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MANAGING THE REPUTATIONAL RISK OF AN ENTERPRISE IN THE ECONOMIC SECURITY SYSTEM

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Abstract. *The paper addresses the actual scientific and practical problem of deepening the theoretical foundations of managing an enterprise's reputation risks in the system of its economic security and developing practical recommendations for assessing the impact of an entity's reputation risks on its economic security. The existence of various approaches to the determination of reputational risk has led to the emergence of a considerable number of different in the methodological and instrumental aspect of methods of its assessment, which are not systematic and complex in nature. Existing methods of quantitative assessment of reputational risk can be divided into two groups: a priori - based on theoretical provisions and formulate requirements regarding the results of management decisions; empirical - based on the study of past events and the processing of information, including statistical one. An analysis of general approaches to risk assessment has shown that the lack of consensus on assessing the reputational risk of an enterprise makes it impossible to manage it. Therefore, the proposed methodical tool for assessing the reputational risk of the enterprise, based on the principles of system-functional and process approaches and outlines the synergistic contours of the influence of risk-forming factors in view of the target groups of stakeholders in the reputational matrix of the enterprise, allows the owner to determine and serve as the basis for building a given risk management system at the enterprise.*

Keywords: *reputational risk, economic security, stakeholder groups, management decision matrix.*

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Introduction

The dynamic changes of the world economic system and their direct impact on the activity of enterprises significantly increase the uncertainty of their functioning, which leads to the emergence of new risks that have different sources of formation and forms of manifestation. In the 21st century, one of the main and most significant risks that directly affects the effective functioning and level of capitalization of enterprises is the reputational risk, the appearance of which is due to the active influence on the activities of enterprises of different groups of stakeholders. That is why the formation of a positive image and good reputation are decisive in the market environment, providing the company with a high public rating and financial success.

Qualitative changes occurring in economic relations, contradictory development of the country's economy have led to the transformation of both the subject area itself, as well as changes in the content and ways of ensuring the economic security of the enterprise. That is why, under market conditions, the problem of assessing and managing the reputational risks of the enterprise becomes independent theoretical and applied nature as an important part of ensuring the economic security of the enterprise.

An inevitable part of the operation of any modern enterprise is the risk that it faces at different stages of its activity in solving both current and long-term problems related to its production, commercial and other activities. That is why the problem of risk assessment and management acquires independent theoretical and applied character as an important part of management theory and practice.

Literature Review

In the scientific literature, the problems of many authors are devoted to the study of methods, mechanisms and instruments for ensuring the economic security of the enterprise, as well as the issues of managing its intangible assets, including reputation, reputational risks and crisis management.

In today's harsh market conditions, businesses are directly dependent on society and more precisely on the degree of trust and loyalty to them from different groups of the public (stakeholders, target audience) - these are the entities of perception of the enterprise, which it encounters in the process of its implementation, and activities and which significantly affect the achievement of the enterprise's goals and its operation as a whole (Arora, MP, & Lodhia, S. (2017)). In the relations with some stakeholders, short-term interactions are important for the enterprise and long-term relationships with others.

The most important stakeholder groups are those whose contribution (work, capital, resources, purchasing power, dissemination of information about the enterprise, etc.) is the basis of success or collapse of the enterprise: staff (including enterprise management), consumers, shareholders and investors, business partners, competitors, media, authorities (officials and legislators), representatives of the expert community, NGOs (Pineiro-Chousa, J., Vizcaíno-González, M., López-Cabarcos, M., & Romero-Castro, N. (2017)). In this regard, great attention has been paid to image and reputation, because under the current conditions, it is positive image and good reputation that are decisive in the market environment, providing the company with high public rating and financial success. Moreover, it is reputation:

is a real and substantial non-monetary intangible asset of an enterprise that contributes to changing its value (Christopher, M., Mena, C., & Van Hoek, R. (2018));

underlies the choice of the target audience of the enterprise (Eckert, C. (2017), Eckert, C., & Gatzert, N. (2017));

is the key to ensuring stability, successful functioning and dynamic development in a volatile, volatile market environment (Hogarth, K., Hutchinson, M., & Scaife, W. (2018)).

A common approach to reputational risks is the risk of loss. In this case, reputation risk management means the creation of a preventive system that works at the stage of negative tendencies, as well as a system of rapid response and aimed at minimizing risk. Losses due to the fact that reputational risk does not receive timely control measures can be attributed to reputational, including - customer outflows, litigation, rising costs of purchasing raw materials and equipment, attracting funding sources, etc.

