

The possibility of assessing the economic security of the organization, taking into account the specifics of the region

A Suglobov¹, L Fedorova^{1*} and M Barsukova¹

¹ Russian University of Cooperation, 12/30 Vera Voloshina street, Mytishchi, Moscow region 141014 Russia

E-mail: fedorova0201@mail.ru

Abstract: The article systematizes the theoretical and methodological approaches to assessing the economic security of an organization, taking into account the identified advantages and disadvantages. We also highlight the most common indicative method and algorithm for assessing and building a system to ensure economic security. The methodology of conducting a comprehensive assessment of the economic security of an organization is clarified. This is considered in the context of coordinating the strategic, tactical and current security indicators and taking into account certain peculiarities of regional development.

Keywords: theoretical and methodical approach, assessment, economic security, organization, indicative method, the specifics of the region

1. Introduction

Currently, many organizations are at the stage of developing indicators of economic security, and their development in terms of the importance of business processes reflects its essence. The degree of adequacy of assessment results of economic security depends on the accuracy of identifying threats, on the correct choice of parameters for their manifestation. The theoretical and methodical basis for defining indicators should take into account the peculiarities of organizations' activities, due to their specific nature of activity, form of ownership, capital structure, existing organizational and technical level, regional specificity [4, 11]. The relevance of the research topic is due to the presence of a number of unresolved and controversial issues in the field of assessing the economic security of an organization under conditions of market uncertainty and specific working conditions in the region, as well as the need for theoretical and practical research.

The purpose of the study is to systematize the theoretical and practical aspects and to develop recommendations for assessing the economic security of an organization, taking into account regional features.

The object of the study is the economic security of the "EBO" LLC (Chuvash Republic). The subject of research is a set of organizational and economic relations arising in the process of assessing the economic security of an organization.

2. Materials and Methods

The basis of the study consists of the fundamental provisions of economic science, the works of scientists in the field of economic security management. Methodical tools are based on the dialectical

method of knowledge, providing a systematic approach to the problem under study; on general scientific methods: induction and deduction, analysis and synthesis, groupings, economic and statistical analysis, etc. The information base consists of the official data coming from federal and regional state statistics bodies of the Russian Federation, Internet resources, and the LLC "EBO".

3. Results

The scientific results of the study consist in the development of theoretical concepts and the justification of practical recommendations for conducting an assessment of the economic security of an organization, taking into account the specific features of the region. The analysis of scientific literature [1, 2, 3, 5] made it possible to choose a methodology for assessing the economic security of an organization and to identify the need to coordinate its current, tactical, and strategic security in modern conditions. Strategic security reflects the degree of compliance of the organization's work with macroeconomic trends through the assessment of the quality of its strategic potential. Tactical security is achieved at a certain level of resources efficiency in an organization and characterizes its ability to reproduce. Current security is defined as the stable functioning of an organization at a given point in time through an integral assessment of its solvency.

The overall level of economic security can be defined as the weighted average of current, tactical, and strategic security indicators.

Features of the management of socio-economic development of the region arise from the specifics of the territory, determined by the size of the territory; geographical and climatic conditions; natural resources, population, etc. The development specifics of the Chuvash Republic are determined by: demographic indicators (high population density), highly skilled labor resources, dependence on mineral resources, dependence on the federal budget, the presence of a powerful industrial complex, the potential of the investment sphere, an advantageous geographical position, which allows developing sectors of the economy in the absence of natural resources, sectors of the economy are focused on imported raw materials and fuel, export of products. These features should be taken into account when assessing the strategic security indicators of the "EBO" LLC operating in the region, in comparison with the macroeconomic indicators of the Russian Federation and the Chuvash Republic (Table 1).

Table 1. Macroeconomic indicators of the Russian Federation and the Chuvash Republic in 2017 in comparison with indicators of the "EBO" LLC (in % of the previous year) [12, 13].

| Indicators | Russian Federation | Chuvash Republic | Establishment "RNITSEB" |
|---------------------------------------|--------------------|------------------|-------------------------|
| Gross regional product | 101.6 | 100.6 | 105.8 |
| Fixed investment | 104.4 | 101.4 | 103.9 |
| Average monthly nominal accrued wages | 106.6 | 107.2 | 100.0 |
| Population | 100.2 | 99.9 | 133.3 |
| Minimum wage | 106.6 | 104.1 | 101.3 |
| Labor productivity | 97.8 | 101.4 | 94.7 |

According to the table, it follows that in the "EBO" LLC, revenue increased by 5.8%, in 2017 compared to 2016. The gross regional product of the Chuvash Republic increased by 0.6%, while the gross domestic product of the Russian Federation increased by 1.6%. Investments in fixed assets in the Russian economy increased by 4.4%, and this figure is 3% lower compared to 2016 in Chuvashia.

