

UDC 658.152

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ORCID: <https://orcid.org/0009-0001-2980-450X>**ANALYSIS OF THE FACTORS OF INSTITUTIONAL INFLUENCE  
ON THE ECONOMIC SECURITY OF INDUSTRIAL ENTERPRISES**

The article analyses the institutional factors that influence the economic security of industrial enterprises. In the context of globalisation and a constantly changing economic environment, the issue of ensuring stable economic security is of particular importance for industrial enterprises, which are key elements of the national economy. The authors examine the institutional context of economic security, in particular the role of state and non-state institutions in shaping the conditions for the sustainable functioning of industrial enterprises. The article analyses in detail the various institutions that have a direct impact on the economic security of enterprises, including legislative and regulatory bodies, financial institutions, and social and labour organisations. Particular attention is paid to the effectiveness of state regulation mechanisms aimed at stabilising the activities of enterprises in critical economic situations. An important component is the role of corporate governance, internal institutions and business culture in ensuring the economic sustainability of enterprises. The authors pay special attention to the interaction between private and public institutions, as well as the impact of global economic processes on national and corporate security systems. The authors also analyse the interaction of institutions within the framework of strategic planning of enterprises, where it is important to ensure long-term economic security through properly configured institutional mechanisms. Given the current challenges, the article emphasises the need to adapt institutional factors to changing economic realities, in particular to digitalisation, innovation and changes in global supply chains. The conclusions emphasise that in order to ensure a high level of economic security of industrial enterprises, it is important not only to optimise the functioning of existing institutions, but also to develop new mechanisms of interaction at all levels of the economic system. Thus, the article highlights the importance of a comprehensive approach to the analysis of institutional factors of economic security, emphasising the need to adapt them to the changing economic environment to ensure the sustainability and development of industrial enterprises.

**Keywords:** economic security, institutional factors, improving the level, ensuring security, enterprise.

**Formulation of the problem.** The continuous change in the quality of development of modern economic systems leads to the formation of new systemic properties necessary for the effective implementation of innovation activities. These new abilities of economic systems, as practice shows, become the basis of their competitive advantages in an innovative economy and determine the speed of development of not only individual production and economic entities, but also their integrated associations. It is about the economic security of innovation activity. In this regard, the processes of managing the economic security of innovation activity of economic systems, as the basis for achieving its effectiveness, are becoming one of the main directions of strategic management of the innovative development of modern enterprises in the region. In this regard, the issues related to improving the economic security of innovation activity of economic systems become relevant.

**Analysis of recent achievements and publications.** Among the Ukrainian scholars who study the issues of managing the innovation activities of enterprises, it is necessary to note the significant contribution of O. Amosha, M. Voynarenko, A. Voronkova, S. Ilyashenko, V. Stadnyk, O. Orlov, L. Fedulova. Theoretical and practical issues related to the organisation of economic security of an enterprise are covered in the scientific research of many Ukrainian scientists such as O. Arefieva, T. Klebanova, Y. Pogorelov, T. Kuzenko, S. Lobunska, V. Muntyan, V. Ponomarenko, S. Shkarlet, I. Tsyhilyuk, O. Yastremska. Despite the importance of scientific research, certain aspects of ensuring economic security in the process of innovation activity of an

enterprise require further study, in particular, in the context of studying its institutional components.

Therefore, the **purpose of the article** is to study the interaction of external and internal institutions from the standpoint of ensuring economic security of innovation activities of industrial enterprises in the region.

**Presentation of the main material.** The management of economic security of innovation activity is a set of actions selected on the basis of certain information about the state of the system and aimed at establishing, ensuring and maintaining the required level of innovative characteristics of the system (including the effectiveness of innovative industrial risk management) in its development, carried out through systematic control, and targeted impacts on the conditions and factors affecting security [4].

Due to the processes of modern development, for various reasons, many enterprises in the region do not have sufficient resources to develop innovative projects on their own. In order to increase the speed and efficiency of innovation implementation, the initiation and impetus of innovation activity is formed within the technological core – a certain set of technologically related economic systems. It can be played by institutions of innovative activity: technology parks and technopoles, scientific and technical centers that produce novelty.