Thus, reputational risks arise when the expectations that an enterprise cannot meet can be increased. In this regard, reputational risk is relevant to any enterprise, regardless of its industry affiliation, legal form and ownership (Honey, G. (2017)). Hence the need to identify, analyze and further manage this enterprise risk.

However, despite the particular relevance and specificity of reputational risk, a number of fundamentally significant theoretical and methodological issues for managing this risk have not yet been fully addressed (Hopkin, P. (2018)). These reasons lead to the need to solve a set of tasks for

establishing, identifying, assessing the reputational risks of an enterprise and developing tools to determine their impact on its economic security (Hopkinson, M. (2017)).

The relevance and relevance of the issues outlined the choice of topic, determined the purpose, objectives, object, subject and logic of the study.

The purpose of the work is to substantiate and deepen theoretical and methodological approaches to managing the reputational risks of an enterprise in the system of its economic security, as well as to develop practical recommendations for assessing the impact of the entity's reputational risks on its economic security.

In order to achieve this goal, the following scientific and applied tasks have been set and solved: to summarize the theoretical principles of determining the reputational risks of an enterprise in the system of its economic security; develop methodological tools for assessing the reputational risks of the enterprise; to assess the reputation risks and economic security of enterprises; to determine the technology of assessing the impact of the reputational risks of the enterprise on the basis of system-functional and process approaches.

Methods

The basis of the research is the system of general scientific and special methods of scientific knowledge, as well as a set of epistemological approaches, the use of which is determined by the stated purpose and objectives of the research. When considering the basic concepts and categories that form the theoretical basis of the study, the methods of theoretical generalization, analogies and abstract-logical methods were used. The paper uses a systematic approach and structural-logical analysis (in constructing a logical structure of work), methods of expert assessments (in assessing the reputational risks of the enterprise; study the values of external and internal stakeholders of the enterprise), methods of analogy (in formulating a hypothesis for the existence of the influence of reputational risks of the enterprise on its economic security), methods of probability theory and mathematical statistics (when assessing the impact of a company's reputational risks on its economic security), methods of finance analysis (in assessing the economic security of the enterprise), logical analysis in forming the verbal model of the program of management measures.

Results

First, reputation affects the level of investment attractiveness of an enterprise, its competitiveness, its financial stability, since the relationship of the enterprise with investors, partners and consumers depend on the attitude of the latter to the enterprise.

Investment attractiveness, in turn, can directly affect economic growth factors. For example, the improvement of the quality of material and technical base is due to investments in fixed assets; technology renewal and, consequently, the intensification of economic growth - because of investments in the scientific and technical potential of the enterprise.

A detailed division of reputational risk factors that affect the economic security of the enterprise is given in Table 1.

Therefore, the enterprise should be in a state of economic security, taking into account a set of factors, both external and internal, aimed at ensuring the stable functioning of the enterprise, preventing the effects of external and internal threats, and, above all, which increase the competitiveness and investment attractiveness of the enterprise. All these factors relate to different sections of society, which sometimes do not intersect, but meeting the needs of all types of external and internal counterparties by fulfilling all the factors of economic security of an enterprise, brings the economic system into a state of stable growth, which cannot but affect positively state of economic security of the enterprise.

Based on the research, it can be stated that the reputational risks of the company is a factor that in some way affects its economic security.

However, so far, the presence of such influence is largely assumed to be hypothetical. As you know, the possibilities of further intensification of the use of tangible assets of the enterprise are coming to naught, so companies are looking for other ways to achieve optimal performance of their activities in the market, protection against external and internal threats (especially in times of

crisis), to achieve the intensity of sustainable development, to achieve the state of economic security, etc. Largely, the ability of an enterprise to succeed in the market depends on the ability of the enterprise to use its advantages and achievements.

