



CONCEPTUAL FRAMEWORK IN THE FIELD OF CORPORATE SECURITY

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ABSTRACT: *Corporate security is a dynamic and comprehensive concept crucial for the protection and stable functioning of business entities, involving measures against both internal and external threats. It is integral to national security, with corporate security subsystems addressing economic, informational, and social components. Effective corporate security requires the collaboration of various internal services and sometimes external agencies, adapting preventive and responsive strategies to safeguard vital interests and ensure sustainable development.*

KEY WORDS: *Corporate security, National interests, Unfair competition, Internal and external threat.*

1. Introduction

Security is a category of fundamental importance in the sphere of life. It is multidimensional and has various levels, aspects, objects, and subjects, which often leads to it being imbued with diverse content. Security as a generic concept is defined as the impossibility of causing harm, the protection of every person and the surrounding environment from dangers. Generally, security in political terms is understood as protection, a state of safety and a state of guaranteed reliability for the development of individuals, society, and the state [7].

Researchers in security issues emphasize that there is no unified definition of this concept; it is examined in many scientific works from different perspectives and it is challenging to find a single definition among them. In sociology, political science, and psychology, definitions of security correlate with the protection of the essential needs of society and individuals. Philosophy and political science view security as a specific state of the system. Reliability characterizes security in philosophy, law, political science and mathematics. Only sociology and political science consider security from the perspective of system development, i.e. in dynamics.

A system is a set of elements that are in relationships and connections with each other, forming a certain whole. The system operates in a specific environment with a certain goal. In the 1980s, the system approach was introduced for solving corporate problems, aiming to study and improve social systems. The system approach is a method for researching and managing objects, considering them as a system where the elements, internal and external connections, and the influences on the system's functioning are defined, forming the goals of each element depending on the overall purpose of the system [1].

The concept of security should be considered in relation to the concept of system as an integrated community of interconnected elements. From this perspective security is defined as a dynamic state of a system's protection, ensuring its existence and reliably safeguarding its vital interests. Significant resources [3] are allocated for protecting vital interests to guarantee the system's successful existence and development.

There are various classifications of the different aspects of security, i.e. types of security. Depending on different criteria security is defined as political, military, economic, financial, social, demographic, informational, ethnic, religious, ecological and personal.

The concept of security is closely related to the category of national interests. Moreover, the former derives from the latter. Corporate security remains the largest reserve for strengthening the national security system. This can be achieved by amicably and competently resolving emerging contradictions and confrontations between the national and corporate security systems. Many experts believe that security cannot be discussed without considering the connection and interdependence between corporate and national security. It is increasingly recognized that corporate security is a fundamental building block of the national security system [2].

According to the commercial law, firm is the name under which a trader conducts their business and signs documents. In practice this term is often used to denote various business organizations. An enterprise (firm) is an independent system (entity) with legal rights, producing and selling products, performing activities, and providing services. In colloquial speech, these terms are often used interchangeably. A firm is a business, commercial, or industrial enterprise with legal rights. Firm and company are actually synonyms derived from different languages. A company is a commercial or industrial enterprise, a commercial-industrial association of entrepreneurs. A company is a smaller business organization than a corporation. A corporation is an organizational and economic form of business combination, consisting of several firms united and working together to achieve the same result. A corporation is analogous to other associations, such as a holding, trust, syndicate, group of firms, consortium, business association [4].

It is more appropriate to use the term corporate security instead of the term firm security used in many scientific and popular publications. For accuracy towards the authors using this term, it should be noted that they consider firm security as one of the most important systems for establishing, developing, and protecting any business, and it is appropriate to cite some existing definitions of firm security. In numerous publications firm security is understood as the state of protection of the firm from external and internal threats and its ability to ensure its existence (integrity, activity, growth, and development) to achieve its goals with optimal resource expenditure. Other authors view firm security as a complex of interrelated measures and activities. They define it as a set of specific actions (efforts) and structures for the physical and informational protection of people, financial resources, material, and intellectual property, to ensure sustainable operation and create conditions for long-term and successful work. The goal of firm security is to uncover threats, investigate the protection of objects, create a system for asset protection, prevent and intercept incidents and crimes, uncover assaults, and provide security [5].