The whole complex of relations and connections between people involved in economic processes is regulated by a set of rules and regulations, i.e. by relevant institutions. The objects of regulation and standardization are the relations and interactions between production participants within production

and economic facilities, as well as relations between them within the framework of their cooperation and exchange processes. Norms and rules determine the methods and ways of creating novelty and using innovations in the process of effective development of economic systems; interaction between production and economic entities within integrated structures in the process of introducing innovations, etc.

An innovation system is a set of institutions that determine the very possibility of creating an innovation and, most importantly, create the conditions for its transformation into an innovative product or service and their further distribution [1]. It includes both specific participants in the innovation process and a set of specific conditions, factors, methods and principles of organizing and stimulating innovation.

Institutions, as a set of rules and regulations, structure the interaction of economic agents and shape the innovative nature of their activities. The institutional environment sets the framework for innovation activities of both business entities and economic systems of regions and the national economy as a whole. This environment is one of the most important conditions for the successful exchange of technologies, shaping the compatibility of technological, economic and innovative development of economic systems and business entities that supply and receive technologies. Long-term management of the structure transformation

in the process of innovation activity should include a system of measures for mobile adjustment of the developed long-term directions, taking into account changes in the consequences of the impact of external and related internal factors of innovation development, determined on the basis of monitoring [2]. Complementing the above study on the problems of ensuring the economic security of innovation activity based on the management of innovative industrial risks, we can supplement the proposed structure of external and internal institutions (Figure 1).

In the economic literature, internal institutions are considered as relatively stable internal attributes of the object of study. They are the driving force behind innovative changes in industrial enterprises in the region and shape their behavior. This implies studying the economic system through its system of norms, agreements and contracts, which are expressed in management approaches to innovation based on the priority of its economic security.

These institutions create conditions for the formation of effective management of innovative industrial risks of the economic system. External institutions are not integral parts of the object under study and change much more slowly than the object of study, which is limited. In this regard, they are tools for studying the rules of interaction between business entities in the process of implementing innovative activities.