Table 1

Reputational risk-forming factors for the economic security of the enterprise

(copyright development)

Inner factors	Outer factors
Non-observance of the enterprise and its employees by the legislation, constituent and internal documents of the enterprise, customs of business turnover, legal norms, principles of professional ethics	Occurrence of conflicts of interest with shareholders, clients, partners, media, other interested parties
Deficiencies of personnel policy in the selection and placement of personnel, incompetence or irresponsible actions of staff and management bodies; labor conflicts	Negative assessment of the activity of the company, expressed by external auditing organizations, authorities or controlling bodies, known clients
Internal fraud by employees of the enterprise; information leakage (trade secret disclosure); conscious actions of employees that undermine the reputation of the company (sabotage)	Publication of negative information about the company in the media and the Internet, critical discussion of the activity of the company in Internet blogs
Information closeness of the enterprise	Rating downgrades by rating agencies
Non-competitive and unethical behavior of the enterprise in the market	Leadership or the pursuit of market leadership
Ineffective media relations system	Unfair (non-commercial) behavior of competitors
Failure of the enterprise to fulfill contractual obligations to clients, loaners, collaborates, etc.	The general negative situation (economic, political, demographic, social, etc.) in the industry, country and world
Shortcomings in the organization of the internal control system and in risk management of the enterprise, including reputational	Public opinion about the enterprise
The inability of the company to effectively carry out its activities and provide quality products to its customers (inefficient management);	An extraordinary event, that disrupts the enterprise.
Lack of work on the image of the enterprise and control over its condition	Dissemination of false (unsubstantiated) rumors and information about the activity of the enterprise, the presentation of various claims and accusations against the enterprise by different groups of the public

Given that the impact of reputational risks on an entity's economic security may be exercised by external and internal entities, and taking into account the likely multidirectionality of such effects, we shall determine the effects of the entity's reputational risks on its economic security. Environmental factors are largely determined by those that are not directly related to the enterprise, but have a significant impact on the success of the enterprise, while internal environment factors directly relate to the enterprise management system. Therefore, the effects of external (Table 2) and internal environment (Table 3) factors on the enterprise are different in nature and intensity. Consider each of the consequences groups separately.

So, as we can see from Table. 2, the effects of an entity's reputational risks on its economic security are ambiguous. They can be both positive and negative. In the case of each particular enterprise, the prevalence of certain factors should be determined in detail.

Factors of the internal environment also significantly affect the reputational risks of the enterprise, causing certain changes in its economic security (Table 3). Table 3 shows that most of the effects of the influence of internal environment factors include certain values of enterprise stakeholders (both internal and external), so this is further evidence that consideration of reputational risks through the prism of the values of its stakeholders holds significance. If an enterprise is building its reputation by favoring the values, abilities and culture inherent in both the enterprise and its environment, it has the opportunity to improve its reputation in the short term. Taking into account the results of the study, it should be noted that the relationship between the reputational risks of the enterprise and its economic security is quite stable, however, depending on the industry in which the enterprise operates, the conditions and instrument of influence may vary.

We distinguish the determining reputational risk factors that are at the same time a prerequisite for their economic security.

Table 2

Consequences of the impact of the reputational risks of the enterprise on its economic security due to environmental factors (copyright development)

Environmental Factor	Direction of influence	Consequences of influence
Scientific and technological progress	«+»	Increased productivity; knowledge-intensive goods and services; upgrading of staff qualification level; innovation; reduction of production costs.
	«-»	Pollution of the environment; depletion of natural resources; disturbance of ecological balance.
Actions of competitors	«+»	Increasing the productivity of the enterprise to reach or exceed the level of competitors; the weakest businesses no longer participate in the fight for the consumer
	«-»	The negative reputation of competitors brings damage to the reputation of other companies
Mass-media	«+»	Reliable positive information improves consumers' attitude, first and foremost, to the product; social recognition
	«-»	Compromising information diminishes consumer confidence and reduces production.
Consumer opinion	«+»	The popularity of the enterprise is increasing; allows the company to increase the price of the product in comparison with the prices of similar products of competitors; providing additional psychological value to the products.
	«-»	Negative thinking helps to change the quality of the product, can lead to a change in the strategy of the company.
Supplier behavior towards the enterprise	«+»	Deferral of payment for services; lending at reduced rates; the trust of potential investors
	«-»	The inability to choose any supplier because of the relationship between suppliers and the nomenclature of the market
Actions of loaners	«+»	Business improvement; Market sector expansion; Increase of financial value of the enterprise
	«-»	A fall in confidence in an enterprise in case of non-issuance of loans
State regulation	«+»	Stability; increased sales
	«-»	In distrust of the industry as a whole, the prestige of the enterprise automatically falls
Attitude of investors to the enterprise	«+»	Investment attractiveness; Increase in production volume; Confidence in the future

Symbols: "+" - has a positive impact on economic security; "-" has a negative impact on economic security.

