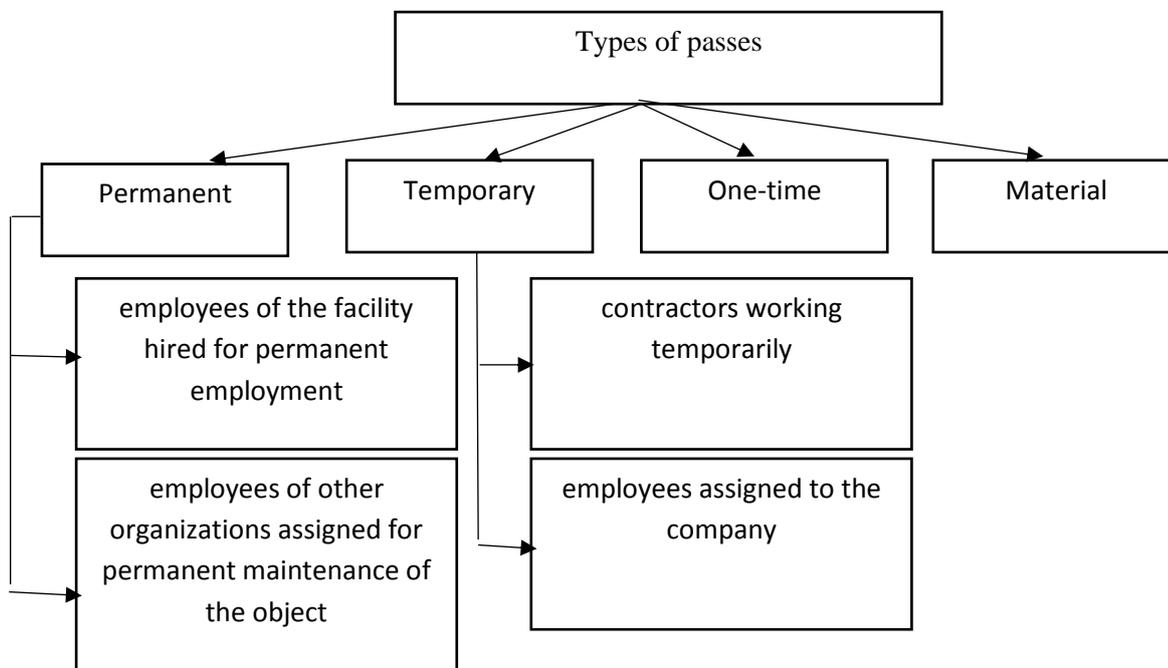


Figure 7.1. Types of passes

1.) *Permanent passes* are issued to the employees of the facility hired for permanent work, as well as to employees of other organizations assigned to the permanent maintenance of the facility. Permanent passes can be divided into groups, their number and purpose is determined by the instruction on access control. Permanent passes can be kept both in the hands of the employees of the facility, and in the offices at the checkpoint. Permanent passes of persons leaving the facility for a long time (vacation, illness, business trip, etc.) are deposited at the pass office (personnel department), and when leaving such passes in the office, on the spot (where the pass is stored) corresponding mark. Passes dismissed from work are destroyed in accordance with the established procedure.

2.) Temporary passes are presented to persons working under a contract, temporarily employed, seconded to the enterprise and kept, as a rule, at the checkpoint. The period of validity and the procedure for issuing temporary passes is determined by the instructions on the access control regime.

Temporary passes can be with or without a photo. Temporary blanks without a photo are valid only upon presentation of a document (identity proof.)

3.) *One-time passes* (for visitors and customers) are issued for one person and only for a one-time visit to the enterprise and its divisions. The pass is issued and valid in the presence of a document confirming the identity. One-time passes must periodically change in the color of the forms and other distinguishing features. A one-time pass issued to the driver of a vehicle can simultaneously serve as a one-time pass for transport. A one-time pass is valid for entering the territory of an object or its subdivision in a certain time mode. Control over a visit to an enterprise with a one-time pass is carried out using a mark on the back of the pass, which indicates the time of the visit, certified by the signature of the person who received the visitor.

One-time pass is withdrawn at the post by the controller, when the visitor leaves the facility and is handed over to the pass office. The controller will notify the head of the guard (checkpoint duty officer) about a person who has not left the facility after the specified period of validity of the pass, so that measures can be taken to find out the

reasons for the delay. The names of persons who visited the object with one-time passes can be recorded in a special accounting book.

4.) *Material passes* for the export (removal) of inventory items are issued by the administration of the enterprise. The period of validity of the pass is determined by the instruction on the access control regime. Material passes must be seized at the checkpoint and handed over to the pass office.

Samples of valid passes must be kept at the checkpoint. For the training of security personnel, the required number of samples of passes is allocated.

Checkpoint equipment

To organize access control, the enterprise is equipped with checkpoints. Checkpoint equipment should provide the necessary throughput and the ability to carefully check passes, documents of persons crossing the checkpoint, inspect all types of transport, transport goods and meet the following requirements:

- exclude the possibility of unauthorized entry through the checkpoint to the object (from the object) of people and vehicles;
- help reduce the time for checking documents, inspecting transport and material assets;
- contribute to the elimination (minimization) of security guard errors when passing people and vehicles;
- provide security measures for the security guard during the inspection of vehicles.

All types of checkpoints must be equipped with the necessary types of communication and alarms to call the security reserve. At the checkpoint, it is recommended to place an internal telephone number and a list of telephone numbers for the administration of the enterprise.

Checkpoint for the passage of people

being built to control people entering the facility and individual houses (premises). Each human checkpoint is recommended to be equipped with: a room for security, a room for examining citizens, a left-luggage office, a wardrobe, a turnstile with locking devices.

The placement of premises is determined by projects and depends on itself in mechanization, automation of checkpoints and the characteristics of the enterprise. Passages are arranged in the checkpoint hall, which are equipped with technical means of protection and physical barriers. The set of equipment usually includes:

- means of mechanization, automation, access control systems;
- physical barriers (fencing, turnstiles, gates);
- main and backup lighting;
- means of communication and alarm;
- video monitoring systems.

Turnstiles can be used as access control devices. Turnstiles are designed to control the flow of people and regulate the entrance (exit). Recently, electromechanical turnstiles have become the most widely used. These turnstiles, in contrast to bulky and inconvenient mechanical ones, are easily controlled from the security guard's console and can work as part of an automated access control system.

When choosing a turnstile, you need to know how they are “normally open” and “normally closed”. “Normally open” turnstiles (for example, sliding ones, which were recently installed in the Russian metro) are rarely used in world practice. They can hit a hired person and do not allow effective control.

For the implementation of reliable control, “normally closed” turnstiles are more often used: rotary turnstiles – “turntables”, tripod turnstiles and gates.

1) *Gates* are used to control the flow of people – organization of free passage in one direction (to the entrance or exit) and prohibition of passage to the other. Gates are widely used in shops, airports, train stations. The use of gates for access control is not effective, this is due to the fact that the gates do not separate the flow of people one by one, since after opening the gate several people can pass through it. Gates can be installed to organize a free exit, while entry control is entrusted to tripods or turntables.

2) *Tripod turnstiles* with three stop bars are one of the most optimal means for controlling authorized passage. The tripods have a modern, elegant look and are easy to mount. Tripods allow for effective access control, as they separate the flow of people

one at a time, while providing high throughput. Tripods can be used in electronic checkpoint systems, including in conditions of a large flow of people. To prevent the possibility of crawling under the turnstile bars or jumping over them, it is recommended to install special sensors on the horizontal bar that are triggered when an unauthorized passage is attempted.

3) *Rotary turnstiles* – are used in cases where it is necessary to completely cover the passage area. They can be different in height – from waist to full-length turnstiles, which are structurally like a revolving door.

Motor transport checkpoints

The structure of the road checkpoint includes an observation deck and office space.

1) *Lookout* designed to inspect vehicles when they leave. Observation platforms can be located both on the territory of the enterprise and outside it, in the area directly connected with the main gates of the checkpoint.

The viewing platform must meet the following requirements:

- have a sufficient area to accommodate the inspected transport, technical means to ensure normal working conditions for the security guard;

- exclude the possibility of unauthorized access to the object (from the object) people and vehicles;

- provide at the established traffic intensity, at any time of day and year, inspection of road transport and transported goods;

- be isolated from other structures that are not related to the protection of the facility and the equipment of the checkpoint;

- Ensure the safety of the security guards in the performance of their duties.

The dimensions of the observation deck are set depending on the dimensions of the transport and the cargo being transported. We will discuss this topic in more detail at the seminars.

Motor transport checkpoints can be equipped with traffic lights, scales for weighing cars, a viewing hole or overpass for inspecting goods, mechanized devices for automatically opening and closing gates with locks.

Observation platforms along the perimeter are equipped with physical barriers and signaling boundaries. The sites are usually fenced off with a metal mesh or decorative lattice fence up to 2.5 meters high. The main and auxiliary mechanized gates are equipped on the site. The main gates are installed on the line of the main fence of the object, and the auxiliary gates are installed on the opposite side of the observation deck. Instead of gates, mechanized barriers can be used. At automobile checkpoints, gates with and without height restrictions are used. By design, they can be hinged or sliding (retractable). Swing gates must be equipped with locks.

Two-section traffic lights with red and green lenses can be used to regulate the traffic passing through the crossings of checkpoint inspection platforms.

The composition of the electromechanical equipment of the checkpoint for road transport usually includes:

- electric motors, gate drive;
- limit switches, automatic shutdown of electric motors with fully closed and open gate leaves;
- magnetic starters of electric motors;
- electric equipment of traffic lights;
- cable, power lines.

A group switchboard (control panel) can be installed in the checkpoint room, and in the absence of a checkpoint building in a special metal cabinet directly on the observation deck.

Admission of employees and visitors to the facility

The passage of employees and visitors to the territory of the facility to special units and back is carried out using passes installed at the facility through checkpoints. The pass is the main document giving the right to pass.

The admission of business travelers (visitors) is made on temporary passes, one-time passes at the hours established and indicated in the passes, on exceptional days – according to the lists approved by the head of the security service with the presentation of identity documents.

Media representatives are allowed to the facility on a general basis, accompanied by representatives of the administration¹⁵⁷.

During non-working hours, weekends and holidays, the admission of employees to the facility should be limited and made according to preliminary applications (lists) of the heads of departments, endorsed by the head of the security service, with the presentation of a permanent pass. At enterprises with a variable mode of operation, special *shift inserts may be issued for a pass*.

The next special services of the facility (electricity, plumbing, communication workers, etc.), working in shifts, are allowed to enter the territory of the facility during non-working hours, on weekends and holidays, according to lists signed by the heads of the relevant services and approved by the head of the security service.

Based on the current legislation and the decision of the administration, certain categories of persons enjoy the right to enter the facility without passes, upon presentation of an official ID, these are¹⁵⁸:

- prosecutors;
- police officers according to the territorial scope of their work;
- inspectors of labor, boiler supervision, energy supervision over the territorial scope of their work;
- officials and certain categories of employees of the sanitary and epidemic service of the health authorities who carry out sanitary supervision.

¹⁵⁷ Donec' L.I. and Vashhenko N.V. (2008) Ekonomichna bezpeka pidpriemstva [Economic security of enterprise], Centr ucb. lit., Kyiv, Ukraine, 240 p. [in Ukrainian].

¹⁵⁸ Ekonomichna bezpeka pidpryyemstv [Economic security of enterprises]: pidruchnyk (2011). Ortyns'kyi V.L., Kernys'kyi I.S., Zhyvko Z.B. ta in.; K.: Alerta. 704 p. [in Ukrainian].; Zhyvko Z.B. (2016). Upravlinnya systemoyu ekonomichnoyi bezpeky pidpryyemstva [Management of the economic security system of the enterprise]: navchal'nyy posibnyk. L'viv: Vydavnytstvo: L'vDUVS. 212 p. [in Ukrainian].; Ekonomichna bezpeka pidpryyemstv [Economic security of enterprises]: pidruchnyk (2011) / Ortyns'kyi V.L., Kernys'kyi I.S., Zhyvko Z.B. ta in.; K.: Alerta. 704 p. [in Ukrainian].

The categories of persons who have the right to enter the facility without a pass (on official IDs) must be clearly indicated in the instructions on the access control.

In order to implement access control on the territory of the facility and in its structural subdivisions, a list of *categorical subdivisions (premises), storage facilities is approved by order of the head of the enterprise*. In these premises, a special regime is established and the employees of these units are more responsible for its observance.

Admission to these premises is carried out strictly according to the list agreed with the security service. The reception of visitors from third-party organizations and enterprises, as a rule, is limited as much as possible.

In all premises of categorical divisions, lists of employees who have access to these premises should be posted in glazed frames. All premises after the completion of work are inspected by the duty officers of the departments and persons responsible for their fire-fighting condition. Electricity and electric heating equipment are de-energized, windows and apartments are closed, doors are locked and sealed. At the end of the working day, category rooms, special storage facilities, warehouses and other facilities equipped with security alarms are closed and sealed by the responsible persons of these units. The premises are rented out under the protection of the guard. The security representative checks the alarm in the presence of employees renting the premises. The keys to these rooms in sealed pins (capsules) are handed over against receipt to the head of the guard.

The receipt of keys, the disclosure of premises equipped with a burglar alarm, is carried out by people who have permission to open these premises with a permanent pass. Lists of persons who have the right to open (close) these premises, indicating the numbers of stamps that are sealed in the premises and office telephone numbers, are signed by the head of the unit and approved by the head of the security service.

All persons who try to pass through the checkpoint without presenting a pass or using someone else's, incorrectly issued pass, to carry prohibited items to the facility (from the facility), are detained and transferred to the security service of the enterprise.

For each fact of the delay, the head of the guard or the person on duty at the facility draws up a memo on violation of the access control.

Admission to the territory of the enterprise of vehicles, export of material assets

Admission to the territory (from the territory) of the enterprise of vehicles belonging to the enterprise is permitted upon presentation by the driver of a personal *pass with a special code or a transport pass and a waybill. Loaders and traveling escorts with transport, passed through the checkpoint on a common basis.*

All vehicles passing through the checkpoint are subject to inspection. Entry and parking on the territory of the enterprise of transport belonging to employees on the basis of personal property rights is allowed according to special lists.

Vehicles of third-party organizations that arrived with cargo at the address of the enterprise during working hours are allowed into the territory on official notes, taking into account the motor transport checkpoint.

Entry of cars into the territory of the enterprise is allowed by a full-time driver, accompanied by a representative of the administration (consignee).

Railway transport and the brigades serving it are allowed to enter the enterprise with passes of the established sample, according to lists or other procedures established by the instructions on access control. *For the passage and inspection of railway transport, a review group is allocated from the security unit.*

Sealed wagons and containers are passed through the checkpoint after their external inspection, if the prints of the seals correspond to the prints in the accompanying documents or invoices. In case of inconsistency of the prints, the discovery of breaks in the wagon (container) or the breaking of the seal, the wagon (container) is subject to disclosure and inspection in the presence of representatives of the administration and the railway.

Export and removal of finished products and other material assets from the territory of the facility is carried out according to material passes of the established sample.

Having verified the correctness of the documents and their full compliance with the indicated values, the guard leaves a pass at the checkpoint, puts the date and time of the export of the cargo on the pass, signs and gives permission for the export of material assets. *All documents on the export (relative to the removal) of material assets from the enterprise are registered in the pass office according to the accounting book and transferred to the accounting department within the next day.* Forms of all types of material passes are printed and stored in accounting, issued to the divisions of the enterprise according to memos (requirements). *Documents for the export (removal) of material assets must be issued only for the amount of cargo (places, weight, etc.) that can be exported (removed) at the same time and are valid only on the date specified in the permit document.*

Construction waste and wood waste, waste paper, scrap metal, metal shavings are recommended to be removed from the territory of the enterprise according to the invoice as material assets. The removal of various garbage, earth and snow from the territory of the facility can be carried out without paperwork, but with mandatory registration at a motor vehicle checkpoint.

Control over vehicles entering (leaving) the enterprise is recommended to be carried out in the following sequence¹⁵⁹:

- the security guard, having verified the correctness of the registration of the accompanying documents, must make sure that the name and quantity of the imported (or exported) goods correspond to the data indicated in the accompanying documents, and also check the hidden places of the vehicle (which can be used for theft);
- for this purpose, he/she inspects the vehicle and cargo using a special observation platform, overpass. Material values on the vehicle must be placed in a certain order, convenient for control;
- passing sealed (sealed) cargoes, the security guard checks the seals with those indicated in the waybills, after which, if there is no doubt in accordance with the quantity and

¹⁵⁹ Ekonomichna bezpeka pidpryyemstv [*Economic security of enterprises*]: pidruchnyk (2011). Ortyns'kyy V.L., Kernys'kyy I.S., Zhyvko Z.B. ta in.; K.: Alerta. 704 p. [in Ukrainian].

name of the cargo in the accompanying documents, the entry or exit of vehicles is allowed;

- material passes and waybills are registered by the security guard in the accounting book (separately for imported and exported goods,) in strict accordance with the order of their receipt.

7.4. Actions of the security service in crisis situations. Security activity and organization of object protection

The system of economic security, depending on the situation, its development, can function in three modes: *daily, high alert and state of emergency*.

Daily mode is a normal operating mode when all subjects of the security system, except for the crisis group, perform their functions, implement measures aimed at preventing the emergence of threats, identifying them and developing appropriate standard action plans in the event of the implementation of certain threats. Depending on the situation, plans can be of the following types:

- action plan in case of explosion hazard;
- a plan of action in case of hostage-taking or kidnapping of employees of the organization;
- extortion action plan;
- plan of action in case of an attack on the premises of the organization;
- plan of action in case of an attack on collectors.

Typical crisis plans are documents of a confidential nature, access to which should be available to a narrow circle of persons.

Such plans are drawn up in two or three copies. One is kept by the head of the organization, the second – by the head of the security service, the third may be kept by the deputy head, acting in his/her capacity.

When developing such plans, one should proceed from the fact that this is not a list of measures, but a consistent line of conduct of the organization in a particular situation, aimed at ensuring safety.

High alert mode is the functioning of the security system when specific potential threats are detected.

In addition to the activities carried out on a daily basis, there are¹⁶⁰:

- clarification and improvement of standard action plans, taking into account the type of threat, its intensity and scale;
- increasing the readiness of the security forces that can be called upon to stop the threat;
- possible start of the work of the crisis group.

The emergency (crisis) state mode is the functioning of the security system under real threats.

In this case:

- the operational management of the organization is transferred to the crisis group;
- the security council begins to work in a permanent mode;
- the full readiness of the security system, especially the security service, functional and line managers and personnel of the organization, is ensured for the immediate termination of the threat;
- external security forces (State Security Service, internal affairs bodies) and support forces (structures of the Ministry of Emergency Situations) are involved.

The preventive management of the economic security of the company is the planning of strategies for its development, analysis, forecasting, planning the necessary configurations and timely response to actions. Anti-crisis management of the economic security of an enterprise should be understood as the implementation of such a management mechanism that ensures the rapid reduction of losses by immediately

¹⁶⁰ Hobela V. V., Zhyvko Z. B., Les'kiv H. Z., Mel'nyk S. I. (2022). Upravlinnya kryzovymy sytuatsiyamy [*Management of crisis situations*]: navchal'nyy posibnyk. L'viv : L'vivs'kyy derzhavnyy universytet vnutrishnikh sprav. 228 p. [in Ukrainian].

responding to events. Consider the table on the definition of the concept of “management of the economic security of an enterprise” by different authors¹⁶¹.

Ensuring the functioning of the company in the future requires consideration of the crisis state as an object of management. The task of anti-crisis management is to influence the problems, as well as individual factors leading to the emergence of crisis phenomena and processes. Any management must be anti-crisis.

The processes and technologies of anti-crisis management are characterized by the following features:

- mobility and dynamism of resource use;
- the use of a program-target approach in the development and implementation of management decisions;
- strengthening of time factors in the management process;
- assessment of the consequences for each of the possible management decisions, etc.¹⁶²

It is advisable to build the structure of the control mechanism in the system of economic security of an enterprise on the basis of a functional-resource approach that allows: to recognize threats; determine when, under what circumstances and in what directions it is necessary to carry out an aggressive offensive (implement counter-threats), use an evolutionary approach (the method of thorough methodical preparation and gradual expansion of living space), apply the method of adaptation or waiting.

The general scheme of the functioning of the control mechanism in the system of economic security of the enterprise is presented in Fig 7.2.

Hence, at present, Ukrainian enterprises are subject to the negative impact of crisis phenomena, therefore, the priority task is to develop tools to enhance the effective management of Ukrainian enterprises. Among such tools, the following can be distinguished.

¹⁶¹ Hobela V. V., Zhyvko Z. B., Les'kiv H. Z., Mel'nyk S. I. (2022). Upravlinnya kryzovymy sytuatsiyamy [*Management of crisis situations*]: navchal'nyy posibnyk. L'viv : L'vivs'kyi derzhavnyi universytet vntrishnikh sprav. 228 p. [in Ukrainian].

¹⁶² Zhyvko Z.B., Serdyukov V.V., Stadnik O.M., Khoroshko V.O. Pravovi osnovy okhorony informatsiyi [*Legal basis of information protection*]. Pidruchnyk; za red.prof.V.O.Khoroshka. Vyd.2. K.: Vyd. DUIKT, 2009. 355 p. [in Ukrainian].

1) cost optimization: detailed audit of costs; reduction of non-production costs (primarily administrative); reduction of additional labor costs; implementation of energy saving policy;

2) mobilization of internal resources: reduction of receivables; optimization of the value of inventories; sales promotion;

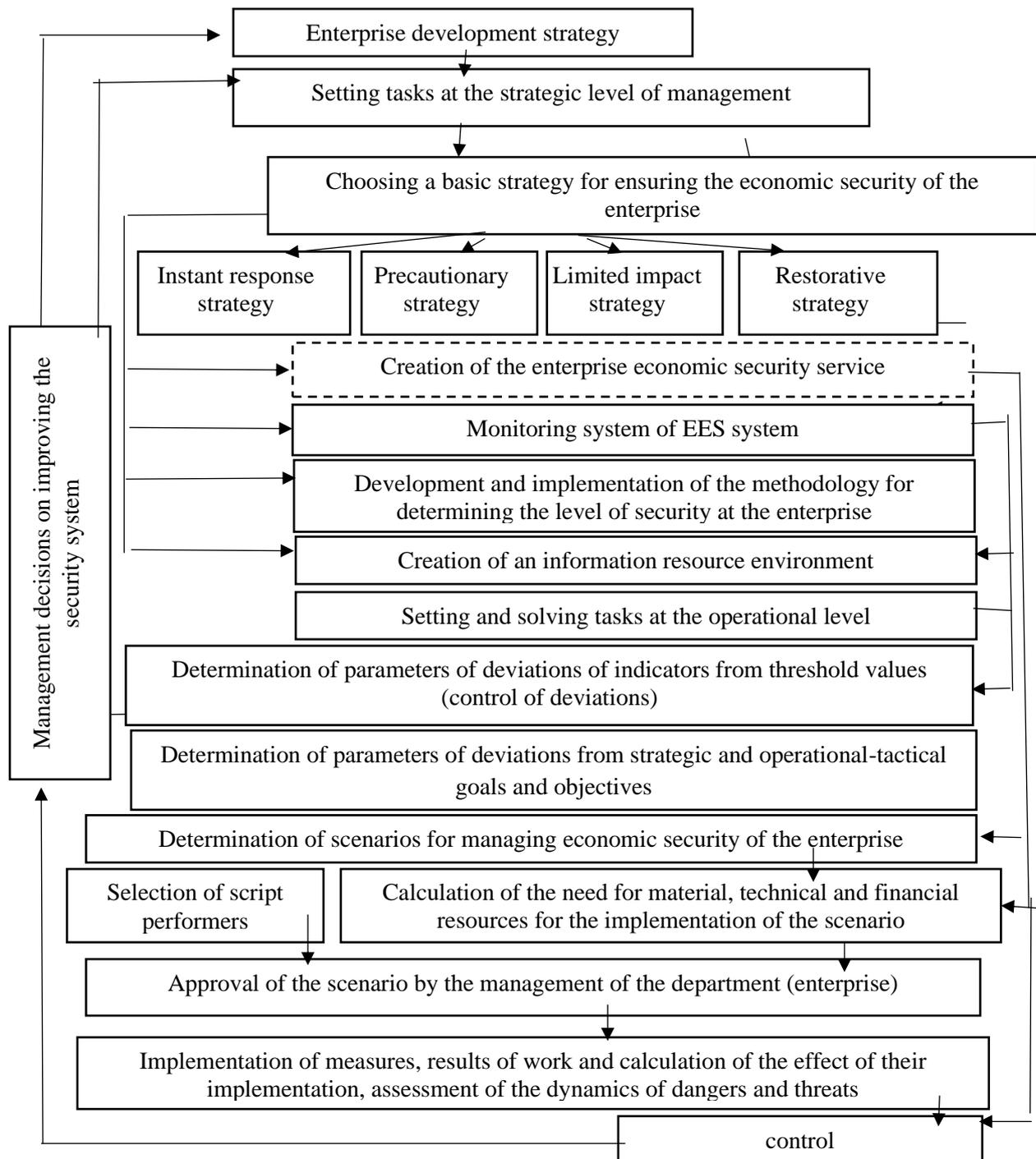


Figure 7.2. The functioning of the control mechanism in the economic security system of the enterprise

3) support for the elements of the reproduction potential: the selection of priority products and activities at the enterprise, in which the enterprise has the most stable market positions; pursuing a loyal policy towards key employees in order to maintain human resources; bringing to its logical conclusion projects that have a direct impact on the life of the enterprise¹⁶³.

