

János Pataki¹

Situation Centre in the Private Sector

Helyzetelemző Központ a privát szektorban

A 21. század biztonsági kihívásai befolyásolják a globális gazdaságot és a multinacionális vállalatok működését. Ilyen körülmények között a nagyvállalatok válságkezelési módszereit a hadtudományok alapján kell kidolgozni, amely kétszintű válságkezelést igényel: stratégiai és operatív szintűt. Belső szabályok, biztonsági előírások, biztonsági személyzet és biztonsági technikai eszközök alkalmazásával védhető meg a vállalat tulajdona (mind anyagi, mind nem anyagi). A Helyzetelemző Központ integrálja a különböző elemeket és alrendszereket, valamint központi irányító egységként működik a válságkezeléshez szükséges különböző szintű műveleti (beavatkozó) egységekkel együtt. A Helyzetelemző Központ gondoskodik arról, hogy a vállalat biztonsági helyzete egy elvart kockázati szinthez igazodjon, amely megfelelő a vállalat számára.

Kulcsszavak: válságkezelés, Helyzetelemző Központ, kritikus infrastruktúra, privát szektor

The security challenges of the 21st century affect global economy and the operation of multinational corporations.² In these circumstances the crisis management code of practice of large corporations needs to be elaborated on the basis of military science, a large corporation which demands crisis management on two levels: strategic and operational. Internal regulations, security standards, security personnel, and security technology defends a company's assets (both material and immaterial). The situation centre ties together these elements and subsystems, and serves as a central steering unit for crisis management along with the various operations units. The Situation Centre³ makes sure that the security situation of the company is adjusted to a certain risk level that is still acceptable for the company.

Keywords: crisis management, Situation Centre, critical infrastructure, private sector

¹ János Pataki, PhD candidate, National University of Public Service, Doctoral School of Military Sciences, ORCID: 0000-0002-3387-5618

² GREGOSZ 2012, 7.

³ Situation Centre s. a.

Premise

The first part studies the effects of progressive globalisation that do not only pose a global security problem but also appear directly or indirectly at regional or local level. Poverty, civil wars, and other conflicts and disasters can result in a wave of refugees to neighbouring countries and regions. In these areas, emergency situations may emerge in security policies that the countries and regions concerned do not handle properly. This may also escalate into nearby regions. Therefore, closer cooperation with international organisations and institutions is needed in the critical zones.

The second part examines how the multinational companies should face new challenges in their operations. The members of the companies' management and security management team should monitor the changes in their own fields of expertise. Accordingly, new procedures and methods should be developed and applied, so that the company's senior management can take decisions in due time in possession of adequate information.

New Security Challenges

The effects of globalisation will appear worldwide both at regional and local levels, which cause safety problems directly or indirectly. Europe cannot isolate itself from the events of the world either economically or politically.



Figure 1.

Definition of threats of multinational companies

Source: Compiled by the author based on Government Decree 2012.

During the Cold War, ideological differences were exploited by terrorism. This was replaced by a philosophy based on the religious and cultural differences in the 21st century. Global terrorism and the clashes between civilizations have been intensified recently, causing a growing chasm among cultures and religions.

At present, the economic dimension is most decisive. The impacts of the 2001 terrorist attacks on the world economy and its various sectors were investigated by economists. It was established that the attacks' incidental damages were more severe than the amount of direct damage.

Terrorism and Economy

The goal of terrorism is to create panic and fear, to weaken and question the faith and confidence cast in the democratic social and political institutional systems. The terrorist movements do not accept democratic values, and the historical international systems and their relations are destabilised by them.

According to Liddell Hart,⁴ guerrilla warfare is fought by a few, but depends on the support of many. Although it is the most individualistic activity, it is only effective, and would only reach its goal, if it is supported by many. The thoughts of Liddell Hart confirm the statement made by Hans-Georg Maaßen⁵ that around 550 "German" militants were fighting by the side of the Islamic State (IS) in the Middle East.⁶

A key international trend is economic globalisation. The secure functioning of economy determines the welfare of humanity worldwide, because the safety and values of the participants of the global economy are very important both in the present and in the future. The standard of defence expenditures and responsibility have to be defined on the basis of a suitable risk analysis. The impact of terrorism on the world economy is demonstrated on the example of the terrorist attacks of 2001, because this is the event on which sufficient amount of references exists. Economic prosperity brought by globalisation does not only offer benefits, but it also involves risks. Extremists and critics of globalisation started to attack the winners of the process way before 9/11.⁷

The case in Hungary can be characterised by strongly different views of professionals in the public administration engaged in the preparation and implementation of legislative provisions, as well as the companies' subject to such regulations.