Table 3

Consequences of the influence of the reputational risks of the enterprise on its economic security due to the factors of the internal environment (author's development)

Factor of the internal environment	Direction of influence	Consequences of influence
Production quality	«+»	Increase in output; productivity growth; increasing the level of competitiveness; consumer confidence and potential investors
Enterprise staff	«+»	Attracting qualified personnel; inability to disclose a trade secret; work for the benefit of the enterprise
	«-»	Violation of enterprise unity; Enterprise authenticity
Actions and behavior of company executives	«+»	Direction of work of the whole enterprise; Company unity; Relations with partners, investors; Formation of professional values of staff
PR-management	«+»	Product recognition; reducing marketing costs; personnel security; open value proposition to the consumer
	«-»	Hiding facts relating to an entity's activities, both internal and external, can lead to a "bomb" effect: profits will decrease as sales decline
Professionalism of management	«+»	Investment attractiveness of the enterprise; keeping business secret

Symbols: "+" - has a positive impact on economic security; "-" has a negative impact on economic security.

Table 4 lists the main reputational risk factors that affect economic security, depending on the type of market in which the enterprise operates, and shows what part of the factors that affect the economic security of the enterprise are factors that affect the reputation of an enterprise in a particular industry.

As you can see, factors that affect economic security include those that affect the reputation of the company (reputation risk factors) and vice versa. However, the multiplier of influence is not always a constant value (belongs to the interval between 0 and 1), and depends on the branch of the enterprise.

Table 4
Prerequisites for Impact of Reputation Risks of Enterprises of Different Industries on Their Economic Security (author's development)

Field	Factors of economic security of the enterprise	Reputational risk-forming factors	Effect multiplier
Manufacture of food, beverage and tobacco	Production quality; Actions of competitors; Competitiveness of production and enterprise; Location	Production quality; Actions of competitors; Trust in the manufacturer; Advertising	2/4
Agriculture, forestry, hunting	Production quality; Actions of competitors; the political situation	Production quality; Actions of competitors; Honesty of the manufacturer; Consumer opinion	2/3
Consumer industry	Production quality; Technological factor; Investing in production development; Actions of competitors; Supplier behavior	Production quality; Technological factor; Actions of competitors; Supplier behavior; Investing in production development; the impact of the media; Consumer opinion	1
Mining industry	Loyalty to the company when concluding contracts; Price for products; Investing in production development	Loyalty to the company when concluding contracts; State protectionism Direction of actions of the management of the enterprise; Professionalism of management	1/3
Metallurgical production and production of finished metal products	Technological factor; Political factor; Investing in production development	Technological factor; Trust in the manufacturer; Behavior of suppliers, loaners	1/3
Domestic service	Quality of services; Personnel factor (reputation); Competitiveness of services	Quality of services; Enterprise staff; Competitiveness of services; Trust in the enterprise	1
Tourism	Quality of services; Professionalism of management; Competitiveness of production and enterprise; Investment factor; the legal factor	Quality of services; Professionalism of management; Trust; Enterprise staff; State protectionism	2/5
Health care and social assistance	Personnel factor (doctor's reputation); Technological factor; the legal factor	Enterprise staff; Enterprise awareness; Consumer experience	1/3
Education	Quality of services; Personnel factor (reputation); Investment factor; Regulatory legal factor; Competitiveness of the enterprise	Quality of services; Enterprise staff; Management actions; State protectionism; Professionalism of management	2/5

In turn, each industry is characterized by certain characteristics, enterprises operating in a particular industry operate in a specific market with defined rules, so the nature of the impact of the reputational risks of enterprises of different industry affiliations may be different, and therefore requires special research.

In addition, the study suggests that the strength of an entity's reputation risks on its economic security depends on certain parameters that are relevant to the characteristics of the market in which the enterprise operates. As you know, the market is characterized by certain rules of entry, exit, behavior, which differ depending on belonging to the economic sector. Therefore, it is impossible to prove the existence and strength of the impact of the reputational risks of the enterprise on its economic security, regardless of the type of market in which the enterprise operates. The impact of an entity's reputational risks on its economic security is steadily increasing and increasing because of increased competition between enterprises.

Therefore, in the current economic environment, effective reputation risk management is an important prerequisite for ensuring the economic security of the enterprise. Therefore, there is an objective need to identify reputational risk and to explore existing methods and approaches to assessing it.

Creating effective risk management mechanisms is an impossible task without assessing them, which is one of the most important steps in creating an enterprise-wide risk management system. In this case, we are faced with the task of finding and building an appropriate tool for assessing the reputational risk of the enterprise, which must contain a set of sufficient and necessary criteria, indicators and procedures. The goals and objectives of risk assessment determine the mechanisms of enterprise risk management.