The general concept of the functioning of the proposed mechanism for managing the economic security of an enterprise involves the creation of a system that provides recognition of threats, forecasting their consequences, determining the methods of localization and presenting information to the overall management system, where operational decisions are made to eliminate threats or the strategic goals of the enterprise are adjusted. The application of the proposed mechanism requires the creation of a system for monitoring economic security, which allows to provide adequate information support for the activities of the mechanism, taking into account not only the external, but also the internal environment.

7.5. Security activity and organization of object protection

Security activity is the professional activity of the subjects of state and non-state security activities in the organization and practical implementation of security measures.

Security activity is a professional activity of subjects of state and non-state security activities in the organization and practical implementation of measures to protect their property, ensuring the personal security of their founders and/or officials, providing services on the basis of civil law agreements for the protection of property of legal entities and individuals and ensuring the personal safety of individuals.

¹⁶³Rudnyts'kyy V.S., Davydyuk T.V., Den'ha S.M., Stetsiv I.I., Zhyvko Z.B. (2015). Upravlins'ki informatsiyni systemy v obliku, analizi ta audyti [*Management information systems in accounting, analysis and auditing*]. Navch.posibnyk . K. : UBS NBU. 242 p. [in Ukrainian].; Zhyvko Z.B.(2016). Upravlinnya systemoyu ekonomichnoyi bezpeky pidpryyemstva [*Management of the economic security system of the enterprise*]: navchal'nyy posibnyk. L'viv: Vydavnytstvo: L'vDUVS. 212 p. [in Ukrainian].

The main principles of security activities should be:

- legitimacy;
- respect and observance of human and civil rights and freedoms;
- interaction of subjects of security activities with law enforcement agencies, property owners, labor collectives, citizens and associations of citizens;
- optimal use of available forces and means when stopping encroachments on protected objects;
- non-participation in political events in the implementation of security activities.

Thus, it is reasonable to conclude that *services for the protection of property and citizens* is a type of entrepreneurial activity, which, in terms of its subject composition and content of activity, is civil legal obligations and is carried out on the basis of legislative, regulatory legal acts or state licenses for the right to provide services for the protection of property, except for certain especially important objects of state ownership and protection of citizens.

Business entities providing services for the protection of property and citizens, according to the volume of provision of such services, can be classified into:

- enterprises with the absolute volume of providing services for the protection of property and citizens; they include:

- 1) the State Security Service under the Ministry of Internal Affairs in Ukraine;
- 2) other bodies and divisions of internal affairs;
- 3) Units of internal troops of the Ministry of Internal Affairs of Ukraine;

- enterprises with limited provision of services for the protection of property and citizens; they include any business entities, including citizens-entrepreneurs providing services for the protection of property and citizens on the basis of a license to provide such services (except for enterprises (entrepreneurs) licensed only to provide services for the protection of citizens);

- specialized enterprises for the provision of a certain type of security services:

- 1) the service of collection and transportation of valuables of the National Bank;

2) the service of collection, protection of banknotes and transported securities – the State Security Service under the Ministry of Internal Affairs of Ukraine;

3) business entities of all forms of ownership that provide services for the protection of citizens only – that is, they have a license to provide services for the protection of citizens¹⁶⁴.

In Ukraine, according to the current legislation, only state law enforcement activities are possible. Non-state law enforcement activities are not envisaged, although the participation of citizens in the protection of law and order and the state border is sufficiently developed and regulated.

1. Inspection of departmental security and control over non-state security activities

In order to study the organization of the protection and storage of material assets, identify and eliminate the causes and conditions that contribute to theft and mismanagement, as well as provide practical assistance to the heads of organizations to improve the reliability of state, collective and personal property by further improving the organization of the departmental security service and the widespread introduction of internal technical means of protection, divisions of the State Security Service carry out inspection of departmental security. The inspection procedure is determined by the order of the Ministry of Internal Affairs of Ukraine.

The inspection is carried out once a calendar year in accordance with the lists agreed with the state security bodies in the presence of an authorized representative of the organization. In the process of inspection, the main attention is paid to identifying and eliminating shortcomings in the security system, technical strengthening of facilities, maintenance and operational maintenance of fire alarm systems, organizing preventive work in the fight against theft of protected property. Based on the results of the inspection, ***an act is drawn up***, in which a conclusion is made on the compliance

¹⁶⁴ Herasymenko O.M.(2011). Indykatory otsinky stanu systemy ekonomichnoyi bezpeky torhovtsiv tsinnymy paperamy [*Indicators of assessing the state of the system of economic security of securities traders*]: monohrafiya. Cherkasy: TOV «Maklout» Cherkasy. 250 p. [in Ukrainian].; Ekonomichna bezpeka v umovakh hlobalizatsiyi svitovoyi ekonomiky [*Economic security of the enterprise*]: [kolektyvna monohrafiya u 2t.]. (2014). Dnipropetrovs'k: «FOP Drobyazko S.I.». T. 2. 349 p. [in Ukrainian].

of this type of protection, the conditions for storing material assets, technical strength and fire safety of objects with the task of ensuring the safety of property, in agreement with the owner of the property, specific proposals are made to eliminate the identified shortcomings, and further improve the security system with the timing of their implementation.

The State Security Service conducts extensive *explanatory work aimed at ensuring the safety of property of various forms of ownership, the introduction of new technical means in the organization of the protection of objects, thematic meetings, meetings, exhibitions, lectures, conversations with heads of various organizations, their staff.* Representatives of other state bodies are involved in the implementation of this activity.

Recently, new types and forms of entrepreneurial activity have been developed, including **security activities** carried out by enterprises of different forms of ownership, individually by citizens. The Law of Ukraine “On Entrepreneurship in Ukraine” activity for the protection of citizens, collective and personal property, as well as installation, repair and preventive maintenance of security alarms is allowed only with a special permit (license). The issuance of licenses for these types of activities is carried out by the Ministry of Internal Affairs of Ukraine in accordance with the Instruction on the procedure for issuing a license, agreed with the State Committee for the Promotion of Small Enterprises and Entrepreneurship. The procedure for providing security services to enterprises that have received such a license is determined by the Instruction on the procedure for carrying out security activities, approved *by order of the Ministry of Internal Affairs of Ukraine No. 112-94. By Decree of the Cabinet of Ministers of Ukraine No. 615 of 30.08.1993*, control over the activities of these formations is entrusted to the State Service security: registration of business entities that have applied for a license for security activities, preparation of the necessary documents for submission to the Ministry of Internal Affairs, management of licensing cases.

The quality of the service essentially depends on who, where, when and under what conditions it is offered. As a result, for example, at one enterprise the level of service is much higher than in another, located nearby; one employee during service shows politeness and goodwill, while the other – rudeness and indifference.

Even the same employee during the working day provides services in different ways, with different functional quality.

The reasons for this variability may be:

- low level of qualification of workers, their inexperience, character traits;
- imperfection of the organization of communications, limiting the flow of information;
- lack of proper quality control of personnel work;
- the uniqueness of each individual consumer, which leads to a high degree of individualization of the service in accordance with his wishes.

Another rather important source of variability in the quality of service provision is the buyer, his uniqueness, which explains the high degree of individualization of services depending on the wishes of the consumer, makes it impossible to mass-produce many services. At the same time, this raises the problem of consumer behavior management and the study of behavioral factors in the process of working with clients. *Service standards have been developed to reduce variability in the functional quality of services.*

The service standard is a set of mandatory rules for the performance of customer service, which must guarantee the established level of quality in all operations. The service standard defines formal criteria according to which the quality level of customer service and the activities of any employee is evaluated.

Preventing storage of a service in the face of constant demand is not a difficult problem, since it is always possible to properly staff the organization. But if demand fluctuates sharply, serious problems arise. The inability to store requires the development of a strategy that ensures the optimal balance of demand and supply of

services. Thus, there are various methods of stimulating demand for services based on an effective pricing policy.

These distinctive features of the provision of security services make the management of operations in this area more difficult than in industry and other sectors of the economy in terms of ensuring the effectiveness of the pricing mechanism and determine the specifics of management and marketing in this area.

To ensure effective control over the quality of services in the security industry, there is an effective tool – *a contract for the provision of security services* that regulates the requirements for the implementation of security services.

The content of the contract is a set of conditions (clauses) determined at the discretion of the parties and agreed upon by them, and conditions that are mandatory in accordance with acts of civil law. The parties also have the right to conclude an agreement containing elements of various agreements (mixed agreement). The relations of the parties in a mixed contract are applied in the relevant parts of the provisions of civil law acts on contracts, the elements of which are contained in a mixed contract, unless otherwise established by the contract or follows from the essence of the mixed contract (Art. 628 of the Civil Code)¹⁶⁵.

It should be taken into account that standard conditions (typical contracts) for certain relations may be approved by state authorities, authorities of the Autonomous Republic of Crimea or local governments. Such standard conditions are inherently acts of civil law that are mandatory for application, unless they expressly provide otherwise. Consequently, in this case, these standard conditions become prescriptions of an imperative order.

The conditions under which the contract is concluded are of great practical importance, since they determine the specifics of the contractual rights and obligations of the parties to the contract, as well as the proper fulfillment of obligations.

¹⁶⁵ Civil Code of Ukraine dated January 16, 2003. No. 435-IV: in the edition of 01.01.2019, basis: 2628 VIII. Bulletin of the Verkhovna Rada of Ukraine (VVR), 2003, No. 40-44, Article 356 [in Ukrainian].

Depending on their legal significance, all **contractual conditions** can be divided into *three main groups*: essential, *ordinary and random*.

Essential conditions are considered necessary and sufficient for the conclusion of the contract. This follows from Art.638 of the Civil Code, according to which an agreement is considered concluded only when an agreement has been reached between the parties in the appropriate form for the relevant cases on all its essential conditions¹⁶⁶. This means that in the absence of at least one of these conditions, the contract cannot be considered concluded. At the same time, if an agreement is reached on the essential terms, the contract comes into force, even if it does not contain any other terms. That is why such conditions are also called necessary.

The definition of the range of essential conditions depends on the specifics of a particular contract. Part 1 of Article 638 of the Civil Code divides the essential conditions into four groups:

- 1) conditions about the subject;
- 2) conditions defined by law as essential;
- 3) conditions required for contracts of this type;
- 4) the conditions under which, at the request of one of the parties, an agreement must be reached.

However, the essential conditions are not always determined directly in the legislation. This is especially true now, in the context of the transition to market relations, the empowerment of participants in economic relations with real independence, in cases where it is not about state organizations, the second and third groups of essential conditions mentioned above are becoming increasingly important. For example, the rules on the sale, mine, hiring, storage, joint activities, etc. do not contain an exhaustive list of conditions, but the latter follow from the meaning of the relevant agreement and the rules that define the concept and essence of the agreement.

¹⁶⁶ Civil Code of Ukraine dated January 16, 2003. No. 435-IV: in the edition of 01.01.2019, basis: 2628 VIII. Bulletin of the Verkhovna Rada of Ukraine (VVR), 2003, No. 40-44, Article 356 [in Ukrainian].

Any of the parties may recognize as insufficient the conditions called essential in the law or necessary for a contract of this type, and demand the inclusion in the contract of additional conditions, without which the agreement does not suit it. In this case, such conditions also become essential.

Thus, in order to conclude a contract, it is necessary to reach an agreement on all its essential conditions. Sometimes such an agreement is not enough. In addition to it, in particular, the transfer of a thing may be required – if we are talking about a real contract (loan, donation). In cases prescribed by law, the contract must be concluded in the proper form.

Along with the essential ones, there may also be ordinary terms of the contract. Those conditions that are stipulated by normative acts are called ordinary. Unlike essential ones, they do not require agreement by the parties, as they automatically enter into force from the moment the contract is concluded. Therefore, the absence of usual conditions in the content of the contract does not affect its validity.

Random terms are included in the contract at the discretion of the parties. As well as the ordinary conditions, they do not affect the conclusion of the contract and its validity. But unlike the ordinary conditions, which are provided directly by law, *they acquire legal significance only when they are included by the parties themselves in the contract, their absence, as well as the absence of ordinary conditions, does not entail the invalidity of the concluded contract.* In addition, the absence of random conditions only in that case is fraught with the recognition of the contract as invalid if the interested party proves that it demanded the agreement of this condition.

It should be noted that all three groups of conditions, no matter what type they belong to, owe their appearance in the end only to the agreement of the parties, to which some conditions are formulated directly, while others are recognized by the parties to the contract as binding on them due to the very fact of the conclusion of the latter. This, in particular, reveals the significance of the contract as a volitional legal act.

As a result of the study of the essential conditions, in particular regarding the subject of the contract for the provision of services, it becomes clear that the concept

of a contract for the provision of services covers a rather large group of contracts, which, in turn, can be divided into at least two subgroups.

The contracts of the first group also cover the result of the guaranteed activity and, therefore, which service recipient has the right to count on. It's always under warranty. Creditors under such obligations are in a much better position, in contrast to the situation when the debtor is only obliged to properly perform certain actions, without guaranteeing the result. *In case of guarantee obligations, the debtor – the subject of entrepreneurial activity* – is released from liability only if he/she proves the existence of an insuperable force that made it impossible to fulfill the obligation. If the obligation is not fulfilled, the liability of the debtor becomes automatic. The only proof of non-performance is the fact that the promised result was not delivered. Such contracts, by their legal nature, are quite close to contracts for the performance of work and can be designated as contractual. These include contracts that, without achieving the result of activity, generally lose their meaning (transportation, storage, audit, etc.), or when the beneficial effect is fully ensured by the prudent and careful performance of their duties, and the executor, concluding the contract, could assume with a sufficient degree of probability of its achievement¹⁶⁷.

The second subgroup of contracts is characterized by the fact that the result of the activity is not covered by the subject of the contract and is outside the contractual obligation. In such contracts, the result cannot really be guaranteed, and the obligation will be considered properly fulfilled if the service provider's activities are performed in exact accordance with the contract. This subgroup should include contracts for services in which the achievement of the set goal is complicated by a number of unknown circumstances in advance, which are objectively random in nature and concern either the personality of the service consumer (the degree of neglect of the disease during the provision of medical services, the abilities of the person being

¹⁶⁷ Civil Code of Ukraine dated January 16, 2003. No. 435-IV: in the edition of 01.01.2019, basis: 2628 VIII. Bulletin of the Verkhovna Rada of Ukraine (VVR), 2003, No. 40-44, Article 356 [in Ukrainian].; Menedzhment personalu [*Personnel management*]. Navchal'nyy posibnyk [Z.B.Zhyvko, I.Yu.Kopyelyev, I.B.Hapiy, M.O.Zhyvko, I.M.Horban]. L'viv: Liha-Pres, 2013. 380 p.

trained, during the provision educational services), or circumstances of an external nature, which the parties could not and should not have known about when concluding the contract, but the possibility of which cannot be excluded.

That is, the result of the guard's activity, although not embodied in any material form, *can be guaranteed and is an integral part of the corresponding actions as such*. In this case, you can proceed from the principle: no result – no action. In addition, almost the only criterion for assessing the quality of the provided property protection service, at least for the service recipient, is precisely the beneficial effect it is intended to achieve.

However, *the positive result of the property protection service, taking into account the method of protection provided by the contract, may be guaranteed, and its presence or absence will be the main criterion for assessing the proper fulfillment of the contractual obligation*.

Comparing the property protection agreement with the custody agreement, we can conclude that the property protection agreement has significant differences and cannot be considered as a special type of custody agreement.

The application of the rules on custody to the relationship between the owner of the property and the guardian is possible only by analogy with the law.

Protection of property is a component of custody relations, as well as some other contractual relations, in which one of the parties to the contract is obliged to preserve someone else's property in its possession. However, the security service acquires its specific features only *when it is allocated to an independent contractual relationship*.

Protection of property involves the performance of only actual, pre-negotiated actions necessary to preserve property from the danger of physical destruction, damage or loss, which may be threatened by intentional wrongful actions of third parties. That is, by its nature, the activity of the obligated person is more special than in the custody agreement, is limited to ensuring the preservation of property from theft, intentional destruction or damage, and is always professional.

By analogy with the Roman term *detentio* – the content of a thing, it is proposed to designate the provider of property protection services with the term *detentor*, that is, this person exercising dominance over other people's property, without having the right to possess.

As an example, we offer the main characteristics of the contract for housing protection.

The apartment security agreement is a type of contractual services. As mentioned above, it has a lot in common with a custody agreement. *The purpose of these agreements is to ensure the safety of property.* But if, under a storage agreement, a thing is transferred into the possession of a custodian, then at the conclusion of a protection agreement, it remains in the possession of the owner. In recent years, the apartment security agreement has become widespread among the population.

The owners conclude an agreement on the protection of the apartment with the units of the State Security Service under the Ministry of Internal Affairs of Ukraine (Regulations on the State Security Service were approved by the Cabinet of Ministers of Ukraine on November 21, 2018)¹⁶⁸.

The rights and obligations of the parties under the agreement are regulated in detail by the Model Agreement on the centralized protection of apartments by divisions of the state security service, approved by order of the *Main Directorate of the State Security Service*¹⁶⁹.

The contract for one year is concluded after the apartment is equipped with security alarms and a control check of their technical condition and enters into force on the day after its signing.

The period of protection is the time from which the apartment is accepted for protection and until it is removed from protection. The value of the property is assessed

¹⁶⁸ Pro zatverdzhennia katehorii ob'ektiv derzhavnoi formy vlasnosti ta sfer derzhavnoho rehuliuвання, yaki pidliahaiut okhoroni orhanamy politsii okhorony na dohovirnykh zasadakh. Postanova Kabinetu Ministriv Ukrainy vid 21 lystopada 2018 r. № 975. Kyiv. URL: https://zakononline.com.ua/documents/show/370096___370161

¹⁶⁹ PRYMIRNYI DOHOVIR pro sposterezhennia za ruchnymy systemamy tryvoznoi syhnalizatsii, shcho vstanovleni na ob'ektakh z reahuvanniam nariadu politsii okhorony <https://securitypolice.com.ua/images/docs/doc-20230105-12.pdf>. URL: <https://securitypolice.com.ua/images/docs/doc-20230105-12.pdf>

by the “Client” unilaterally (the amount of payment for security services also depends on the price of the contract).

For late payment the “Client” *is charged a penalty in the amount of 0.5% of the amount of delay for each day* . In addition, “Security company” has the right, after a warning, to unilaterally terminate the contract ahead of schedule.

The Security company is financially responsible for the harm caused by unauthorized persons who entered the apartment during the security period by opening or destroying windows, doors and other structures blocked by technical means of security alarms and committed theft, robbery, burglary, deliberate destruction or damage to the property of the apartment.

The security is obliged to compensate for material damage within the value of the property assessed by the client at the conclusion of the contract. *Damage* is not only the value of stolen or damaged property, but also stolen money (however, in this case, the amount of compensation is limited to 10 minimum wages), as well as jewelry with a declared value (but not more than 20 minimum wages).

The value of stolen property is determined based on current retail prices and taking into account its wear and tear.

Security may also be held responsible for stolen antiques, but only on the condition that a notarized description of the value of antiques drawn up by competent specialists was given to them when concluding the contract.

When the stolen property is returned, the “Client” is obliged to return the value of previously received compensation to “Security company” within a month.

On the basis of the above, it is possible to define the property protection contract as follows: under the property protection contract, one party – the custodian (detentor) – a specialized security organization, undertakes to take the property under its responsibility and ensure its external inviolability from illegal encroachments by third parties, and the owner of the property (the owner or other title holder), in turn, undertakes to create the conditions necessary for this and to pay the remuneration provided for in the contract. The meaning of this construction is that, on the one hand,

the security guard agrees to bear the burden of the property consequences of possible illegal actions (crimes) of third parties in relation to the property of the owner, and on the other hand, through his professional actions and at the expense of the customer of the service (property owner), reduces the risk of their occurrence.

That is, it is not the property protection service itself that comes to the fore, but *the duty assumed by the security guard to compensate property losses from a crime committed by third parties.*

The security service only prevents, and thereby reduces the probability of committing such actions in relation to protected property.

In turn, the obligation to compensate for the damages caused by the crime prompts the service provider to be as careful as possible regarding the property of the customer of the service (property owner).

EDUCATIONAL TRAINING

1. The process and mechanism of the enterprise's CI activity.
2. The complex of advantages of CI at the enterprise.
3. The consequences of ignoring the CI at the enterprise.
4. Ethical standards for conducting CI at the enterprise.
5. Confidential information protection system.
6. Information security system (ISS).
7. Legal element of the information security system.
8. Intelligence cycle of information processing.
9. Ashton & Stacey 's Business Intelligence Process Model. Model – “Model 4C”.
10. Comprehensive use of intelligence to effectively defeat competitors.
11. The complex of advantages of CI at the enterprise.
12. The consequences of ignoring the CI at the enterprise.
13. Ethical standards of conducting CI at the enterprise. Business Intelligence and Trade Secrets.
14. Reasons that encourage compliance with ethical norms of behavior.
15. The structure of the CI process at the enterprise.
16. Models of the business intelligence process.
17. What is the collection of information?
18. Organization of security during exhibitions, conferences, and negotiations.
19. Organization of information security during exhibitions, conferences, and negotiations.
20. Organization of information security when working with clients.
21. Organization of information security when concluding contracts.
22. Describe the responsibility for ensuring the protection of valuable information.
23. Checking business partners – draw up a sequence of actions.
24. Protection of advertising and commercial events.
25. Security of business meetings and receptions.
26. Access control.
27. Organization of regime activity of the company, ensuring the protection of the company during mass events.
28. Recommendations for the protection of various objects.

Questions to consolidate the material

1. The level of threats and risks of enterprise security information. Ensuring information security of the company.
2. Main types of information.
3. Approaches to the definition of “information security”.
4. Directions of information security.
5. Accounting support of the information component of the company's financial security.
6. Structural model of accounting for the financial safety of the company.

7. Evaluation of the financial security of the company.
8. Methods for assessing financial security at the macro level.
9. Analysis of the financial condition of the company.
10. The mechanism for assessing the financial security of the company.
11. The structure of the financial security system of the enterprise.
12. Enterprise financial security system
13. Comparative characteristics of approaches to the mechanism for ensuring financial and economic security under the influence of exogenous and endogenous factors.
14. The mechanism for ensuring the financial safety of the company.
15. Control of the level of economic safety of the company, institution, and organization.
16. Methods for assessing the personnel of financial and economic security services.
17. Measures to assess the effectiveness of the personnel of the economic security unit of the institution, organization, enterprise in countering threats and risks.

Task

- 1) Determine the main elements of enterprise information security (EIS).
- 2) Draw a classification scheme for EIS threats.
- 3) Make a diagram of the mechanism for ensuring the information security of the enterprise.
- 4) Determine the main methods for assessing financial security at the macro level.
- 5) Develop a mechanism for analyzing the financial condition of the enterprise.

Task 1. Determine the reasons why information can be disclosed at confidential meetings or negotiations.

Task 2. Describe the documents drawn up in the process of preparing a confidential meeting.

Task 3. Schematically reflect the organization of information security when working with clients.

Task 4. Organization of information security at the conclusion of contracts.

Task 5. Describe the responsibility for ensuring the protection of valuable information.

Task 6. Checking business partners – draw up a sequence of actions.



THE STRATEGY OF ENSURING THE ECONOMIC SECURITY OF THE ENTERPRISE. ANTI-CRISIS MANAGEMENT IN THE SYSTEM OF ECONOMIC SECURITY

- 8.1. The essence of the economic security strategy of the enterprise, institution, and organization.
- 8.2. Stages of the process of developing and implementing a strategy for ensuring the financial security of an enterprise.
- 8.3. The concept, essence, goals, and tasks of anti-crisis management.
- 8.4. Types of crisis management strategies.

Main categories and concepts: economic security, implementing a strategy, process of developing, concept, essence, goals and tasks of anti-crisis management, types of crisis management strategies

8.1. The essence of the economic security strategy of the enterprise, institution, and organization

The word “strategy” comes from the ancient Greek words “*stratos*” – “army” and “*agos*” – “I rule”. Accordingly, the concept of “strategy” was originally interpreted as the art or science of warfare. The ancient Chinese treatise on the art of war “Sun Tzu”, dated to the fifth century BC is the evidence of this. Borrowing the category of “strategy” from the military lexicon is explained by the fact that in the 50s of the last century, enterprises of countries with a market economy found themselves in conditions associated with market saturation and increased competition, when survival was directly associated with fierce competition¹⁷⁰. In the economic literature, there are many definitions of the concept of “strategy” (Table 8.1).

