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Scientific and Methodological Principles of Implementation of the Concept of Ensuring Socio-Economic Security of Enterprises in the Conditions of Innovative Development

Abstract

The article is *aimed* at defining and disclosing the scientific and methodological foundations for implementing the concept of ensuring socio-economic security of enterprises in the context of innovative development. The *subject of the research* in the article is the scientific and methodological principles of ensuring socio-economic security of enterprises in the context of innovative development. To achieve this goal, the following theoretical *methods* were used: analysis of the source base, comparison, systematisation and generalisation. The category of innovative enterprise development and socio-economic security has been identified. A number of indicators may be employed to evaluate the extent of social and economic security enjoyed by an enterprise. These may be classified according to their financial, social, innovative, operational or environmental impact. This paper considers the distinctive characteristics and principal consequences of the impact of innovative development on the social and economic security of enterprises. It has been established that the scientific and methodological principles of social and economic security comprise a set of theoretical and practical tools, methods and approaches that facilitate the identification, assessment and management of risks associated with innovative activities. In the context of outlining the scientific and methodological foundations, a number of principles for developing a system of socio-economic security for the enterprise were identified and expanded upon, and a list of scientific approaches for studying and providing socio-economic security for the enterprise was provided. The importance of a systemic approach in ensuring the socio-economic security of the enterprise in the context of its innovative development is demonstrated. It is determined that the methodological principles include the development and implementation of a system of indicators for assessing the level of socio-economic security, analysis of risks associated with innovation activities. The components of methodological support for the system of socio-economic security are proposed: monitoring, evaluation, risk management. The *conclusions* of the study are that the innovative development of enterprises determines the competitiveness and long-term sustainability of business. The socio-economic security of an enterprise can be defined as a dynamic state of stable functioning and development in the presence of external and internal threats. This encompasses the protection of the enterprise's economic interests, the assurance of financial stability, risk management, the optimisation of resource utilisation and the enhancement of production efficiency. The concept of the relevant scientific and methodological principles can be developed on the basis of the principal approaches to the study of the socio-economic security of the enterprise, as well as the principal principles of its development, which are presented in the article.

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Keywords

innovative development, decision-making, conditions of risk and uncertainty, systematic approach, monitoring, evaluation, risk management

JEL: D81, O30, O31, P46



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1 Introduction

The timeliness of defining and revealing the scientific and methodological bases of implementation of the concept of ensuring social and economic security of enterprises in conditions of innovative development is determined by the modern conditions of functioning of enterprises facing the challenges of an unstable, dynamic environment. The current stage of economic development is characterised by rapid technological progress, globalisation of markets, increased competitive pressure and the need for rapid adaptation to changes. Under these conditions, companies must not only ensure their economic stability, but also comply with social standards, which are an important aspect of their overall security.

The primary contradiction lies in the fact that, at this point in time, intricate approaches to the administration of social and economic security for enterprises, which would encompass innovative elements, are still in the developmental phase and require further elaboration. This elaboration is only feasible on the condition of constructing a comprehensive account of the potential scientific and methodological principles that should serve as the foundation for a unified concept of social and economic security for enterprises in the context of innovative development. Existing research and practice frequently concentrate on either the economic or the social aspects of security, without considering the interrelationship between the two and the impact of innovation on these processes.

The analysis of recent studies and publications shows that scholars are interested in the issues of ensuring socio-economic security of enterprises, including in the context of innovative development. The subject of careful consideration by foreign and Ukrainian scholars is both the theoretical aspects of ensuring the socio-economic security of an enterprise in the context of sustainable and innovative development and the applied aspects of this issue. In particular, the works of O. Denysov (2017) examine scientific approaches to the study of economic security concepts. Similarly, P. Kolisnichenko (2017) directs attention towards the scientific and methodological approaches to the study of the economic security of enterprises, albeit within the context of evaluating its level. M. Denisenko and D. Povzun (2019) direct their primary focus to an in-depth examination of the theoretical aspects of economic security within the context of environmental uncertainty. Ukrainian scientists such as I. Kolodiazhna and K. Bukrina (2019) investigate the phenomenon of economic security within the context of a system that is not innovative but sustainable in its functioning. It is evident that the aforementioned scientists primarily focus on the theoretical and methodological aspects of enterprise economic

security. Concurrently, the focus is not on social and economic security, but rather on the economic security of the enterprise.

