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ENTERPRISE ECONOMIC SECURITY: ESSENTIAL CHARACTERISTICS OF THE CONCEPT

The subject matter of the study is determining the essence of economic security. The aim is to systematize the approaches to the interpretation of the concept “enterprise economic security”. The immediacy of the study is motivated by the lack of consistency, coordination and common views on the discourse in this area, as well as insufficiently substantiated offers for implementing modern methods and models of economic security management at all levels of economy. At the same time, despite a large number of publications, there remain many unsolved problems in the management of economic security, which is the main component of protection against threats, both at the state level and at the level of business entities such as enterprises and organizations. The following methods of theoretical and empirical research were used: logical generalization – to substantiate the relevance of the topic, the goals and objectives of the study, to determine the essential features of the problem; analysis and synthesis – to describe the theories of economic security. Economic security of an enterprise gives rise to a company’s capability to develop, increase its competitiveness and the competitiveness of its products, sustain its position on competitive markets, and characterizes the strength and economic potential of enterprises to counteract the negative impact of the external and internal environment. At the same time, the company’s economic security mirrors the conditions of its protection against any threats which are achieved due to the use of existing and potential resources of the company in order to ensure its safe operation in the long run.

Keywords: economic security, enterprise economic security, approaches for determining the economic security essence, a subject of economic activity, classification features of economic security.

Introduction

In the context of constant environmental threats modern business entities are increasingly facing problems of ensuring the effectiveness of their activities, which is caused by the fact that emerging phenomena and trends of the development in the environment do not always have a positive impact on the operation of economic entities. Some changes in the environment result in dangers and threats to an enterprise and, sometimes, act as catalysts for deterioration of its condition. That is why the necessity to protect enterprise activity as well as its position on competitive markets, which consequently ensures the economic security of business entities, is a logical response to negative changes in the environment.

Analysis of literature sources and problem setting

Many scholars focused on the problem of determining the essence of economic security, among them are: V. Muntian [10], M. Kamlik [6], M. Bennikov [2], B. Belokurov [1], D. Kovalev and T. Sukhorukova [8], G. Kozachenko, V. Ponomarev and A. Lyashenko [9], O. Illyashenko [5], E. Rudinenko [14], and others. Their researches reveal the essence of economic security, factors that influence it, as well as approaches to determining the essence of such concept as “enterprise economic security”.

Today, the problem of determining the essence of economic security of an enterprise is characterized by a great number of scientific ideas. Economic security of an enterprise was considered just as a practical task some time ago; so taking this fact into account we should admit the lack of a unified approach of researchers to the essence of the concept “enterprise economic security”.

The purpose and objectives of the study. Considering the above, the purpose of the study is to systematize approaches to the interpretation of the concept of “economic security of an enterprise”.

Materials and methods of research

The following methods of theoretical and empirical research were used while considering the target problem: logical generalization was in order to substantiate the relevance of the topic, the goals and objectives of the study, to determine the essential features; analysis and synthesis were used in order to characterize approaches to the definition of the essence of the concept of “enterprise economic security”. The information and factual basis of the study is monographs and publications of Ukrainian and foreign authors as well as Internet resources.

The results of researching

The economic security of an enterprise is a synthetic category of political economy and political science, which are closely linked to the categories of economic independence and dependence, stability and vulnerability, economic sovereignty and economic pressure, blackmail, coercion and aggression [10, p. 351].

Discussion of the results

The term "economic security" was firstly used during the Great Depression in the United States. At that time, the idea of economic security was associated with individuals, and actions ensuring it were directed at harmonizing the social situation in the country and at developing public retirement income system and social insurance of the unemployed. In Ukraine, economic security was firstly mentioned during the period of independence. But today there are many definitions of the concept "enterprise economic security" and a wide variety of ideas as for the essence of this category.