¹⁷⁰ Myntsberh H., Alstrend B., Lempel D. Shkoly stratehyi. [Schools of strategies]. SPb. : Pyter, 2000. 336 s.; Zbarskyi V.K. Sutnist poniattia "stratehiia rozvytku" maloho pidpriemstva. [The essence of the concept of "development strategy" of a small enterprise]. URL:<http://journals.nubip.edu.ua/index.php/Economica/article/542/517>

Table 8.1. Definition of the concept of “strategy”¹⁷¹

Definition	Author
Strategy as a way to set goals for the corporate, business, and functional levels	I. Ansoff , D. Steiner
Strategy is a generalized model of actions necessary to achieve the goals set by coordinating and distributing enterprise resources	C. Barrow
Strategy is a comprehensive plan formed to carry out the mission of the organization and achieve its goals.	B. Bermann, J.Evans
Strategy – a program, a general course of a management subject to achieve strategic goals in any field of activity	H. Wissema
The strategy is to intensify innovation and achieve new economic frontiers	Yu. Hollyak
Strategy – a system of actions and management approaches used to achieve organizational objectives and goals of the organization	H. Goldstein
Strategy is a set of goals, principles that allow allocating the necessary resources for a certain period of time, which is a planning horizon, defining the goals and principles of an innovative product.	Yu. Karakai
A strategy is a detailed comprehensive plan designed to ensure that the organization's mission and goals are achieved.	A. Mescon, M. Albert, F. Khedouri
Strategy is a way of responding to external opportunities and threats, internal strengths and weaknesses	M. Porter
A strategy is a management plan for a firm aimed at strengthening its position, satisfying customers, and achieving goals.	A. Thompson , A. Strickland
Strategy is the definition of the main long-term goals and objectives of the enterprise, the adoption of a course of action and the allocation of resources necessary to achieve the set goals.	I. Smolin
Strategy as a method of establishing the long-term goals of the organization, its program of actions and priority areas for resource allocation	A. Chandler
A strategy is a position specified in certain indicators in the environment that an enterprise adheres to, a kind of look at the internal and external environment and an attempt to find ways to effectively adapt to external factors that are not controlled by the company, as well as making the necessary changes to the elements and their combinations of the internal environment.	Z. Shershnova

Thus, the *strategy of financial and economic security* is the development of a long-term plan to ensure the implementation of the enterprise's goals and objectives, in particular, ensuring financial and economic security, as well as planning the

¹⁷¹ Zbarskyi V.K. Sutnist poniattia "stratehiia rozvytku" maloho pidpriemstva. [The essence of the concept of "development strategy" of a small enterprise]. URL:<http://journals.nubip.edu.ua/index.php/Economica/article/542/517>

distribution of resources in conditions of constant instability of the external environment and adaptation to it, to protect this company from the influence of threats, risks and achievements its normal and safe functioning.

The financial security strategy of the enterprise should be directly related to the overall and financial strategy of the enterprise. The dominant areas of ensuring the financial and economic security of the enterprise are:

- 1) ensuring the growth of the profitability of its capital;
- 2) formation of financial and economic resources;
- 3) financial and economic stability;
- 4) investment security activity;
- 5) neutralization of financial and economic risks;
- 6) innovation security activity;
- 7) protection of its competitive positions;
- 8) anti-crisis strategy.

The strategy of financial and economic security includes the methods and practice of the formation of financial resources, their planning and ensuring the financial stability of the enterprise in market economic conditions. The implementation of this strategy is ensured by achieving its main goals¹⁷².

Consequently, the strategy of financial and economic security involves the definition of long-term goals of financial activity and the choice of the most effective ways to achieve them. The goals of this strategy should be subordinated to the general strategy of economic development and aimed at maximizing profits and the market value of the enterprise.

¹⁷² Zbarskyi V.K. Sutnist poniattia "stratehiia rozvytku" maloho pidpriemstva. [The essence of the concept of "development strategy" of a small enterprise]. URL:<http://journals.nubip.edu.ua/index.php/Economica/article/542/517>.

8.2. Stages of the process of developing and implementing a strategy for ensuring the financial security of an enterprise

When developing a strategy, one should take into account the dynamics of macroeconomic processes, trends in the development of domestic financial markets, and the possibility of diversifying the activities of an enterprise.

Based on the strategy, the financial policy of the enterprise is determined in the main areas of financial activity: tax, price, depreciation, dividend, and investment. In the process of developing a strategy for ensuring financial and economic security, special attention is paid to the production of competitive products, the mobilization of internal resources, the maximum reduction in production costs, the formation and distribution of profits, and the efficient use of enterprise capital. Consideration of risk factors is important for the formation of a financial strategy. The development and implementation of a strategy for financial and economic security is a rather difficult process and requires different costs from the management companies. One of the negative factors is the rapid change in the external environment, to which the strategy must adapt. Also, this strategy should be consistent with the overall strategy of the enterprise. The process of developing and implementing a financial and economic security strategy has a number of features:

- 1) it does not finish with some immediate action, but ends with the establishment of general directions, moving along which the company will achieve success;

- 2) the formulated strategy of financial and economic security is used to develop strategic projects by the search method. The role of strategy in such a search is to help focus on certain opportunities and discard everything else that is incompatible with strategy.

- 3) when forming a strategy for financial and economic security, it is impossible to foresee all the opportunities and threats that will arise in the future. Therefore, one has to use incomplete and inaccurate information.

- 4) the emergence of more accurate information can cast doubt on the validity of

the original strategic choice. Consequently, the successful use of the strategy is impossible without the reverse connections.

There are three main models for developing strategies:

planned – the strategy is developed, implemented, and evaluated in a planned manner with the involvement of a special staff of highly qualified specialists who, using various models and methods, determine possible results and find the most effective way to achieve goals;

entrepreneurial – more informal methods of building strategies are used, based on the personal experience of the head-entrepreneur, his/her knowledge of the logic of the industry; these factors are used in the formation of a “vision” of the future business, which is then taken into account in plans, projects, and programs;

learning by experience – used in an unstable environment; the main thing here is taking into account external impulses and the possibility of revising established strategies, and the process of developing and adjusting strategies can be somewhat spontaneous, poorly controlled; an important role is played by the leader-entrepreneur.

These models emphasize the entrepreneurial approach to the planning process, which distinguishes the process of developing goals in the context of long-term planning (a formal, rationalistic process) from a strategic one (using a wide range of formal and informal methods). In the modern theory of strategic management, there are proponents of various approaches who strongly criticize opposing views¹⁷³.

They can be divided into two groups:

- *rationalistic* – promotes an approach that is based on planned decision-making and causes the emergence of alternative structures (one or more) of the “strategic subsystem” of the enterprise;

- *behavioral* – promotes an approach that uses methods of identifying systemic norms of behavior operating in the organization; the main thing is a quick reaction to problems that arise according to the criteria acceptable for the established relationship.

¹⁷³ Shershnova Z. Ye. (2004). *Stratehichne upravlinnia*. [Strategic management]. Pidruchnyk. 2-he vyd., pererob. i dop. K.: KNEU, 2004. 699 p.

Thus, all these approaches assume that when developing a strategy for financial and economic security, it is necessary to assess the financial condition of the enterprise, its security and economic security in general, as well as to develop an adaptive strategy to changes in the external and internal environment.

The first step in the development and implementation of a financial and economic security strategy is to identify the general period of formation of this strategy. The main condition for identifying this stage is the duration of the period of implementation of the overall strategy, since the strategy for ensuring financial and economic security is subordinate to this strategy¹⁷⁴.

Environmental analysis is usually considered the initial process of strategic management, as it provides the basis for defining both the mission and goals of the firm, and the development of behavioral strategies that allow the firm to fulfill the mission and achieve its goals.

In general, strategic management is defined as a set of decisions and actions that determine the long-term development of the organization.

It includes environmental analysis, strategy formulation, strategy implementation, and evaluation and monitoring. A distinctive feature of strategic management is the emphasis on monitoring and evaluating external threats and opportunities in the light of the strengths and weaknesses of the enterprise.

Top management monitors the threats and opportunities that lie in the external environment, as well as the strengths and weaknesses of the internal environment. The most important factors for the future of the enterprise are called strategic and affect SWOT (Strengths, Weaknesses, Opportunities, Threats). Based on an assessment of strategic factors, management determines the corporate mission (or business concept), which is an important basic element of the organization and characterizes the ability to do business that the company is focused on, taking into account market needs, customer characteristics, product features, and competitive advantages. Based on the mission,

¹⁷⁴ Shershnova Z. Ye. (2004). *Stratehichne upravlinnia*. [Strategic management]. Pidruchnyk. 2-he vyd., pererob. i dop. K.: KNEU, 2004. 699 p.

general goals are formulated, which should establish what and when should be performed, and, if possible, be quantified. One can list the areas in which enterprises should install goals.

These are profitability, production efficiency, growth (increase in assets and sales volumes), shareholders' interests (dividends and share price), personnel interests, public interests (taxes, charity), market position, etc. The definition of mission and goals further leads to the definition of strategy and policy. The strategy is implemented through programs, budgets and procedures. Finally, the results are evaluated and, with the help of a feedback system, the organization's performance is monitored.

After information about the state of the external environment has been collected, current trends should be analyzed to understand whether they will be observed in the future. The limit of strategic planning is five to ten years. At the same time, a long-term plan is especially necessary for large capital-intensive enterprises, when the interval between the birth of an idea and the finished product is many years.

Such enterprises must base their future on forecasting.

In order to carry out the process of formulating a strategy for ensuring financial and economic security, it is necessary to analyze the identified strategic factors in the light of the current situation. This stage of the strategic decision-making process is often referred to as situational analysis.

The purpose of situational analysis methods is to create a strategic correspondence between the external capabilities and internal strengths of the enterprise, taking into account external threats and internal weaknesses, as well as to determine, on the basis of this, the so-called excellent competence of the organization, that is, the specific skills and resources at the disposal of the enterprise and provide its competitive advantage.

Having studied the strategic analysis of the internal and external environment, it is necessary to conduct a comprehensive assessment of the strategic position of the financial and economic security of the enterprise.

The next stage is the variant development of a general strategy (strategic planning proper). At this stage, alternative options for strategic plans and programs are

developed and their comparative assessment is given, the strategic developments of divisions are analyzed and confirmed by the top management, the consistency of different plans, programs and investment decisions is ensured. The methodology of “portfolio planning” is widely used, when not one strategy option is formed, but a package (portfolio) of possible strategies is compiled, developed for strategic business centers (SBCs). From such a portfolio, the selection of the best strategy for specific conditions is made¹⁷⁵.

Variant development of an enterprise improvement strategy includes: the choice of strategic alternatives, their analysis and the definition of a basic strategy; formation of functional strategies, including marketing strategy, financial strategy, production development, foreign economic activity, social development, organizational changes, ecology, etc. On the basis of the general strategy, a strategy for ensuring financial and economic security is formed. To do this, it is necessary to formulate strategic goals for ensuring the financial and economic security of the enterprise, develop target strategic standards and make key strategic decisions in the field of ensuring financial and economic security. One of the dominant areas of the strategy for ensuring financial and economic security, as well as financial policy, is selected and a portfolio of strategic alternatives for achieving the goals set is formed. The next step in the development and implementation of the strategy of financial and economic security is the evaluation of the developed strategy according to the economic and non-economic parameters established by the enterprise.

One of the most important stages of the process is to ensure the implementation of the strategy for warranting financial and economic security. The implementation of the strategy can be certified through a single strategic plan of the enterprise or through the plans and programs of strategic business units (in this case, the distribution of resources is ensured at the organization level and general control is exercised), or by

¹⁷⁵ Shershnova Z. Ye. (2004). *Stratehichne upravlinnia. [Strategic management].* Pidruchnyk. 2-he vyd., pererob. i dop. K.: KNEU, 2004. 699 p.

including individual strategic tasks (primarily investment and scientific-technical) in the operational – tactical plans and applications.

In any case, the main task of the implementation phase is to move towards strategic goals while adapting as much as possible to the real conditions that are developing at the enterprise. Correction of plans at this stage ensures the continuous cyclical nature of strategic planning, its orientation to the maximum consideration of changes in the internal and external environment.

8.3. The concept, essence, goals, and tasks of anti-crisis management

The high probability of the emergence and development of a crisis in the course of the activity of any enterprise necessitates the implementation of specialized anti-crisis management. At present, this term is widely used, but the understanding of the essence of this direction of management, its content, features, and theoretical basis is still at the stage of formation, which entails different approaches and interpretations, non-identity of assessments of individual basic provisions.

In recent years, a significant number of specialized collective and individual monographs, scientific and methodological publications have been published on the problems of anti-crisis management of an enterprise, where, along with other issues, they found coverage and meaningful features of this term¹⁷⁶.

It is generally recognized that anti-crisis management should be considered as one of the functional areas of enterprise management (as a kind of management organization), that is, as a process of planning, organization, motivation and control necessary in order to formulate and achieve the goals of the organization. Anti-crisis management is an integral part of the management of the enterprise as a whole, using

¹⁷⁶ Kovalevska A. V. Konspekt lektzii z dystsypliny «Antykryzove upravlinnia pidpriemstvom» [Synopsis of lectures on the discipline "Anti-crisis management of the enterprise"] dlia studentiv 5 kursu zaochnoi formy navchannia TsPO ta ZN osvितno-kvalifikatsiinoho rivnia «bakalavr» haluzi znan 0305 – Ekonomika ta pidpriemnytstvo napriamu pidhotovky 6.030504–Ekonomika pidpriemstva ta slukhachiv druhoi vyshchoi osvity zaochnoi formy navchannia osvितno-kvalifikatsiinoho rivnia «spetsialist» spetsialnosti 7.03050401–Ekonomika pidpriemstva (za vydamy ekonomichnoi diialnosti). Kharkiv : KhNUMH im. O. M. Beketova, 2016. 140 p.

its best methods, means and tools, focused on preventing possible complications in the activities of the enterprise, ensuring its stable successful management.

Depending on the stage (depth) of the crisis, anti-crisis management is differentiated into the following subtypes: 1) pre-crisis management, carried out for the timely identification and solution of problems (decision-making) in order to prevent a crisis; 2) management in a crisis, the purpose of which is the stabilization of unstable states and maintaining the controllability of the system; 3) managing the processes of overcoming the crisis, carried out in order to minimize losses and lost opportunities when the enterprise is brought out of the crisis¹⁷⁷.

A feature of anti-crisis management is not only a direction, but also a structural and logical construction, special tools, a separate subject of implementation, which in combination allows us to consider anti-crisis management as a separate direction of management activity.

The possibility of implementing the anti-crisis management is based on the following provisions of the crisis theory:

- crisis phenomena can be controlled in a certain way, that is, crises can be foreseen, expected, caused, accelerated, prevented, delayed; their external manifestation and consequences – to mitigate;
- it is possible and necessary to get ready to crisis;
- crisis management requires the use of special approaches, special knowledge and skills.

Based on this, anti-crisis management does not always have to be aggressive in its essence; the tactics of neutrality, expectations, etc. can also be used.

The possibility of anti-crisis management is determined primarily by the human factor. Only conscious human activity makes it possible to seek and find ways out of critical situations, concentrate efforts to solve the most complex and painful problems,

¹⁷⁷ Kovalevska A. V. Konspekt leksii z dystsypliny «Antykryzove upravlinnia pidpriemstvom» [Synopsis of lectures on the discipline "Anti-crisis management of the enterprise"] dlia studentiv 5 kursu zaochnoi formy navchannia TsPO ta ZN osvitno-kvalifikatsiinoho rivnia «bakalavr» haluzi znan 0305 – Ekonomika ta pidpriemnytstvo napriamu pidhotovky 6.030504 – Ekonomika pidpriemstva ta slukhachiv druhoi vyshchoi osvity zaochnoi formy navchannia osvitno-kvalifikatsiinoho rivnia «spetsialist» spetsialnosti 7.03050401 – Ekonomika pidpriemstva (za vydamy ekonomichnoi diialnosti) . Kharkiv : KhNUMH im. O. M. Beketova, 2016. 140 p.

accumulate experience in overcoming crises and creatively use it, taking into account the realities of the current macro-situation and the characteristics of the enterprise's economic system.

Anti-crisis management in foreign literature is most often considered as external management, carried out by specially trained and invited specialists to the enterprise, and it is advisable only at enterprises whose bankruptcy has negative social consequences. At other enterprises, the organization of such anti-crisis management does not make sense, since this will burden their owners with additional costs, continue inefficient use of resources, which will lead to enterprise agony.

Another approach links anti-crisis management with the self-organization of the system on the basis of active and qualified, primarily internal, management. Its basic procedures should not be applied when the only means of control is external regulation of its activities, but constantly, not allowing entry into a crisis period, if possible limited to homeostatic transformations, that is, preventive actions. Thus, internal anti-crisis management should be carried out throughout the entire life cycle of the enterprise and be considered not as a temporary measure, but as a permanent component of the management system.

It also seems erroneous to limit the period of anti-crisis management of a bankruptcy situation and specific management efforts carried out in the course of external management of an enterprise by arbitration managers, which is proposed by individual researchers, since crisis phenomena require an appropriate response much earlier than the initiation of the relevant judicial procedures.

Considering the essence and tasks of anti-crisis management, all researchers are unanimous in their opinion about its specificity. The main differences inherent in anti-crisis management are as follows:

- 1) specificity of the purpose of implementation – the preservation of the enterprise as an economic entity and its restoration viability;
- 2) the use of specific management tools, that is, the means and methods of management influence; anti-crisis management cannot be reduced, for example, to

searching for reserves for increasing labor productivity, cutting costs, searching for new sales markets, restructuring assets and liabilities. These measures should be carried out constantly, regardless of the state of the enterprise, although in a crisis they become anti-crisis in their direction; achievement of certain tasks requires the application non-standard, as well as unacceptable under normal conditions, the composition of management tools;

3) separation of the subjects of implementation, having appropriate professional training, powers, knowledge and skills, take responsibility for the results of their activities;

4) significant resource limitations associated with the impossibility or difficulty of obtaining additional resources, primarily financial, since their attraction in conditions of low (even negative) creditworthiness and investment attractiveness is an extremely difficult management task;

5) significant time constraints due to possible aggressive actions of the company's creditors and the threat of initiating bankruptcy and limiting the capacity of the existing management enterprises;

6) orientation of managerial efforts not only to external manifestations of complications and problems, but also to their deep roots (causes of appearance), which prevents repetition crises;

7) increased riskiness of accepted and implemented management decisions due to the high degree of instability (tension) of the economic systems;

8) increasing the importance of information and analytical support for managerial decisions, a relatively greater amount of use of analytical, calculation and forecasting procedures;

9) focus on minimizing the losses of all stakeholders – owners, staff, creditors, and states;

10) the use of innovative solutions, a creative approach to determining the type of behavior in a crisis situation and finding ways out of it;

11) Ensuring high efficiency of managerial influence requires higher financial

and intellectual costs, respectively, has a higher cost compared to normal business conditions.

Summarizing the above, we can give the following interpretation of the term “anti-crisis management”. This is a permanently organized special management, which is based on a system of methods and principles for the development and implementation of specific management decisions made by a separate entity under conditions of significant resource and time constraints, increased risk, financial and intellectual costs to maintain an appropriate level of financial and economic security of business entity. The requirements for the system, mechanism, and process of anti-crisis management are presented in Fig. 8.1.

The object of anti-crisis management is the emergence and deepening of the crisis in the development of the enterprise, which has negative consequences for the life of the enterprise, its elimination and prevention¹⁷⁸.

Taking into account the variety of crisis phenomena and the presence of multiple variants of their manifestation, different concepts (models) *of anti-crisis management can be implemented* in relation to certain parameters of the crisis:

1) depending on the timing of the start of the crisis period:

- “*approach*” – the essence of which is to create conditions for accelerating the onset of the crisis, including through a response to the provocative factors crises;
- “*removal*” – involving the creation of prerequisites for postponing the manifestation of the crisis (transferring the severity of losses to future periods);
- “*non-intervention*” – during which there are no managerial efforts aimed at starting a crisis period;

¹⁷⁸ Borzenko V. I. (2016). Antykryzove upravlinnia [Anti-crisis management]: navchalnyi posibnyk. Kh. : Vydavnytstvo Ivanchenko. I S. 232 p.; Cherniavskiy A. D. (2006). Antykryzove upravlinnia pidpriemstvom: Navch. posib. K.: MAUP. 256 s.: il. Bibliohr.: PP. 242–245.

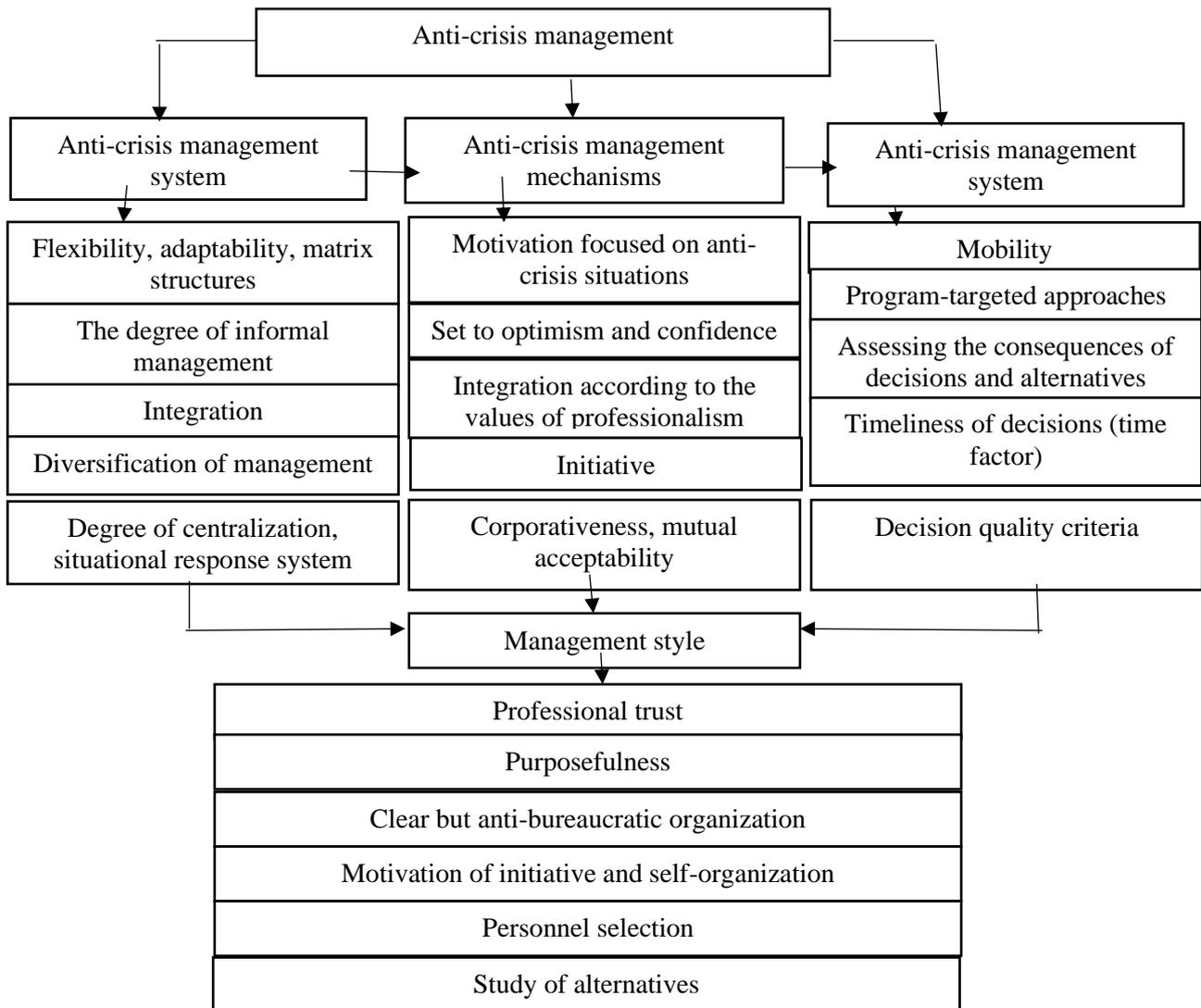


Figure 8.1. Scheme of anti-crisis management

2) depending on the impact on the final result:

- “*prevention of occurrence*” – the essence of which is the preparation and implementation of such management measures that make it impossible for the emergence of crisis phenomena;
- “*stabilization*” – during the implementation of which the main attention is paid to ensuring the controllability of the system during the passage of the crisis condition;
- “*adaptation*” – the essence of which is to ensure the minimization of external negative influences and the use of positive benefits impacts;
- “*exit from the crisis*” – the purpose of which is to end the crisis period, regardless

of its consequences, including negative ones;

3) depending on the nature of the exit measures crisis:

- “*promotion of deployment*” – the essence of which is the implementation of special actions and measures aimed at the most rapid maturation of the contradictions that led to the emergence of the crisis, and their activation manifestations;
- “*neutrality*” – the essence of which is not to take any managerial measures, but only to accumulate resources;
- “*combating negative manifestations and consequences*” – in the implementation of this concept, anti-crisis management focuses on overcoming the crisis;

4) depending on the object of management monitoring¹⁷⁹:

- “*consequences of the crisis*” – anti-crisis management is focused on the consequences of the deployment of the crisis in order to minimize them;
- “*causes of the crisis*” – anti-crisis management is directed to the localization or elimination of the causes of crises;
- “*the duration of the crisis*” – the purpose of which is recognized as a reduction in the duration of the passage of crises;
- *combined anti-crisis management*, which implies the use of a variety of tools depending on the object of management efforts;

5) by sources of overcoming crisis:

- *external anti-crisis management*, carried out on the initiative of external agents (creditors, the state, etc.) and with the involvement of external agents resources;
- *internal anti-crisis management*, carried out exclusively at the initiative of the owners and management of the enterprise and based on the use of internal resources and reserves;
- *combined anti-crisis management*, during which various sources of resources are used.