A. Cherep, M. Adamenko, O. Cherep, I. Dashko, R. Korolenko, O. Kornukh (2023) consider the problem of the role of the innovative potential of personnel in strengthening the economic security of Ukrainian enterprises in the post-war period. The work of O. Hrybinenko and S. Shahoian (2017) highlights the essence and ways of ensuring the economic security of the enterprise. O. Diachenko and L. Artemenko (2015) conducted a practical analysis of the economic security of innovation-oriented enterprises in the conditions of European integration. In the work of L. Khrystenko, O. Chorna and Y. Suprun (2022), the conceptual aspects of the strategy of economic security as a key element of the strategic management of agricultural enterprises in the sphere of ensuring global food security are revealed.

The ideas of Yu. Neustroiev, who considers innovations and innovative development of the enterprise as an important factor in the formation of economic security of the enterprise (Neustroiev, 2021; Neustroiev & Pravdyvets, 2021).

The long-term and systematic work of domestic scientists on the disclosure of various aspects of the safety of an innovative enterprise results in the production of comprehensive monographs and training manuals that synthesise and organise relevant experience (Alkema, Litvin & Kyrychenko, 2015). The research experience of representatives of foreign economic science (Kotter, Porter) demonstrates that the integration of innovative processes into the enterprise security system is a necessary condition for its successful development.

Separately, a number of works can be singled out, in which the phenomenon of innovative development of the enterprise is considered. In particular, K. Doroshkevych, N. Kolinko, R. Dzvonyk (2024) defined the essence and meaning of innovative development of the enterprise and visualised its components. O. Mykhailyk and E. Birak (2023) conducted a comprehensive analysis of investment and innovation activities of enterprises under martial law. I. Mihus and Ya. Koval (2021) considered the innovative development of the enterprise from the point of view of the rapid digitalisation of the economy.

The objective of this study is to define and elucidate the scientific and methodological foundations of the implementation of the concept of ensuring social and economic security of enterprises in the context of innovative development. The focus of this study is the examination of processes associated with the management of social and economic security within the context of enterprises. The subject of this study is an examination of the scientific and methodological principles that

underpin the assurance of social and economic security for enterprises in the context of innovative development.

2 Enterprise Innovation Development as a Subject of Research

Innovation is the result of a conscious and systematic search for new ideas and means of solving certain complex, exceptional situations. Innovations in the sphere of the functioning of enterprises are the main form of their progressive development and contribute to the improvement of the quality of the functioning of the entire enterprise and the products it produces.

The innovative development of an enterprise is a complex multideterministic phenomenon, therefore, when considering it, it is necessary to take into account a number of aspects of its functioning. K. Doroshkevych, N. Kolinko, and R. Dzvonyk, based on a complex content analysis of the existing definitions of "innovative development of the enterprise" in the source database, outlined the essential meanings of the phenomenon of innovative development of the enterprise. It is embodied in ensuring the enterprise's ability to use innovative ideas and realise its innovation potential; creating conditions that accompany changes in the state of the enterprise based on innovation to achieve positive results; updating and implementing reforms through innovation; ensuring changes in the enterprise based on innovation and realising its growth-oriented potential; ensuring the enterprise's response to threats to the innovation environment and changes in the market situation, and so forth (Doroshkevich, Kolinko & Dzvonyk, 2024).

O. Mykhaylik and E. Birak (2023) substantiated the directions of investment and innovation activities of enterprises under the martial law, among which the scientists highlighted the following: development of new technologies and products, development of alternative markets, investment stimulation, acceleration of the emergence of innovations, partnership and cooperation. According to these researchers, the main aspects of development of innovative activity of the enterprise are attraction of financial resources, improvement of management processes of investment projects and provision of sustainable scientific and technical potential (Mykhaylik & Birak, 2023).

Consequently, the innovative development of enterprises represents a significant area of investigation within the field of modern economic science, as it serves to determine the competitiveness and long-term sustainability of business. Innovation encompasses the introduction of novel products, processes, technologies and organisational changes that contribute to enhanced efficiency and productivity within the enterprise.

3. Socio-Economic Security of Enterprises in the Context of Innovative Development

The operationalisation of the category of social and economic security of the enterprise should take into account the dual nature of this phenomenon, which includes social and economic security. Social security of an enterprise is a state of high protection of its employees from various social risks and threats, which includes ensuring proper working conditions, creating safe and comfortable conditions for the performance of work duties, and compliance with labour protection standards. Therefore, social security includes social protection of employees, provision of social guarantees – health insurance, pension payments, assistance in case of loss of working capacity, support during unemployment, as well as provision of opportunities for professional development and training (Luhova, Martiianova, 2016; Kalnytska, 2017).

The economic security of the company is its material condition, which is characterised by: 1) balance and quality of the set of financial instruments, technologies and services used by the enterprise; 2) resistance to internal and external threats; 3) ability of the enterprise's financial system to ensure the realisation of its financial interests, mission and tasks with sufficient amounts of monetary resources; 4) effective and long-term development of this financial system (Denysenko & Povzun, 2019; Diachenko & Artemenko, 2015).