In Bulgaria, the concept of firm security is often limited to practical actions only for the technical and physical security of firms. There are reasons for this, primarily the significantly smaller scale of activities of the firms themselves, and hence the limited tasks of their own firm security systems if they are created. Currently, their priority is not countering foreign corporate espionage related to the theft of scientific and technological secrets and "know-how" of our leading firms.

The security of a firm is a state of its relative stability, achieved through a set of activities for the prevention, detection, and neutralization of various dangers and forms of impact. Firm security is a set of activities carried out in the commercial enterprise to prevent, detect, intercept, and stop unfair competition.

The comprehensive resolution of the issue of firm security provokes the need to analyze corporate security, meaning that an individual enterprise cannot objectively protect itself from all elements of risk [6].

According to authors from the second direction, the terms corporate culture, corporate thinking and corporate traditions, which recently appeared in scientific literature, allow expanding the meaning of the concept of corporate. They believe that protective measures are part of the broader concept of corporate security. The author adheres to the opinion of this group of authors - corporate security is the state of protection of the vital interests of a business entity.

The concept of corporate security has slightly changed in recent years compared to the 1990s. Back then, the focus was on the personal safety of the business owner and property. Over time the state began to regulate economic processes in the country more or less, and security issues shifted to the plane of the economy. With the transition to market relations the state lost the ability to

guarantee the security of all business entities, but it concentrated its efforts on protecting the state as such. Regarding individual entrepreneurial structures, they were partially delegated the right to protect themselves from external and internal threats. Thus, every businessman inevitably must solve not only business problems but also tasks for protecting their business.

For the purposes of the thesis, the following definition is appropriate:

Corporate security of the enterprise (business organization) is the state of protection of the stable functioning and corporate interests of the enterprise from potential and real threats, achieved through the harmonization and interconnection of its interests in accordance with the interests of the subjects of the internal and external environment.

Exposition

Only in conditions of guaranteed security can a firm become successful and established. Expanding partnerships, increasing the customer base and market stability are possible if the company has a well-formed security system. It largely determines not only the company's professional viability but also an important image component.

The term security has a broad semantic meaning, such as international security, national security, enterprise security, and citizen security. It generally refers to current and future security against various property and non-property threats. Additionally, the concept includes various functional areas, such as political, military, and environmental security.

It is possible to differentiate security based on the causes of its disruption. In particular, external threats are highlighted – from foreign states, changes in the economic policy of one's own state, and unfavorable market dynamics. Security threats can also be determined by internal factors, such as low qualification of one's own personnel or lack of financial resources.

Security is the condition of a complex system when the impact of external and internal factors does not lead to actions considered negative concerning this complex system compared to the needs, knowledge, and ideas existing at this stage.

Organizational security (corporate security) is a comprehensive concept. In its narrowest sense, it can be represented as the absence of various types of dangers and threats or the presence of opportunities for their prevention, protection of interests, and prevention of damage above the critical threshold. This requires diligent daily work of the relevant personnel, security services, ensuring the effective operation of the organization, protecting its property, preventing the disclosure of secrets, suppressing factors of violent crimes, and protecting intellectual property. In other words, protecting everything from everything.

Corporate security is the state of the corporation as a system (its main subsystems), where the probability of updating threatening factors to its existence is minimized.

The primary goal of corporate security is to protect the company from all types of threats and to provide favorable conditions for realizing its main interests. Threats to corporate security are also divided into two types – external and internal.

External threats are caused by factors of the external macro- and microenvironment (natural disasters, man-made disasters, economic and political crises, unfair competition, and others).

