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EMPLOYEE CONSCIOUSNESS IN CREATING COMPETITIVE ADVANTAGE OF COMPANIES

*Every man has consciousness,
but not everyone can see the value of this consciousness
Michał Adam Leśniewski*

Summary: Consciousness is of crucial importance in the development of every employee, which, in turn has an impact on company development. The article presents employee consciousness in building competitive advantage of enterprises. Consciousness falls within the scope of soft company management and determines the conscious competitive advantage of economic entities. In the chapters of this article the Author presents: philosophical, psychological and rational conditions of consciousness, general consciousness and specific consciousness in soft company management, the essence of competitive advantage and the conscious competitive advantage. The importance of the problems undertaken adds to the mainstream of economic science in the area of management.

Key words: employee consciousness, company competitive advantage, soft company management, conscious competitive advantage

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1. Introduction

Shaping company development depends on numerous factors (elements) which generate its specific benefits coming from the market. An economic entity, in order to operate in the market, must generate its competitive advantage. One of the elements of such an advantage is *employee consciousness*. It is the consciousness on which the shape (soft and/or hard competitive advantage) of competitive advantage will depend in relation to other market participants. It may be stated that an economic entity, which receives various benefits from the market, has a conscious competitive advantage, as it has rational and logical conditions of its origin in a company. Consciousness, although originated in philosophy and psychology, has numerous connections with economic sciences, also in the area of management sciences. Company management must be based on conscious actions of employees. Consciousness manifests itself not only in *logical thinking, rationality of functioning in life, being aware of something*, but also in the *knowledge* a person has and how he is able to pass and utilise it. An employee having the company-specific (and workplace specific) knowledge, is an employee aware of the benefits he is supposed to receive or is receiving from an economic entity. Using this consciousness in creating competitive advantage of companies needs, first of all, the knowledge of its essence and its importance in the development of the man (a human being) and the organisation.

2. The outline of philosophical, psychological and rational conditions of the importance of consciousness

The word consciousness (Latin: *conscientia*) in everyday language functions in two meanings. It refers to the state of being *conscious*) or to *being aware of something* (having *knowledge or perception of something*). In its first meaning we speak about somebody who reacts or behaves in such a way that it shows he is conscious. In its second meaning we speak about somebody who knows or realises something. Consciousness is a philosophical state or abstract reaction between the

subject and the object of his consciousness (information, knowledge) [JONKISZ, 2009].

Consciousness is a common area of philosophy and psychology. Also *cognitive science* studies consciousness. The first school of psychology was the classic psychology of consciousness created by M. W. Wundt, while the functional psychology of consciousness evolved from the thoughts of F. Brentano and W. James [WERNER, 2007]. Consciousness is defined as *the objective mind*, as it deals with the object of the visible world. The objective mind leads and advises in all the relations with the environment. The main ability and task of the objective mind is to think logically [MURPHY, 1998].

It was Ch. Wolff who introduced the term *consciousness* into common use as an equivalent of the Latin word *conscientia* [DEBOWSKI, 2001]. Contemporary scientific knowledge indicates that core conscious experience is not a delusion but a mental event necessary for proper interaction with the environment. One of the descriptions corresponding to this meaning of consciousness was made by E. O. Wilson. Here consciousness is presented as a simultaneous processing of information encoded in numerous neural networks. Many such networks are connected by means of synchronised bursts of nervous cells, with the frequency of 40 cycles a second, which enables simultaneous internal mapping of complex sense expressions. Part of those expressions are the expressions of external reality that keep flowing from outside the nervous system, others are recalled from memory banks in the cerebral cortex. Together they form scenarios go into the past and into the future. Scenarios create a virtual reality. They can either match parts of the external reality, or be totally different from it” [WILSON, 2002].