Analyzing different risk assessment models, we chose the RADAR logic of the European Quality Management Foundation (EFQM) business improvement model. The EFQM Business Improvement Model is a recognized methodology at European level for a comprehensive assessment of the enterprise's performance and the drive to improve it. The essence of this methodology is based on the following principles: result orientation; customer orientation; leadership and sustainability of goals; process and data management; staff development and involvement; continuous analysis of best practices, innovations and improvements; partnership development; social responsibility.

RADAR is an evaluation method used to evaluate European Quality Award applicants. RADAR consists of four elements and their criteria:

1. Results: trends, goals, comparisons, causes, reach.
2. Approach: rational, integrated.
3. Deployment: feasibility, consistency.
4. Assessment and Review: measurement, study, improvement.

Also its great advantage is the ability of the enterprise itself to carry out the procedure of self-assessment, the use of benchmarking.

The need for expert judgment in risk assessment and management is driven by the following factors. The various formal methods of risk assessment cannot be unambiguous. The decision-maker (ODA) may be subjective, for example because of the responsibility for decision-making efficiency and so on. The answers to the main questions about risk assessment can be obtained from experts. When conducting the research, the experts should be guided by the following principles:

1. This technique is aimed at determining the degree of discrepancy between the target (ideal) and existing values of the reputational risk of the enterprise.

2. The proposed methodology can be used for businesses in the field of entrepreneurship. When using this methodology for other enterprises, appropriate procedures for its adaptation are required to optimize emerging model risk.

3. The estimation of reputational risk values in the context of uncertainty and the presence of a large number of criteria cannot be calculated accurately.

4. The methodology for conducting the study is based on the clear fulfillment of the requirements for conducting this type of research.

5. The selection of experts is carried out at the level of competence. The expert has the right to freely and independently argue his opinion.

6. The established expert group should include representatives of all target audiences of the enterprise: consumers; investors; employees; power; society; The media.

To build an algorithm for conducting expert research "Assessment of the reputational risks of the enterprise" we will use the methodology of expert research "Strategic environment for building partnerships".

The research algorithm has the following steps:

formulation of the purpose of the expert research on the basis of the essence of the problem being studied and motives for recourse to expert opinions;

formation of a group of organizers of examination;

development of expert evaluation procedures;

selection of experts;

obtaining expert assessments;

processing of survey results and analysis of retained data;

setting the degree of achievement of the purpose of expertise and bringing the results in a form that is convenient for management decisions.

An important step in assessing an entity's reputational risks is to identify the company's risk-bearing factors. Let us turn to the terminology and find out the essential characteristic of the concept of "risk factors".

Many factors influence the level of risk. They can be either independent of the business or independent of the business. There are many risk factors, so classifying them is more complex than risk classification. Confirmation of this is the developed risk management system «Mark to Future», which contains 50 to 1000 risk factors.

We consider the reputation of the company as a set of five of its system components: ethics in relations with external partners, corporate governance, reputation of top managers, quality of products and services, efficiency of management. Based on the research, isolated and specified Reputational Risk Factors (RRFs) are systematized in relation to the key components of reputation, which allows consideration of reputational risks for each management process. The proposed classification of reputation risk factors in practice makes it possible to work more effectively in the direction of improving the reputation of the company (Table 5). This systematization of risk factors makes it possible to substantiate methods for improving the effectiveness of reputation risk management and will provide an opportunity for positive reputation transformations.

Table 5

The main risk factors for the reputation of the company (copyright development)