¹⁷⁹ Cherniavskiy A. D.(2006). Antykryzove upravlinnia pidpriemstvom: Navch. posib. K.: MAUP. 256 s.: il. Bibliohr.: PP. 242–245.

8.4.Types of crisis management strategies

For anti-crisis management, prospects and the ability to choose and implement a rational development strategy are of particular importance. To do this, various crisis management strategies are used¹⁸⁰.

I. *The strategy of the enterprise's behavior in the market*, the nature and tactics of management determine the categorization into the following types of anti-crisis strategies:

a) a survival strategy that involves the evolutionary development of the enterprise, taking into account the current situation; smooth with minimal restructuring, but a reliable improvement in performance until the exit from the crisis;

b) a breakthrough strategy that provides a significant improvement in all aspects of the enterprise's activities in the shortest possible time and involves focusing on a leading position in the market.

II. *According to the basic definition of the main direction of company management*, the types of anti-crisis strategies are:

- stabilization strategy;
- reduction strategy;
- restructuring strategy.

Anti-crisis stabilization strategies in terms of production rates, investment and project implementation are divided into the following:

- 1) pause (intentional suspension of sales increase);
- 2) cautious promotion (promotion of launched programs in anticipation of success);

¹⁸⁰ Kovalevska A. V. (2016). Konspekt lektsii z dystsypliny «Antykryzove upravlinnia pidpriemstvom» [Synopsis of lectures on the discipline "Anti-crisis management of the enterprise"] dlia studentiv 5 kursu zaochnoi formy navchannia TsPO ta ZN osvितno-kvalifikatsiinoho rivnia «bakalavr» haluzi znan 0305 – Ekonomika ta pidpriemnytstvo napriam pihotovky 6.030504 – Ekonomika pidpriemstva ta slukhachiv druhoi vyshchoi osvity zaochnoi formy navchannia osvितno-kvalifikatsiinoho rivnia «spetsialist» spetsialnosti 7.03050401 – Ekonomika pidpriemstva (za vydamy ekonomichnoi diialnosti) . Kharkiv. nats. un-t misk. hosp-va im. O. M. Beketova. Kharkiv : KhNUMH im. O. M. Beketova. 140 p.; Kushnir N. B. , Voitovych D. S.(2016). Osoblyvosti antykryzovoho upravlinnia ta ekonomichnoi diahnostyky pidpriemstva v suchasnykh umovakh. [Features of anti-crisis management and economic diagnosis of the enterprise in modern conditions]. *Efektivna ekonomika*. № 5. URL: <http://www.economy.nayka.com.ua/?op=1&z=4954>

- 3) no changes (freezing the situation, termination of investments);
- 4) profit withdrawal (cessation of current investment in the product).

Survival strategies (downsizing) with implementation methods are divided into:

- 1) reversal strategies;
- 2) isolation strategy;
- 3) liquidation strategy.

Reduction strategies by nature of approaches:

- cost reduction – close to the strategy of reducing organizational forms, since the main idea is to search for opportunities and take measures to reduce the costs of the enterprise;

- “harvesting” – implies the rejection of the long-term prospect of the existence of a certain business in order to obtain maximum income in a short period, that is, the understanding that the business will bring fast and relatively large amount of money, but for a short period;

- reduction of the organizational structure of the enterprise, when the enterprise closes or sells one of its divisions for the purpose of a long-term change in the boundaries of activity;

- liquidation, which is the limiting case of the reduction strategy and is carried out when the enterprise cannot continue to operate.

III. *Among the crisis management strategies, the most important are the following:*

- crisis prevention, preparation for its occurrence;
- waiting for the maturity of the crisis to successfully solve the problems of overcoming it;
- counteracting crisis phenomena, slowing down crisis processes;
- stabilization of the situation through the use of reserves and additional resources;
- risk calculation;
- consistent withdrawal from the crisis;

– foresight and creation of conditions for eliminating the consequences of the crisis. The choice of one or another strategy is determined by the nature and depth of the crisis (Fig. 8.2).

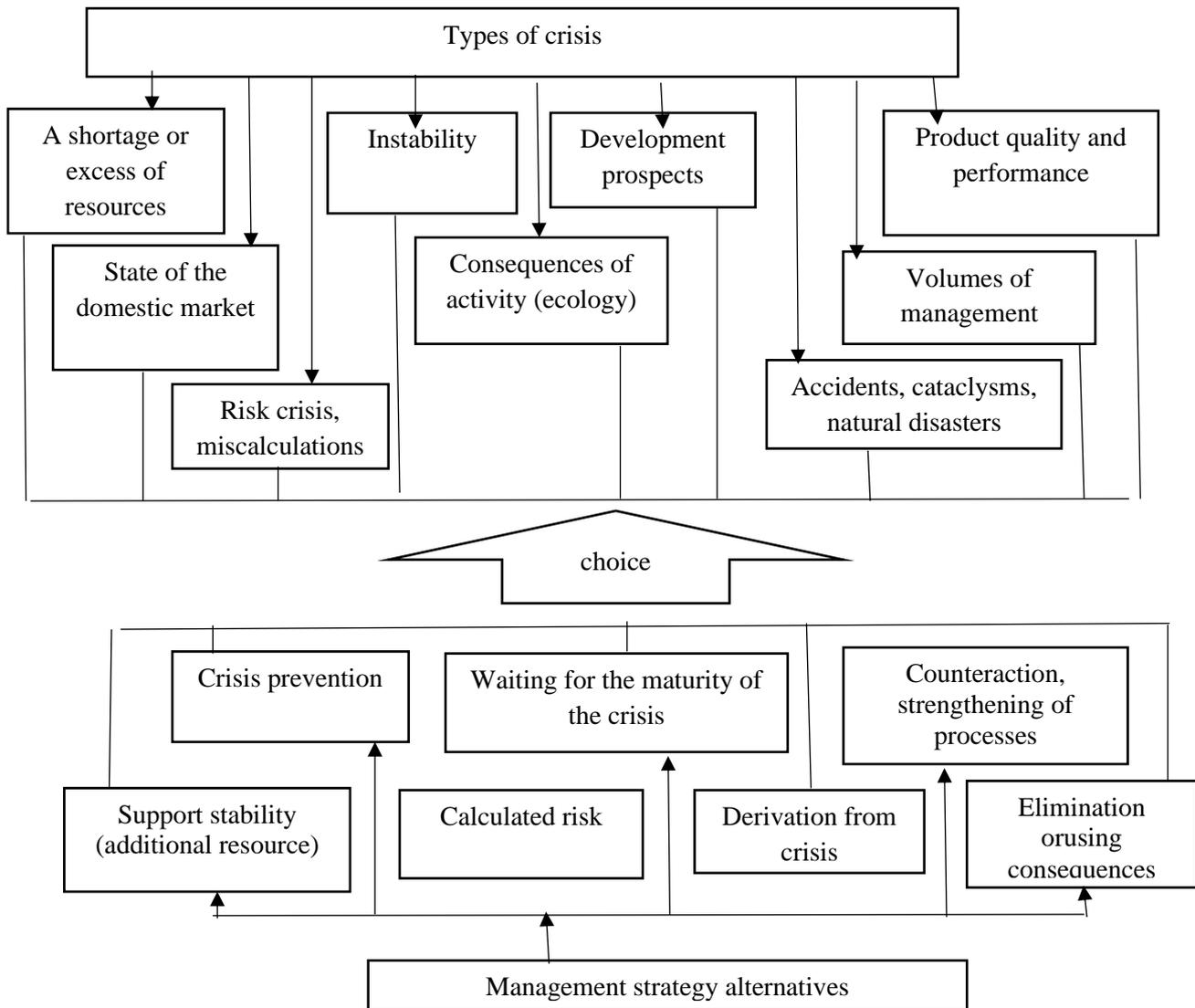


Figure 8.2. Strategy choice: alternative crisis management strategies

If an enterprise monitors the emergence of an external threat in an appropriate manner and has time to develop an effective response, then it can consistently eliminate all emerging problems. However, in a crisis situation, the implementation of changes should be carried out within a strictly limited time frame. That is why, when planning an anti-crisis strategy, it is necessary to try parallel carrying out of work. The implementation of an anti-crisis strategy is most optimal when it is combined with an

already adapted management structure and is subject to a balanced system of goals. In critical situations, there is no time to prepare the basis for strategic changes, then you should simultaneously change the management system and overcome emerging crises¹⁸¹(tab.8.2).

Table 8.2. Characteristics of anti-crisis management strategies

AME strategy	Content of actions to implement strategies	A key property of ensuring the effectiveness of the strategy	Features of the functioning of the enterprise in accordance with the key features
Prevention	Crisis prediction and prevention, preparation and expectation, prevention or localization	Weakness	For some time, the enterprise is able to perform its functions with changes in the external environment.
Countermeasures	Counteracting the occurrence of crisis phenomena, slowing down the processes of their development	Flexibility, adaptability	An enterprise can change goals, processes for achieving aims or goals of functioning, depending on the conditions of the internal environment of the system and changes in the conditions of its functioning.
Stabilization	Stabilization of the situation through the use of reserves, additional resources	Emergence , hierarchy, multifunctionality	Different companies have different ways to achieve goals. At the same time, individual elements can be more resistant to change, which means that at their expense there will be a certain time for the stabilization of others.
Expectation	Waiting for the maturity of the crisis to successfully solve the problems of overcoming it	Reliability	The enterprise is able to implement the specified functions for a certain period of time.
Risk	Being in a situation of calculated risk	Vitality, safety	Even if some elements of the system are damaged, it can change the overall functioning due to the remaining

¹⁸¹ Kovalevska A. V. (2016). Konspekt lektsii z dystsypliny «Antykryzove upravlinnia pidpriemstvom» [Synopsis of lectures on the discipline "Anti-crisis management of the enterprise"] dlia studentiv 5 kursu zaochnoi formy navchannia TsPO ta ZN osvitno-kvalifikatsiinoho rivnia «bakalavr» haluzi znan 0305 – Ekonomika ta pidpriemnytstvo napriamu pidhotovky 6.030504 – Ekonomika pidpriemstva ta slukhachiv druhoi vyshchoi osvity zaochnoi formy navchannia osvitno-kvalifikatsiinoho rivnia «spetsialist» spetsialnosti 7.03050401 – Ekonomika pidpriemstva (za vydamy ekonomichnoi diialnosti) . Kharkiv. nats. un-t misk. hosp-va im. O. M. Beketova. Kharkiv : KhNUMH im. O. M. Beketova. 140 p.

The strategy implies the mobilization of all resources to overcome the crisis. First of all, the basic strategy for the development of the enterprise should be justified (Fig. 3).

Crisis management consists of the following stages :

- diagnosis and assessment of crisis parameters;
- development of the concept of overcoming the crisis aimed at planning strategic and tactical measures;
- implementation of the adopted concept for exiting the crisis situation;
- constant monitoring of external and internal factors.

IV. Options for anti-crisis strategies:

- intermittent-sequential,
- continuous-sequential,
- parallel
- parallel-staged,
- parallel-sequential strategy of structural transformations.

Intermittent-sequential anti-crisis strategy of structural transformations assumes that during the period of structural restructuring the enterprise can invest additional funds in new products or business, i.e. diversify its activities. As a result, after some time, the system-forming parameters – income, sales volume, and profit – begin to grow. Funds received from diversification development must cover the costs of structural restructuring of the enterprise, so often the enterprise begins to make a net profit only after a long time.

A continuous-sequential anti-crisis strategy of structural transformations involves a preliminary analysis of possible negative trends in the development of the enterprise in a competitive environment in order to timely allocate funds for business reconstruction and restructuring of the enterprise management system. There is no spare time for restructuring the enterprise, therefore, all transformations and anti-crisis measures must be carried out continuously in the current mode.

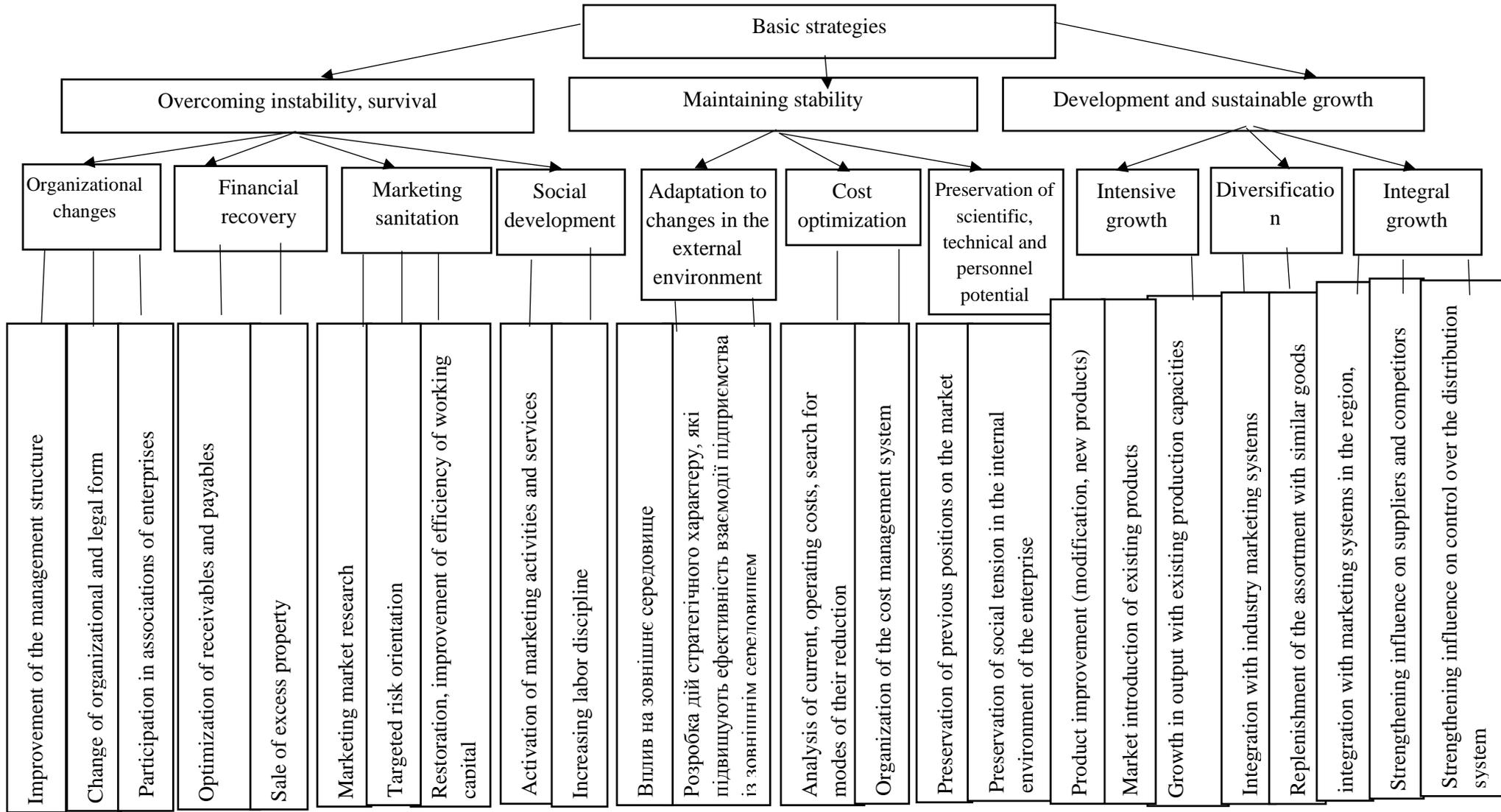


Figure 8.3. Strategic alternatives for sustainable enterprise development

A parallel anti-crisis strategy of structural transformations is used when quick product modification is necessary. As a result, the total sales volumes do not have time to significantly decrease, the company is guaranteed stability and competitiveness in the market.

The parallel-staged anti-crisis strategy of structural transformations is used when a parallel transition to new products is impossible, because it requires large additional costs and the company is forced to temporarily use a transitional model in order to improve its financial condition.

The essence of *the parallel-sequential anti-crisis strategy of structural transformations* is that the company can implement additional marketing measures to increase the competitiveness of its products and continue to work with an increase in sales volumes and revenues for a certain period of time.

Within the framework of general anti-crisis strategies, companies can implement anti-crisis strategies, the choice of which depends on the available internal resources of companies and opportunities in the marketing environment. The new anti-crisis policy of companies can be implemented in the field of diversification, prices, quality of goods, finances, inventory, personnel management, information and analytical support of enterprise activities, and work time management.

In the conditions of anti-crisis management, the requirements are sharply increased not only for the arbitration manager, but also for managers at all levels, who must know what factors should be put into action to quickly overcome the crisis: redistribute the share of property; increase the efficiency of the motivation system depending on the profit received. *By the nature of behavior in the market, anti-crisis strategies are differentiated into:*

- protective;
- offensive.

Tactics and strategy of anti-crisis management should be interconnected. Tactics are specific short-term strategies, while policies are general guidelines for action and

decision making. Procedures indicate the actions to be taken in a particular situation. The rules specify exactly what should be done in a particular situation.

In accordance with the new strategy, a new concept of financial, production and personnel improvement is defined. Along with this concept, financial, marketing, technical and investment programs are being developed, which contribute to finding ways out of the crisis situation. If operational measures to overcome the economic crisis are carried out in isolation from strategic goals, this may lead to a short-term improvement in the financial situation, but will not allow to eliminate the underlying causes of crisis phenomena.

EDUCATIONAL TRAINING

1. Organization of regime activity of the enterprise.
2. Actions of the security service in crisis situations.
3. Security activity and organization of object protection.
4. What is the management of the economic security of the enterprise?
5. What is a company's economic security management system?
6. What are the components of the company's economic security management system?
7. What principles exist in the system of economic security of an enterprise?
8. What is the subject of economic security management?
9. What is the object of economic security management?
10. What is a mechanism, what components does it include?
11. Ensuring physical security.
12. Ensuring logistics security.
13. Technologies of physical protection of information structures.
14. Measures to counter racketeering and assassination attempts.
15. Responsibility for actions of unfair competition.
16. Types of legal liability and types of sanctions applied to offenders.
17. Facts that must be taken into account when calculating the specific amount of recovery of damages.
18. The essence of the strategy of economic security of the company, institution, and organization.
19. Stages of the process of developing and implementing a strategy for ensuring the financial security of the company.
20. Countering unfair competition and hostile takeovers (raiders).
21. Perspective and current plans for the activity of an institution, organization, enterprise and structural divisions.
22. Expand the essence of the strategy of economic security of the enterprise.
23. What is a strategy?
24. What do you mean by developing and implementing an economic security strategy?
25. Describe the features of the process of developing and implementing the strategy.
26. List the main models and give them a brief description?
27. Expand the essence of the strategic analysis of the economic security of the enterprise.
28. Strategy for ensuring the economic security of the company.
29. Development and implementation of the economic security strategy of the enterprise, institution, and organization.
30. Strategic analysis of the economic security of the enterprise.
31. Consideration of the company as an object of strategic management.
32. Differentiation of types of strategic development of the company according to their levels.
33. The concept, essence, goals and objectives of anti-crisis management.

34. Types of anti-crisis management strategies.
35. Task and style of management in crisis situations.
36. Expand the essence of anti-crisis management of the enterprise?
37. What is the main information inherent in anti-crisis management?
38. Expand the definition of the level of financial and economic stability of the company?
39. Describe the types of stability of the company.
40. What is crisis management?
41. What principles of crisis management do you know? Describe them.
42. The concept, essence, goals and tasks of anti-crisis management.
43. Issue, object and subject of anti-crisis management.
44. Creation of an information network to overcome the crisis phenomena.
45. Selection and training of groups of specialists and managers to overcome the crisis phenomena.
46. Requirements for the personal qualities of managers in crisis situations.

Questions and tasks to consolidate the material

1. Reveal the essence of the company's economic security strategy.
2. What is a strategy?
3. What do you understand by the development and implementation of an economic security strategy?
4. Describe the features of the strategy development and implementation process.
5. List the main models and give them in a brief description?
6. Reveal the essence of the strategic analysis of the economic security of the enterprise.
7. Strategy for ensuring the economic security of the enterprise.
8. The essence of the economic security strategy of the enterprise, institution, and organization.
9. Development and implementation of the economic security strategy of the enterprise, institution, and organization.
10. Strategic analysis of economic security of the enterprise.
11. Consideration of the enterprise as an object of strategic management.
12. Differentiation of types of strategic development of the enterprise by their levels.

Topics of essays and reports

1. Stages of the process of development and implementation of the strategy for ensuring the financial security of the enterprise.
2. Strategy for ensuring the economic security of an institution, organization, or enterprise .
3. Strategy for ensuring financial security.
4. Ensuring information security and protecting commercial secrets.

TESTS

1. Types of strategies aimed at preventing the occurrence of enterprise security threats

- A. focused on eliminating existing or preventing potential threats; aimed at preventing the impact of existing or possible security threats;
- B. aimed at restoring the damage caused;
- C. aimed at compensation of losses;
- D. focused on the rehabilitation of the enterprise.

2. The financial stability of the firm is determined by

- A. the coefficient of autonomy and the entrepreneurship efficiency coefficient;
- B. coverage coefficient;
- C. absolute liquidity coefficient;
- D. profitability of the enterprise.

3. The solvency of the firm is determined by

- A. coefficient of autonomy;
- B. absolute liquidity coefficient; coverage coefficient;
- C. business efficiency coefficient;
- D. profitability of the enterprise.

4. The term liquidity coefficient is calculated as

- A. the ratio of absolutely liquid assets to short-term liabilities;
- B. the ratio of current assets of high (term) liquidity to short-term liabilities;
- C. the ratio of current assets (sections II and III of the balance sheet asset) to short-term liabilities (section III of the liability);
- D. the ratio of equity capital to the total balance sheet of the enterprise.

5. Force security of the enterprise (FSE) is

- A. protection of an individual from threats to his life, health, and material well-being, as well as protection of enterprise property from criminal encroachments;
- B. protection against the destructive influence of natural, man-made factors, and consequences of the enterprise's economic activity;
- C. analysis of received information with mandatory observance of generally accepted principles and methods;
- D. protection from excessive tax pressure, unstable legislation, and inefficient work of the legal department of the enterprise.

6. An important element of entrepreneurial activity is.....

- A. risk;
- B. structure;
- C. personnel support;
- D. income.

7. Entrepreneurial risk is.....

- A. costs of material objects in kind;
- B. the probability of losses or non-receipt of income compared to the forecasted option;
- C. direct monetary damages;
- D. loss of funds.

8. Factors of entrepreneurial activity are divided into:

- A. external and internal - organizational;
- B. internal and external - organizational;
- C. organizational and external;
- D. internal and external.

9. A group of enterprise managers and/or specialists of specialized companies, who, through various options of combined actions, carry out purposeful diversification of risks for effective economic activity is called.....

- A. object of management;
- B. subject of management;
- C. management mechanism;
- D. risk equalization.

10. Methods of analyzing the degree of risk are divided into:

- A. statistical and analytical;
- B. expert and expedient;
- C. quantitative and qualitative;
- D. analytical and analogical.

11. The Enterprise Security Service (ESS) is

- A. an independent structural unit that solves the task of directly ensuring the protection of the company's vital interests in the conditions of commercial and entrepreneurial risk, and competitive struggle;
- B. security structure of the enterprise;
- C. self-managed system;
- D. structure of anti-crisis management.

12. The set of specific tasks facing the company's security service determines

- A. company personnel;
- B. a certain set of functions performed by the firm;
- C. the presence or absence of protected secrets;
- D. field of activity.

13. Any organizational structure, even the most optimal, will not be able to give the expected results if

- A. it is not identified;

- B. it is not supplemented with internal normative acts regulating the activities of all units and employees of the security service;
- C. it is not protected;
- D. it is not reached the regional level.

14. Normative acts of the ESS can conditionally be divided into groups:

- A. documents that directly relate to the activities of the security service itself and to the activities of other services;
- B. internal and external regulatory acts;
- C. state and international;
- D. charter and job descriptions.

15. Staffing of the enterprise security service is divided into:

- A. three stages;
- B. internal and external stages;
- C. four blocks;
- D. two stages.

16. Economic security is.....

- A. the mode of ensuring the best economic effect from the functioning of the economic entity in the form of profit or achievement of a social goal;
- B. comprehensive counteraction to potential and real threats;
- C. there is no correct answer;
- D. all are true.

17. According to the origin of threats to economic security, enterprises are divided into:

- A. state and non-state;
- B. real and unreal;
- C. internal and external;
- D. all are true.

18. Depending on the form of ownership and subordination, threats are divided into:

- A. officially functioning and unofficially functioning bodies;
- B. state and non-state bodies;
- C. the correct answer is a and ;
- D. all are true.

