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# PERSONNEL MANAGEMENT AS AN ELEMENT OF THE ECONOMIC SAFETY SYSTEM OF BUSINESS

Abstract: The purpose of the work is to develop theoretical and methodological approaches and practical recommendations on the management of the personnel of the company as a component of ensuring the economic security of companies. The most important strategic directions of ensuring economic safety of the entity is identification, prevention, neutralization, suppression, localization, reflection of dangers and threats, and in case of need – damage compensation, recovery objects of the protection injured with illegal actions, negligence, force-majeure circumstances, etc.

Key words: counterparties, receivables, debt quality, matrix.

### Introduction

The management of economic security of companies is a guarantee of their successful development and one of the factors of formation of socio-economic security of the state. Activity of companies in modern conditions is accompanied by constant influence of negative external and internal threats. Therefore, the effectiveness of their activities is significantly dependent on the correctness of the choice and implementation of the strategy of economic security management. It is known that effective management of economic security of the company can reduce its direct and indirect losses by 60%.

Scientific works on this problematic are numerous, therefore, the study of the whole set of points of view on the interpretation of the management of the economic safety of the company is not feasible given the high degree of repeatability. The property of symmetry (asymmetry) of the company economic secu-

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rity should be interpreted from the standpoint of the general theory of systems<sup>1</sup>. The peculiarity of this property is that the economic security of the company can be as symmetric and asymmetric, depending on the formative factor on which this system is built. In the case where the formative factor is the target, the economic security of the company is asymmetric, that is, towards the target of achieving the economic security of the company changes the characteristics. The manifestation of changing characteristics may be the change in the composition and structure of components that are bearers of characteristics. In order to achieve the ultimate desired result of operation, the company's economic security can change the composition and structure of the components that does not affect either the target or the homeostat of the system. Otherwise, the process of reaching the target will be meaningless, without changing the characteristics, the system will not move from the initial phase. Another is the situation where the formative factor of the company economic security is a function or behavioral stereotypes. Such system must maintain the character of its operation under all conditions. Therefore, with such systematic factors of economic security of the company is symmetric, the set of characteristics of the system should be kept under any changes. Thus, the epistemological basis for the emergence of the theory of the security of social systems is the recognition of the existence of two basic functions in social systems: development function and security function. The development function is associated with the realization of interests, which leads to the emergence of qualitatively new states of the system. The security function is associated with actions to protect the development function from threats. As an object, it is need to use the social system as a whole and develop and improve the implementation of the function of protection of this system. Only in such a way it will be ensured a balanced organization and functioning of all components of security, such as economic or informational, or any other.

V. F. Zhmerenetsky <sup>2</sup> also notes the need to develop a comprehensive fundamental theory of security systems that was universal in relation to any levels and types of system security. In conclusion, the consideration of the scientific positions grouped in the third approach it should be read with the scientific results of V. A. Lipkan, who warns that "the understanding of security as a system that necessarily and without alternative gives rise to stability is not entirely true and complete, because it is a consequence of the application of the determinism

<sup>&</sup>lt;sup>1</sup> Yu.A Umantsev. General theory of systems in an accessible presentation. R & C Dynamics, Moscow Izhevsk, 2014, p. 407.

<sup>&</sup>lt;sup>2</sup> V. F Zhmerenetsky. *Theory of safety of social systems: Teaching manual*, NOU VPO MVPS, Moscow, 2010, pp. 177.

methodology, which is not the only possible in the study of security processes, and most importantly, it is true and productive"<sup>3</sup>.

#### The aim and methods

The purpose of the work is to develop theoretical and methodological approaches and practical recommendations on the management of the personnel of the company as a component of ensuring the economic security of companies.

In the course of the research general scientific and special methods of scientific knowledge have been used, namely: critical analysis, scientific abstraction and generalization of scientific experience of modern theoretical researches, empirical method (in determining directions of perfection of the conceptual apparatus, studying theoretical principles and scientific approaches to management of economic safety of companies); method of analysis and synthesis and theoretical generalization (in determining scientific approaches to understanding the essence, role and place of economic security in the activities of companies).