Key components of reputation	**Reputational risk factors**	**Symbols in the matrix**
Management effectiveness	1. Management effectiveness	K1
	1.1. Unproductive high-risk alliances and partnerships	SK1.1
	1.2. Top managers' indecisiveness that causes the target audience to feel incompetent	SK1.2
	1.3. Lack of a reputation management strategy	SK1.3
	1.4. Inconsistency of enterprise management processes	SK1.4
	1.5. Financial condition of the enterprise	SK1.5
Quality of products, services	2. Quality of products, services	K2
	2.1. Non-competitive product quality	SK2.1
	2.2. Lack of response to criticism in the media and the Internet	SK2.2
	2.3. Accusations of jeopardizing the products of the enterprise by the target audiences	SK2.3
Top managers reputation	3. Top managers reputation	K3
	3.1. Impairment of manager's reputation	SK3.1
	3.2. The negative attitude of the manager to ethics, corporate culture, corporate social responsibility	SK3.2
	3.3. Inconsistency of actions of the head strengthening the reputation of the enterprise	SK3.3
Corporative management	4. Corporative management	K4
	4.1. Low level of corporate culture	SK4.1
	4.2. Awareness of staff about possible reputational risks	SK4.2
	4.3. Staff incompetence	SK4.3
Ethics in relations with external partners	5. Ethics in relations with external partners	K5
	5.1. Non-competitive and unethical behavior of the enterprise in the market	SK5.1
	5.2. Non-performance of contractual obligations	SK5.2
	5.3. Business opacity, providing untrustworthy information	SK5.3
	5.4. Non-compliance with the requirements of general business etiquette, legal norms, partnerships	SK5.4
	5.5. The questionable legitimacy of methods of lobbying the interests of the enterprise	SK5.5

Identification of reputational risk factors based on the analysis of information needs and stakeholder perceptions, practical cases of enhancing the reputational risks of enterprises.

In order to form a positive opinion of the company among the target audiences, a tool for assessing the impact on each target audience in specific business conditions is required. Therefore, the next step should be to use risk management mechanisms to determine the limits of influence on priority target audiences in order to achieve the tactical and strategic goals of the enterprise to build its reputation. We believe that complex components of reputation are effectively viewed in certain cognitive frameworks, circuits. It is then possible to single out its most significant components and manage them only within certain limits (synergistic contours of influence - SLE) that exert a strategic influence on the components of reputation. SLE includes the main reputational risk factors of the internal and external environment, systematized in relation to the reputation of the company (table 5).

The proposed model of isolation of synergistic contours of influence in relation to target audiences (stakeholders) allows us to establish a relationship between a specific target audience and a synergistic contour of influence in order to determine the significance, and, therefore, the urgent formation of a positive thought in a given process management. Under the target audience, we will understand the most important for the enterprise group of audiences to which the efforts of top management through appropriate processes of reputation risk management are directed. Under the synergistic contour of influence, we understand the set of processes managed by top management of the enterprise, whose efforts are directed to influence the most important reputation risk factors. The following model is highlighted in the proposed model:

K1 - Management effectiveness (enterprise strategy, unproductive high-risk alliances and partnerships, financial position of the enterprise, dynamics of financial indicators, cost management policy, etc.)

K2 - Quality of products, services (inconsistency of production process with certain conditions, accusations of the enterprise at risk of production by interested audiences (customers, controlling bodies, etc.), reaction to complaints and comments, customer perception, behavior of the organization in the market) ;

K3 - Top managers reputation (inconsistency of the manager's actions in strengthening the company's reputation, negative attitude of the manager to ethics, corporate culture, corporate social responsibility, etc.);

K4 - Corporate Governance (low corporate culture, social responsibility, staff incompetence, etc.);

K5 - Ethics in relations with external partners (position and policy of information openness and accessibility, values of the organization in partnership, non-compliance with the requirements of general business etiquette, legal norms, partnership relations, etc.).

Stakeholder relations management is the method that underpins the developed methodology for assessing the reputational risks of an enterprise, through which businesses seek to meet the growing demands of economic, environmental and social responsibility.

From the point of view of the stakeholder approach the following reasons can be distinguished for managing the reputational risks of the enterprise:

- Investors and shareholders are interested in creating long-term business value in order to ensure continuity and stability in the level of dividends paid. In order to achieve this goal, it is necessary to strengthen the degree of linkage with other stakeholders.
- Clients, besides the commercial attractiveness of the terms of cooperation with suppliers, seek to choose the most reliable and stable counterparties with a strong positive reputation.
- Employees are less likely to change jobs and more motivated to work if they identify with the employer.
- Suppliers in times of economic instability seek to minimize losses by selecting the most reliable customers, even on less attractive commercial terms.
- Investors and lenders favor the most transparent businesses, especially in times of crisis.

- Continuous cooperation with public authorities, in particular on issues of respect for the interests of society, allows to ensure the integration of compliance with the principles of economic, environmental and social standards in the enterprise management system and minimize risks.

- A well-developed system of communications with analysts, experts, rating agencies on information disclosure allows to minimize information asymmetry in the market.

Based on the theory of management, we believe that six to nine target audiences should be taken into account, in which case the system will be managed.