19. Threat to the financial and economic security of the enterprise is:

- A. the probability of deviation of the results of economic activity from the planned ones;
- B. the probability of receiving material or moral damage in the course of economic activity;

- C. the state of the elements of its external or internal environment, which determines the level of its economic security;
- D. the action of factors of its external or internal environment, which can negatively affect its economic interests, hinder its financial and economic development.

20. The company's protection objects include:

- A. financial resources, enterprise personnel, material resources, information resources with limited access
- B. explicit, direct, and objective resources;
- C. personnel and explicit, direct, and subjective;
- D. all are true.

21. All premises of the company, depending on the purpose and nature of acts, actions or operations carried out in them, are divided into:

- A. three groups;
- B. important and unimportant;
- C. several availability (security) zones;
- D. categories.

22. Control-pass mode is

- A. method of determining and evaluating initial data;
- B. growth of the company's profits;
- C. availability zones;
- D. a complex of organizational and legal restrictions and rules establishing the procedure for the passage through checkpoints into individual buildings (premises) of facility employees, visitors, and transport and material means.

23. Types of access documents at enterprises

- A. invoices;
- B. reports;
- C. certificates and passes;
- D. goods invoices.

24. The reader is

- A. a device (located in the door or next to the door) designed for reading special code information written on the identifier and transmitting this information in the form of a certain signal to the controller;
- B. microcircuit located in a strong metal case;
- C. a plate with black stripes (strokes) applied to it;
- D. plate (plastic or metal) with code information.

25. Intra-object mode is

- A. a normal working mode, when all subjects of the security system, except for the crisis group, perform their functions, implement measures aimed at preventing the

occurrence of threats, their detection and the development of appropriate standard action plans in the event of the realization of certain threats;

- B. functioning of the security system when identifying specific potential threats;
- C. operational management of an organization that is transitioning to a crisis group;
- D. the procedure established in the company for implementing the rules of internal labor regulations aimed at ensuring economic security, preservation of material resources, and protection of confidential information.

26. Security activity in Ukraine is a type of licensed activity according to:

- A. List of Licensing Bodies approved by the Resolution of the Cabinet of Ministers of Ukraine dated November 14, 2000 No. 1698;
- B. the Law of Ukraine “On Licensing of Certain Types of Economic Activity”;
- C. Regulations on the State Security Service;
- D. Order of the Ministry of Internal Affairs of Ukraine.

27. Implementation under contracts of measures for the protection of especially important objects according to the list approved by the Cabinet of Ministers of Ukraine, other objects, cargoes, collection, and transportation, etc. is

- A. SSS function state security service;
- B. task of SSS;
- C. form of SSS;
- D. norm of SSS.

28. To create according to the established procedure, as well as act as a founder (participant) of business entities whose activities are related to the organization and implementation of protection and safety measures, development, production, implementation, installation, and preventive maintenance, etc. is:

- A. right of SSS;
- B. duty of SSS;
- C. norm of SSS;
- D. guarantor of SSS.

29. Protection of citizens is:

- A. the actions of security activities subjects of the organization and practical implementation of measures aimed at ensuring the personal safety of an individually determined person by diverting and/or preventing the negative direct influence of criminal, domestic or environmental factors on the state of his/her life;
- B. the current state of protection of his/her vital activity from immediate threats to his/her life, health, and bodily integrity, as well as personal freedom;
- C. the actions of security activities subjects of the organization and practical implementation, on the basis of civil law contracts, of measures aimed at ensuring the safety and integrity of the buildings, structures, other movable and immovable property specified by the property owner and belonging to him/her;

D. activity in the provision of services related to the protection of the property of legal entities and individuals and ensuring the personal safety of individuals based on civil law agreements.

30. During security activities, safe keeping personnel of business entities are prohibited from:

- A. use non-certified technical means of special security purposes, radio communication means without permits for their use on the provided radio frequencies, as well as other technical means that harm the life and health of citizens, and the environment;
- B. comply with the procedure established by the current legislation;
- C. observing the order and rules of providing first aid for injuries with firearms or cold weapons;
- D. providing services only under written civil law contracts.

31. The main goal of managing the financial and economic security of the enterprise is:

- A. ensuring the growth of the owners' well-being;
- B. ensuring sustainable financial and economic development of the enterprise in the long term;
- C. neutralization of financial risks;
- D. identification and forecasting of external and internal threats to the financial and economic security of the enterprise.

32. What do not belong to the basic principles of managing the economic security of the enterprise:

- A. legality;
- B. continuity;
- C. secrecy;
- D. all the specified principles are the principles of managing the economic security of the enterprise.

33. What does the principle of legality mean:

- A. early detection of threats;
- B. work must be carried out based on the current legislation;
- C. constant action of the system;
- D. all answers are correct.

34. The set of main elements of influence on the process of development and implementation of management decisions to ensure the protection of the economic interests of the enterprise is:

- A. control mechanism;
- B. management functions;
- C. management principles;
- D. control system.

35. Achieving maximum functional efficiency (return) of the economic security system for more or less fixed costs of the resources allocated to it. This is the principle of:

- A. interaction;
- B. optimality;
- C. legality;
- D. encouragement.

36. The economic intelligence system should not just solve the issue of data accumulation and issuing reports, its main task is:

- A. staffing in competition;
- B. providing management decision-makers with such information that would help to choose the best option for solving the problem facing the enterprise;
- C. to pursue a competitor's weakness;
- D. determine financial costs.

37. Principles of intelligence planning:

- A. definition of the purpose of conducting intelligence activities, the needs of the subject of economic activity in information to achieve the goals, and sources of obtaining the necessary information;
- B. management of current activities of the enterprise;
- C. management of strategic development of the enterprise;
- D. displacement in the enterprise to the “third role”.

38. The psychological readiness and business abilities of the first person regarding the organization of effective operational functioning and strategic development of the enterprise is:

- A. direction of enterprise planning;
- B. management of strategic development of the enterprise;
- C. one of the functions of strategic development of the enterprise;
- D. one of the main factors shaping personal position.

39. The economic intelligence system of the enterprise can receive data from:

- A. government sources;
- B. private sources;
- C. various sources, both public and private;
- D. sources with the permission of the Ministry of Internal Affairs.

40. For intelligence activities, the following types of effect can be named:

- A. two;
- B. three;
- C. four;
- D. large quantity.

41. The work of the economic counterintelligence unit of the security service of an economic entity is related to:

- A. detection, prevention, suppression of infiltration attempts and recruitment of agents by competitors, partners and criminal structures; prevention of leakage of confidential information about the activities of the enterprise by its employees, partners, and customers;
- B. detection, prevention, suppression of infiltration attempts and recruitment of agents by competitors, partners and criminal structures; involvement of competitors;
- C. prevention of leakage of confidential information about the activities of the enterprise by its employees, partners and customers; the introduction of their agents in the company;
- D. preventive verification of the loyalty of its employees, internal investigation of the facts of falsification and theft; auditing financial statements.

42. The purpose of the counterintelligence unit can be defined as:

- A. administrative and economic unit of the enterprise;
- B. law enforcement and supervisory authority in documenting illegal actions of persons committing criminal offenses, and having administrative guilt;
- C. counteracting the intelligence measures of competitors and the suppression of offenses by illegal groups or individuals who encroach on the interests of the enterprise or its individual employees;
- D. object of external activity of the firm.

43. The organizational measures of the counterintelligence unit include:

- A. systematic surveys of office premises to detect eavesdropping devices;
- B. briefings, development of tokens, training, classes, etc.;
- C. security by technical means;
- D. internal audit of the financial position.

44. Subsections (departments, groups, sectors) of counterintelligence can be conditionally divided into:

- A. four groups (detectives, misinformers, interlocutors, perpetrators);
- B. five subgroups (technicians, organizers, performers, security guards, managers);
- C. two groups (main, auxiliary);
- D. four sectors (security, intelligence, personnel, finance).

45. The method of secret collection of information, closed from unauthorized persons, based on visual and auditory perception of processes and phenomena, as well as methods of their registration, which relate to the object under study and is of great importance, taking into account counterintelligence activities, is:

- A. inquiries;
- B. covert surveillance;
- C. study of objects and documents;
- D. open and encrypted interrogation.

46. A system of complex solutions and measures to implement the goals of the enterprise and each employee is:

- A. principle;
- B. stage;
- C. personnel planning;
- D. task.

47. HR planning should ensure:

- A. maximum disclosure of employees' abilities;
- B. employee motivation;
- C. use of personnel;
- D. the correct answer is A and B.

48. Name the main stages of planning the need for personnel:

- A. assessment of existing personnel, assessment of future personnel needs, development of a program to meet future personnel needs;
- B. growth of labor productivity, the limit of the number of employees, the planned volume of production;
- C. study of personnel, certification of personnel, dismissal of personnel;
- D. personnel selection, personnel dismissal, personnel evaluation.

49. The normative method is:

- A. method of application of the system of standards that determine the number; of employees in a functional section, the cost of producing a unit of output;
- B. a set of mathematical formulas that allow the simultaneous use of extrapolation methods, standards, expert assessments and information on changes in factors affecting the quantitative and qualitative composition of personnel;
- C. structural changes in the economy;
- D. optimization of calculations based on various types of models, which include correlation models that reflect the relationship between two variables.

50. A method based on the use of expert opinion to determine personnel needs:

- A. balance planning method;
- B. linear programming method;
- C. peer review method;
- D. econometric method.

51. The main goal of managing the financial and economic security of the enterprise is:

- A. ensuring the growth of the owners' well-being;
- B. ensuring sustainable financial and economic development of the enterprise in the long term;
- C. neutralization of financial risks;

D. identification and forecasting of external and internal threats to the financial and economic security of the enterprise.

52. Which do not belong to the basic principles of managing the economic security of the enterprise:

- A. legality;
- B. continuity;
- C. secrecy;
- D. all of these principles are the principles of managing the economic security of the enterprise.

53. What does the principle of legality mean:

- A. early detection of threats;
- B. work must be carried out on the basis of current legislation;
- C. permanent operation of the system;
- D. all answers are correct.

54. The set of main elements of influence on the process of development and implementation of management decisions to ensure the protection of the economic interests of the enterprise is:

- A. management mechanism;
- B. management functions;
- C. management principles;
- D. management system.

55. Achieving maximum functional efficiency (return) of the economic security system for more or less fixed costs of the resources allocated to it. This is the principle of:

- A. interaction;
- B. optimality;
- C. legality;
- D. neutrality.

56. According to the Great Explanatory Dictionary of the Modern Ukrainian Language, “security” is

- A. absence of danger;
- B. reliability;
- C. protection against dangers at the system level;
- D. a state when nothing threatens anyone or anything.

57. According to the occurrence at the stages of business activity, threats are classified:

- A. by reason of occurrence, by object;
- B. by the nature of occurrence;

- C. at the stage of enterprise organization; at the stage of development of entrepreneurial activity; at the stage of decline of the enterprise;
- D. nationwide; local

58. Threats are classified by distance in time:

- A. long-term, the impact of which can be traced for 5-10 years or more;
- B. one-off, the impact of which is determined by certain circumstances;
- C. immediate; distant;
- D. nationwide; local

59. The economic security system of the enterprise is this

- A. a complex of organizational-management, regulatory, technical, preventive, and propaganda measures aimed at ensuring the enterprise's activity and implementing the protection of its interests from external and internal threats;
- B. provision of financial resources sufficient for extended reproduction and fulfillment of existing obligations, financial stability, protection from external as well as financial and economic interests of the enterprise;
- C. provision of the enterprise with management as well as industrial and production personnel, reduction of staff turnover at the enterprise;
- D. ensuring the condition and activity of the enterprise.

60. The program-target method allows

- A. ensuring the economic security of the territories and is one of the main means of approaching European standards;
- B. creation of a small system of documents;
- C. determine the risks of resource provision of activities;
- D. meet the immediate need for the implementation of integration processes in various areas of management.

61. The administrative function of the enterprise economic security system is

- A. in the preparation of decisions on the creation and maintenance of a security system; distribution of duties, rights, powers; establishing the responsibility of employees of the enterprise for ensuring economic security;
- B. in highlighting the most important areas of financial and commercial activities and work to identify external and internal threats to the financial stability and sustainability of the facility;
- C. in establishing control over critical situations of partners;
- D. in the participation of the ESS in the creation and maintenance of the effective functioning of the structure that manages the security process, as well as flexible temporary structures in certain areas of work, the organization of interaction and coordination between individual parts of the system to achieve the goals set.

62. Scientific and methodological function of the enterprise economic security system is

- A. in the preparation of decisions on the creation and maintenance of a security system; distribution of duties, rights, powers; establishing the responsibility of employees of the enterprise for ensuring economic security;
- B. in highlighting the most important areas of financial and commercial activities and work to identify external and internal threats to the financial stability and sustainability of the facility;
- C. in the accumulation and development of experience in ensuring security; organizing training for employees of the enterprise; in the scientific analysis of the emerging problems of ensuring security and methodological support for the activities of the enterprise's divisions in this area;
- D. in the participation of the ESS in the creation and maintenance of the effective functioning of the structure that manages the security process, as well as flexible temporary structures in certain areas of work, the organization of interaction and coordination between individual parts of the system to achieve the goals set.

63. Identification of the severity of threats for a particular enterprise is proposed to be carried out using

- A. a “threat-loss” matrix that determines the position (a zone of critical, high, medium, low and minimum levels of danger) based on two benchmarks – the probability of a threat and the possibility of losing the achieved level of economic security;
- B. highlighting the most important areas of activity and work to identify external and internal threats to the financial stability and stability of the facility;
- C. correlation and regression analysis data;
- D. Saaty method.

64. Application process of the hierarchy analysis method consists of

- a) three stages;
- B) two stages;
- C) four stages;
- D) positions of alternatives priority.

65. Improving the management processes of the EES system is possible due to

- A. use of new universal formalized qualitative characteristics (communicativeness, maneuverability, stability and adaptability);
- B. self-preservation;
- C. stabilization;
- D. competitiveness.

66. Monitoring the state of the enterprise is

- A. a special system of methods and tools aimed at functional support of enterprise management in the field of information security;

- B. regulation of settlement forms between enterprises and consumers;
- C. minimization of the destructive impact of the results of production and economic activity on the state of the environment;
- D. the financial condition of the enterprise, if at a specific moment, as a result of a random combination of circumstances, a certain amount of funds available to it and highly liquid assets is temporarily insufficient to pay off the current debt.

67. Identification of threats to the external and internal environment of the enterprise, their evaluation by probability of realization and possible losses; calculation of indicators of financial and economic security of the enterprise involves the performance of the following management function:

- A. analysis;
- B. monitoring;
- C. information support;
- D. control

68. Diversification as a method of neutralizing financial risk:

- A. allows to reduce the level of risk of the portfolio of securities, but at the same time reduces the overall level of its profitability;
- B. allows to reduce the level of risk of the portfolio of securities, but does not reduce the overall level of its profitability;
- C. allows to neutralize all types of financial risks;
- D. neutralizes only some types of risks, in particular, inflation, tax, etc.

69. The main goal of financial management of the enterprise:

- A. assessment of the economic condition of the enterprise based on management accounting;
- B. analysis and assessment of the financial and economic state of the enterprise;
- C. analysis and assessment of the financial and production state of the enterprise;
- D. growth of shareholders' property in the long term and solvency (profitability) in the short term.

70. The purpose of monitoring the enterprise's financial condition:

- A. control of the financial and economic condition of the enterprise;
- B. determination of the risks of the financial and economic state of the enterprise;
- C. forecasting, analysis and control of the enterprise's accounting system;
- D. informing about the state of achievement of strategic and tactical goals of the enterprise, deviation of forecasted and planned indicators of the state of the enterprise from the specified values, calculation of analytical indicators of analysis and assessment of the financial state of the enterprise, indicators of the state of the enterprise in the industry and markets (commodity and financial).

71. Depending on the stage (depth) of the crisis, anti-crisis management is differentiated into ... subtypes:

- A. two subtypes;
- B. three subtypes;
- C. four subtypes;
- D. there is no correct answer.

72. Depending on the timing of the beginning of the crisis period, different concepts (models) of anti-crisis management can be implemented:

- A “adjustment”, “exit from the crisis”, “stabilization of the situation”;
- B “approach”, “removal”, “non-interference”;
- C “exiting the crisis”, “facilitating the deployment”, “consequences of the crisis”;
- D “duration of the crisis”, “neutrality”, “causes of the crisis”.

73. Depending on the object of management monitoring, different concepts (models) of anti-crisis management can be implemented:

- A “adjustment”, “exit from the crisis”, “stabilization of the situation”, “external anti-crisis management”;
- B “approach”, “removal”, “non-interference”, “combined anti-crisis management”;
- C “exiting the crisis”, “facilitating the deployment”, “consequences of the crisis”, “external anti-crisis management”;
- D “consequences of the crisis”, “duration of the crisis”, “causes of the crisis”, “combined anti-crisis management”.

74. The principle of the main link is aimed at:

- A the implementation of constant control throughout the carrying out the management measures with the aim of its constant adaptation to the conditions of the internal and external environment of the enterprise, which change in times;
- B optimization of the methodological tools for researching the problems of the enterprise and diagnosing the threat of its bankruptcy, the optimal ratio of operational, tactical and preventive anti-crisis measures, taking into account the stage of the crisis, the probable term of the bankruptcy situation, the causes and factors that led to the emergence of crisis phenomenon;
- C search and priority solution of the main problem (catalyst of the crisis), increased attention to the sphere (direction) of activity that determines the emergence and spread of the crisis or in which the further deepening of the crisis has the most negative impact on the functioning of the enterprise as a whole;
- D knowledge and use in the interests of the enterprise of the legal principles that regulate the implementation of business activities, the implementation and consideration of a bankruptcy case, determine the possibilities of financial recovery and rehabilitation of enterprises, the choice of financing sources, etc.

75. There are ... stages of anti-crisis management:

- A two stages;
- B eight stages;
- C six stages;
- D nine stages.

76. The main purpose of competitive intelligence is to:

- A. Market changes anticipated;
- B. Studying the successes and failures of competitors;
- C. Support and management decision making;
- D. Learning new technologies.

77. Competitive intelligence includes:

- A. Consumer data;
- B. Product development;
- C. New technologies;
- D. All answers are correct.

78. Analysis of telephone activity is:

- A. Activities of the CI service to study the parameters and content of telephone conversations of the research object;
- B. Structured information about the mobile operator;
- C. General information about the phone user;
- D. Study of the total number of calls per day.

79. When searching through global search engines, you can use:

- A. Operators to limit the search to the desired social network;
- B. Calling the hotline;
- C. SMS message;
- D. The correct answers are A and B.

80. The tasks of CI, solved with the help of recruiting, are:

- A. Intelligence of the competitor's personnel management system;
- B. Studying the markets of interest;
- C. Reconnaissance of competitor's intentions;
- D. All answers are correct

81. Groups of information sources:

- A. Publications;
- B. News aggregators, market player websites;
- C. Competitor company;
- D. All answers are correct.

82. Representatives of different companies can provide information about:

- A. Customers, Suppliers;
- B. Resellers, distribution channels;
- C. Actions of the enterprise in the market;
- D. All answers are correct.

83. Information that can be found by analyzing the details in the photo in the profiles of social network users:

- A. Place of work of the object;
- B. Involvement in the event;
- C. Relationship with an important person;
- D. All answers are correct.

84. Setting up the release of new products is related to:

- A. Changing the technical chain by purchasing new components, buying new machines, and hiring new workers;
- B. New market research, preliminary search for dealers, partners, and customers;
- C. Carryout additional organizational changes in the structure of the enterprise;
- D. The correct answers are A and B.

85. The expansion of production and development of a new type of product can be accompanied by:

- A. Acquisition of new areas for production organization;
- B. Purchasing additional or new equipment;
- C. Purchasing a larger volume of raw materials or attracting new raw materials;
- D. All answers are correct.

86. Hiring employees is:

- A. Purchasing new equipment;
- B. Recruiting company employees;
- C. The activity is aimed at finding new employees for the company's branches;
- D. Publication of a vacancy announcement and conducting an interview.

87. A press release is:

- A. Official statements on behalf of the company, especially about new technologies;
- B. Official statements on behalf of the company, especially about new directions;
- C. Official statements on behalf of the company about the results of financial and innovative activities;
- D. The correct answers are A and B.

88. Private statements of company employees are:

- A. Information expressed by employees of the company under investigation on forums, blogs, and private conversations;
- B. This is almost the same as a press release, but in a freer form;

- C. These are official statements made by employees on behalf of the company;
- D. Statements of company employees by order of management.

89. Purchases (tenders) of the company are:

- A. This is new equipment that the company is purchasing;
- B. Involvement of outsourcers;
- C. Desire to purchase a new product by the company;
- D. The correct answers are A and B.

90. The company's activity in the M&A market is characterized by:

- A. Acquiring the organization or conducting takeover negotiations;
- B. Cooperation with those who are “pressured” and with those who are being negotiated;
- C. The number of sales in the market for a certain period;
- D. Answers A and B are correct.

91. The main task of exhibitions, conferences, and presentations is:

- A. Exchange information between participants
- B. Help attendees find new contacts, resources
- C. Skill display
- D. All answers are correct

92. The strategy of the CI at market events consists of:

- A. Stage 1 – preparatory, stage 2 – information gathering, stage 3 – post-exhibition work;
- B. Stage 1 – training, stage 2 – fundraising, stage 3 – post-exhibition work;
- C. Stage 1 – organizational, stage 2 – motivational, stage 3 – technical;
- D. There is no correct answer.

93. The 1st “preparatory” stage of the CI at market events consists in:

- A. Identifying potentially interesting events;
- B. Preparing for selected events;
- C. Building an event team;
- D. All answers are correct.

94. The 2nd “gathering information on the market” stage of the CI at market events consists in:

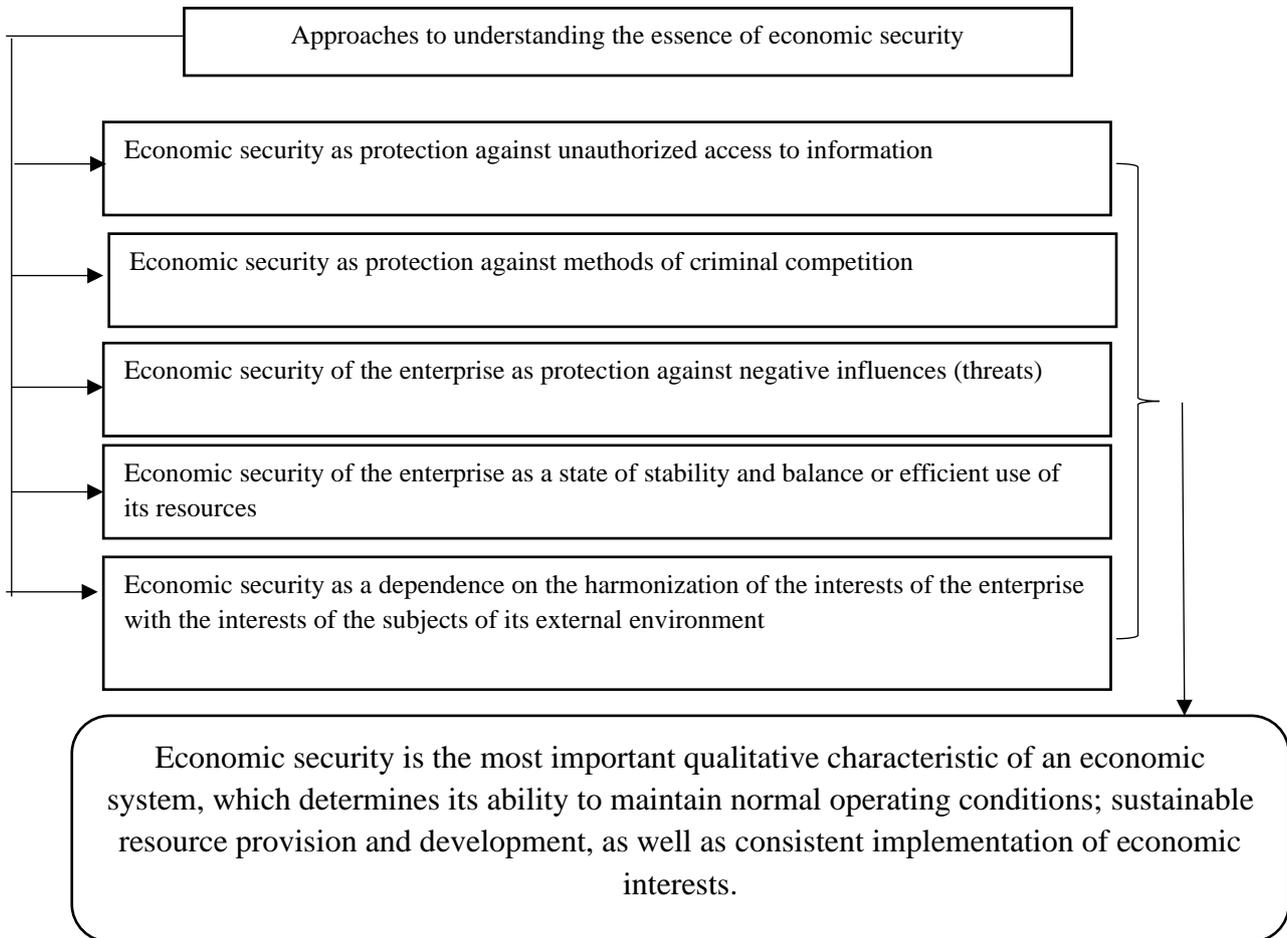
- A. Preliminary data collection;
- B. Studying competitors' stands;
- C. Interviewing selected targets;
- D. All answers are correct.