#### **Results and discussions**

The main objective of the economic security management system is to ensure its viability and sustainable functioning in all organizational, economic, political, social and other changes in its internal and external environment. For its achievement, the management of economic security should aim at:

- neutralization (overcoming) or limiting the number of negative (destructive) factors of influence on the economic security of the company through the formation of protection against them;
- usage of positive external factors of influence for the increase and implementation of economic security, economic independence and economic security of the company economic security;
- reproduction and incensement of economic security, economic independence and economic protection of the company, economic security on the basis of development of its top-features, market-product and its spatial-temporal adaptation to changes in the environment;
- assurance the flexibility of management actions and decisions, their synchronization with the dynamics of the negative and positive factors of economic security in a particular market.

<sup>&</sup>lt;sup>3</sup> V. A. Lipkan Security Studies: Teaching manual, European University, 2003, pp. 208.

In these conditions, from the point of view of the process approach, the management of economic security is a process of implementation of a certain set of management functions – the definition of targets, planning, organization, motivation and control activities for the formation of economic security and livelihoods as a subject of economic activity.

Economic security of the company is a complex and multifaceted category. Therefore, solving the problems associated with its assurance requires companies to continuously meet the main objectives, improve the principles and methods of management.

The main tasks of ensuring the economic security of the company are analysis and assessment of the situation in the service market; detection of facts of unlawful negative activity of employees of the company and their elimination; constant study of the state of affairs in business partners and competitors; protection of the interests of the company and the rights of its employees; possession of the necessary information for the development of optimal managerial decisions on the strategy and tactics of the company economic activity.

At the microeconomic level, the basic principles are the following: timely prevention of possible risks; detection and prevention of internal and external threats; competitiveness; competence of employees in ensuring economic safety; the timeliness of detecting various destructive factors; rational use of material and financial resources; continuity of protection of the interests of the company; consistency of action of all structural units of the company; planning; performance of the activity.

The task of strategic management is to ensure that the company interacts with the external environment, which will enable it to maintain the potential at the level necessary to achieve its targets and take for long-term prospectus. In order to determine the strategy of the company's behavior and implement it, management should have an in-depth understanding of the external environment, trends in its development and the place that the company occupies in it. In doing so, the external environment is studied, primarily in order to identify the threats and potential opportunities that the company must take into account when defining and achieving its targets.

The main criteria for assessing the reliability and effectiveness of economic security of the company should be assurance of the stable operation of the company; preservation of monetary and material values; ensuring a stable profit; prevention of crisis and emergency situations; early detection, prevention and neutralization of real and potential internal and external threats to national interests in tourism in order to create safe living conditions at time of service.

As entities of economic security of the company can be individual and structural units that operate directly at the company (internal entities) and organizations and officials outside the company (external actors), the safety of all entities of the company economic security combined with the business processes of the company ensures the continuity of the technology of providing services.

Management of the economic security of the company is the process of implementing the functional components of economic security to prevent possible losses and achieve a maximum level of economic security now and in the future.

Activities to ensure the economic security of the company should include justification of the level of acceptable risk in making managerial decisions; development of strategy and tactics of conducting economic activity, which will allow to minimize economic risk and provide economic security; protection of material, financial, personnel and information resources of the company from the possible negative effects of factors and threats.

In our view, the economic security of the company must be considered not only from the point of view of the system approach, its manifestation – the attributive approach, but also from the point of view of the resource. Reducing the level of economic security of the entity is due to insufficient qualitative and quantitative composition of resources (informational, material, labor, financial), and as a consequence, the quantitative and qualitative composition of its products (services, works). The set of company resources  $\chi$  consists of elements of four subsets:

$$\chi = LYIYFYM \tag{1}$$

where, L-a set of labour resources; I-a set of information resources; F-a set of financial resources; M-a set of marketing resources.

The company carries out the production of a set Y of final products (services, works). Each of the relevant resources has indicators (I') that characterize the state of the system of economic security - calculated integral indicator of economic security ( $I^{SESC}$ ).

