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Research paper



Improvement of a Mechanism of Providing Economic Security Of Enterprises in the System of Global Competitiveness

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Abstract

In the context of the interaction of international competitiveness of economic entities and their economic security, it should be noted that globalization of the world economy has one of its consequences a relative equation of the conditions of competition in national markets. As a result of providing by governments the most favored and national regimes, as it was required by international norms of legal regulation of the economy, national and foreign producers find themselves in roughly similar conditions on individual countries or their unions markets. In this case, foreign economic and international security should become a barrier to global threats for the development of national economy and its producers in the global system of world economy. At the same time, the universal requirement imposed on any national economic entity is its competitiveness.

Keywords: *Economic security; Enterprises; Global competitiveness; International security; Open economy.*

1. Introduction

Functioning and development of Ukrainian enterprises takes place in conditions of constant accumulation of globalization processes through integration of our country's economy into the world economy. Globalization is already an integral part of the vitality of every modern state in the world, and in the future it will gain momentum. That is why every country needs to look for opportunities to use the benefits and solve the problems that arise as a result of the globalization impact on all spheres of life.

For Ukraine, which economy is still suffering from the effects of crisis phenomena of past years and is in a state of post-crisis recession, globalization is rather a negative phenomenon. The great dependence of our state on external factors of development, especially on exports, makes its national economy very vulnerable to global economic shocks [1, p. 75]. And if for industrialized countries the effects of globalization are positively influenced by obtaining additional conditions for the development of the economy by obtaining opportunities for reducing production costs and ensuring its ecological compatibility, due to export orientation in Ukraine the significant rates of economic slowdown are observed. This is precisely what determines the necessity to find ways of counteracting the economy of our state to the negative consequences for it of the consequences of globalization.

2. Main Part

Trends in the development of the global economy in the conditions of globalization of production processes are researched in the works of many scholars. I.V Nartova and O.E. Kolomyets note that globalization is an objective and logical process of the present, which results are in the formation of new approaches to world development as a process [2, p. 23]. At the same time, the authors insist that the participation of countries in the processes of globalization should be conditioned by economic feasibility. The processes of globalization should not ruin the national economies: interpenetration does not mean destruction and demolition.

A.S. Telnov and V.V Goncharuk conclude that as a result of globalization processes the differentiation of countries has been intensified and it is based on their technological development. Countries that are able not only to implement, but also to generate high technologies will dominate over others [3, p. 217]. These authors also see a cure-all solution in overcoming the negative impact of globalization on the Ukrainian economy in developing effective mechanisms of scientific and technological development.

N.O Tarkhanova in her studies notes that globalization was a rather controversial process that brought humanity both great achievements and problems [4, p. 99]. The author believes that the success of integration of Ukraine into the global economy depends on its long-term foreign economic strategy, which should be based on the integrated development of economy, finance and trade in order to become our country as a full-fledged partner in the world scene. The author also identifies a qualitative renewal of the Ukrainian economy through the use of competitive advantages in the agro-industrial, transport and educational spheres, which would ensure economic growth by 6.5%, another factor in the successful integration of Ukraine into the world economic system [4, p. 101].

V.V. Kulishov believes that the ultimate result of globalization should have been the general increase of welfare in the world. In his study, the author emphasizes that the globalization of the world economy can be characterized as strengthening the interdependence and mutual influence of various spheres and processes of the world economy, which is expressed in the gradual transformation of the world economy into a single market of goods, services, capital, information, labor and knowledge [5, p. 22]. He dedicates the macroeconomic and microeconomic level of globalization. And if on the macroeconomic level of globalization its main participants are states and integration associations, then in microeconomics - the

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emphasis is placed on the aspiration of individual enterprises to go beyond the internal market.

V.L Dikan believes that the consequence of the globalization of the world economy is the change in world centers of economic power towards China, Russia, India and Brazil. Under this conditions, special conditions are created for the Ukrainian economy and new opportunities for development are opened through effective use of transit potential of our state and participation in the process of commodity exchange between the countries of Europe and Asia [6, p. 15]. Thus, the author shifts the direction of studying the factors to overcome the negative impact of globalization processes on the economy of Ukraine to the efficiency of its transport industry.