95. The 3rd “post-exhibition work” stage of the CI at market events consists in:

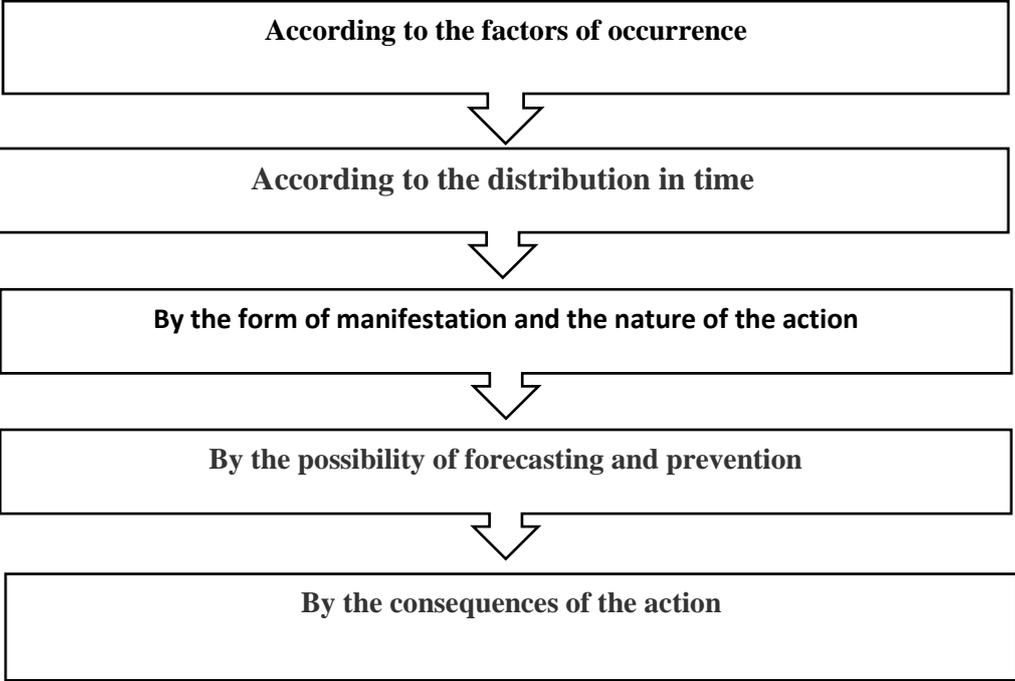
- A. Collection of related information;
- B. Systematization of data;
- C. Reporting;
- D. All answers are correct.

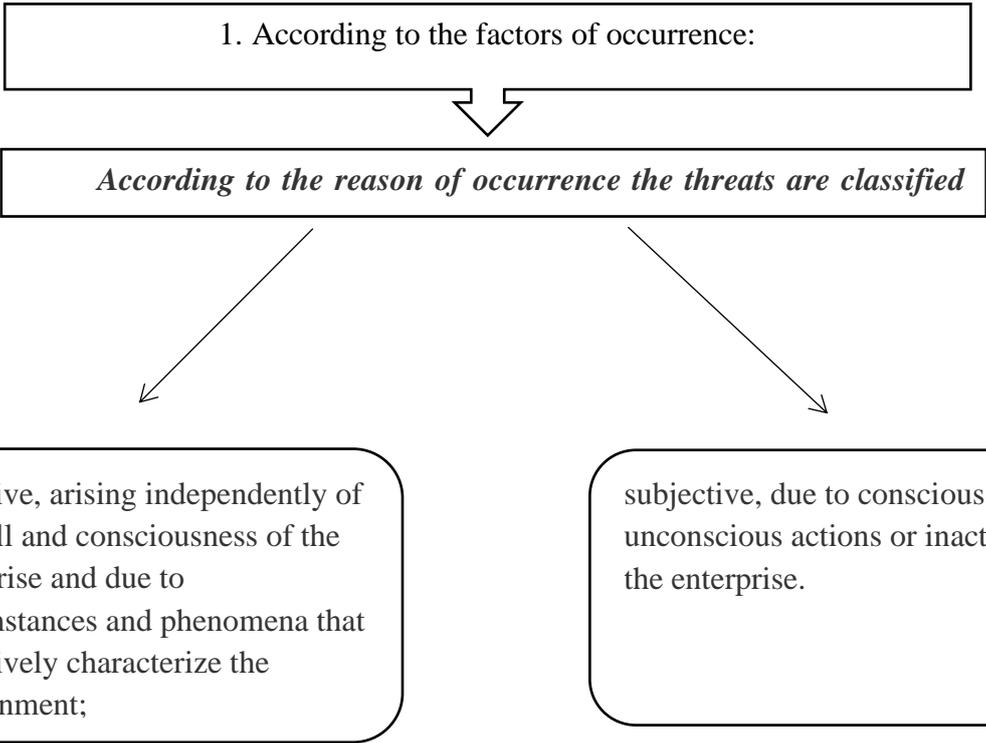
SCHEMES AND TABLES FOR PREPARING PRESENTATIONS AND VISUALIZING THE STUDY OF THEORETICAL MATERIALS

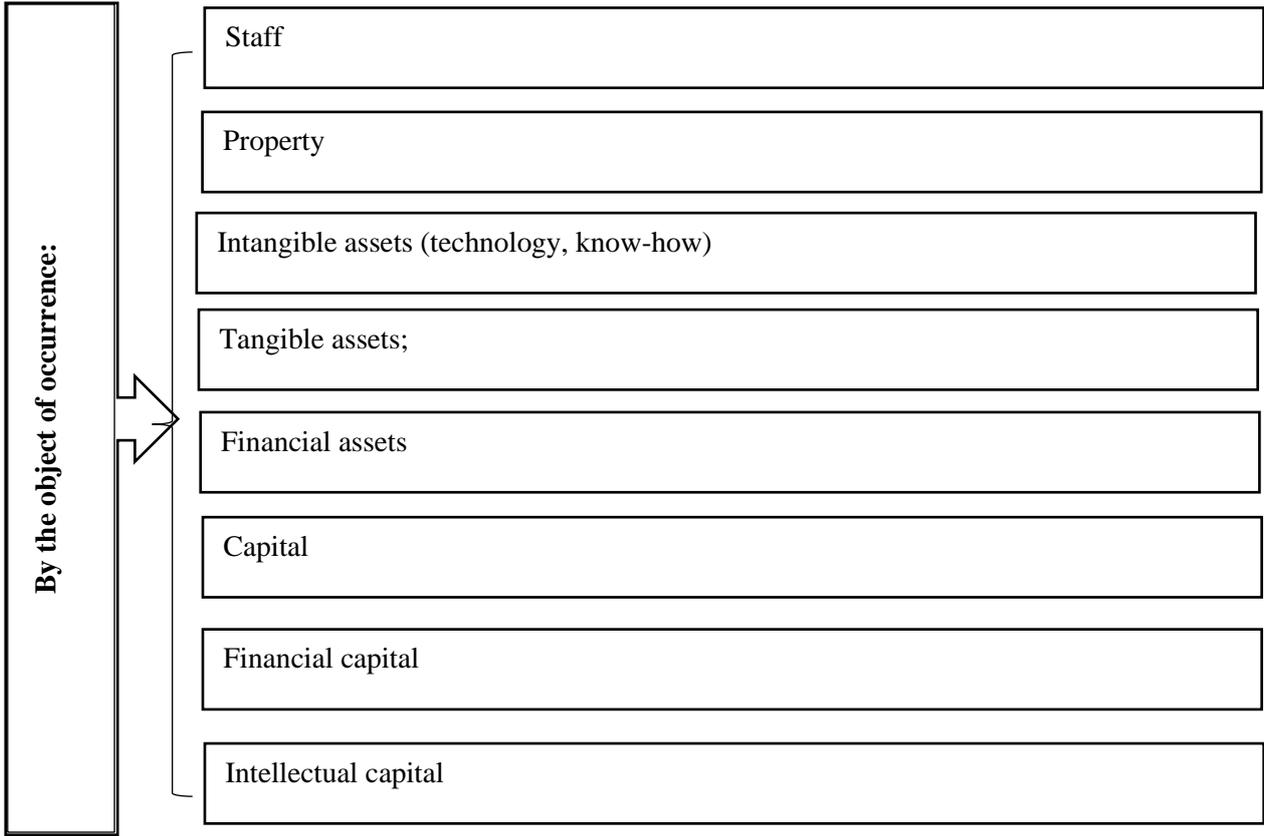
1. The essence of security and economic security of the enterprise

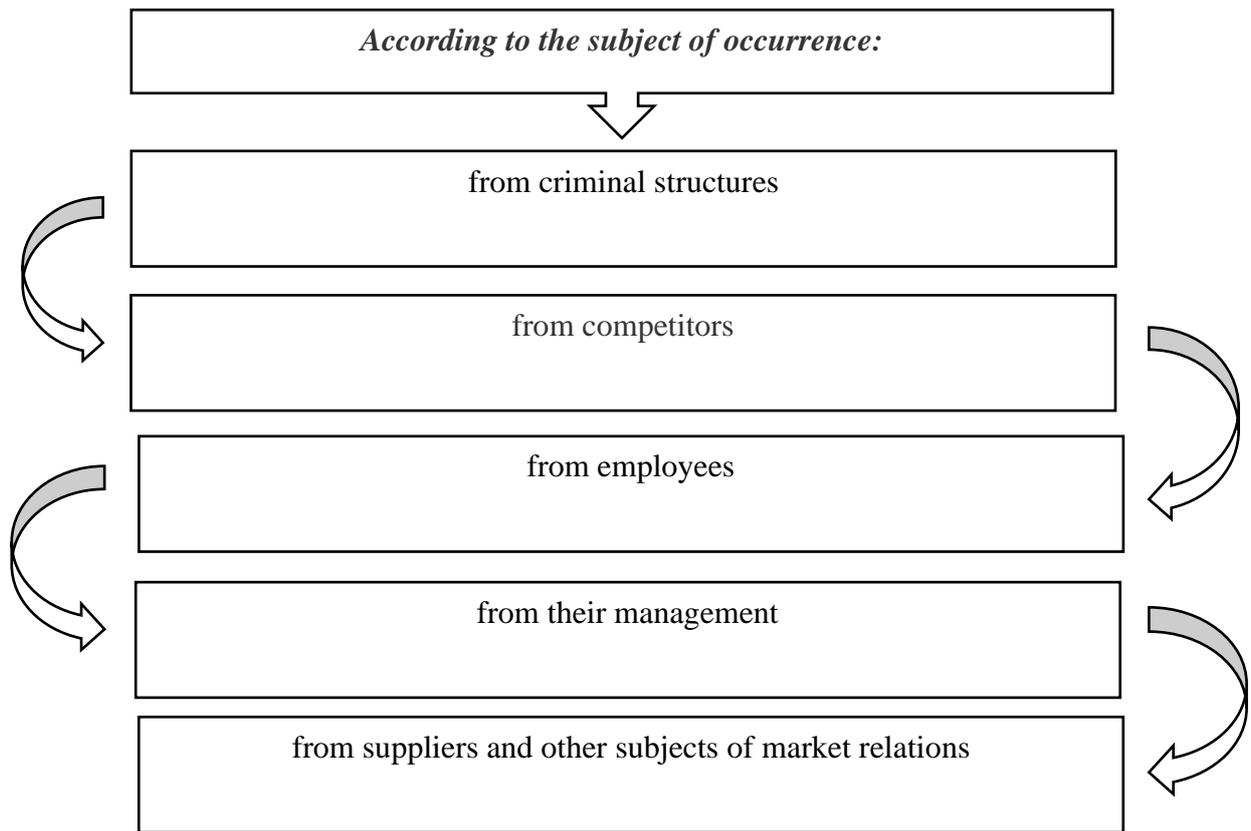


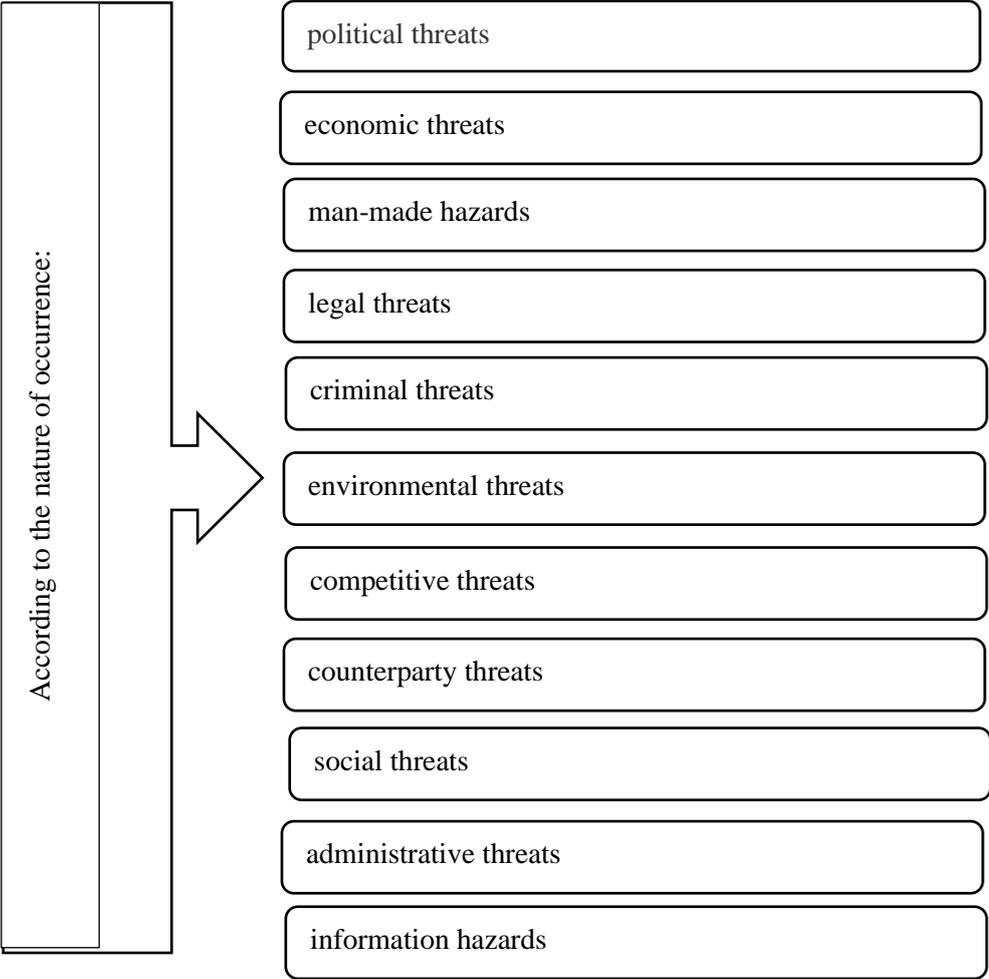
2. Grouping of dangers and threats to the economic security of an institution, organization, and enterprise









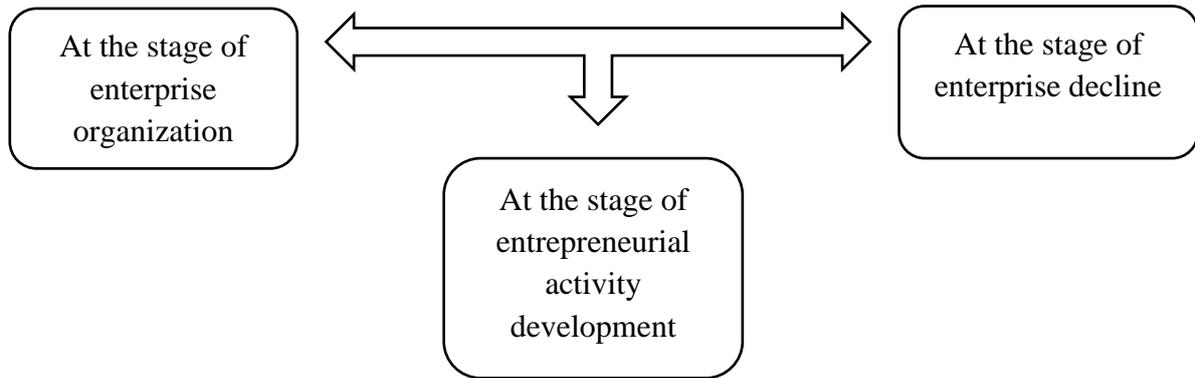


According to the directions of occurrence:

external threats arising outside the enterprise and not related to its production activities

internal threats that arise during the production and sale of products directly and depend on the forms, methods, and organization of work at the enterprise itself

By occurrence at the stages of entrepreneurial activity:



According to the scale of occurrence:



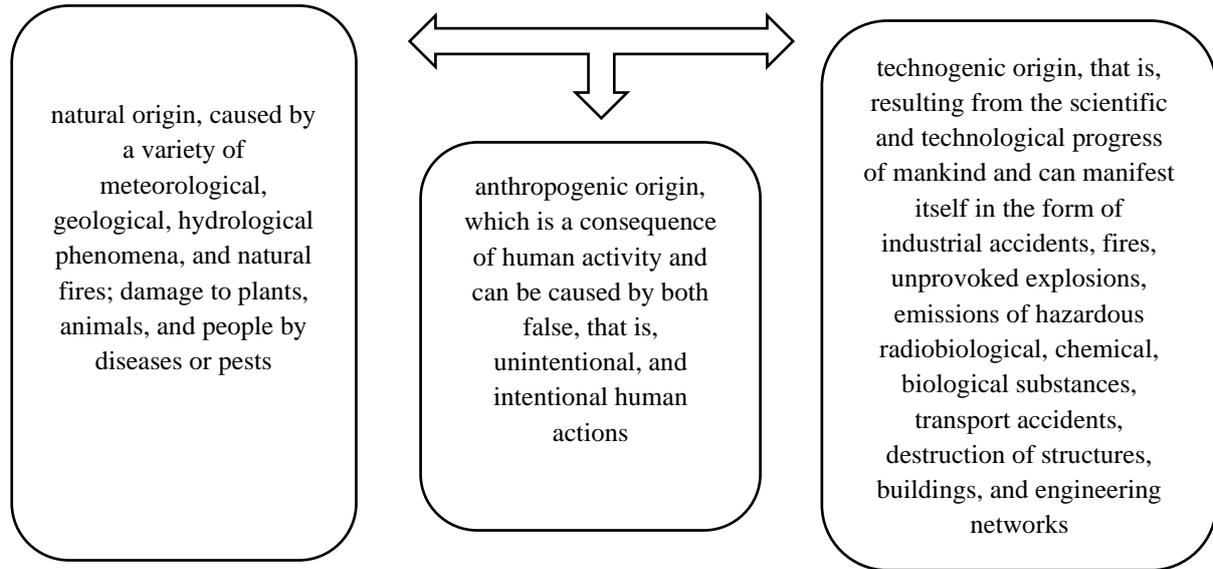
nationwide (on foreign territory; on the territory of the country)

local (on the territory of the region; on the territory adjacent to the enterprise)

individual (throughout the enterprise and its divisions)



According to sources of origin:



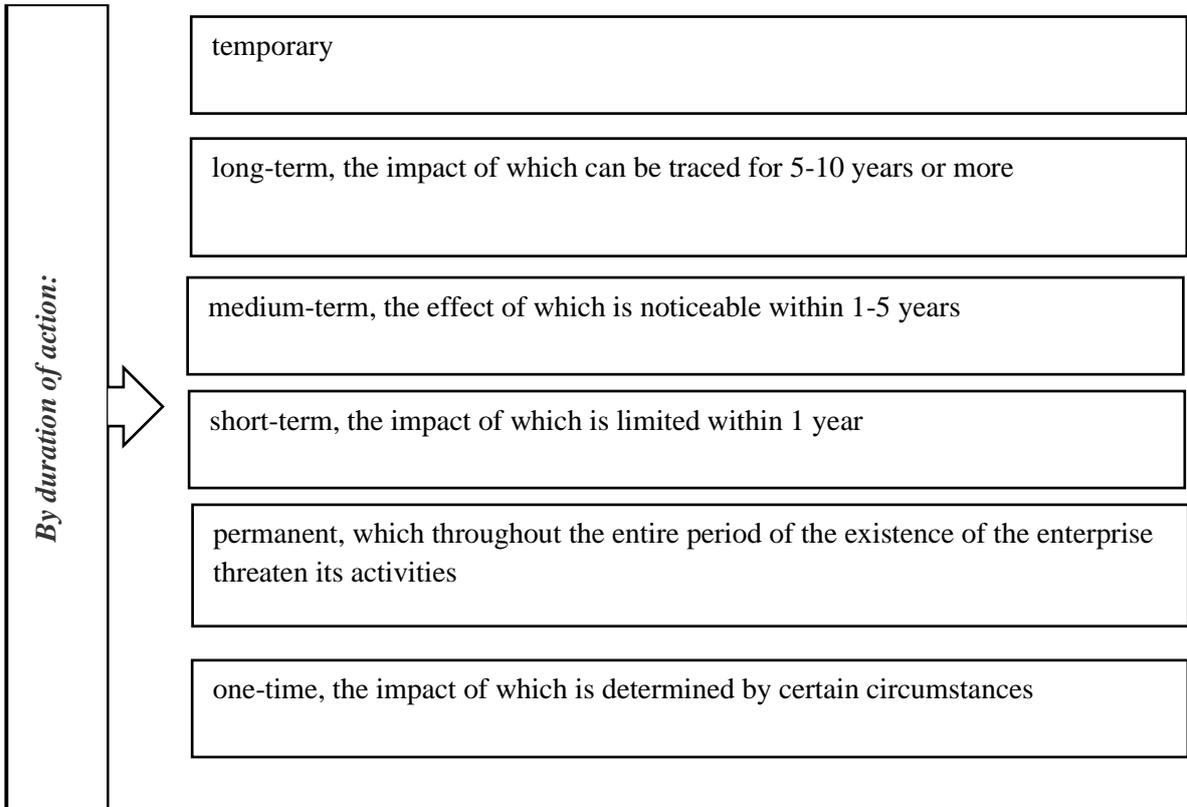
2. By time distribution



By distance in time:

Direct (threaten the company's activity today); relatives (threatening the enterprise within one year)

Distant (threaten the enterprise after a period of more than 1 year)



According to the form of manifestation and the nature of the action:



By the nature of the impact on the enterprise's activities:

Threats of the direct impact that directly affect the level of economic stability. This group should include: cases with economic partners (suppliers, consumers), competition between businessmen, and cases with contact audiences (state institutions for regulating business activities, tax authorities, the media, monetary authorities, investors)



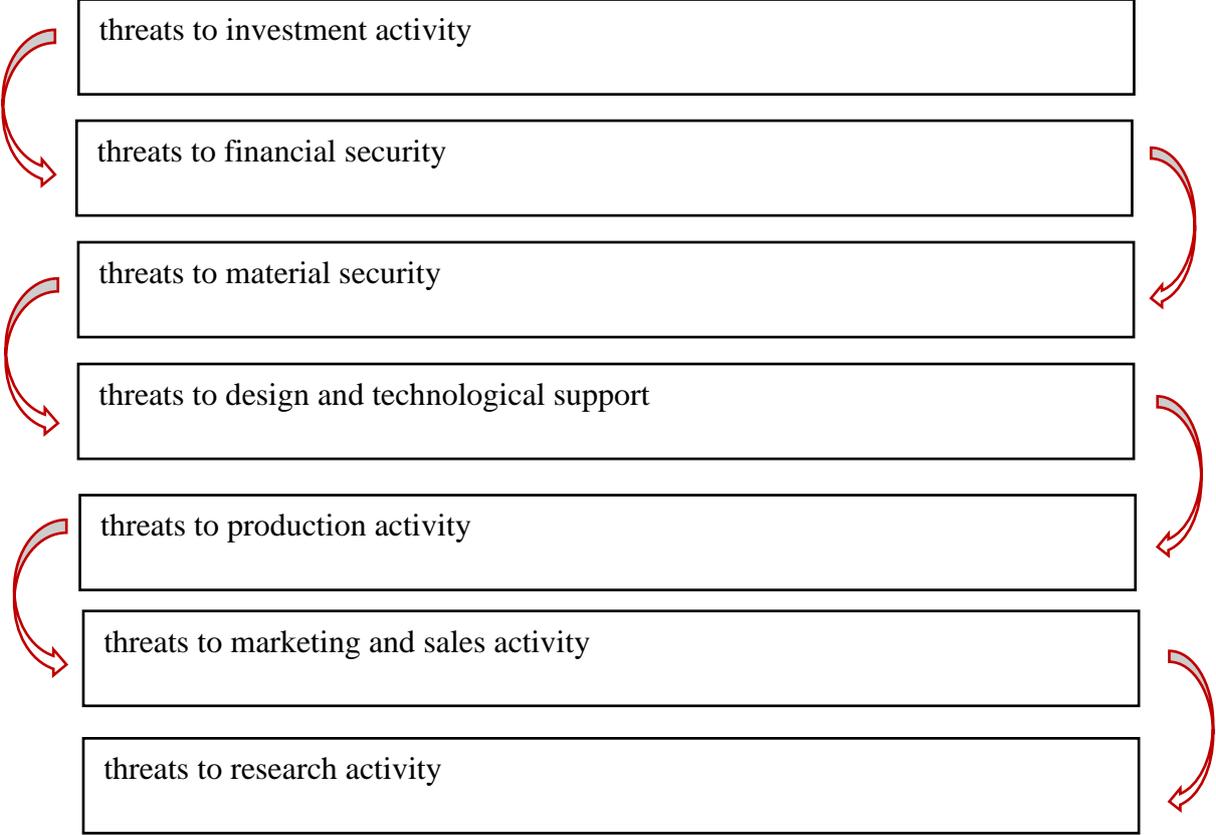
Threats of indirect impact, which may not have a direct regular impact on the level of risk, but contribute to its change. These include: socio-demographic, cultural, political, scientific and technological, economic, and legal.