An interdisciplinary approach, as one of the contemporary scientific conditions, is effectively used in studying consciousness [NEĆKA, SOWA, 2005]. The new look on the classically understood rationality of human actions indicates a possibility of a new synthesis of this problem. It should include both the importance of the contents of consciousness as important factors influencing taking specific actions, as well as the

factors which, while not conscious in the same way, also determine the behaviour. This new look on rationality also needs to recognise that “the action of biological drives, body states and emotions may be an indispensable foundation for rationality” [DAMASIO, 1999]. In this case some data appeared which indicate that the same structures of nervous systems and their functioning remain responsible both for the sphere of mental states described as rational, as well as for emotions and the overall functioning of the organism in the environment which enables its survival. A. R. Damasio emphasises that “these lower levels maintain direct and mutual relationships with the body proper, thus placing the body within the chain of operations that permit the highest reaches of reason and creativity. Rationality is probably shaped and modulated by body signals, even as it performs the most sublime distinctions and acts accordingly” [DAMASIO, 1999].

3. General and specific consciousness of employees in soft corporate management

Consciousness plays a principal role in the development of each human being and enables them to be familiar with the world around. In the theory and practice of management sciences, consciousness appears in specific, specialist areas of management, e.g., management of human resources, management of human capital or employee incentive schemes management, e.t.c. In these management areas, the weight of the problem is oriented at human recourse, whose component is consciousness itself. Analysing the essence of consciousness in management, one can state that consciousness is one of the fundamentals and the origin of the process of soft corporate management. In order to be formed within the framework of soft management of an economic entity, consciousness must be connected with the problem of trust and mentality of employees. For a long time consciousness, trust and mentality of employees have been under the influence of the environment in which the company operates [BUGDOL, 2010, SZTOMPKA, 2007]. Soft corporate management seen through consciousness starts the discussion on the problem that every employee possesses consciousness and tries to act in a thoughtful, rational and logical way.

Depending on its effects, consciousness can be divided into *positive consciousness* and *negative consciousness*. In the first case, a man is aware that he helps *someone*, has the knowledge which he uses for the good purpose (help to others – a positive effect). In the second case, a man is aware that he does not help somebody, but to the contrary, he causes damage, his knowledge is used for the wrong purpose (damage to others – a negative effect).

In terms of its general and specific nature, consciousness can also be divided into two types, i.e., *general consciousness* and *specific consciousness*. *General consciousness* refers to the wide knowledge about *somebody, something, an object, a situation, a general problem, a wide look on the organisation* (e.g., having general knowledge on the social and economic development of the country, the knowledge of a foreign language, general knowledge of managing the entire company – a wide view, etc. - generalisation), Whereas *specific consciousness* refers to a *specific person, object, situation or a specific problem* (e.g. having specific knowledge of managing employee creativity or product sales techniques – a narrower view etc. - specificity). Both general and specific consciousness let employees position in a defined place in the company. Every company has its own specificity (e.g., offers different products/services, employs different employees, serves different market segments, etc.) and it forces employees to have specific consciousness, necessary for the proper company development. Consciousness is strongly connected with knowledge as the company resource, because, as in the case of the division of consciousness, the knowledge is general or specific and expert. Both general and specific knowledge shapes the company development.

In the economic theory and practice, there are many types of specific consciousness, which is characteristic and specific for each economic entity. For example, a company needs employees with a *building consciousness* (building knowledge), while a transport company needs employees with a *transport consciousness* (transport knowledge), etc. Specific consciousness creates a specific company image which distinguishes it in the competitive environment. It is the specific consciousness that the competence of an economic entity depends on. Figure 1 presents general and specific consciousness of employees in soft corporate management in connection with other management functions.

