

INFORMATION SECURITY IN BUSINESS ENTITIES

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The article focuses on the significance of information security in business entities. This problem has a large significance for the effectiveness of business entities and for the assessment of managers' activities. One can also acknowledge this problem to be of interest for scientific investigations.

Until the great revolutionary transformation at the beginning of the 1990s in European science there was domination of interest in the security of states and state enterprises.

From the introduction of market economy in 1989 in Poland, and then in other countries of Central and Eastern Europe, also the security of citizens and private economic organizations became a subject of interest for science.

Security also became an object of different scientific disciplines. Securitology which undertakes the analysis of security by investigation of the function of such factors, as¹:

- **objective and subjective hazards**
- **internal and external hazards**
- **abstract and specific hazards**

- **potential and active hazards,**
- **constructive and destructive values,**
- **static and dynamic situation.**

Security of a human i.e. the human existence, the development and normal functioning is therefore a main objective through which one ought to consider the security of a business organization. The participation of information resources in the structure of the value of all resources of a firm can attain even 80%. Research of a group of 500 greatest American firms in 2000 showed that in every 6 dollars of the trading value of these firms 5 dollars represented invisible resources, not estimated in the assets (that is to say, first of all, information resources), and only 1 dollar is the value of material and financial resources².

Here we may draw the first conclusion that information resources became the most important factor in attaining targets of every economic

¹ Korzeniowski L.F. *Securitologia. Nauka o bezpieczeństwie człowieka i organizacji społecznych*. Kraków: EAS 2008. ISBN 978-83-925072-1-5. <http://www.sbc.org.pl/dlibra/doccontent?id=13871&dirids=66> Until the great revolutionary transformation at the beginning of the 1990s in European science there was domination of interest in the security of states and state enterprises.

² Lev B.: *Knowledge Management: Fad or Need?* "Research Technology Management", September/October 2000, Vol. 43, Issue 5.

organization. They are indispensable in all functions of the management process: planning, organization, motivation and control.

A notion of an enterprise appeared in the economic literature around the middle of 18th century, introduced by a French economist **Richard Cantillon**, who gave a name of businessmen to merchants perceiving price differentials on different markets and being able „to buy cheap, and to sell dear”. The Austrian economist **Joseph Schumpeter** defines a contemporary businessman as an innovator, a „creative destructor”, involved in the process „of creative destruction” which disturbs the economic equilibrium and in this manner creates conditions for the new economic development.

The activity of this mechanism means that businessmen greedy for extraordinary profits constantly seek new, not practiced before combinations of productive factors (the innovation) and thus destroy equilibrium of economy, because the development takes place by means of „creative destruction”, by destroying the equilibrium and releasing adjustment processes, which - by means of the mechanism of competition - eliminate ineffective uses of productive factors and propose new, effective ones.

Here we have another characteristics of entrepreneurship: it is not only the security (the existence, the development and the normal functioning) of the economic organization but also „the creative destruction” accompany-

ing an enterprise. Secure existence and the development pertain to the subject as an entirety (of the system) wherein some component parts (subsystems) can be threatened. In axiological categories factors raising the security of the all system (economic) or some parts of this system (business entities) will be a source of threat for others.

It can be graphically represented comparing security of:

- economies (economic systems) of a socialist country in 1988 with central planning, wherein enterprise did not go bankrupt, but the whole system became bankrupt.
- economies of countries with the system of market economy in 2008, wherein enterprise go bankrupt, but the whole system is secure.

What results from research which has been carried out in Poland since 2001 by the Main Statistical Office in newly registered firms, is that in the first year of their functioning 1/3 ceased the activity, in the second year - 1/4 of remaining firms, in third year - 1/5 of the remaining ones. After three years 39,6% of businessmen registered in 2001 remained on the market (only 56% of businessmen in a form of a corporate body and 38% in a form of a natural person).

However, all economy in Poland reached the positive rate of development - +1% changes of the Product of the National Gross (GDP) in 2001, +1,4% in 2002 +3,8% in 2003 +5% in 2004.

Due to the criterion of the accessibility and protection, in the structure of the information class in an economic system (in an enterprise) one can separate the following categories:

- **State secret**, whose unauthorized disclosure can cause the essential threat for basic interests of the Republic of Poland (Classified Information Disclosure Act dated 22 January 1999).
- **Official secret**, the information whose unauthorized disclosure could threaten the state interest, the public interest or legally protected interest of citizens or an organizational unit
- **Classified information** is a secret defined by separate laws or contracts among parties: professional, fiscal, bank, medical, commercial, statistical etc.
- **Personal data**, meant as each information concerning a natural person, allowing for a qualification of the identity of this person.
- **Neutral information** for legal purposes whether it is the right to protection or duty to make it accessible.
- **Public information** which is to be made accessible by public authorities or other entities performing public tasks.

In management, good quality of information is essential.

By **the quality of information** one ought to understand **here the**

generality of the information proprieties relating to the ability of satisfaction of absolute or foreseen needs of a user of information - possibilities of attaining the targets of an organization (a business entity).

So we arrive at the third conclusion, that **the information security** of a business entity means:

- 1) the possibility of unthreatened **gaining** of good quality information proper for making a decision and attaining the targets of a business entity),
- 2) and the **protection** of possessed information from its loss.

Decision making by **managers** is a key in functioning of business entities. Decisions are encumbered by an error resulting from a fact that:

1. the environment of the organization is variable and not homogenous,
2. people and other resources of the organization are deceptive,
3. the information is subjective, not an exact image of the objective reality.

From this model we arrive at the fourth conclusion that a manager (a businessman) needs incessantly to obtain the situational (about the state and condition in the enterprise, its environment, situation on the market etc.) information so that he is able to make decisions which are imparted as managerial information for executive bodies and basic organizational units of the enterprise.

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DEVELOPING A STRATEGY AND POLICY FOR ELECTRONIC TRADING SECURITY

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This study substantiates and elaborates on one of the crucial issues directly related to the success of every initiative regarding electronic trading - its **security**. This is accomplished along four key lines:

- Giving proof of the significance and trust for the successful development of electronic trading;
- Systematizing and analyzing the dangers in terms of electronic trading security;
- State of the art technologies for securing information security in electronic trading;
- Working out an approach towards the establishing of a policy of electronic trading in small- and medium-sized enterprises /SME/.

Many concrete data and figures are produced supporting the author's thesis of the incessantly growing dangers in the Internet and of the need for systematic and purposeful work. The risks engendered by the continuous development of electronic trading on a world scale are growing so rapidly that the experts in information security are not relevantly capable of responding to them and assuring reliable functioning of the information systems. This entails urgent development of entirely new methods and technologies for securing the businesses' security in the Web.

We analyze the state of electronic trading security in Bulgaria and particularly the outcomes of the poll