

# **THE ESTABLISHMENT OF All-UNIVERSITY ELECTIVE COURSE FOR THE BUSINESS SECURITY PROBLEMS**

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## **ABSTRACT**

*In the present paper the information on the experience of establishment of all-university elective course “Business Security” for the students of Bachelor’s and Master’s programmes of the National Research University “Higher School of Economics” is presented. In the authors’ opinion, the students of different disciplines, having become Bachelors and Masters in Economics, Management, Law, Sociology, Psychology, Business Informatics and in other spheres of knowledge, should come to state government and administration bodies and to real economy equipped with the knowledge of peculiarities of security of individuals and legal entities, economic agents in the modern environment. The course targets those students who, most probably, will not work at the structural units of security of economic entities or independent security enterprises.*

**KEY WORDS:** Business Security, Business, Management, Higher Education, Scientific Researches, Complicated Security Systems, Target Audience.

## **INTRODUCTION**

In accordance with the resolution of the Academic Council of the National Research University “Higher School of Economics” dated 27.01.2012 a new all-university structural unit - Institute for Security Studies (Institute, ISS) was created in the higher educational establishment. The Institute includes the Scientific Research Centre and the Department of Security Problems.

The Institute was created with the aim to carry out the scientific research and educational activities in the sphere of security of real economy agents and preparation of specialists in the sphere of corporate security, including the use of the further professional education programmes. The Institute key tasks include: researches in the sphere of security of real economy agents, consulting during the formation of new business security systems, expert evaluation and audit of the currently used security systems; organization of training in business security issues and participation in teaching of the corresponding disciplines within the university educational programmes; development and implementation of further professional education programmes with the aim to improve the professional knowledge of the specialists from different fields of security, to develop their business qualities, to train and to retrain the specialists in business security sphere [16].

The Institute, as the research center, promotes fundamental and applied studies in the areas of contemporary science in the main directions of building of non-state security systems and their operational management, including:

1. Profile analysis of drafts of legislative and other statutory acts;
2. Preparation of recommendations on developing the standards of the core activities in the sphere of non-state security for entrepreneurs’ associations and self-regulatory non-governmental organizations;
3. Study of the best Russian and international practices in security of enterprises and non-state security institutions and development of the corresponding recommendations;
4. Development of complex business security theory at enterprises in accordance with their specifics and geographical location;
5. Development of the module system of complex business security depending on economic sector, geographical location, inherent infrastructure and supply chain logistics;
6. Complex long-term studies of the problem of shadow cash turnover with the aim to identify the regularities and to prepare the recommendations for the state government and administration bodies etc. [16].

In accordance with the imposed tasks, the Institute for Security Studies prepares and implements all-university educational programmes in the sphere of business security.

The ISS considers the following three categories of the potential educational services' consumers as the target audiences for its educational programmes:

- a) owners and top managers of enterprises regardless of the type of ownership (who take decisions on creation and implementation of security function in a concrete business);
- b) heads and specialists of security structural units and security enterprises (who work as professionals in the sphere of security);
- c) students of the higher educational establishment (future employees of state and municipal administrative bodies, enterprises and organizations who will take business security function into account in the process of their future practical activities).

The last target audience is extremely important in all respects. Young people who enter the real life should understand that the life is not ideal. Every day it faces the collision of opposite opinions, good and evil, creation and destruction. Managers execute their functions in the circumstances of fast changing external and internal environment, potential and real risks and threats, as well as in the circumstances of shortage of information on the environment and its essential factors. Future responsible employees should understand that, apart from the objective market economy laws and constantly invented principles of risk hedging, bribery, fraudulence, blackmail, racket and other negative developments exist in real business.

The better prepared the students are for the encounter with various aspects of real life, the more rarely they will have to hear such words as: "Forget everything that you were taught". The programme of the discipline "Business Security" (for 2012-2013 academic year), prepared by the group of the in-house authors under the general editorship of the corresponding member of the Russian Academy of Sciences V.L. Shults, became one of such courses that are focused on the revelation of pathologic sides of the society economic life [17].

## **COURSE OBJECTIVE**

The course aims to offer a systematized concept of the history of business security and its development in the real economy sector; key internal and external threats to the national business in the modern environment; state policy in the sphere of security provision to individuals, society and state; to provide the students with the necessary knowledge on the theory and practice of business entities' security, on the structure of activities of their security departments and independent companies (legal entities) operating at the market of security services.

## **LITERATURE REVIEW**

143 publications of Russian and foreign authors on different security aspects were used for the programme elaboration. The course system of the aforementioned discipline consists of four parts and 16 integrated consolidated topics. The introductory part (12 academic hours) consists of 3 topics and is dedicated to definition of security and its description as an event, contemplation of the security function genesis in the history of the society, study of general security theory and its interaction with the allied subjects, as well as to study of the course subject and system. The topic also covers the main provisions of the general management on the enterprise internal and external environment [8], national [2] and international [10] systems of economic risks and links them with the main types of business activities' threats. It describes the main approaches in terms of corporate security to the issues of threat avoidance and provides the recommendations on formation of the idea of the enterprise security model and security in general.

