Is Competence One of the Production Factors?
MA Tomasz Strykowski1*

1University of Security and Economics, bul. "Kuklensko Shose" 13, 4004 Plovdiv, Bulgaria

Abstract
The changing business world is forcing a reorganisation of the system and the adoption of new paradigms in business management. Fundamental to these changes are the transformations taking place in the evolution of the economy. The current period is referred to as the post-industrial era, also known as the knowledge era or sometimes the information era. Each era is defined by factors of production. In the belief of the author of this publication, the time has come to expand the fourth factor of production from knowledge to a broader concept - competence. The concept of competence bears an expression of the unlimited perception and determination of the qualities of the members of an organisation, who not only create it, but mainly create its successes or failures. Particularly in times of increasing importance of services, the competences of team members, which are part of creating the added value of the provided business services, are gaining ground.

Keyword: Competence, production factors, knowledge, paradigm.

1. INTRODUCTION
Economic evolutionism is closely linked to the creation of innovative business solutions based on factors of production in economic terms. Toffler's concept refers to economic eras that differ in their object, purpose and dynamism of development based on their different types of resources.

Even more than 100 years ago, at the beginning of the industrial transition, Jean-Baptiste Say proposed the following factors of production, which can be described as their classical form. To a large extent, it refers to the agrarian era, in which land and labour input were of the greatest importance and the financial factor influenced the level of investment and recapitalisation of the economic activities carried out. Hence, the classical set of factors of production includes: labour, land, capital [1,2]. Then A. Marshall, in the era of intensified changes in the manufacturing era, recognised organization [3] as the fourth factor of production. However, this factor did not catch on in the scientific and popularising discourse.

The researcher took as his objective to prove a paradigm shift regarding the fourth factor of production, which should have a broader context than currently accepted in the literature. Therefore, the author of the publication has taken as his objective the description of a hypothetical factor that is optimally adapted to the needs of the knowledge economy and the requirements of the labour market.

2. The fourth factor of production - an alternative proposal
In contrast, the proposal of the Austrian economist J. Schumpeter, who considered entrepreneurship [4] to be the fourth factor of production, became permanent.

The researcher defined this concept as the entrepreneur's peculiar state of mind, which unleashes in him or her the power to overcome the obstacles piling up around him or her, his or her own prejudices and

2. J. Baptiste Say (1821). A treatise on political economy or the production, distribution, and consumption of wealth, Wells and Lilly, Princeton University.
resistances, and allows one to swim against the current in unknown circumstances [5].

Over time, the factors of production have evolved with a new ingredient, namely knowledge [6].

In the agricultural era, the most important factors were labour (as physical effort) and land. The emergence of manufactures, which in time became factories, forced a paradigm shift, resulting in the increased importance of the capital (financial) factor at the expense of land. The emergence of the knowledge-based economy (GOW) contributed to a revolution in the resource structure, as a new factor was created - knowledge, which, together with capital, constitutes business power in the new economy.

The researcher discusses the paradigm shift of the factor of production - knowledge - in favour of competence as a factor that has more references and relevance in the modern economy.

The transformations taking place in the economy, which began after the Second World War and gained particular intensity in the 1970s, refer to the shift from an industrial economy to a post-industrial economy (also known as a knowledge economy). Of particular importance in the age of the information economy is precisely knowledge [7], which is a collection of information contained in the human mind, having a formally ordered character, expressed in words and numbers, easily communicated and disseminated in the form of hard data, scientific formulas, codified procedures or universal principles.

B. Lundvall and B. Johnson divided knowledge into four types, know-what, know-why, know-how and know-who. In the first, this type of knowledge refers to knowledge of facts and is rather identified with information. In the second, it refers to an understanding of the rules that operate in nature, society, etc. In the third, it represents knowledge referring to the ability to do something. It is knowledge that experts have and is accumulated in the form of experience that they have, as well as experience developed by companies. And, fourthly, are combinations of information and social relations about who knows what. They allow the use of expert knowledge [8].

However, knowledge is still only one of the elements responsible for a person's level of individual (professional) competence. An important distinction can be seen by juxtaposing the British school with the American school in the area of competence. The two schools differ in their approach to the perception of competences, with the British school [9] being dominated by a static view derived from declared competences. In contrast, competences in the American school [10] are viewed through the lens of application in day-to-day activities, i.e. as the degree to which competences are used effectively, taking into account environmental factors, behaviour affecting the individual in the course of the task.