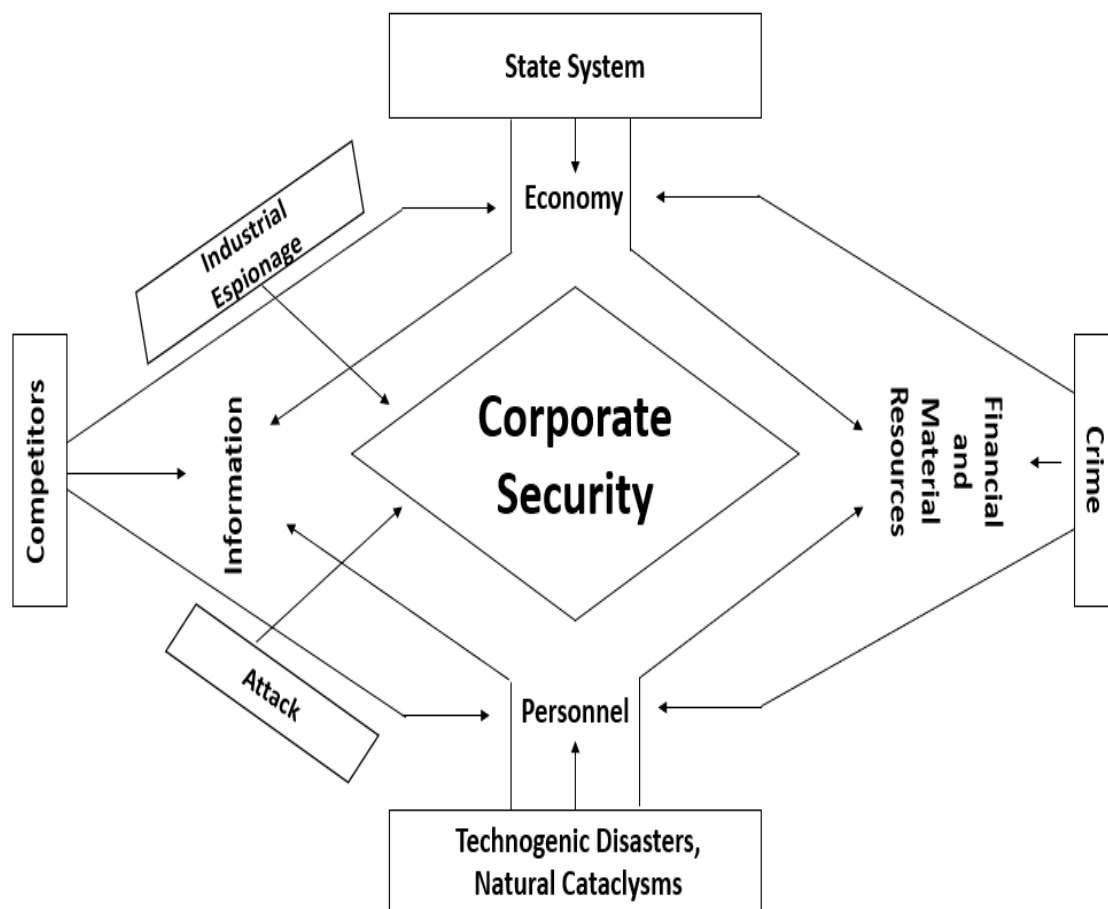


Fig. 1. Corporate Security in an Institutional Environment

Among all the threatening factors, most businessmen rank competitors first. It should be noted that competition is a natural and even necessary process under market conditions. However, depending on the methods used, competition can be conditionally divided into white, gray, and black.

- "White" - fair competition; conducted in the form of a race within the existing legal framework.

- "Gray" - rivalry, the first form of unfair competition; implemented using techniques and methods aimed at discrediting a competitor, the goods they produce, or the services they provide.
- "Black" - confrontation; aimed at destroying the competitor and carried out using techniques and methods that contradict current legislation.

In turn, unfair competition generates two new threats: industrial espionage and hostile takeover.

These factors themselves are passive and are activated upon receiving an order for their services. As a rule, private detective agencies specialize in conducting industrial espionage actions. In the raid, there are firms and companies specifically oriented towards this activity.