The average monthly salary in the Chuvash Republic is growing at a faster pace than the Russian Federation, but its size in the region is 37% lower than the same indicator for the country. In the "EBO" LLC, the average monthly wage remained unchanged. In turn, the number of employees in the organization increased by 33.3% due to the expansion of the range of services provided and the conclusion of new contracts for design work, in 2017. It is worth noting that in the Russian Federation, the population has slightly increased. In the Chuvash Republic, there has been a steady negative dynamic of demographic indicators since 2013. The minimum wage in the Russian Federation increased by 6.6%,

which was 2.5% more than in Chuvashia and 5.3% more than in the “EBO” LLC. Labor productivity in the Chuvash Republic increased slightly, while it decreased in the organization (by 5.3%) and in the whole of the Russian Federation (by 2.2%).

Thus, it can be noted that the “EBO” LLC, located in the territory of the Chuvash Republic, is developing dynamically according to the macroeconomic indicators of the country, according to the growth rate of the region.

Further, the tactical security of the “EBO” LLC was evaluated on the basis of the calculation of generalized indicators of its efficiency in using the resource potential (Table 2).

Table 2. Generalizing indicators of efficiency in using the resource potential of the “EBO” LLC in 2015-2017.

| Indicators | Years | | | Deviation (+ ; -) | |
|---|-------|-------|-------|-------------------|--------------|
| | 2015 | 2016 | 2017 | 2016 to 2015 | 2017 to 2015 |
| 1. Indicator of efficiency of use of economic potential | 1.5 | 1.9 | 1.6 | 0.4 | -0.3 |
| 2. Financial performance indicator | 0.1 | 0.1 | 0.1 | 0 | 0 |
| 3. Labor performance indicator | 471.5 | 496.1 | 699.6 | 24.6 | 203.5 |
| 4. Integral indicator of economic performance | 3.6 | 4.2 | 5.0 | 0.6 | 0.8 |
| 5. Indicator of the level of economic development | - | 0.6 | 0.7 | - | 0.1 |

For 2015-2017, the calculation of tactical security the “EBO” LLC was carried out. The calculation made it possible to notice an increase in the level of economic development despite a slight decrease in the efficiency indicator of using its economic potential in 2016-2017.

The current security of an organization has been determined through an integral assessment of its solvency. According to the balance sheet liquidity data, current assets held by the organization made it possible to repay debts for short-term liabilities by selling their current assets and testify to their efficient use. The financial condition of the “EBO” LLC is assessed as positive, stable, financially independent. In 2017, there was an increase in the financial dependency ratio, the ratio of borrowed and own funds associated with an increase in the term of turnover of borrowed capital; reduction of the financial risk ratio, the autonomy ratio and the ratio of own working capital. But these figures do not exceed the allowable values, which means that the organization can feel being stable, aware that all borrowed capital can be compensated by its property. The probability of bankruptcy according to the Altman index is 5.5. According to the Taffler-Tishou diagnostic model, it is at the level of 1.04 (a norm of 0.3), which means that the probability of a financial collapse is very low, i.e. the organization’s operation is safe at the moment. Also, the coefficients obtained indicate long-term financial stability.

The results of the tax risk assessment carried out according to the criteria of the Field Tax Audit Planning Concept are reflected in Table 3. The results are given taking into account the fact that the “EBO” LLC applies a simplified tax system.

Table 3. Regulatory and actual values of the tax risk criteria for the “EBO” LLC for 2015-2017.

| Criterion | The standard value of the criterion | Years | | |
|--|---|-------|-----------|-----------|
| | | 2015 | 2016 | 2017 |
| 1. The tax burden for this taxpayer is below its average level for economic entities in a particular industry (due to economic activity) | 6.5% (2015) 5.5% (2016) 5.0% (2017) | 6.7 | 4.3 | 4.4 |
| 2. Anticipating growth rate of expenses over the growth rate | T costs ≤ T income | - | 1.2 ≤ 1.2 | 1.1 ≤ 1.1 |

| | | | | |
|--|-------------------|---|---|---|
| of revenues from the sale of services | | | | |
| 3. The average monthly wage per employee below the average level by type of economic activity in the subject of the Russian Federation | | | | |
| | 16,400 (2015) | | | |
| | 17,600 (2016) | 21.3 | 21.3 | 21.3 |
| | 21,200 (2017) | | | |
| 4. Deviation of at least 10% of the level of profitability according to accounting data from the level of profitability for a given field of activity, according to statistics | | | | |
| | Return on sales: | | | |
| | 9.3% (2015) | | | |
| | 10.5% (2016) | | | |
| | 9% (2017) | 5.2 (return on sales), 7.2 (return on assets) | 4.3 (return on sales), 6.7 (return on assets) | 4.2 (return on sales), 6.9 (return on assets) |
| | Return on assets: | | | |
| | 9.3% (2015), | | | |
| | 6.5% (2016) | | | |
| | 6.2% (2017) | | | |

According to Table 3, in the period of 2016-2017, the tax burden indicator is less than the industry average load for the corresponding period; therefore, this indicator can serve as a reason for checking. Comparing the obtained figures with the industry average wage, we can conclude that there is no risk for this criterion, since the average salary is slightly lower (21,250 rubles) than the industry average for the Chuvash Republic (22,736 rubles) from 2015-2017. The profitability of sales is 4.3% in 2016. It is below the average level (10.5%), this may serve as a precursor of a tax audit. The profitability of the assets of the “EBO” LLC is only 6.7%, with an average profitability of 6.5% in 2017. The deviation is positive; therefore, this indicator cannot serve as the basis for the purpose of the on-site tax audit.