For example, N. Gapan relying on the researches of M. Kamlik [6, p. 9], S. Nikolayuk and D. Nikiforchuk [11, p. 15], V. Shlikov [16, p. 138] states that the economic security of an enterprise is a complex characteristic, which means the level of protection of all types of enterprise’s
potential against internal and external threats, which ensures stable operation and effective development, and also requires business administration management [3]. L. Yurovich considers the company’s economic security as the protection of the enterprise against negative impacts of external and internal environment, the ability to eliminate various threats quickly or adapt to external conditions without negative consequences for the enterprise [17]. The author refers to the scientific works of N. Kapustin and M. Bendikov. N. Kapustin proves that the economic security of an enterprise is a set of factors that provide independence, stability, ability to progress under destabilizing factors [7, p. 19]. According to M. Bendikov, the economic security of the enterprise represents the protection of its scientific, technological, production and personnel potential against direct and indirect threats [2, p. 25].

At the same time, it should be noted that most scholars conclude that there is no single integrated approach to the interpretation of the category of economic security taking into account the wide range of opinions regarding the definition of the concept (Table 1).

**Table 1. Enterprise economic security: the essence of the concept**

<table>
<thead>
<tr>
<th>Author</th>
<th>Definition</th>
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<tbody>
<tr>
<td>V. Belokurov [1]</td>
<td>Competitive advantages caused by the correspondence of the material, financial, personnel, technical and technological potential and the organizational structure of an enterprise to its strategic goals and objectives</td>
</tr>
<tr>
<td>O. Grunin, S. Grunin [4, p. 37-38]</td>
<td>Business conditions under which the entity, using the corporate resources in the most efficient way, prevents or eliminates the influence of existing threats or other unforeseen circumstances or protects itself against them, and in general ensures achieving the main business objectives in the conditions of competition and economic risk</td>
</tr>
<tr>
<td>D. Kovalev, T. Sukhorukov [8, p. 48]</td>
<td>Protectability of a business entity from the negative effects of external environment, as well as the ability to eliminate quickly various threats or adapt to existing conditions that do not affect its activities negatively</td>
</tr>
<tr>
<td>G. Kozachenko, V. Ponomarev, O. Lyashenko [9, p. 87]</td>
<td>Harmonizing in time and space economic interests of an enterprise with the interests of external environment involved and their partial protection against threats</td>
</tr>
<tr>
<td>A. Odintsov [12, p. 45-46]</td>
<td>The process aimed at protecting the entrepreneurial structures and individuals whose activities include elements of entrepreneurship against criminal competitiveness and other methods that harm them due to violations of law and business ethics</td>
</tr>
<tr>
<td>E. Oleynikov [13, p. 138]</td>
<td>The most effective use of corporate resources in order to prevent threats and to ensure the sustainable operation of an enterprise at present and in future.</td>
</tr>
<tr>
<td>M. Fomina [15, p. 11]</td>
<td>The most efficient use of resources in order to eliminate the threats and ensure the effective and stable operation of an enterprise at present and in future.</td>
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</table>

O. Ilyashenko states that a large variety of definitions of the concept of "economic security of an enterprise" is associated with the number of its attributes. The author notes that various researchers used such terms as conditions, needs, the ability of an enterprise, the condition of its activities, the characteristics of activity conditions or directly the enterprise activities to determine these attributes [5, p. 33].

In order to disambiguate this concept, the systematization of approaches to the definition of the essence of the concept is suggested on the basis of research conducted by O. Ilyashenko [5] and Y. Ruditchenko [14] (Fig. 1).

Considering table 1 and fig. 1 it should be noted that the following definitions of "enterprise economic security" can be attributed to several approaches, which characterizes the phenomenon of economic security as a complex interdisciplinary category and represents its intrinsic qualities.

The economic security of an enterprise is a state of the entity as an economic system in which it is capable to respond adequately and prevent effectively all existing threats, both internal and external. [5, p. 245]

According to [11, p. 205] the economic security of an enterprise is defined as a complex category that characterizes the ability of the systems created at the enterprise to withstand the destabilizing effects of internal and external factors in order to ensure the efficient use of its resources (capital, personnel, technology, information, technology, etc.), existing market opportunities (competitiveness), as well as fulfillment of other statutory tasks in the current period and in the future.