One of the most important tasks of the introductory part was the acquaintance of attendees of different skills' profiles with the modern theory and practice of risk management, approaches of scientists, experts and, in particular, of international organizations to economic risk classification systems. Such position is based on clear understanding of the fact that the business security threats result from the risks and it obliges the course authors to link their discipline with the basic provisions of general and special management.

Unfortunately, one can surely point out that the literature on business management theory [8, 2, 10 etc.] does not contain any theoretical analysis of the cases when the risks grow into the threats that may cause damages to business security. This borderline sphere, according to the course authors, requires further systematic study as it is of fundamental practical importance for the real economy.

## **COURSE METHODOLOGY**

In the course of the present section elaboration, the project "Study and Elaboration of Business Security Theoretical Basis" was initiated in the ISS and a number of intrinsically new results were obtained:

- the general methodology of the studies was substantiated that provides the system solution of business security problem as an integral part of business administration process;
- the structural basis for business security processes' description taking into account all the variety of risks at business enterprises of different types, as well as all the possible threats that those risks can lead to, was elaborated
- the verbal model of complex business security management describing the interaction

between the main factors of internal and external environment, risks, threats and types of opposition to the aforementioned destabilizing factors was formed;

- the methodological principles of taking record of influence of the main security types and systems on business management processes were elaborated.

The obtained results were used in the process of preparation of the methodological basis for the lectures included into the present course and tested in 2012 at the conferences of the Chamber of Commerce and Industry of the Russian Federation dedicated to the problems of combating cybercrime and fraud in the sphere of financial lease.

These studies, in accordance with the authors, continue the work of their colleagues carried out in the late '90s with due consideration of the practical experience accumulated by the national field of security during the last decade [7].

## **THE STRUCTURE AND THE BASIC PARTS OF THE COURSE**

Taking into account the peculiarities of market economy formation in Russia during the contemporary history period, the course reveals also the ways of penetration of criminal capital into the real economy of our country. Simultaneously, the paradox of infiltration of the criminal ideology bearers, as well as of criminal communities' functionaries into the legal business is contemplated. As it would seem, this had, at its time, a profound effect on both, the lexicon and some social and psychological characteristics of the considerable part of Russian businessmen. In this connection, the present part discloses the history of conception and transformation of the professional criminal environment, its modern hierarchy, strategy and tactics of illegal activities. The real threats proceeding from the professional criminal environment are demonstrated on the real examples from Russian and international business practice, the myth about the determination of individuals with the criminal past to devote themselves to honest business after "black money" laundering is unveiled [8].

The course describes one more threat to Russian business that goes beyond the traditional threats, the phenomenon of such an event as the "coercive entrepreneurship" [4]. It is connected with the considerable reduction of manpower of state paramilitary forces, including security services and law-enforcement agencies. This fact, in the authors' opinion, resulted in the broad involvement into business activities of people who, at that period, did not have any necessary economic and legal knowledge in business sphere, but had enough knowledge and skills of execution of combined and special operations, usage of different forms and methods of field investigation activities. This helped to quickly protect the business from the criminal racket. At the same time, this event resulted in subsequent merging of recent "siloviks" (law enforcement officials) with their acting colleagues and in penetration of the individuals who started to combine business with public service into the real economy. However, the use of

combined and special tactics in the sphere of competition, especially with the transition from the stage of defense into the stage of invasion, became attractive to a great number of people. And it is not by coincidence, as the military methods infuse into absolutely civil people the self-confidence, make the market action plans more precise and concrete. However, the military vocabulary charm, at certain circumstances, can result in the identity of associations and actions allowed only on the battle field and by no means in the competition. It is most pronounced at illegal takeovers of other people's property. Due to the appearance at the book market of a great number of Russian and foreign literature promoting the introduction of military methods into the peaceful life [12], the authors faced the task to define their own stance on this issue. The course also includes the concrete examples of corruption, illicit use of different forms and methods of field investigation activities in the interests of oligarchic structures in the 1990s, as well as in the subsequent periods. It is natural that the higher education should not only provide the students with the knowledge of such events, but also aim at developing in students the strong moral criteria of their evaluation.