In this there are external threats to economic security (D), both potential  $(D^P)$  and real  $(D^r)$ . The external environment should be considered as a system of economic security of the entity in order to identify their mutual influence. After the introduction of the company economic security management, it has plenty of management solutions (S): required  $(S^n)$  and recommended  $(S^{rec})$  to ensure an adequate level of economic security of the company.

Then the economic security of the company (ESC) in formal form can be described as follows:

$$SESC = \left\{ T, I_t^l, I_t^{CEBII}, D_t^p, D_t^r, S_t^n, S_t^{rec} \right\}$$
 (2)

where T-a set of moments of time t;  $I_t^l-a$  set of local indicators of economic security of the resources at the moment of time t;  $I_t^{SESC}$  – Integral index of economic security at the moment of time t;  $D_t^p$ ,  $D_t^r-a$  set of corresponding real and potential threats to the economic security of the company at the moment of time t;  $S_t^n$ ,  $S_t^{rec}$  – sets of necessary and recommended managerial decisions to ensure an adequate level of economic security of the company at the moment of time t.

From the standpoint of a resource-based approach to economic security, the effectiveness of the use of all available resources, primarily staff, is affected. At the same time, personnel for ensuring economic security should be considered in five directions<sup>4</sup>. The personnel should be considered as a special, priority type of resource, which, in combination with other company resources (assets, information, knowledge, entrepreneurial skills and other resources), their qualitative status, allows such administrative unit to develop and apply strategies that increase the rationality and efficiency. Personnel, as a collection of mercenaries, are the bearers of the corresponding properties (natural, acquired and systemic), which are used in the work activity and adapt in the existing conditions of the company, depending on the type of economic activity. That is, it is the ability to meet the requirements of the workplace at the company, functional duties in accordance with the internal regulations, which allows to get as close as possible to achieving the targets of the company. Personnel are the bearer of other special resources of the company: information, knowledge, entrepreneurial skills, therefore, it is necessary to take into account the specifics of personal targets of hired personnel, temporary, external part-time employees, working owners of the company. Personnel as a social community of employees, the association of individuals in a single system (labor collective of the company) is developing and operating in accordance with the synergistic effect – the effect of the amount exceeds the sum of the constituent elements. That is, an increase in the performance of the company as a result of the unification, integration of separate individuals (personalities) in a single system (labor collective), where the effect of the interaction of elements of the company system exceeds the sum of the effects of each element separately. The personnel as an open system of public relations is formed and varies under the influence of external and internal factors. In this case, this system is characterized by integrity (labor collective (integral whole) and subsystem of separate individuals (personalities)); the hierarchy of construction (the interaction of the two subsystems: the controlling (the employer) and the controlled (labor collective and separate individuals (person-

<sup>&</sup>lt;sup>4</sup> T. V. Gillorme, O. K. Yelisieieva, *Models of Human Resource Management of the Company: Methodological Platform and Applications: Monograph*, "Sole Proprietor Drobyazko S. I.", Dnipropetrovsk 2016, pp. 170 p.

alities); structuring (the process of functioning of the system is due not so much the properties of its individual elements, as the properties of the structure itself), the plurality (for the description of individual elements and systems in general it is possible to use a multitude of cybernetic, economic and mathematical models) and systemic (the property of the object possess all the signs of the system). Summarizing all of the above, personnel, depending on the type of economic activity of the company, must have certain personal characteristics, which are aimed at adapting this system in the existing changing external and internal environment, especially in the context of crisis phenomena.

In the conditions of constant development of the economy and the introduction of advanced technologies, an important component of the systemic property of the personnel of companies that affects economic security is creativity. According to A. Maslow<sup>5</sup>, this property is innate as it is inherent in any person, however, under the influence of external factors, may be partial or completely lost. The content of creativity can include such properties as flexibility, learning ability, originality, receptivity, and the desire to find a way out of hopeless situations. Creativity becomes relevant in modern conditions characterized by the rapid development of society, the multiplicity of activities of organizations and rigid market competition<sup>6</sup>.

From the analysis of the characteristics of the personnel of companies, it should be concluded that they are all closely interconnected, causing each other. Natural properties of man are the basis for the formation and existence of acquired human abilities to work. Acquired socio-professional skills of a person develop under the influence of external and internal factors. In turn, system properties are a combination of natural and functional properties.