Depending on the scale of activity and the field of operation, the stakeholders of different enterprises vary. In our study, we identify six target audiences that can reach the majority of stakeholders in order to manage the enterprise's reputation risks: consumers, investors, employees, government, society, and the media. The higher the degree of mutual involvement in a business partner, the higher the level of reputation correlation, hence the need to assess the reputational risks that arise in the relationship of the company with its stakeholders.

According to the results of surveys of interested audiences (target groups, stakeholders) it is proposed to make a reputation matrix - a list of risk-forming factors, grouped into synergistic contours of influence (Table 6), which reflects the perception of the reputation of the enterprise by different groups of stakeholders. The Reputation Matrix is proposed to fill in focus groups, representatives of different target groups of stakeholders (consumers, investors, employees, government, society, and media) in order to determine the importance of each SLE for each group of stakeholders.

Table 6

Enterprise Reputation Matrix (author development)

Synergistic contours of influence	**Target groups (stakeholders)**			
	MG1	**MG2**	**…**	**MGn**
K1	K1MG1	K1MG2	...	K1MGn
SK1.1	SK1.1 MG1	SK1.1 MG2	...	SK1.1 MGn
…	…	…	...	…
SK1.k	SK1.k MG1	SK1.k MG2	...	SK1.k MGn
K2	K2 MG1	K2 MG2	...	K2 MGn
SK2.1	SK2.1 MG1	SK2.1 MG2	...	SK2.1 MGn
…	…	…	...	…
SK2.k	SK2.k MG1	SK2.k MG2	...	SK2.k MGn
…	…	…	...	…
Ki	Ki MG1	Ki MG2	...	Ki MGn
Ski.k	Ski.k MG1	Ski.k MG2	...	Ski.k MGn

In the Table 6, Ki is synergistic contours of influence, SKi.k is risk-forming factors of reputation, systematized into synergistic contours of influence, MGn is target groups (stakeholders). Rating (SK1.kMGn) occurs for each component of the Ki circuit. And the value of Ki is calculated as the arithmetic mean of the components of the circuit.

When filling in the reputation matrix, it is suggested to use the Delphi method, which is most appropriate under these conditions, since the information needs of the target groups of stakeholders are interrelated and take into account the estimates of other groups. This method allows to take into account the independent opinion of all participants of the group of experts on the discussed issue by consistently combining ideas, conclusions and proposals and to reach an agreement based on repeated anonymous group interviews. Delphi's method allows you to adjust the opinions of experts after announcing the results of the responses of other groups.

For the purpose of objective interpretation of the results of the surveys, it is considered necessary to conduct in-depth interviews and focus groups with the respondents to determine their motivation and avoid mistakes.

Reputation matrix is the basis for the calculation of the integral indicator of the level of reputational risk, allows to estimate the level of significance of each SLE. Building a reputation matrix will enable you to identify strengths and weaknesses in building a reputation for each

stakeholder group. The strength of the risk of harming the reputation of the company is determined by expert survey of interested audiences, using the method of rating. The expert team, according to the proposed rating scale (0 points - does not create risks, 10 - can create very significant reputational risks) fills in the reputation matrix, exposing the corresponding points. The expert assigns each SLE component a certain score depending on the force of influence. The result of the research is a formed reputation matrix.

The next step is to calculate the sum of points for all components of each SLE for each stakeholder group and determine the arithmetic mean of each SLE for each stakeholder group.

Thus, using the data of the reputation matrix of the enterprise, built on the basis of the method of expert assessments through the a priori ranking of options, weight characteristics of risk-forming factors of reputation are determined for each synergistic contour of influence. (Ki).

The next stage is the interpretation of the values of the integral indicator of the level of reputational risk according to the developed scale of assessment, and the conclusion is drawn about the implementation of the reputational strategy of the company with the development of specific measures aimed at adjusting the level of reputational risk. Thus, in order to further manage reputational risk effectively, an important step should be to establish a scale for assessing reputational risk. In other words, it is necessary to choose the discreteness of the rating scale, assign a clear characteristic to each value in the scale, determine the data and / or their sources by which the value will be selected for each of the risk components, set the criteria for risk criticality.

Choice of discreteness of scale. For a qualitative assessment of reputation risk, it is better to use a 3-point or 6-point scale. Using a larger scale can make it difficult to interpret. For quantitative assessment of risks, a 5-point, 6-point or 10-point scale is more common. The choice of the dimension of the scale is not a fundamental factor. In the study, we use a 6-point scale.