The second part (8 academic hours) includes 2 topics on the issues of cooperation between the business and the state in the business security sphere in the Russian Federation, as well as in the developed foreign countries. This section covers the main law-enforcement and control agencies, Russian security service, defines their legal status, their rights and obligations in the interaction with business entities. The recommendations are provided on a number of issues of interaction with the authorized government bodies in the spheres of economic agents' protection from unlawful attacks and initiation of criminal cases against the employees who committed criminal offences. Also the spheres of interaction in the struggle against the illicit traffic of drugs, in the field of opposition to foreign technical intelligence and other economic intelligence subjects, in the struggle with cybercrimes etc. are specified.

The emphasis in the foreign states' section is on the local legislation peculiarities, the judicial peculiarities of activities of non-state security structures and the principles of their interaction with the authorized governmental bodies. The correlation between the separate directions of activities with their Russian analogues is drawn. The information on the new directions of activities in private security and detective sector that appeared in recent years is provided. The conclusion is drawn on the basis of the statistical materials that in recent decades the sphere of non-state security that employs the millions of men and women became the eligible branch of modern global economy. The separate aspects of interaction between the state and non-state security structures that became widespread abroad should be thoroughly studied and, possibly, subsequently adapted to Russian reality.

The third part (76 academic hours) includes 10 topics and contemplates the main fields of non-state security, such as:

- enterprise economic security;
- enterprise financial security;
- enterprise information security;

- physical protection and cash collection;
- enterprise engineering and technical security;
- enterprise personnel security.

Within the context of the present section a special priority is given to the problems of economic security measures of business entities (4 topics). The attendees are offered the most frequently used in the real economy forms and methods of assessment of potential counteragents (clients, suppliers, borrowers etc.), as well as of the arrangements of business (competitive) intelligence. The focus is made on such process recurrence, on the need to monitor the counteragents and to organize the transactions' control and support. The guidelines for the study of natural persons in the interest of business are provided with due consideration of the requirements of the legislation on personal data protection.

A separate topic is dedicated to the issues of the enterprise protection from unscrupulous partners and exterior fraud. It reveals the instruments for risk management at different stages of business process, including debt collection and other activities on the debt arrears repayment. Also, the principles of cooperation with law enforcement and investigative agencies are proposed based on the legislation currently in force in case of detection of criminal offence signs and decision on criminal case initiation. The authors also emphasize the topics for the scrutiny of the problem of corporate raiding and protection of business from the hostile take-over attempts. The present part of the course provides also the description of the main forms and methods of economic intelligence. The elaboration of the section on the enterprise economic security demonstrated that at present there already exist the necessary preconditions for the elaboration of the module system of business protection in this sphere with consideration of the specific features of the enterprise (group of enterprises) field of activities.

The third part provides the detailed information and the corresponding recommendations on protection of personal data, as well as of information that represents state, commercial, tax or bank secret. It contains the theory and practice of currency control, financial monitoring of enterprise activities and internal control organization with the aim to counteract against legitimization (laundering) of the proceeds of crime and financing of terrorism [4, 5]. In this case, not only the national legislation provisions are disclosed, but also the recommendations of FATF and Basel Committee on Banking Supervision on shady transactions' detection and control of politically exposed persons and transactions concluded in offshore zones are scrutinized in detail. A due emphasis is made on enterprise personnel security, protection of business from internal fraud and other unlawful actions of employees, information security of electronic resources, systems and processes, struggle with criminal offences that are currently tentatively defined as cybercrime.

Moreover, the issues of informational and cyber security are considered within the context of

their key influence on all the security fields with consideration of ever increasing informational confrontation not only at company and enterprise level, but also at the state-to-state level. In terms of methodology, the material is structured in such a way as to form in attendees the integral systemic notion of methodology of building of the company information security system as the integral part of the complex security system, maintenance of balance between all its components in accordance with the justified security policy. At the same time, the section provides the practical recommendations on the technique of formation of the company information security systems and on their audit, implementation in practice of data protection standards, optimization of usage of technical and software means of information protection in combination with the required organizational measures and legal norms. A special emphasis is made on the issues of security arrangements in the work with e-money and systems of online banking, including the measures on prevention, detection and identification of cybercrimes in this sphere, as well as methods of arranging the return of the stolen funds and investigation of such incidents.

For deeper understanding of the mechanisms of prevention of crimes in the financial sphere, this section reveals the main directions in activity of BIS, its Committee on the Global Financial Systems and Committee on Payment and Settlement Systems. The European international Institutes, the notion and structure of national payment system of the Russian Federation and its interaction with SWIFT (Society for Worldwide Interbank Financial Telecommunication) system are contemplated [1].

The concluding part (12 academic hours) consists of one topic providing the description of enterprise complex security and showing the choice between the creation of enterprise internal security structures and outsourcing in the sphere of security. The topic is concluded with revelation of the principles of complicated security systems management [17].