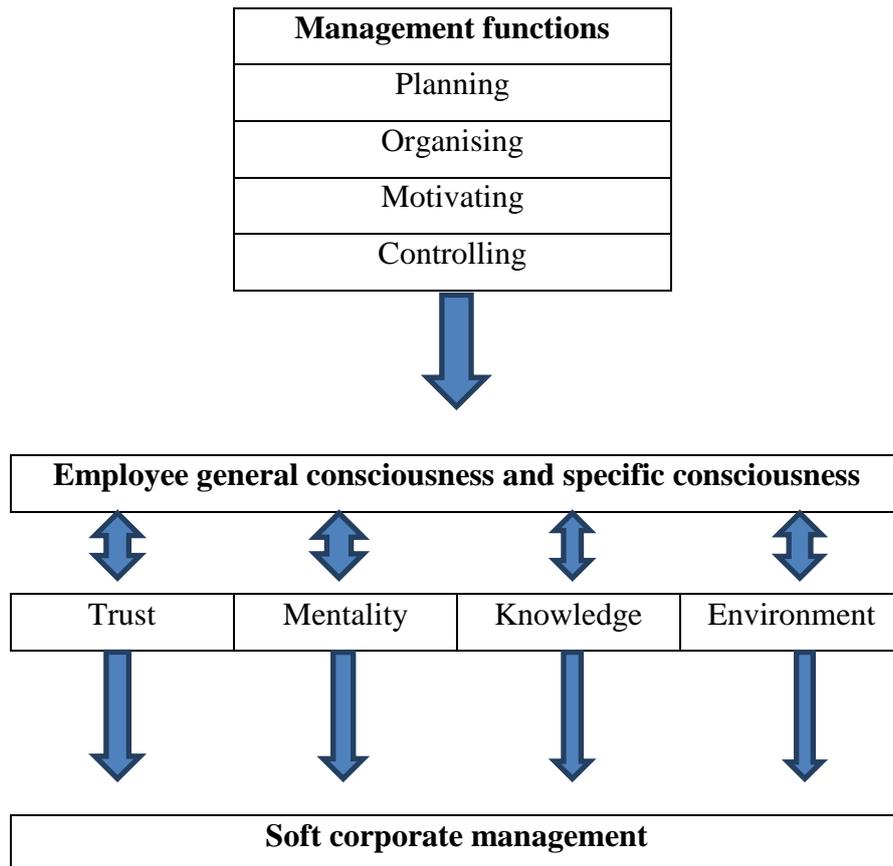


Figure 1. Employee general consciousness and specific consciousness in soft corporate management in connection with management functions
 Source: Prepared by the Author.

In Figure 1, the starting point of the analysis of soft corporate management is the general and specific consciousness of employees. Each management needs specific instruments thanks to which the

management process can be developed. In the problem presented in Figure 1, the instruments used are classical management functions which are fully connected with the analysis presented. Prior to the analysis of the soft corporate management seen through general and specific consciousness of employees, one must characterise the way each management function is adjusted to the problem analysed. *Planning* refers to short- and long-term predictions and forecasts of specific company actions, including the employment policy. It refers to employees needed in specific positions with specific consciousness (expertise). Therefore, it is important that employee recruitment be conducted professionally, by HR specialists. *Organising* refers to creating conditions for employees to let them do their duties effectively and efficiently. Thanks to well organised working conditions, the staff can better meet the assumed target and shape their consciousness. *Motivating* is an incentive, oriented at the employee commitment in various company undertakings. A motivated employee is aware of the benefits he will receive having completed the task. *Controlling* means verifying any planned and, then, concluded actions. Through monitoring we can find out which employees we have and which ones we need. In the course of soft corporate management, while e.g., recruiting employees, we can verify the knowledge of a potential employee, we cannot examine his trust and mentality. Both the trust and the mentality are created during the employee performance in the company, through numerous relations with other employees. In case of the environment, both the company and the employees should be flexible towards one another. All the elements presented in Figure 1 create a synergic and complimentary system with one another. Employee consciousness should be an inseparable element of each model of a company wanting to achieve competitive advantage in the market. It is the employee consciousness on which the company current and/or potential position on the market depends.

4. Corporate competitive advantage

Functioning of business in market economy is based on three pillars, i.e., *competition, competitiveness and competitive ability* (competitive advantage). *Competition* is a process between market participants (e.g., between enterprises, customers, etc.). *Competitiveness* are the factors (elements) closely connected and characteristic for an economic entity, e.g., knowledge, human resources, location, employee consciousness, marketing, etc.). *Competitive ability (competitive advantage)* is a factor or factors of competitiveness, thanks to which a company really gains the advantage in the market over other market participants [LEŚNIEWSKI, 2011]. While competitiveness is created by a large number of factors [GORYNIA, 1996; STANKIEWICZ, 2005), the competitive advantage is generated by one or just a few real factors of competitiveness. The real factor of competitiveness is the factor which enables the achievement of competitiveness advantage in a period of time, at a given moment or on a given territory.

Creating competitive advantage is a number of actions of an economic entity which intends to actively participate in the market. To gain competitive advantage, a company must be able to find its position within the competition and rationally develop its factors of competitiveness. The latter are a starting point for competitive advantage. Competitive advantage must be constantly monitored, as the factors creating it undergo changes in time and in territorial space [LEŚNIEWSKI, 2014]. What the competitive advantage is *today*, *tomorrow* may cause the market loss.