In 2017, there are grounds for conducting a field tax audit. Because the return on sales this year (4.2%) is lower than the industry’s minimum (9%), while the return on assets (6.9%) of the organization is below the permissible minimum industry average (6.2%). The discrepancy is small, but it may seem suspicious. More than that, in the case of non-disclosure of information in the reporting of the reasons for this discrepancy, the field audit is not excluded. It can be concluded that in the period from 2015-2017, the risk of tax control by the tax authorities exists according to the criteria presented in the table. Therefore, the organization should continuously monitor tax risks.

In general, we can conclude that in 2015-2017, the overall level of economic security of the “EBO” LLC can be assessed as “the normal level of economic security.” Protective mechanisms of the organization are actively working with additional resources.

4. Discussion

The economic security of an organization is the protection of its activities from the negative influence of the external environment, as well as the ability to quickly prevent various threats or adapt to existing conditions [5, p. 62]. A sufficiently detailed study in the field of diagnostics of the state of economic security of an organization was conducted by Yu. A. Loktionova [6, p. 129-133] and A. E. Suglovov [9, 10]. Analysis of their work allows us to highlight the indicative method. A deep study of theoretical and methodological approaches to managing the economic security of an organization is conducted in the works of V. N. Samochkin, V. I. Barakhov [8, p. 342-352], V. N. Isakov, M. T. Gilfanov [1, p. 22], L. A. Zaporozhtseva [2, p. 90-96], O. V. Rossoshanskaya [7, p. 1-13], as well as in the research by Andreev, V. V., Kalinina, G. V., Litvinova, O. V. and Fedorova, L. P. The study allowed them to develop an algorithm not only for the assessment, but also for the formation of a system to ensure the economic security of the organization [3; 5, p. 64].

Taking into account the identified advantages and disadvantages of the above approaches, the technique was refined, and a comprehensive assessment of the economic security of the “EBO” LLC was conducted in this study.

5. Conclusion

The methodology for assessing the indicators of coordination of the current, tactical, and strategic security can be integrated into the system for monitoring the development of the organization and the relevant subject of the Russian Federation, which will make it possible to stimulate sustainable and safe development taking into account their specifics.

6. Acknowledgments

We express gratitude to the Altai State University for the opportunity to discuss the relevant issues in assessing the economic security of an organization taking into account the specifics of a region.

References

- [1] Gilfanov M T 2013 Organizational and methodological tools for assessing determinants and ensuring the economic security of an enterprise *Social and Economic Phenomena and Processes* **8**(054) pp 19-27
- [2] Zaporozhtseva L A, and Yuryev V M 2014 Key areas for increasing the level of strategic economic security of an enterprise *Social and Economic Phenomena and Processes* **9**(12) pp 90-98
- [3] Kalinina G V, Andreev V V, Litvinova O V, and Fedorova L P 2016 Theoretical concepts of economic security of the organization *Vestnik of the Russian University of Cooperation - Scientific and Theoretical Journal* **3**(25) pp 52-55
- [4] Litvinova O V, and Fedorova L P 2017 Institutional aspects of the economic security of the cooperative sector *Vestnik of the Russian University of Cooperation - Scientific and Theoretical Journal* **4** pp 42-46
- [5] Litvinova O V, Kalinina G V, Andreev V V, and Fedorova L P 2016 Methodical approaches to the assessment of the economic security of an enterprise *Vestnik of the Russian University of Cooperation - Scientific and Theoretical Journal* **3**(25) pp 62-65
- [6] Loktionova Yu A 2013 Mechanism for identifying the state of economic security of an enterprise *Social and Economic Phenomena and Processes* **5**(051) pp 129-133
- [7] Rossoshanskaya O V 2013 Method for assessing the economic security of innovative project-oriented enterprises from the standpoint of the metrics of the internal environment of activities *Project Management - Project Management and Production Development* **1**(45) pp 1-13
- [8] Samochkin V N, and Barakhov V I 2014 Economic security of industrial enterprises *Izvestiya of Tula State University. Economic and Legal Sciences* **3-1** pp 342-352
- [9] Suglobov A E, and Svetlova V V 2015 *Internal control in the system of ensuring the economic security of credit institutions* (Moscow, Russia: Gorodets Publishing House)
- [10] Suglobov A E, and Khmelev S A 2013 *Economic security of an enterprise* (Moscow, Russia: YUNITI Publishing House)
- [11] Fedorova L P, and Litvinova O V 2016 Formation of the toolkit to ensure the economic security of the organization *Fundamental and Applied Research of the Cooperative Sector of the Economy* **3** pp 62-67
- [12] Official site of the Federal State Statistics Service Available at: <http://www.gks.ru/> (Accessed 10 01 2019)
- [13] Official site of the State Statistics Committee of the Chuvash Republic Available at: <http://chuvash.gks.ru/> (Accessed 10 01 2019)