## **SCOPE ELECTIVE PROGRAMS**

In total, 108 academic hours are devoted to the Programme, including 16 lectures (32 hours), 6 seminars (12 hours) and 3 practical sessions (8 hours). 56 academic hours are allocated to the independent work of the students (study of main and additional literature). The final form of control is defined as pass-fail exam in the form of preparation of a report on the chosen topic. The training is evaluated in six points of credit into the student's cumulative rating.

## **RELATIONSHIP WITH MODERNITY AND PRACTICAL FOCUS**

The distinctive feature of the aforementioned course is the methodological linkage of the proposed material with the dialectics of global development, problem of information shortage, circumstances of fast changes and globalization effect. The introductory part describes also the

global security challenges. During the description of the contemporary stage of national history in the course of which the change of society economic formations at post-Soviet territory occurred, the detailed characteristics of the conditions of market economy renaissance are provided, such as: vertical power structure paralysis, centrifugal tendencies' growth, criminal capitals' legalization, unlawful privatization, thievery of directorial board, racket, blackmail, mass fraud waves, hostile takeover of other people's property, thievery of budget funds at all levels, mass tax evasion, contract killings of businessmen and politicians, kidnapping, massive acts of terrorism, local military conflicts, corruption and other forms of the authorities' venality, dirty laundry wars, widespread legal nihilism, penetration of criminal ideology into business and a great number of others. In the sections describing the problems of security of person, society and state, the theory of social and economic systems' security is applied [19]. In its context, among other things, the threats resulting from the appearance in Russia of oligarchic system of market economy (building of liberal system of values in the interests of the oligarchs, market competition collaterality, system of manipulations with the electorate, lobbying of own interests, including by means of political corruption and promotion of appointees to key positions) are described. In addition, the main stages of its breakdown are listed, such as:

- Liquidation of the oligarchs' influence on authorities through lobbying;
- Liberation of mass-media from the oligarchs' control;
- Liquidation of the oligarchs' control over the political parties;
- Minimization of the oligarchs' influence on non-governmental organizations;
- Minimization of the oligarchs' influence on networks;
- Withdrawal of the isolated oligarchs from the social life.

Taking into account the fact that there were no serious public studies in the sphere of counteraction against the economic intelligence, with the exception of Jean Bergier [3] bestseller and Robert Camp [11] relatively current publicistic book, the separate topic covers the review of the types and means of foreign technical intelligence services that is especially relevant not only for the military-industrial complex enterprises, but also for the other players of the real economy sector [13]. Due to the global factors of international competition the same section covers the description of the operation "Echelon" [9] that can be viewed as one more direction of the economic intelligence. Taking into account the well-known tendencies of the growth of dynamics of the facts of electronic space usage with the aim to commit the economic crimes (cybercrime), the general approaches to the business information security are provided [14], as well as the foreign practical experience of cybercrime detection and prevention [18].

The authors also elaborated the matrix of consolidated external and internal business threats and the complex system of consolidated measures of opposition to the threats. By means of a number of examples from the fields of economic security, information security and physical business protection the phase-by-phase decomposition of the threats and of their

countermeasures is executed that allows the attendees to understand the substantive, deep side of monitoring of the enterprise external and internal environment. During the practical sessions the attendees had the opportunity to study the professional activities of one of the credit bureaus, obtained the skills of preconceptual studies in order to obtain the legal and economic information concerning the concrete enterprises, as well as the skills of detection of concealed affiliation of a number of companies that may be important in evaluation of the real business situations.

The discussion of the financial monitoring problems for the purposes of counteraction to money laundering and financing of terrorism was held with the participation of the head of the profile department of one of the biggest Russian banks. In a private company «Group - IB» Students learned about the work of information security customers, as a demanded direction of modern business. The practical acquaintance with the complex usage of physical security forces and engineering and technical security features at one of the largest industrial enterprises allowed to really visualize the circumstances of round- the-clock monitoring of the processes, emergency information receipt and taking the emergency reaction measures in cooperation with the police subdivisions. Practical tutoring on the base of Collection Office of "Sberbank of Russia", as well as an overview of its modern technical equipment and scientific achievements was of great interest for all students.

## **SUMMARY AND CONCLUSIONS**

A large number of participating students from different faculties showed a high relevance of the course for different University specializations.

The modular structure of the course and case study technology implementation provided highly flexible tutoring as well as easier content customization.

Involvement for tutoring of highly qualified experts from the field of business security will ensure a high practical focus for all phases of the course.

Due to the discipline novelty for the student audience, the attendees were proposed the possible topics for the reports with some of them either being accepted by the authors or being adapted with consideration of their qualification. The prepared reports underwent testing in the system “Anti-Plagiarism” used in the National Research University “Higher School of Economics”. In the February issue of the scientific journal “National Security” the best reports of the first attendees of all-university elective course “Business Security” are presented.

In general, the first experience of introduction of the new discipline revealing the real processes

that take place in modern economy into the educational process may be considered positive.

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