An important property of the company personnel is the ability to adaptation, which means the employee's ability to adapt to changes in the content and conditions of work associated with the innovative development of the company, directly to the social environment, as well as improve their business and personal qualities.

Successful adaptation of employees affects the organization activities, in addition, well-adapted employees are more satisfied with their work and life in general. Adaptation of the personnel is also a factor in its development in the conditions of crisis phenomena; it allows developing the properties that are aimed at the efficiency of enterprises.

<sup>6</sup> D. Bohinia, *Mental factors in the system of regulation of employment and stimulation of labor*, Bulletin of the Khmelnitsky National University, No. 5, 2009, p. 7-9.

<sup>&</sup>lt;sup>5</sup> A. H. Maslow. *Theory of human motivation*, Psychological Review, 50 (4), 1943, p. 370-396.

Dynamic development of social relations, global changes in the totality of productive forces, leads to the development of personnel at all stages of development: the formation, usage, storage<sup>7</sup>. During the whole life, personnel are formed under many external and internal factors.

The personnel is probably the only resource that is constantly in the hand, and not only in the turnover of the company, but also in the public life, while acquiring all the new unique properties, changes in the structure of the components. Not only material and financial resources, but also internal factors of an individual, are necessary for keeping proper development of the personnel.

Personnel development not only allows the company to successfully solve the problems associated with the emergence of new activities, to ensure its competitiveness, but also has a positive impact on employees: the development of skills and acquisition of the latest skills and knowledge, makes them the most competitive in the labor market and receive additional opportunities for professional growth within the company.

The development of personnel contributes to the overall intellectual development of man, expands his erudition and circle of communication, and strengthens self-confidence. The ability to develop a career and professional growth at a company is highly appreciated by employees and has a great influence on the decision-making process when employing at companies. At the same time it benefits from internal organizational development and society in general – more qualified members and higher productivity of social work at no additional cost.

In the organization being learning, the highest value is employees, their creative development and material well-being. The policy of personnel development in such organizations is focused on the development of a system of continuing professional development of employees.

For the formation of the organization being learning, the heads are interested in continuous improvement of knowledge of employees, the use of modern methods of development, the study and application of experience of other companies, the involvement of professionals from the side.

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<sup>&</sup>lt;sup>7</sup> H. R Nyv. *Dr. Deming's Space: The Principles of Building a Sustainable Business*, Alpina Business Books, 2015, pp. 370.

#### **Conclusion**

The target of the organization being learning are the constant processes of mastering the latest technologies, updating the products, giving them new competitive properties through the continuous process of creative self-education of employees.

In order to improve the development of the personnel of the company, it is important to take into account foreign experience, which is conditioned by the following circumstances: the current stage of development of market relations and integration processes in the world; the objective necessity of forming a real socially oriented economy; the requirement for effective use of labor potential; further improvement of the motivation of effective work activity; turning from monetarist schemes of the economy to the account of social needs and features of the person; the transition from destructive labor conduct to innovative gradual entry into the forefront of healthy competition in society.

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# ZARZĄDZANIE PERSONELEM JAKO ELEMENT SYSTEMU BEZPIECZEŃSTWA EKONOMICZNEGO BIZNESU

Zarys treści: Celem artykułu jest opracowanie podejścia teoretycznego i metodologicznego oraz praktycznych zaleceń dotyczących zarządzania personelem firmy jako elementu zapewniającego bezpieczeństwo ekonomiczne. Najważniejszymi strategicznymi kierunkami zapewnienia bezpieczeństwa ekonomicznego podmiotu są: identyfikacja, zapobieganie, neutralizacja, tłumienie, lokalizacja, odzwierciedlenie zagrożeń i zagrożeń, a w razie potrzeby – rekompensata szkód, obiekty odzysku ochrony poszkodowane w wyniku nielegalnych działań, okoliczności siły wyższej, itp.

Słowa kluczowe: kontrahenci, należności, jakość zadłużenia, macierz.