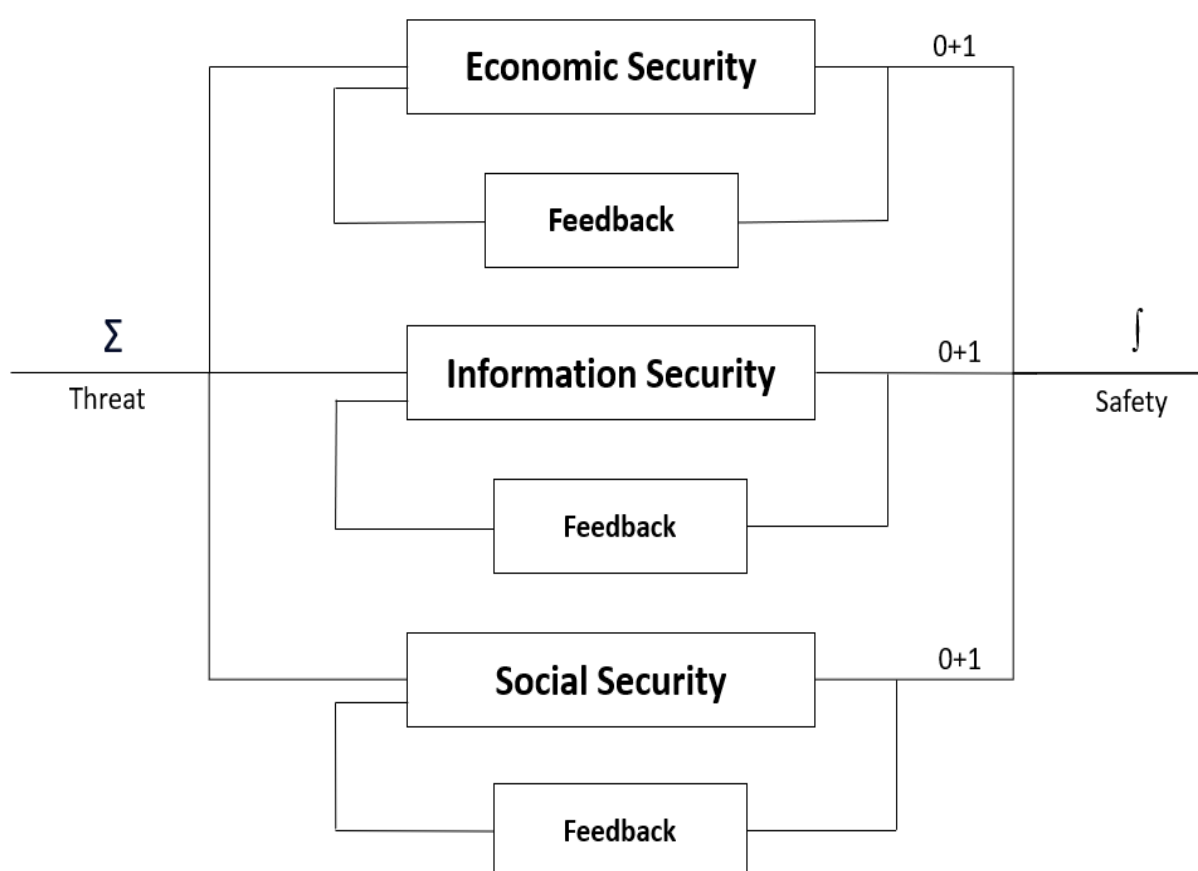


Fig. 2. Corporate Security System

In a broad sense, corporate security is understood as the state of the system (companies, organizations, corporations) in which the likelihood of the threat factors becoming a reality is minimized. This circumstance means that at any given moment, corporate security is determined by a specific numerical value in the range of $0 \div 1$. This value is derived from the current state of the threat and the effectiveness of the corporate security system.

The overall threat, affecting the objects of protection in different ways, can pose a real danger to the level of economic, informational, or social security.