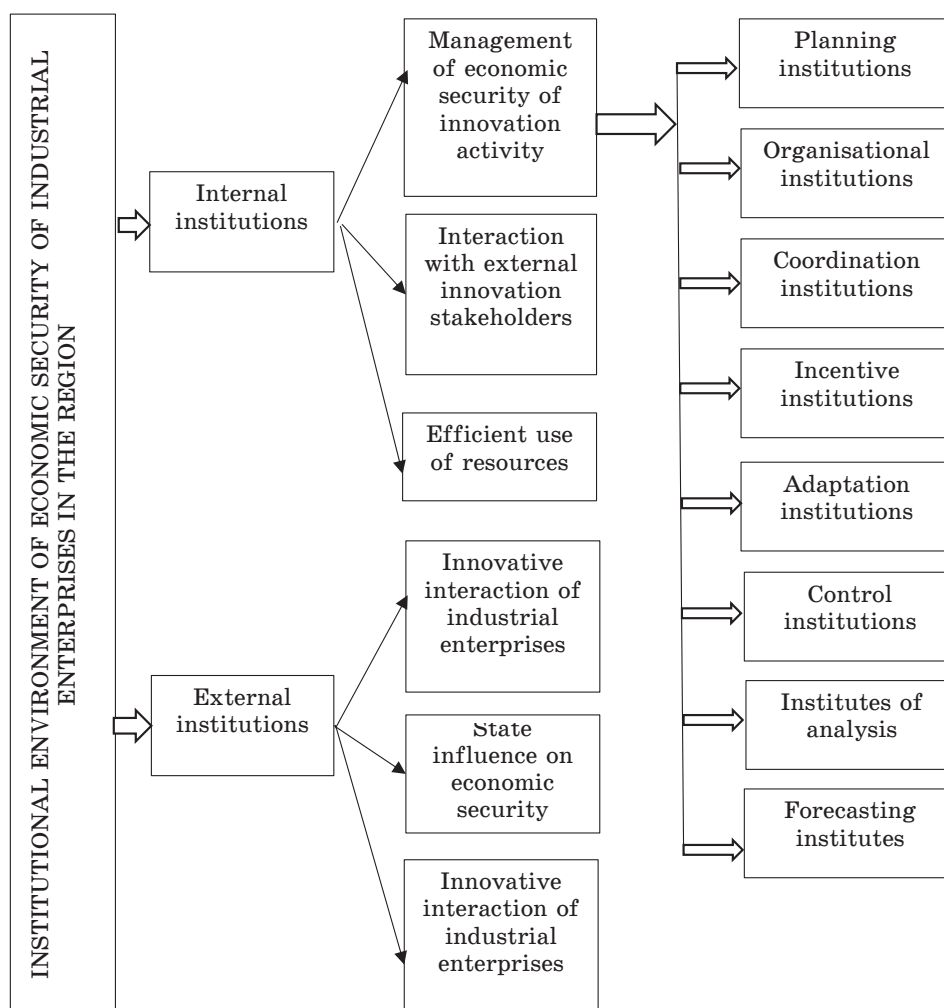


Figure 1. Structure of the institutional environment of economic security of innovation activity of the economic system and management institutions

In the new economic environment, new approaches to the formation of the internal institutional environment are needed. Among the internal institutions in economic systems, a special place is given to the institutions of managing the economic security of innovation, which are responsible for reflecting the principle of economic security of innovation in the mission of the system, developing an appropriate innovation strategy, determining the purpose of producing new knowledge, taking into account its dual impact on the economic system. These institutions can be classified based on their main management functions. They can be represented as a set of components that form a management system: planning, organization, coordination, stimulation, control, adaptation. Each of these components in the new conditions should define the rules and create preconditions for improving the economic security of innovative activity of economic systems based on their survivability through the prevention of innovative industrial risks.

The analysis of institutional factors of improving the economic security of innovation activity will be incomplete without considering the mechanisms of interaction of internal institutions in this process. Within the framework of the institutional concept, these interactions are the result of innovation processes of economic systems. They are carried out within the framework of the institutional system and are directly influenced by it. The institutional system of economic management is a certain form of combination of formal and informal, normative and organizational institutions that are closely interconnected and influence each other. Normative institutions, according to the subject of the study, determine the general rules of behavior in the field of innovation development security, the size and properties of organizational structures, the organizational localization of related business units that is effective in terms of innovation security, and the mechanisms of coordination and subordination within the framework of industrial innovation risk management. In turn, organizational institutions provide material prerequisites for the implementation and reproduction of the established formalized norms: formation of financial readiness to improve the economic security of innovation activity, creation of prerequisites for managing innovative industrial risks at the planning level, development of a strategy to ensure the viability of the economic system based on improving the efficiency of industrial risk management of innovation activity [4].

Changes in the institutional conditions of innovative development of economic systems can occur in two ways.

Firstly, in the process of formation of an innovative type of development, old organizational and economic forms of activity (organizational institutions) are restructured and at the same time new organizational structures are formed and strengthened, which, in the absence of coordination mechanisms, leads to a decrease in survivability, which results in an uncontrollable stochastic effect. However, this process is extended in time due to the incompleteness of radical transformations of normative institutions and their formal consolidation. It is accompanied by the existence of various transitional, «immature» organizational and economic forms, which, due to the prolonged impact of unresolved disturbances, reduce the economic security of the innovation activity of the economic system.

Secondly, it is the way of replacement, the displacement of old institutions by institutions of a new type. However, this path is based on the contradictory interaction of old institutions being eliminated and new ones being transplanted and may be accompanied by deep conflicts and contradictions that require harmonization and adaptation mechanisms to resolve. Otherwise, as noted by scientists, if the introduced institution is incompatible with cultural traditions and the institutional structure of the economic system when using «shock» technology, transplantation dysfunctions are likely to occur: atrophy and degeneration of the institution, rejection as a result of the activation of alternative institutions, and institutional conflict [4].

All of the above will lead to a loss of effectiveness of the implemented changes in institutional conditions. The same conclusion is drawn by other scholars who note that the effect of ‘transplantation’ depends not so much on the choice of a particular «family of legal norms» («legal families»), but on the actual perception of the transplanted institutions, since a decisive role in shaping the actual structure of institutions is often played by a successful «grafting» or «unaccepted» transplantation. Therefore, it seems that the first way is preferable, although it is longer, but it should not be delayed, because, as in the second case, negative effects may arise [4].