Interpretation of scale values by components of reputational risk. Regardless of the type of scale and its dimension, each scale value requires a characteristic. Table 7 provides an interpretation of the values of the Reputation Risk Scale.

It should be noted that the choice of the scale and its dimension, provided it is correctly applied, does not affect the subjectivity of the assessment of reputational risks.

Table 7

Characteristics of Reputation Risk Components on a 6-point Scale (author's design)

Level of risk	Probability of occurrence	Level characteristics
Minor	Almost impossible	The company has a high reputation, which is undeniable for target audiences
Moderate	From time to time	The company controls the situation and the perception of its target audiences
Average	Possible	Reputation risks are not taken into account when building a strategy. The enterprise has some difficulties in managing reputational risks
Critical	Periodically	The enterprise responds to the negative effects of the reputation after the fact. Reputation risk management is poorly performing because it only occurs when problems occur.
Ultimate	Almost inevitable	Poor contingency regulations are lacking in the area of reputation risk management. Poor product quality is driven by the use of outdated technology. Lack of quality control.
Inadmissible	Always	The company does not understand the expectations of its clients / partners and therefore does not fulfill its obligations. Top-management of the enterprise forms a negative attitude to ethics and corporate culture, social responsibility of business; unethical and fraudulent actions of middle and lower level employees.

Normalization of the Probability component. Choosing a probability value is one of the most difficult tasks in assessing risks in general, and reputational risks in particular. It is at this stage that discussions, disputes and misconceptions arise. For example, it is very difficult to choose a probability value between "from time to time" and "possible" without analyzing the facts and knowledge about the nature of the variability of the risk object.

Moreover, in order to maintain the value of the probability after the estimation it is necessary to ensure the effectiveness of the system of management of deviations and changes, to establish statistical control of the processes.

It is important to have clear criteria and a clear interpretation for each probability scale value. Thus, the formation of clear boundaries (criteria) of the value of the integral indicator of the level of reputational risk to unacceptable, marginal, critical, average, moderate and insignificant is based on the expert evaluation study. The sources of data are the annual quality reviews in the Business Improvement Model conducted by the European Quality Management Foundation (EFQM) and the annual reputation and reputational risk surveys conducted by the international consulting company Reputation Institute.

Conclusion

Existence of risk is a systemic and significant factor that has different effects on the performance of economic entities, industry and industrial complexes as a whole. In today's tough highly competitive market environment, the experience of operating foreign and Ukrainian enterprises shows that reputational risk is of great importance among non-financial risks, since its neglect and undervaluation can lead to negative consequences for the enterprise. In the theory and practice of risk management, reputational risk is given insufficient attention: there is no scientific research that can be used as a complete theoretical and methodological basis for managing reputational risk, including the basic principles and mechanisms of risk assessment and its impact, which causes objective necessity and urgency of the outlined scientific problem.

Based on the conducted research, the factors of external and internal environment that affect the economic security of the enterprise were identified. Reputational risk has been found to be a factor in the majority of both external and internal factors affecting an entity's economic security. The results of the study made it possible to determine the prerequisites for the impact of a company's reputational risks on its economic security.

An analysis of general approaches to risk assessment has shown that there is no coherence between methods and approaches to assessing the reputational risk of an enterprise. Therefore, the dissertation has developed a methodological tool for assessing the reputational risks of the enterprise, which is based on the principles of system-functional and process approaches and outlines the synergistic contours of the influence of risk-forming factors in view of target groups of stakeholders in the reputational matrix of the enterprise subtype and choose ways to minimize it.

In the study, an integral indicator of the level of reputational risk is an indicator whose value characterizes the level of risk of loss for a given entity in carrying out a certain type of activity. The proposed technology of estimation of reputation risks of the enterprise allows to carry out their complex assessment and to serve as a basis for making strategic decisions regarding the choice of strategy for reputation risk management.

Formation of clear criteria and clear interpretation for each value of the integral indicator of the level of reputation risk is an important step in the development of an effective reputation strategy. In the dissertation, based on the aggregated expert assessments, the threshold values of attribution of the integral indicator of the level of reputational risk to unacceptable, marginal, critical, average, moderate and insignificant were determined.

The prospects for further research are the development of strategic decisions on the choice of a strategy for reputation risk management in order to mitigate the risks of business activity; development of a Reputational Risk Stakeholder Panel; development of tools for forming the program of management measures for their optimization: marketing, administrative and organizational. The use of the developed tools is the basis for decision-making by the enterprise management regarding the choice of a reactive or proactive approach to the management of reputation risks.

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