The corresponding corporate security subsystems must effectively counteract those components of the overall threat they are targeted against. As a result of the joint activity of these substructures, comprehensive corporate security is achieved as a specific systemic quality. The integral effect is achieved because the individual subsystems assist each other in solving their specific tasks. In fact, when addressing economic security issues, its informational and social components cannot be ignored.

Each subsystem has feedback that allows for the adjustment of its effectiveness using internal resources when the actual security level is lower than the specified one. In turn, each of the subsystems is a mini-system consisting of a large number of elements.

It is generally accepted that the issues of ensuring economic security are the prerogative of the security service, but in addition to it, a number of other participants are involved in this process, including:

- Senior management;
- Internal audit service;
- Information-analytical service;
- Personnel service;
- Legal service.

A similar situation develops concerning information and social security. This circumstance necessitates revising approaches both to building the security system itself and to the principles of its management.

The structure of the economic security service is specific to different economic entities. It depends on the size of the company, the number of employees, the nature of the activity, and the role of confidential information (trade secrets).

The economic security service is the most important element of a comprehensive economic security system for an economic entity. If the enterprise (company) is small, it is more expedient not to create its own security service but to use the services of the corresponding security and detective agencies. In the same case, if the enterprise is large and uses significant amounts of confidential information in its activities, it is objectively necessary to create its own security service.

Let us provide an approximate structure of the economic security service of an enterprise (company). The selected blocks are directly included in the economic security service, and the rest - only within the issues that are within the competence of the economic security service.

This structure ensures the organization of units involved in the direct protection of the main objects of threats and at the same time the interaction with other structural units of the company, on whose activities, to one degree or another, the economic security depends. Of course, such a structure is not

exhaustive, but it can be used as a basis for creating a more comprehensive economic (and general) security system.