Diagram 1: Evolution of resource factors in economic eras according to Toffler


7 M. Kłak (2020), Zarządzanie wiedzą we współczesnym przedsiębiorstwie, Wydawnictwo Wyższej Szkoły Ekonomii i Prawa.
3. Competence considerations

Nowadays, the professional potential of job candidates is most often described using the term 'competences' [11]. There are many definitions of individual or professional competences. Their common denominator is the so-called competence in behavioural terms.

In other words, a competence [12] is a set of qualities that are helpful in achieving the results (outcomes) expected for a job. A competent job candidate is a person who is able to behave in a way that is necessary to successfully perform the tasks of the job. In different jobs and in different organisations, a variety of behaviours will be helpful in the successful completion of tasks. It could therefore be assumed that there are an infinite number of competencies.

A. D. Lucia and R. Lepsinger [13], propose to describe competences in the form of a competence pyramid, in which they distinguish 4 components. The base of the whole pyramid is formed by abilities and personality traits, which are the most difficult to change. Improvement in this area requires constant and controlled work on oneself through modification of behaviour and other individual characteristics. The next layer of the pyramid is skills, relating to the professional area (e.g. the ability to work with equipment or IT applications). The third layer is declarative knowledge [14], which refers to things and events and to the relations existing between them. This type of knowledge provides the data needed to perform an activity and to understand the conditions under which it is performed. Declarative knowledge, also known as factual knowledge, is readily available, usually easily verbalised and relatively easy to modify, but at the same time the processing of information involving it is slow. At the top of the competence pyramid are behaviours, relating to the social sphere of a person, taking into account individual characteristics and situational context.

![Diagram 2: The workplace Competence Pyramid](source)

The model is a set of competences needed to set up and run one's own business. It contains 10 criteria presented in Figure 2. The description consists of 4 fields: business competencies, social competencies, personal competencies and technical and specialist competencies. This model differs from the 360-degree model, in which there are 3 fields. As a result, the Employee Competence Pyramid is a more detailed model and better meets the requirements of a 'vibrating environment'.

In the group of personal competences, "Risk-taking skills" and "Work organisation" are defined. In the

14 M. Kossowska, I. Sołtysińska (2002), Szkolenia pracowników a rozwój organizacji, Oficyna Ekonomiczna, Kraków, p. 4.
technical competence group, 'Setting up a business' and 'Operating a computer and office equipment' were distinguished. Both groups of competences were considered to be the most basic for pre-incubation entrepreneurship. Another key area is social competences, where 'Assertiveness' and 'Communicativeness' were defined. On the last floor of the pyramid, four business competences were identified: "Business mindset", "Sales skills", "Building business relationships" and "Business culture and ethics". The competences in this group most directly affect the success of running one's own venture, assuming that the more basic competences (social, personal and technical) are manifested at a good level.

On the basis of the components listed in the competence pyramid, individual competences are built up, including social competences in dynamic terms.

A lack of social skills is also often an obstacle to dealing with everyday life issues, which in the current (bureaucratic) times is becoming increasingly complicated [15].

Meanwhile, D. Bartram’s research shows that all competences defined by companies in different industries can be classified into one of eight categories. The result of his research is a universal taxonomy of professional competences, popularly known as 'The Great Eight', which distinguishes eight key professional competences:
1. leading and deciding.
2. supporting and collaborating.
3. communicating and presenting.
4. analysing and interpreting.
5. creating and inventing.
6. organising and performing.
7. adapting and coping.
8. Entrepreneurship and goal orientation.

It is worth noting that the first three competences in the above list are social competences, as both leading, supporting and cooperating, as well as communicating and presenting are competences that determine the effective execution of tasks in or through contacts with other people. This fact underlines the momentous importance of social competences, also called interpersonal skills, in the map of professional competences [16].

Unfortunately, social competence has not been defined in a clear and generally accepted way in the literature. There are probably few concepts in psychology about which there is such a wide divergence in the definitions given. Researchers in the field of social competence ask themselves whether it is some general social skill that manifests itself in all kinds of situations, or whether it encompasses many specific and sometimes unrelated skills. The latter approach is advocated by M. Arygle, and in Poland by Professor A. Matczak, who proposes an extended definition of social competence.