By the form of manifestation:

quantitative threats (associated with the failure or deterioration of the performance of the enterprise in comparison with the established standards)

qualitative threats (associated with qualitative changes in the development of the enterprise, in particular, bankruptcy, corporate conflicts, market collapse, and freezing of bank accounts)

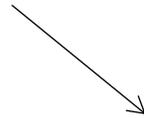
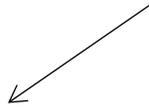
By field of manifestation:



By the possibility of forecasting and prevention:

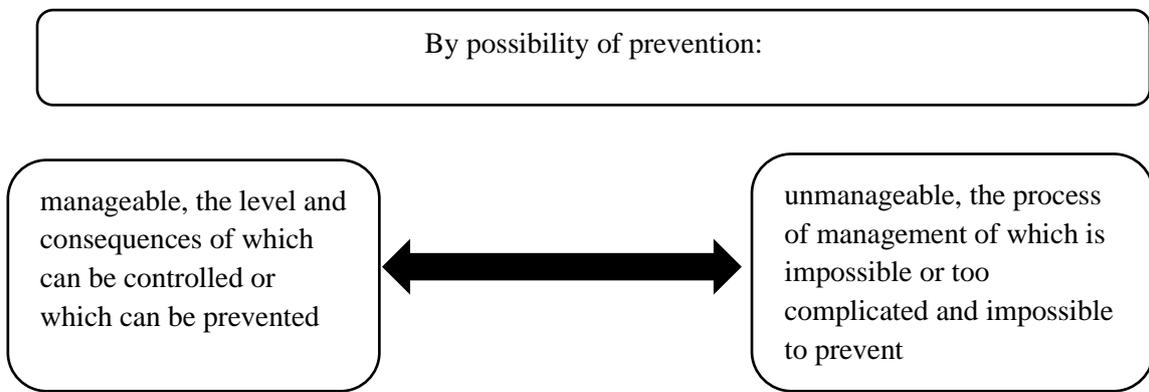
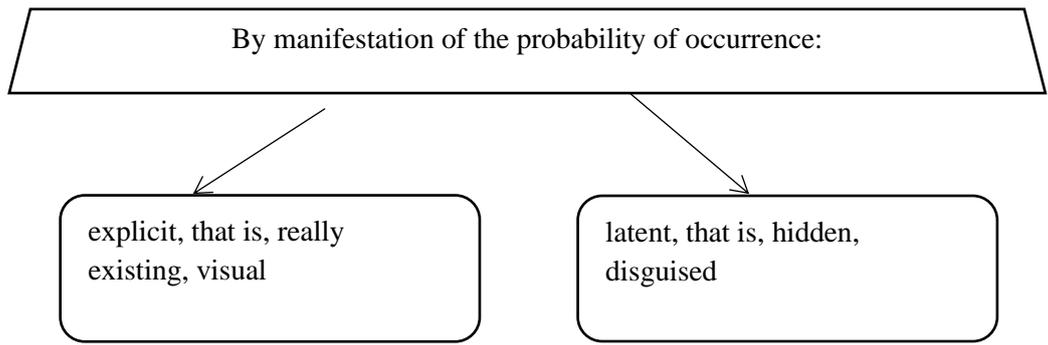
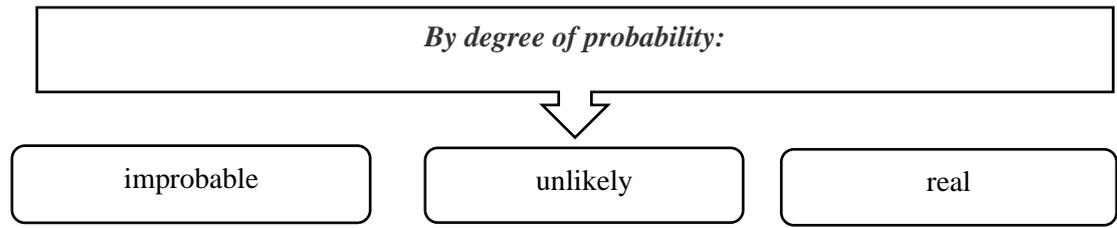


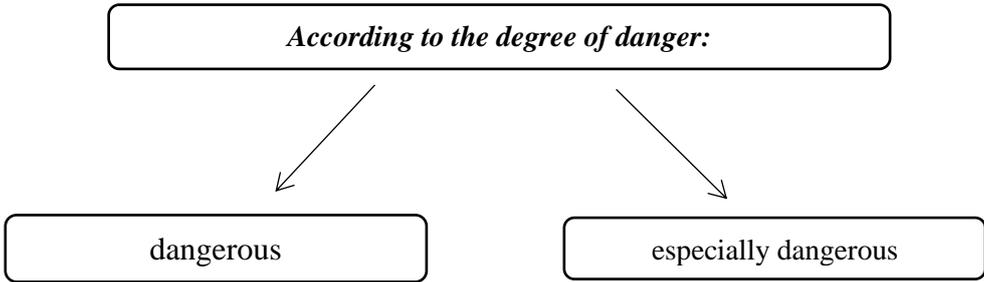
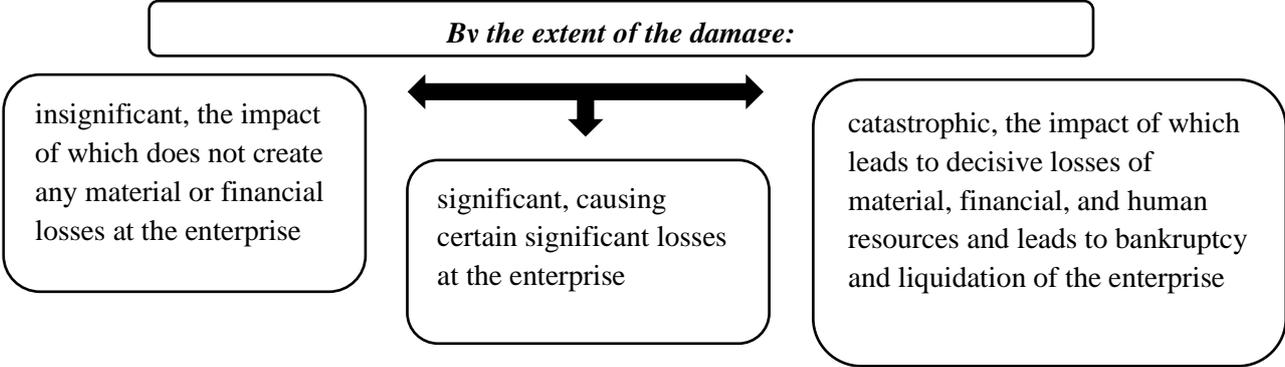
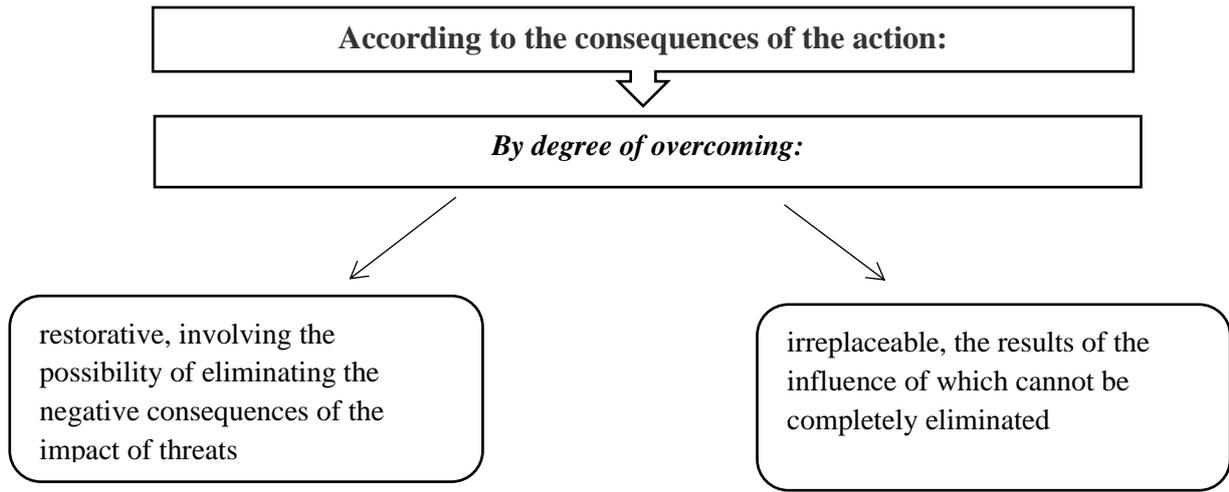
According to the possibility of forecasting:



expected, which are known from the experience of economic activity and can be detected in time with the help of certain indicators;

unpredictable, which occur suddenly and cannot be predicted





Definition of the concept of “security activity”

Security activity is a form of the active attitude of security subjects to the security reality, the meaning of which is to make appropriate changes in it based on the assimilation and development of security culture. That is, it is an activity aimed at countering threats, restoring activity to protect corporate interests, and preserving the integrity of processes or systems based on the assimilation and development of a security culture.

In terms of content, security activity has a complex nature and structurally contains three



informational and operational

preventive and prophylactic

liquidation and restoration

The sequence of the security activity mechanism:



mechanisms for preventing threats to the beginning of its occurrence or implementation

threat detection mechanisms

threat elimination mechanisms

mechanisms for the resumption of activities, conditions, and compensation for damage

The threat detection mechanism is a set of relevant activities, methods, and tools related to the collection and analysis of information about threats and documentation of illegal actions in the appropriate time and space

Threat liquidation (cessation) mechanisms are understood as a set of types of activity security and corresponding confidential methods, methods of work in emergencies, as well as means related to the elimination (cessation) of threats at any stage of its implementation

Recovery and compensation mechanisms are understood as a set of activities and corresponding methods and means necessary for the resumption of processes, quantitative or qualitative indicators of activity, communications and integrity of the enterprise, etc. after the implementation of the threat, as well as compensation for the damage caused

Under the warning mechanisms, security of activity is understood as a set of relevant activities, methods, and means related to the development of regulatory, organizational documents, and management decisions on enterprise security issues and their application to prevent the occurrence or action of a threat.

Security activity is complex in structure and connections and at the same time integrated into different areas of activity, in connection with which it must be organized and implemented in the form of a system. Otherwise, the security activity requires a systematic approach, which is based on the foundations of theoretical knowledge.

The main components of these mechanisms are



specific security functions (types of security activities)

security activity methods



means of security activity

security operation principles

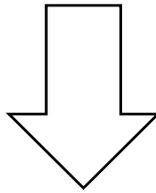
The main content of theoretical knowledge in the field of security is

1. identifying and studying specific causes, relationships, dependencies, interactions, and processes that make it possible to explain the facts of the emergence and action of threats, violation of the integrity of processes and objects
2. identifying and studying specific causes, relationships, dependencies, interactions, and processes that make it possible to explain the facts of the emergence and action of threats, violation of the integrity of processes and objects
3. identifying and studying specific causes, relationships, dependencies, interactions, and processes that make it possible to explain the facts of the emergence and action of threats, violation of the integrity of processes and objects
4. identifying and studying specific causes, relationships, dependencies, interactions, and processes that make it possible to explain the facts of the emergence and action of threats, violation of the integrity of processes and objects

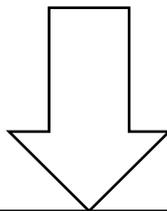
5. abstracting from directly observable characteristics, proposing and substantiating hypotheses that allow explaining the causes, processes, or mechanisms, established facts of the occurrence of threats, violation of the integrity of processes and objects
6. abstracting from directly observable characteristics, proposing and substantiating hypotheses that allow explaining the causes, processes, or mechanisms, established facts of the occurrence of threats, violation of the integrity of processes and objects
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8. abstracting from directly observable characteristics, proposing and substantiating hypotheses that allow explaining the causes, processes, or mechanisms, established facts of the occurrence of threats, violation of the integrity of processes and objects

9. formulation of theoretical conclusions in the field of organization security
10. formulation of theoretical conclusions in the field of organization security
11. formulation of theoretical conclusions in the field of organization security
12. formulation of theoretical conclusions in the field of organization security

The main features of hierarchical systems are



The duality of qualities of elements in the system - an element simultaneously has individual and systemic qualities, the more complex the hierarchical structure of the system, the higher its individual properties, the more clearly they appear in the supersystem, the less it is connected with other elements (systems) of the supersystem.



The dictation of the upper levels over the lower ones is the basic order of the hierarchy. The lowest level of the hierarchy is a working body or its working part



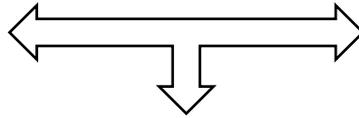
The insensitivity of the upper levels to changes in the lower ones, and vice versa - the sensitivity of the lower levels to changes in the upper ones. The main thing for the supersystem is the performance of its functions by the subsystem



Isolation of useful functions at hierarchy levels. A properly organized hierarchical structure singles out a useful function at each level, these functions are added (mutually reinforced) at the next level, while harmful functions at each level are either suppressed or new ones are not added to them.

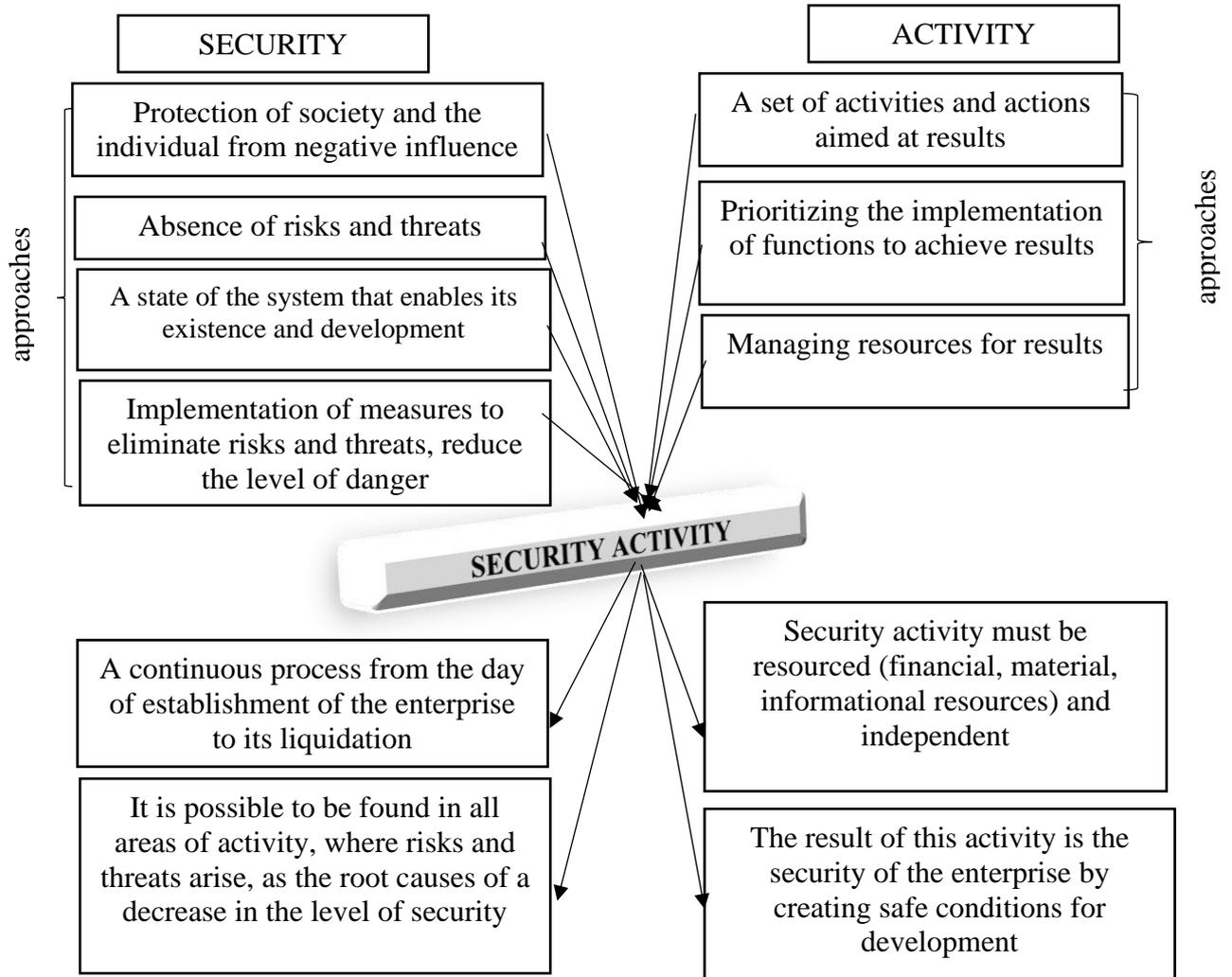
Any social system can function effectively under the following conditions:

System integrity



Internal and external system activity

Limited autonomy of system elements and their actions



The main parameters of the enterprise's security activity

The use of the term "security activity of the enterprise" is relevant and is determined by the following important points:

The existence of any socio-economic system, including enterprises, are possible only in case of ensuring its security;

Achieving interests, including for the enterprise - making a profit, which is possible in the case of development, which is impossible without the formation of safe conditions;

The following are the main components of the security potential:

The staff of the enterprise in general, specialized and semi-specialized units, between which functions to ensure the security of the enterprise are clearly distributed;

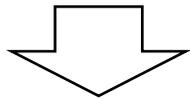
Material, technical and financial resources, which are necessary for the implementation of security activities at the enterprise;

A favorable organizational climate, which provides for the interaction of internal security subjects and cooperation with external subjects to achieve the goals of security activities.

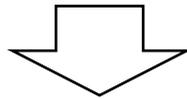
The formation of security potential should be carried out taking into account the following principles:



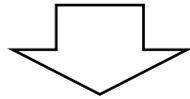
Alternatives, that is, when performing a certain task in the field of security activities of the enterprise, possible options should be taken into account using all personnel, semi-specialized and specialized divisions, external entities, in particular law enforcement agencies and private security firms;



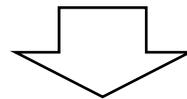
Dynamics, i.e. the impermanence of the values of available resources and capabilities;



Combinability in the application of various resources and capabilities, which enables the performance of specified tasks;



Proportionality to the main parameters and indicators of the enterprise's development and the need for protection from the negative impact of the external environment and the need to strengthen control over internal processes;



Efficiency, which consists first of all in reducing risks when making decisions by overcoming uncertainty, that is, preparing the necessary information base, reducing losses from the implementation of internal and external threats through their timely detection, countermeasures and elimination of consequences.

Fundamentals of organizing the management of the economic security of an enterprise

According to the economic dictionary, the **security of the enterprise** is the state of protection of its vital interests from unfair competition, illegal activities of criminal organizations and individuals, the ability to resist internal and external threats, maintain the stability of the operation and development of the enterprise in accordance with its statutory goals.

The economic security of the enterprise can be interpreted as:

the state of security of all systems of the enterprise in the implementation of economic activities in a certain situation

the state of all enterprise resources (capital, labor resources, information, technology, equipment, rights) and entrepreneurial abilities, in which their most effective use is possible for stable functioning and dynamic scientific, technical and social development, the ability to prevent or quickly level out various internal and external threats;

a set of organizational and legal, regime and security, technical, technological, economic, financial, information-analytical and other methods aimed at eliminating potential threats and creating conditions for ensuring the effective functioning of business entities in accordance with their goals and objectives

the state of the socio-technical system of the enterprise, which allows avoiding external threats and resisting internal factors of disorganization with the help of available resources, entrepreneurial abilities of managers, as well as structural organization and management connections

The main goal of managing the financial and economic security of an enterprise is to achieve high financial stability of the enterprise and protect its financial and economic interests from external and internal threats to ensure sustainable development in the long term

The main *functional goals of economic security* include:



Ensuring high financial efficiency of work, financial stability and independence of the enterprise

ensuring technological independence and achieving high competitiveness of the technical potential of an enterprise

achievement of high management efficiency, optimal and efficient organizational structure of enterprise management

achieving a high level of personnel qualification and its intellectual potential, proper efficiency of corporate R&D

minimization of the destructive impact of the results of production and economic activities on the state of the environment

The general scheme of the process of organizing economic security includes the following actions (measures) carried out sequentially or simultaneously

a) formation of the necessary corporate resources (capital, personnel, information rights, technology and equipment)

b) general strategic forecasting and planning of economic security by functional components

c) strategic planning of the company's business activities

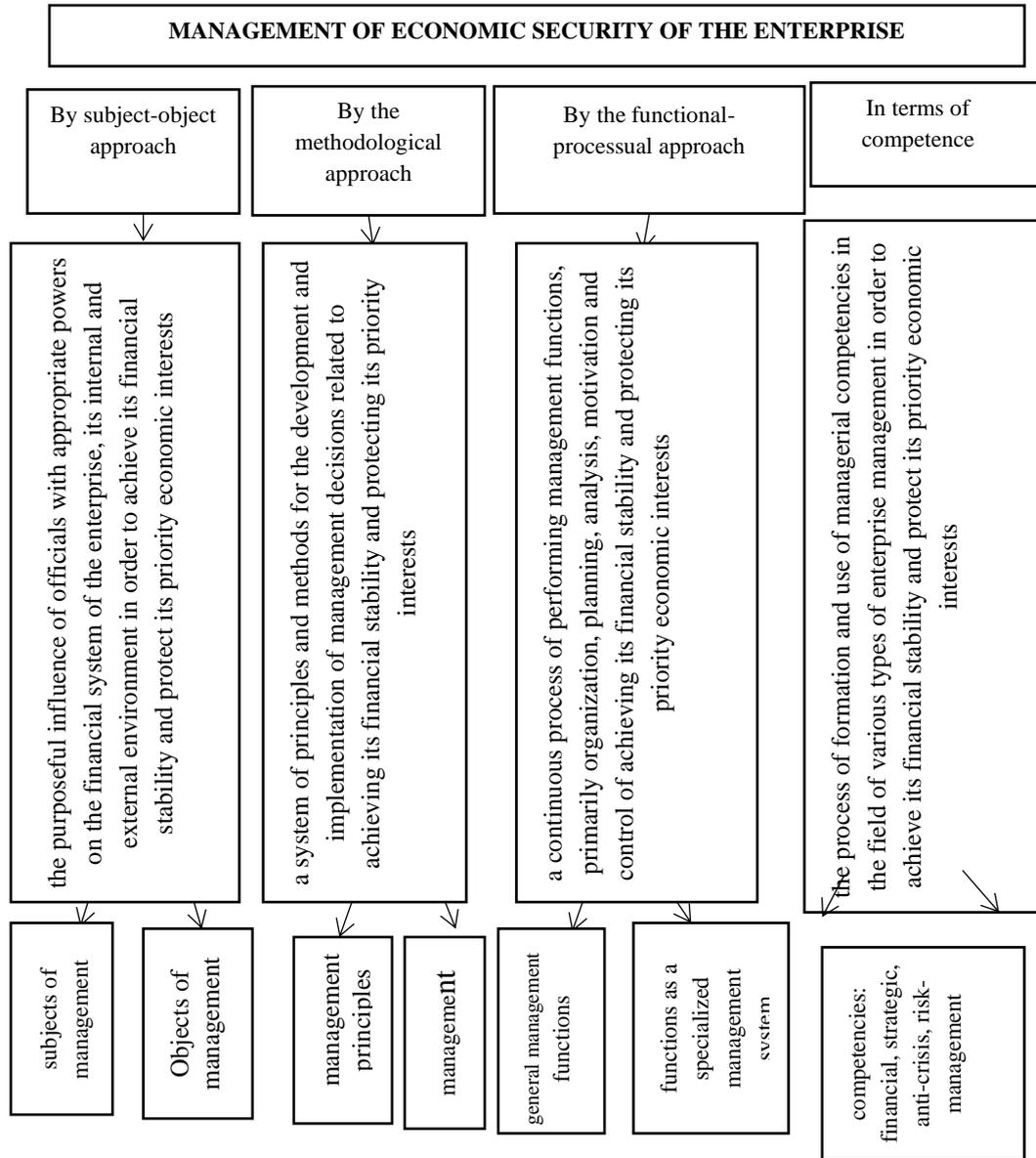
d) general tactical planning of economic security by functional components

e) tactical planning of economic activity of the enterprise

f) operational management of the economic activity of the enterprise

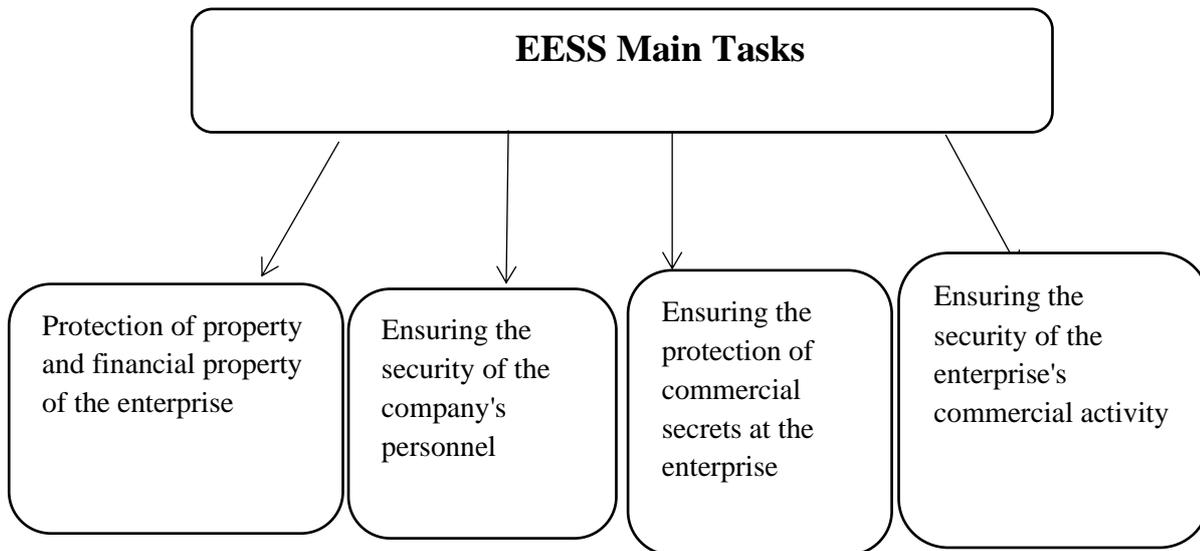
g) implementation of a functional analysis of the level of economic security

h) general assessment of the achieved level of economic security



Functions of the enterprise economic security department

The Economic Security Service (ESS) is a structural unit of an enterprise involved in production and commercial activities.