This seems to stem from the fact that execution processes are optimised according to the participants' own viewpoints. The most striking example is how the protection of different objects and buildings and the tasks of various fields in security can be/have to be implemented. Cyber-, and terrorist attacks, as well as protection against current terrorism are part of an integrated defence system. Due to the lack of a suitable crisis management, terrorist attacks of fundamentalist religious groups

⁴ LIDDELL HART 1991, 377–380.

⁵ President of the Bundesamt für Verfassungsschutz (BfV), the domestic intelligence service of the Federal Republic of Germany.

⁶ KRAUSE 2017–2018, 15–24.

⁷ KUBARYCH 2011.

and the operation of terrorist organisations and the networks of organised crime make national states with advanced infrastructure more vulnerable from a political and economic viewpoint.

The Economy of Hungary

The structure of the Hungarian economic system has changed completely as a result of the investments made by large international companies. The analysis of the Hungarian economic system was based on the Pareto theory.⁸ The protection of investment centres is not covered by current national rules. With respect to critical Hungarian infrastructure this typically means that different expert opinions exist at the preparative, administrative, implementing, legislative and “user” (company) level including differences in and incomplete understanding.

In the design phase of the protection of critical infrastructure the “domino effect” should be taken into consideration, due to which the damages and impacts of the events can multiple and secondary, tertiary damage can occur.

The systems or facilities required for the continuous operation of the critical infrastructure are essential for the fulfilment of vital social functions. 80% of GDP is generated by the TOP 50 Hungarian companies.⁹ 24 from the 50 economic operators are production companies. Only 26 – non-producing – companies form part of the critical infrastructure according to Annex 2 of Act CLXVI of 2012 on Critical Infrastructure Protection. The Annex of the Act, section (industry) includes the manufacturing companies that produce at least 2% of GDP at a single location.¹⁰ Critical Infrastructure Integrated Protection can be used to meet the security requirements of international and national legislation.

Crisis Management¹¹

The national crisis maintenance is a governmental task.¹² The task of the Situation Centre is the collection of information, analysis, assessment and dissemination of information. The methods employed by international organisations are applicable in situation centres and in similar centres of the civil sphere.¹³

The crisis management of a multinational company has to be planned and executed on two levels. Global challenges or regional threats maintained on a strategic level by the crisis management organisation and local events belong to the operative crisis management.

⁸ Pareto Principle s. a.

⁹ GDP 2015.

¹⁰ Act CLXVI of 2012 on Critical Infrastructure Protection, Annex 2.

¹¹ ISO 31000: Risk management – Principles and Guidelines.

¹² RESPERGER 2016, 9.

¹³ WALKER 1995, 7.

Multinational companies have to face several challenges. Managers and other employees of the security management need to pay a particular attention to changes in their department. Therefore, they need to develop new procedures. In this way, members of the upper management are able to make timely and effective decisions. According to these standards, a multinational company must employ methods of crisis management, which is an important part of the management process.¹⁴



Figure 2.

Risk management of multinational companies

Source: Compiled by the author.

In multinational corporations the important tasks of the crisis management cycle are:

- recognising the crisis in time;
- management of the crisis/mitigation of its effects;
- restoring normal production.

This type of crisis management – on a corporate level – is not a widely used method; “older” methods are more common. Nowadays in Hungary, a crisis “must” happen in order to highlight the nonexistence of crisis management, or point out its ineffectiveness. The leaders of security organisations have the responsibility to point out the potential dangers to the management, which can be supported by case studies.

¹⁴ KŐSZEGVÁRI 1994, 217.

An Integrated Security Concept in the Private Sector

The country's national security strategy and the "worldwide" security measures of a "mother" company in a multinational company must be fully taken into account when developing a company's security rules, regulations, and security organisations. The security and defence systems, the designing, construction and operation of the company's security strategy are basic documents that define the medium for the top management of the company and determine long-term safety requirements and regulations.

Security systems require the integration of systems for various fire, property and other protection purposes. System components – the Situation Centre as a central control system – deployed in the company's internal and external areas, buildings, halls and security ensure the security of the company. The integration of security systems will live up to expectations if it is embedded in an integrated security concept.

Nowadays, thoughts are gaining ground more and more in Hungary according to which the security systems have to be integrated, which I consider to be a good solution, because of the size and complexity of the systems. Several studies have also shown that household technology and other building automatisisation and control functions must be incorporated into the integrated security system. The different laws and regulatory requirements allow the connection between fire protection systems and household technology appliance subsystems, but this does not mean that all elements of the systems can be connected.

This is always determined by the structural (architectural) design, function and the applied technology of the building/object and should always be carried out in consultation with the authorities and through the use of counter measures.

The governance and management of the Situation Centre, furthermore the training of the staff working there have a great significance, as well as the quality and regularity of education. According to the security strategy of a company, electronics and human resources can solve the security tasks together.

As a result of the connection of various weak current systems (household technology and security technology), a management and logging interface capable of providing the most efficient service to the required management system is needed.