The international competitiveness of the country characterizes its ability to reach a certain level of development and the availability of potential resources to maintain a previously conquered market position. On the country level, the basis for ensuring its international competitiveness is production, infrastructure, innovation-technical support, resources, human development, and stability. According to the World Economic Forum according to the Global Competitiveness Index 2017-2018, Ukraine ranks 81st out of 137 countries. Traditionally, the rating is headed by Switzerland, while the top 10 most competitive economies at the global level include the United States, Singapore, the Netherlands, Germany, Hong Kong, Sweden, the United Kingdom, Japan and Finland. The international competitiveness of the enterprise is largely determined by the degree of its presence on the world market and the expansion of the network of countries in its presence.

Quality and efficiency of an enterprise in an unstable situation in the economy during the period of its radical changes on the basis of the paradigm of a post-industrial society are determined by the competitiveness of economic entities, their ability to maintain stable competitive positions in a specific competitive market. According to G.I Rzayev, it is the competitive struggle that is a mechanism that, on the one hand, stimulates and promotes higher levels of competitiveness, and on the other hand, impedes and has a negative impact on its level [7, p. 166].

The functioning of business entities as an open system in a harsh market environment in a market environment is characterized by instability and constant dynamics. In such conditions, the relationship between enterprise competitiveness and its economic security is interdependent: on the one hand, a high level of competitiveness of the enterprise is the basis of a high level of its economic security, and on the other the stability of the functioning and competitiveness of the enterprise depends on the successful organization of the system of economic security sub the object of economic activity.

Theoretical studies of the interconnection of the competitiveness of the enterprise and its economic security do not remain aside from modern science. So, E.M. Rudinchenko identify a competitive approach to the definition of "economic security of the enterprise", according to which attention is focused on the existence of competitive advantages [8, p. 20]. The author relies on the scientific work of V.V. Belokurov by his followers. In particular, V.V. Belokurov notes that the economic security of an enterprise is characterized by the presence of competitive advantages due to the correspondence of material, financial, personnel, technical and technological potential and organizational structure of the enterprise to its strategic goals and objectives [9].

O.V. Ilyashenko claims that the economic security of a business entity can be considered as protection against various threats. In this case, the company's economic security means its ability to develop, increase its competitiveness and competitiveness of its products, confront internal and external threats in a competitive market, and characterizes the strength and economic potential of the enterprise relative to competitors and the negative impact of the external and internal environment [10, p. 40-41]. In his conclusions, the author refers to the scientific work of S.B. Dovbnya and N.Yu. Gichova [11], V. Zabrodsky and N. Kapustina [12], G.I Rzayeva [13].

As stated in [14], the competitiveness of a business entity is a minimum necessary condition for ensuring the economic security of an enterprise for the sake of sustainable development. On the other hand, the competitiveness of the enterprise from the standpoint of economic security determines the degree of compatibility internal capabilities of its development of external capabilities, which are generated by the market environment [15, p. 157]. In the study D.I. Kovalev and T.G. Sukhorukova found that the competitiveness of the subject of economic activity is a direct consequence of the firm economic security of the enterprise, which during a certain period of time allows him to maintain stable competitive positions [16, p. 50].

Thus, by establishing a close relationship between the competitiveness of the business entity and its economic security, note the following. The competitiveness of the enterprise is a dynamic and time-consuming and consistent with the object of the definition of the characteristics of the economic entity, which allows it to receive and develop its own competitive advantages during the strategic period, to form and use the aggregate competitive potential, and also to provide a sufficient level of efficiency of functioning [17, p. 105]. On the other hand, the competitiveness of the subject of economic activity is manifested through the dynamic process of specific relations between producers of one and the same or similar products [18, p. 42].

Economic security of an enterprise determines the company's ability to develop, increase its competitiveness and competitiveness of its products, maintain its position in 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 reflects the state of its security against any threats that are achieved through the use of available and potential resources of the enterprise in order to ensure its safe operation in the long run.

The direction of managing economic security in accordance with the objectives of the objectives is ensured by the following properties of the state of security as adaptability (through balance of interests, compliance with the organizational structure) and reliability (due to financial and economic stability and efficiency of functional areas of activity).

The subjective aspect highlights the organizational and strategic capabilities of the enterprise to create a state of security and distinguishes this characteristic as the competence of the enterprise. The instrumental aspect considers economic security as an enterprise management function and therefore focuses on methods, models, methods and measures to ensure the protection of its activities. Given the principle of controllability of economic security, the theoretical basis for its research and management is the system approach for integration into the management system of operation and development of the enterprise, and the subject and instrumental aspects correspond to the principles of strategic management of such processes.