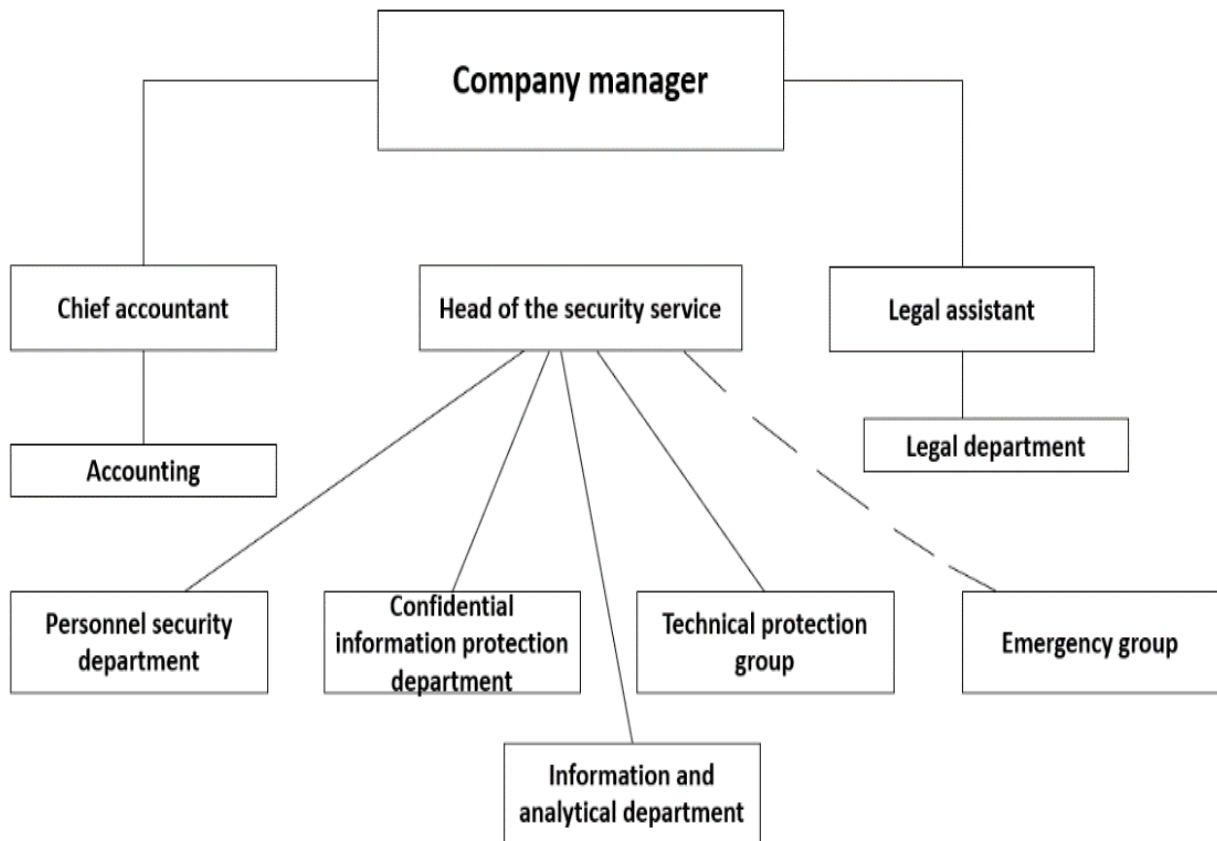


Fig. 3. Security Service Structure

A special analytical security group can be created within the enterprise. Some analysis and control issues can be addressed by the company's marketing and advertising department.

The tasks of the security groups may include:

- Determining the value of the available information and the need for its protection;
 - Periodic analysis of the potential threat of information theft, determining its reality, type and forms;
 - Studying the company's clients, their needs, habits and connections;
 - Identifying potential competitors. Control over advertising, sales markets, business contacts; uncovering manifestations of unfair competition;
 - Taking countermeasures in case of violation of the company's interests.
- These problems can be solved by the company's own efforts, obtaining the necessary information for a fee from commercial structures that possess it (banks, insurance companies), as well as seeking help from industrial intelligence specialists, detective agencies.

The practical activity of the commercial security service should be based on the use of standard schemes, procedures, and actions. Firstly, it should be said about the general algorithm of actions on which the work of the security service is based. It includes the following sequence of operations:

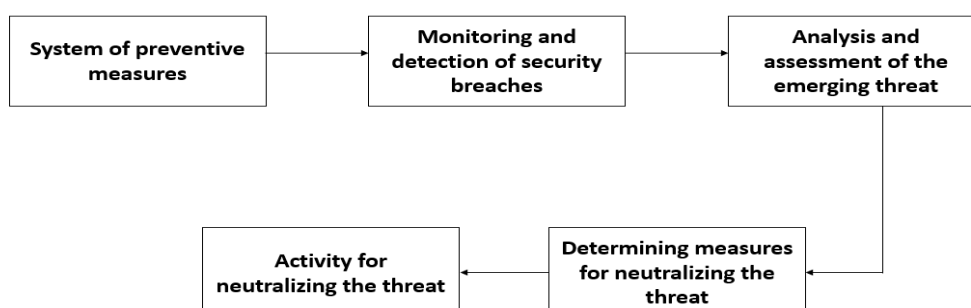


Fig. 4. Security Service Action Algorithm

The system of preventive measures includes activities to study contractors, analyze contract terms, comply with rules for handling confidential information, protect computer systems, etc. This activity is carried out regularly and continuously. It ensures the protection of economic security based on a constant system of organizational measures [8].

At the same time, it should be taken into account that organizing an effective system of preventive measures will cost much less than dealing with the consequences of already committed crimes and realized threats.

Conclusion

Today, security cannot be discussed without considering the relationship and interdependence between corporate and national security. This is a matter of the unity and subordination of the different levels of security. It is increasingly recognized that the main building block of the national security system is corporate security. In individual corporations and their constituent economic entities, material and intellectual assets for economic activity are concentrated – the means and agents of production. There, technological, labor, and social processes intersect in the transformation of labor objects and the production of labor products. Consumer value is created, and the qualitative characteristics of the competitiveness of the created product are formed. This complex process of transformation is carried out through a constant exchange of material, energy and information resources with the external environment. The process itself is

accompanied by contradictions and conflicts caused by different interests and unshared values.

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