There is also a concept such as "integrated system for providing enterprise economic security", which includes a certain set of interrelated elements (measures of organizational, economic and legal nature) that, when the enterprise reaches the main objectives of the business, provides its security against real or potential threats that can lead to material losses.

The essence of the company's economic security is to ensure its progressive economic development in order to produce the necessary goods and provide services that meet the needs of the enterprise and social needs. Economic security of the enterprise manifests itself in ensuring its stable activity, preventing the leakage from it of any information.

The material basis of economic security of an enterprise is its economic potential, which determines the possibility of protecting the economic system from the adverse effects of the internal and external environment.

The analysis of numerous external hazards and threats, directions and objects of their actions, possible consequences for business is associated with long-term research. Nevertheless, each enterprise and, above all, business managers, considering particular situation their business face, should determine (predict) the most
significant (dangerous) problems and develop a system of measures to detect them timely, reduce their influence, prevent them.

Economic security of the company is conditioned to the interaction of various factors. Some factors for a particular period of time can be considered definite (for example, technical characteristics of fixed assets, number of employees, etc.). Others are subject to significant changes over a relatively short period of time (e.g., fluctuations in product prices, supply and demand levels, level of investment activity, etc.). A number of factors can not be precisely quantified. [19, p. 773]

External and internal factors can cause damage to the economy of the enterprise in four cases:
1. The system of economic security of the enterprise is constructed in such a way that it can not foresee a threat to its occurrence.
2. The threat arose, but officials responsible for the economic security of the company can not foresee it.
3. The threat is detected, but the management of the company is not able to prevent its negative consequences.
4. Enterprise management tries to solve the problem, but its actions do not lead to a positive result [11, p. 205].

Since all factors are closely interrelated and have a comprehensive impact on the processes of economic security, enterprises need a comprehensive study of the whole set of operating factors. A detailed analysis of the conditions and factors of economic security allows the company to develop measures for the formation of mechanisms and systems of protection against dangers and threats. The more developed other systems, the less destructive forces that lower security parameters.

Thus, enterprise economic security determines the company’s ability to develop, increase its competitiveness and the competitiveness of its products, sustain its position on competitive markets, and also characterizes the strength and economic potential of enterprises to counteract the negative impact of external and internal environment. At the same time, the company’s economic security mirrors the conditions of its security against any threats that are achieved due to the use of existing and potential resources of the company in order to ensure its safe operation in the long run.

The increase of negative impact on the economic security of entrepreneurship leads to negative social and economic consequences (reducing volumes of production (services), deteriorating competitive environment and rising prices, increasing unemployment and decreasing social protection of citizens, reducing tax revenues to the budget, reducing the level of democratization of society as well as entrepreneurial activity, and deterioration of public attitude to the policy of public administration, etc.).

### Conclusions

Thus, enterprise economic security determines the company’s ability to develop, increase its competitiveness and the competitiveness of its products, sustain its position on competitive markets, and also characterizes the strength and economic potential of enterprises to counteract the negative impact of external and internal environment. At the same time, the company’s economic security mirrors the conditions of its security against any threats that are achieved due to the use of existing and potential resources of the company in order to ensure its safe operation in the long run.

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![Fig. 1. Systematization of approaches to the definition of "enterprise economic security" [5, p. 40; 14, p. 20]](image-url)
Consequently, the economic security of an enterprise is a combination of economic relations that arise to ensure stability, sustainability of the interests of an enterprise with the interests of the environment.

Citizens and their associations should also support economic security. Moreover, their actions should be extensively encouraged by the state. However, active participation of a citizen in ensuring economic security is impossible without understanding its importance and without proactive attitude to life. In fact, the Constitution of Ukraine clearly states that, along with protecting the sovereignty and territorial integrity of Ukraine, ensuring its economic security is the most important function of the state and a matter of concernment of the whole Ukrainian nation.

References:
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Ключевые слова: экономическая безопасность, экономическая безопасность предприятия, подходы к определению сущности экономической безопасности, субъект хозяйственной деятельности, классификационные признаки экономической безопасности.

Библиографический описи / Bibliographic descriptions