The essence and content of the concept "economic security of an enterprise" should not only take into account a set of views, methods of understanding and interpretation, but also form the main idea and tasks of ensuring the economic safety of the operation and development of the company, reflected in the results of its activities through controversy, prediction and assessment of threats , the formation of a state of security and qualitative changes. According to this provision, in order to synthesise the isolated ideas about the economic security of the enterprise and their disclosure, the author formed and presented the configuration of the company's economic security - interests, financial and economic stability, "effective functionality", "organizational adaptability", "strategic competence" .

The main objective of the enterprise's economic security is to ensure its stable and most efficient functioning in the present time and high potential for future development. The main functional objectives of economic security include:

- ensuring high financial efficiency of work, financial stability and independence of the enterprise;

- ensuring technical independence and achieving the high competitiveness of the technical potential of the facility;
- Achievement of a high level of qualification of personnel and its intellectual potential, proper efficiency of R & D;
- Minimizing the destructive impact of the results of industrial and economic activity on the state of the environment;
- high-quality legal protection of all aspects of the activity of the enterprise (organization);
- ensuring the protection of the information field, commercial secrecy and achieving the necessary level of information security of all business units and departments of the organization;
- effective organization of security of the personnel of the enterprise, its capital and property, as well as commercial interests [19, p. 321-327].

The analysis of the existing tools for assessing economic security made it possible to highlight the following areas of its application in the management system of the enterprise:
- methods of forecasting of possible threats and modeling their consequences;
- methods of identification and assessment of hazardous areas of financial and economic status of the enterprise.

From the standpoint of the available theoretical achievements, it should be noted that for both directions the quantitative analysis is limited, the operation of qualitative, inadequate specified parameters, subjectivity in valuation procedures, scale of assessments, etc. are common. Further development of the development of analytical tools for assessing economic security should take place through the construction of more sophisticated indicator indicators for quantifying the adequacy of the level of economic security of the enterprise and their application in the system of strategic enterprise management. The solution of this task is impossible without taking into account the peculiarities of the development and operation of enterprises in any branch.

The most significant challenges posing a dangerous condition for the development of enterprises are:
- growth of public debt;
- deterioration of the conditions of the development of cluster cooperation between production and research area;
- worsening readiness to delegate authority in corporate governance;
- slow pace of the development of legislation on creating conditions, guarantees and incentives for entrepreneurship development, attracting foreign investment, supporting small and medium businesses, competitive enterprises, innovation activities;
- a steady tendency to increase the complexity of production, conditions of supply and the need for strict compliance with customer requirements;
- Informatization and computerization of production and the need to provide IT-personnel, technologies and computer facilities;
- Increased requirements for minimizing the timing of product withdrawal into markets and changes in generations of equipment;
- a policy of reducing the cost of personnel development in post-crisis recovery;
- low quality of professional management schools.

For economic security, the enterprise is characterized by a set of qualitative and quantitative indicators, the most important of which is the level of economic security.

The level of economic security of an enterprise is an assessment of the state of use of corporate resources according to the criteria of the level of economic security of the enterprise. In order to achieve its highest level, the company must work to ensure the maximum safety of the main functional components of their work.

The choice of indicators of the economic security of enterprises in any sector in the context of global competitiveness depends on a number of criteria, among which, according to the authors, it is appropriate to distinguish: the real and potential threats to the development of the industry; the legal and regulatory framework for regulating relations both within the industry and with the external environment; means of ensuring economic security of the industry; strategy of development of defense industry; the direction of the challenges and threats to economic security; the degree of significance of the impact of macroeconomic indicators; the nature and duration of the impact of risks, etc.

Factors that form the appropriate level of economic security of the enterprise are diverse and in each industry have their own specifics. However, there are common, typical factors that affect the level of economic security of the enterprise, regardless of ownership and industry, namely, the following.