In general, the introduction of organizational innovations stimulated by various changes initially contributes to the adaptation of functioning organizational structures to the changes taking place, but in the course of development requires a qualitative change in the integrity of the organizational and economic elements of the economic system, which implies a fundamental change in the principles of their construction, the loss of the former principles of the system-forming role.

One of these principles should be an approach to improving the efficiency of innovation processes of the economic system by improving the quality of management of the security of its innovative development. It should be noted that in the context of the growing complexity of economic interconnections and the increasing coherence of the functioning of economic links, the process of interpenetration and consolidation of organizational structures is accelerating, so the process of cooperative interaction should be timely institutionalized in new regulatory institutions. If it is delayed, an «institutional gap» is formed (between organizational and economic institutions and regulatory institutions), which hinders the implementation of technological innovations, transformation of individual technical and organizational changes into a system, introduction of packages of organizational innovations, and the emergence of a new type of economic systems.

However, the nature of the proposed changes in institutional conditions implies the creation of tools to bridge these gaps through the implementation of parallel development of regulatory and organizational institutions based on comprehensive management of economic security of innovation activities of economic systems. Thus, institutional structures turn out to be a deeper source of economic security and efficiency of innovative development of economic systems.

However, even in this case, the process of creating an innovation should be based on the results of an analysis of the characteristics of the

economic systems for which it is developed, based on the determination of the existing level of viability and possible dynamics of its change. This requires changing the institutional conditions for innovative development and implies the introduction of new organizational forms into the structure of the complex. In particular, for information provision, it is necessary to create new institutional «portals» - information bases for each economic system, which should receive information on the response of the system's viability to various innovative projects and processes, as well as to management measures.

The information in these databases should form the basis for the development or selection of projects and should become the foundation of a system of safe innovation development. Testing of innovations, especially absolute novelty, is carried out at smaller but comparable in terms of technological stage enterprises. Large enterprises may have several similar testing grounds that reflect certain aspects and features of their activities for the initial implementation of innovations. This reduces the possible industrial innovation risks of the structure and functioning of the economic system by obtaining information about a possible set of risks. It is proposed to define the groups of enterprises in the region connected in this way as information nodes, which, in turn, form information portals for scientific and technical centers (nuclei) and for internal management of economic security of innovation activity of economic systems based on the effectiveness of innovation industrial risk management.

An information portal can be one for several economic systems, which will increase the level of this information base and help create conditions for improving the quality of management decisions made on its basis. But this is only possible in the case of information transparency and a high level of information technology and communications.

For economic systems of the meso-level and above, scientific and technical nuclei can be located within the system itself, but this can reduce the quality of the design decisions made due to the loss of objectivity in the assessment of information. Thus, the proposed management solutions will improve the efficiency of industrial risk management in the innovation activities of economic systems and the result of their innovative development.

Based on the general trends and characteristics of the development of enterprises in the region, a two-phase (two-stage) model of management of innovative industrial risks of economic systems can be identified as a comprehensive, dynamic model of targeted impact aimed at improving the efficiency of innovation activities based on its safe implementation.

The study allows to conclude that this management should be systemic in nature, carried out at all stages of implementation of innovative projects (innovative activity). However, the maximum efficiency is provided for by the implementation of proactive, targeted management of innovative industrial risks in order to increase the resilience of economic systems in the process of balanced modernization of production potential. In this article, in order to increase the efficiency of the innovative development of the complex, the following strategic directions can be proposed, which should be implemented comprehensively and in conjunction with each other:

- balanced renewal of the components of production potential, taking into account the degree

of readiness of economic systems for innovation. This will reduce the risks of inconsistencies in various structural links within the national system, increase the harmony of internal development of the components of production potential and lead to an increase in the system's resilience;

development of the management system by increasing the professionalism of personnel, raising the level of innovation safety culture at enterprises, including among top managers, increasing the focus of management measures on optimizing decisions, which, in the conditions of safe implementation of innovation activities, will lead to an increase in the efficiency of the system's innovation activities;

development of the institutional environment of innovation activity, formation of new organizational forms within the complexes for continuous monitoring of changes in the viability of economic systems in order to maximize the efficiency of the innovation management system, use of enterprises and special institutions that accumulate information about innovations and related risks, which lead to an increase in the efficiency of their management systems;

- development of an in-house innovation development base at enterprises in order to proactively manage industrial innovation risks at the stage of innovation planning, create conditions for the implementation of open innovations, make innovation activities continuous and safe, and increase the intensity and controllability of these processes in a changing environment;

use of the information component of enterprises as a regulator of safety of innovation activity in order to increase the efficiency of R&D in managing the development of economic systems, formation of a unified system of monitoring and automated accumulation of information flows on the nature, intensity and safety of development of economic systems, in the implementation of various information projects, in order to increase their viability and efficiency.