Functions of economic security service



Administrative management – consists in preparing decisions on the creation and maintenance of a security system; distribution of duties, rights, powers; establishment of responsibility of employees of the enterprise for ensuring economic security

Accounting and control – is implemented by highlighting the most important areas of financial and commercial activities and work to identify external and internal threats to the financial stability and stability of the object

Economic management – involves the participation of the ESE in determining the necessary material and other resources, in the preparation and implementation of measures to ensure the safety of property, finances, protection of trade secrets, etc

Social and personnel – implies the participation of the ESE in the selection and placement of personnel, studying the causes and localization of possible conflicts, identifying the prerequisites for social tension, instructing employees on their competence, monitoring compliance with the rules of the regime and security

Organizational and managerial – consists in the participation of the ESE in the creation and maintenance of the effective functioning of the structure that manages the security process, as well as flexible temporary structures in certain areas of work, in organizing interaction and coordination between individual parts of the system to achieve the goals

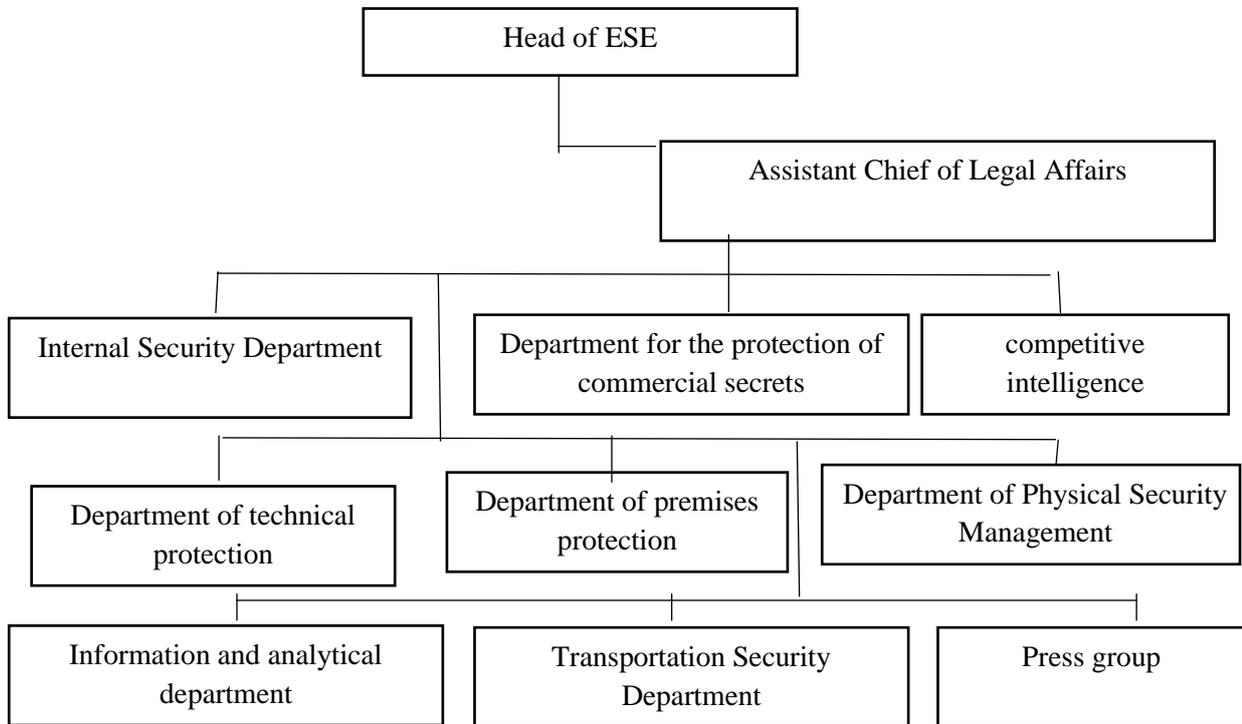
Planning and production – is implemented in the development of a comprehensive program and individual target plans for ensuring the security of the enterprise, in the preparation and implementation of measures for their implementation and maintenance of the security regime

Organizational and technical – is carried out by means of material, technical and financial support of the enterprise security system, development of special equipment

Scientific and methodological – is implemented in the accumulation and development of experience in ensuring security; organizing training for employees of the enterprise; in the scientific analysis of emerging security problems and methodological support for the activities of enterprise units in this area

Information and analytical – consists in the purposeful collection and processing of information related to the field of security, the creation and use of the necessary technical and methodological means of analytical processing of information, the organization of information support for interested departments and individual employees with information available in the economic security service

Option of building the organizational structure of the economic security service of the enterprise



Mechanisms of management of economic security of the enterprise

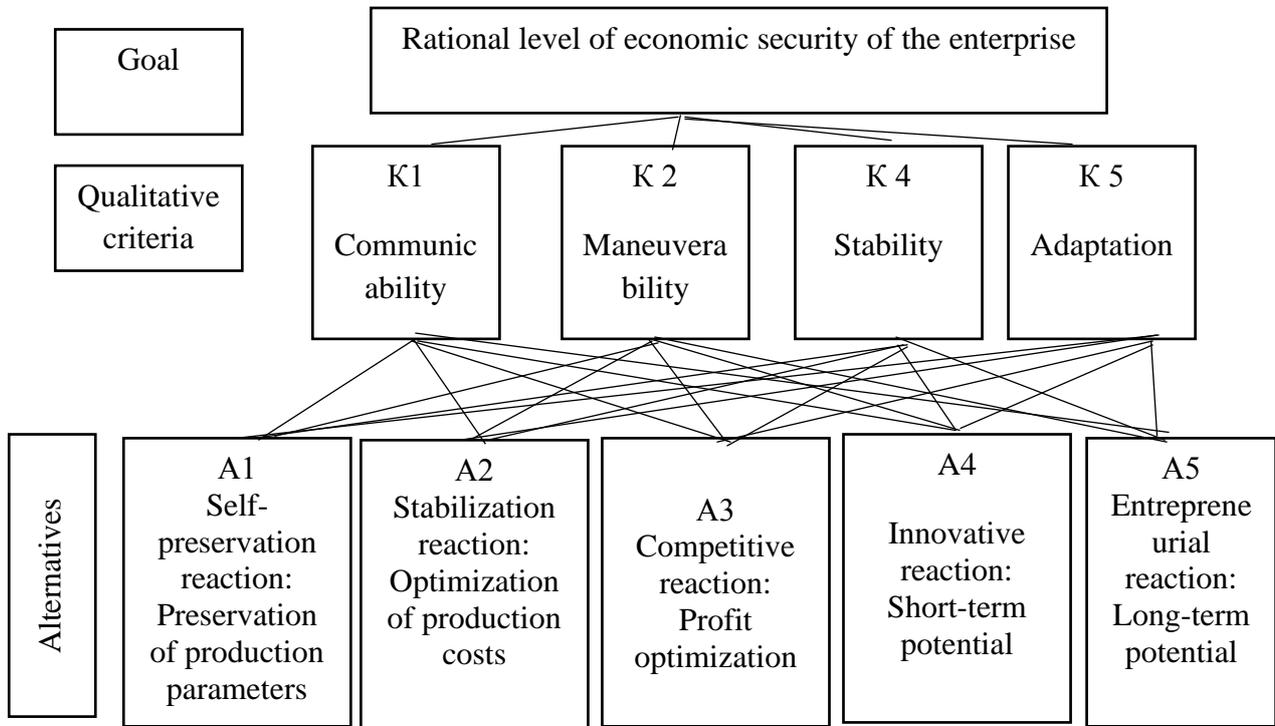
The assessment is carried out in two blocks:



1) At the first stage, it is proposed to determine the probability of a threat by an expert method, using a score scale. Expert assessments, obtained as a result of processing a questionnaire survey of managers and specialists of the investigated enterprises, allow the distribution of threats to the economic security of the enterprise into 5 groups according to the probability criterion, taking into account the peculiarities and retrospective data of the activity of the industrial facility.

2) At the second stage, according to the data of correlation and regression analysis, the position of the selected threats was determined according to the criterion of the degree of influence on the dynamics of the level of economic security of the investigated enterprises. At the same time, possible threats to the economic security of the enterprise are highlighted by the main subsystems

Hierarchical relationship between chosen alternatives and criteria in the system of ensuring a rational level of ESE



TERMINOLOGICAL DICTIONARY

A threat to the management of the mechanism of financial and economic security of entrepreneurship is a form of expression that reflects the real or potential possibility of the manifestation of the destructive influence of various factors and conditions on their implementation in the process of financial development, which leads to direct or indirect economic loss.

An economic mechanism is a system, a certain structured integrity, the elements of which are methods, levers, means or economic processes, phenomena interconnected by links.

Challenges are a set of circumstances, and the negative impact that must be responded to, while ignoring them can cause positive and 226 negative consequences for the activity.

Controlled threats – the implementation of direct influence on the part of the management in order to change the degree of influence of the threat.

Creditworthiness is the presence of prerequisites for obtaining a loan and the ability to repay it.

Criterion of economic security is a sign based on which the state and the ability of the economic system to resist manifestations of threats to economic security is determined.

Currency security is a state of exchange rate formation that creates optimal conditions for the progressive development of domestic exports, the unhindered inflow of foreign investment into the country, Ukraine's integration into the world economic system, and also protects as much as possible from shocks in international currency markets.

“Golden rule of financing” – long-term assets should be less than long-term liabilities.

Danger is a form of manifestation of a threat that leads to real losses. The subject of financial security of entrepreneurship is the activity of subjects of financial security as the implementation of principles, functions, a strategic program, or specific

measures to ensure the financial security, which is aimed at objects of financial security.

Debt security is the level of internal and external debt, taking into account the cost of servicing it and the efficiency of using internal and external borrowings and the optimal ratio between them, sufficient to solve urgent socio-economic needs, which does not threaten the loss of sovereignty and the destruction of the domestic financial system.

Deliberate bankruptcy is the deliberate bringing of a business entity to the stability of financial insolvency, which is resorted to by the owner or official of the enterprise for selfish reasons.

Demographic security is a state of protection of the national economy, society, and labor market from demographic threats, which ensures the development of Ukraine taking into account the set of balanced demographic interests of the state, society, and the individual by the constitutional rights of Ukrainian citizens.

Direct state regulation is the development of normative acts, regulations, and measures by the state that have a direct impact on the activities of subjects of market relations.

Economic security indicators system – indicators for which threshold values are determined.

Economic security is a qualitative characteristic of an economic system that determines its ability to maintain normal conditions for the system to work, develop within the framework of the goals set for the system, and in cases of various threats (external and internal), the system can resist them and restore its performance.

Economic security is a system for ensuring the stability and self-sufficiency of the national economy, which maintains its integrity and ability for self-development, despite adverse external and internal threats.

Economic security of the enterprise is a state of corporate resources and entrepreneurial opportunities that guarantees the most effective use of them.

Economic system self-sufficiency is the ability of the system to reproduce itself in the presence of the necessary external conditions.

Energy security is a state of the economy that ensures the protection of national interests in the energy sector from existing and potential threats of an internal and external nature making it possible to meet the real needs for fuel and energy resources to secure the livelihood of the population and the reliable functioning of the national economy in normal, emergency and martial law

Financial and economic security of entrepreneurship (in the sector of small and medium-sized enterprises) – is the state of the regulatory system, as well as the level of development of entrepreneurship, at which guarantees are observed for the protection of important interests of individual business entities and entrepreneurship in general from internal and external threats.

Financial component of economic security is a set of measures and the implementation of planned actions in the process of carrying out financial and economic activity by a business entity.

Financial leverage is a system of incentives and rewards for managers for making effective management decisions and a system of sanctions for the negative consequences of their actions in the field of financial security, as well as a general internal mechanism for managing enterprises based on their financial philosophy.

Financial security is a component of the economic security of the state, characterized by balanced finance, and sufficient liquidity of assets; the presence of the necessary monetary, gold, and foreign exchange assets; the degree of protection of financial interests at all levels of financial relations between entities, the presence of immunity to the negative influence of external and internal factors; the stability of the functioning of the financial, monetary, currency, banking, budgetary, tax, and investment systems; balance of regulation and self-regulation devices and ensuring the effective functioning of the economy as a whole.

Financial security is the state of the budgetary, monetary, banking, foreign exchange system, and financial markets, which is characterized by balance, resistance to internal and external negative threats, and the ability to ensure the effective functioning of the national economic system and economic growth.

“Financial Security Passport” is a unified set of identification information about the position of the financial and economic security of a business entity in specific economic conditions.

Food security is the level of food supply for the population, which guarantees socio-economic and political stability in society, sustainable and high-quality development of the nation, family, and individual, as well as sustainable economic development of the state.

Foreign economic security is a state of compliance of foreign economic activity with national economic interests, which ensures the minimization of state losses from the action of negative external economic factors and the creation of favorable conditions for the development of the economy due to its active participation in the global division of labor.

Indicators are real statistical indicators of the object's financial development, which most fully characterize the phenomena and trends in the financial sphere.

Indicators of economic security are real statistical indicators of the development of the country's economy, which most fully characterize the phenomena and trends in the economic sphere.

Industrial safety is the level of development of the country's industrial complex, capable of ensuring economic growth and its expanded reproduction.

Information security in entrepreneurship is a complex of organizational and managerial, regime, technical, and preventive measures aimed at protecting the information environment of an organization from internal and external threats.

Instructive and methodological support – is a set of documentation that determines the procedure of the actions of the subjects of the inner circle of the mechanism in the implementation of the current and strategic management of a business entity, as well as the way they act in the implementation of dangers and threats.

Insurance market security is the level of financial resources of insurance companies, which would enable them, if necessary, to compensate for the losses of their clients specified in the insurance contracts and ensure effective functioning.

Investment security is such a level of national and foreign investments (provided their optimal ratio) that can ensure long-term positive economic dynamics with an appropriate level of funding in the scientific and technical sphere, the creation of innovative infrastructure, and adequate innovative mechanisms.

Macro environment – external factors that indirectly affect activity, forming only general prospects, trends of its development, and on which it cannot influence at all or has a minor influence.

Macroeconomic security is the state of the economy in which a balance of macroeconomic reproduction proportions is achieved.

Management methods – lead to the functioning of tools and levers, the use of which determines the implementation of management decisions.

Monetary security is a state of the monetary and credit system characterized by the stability of the monetary unit, the availability of credit resources, and a level of inflation that ensures economic growth and an increase in the real income of the population.

National interests are the vital material, intellectual and spiritual values of the Ukrainian people as the bearer of sovereignty and the only source of power in Ukraine, the defining needs of society and the state, the realization of which guarantees the state sovereignty of Ukraine and its progressive development.

National risks are the instability of the internal state of the country, affecting the performance of enterprises.

Non-systematic threats – exert their influence on the activity of structures either stochastically or with a defined period of occurrence. Such threats include seasonal fluctuations in demand for products, threats of natural disasters, a temporary break in relations with a supplier or contractor, and the instability of the dealer network.

Optimal values of safety indicators are the range of values within which the most favorable conditions are created for reproducible processes in the economy.

Organization of management of the mechanism of financial and economic security of entrepreneurship – the formation of an organizational structure (determination of the composition of management entities and their relationships) and the distribution of tasks, powers, and responsibilities between individual management levels.

Organizational support of the financial and economic security of entrepreneurship is an interconnected set of internal functional services and divisions of the enterprise that develop, adopt and implement management decisions that ensure the protection of its financial and economic interests.

PEST-analysis – tracking (monitoring) changes in the macro environment in four key areas and identifying trends, and events that are beyond the control of the enterprise, but influencing strategic decision-making.

Protection of the intellectual and personnel components - increasing the effective personnel activity, maintaining and developing human resources.

Qualitative filters – acceptability/unacceptability of management actions, taking into account the existence of certain interference, while the amount of interference is not important, the very fact of its existence matters.

Quantitative filters – forecasting/planning the consequences of management actions and their comparison with the desired/critical parameters of the activity or financial state of the business entity.

Resource and functional approach – determining the level of economic security by assessing the efficiency of resource use.

Resource security is the provision of production with the main types of resources, the possibility of replacing resources, and the quality of resources.

Risk is the occurrence of subjective or objective events in each of the areas of activity in connection with the actualization of the threat, which can lead to positive or negative consequences for it and entail a deviation from the planned parameters.

Safety indicator limits are quantitative values, the violation of which causes threatening processes in the economy.

Sanitation ability is a set of financial, organizational, technical, and legal capabilities of an enterprise in a financial crisis, which determine financial rehabilitation.

Scientific and technological security is such a state of the scientific, technological, and production potential of the national economy, which makes it possible to ensure its proper functioning, sufficient to achieve and maintain the competitiveness of domestic products, as well as guarantee state independence at the expense of its intellectual and technological resources.

Settlement agreement is a procedure for reaching an agreement between the debtor and creditors regarding a delay.

Short-term assets – should be greater than short-term liabilities.

SNW-analysis is an analysis of the strengths, neutrals, and weaknesses of entrepreneurship used to analyse the internal environment.

Social security is a state of development of the national economy, in which the state can provide a decent and high-quality standard of living for the population, regardless of the influence of internal and external threats.

“Standard” – the characteristics of financial statements and performance on the average for a given homogeneous group of factors.

State intervention in the economy is a broad regulation of economic processes, the transfer of the part of state regulation functions to market relations, and the state's performance of the most important strategic tasks.

Stock market security is the optimal amount of market capitalization (taking into account the securities presented on it, their structure, and liquidity level), capable of ensuring the stable financial condition of issuers, owners, buyers, trade organizers, traders, joint investment institutions, intermediaries (brokers), consultants, registrars, depositaries, custodians and the state as a whole.

Structural financial and economic security of entrepreneurship – subsystems: diagnostics (fundamental, complex, and express); financial leverage and security methods; monitoring and evaluation of results.

“Subject-reference” – the security indicators which never reach critical values. Systematic threats always exist (or for quite a long time) and always have an impact on the activities of business structures.

“Subject-standard” – improvement of direct indicators of financial statements in such a way that indicators of the level of financial and economic security reach the normative values.

SWOT-analysis is a qualitative assessment of the influence of a certain set of factors on the resulting indicator.

The “sum of places” method – an analytical determination of indicators of the financial condition of the business entity is carried out; each indicator is rated and business entities are assigned several points in accordance with the actual value of the indicator - the higher the rating of the indicator value, the greater the number of points assigned; the obtained points are summed up, determining the final rating of the subject at this particular moment.

The financial and economic security management link is a separate body (employee) endowed with management functions, the possibility of their implementation, as well as responsibility.

The financial and economic security of entrepreneurship is a system of measures, decisions, and actions in the field of security that create favourable conditions for achieving business goals, that is, a security policy allows you to carry out a production program, increase production efficiency, increase property, and make a profit.

The financial security of the industry is a system of financial protection of the interests of the industry due to the necessary level of financial security and reducing the level of threats to the effective management of entities under risk, which is achieved by the influence of financial levers and instruments on the improvement of economic relations within the framework of the mechanism for ensuring the sustainable development of the industry.

The functional load of the financial security mechanism of a business entity is to ensure technological (independence and competitiveness of technical potential), organizational (achieving an optimal and efficient organizational structure), personnel

(achieving a high level of personnel qualification and effective organization of its safety) security of a business entity that mainly determines protection from internal threats; environmental (reducing the destructive impact of activities on the state of the environment) and legal (qualitative legal protection of all aspects of activity) security, which mainly determine protection from external threats; information (achievement of a high level of information support for the organization of work, protection of the information field and compliance with trade secrets), commercial (ensuring the protection of commercial interests and their owners) security, security of assets and property of a business entity, financial security (ensuring high financial efficiency of the work of a business entity, its financial stability and independence).

The goal of economic security is to ensure stable and maximum effective functioning at present and high development potential in the future.

The indicator approach is the establishment of the economic security level as a result of comparing the actual performance indicators with indicators that act as threshold values for these indicators and correspond to a certain level of security.

The method of scenarios – scenario development techniques that provide a higher probability of developing an effective solution in situations where it is possible, and a higher probability of minimizing expected losses in situations where losses are unavoidable

The object of financial and economic security: information, personnel, a set of property and non-property rights, and economic interests of enterprises, the transformation of their state leads to a change in the level of their financial and economic security.

The optimal value of the indicator is the range of values within which the most favourable conditions for the functioning of the object's finances are created.

The organizational structure of the management of the mechanism of financial and economic security of a business entity – the relationship and subcontracting of organizational units (subdivisions) of the management apparatus that perform various functions of managing financial and economic security.

The policy of ensuring the financial and economic security of entrepreneurship is a set of measures of an economic and legal nature that are aimed at achieving and maintaining a safe state of the viability of enterprises of all forms of ownership, carried out according to the strategic plan for its development.

The principles of the system of financial and economic security are the basis for the implementation of system functions, which generally represent a sequence of four stages: planning, organization and regulation, motivation, and control.

The purpose of state regulation is to achieve an effective mechanism for the interaction of entrepreneurship, which contributes to the growth of production, the establishment of an acceptable price for goods, the improvement of the quality of goods and the corresponding product differentiation, and market stability.

The purpose of the policy to ensure the financial and economic security of the enterprise is to ensure its stability and maximum viability during the life cycle.

The strategy of financial and economic security of entrepreneurship is a set of the most significant decisions aimed at ensuring the program level of operational security.

The subject of entrepreneurial activity is a legal entity (complex entrepreneurship), an individual (simple entrepreneurship), carrying out activities by the charter to make a profit.

The system for assessing the level of financial and economic security is a set of successive interconnected blocks, stages of activity, methodologies, methods, and models that are systematized and adapted to these tasks, allowing to identify, evaluate and reduce the level of economic risk to an acceptable level with minimal corporate costs resources.

The system for managing the mechanism of financial and economic security of entrepreneurship is a set of measures implemented to protect businesses from negative external and internal threats.

The system of ensuring the national security of Ukraine is a set of entities organized by the state, united by goals and objectives for the protection of national

interests, carrying out their activities in this area according to the functions defined in the legislation of Ukraine, and the mechanisms for their implementation.

The system of financial and economic security of entrepreneurship is a set of its integral elements and interconnections between them, the creation of which implies the constant guarantee of its proper level and consists of interrelated elements, the components of which are the object and subject of security, the control mechanism, as well as strategic actions to manage security.

The threshold value of the indicator is quantitative value, the violation of which causes unfavourable trends in the financial sector and the country's economy as a whole.

Threshold values – limit values, non-compliance with which prevents the normal course of development of various elements of reproduction, leads to the formation of negative, destructive trends in the field of economic security.

Threshold values of safety indicators are quantitative values, the violation of which causes adverse trends in the economy.

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ENTERPRISE SECURITY MANAGEMENT

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