1. Direct factors of production - the main factors that directly ensure the activities of production. These include: direct placement of the enterprise (territory); available natural resources and conditions of their placement in this territory, availability of use and qualitative indicators; availability of labor resources, their educational and qualification level; available industrial infrastructure, possible scope of its use; socio-economic infrastructure and the level of material wealth of the population.
2. Stable demand for products is a factor that also plays an important role in the even development of production proposals. It covers: long-term contracts for the sale of products with its consumers; the level of competitiveness of manufactured products; quality-guarantee indices of products; justified forecasts for the stability of the market for a particular product; state and regional orders for manufactured products.
3. Reliable suppliers, primarily those supplying basic raw materials and materials. To do this, you need to: have long-term contracts for the supply of the necessary raw materials and materials, taking into account delivery terms and their qualitative indicators; to know the possibilities of suppliers and not to allow monopolies in their deliveries; To do this, as a rule, you need to have 3-4 or more suppliers of raw materials and materials to guarantee a stable pricing policy for raw materials and other components.
4. External competition for products intended for export. These products must: comply with international standards; to be competitive on qualitative indicators and service; have a reasonable and predictable outlook; to be competitive with the products that are imported into our country in order to reduce the import of products that can be produced by domestic enterprises in Ukraine.
5. State economic regulation of the activity of the enterprise, which is: in protecting its own producer, regardless of the ownership of the means of production; regulation of the state tax policy; promotion of production, taking into account economic, territorial and other aspects; Assistance in the production of products imported as critical imports; the state order for goods financed by the budget, and the reduction of imports for these goods.
6. Reliable trade secret protection. The state must guarantee the secrecy of scientific and technological achievements, the development of new technologies, intellectual property, know-how, including commercial secrets.
7. Competence of the management of the enterprise. The most important factors that can most strongly influence the level of economic security of an enterprise are the high professionalism of management and its managers (highly skilled personnel, their system of training and forms of training, the creation of appropriate production and socio-economic conditions for them).

The basis of the formation of the system of economic security management of an enterprise is the definition of the main areas in which there are sources and factors of danger, in particular, assets, personnel, fixed assets, information.

The effectiveness of management of the economic security of an enterprise depends on the type of danger that has various possible consequences: whether it will be a warning (a combination of circumstances not necessarily threatening, requiring a response to them), risk (the kind of danger associated with additional profits, and with additional losses), or threat (real danger, which violates the mode of operation of the enterprise and causes him economic harm).

The quality of management is largely reflected in what methods are used to avoid hazards and characteristics of the enterprise itself. However, in order to ensure the effective management of economic security of an enterprise, it is important not only to develop a methodology for assessing the level of economic security, but also to pay attention to increasing the competitiveness of products,

adapting the enterprise to the conditions of the existing legislation of the country, modernizing the fixed assets, and improving the qualifications of the personnel, since human capital is a significant factor. development and improvement of management of economic security of the enterprise.

Thus, the mechanism of ensuring the economic security of enterprises in the system of global competitiveness is the process of implementation of management decisions and should ensure the level of functioning of the enterprise, in which it can timely respond to external and internal factors that threaten economic activity, as well as a level that is not limits the progressive stable development of the enterprise (Fig. 1). The management mechanism should be carried out on the conditions of timeliness, validity and transparency.