M. Arygle understands social competence as the ability, possession of necessary skills to exert a desired influence on other people in social situations [17].

A. Matczak, on the other hand, defines social-emotional competence as complex skills determining the effectiveness of emotional regulation and coping in various social situations [18].

It is difficult to cite a single general social competence, but A. Matczak’s studies mention many types of them. These include competences such as:
1. social perception skills (accurately perceiving others, e.g. their experiences or intentions, and understanding and correctly assessing social situations).
2. social sensitivity, empathy and interpersonal decentralisation.
3. knowledge of social rules and ability to behave appropriately in social situations.
4. ability to solve specific interpersonal problems and control social situations.
5. skills for dealing with conflict and assertive situations.
6. Effective self-presentation and the ability to influence others.
7. Communication skills.
8. cooperative skills.

Empirical research confirms that there is a positive correlation between social competence and psychological well-being. It relates to general life satisfaction, the quality of interpersonal relationships, the willingness to help others, but also the use of social support based on effective strategies for coping with stress, as well as broadly defined adjustment and proper social functioning.

17 M. Arygle (1999), Psychologia stosunków między ludźmi, PWN, Warszawa.
These are factors that influence the level of quality of a person's everyday and working life based on attitudes resulting from internal conditions and the situational context.

A typology of social competences is also encountered in the literature, which distinguishes between two factors that affect a person's individual performance. These are the so-called instrumental dispositions and motivational dispositions [19].

An example of the latter approach can be found in the model of S. Greenspan's model. On the one hand, this researcher recognises social intelligence (social awareness), i.e. the ability to understand people, events and social processes, as a component of social competence, but on the other hand, he also takes into account motivational aspects by including temperamental traits (reflexivity, self-control) and character traits (social activity and politeness) within the concept of competence.

According to D. Goleman, social skills are [20], along with the understanding of oneself and one's own emotions, i.e. self-awareness, the ability to manage and control emotions, and the capacity for self-motivation and empathy, the basis of an individual's emotional intelligence. Emotional intelligence determines our potential capacity to learn the basics of self-control and similar skills, emotional competence shows how much of this potential capacity translates into skills in the workplace [21].

A similar assumption is made in the case of the model by R. E. Riggio, which includes in the area of social competence the abilities to give, control and receive social and emotional signals (verbal and non-verbal). They constitute a group of abilities of a social and emotional nature, as well as a disposition defined as social manipulation, which effectively influences the course of the social interaction process.

M. Arygle formulated a definition of social competence, in which he pointed out that there are many social situations that require the activation of various social skills. A person who functions effectively in situations of social exposure and copes well with public speaking is not necessarily equally effective in interpersonal situations requiring close relationships with other people.

Three training methods can be used to modify social behaviour. Firstly natural social training, secondly laboratory social training and mixed training in which we use both previous training models. The training is often based on a role-playing technique in which innovative training methods such as the 6-hat method, knowledge theatre also called organisation theatre, or learning-by-doing, or learning-by-observing can be used.

Natural social training. M. Arygle points out that the most common method of acquiring and improving one's own social skills is learning by trial and error and imitating socially competent models. The undoubted advantage of natural social training is that the acquired skills do not have to be transferred from simulation situations to real life, as they are automatically developed in real social situations.

In contrast, the aim of laboratory-based social training is to optimise social behaviour and correct incorrect habits. Within structured training, a distinction can be made between specific training and metacognitive training. Specific training includes the acquisition and improvement of specific social skills (e.g. the ability to give and receive non-verbal messages, provide social reinforcement, engage in conversation, self-presentation skills, assertive skills), as well as the unlearning of inappropriate behaviour - aggressive tone, excessive nodding, nervous laughter or unnecessary excuses.

Another method is the established role technique, which involves getting the person to present themselves in a new way. The trainer gives the trainee a script of his or her new personality, in which specific behaviours, feelings, perceptions of reality and of oneself in different situations are described.

In specific social skills training, mirror exercises are also used (especially in non-verbal communication training), voice intonation is worked on and speech is analysed to correct mistakes, role reversal is used to improve the ability to see things from another person's perspective, situations that are perceived as difficult are analysed and self-presentation is worked on. The methods are selected according to the deficits in the social competence profile.