In light of the considerations pertaining to social security and economic security of the enterprise, it is now possible to embark upon an analysis of the phenomenon of social and economic security of the enterprise. The socio-economic security of the enterprise can be defined as a dynamic state of stable functioning and development of the enterprise in conditions of external and internal threats. This encompasses the protection of the economic interests of the enterprise, ensuring financial stability, risk management, optimising the use of resources and increasing production efficiency. Furthermore, socio-economic security entails the creation of favourable conditions for employees, the assurance of their social guarantees and rights, and the enhancement of their qualifications and job satisfaction (Zhyvko, Slipa & Volnykh, 2015). It can be argued that the socio-economic security of the enterprise is characterised by its ability to provide stable working conditions, decent wages and social protection for its employees, as well as a stable financial condition and the capacity to withstand external and internal threats.

The socio-economic security of enterprises in the conditions of innovative development is an important aspect of their functioning, ensuring their sustainability and competitiveness in today's globalised world. In the conditions of innovative development, enterprises face a number of challenges,

including increasing competitive pressure, rapid changes in technology, the need for constant updating of production processes and upgrading of employees' skills. The successful implementation of innovative projects requires significant investments, which can become a threat to the financial stability of the enterprise in case of insufficient funding or unsuccessful implementation of innovations. In order to ensure social and economic security, it is therefore important to carry out a thorough risk analysis and develop strategies to minimise these risks. In particular, companies should invest in the education and training of employees to help them adapt to new conditions and reduce social risks.

There are a number of indicators that can be used to assess the level of socio-economic security of an enterprise: 1) financial – an indicator of economic sustainability of an enterprise (profitability, liquidity, solvency, financial stability); 2) social – characterise the degree of protection of social rights of employees of an enterprise (level of social protection, staff turnover, level of employee satisfaction); 3) innovative – determine the effectiveness of innovation activity (number of innovations implemented, research and development costs, share of new products in total sales); 4) operational – assesses the operational efficiency of the enterprise (labour productivity, number of production defects, order fulfilment time, etc.); 5) environmental – the impact of the enterprise on the environment (harmful emissions, resource consumption, waste disposal) (Kolodiazhna & Bukrina, 2019).

In the context of this research, the fundamental issue is the impact of innovative development on the social and economic security of enterprises. According to Yu. Neustroiev, the introduction of innovations initiates the development of socially responsible entrepreneurship, the prosperity of enterprises, territorial communities and the general economy of the country (Neustroiev, 2021). Innovation is a key component and an effective factor in ensuring the development and economic security of various economic systems. It creates undeniable advantages in a competitive environment and, if properly applied, can reduce the risks of operation by proactively responding to possible threats and timely seizing opportunities in the external environment (Neustroiev & Pravdyvets, 2021). Together with these researchers, the authors are of the opinion that innovative development is a key factor in improving production efficiency, which in turn affects all aspects of the enterprise, including its social and economic security.

In the context of ongoing innovation, it is imperative that enterprises employ contemporary risk management techniques to ensure resilience against external and internal threats. This entails the implementation of quality management systems, information security measures, environmental

management practices and other tools that will enhance the efficiency and safety of production processes.

4. Characteristics of the Scientific and Methodological Principles of Ensuring the Socio-Economic Security of Enterprises in the Process of Implementing Innovations

The analysis of the innovative development of enterprises, as well as the social and economic security of enterprises in the context of innovative development and the impact of innovative development on the assurance of social and economic security, enables the determination and revelation of the scientific and methodological principles of the assurance of the social and economic security of enterprises during the implementation of innovations. The scientific and methodological principles of ensuring social and economic security comprise a set of theoretical and practical tools, methods and approaches that facilitate the identification, assessment and management of risks associated with innovative activities.

In connection with the description of scientific and methodological principles of ensuring social and economic security of enterprises during the implementation of innovations, it is necessary to focus on the principles of building a system of social and economic security of the enterprise, as well as the main approaches to its provision. V. Alkema, N. Litvin and O. Kyrychenko (2015) present a comprehensive list of relevant principles, including systematicity, creativity, complexity, expediency, scale, flexibility, mobility, continuity, legality, centralisation of management, interaction and coordination. In addition, it can be proposed several principles that reflect the particularities of the enterprise's functioning in innovative conditions. These include the principle of risk monitoring and assessment, the principle of forecasting, the principle of using strategic models of innovative development, the principle of comprehensiveness of analysis methods, the principle of taking into account key and safety indicators, and the principle of risk management.