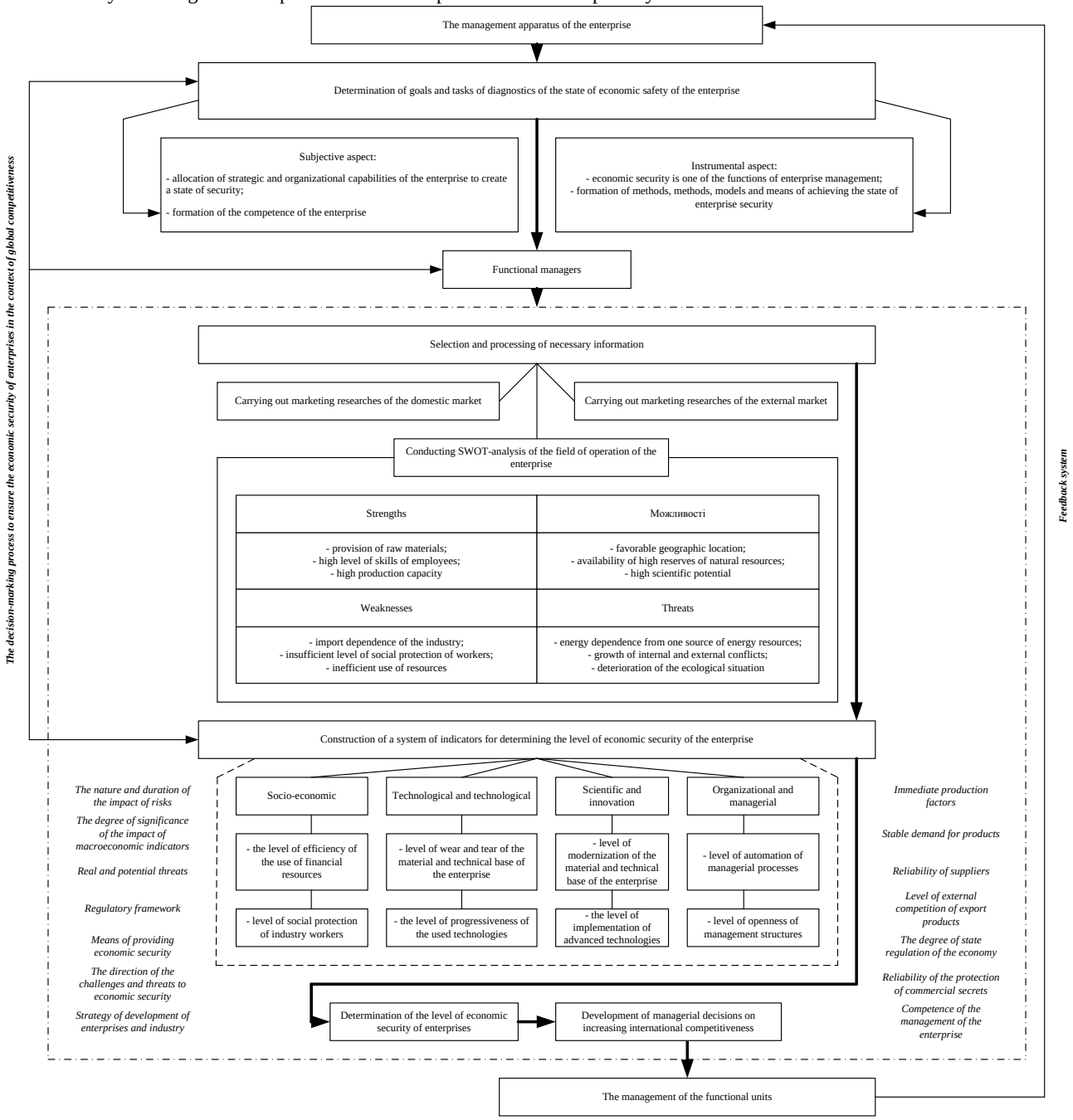


Fig. 1: The mechanism of ensuring economic security of the enterprise in the system of global competitiveness.

Positively, the economic security as competitiveness, is transformed under the influence of globalization. On the one hand, the level of investment security (due to increased opportunities for attracting foreign investments), financial security (due to the possibility of attracting credit resources from international financial organizations) and foreign economic security (due to the liberalization of international trade and access to world markets for goods and services) are increasing. On the other hand, globalization of world affairs carries a number of risks and threats to economic security at different levels of management. They are connected with the discontinuation of production of certain goods and their withdrawal from the market due to the loss of demand and competitiveness, the dominance of imported products, etc.

3. Conclusion

The liberalization of world economic ties between individual countries and enterprises leads to increasing interdependence. This is precisely the reason which determines the emergence of a single integral system of economic relations worldwide which is the global economic system. The globalization of world economic relations as a process that has no reciprocal movement is still attracting increasing attention from the point of view of ensuring the equality of its participants. On the one hand, globalization creates unlimited opportunities for creating nationally oriented foreign economic strategies, overcoming territorial and cultural

boundaries, and, on the other hand, increasingly separates countries by the level of GDP, the magnitude of imports and exports, the level of attraction of foreign direct investment, the share of high-tech products and living standards people. In such circumstances, the actual problem of gaining and retaining a certain share of the world market, especially for the countries with a low level of development, and thus ensuring international competitiveness of both the entire country and individual enterprises in the global market arises.

It should be emphasized on the ambiguity of the consequences of globalization processes for the economies of individual countries and the functioning of national enterprises in the global competitive market. The world economy is actually monopolized by large multinational corporations, which stipulates high requirements for entering competitive markets with difficult competitive conditions. At the same time, the high monopolization of the world market drives the activation of domestic competition forces and weakens the market positions of national monopolies when entering the domestic markets of foreign companies.

In the context of the interaction of international competitiveness of economic entities and their economic security, it should be noted that globalization of the world economy has one of its consequences a relative equation of the conditions of competition in national markets. As a result of providing by governments the most favored and national regimes, as it was required by international norms of legal regulation of the economy, national and foreign producers find themselves in roughly similar conditions on individual countries or their unions markets. In this case, foreign economic and international security should become a barrier to global threats for the development of national economy and its producers in the global system of world economy. At the same time, the universal requirement imposed on any national economic entity is its competitiveness.

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