**Conclusions.** Thus, support of these strategic directions at the regional level will, in our opinion, allow for safe innovative development of industrial enterprises in the region, which will increase the efficiency of their innovation activities, and will allow for the introduction of the following strategic directions to improve the economic security of innovative development of industrial enterprises in the region

- radical renewal of production based on the introduction of world-class technologies at every stage from raw materials to finished products. This will reduce the risks of equipment and technology mismatches, equipment mismatches and non-compliance with the specifics of new technological cycles;

- development of the human resources component by increasing the professionalism of the staff, raising the level of safety culture at the enterprise, including among top managers (a tool for managing innovative industrial risks and optimizing management);

- development of the organizational structure of the enterprise, continuous monitoring of changes in the structure and its transformation in order to maximize the effectiveness of the system of managing innovative industrial risks (introduction of risk management departments);

- development of the enterprise's own structure of innovation in the field of economic security,

implementation of its own R&D within the framework of the enterprise's innovation activity, stimulation of its continuity in various areas (security management);

– use of the information component in order to increase the efficiency of R&D in the management of innovative industrial risks, development of the information component for automation of the process of managing innovative industrial risks;

– focusing the management system on the safety of interaction between the components of production potential in the process of innovative development.

The development of these strategic directions and an algorithm for conducting a comprehensive analysis and obtaining reliable assessments of the state of the system of management of innovative industrial risks and developing ways to optimise it is a promising area for further research.

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#### АНАЛІЗ ФАКТОРІВ ІНСТИТУЦІЙНОГО ВПЛИВУ НА ЕКОНОМІЧНУ БЕЗПЕКУ ПРОМИСЛОВИХ ПІДПРИЄМСТВ

Стаття присвячена аналізу інституційних факторів, що впливають на економічну безпеку промислових підприємств. В умовах глобалізації та постійно змінюваного економічного середовища питання забезпечення стабільної економічної безпеки набуває особливої важливості для промислових підприємств, які є ключовими елементами національної економіки. Автори розглядають інституційний контекст економічної безпеки, зокрема роль державних і недержавних інститутів у формуванні умов для стійкого функціонування промислових підприємств. У статті детально аналізуються різні інститути, що мають безпосередній вплив на економічну безпеку підприємств, зокрема законодавчі та регуляторні органи, фінансові інститути, а також соціальні та трудові організації. Особливу увагу приділено вивченню ефективності механізмів державного регулювання, які мають на меті стабілізувати діяльність підприємств у критичних економічних ситуаціях. Важливою складовою є роль корпоративного управління, внутрішніх інститутів і бізнес-культури в забезпеченні економічної стійкості підприємств. Особливу увагу автори приділяють взаємодії між приватними та державними інститутами, а також впливу глобальних економічних процесів на національні та корпоративні системи безпеки. Автори також аналізують взаємодію інститутів в рамках стратегічного планування підприємств, де важливим є забезпечення довгострокової економічної безпеки через правильно налаштовані інституційні механізми. Враховуючи сучасні виклики, стаття підкреслює необхідність адаптації інституційних факторів до змінюваних економічних реалій, зокрема до цифровізації, інноваційного розвитку та змін у глобальних ланцюгах поставок. У висновках підкреслено, що для забезпечення високого рівня економічної безпеки промислових підприємств важливо не лише оптимізувати дію існуючих інститутів, але й розвивати нові механізми взаємодії на всіх рівнях економічної системи. Таким чином, стаття висвітлює важливість комплексного підходу до аналізу інституційних факторів економічної безпеки, наголошуючи на необхідності їх адаптації до змінюваного економічного середовища для забезпечення стійкості та розвитку промислових підприємств.

**Ключові слова:** економічна безпека, інституційні фактори, підвищення рівня, забезпечення безпеки, підприємство.