4. Theoretical analysis of the concept of emotional intelligence

One of the important components affecting the improvement of social competences is the so-called emotional intelligence.

There is a two-way relationship between emotional intelligence and a set of social competences. Emotional intelligence, which is a component of crystallised intelligence, develops by engaging the potential of fluid intelligence in such activities that are the source of emotions; such activities include interpersonal contacts. High social competence facilitates these, thus stimulating the development of emotional intelligence. On the other hand, emotional intelligence, by enabling good contact with the world of one's own emotions and, at the same time, accurately perceiving, understanding and influencing other people's emotions, can increase the effectiveness of interpersonal contacts and thus foster social competence.

Kuhl's study showed the existence of a relationship between personality and competence. A person equipped with the right personality traits can transform competences in static terms into competences in dynamic terms, determining the level of competence or being competent [22].

Of particular importance is the effectiveness of volitional control, commonly referred to as strong will, the possession of which determines whether a person is action-oriented or state-oriented.

An action orientation requires a person to have the ability to control emotions and to act based on facts rather than individual feelings. State orientation, on the other hand, is the opposite of action orientation. A state-oriented person cannot control emotions; they are the dominant sphere in his or her life. Therefore, he or she prefers to maintain the status quo and stay in it as long as possible. Any change causes stress and a mental block.

Personality traits are an area of interest as far back as Ancient Greece; continuators have enriched the description of this concept.

The authors of the Big Five, or five-factor model of personality are P.T. Costa Jr and R.R. McCrae. They grouped personality traits into groups in which they juxtaposed opposing phenomena.

The first of these is neuroticism, which denotes a personality trait consisting of strong emotional imbalance, with a high susceptibility to experiencing negative emotions. Neuroticism includes, in the concept of P.T. Costa and R.R. McCrae, six components: anxiety, aggressive hostility, depressiveness, impulsivity, hypersensitivity and excessive self-criticism. The opposite is emotional constancy, which results in less situational context influencing a person's behaviour.

The second trait is extraversion, its opposite is introversion, which characterises the quality and quantity of social interactions, but also the level of ability, activity, energy and tendency/ease to feel positive emotions. Extraversion is associated with optimism, a tendency to have fun, a preference for being in company and a cheerful mood.

The third component is the so-called openness to experience. Individuals characterised by a high intensity of this trait are characterised by curiosity about the world, cognitive openness, broad horizons, and (according to the authors) have a life richer in experiences and experiences. The opposite of this trait is a reluctance to accept external knowledge and a lack of openness to new experiences.

Agreeableness is a trait that is associated with a positive attitude towards other people, altruism, and trust in others. It is important not to view this trait in an unreflective manner. As with openness to experience, the situational context seems to be important here. People, when fighting for their own interests, may act in an adaptive rather than submissive way (even if only to trigger the tendency to fight). High intensity of the trait

may be associated with the development of dependent personality and low intensity with narcissism and paranoid disorders. It is also worth noting the association of low and high intensity of the trait with somatoform disorders. The components of agreeableness are trust, straightforwardness, altruism, conciseness, modesty and a tendency to blush. The opposite is simply the absence of agreeableness.

The last mentioned personality trait is conscientiousness, which shows the self-motivation and constancy of commitment to action, the pursuit of goals, and a person's attitude to the performance of all kinds of tasks. Conscientiousness is sometimes referred to as the 'will to achieve'. Traits such as punctuality and reliability at work are associated with this dimension. The opposite of conscientiousness is a state of mind consisting of a lack of directed action, or a state of indeterminate action, i.e. a person does not plan and thus has a problem with the effective and efficient execution of work.

5. SUMMARY

The researcher in this publication wanted to prove that competence should be considered as the fourth factor of production in the era of the post-industrial economy, in which the service sector dominates. The overarching objective was to propose a paradigm shift within the existing factors of production.

The researcher considers as an important element that determines the choice made, the fact that the characteristic of the service sector is the provision of intangible goods, in which the quality of the services provided, the competence of the people and the processes within the organisation are important.

It should be noted that by adopting a dynamic approach in the considerations, competences become even more important than in a static view. Behavioural and environmental influences affect the way people function and thus the effective use of their knowledge, but also their skills, experience and personal qualities, which determine being effective and efficient at work.

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