O. Denysov (2017) identified a number of scientific approaches to the study and provision of social and economic security for enterprises, which should be taken into account in the process of characterising the relevant scientific and methodological foundations. The aforementioned approaches can be classified into the following categories: process, administrative, dynamic, quantitative, complex, reproductive, functional, systemic, integrative, regulatory, marketing, behavioural and situational. It is not within the scope of this research to provide an exhaustive analysis of each of these approaches. However, it is noteworthy that in the context of

enterprise innovation, the systemic approach is particularly promising. As part of the implementation process, a comprehensive review of the internal and external factors that affect the enterprise's activities is planned. In examining the internal factors, particular attention should be paid to the level of innovative capacity of the enterprise, including the availability of qualified personnel, the efficiency of management processes, the state of the material and technical base, and financial resources. External factors include the economic situation in the market, government policy in the field of innovation, the competitive environment and socio-demographic trends.

Methodological principles include the development and implementation of a system of indicators for assessing the level of social and economic security. This system allows for the timely identification of potential threats and the development of measures to minimise their impact. The system should comprise both quantitative and qualitative indicators reflecting the various aspects of the enterprise's activity, including financial stability, the level of innovative activity, social stability and employee satisfaction.

An important component is the analysis of risks associated with innovative activities and the development of measures to minimise them. Particular attention should be paid to issues of intellectual property management, protection of trade secrets and ensuring cyber security. It is particularly important to implement risk management methodologies to identify, assess and manage the risks associated with the introduction of innovation. This includes the analysis of possible threats, the development of mitigation strategies and contingency plans.

In terms of methodology, the implementation of the socio-economic security system includes three key components: monitoring, assessment and management of risks associated with innovation activities. Monitoring involves continuous observation of internal and external factors that may affect socio-economic security. This includes collecting data on economic indicators, social conditions, technical innovations, and analysing the political and regulatory environment.

Risk assessment involves analysing the data collected to determine the likelihood and possible consequences of various risks associated with innovation activities. This involves the use of quantitative and qualitative assessment methods, including statistical analysis, modelling and expert opinion. It is also important to consider the interrelationships between different risks and their possible cumulative impact.

Risk management involves the development and implementation of measures aimed at minimising or eliminating identified risks. This may include

developing diversification strategies, creating reserve funds, introducing insurance mechanisms, and developing regulations to help mitigate risks. Risk management also involves continuously adapting and improving strategies based on new data and changing conditions.

The implementation of a socio-economic security system, comprising monitoring, assessment and risk management, facilitates the creation of a more stable and protected environment for innovative activities. This not only serves to safeguard against potential threats, but also encourages the advancement of new technologies and practices, which in turn contributes to economic growth and social progress. Therefore, the scientific and methodological principles of ensuring the social and economic security of enterprises in the context of innovative development is a multifaceted and complex process that necessitates an integrated approach and interaction of the various aspects of management.

5 Conclusions

The analysis of the scientific and methodological foundations of the implementation of the concept of ensuring social and economic security of enterprises in the conditions of innovative development allows for the drawing of several conclusions.

1. The innovative development of enterprises represents a significant area of investigation within the field of modern economic science, as it serves to determine the competitiveness and long-term sustainability of business. Innovation encompasses the introduction of novel products, processes, technologies and organisational modifications that enhance the efficiency and productivity of enterprises.

2. The socio-economic security of an enterprise can be defined as a dynamic state of stable functioning and development in the presence of external and internal threats. This encompasses the protection of the enterprise's economic interests, the assurance of financial stability, the implementation of risk management strategies, the optimisation of resource utilisation and the enhancement of production efficiency. Furthermore, socio-economic security entails the creation of favourable conditions for employees, the assurance of their social guarantees and rights, and the enhancement of their qualifications and job satisfaction.

3. It can be argued that innovative activity represents a crucial element in the process of ensuring the development and economic security of various economic systems. Indeed, innovative development can be identified as a key factor in increasing production efficiency, which, in turn, affects all aspects of the enterprise's activity, including its social and economic security.

4. Innovative development is a key factor in increasing production efficiency, which in turn affects all aspects of the enterprise's activity, including its socio-economic security. An idea of the relevant scientific and methodological bases can be built on the main approaches to the study of the socio-economic security of the enterprise, as well as the main principles of its development. In the context of innovative development of enterprises, the most promising is a systematic approach to researching and building a system of socio-economic security. In terms of methodology, the implementation of

the socio-economic security system includes three key components: monitoring, assessment and management of risks associated with innovation.

Prospects for further developments in this area are contingent upon the integration of innovative approaches, the utilisation of digital technologies, an increase in the role of human capital and the social responsibility of entrepreneurial activity. Additionally, the development of flexible strategies and management systems that allow for a high level of socio-economic security of enterprises in the context of innovative development is a crucial factor.

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