Competitive advantage is the object of interest both for theoreticians and practitioners, who for ages have been trying to study its essence and the ways to achieve it. Generally, it is identified as a state desired by a company which operates in a competitive situation. M.E. Porter thinks that competitive advantage is the heart of performance of companies operating in competitive markets. [PORTER,1985, PORTER,.2006]. L. Fahey defines competitive advantage as everything that positively distinguishes company products or the company itself from its

competitors in the eyes of customers and final users [FAHEY,1989]. J.B. Barney understands and defines competitive advantage as the ability to realise the strategy which current and future competitors are unable to implement [BARNEY,1991].

Those few presented definitions demonstrate that the multitude of opinions refers to the essence of competitive advantage, as well to its types, sources, conditions of gaining and maintaining it. A visible evidence of company's competitive advantage over its competitors is the advantage seen as lower cost and lower prices resulting from it, product uniqueness, good customer service, improved organisation of sales, precise adjustment to the needs of a specific market segment, specialised offer, the highest quality of goods or services offered, etc. [FAMIELEC J.1997]. Gaining competitive advantage over others results from a specific shape and use of resources and skills. Pursuing the competitive advantage must involve using better resources and/or higher skills.

While generating competitive advantage, it must be remembered that there are two types of advantage, i.e., *current competitive advantage and potential competitive advantage* [LEŚNIEWSKI, 2011, LEŚNIEWSKI, 2015). In the first case, we refer to the real competitive advantage existing in the market, while in the second case, an economic entity must think about such factors which will give it an advantage over other competitors in the future (forecasting for competitive advantage).

Competitive advantage plays an important part not only for the entrepreneurs themselves (endogenous role of competitive advantage), but also for the external environment in which they operate (exogenous role of competitive advantage). The process of building it activates the rivalry among local firms and influences the local and regional development of a territorial unit (gmina, powiat, voivodeship, administrative region) in which the companies are located. It must be remembered that every company is located in a territorial unit, and the unit has an impact on the company located there, while the company influences the development of the territorial unit (a systemic interdependence).

The analysis of the views on competitive advantage [PRZYBYTNIOWSKI, 2013] leads to the statement that a company, wanting to create its competitive advantage in the market, must consciously involve its employees. A consciously committed employee will determine the rationality of the competitive advantage of an economic entity. This advantage is characteristic for a given company and makes it behave in the market in a specific way. Thanks to competitive advantage, a company can develop properly.

5. Company competitive advantage created by general and specific consciousness of employees. Conscious competitive advantage

Building competitive advantage is becoming a continuous process whose beginning, and then implementing is the obligation of every company conscious of its development in a longer time period (long-term perspective). Becoming involved in this process enables an economic entity to progress systematically, *always a step-ahead of its competitors*, which allows for flexible changes in the closer and further company environment. Each factor of competitive advantage is important provided that it is consciously created and implemented by employees so that the benefits coming from the market can be gained for the company. General and specific consciousness give the competitive advantage a specific character, i.e., *general consciousness* creates a wide overview, a wide spectrum of competitive advantage, consisting of numerous elements – a broad view, while *specific consciousness* generates a narrower picture, a narrower spectrum of competitive advantage, consisting of one or a few elements – a narrow view. Each type of consciousness has its impact on the final form of competitive advantage. Creating this advantage in terms of employees' general consciousness, we deal with *conscious general competitive advantage of a company*, whereas generating competitive advantage in terms of employees' specific consciousness, we deal with *conscious specific competitive advantage of a company*. Here, we can speak about a *conscious competitive advantage* of a company, which is

generated from the criterion of *consciousness*. *Conscious competitive advantage* are the factors rationally and logically generated by employees after conducting specialised analyses of an economic entity, which enable the entity to better position itself in the market. Competitive advantage should be well *rooted* inside and outside the company. Thanks to that, this type of advantage will indicate the rational management of limited resources of an economic entity. This type of advantage is the one companies should aim at. Figure 2 presents conscious competitive advantage of companies developed by general and specific consciousness of employees.