This does not mean only the expected display format of the signals and the specific responses to the signals, but also the possibility of logging signals from other sources (phone, EDR¹⁵), and the possibility to log (combine) information from various weak current systems.

When an event occurs, the integrated security system gives a signal supporting this way the prevention of damage and investigative work. At the SMS¹⁶ display, high priority is always given to the fire protection systems which are capable of operating as a universal alarm system, displaying alarms and alerting the intervention forces.

¹⁵ EDR – Digital Radio System.

¹⁶ SMS – Security Management System.

The most important requirements for SMS:

- it displays signals from different subsystems in a unified representation;
- the activity scheme appears for each alert type in the background;
- alerts of different security systems can be displayed and managed with individually defined priorities at different workplaces;
- layout of buildings and premises (location and cause of alarm, number of rooms, occupants and sources of danger);
- the connection system is directly connected to the alarm system, but can be accessed and activated manually;
- the location of an area is easy to identify for operators due to the graphical display of alarms; the correct, verified data of the area and the different buildings must be imported from the relevant databases of the company.

The deployment of new security trends in establishing the defence capability of large companies, such as integrated organisational, architectural, security, tactical and management methods, must all be taken into account in order to reduce vulnerability. The employment of all elements of the “security pyramid” can guarantee the achievement of the highest level of defence.



Figure 3.

Integrated security systems of multinational companies

Source: KIRÁLY–PATAKI 2013

Effective operation of the Situation Centre requires the application of special information protection measures:

- confidentiality;
- data protection and data security;
- data collection and planning;
- in the course of the information during the operation the arisen data concerned;
- the protection of information;
- the conservation conditions of the data and their deadline.

The Situation Centre¹⁷

Without informing the Situation Centre in time – or not informing at all – the crisis management cannot start their activity and solve the crisis. The tasks of the crisis management are directed from the Situation Centre. The basis of the function of SitCen:¹⁸

- the collection of the information;
- analysis;
- assessment and dissemination;
- making decisions;
- defining tasks and give orders.



Figure 4.

Architectural design of the Situation Centre of multinational companies

Source: Compiled by the author.

If a crisis occurs, it needs to be dealt with the previously agreed defence plans and scenarios. These methods are suitable to identify when an unforeseen event occurs, and therefore make it possible to warn crisis management organisations. It is possible to accomplish a significantly higher level of safety with integrated security systems. This method can reduce the workload and decrease the likelihood of mistakes.

The double crisis management method provides time to realise, examine and evaluate new challenges. In this way, effective crisis management is easier to achieve, as the workload for assigned employees will not increase. Therefore, it is important to

¹⁷ NATO HQ Situation Centre (Válságkezelő Központ) 2010.

¹⁸ PATAKI-SULÁNYI 2011.

separate the two crisis management groups, so they cannot interfere with each other while in operation. They will execute their tasks based on the information available.

If they perceive global or regional threats, they will warn the strategic crisis management organisation. The members of the strategic crisis management are heads of various departments, while being members of a corporate management.

In case of a local event, the head of the crisis management needs to be informed. The operative crisis management organisation is led by the head of security department and its specialist members. It is necessary to build up a Situation Centre integrated protection based on the security philosophy defined in the company's security strategy. Successful performance is guaranteed by the adequately constructed defence.

General Conclusion

It was demonstrated that the new forms of terrorism have a significant impact on the world economy and its functioning. Based on the relevant analyses, it was found that the indirect damage of attacks is greater than the degree of direct damage.

The Pareto theory was used to verify that the structure of the Hungarian economy has undergone a complete transformation since the political transition. The Hungarian economic system is disproportionate, the ratio of the primary sector is negligible compared to the secondary and tertiary sector. It was also analysed, evaluated and verified that the protection of emerging investment centres and large companies is not covered by current national laws.

When a crisis emerges, we need to be prepared for the worst-case scenario, but the extent of the damage can be moderated or eliminated if adequate preventative actions are taken. The likelihood of crises can influence the strategic decisions of the company.

The integration of security systems means a higher level of security, which in addition to cost optimisation, provides a more stable operation of the security systems to fulfil the company's basic tasks.

The security regulations cover compliance with all persons who are within the jurisdiction of the company/object. According to the security strategy of a company, the most important factor is the security-conscious employee, who accepts, implements and applies the regulations of security.

The core framework of corporate security is the collaboration of employees, managers, intervention forces, specialists and senior management. This collaboration is a community of values that guarantees the operability of the company and the safety of the people, who come into contact with it.

Based on the analyses and conclusions, the application of a two-level crisis management is proposed at the large company level, which is worked out on the basis of the principles of crisis management in military science. It is demonstrated that the theoretical and practical methods used in the NATO–EU Crisis Management and Situation Centres can be applied in the civilian environment and are part of the management processes.

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