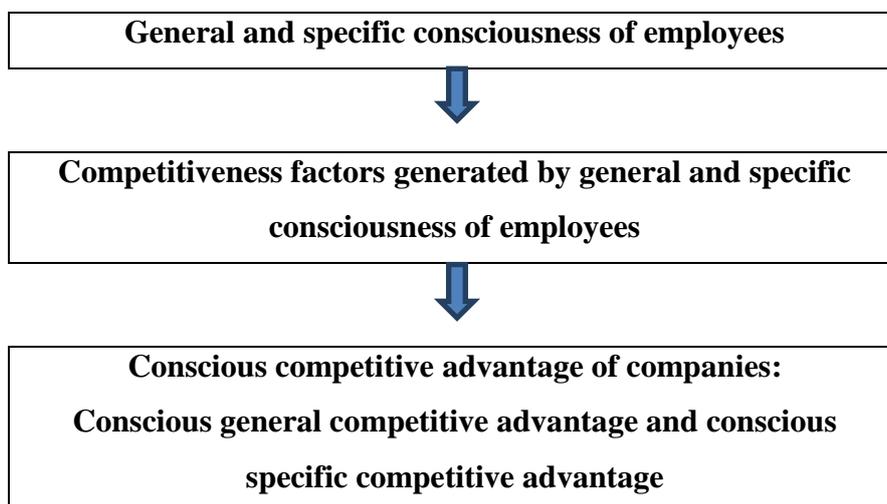


Figure 2. Conscious competitive advantage of companies developed by general and specific consciousness of employees
Source: Prepared by the Author.

In Figure 2, developing conscious competitive advantage of companies depends on general and specific consciousness of employees. Consciousness includes thinking, logic, rationality and predictability of any actions oriented at employee personal development and company development. General consciousness is a broad view on a specific problem, person or situation within the context of the entire company, as

well as the environment in which the company operates, whereas specific consciousness narrows the view of an employee onto a specific problem, person or situation, without referring it to the entire company. In order that general consciousness could generate the factors of competitiveness, an employee must have wide, and even interdisciplinary knowledge. An example of such knowledge may be the knowledge of economic science, the knowledge of sociology and psychology, the knowledge of socioeconomics, and technical knowledge, etc. When factors of competitiveness are created by specific consciousness, an employee is supposed to have expert, narrower, as well as interdisciplinary knowledge [PRZYBYTNIOWSKI, 2014, CYFERT, 2009]. An example of such knowledge may be, e.g., the knowledge of corporate financial analysis, employee motivation or sales techniques, etc. A factor of competitiveness generated by general consciousness of employees might be, e.g., *human resource*. This factor of competitiveness results from the general knowledge of corporate management [BORKOWSKI, ČOREJOVA, 2004, BORKOWSKI, 2004, BORKOWSKI, 2012] and it is common knowledge that an employee is fundamental for any organisation. The factor of competitiveness created by specific consciousness of employees might be, e.g., *employee motivation*. The ways of motivating require expert knowledge that stems from psychology, sociology or HR management. Motivating is a narrow knowledge of HR management. Factors of competitiveness generated by employee consciousness create conscious competitive advantage of companies. In its structure, this advantage must include general and specific factors of competitiveness coming from consciousness. Conscious competitive advantage is supposed to contribute to better positioning of the company in the market.

6. Conclusion

Consciousness of employees plays a significant role in company development. It is an inseparable element of the man rationally functioning in an economic entity. Any decisions or processes in a company require employees to behave consciously. Considering the fact

that management is interdisciplinary, one should look for ideas and solutions to problems in various fields of science. In this case, consciousness deriving from philosophy and psychology fully integrates with management where the object of interest is an enterprise and all that is connected with it, i.e., managing competitiveness or creating competitive advantage. Competitive advantage, in order to be effective and efficient, must have consciously selected factors of competitiveness coming from the company and its environment, which are turned into the advantage in the market. *Employee consciousness, competitiveness and competitive advantage* are an *interdisciplinary development triad of an enterprise*. The inclusion of the problem of consciousness into the development of the company potential is a cornerstone of soft management of an economic entity. Developing consciousness in connection with competitive advantage as a theoretical and practical problem increases the value of decisions and processes undergoing in a company. A conscious enterprise is the one which knows how to rationally make use of its potential in creating competitive advantage.

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