UDC 338.4:69
JEL L74, L25, D24, L22, L1
DOI: 10.32782/2786-8273/2025-10-23

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COMPETITIVENESS OF A CONSTRUCTION ENTERPRISE TAKING INTO ACCOUNT INTANGIBLE FACTORS

КОНКУРЕНТОСПРОМОЖНІСТЬ БУДІВЕЛЬНОГО ПІДПРИЄМСТВА З ВРАХУВАННЯМ НЕМАТЕРІАЛЬНИХ ФАКТОРІВ

Abstract. *The article is devoted to the issues of determining the factors that affect the level of competitiveness of a construction enterprise, in particular, intangible factors are singled out, which are the competitive advantage of construction enterprises themselves. It is substantiated that a sustainable competitive advantage is achieved only thanks to assets and competencies that cannot be copied or accurately reproduced. Therefore, considering the features and advantages of intangible assets of a construction enterprise in the context of competitiveness, it is proven that, unlike tangible assets, intangible assets are more difficult to accumulate and transfer, since they are unique to the companies that own them. It is determined that, unlike tangible assets, which have specific limited capacities and technical characteristics, intangible assets have more "soft" restrictions, that is, the same assets can be used in the development of a number of products or in promoting goods on the market. The article determines that an important characteristic of intangible assets is their scalability, which is limited, in essence, only by the capacity of the market. An additional competitive advantage of intangible assets is the benefits obtained through the network effect, which is that the value of the asset of the end consumer increases with the increase in the number of people using it. In this case, the positive impact of the network effect, on the one hand, increases the benefits of all end consumers of the product (i.e., those who already use this asset), on the other hand, contributes to the attraction of new users (those who still use the asset), which ultimately leads to an increase in the benefits of the company itself. The article proves that the intangible factors of the competitiveness of construction enterprises are sources of potential benefits devoid of physical or financial form, characterized by significant information potential. In addition, in conditions of increased competition, globalization and digitalization, the intangible factors of the competitiveness of construction enterprises can serve as a significant competitive advantage due to their uniqueness, the difficulty of accumulating, transferring and reproducing them, the absence of strict restrictions on the scope and volume of their use.*

Keywords: *construction, competitiveness, factors, enterprise, efficiency.*

Анотація. *Стаття присвячена питанням визначення факторів, що впливають на рівень конкурентоспроможності будівельного підприємства, зокрема, виділено нематеріальні фактори, які є конкурентною перевагою самих будівельних підприємств. Обґрунтовано, що стійка конкурентна перевага досягається лише завдяки активам та компетенціям, які неможливо скопіювати або точно відтворити. Тому, розглядаючи особливості та переваги нематеріальних активів будівельного підприємства в контексті конкурентоспроможності, доведено, що, на відміну від матеріальних активів, нематеріальні активи важче накопичувати та передавати, оскільки вони є унікальними для компаній, які ними володіють. Визначено, що, на відміну від матеріальних активів, які мають певні обмежені потужності та технічні характеристики, нематеріальні активи мають більше «м'яких» обмежень, тобто одні й ті ж активи можуть бути використані при розробці низки продуктів або при просуванні товарів на ринку. У статті визначено, що важливою характеристикою нематеріальних активів є їх масштабованість, яка обмежується, по суті, лише ємністю ринку. Додатковою конкурентною перевагою нематеріальних активів є вигоди, отримані завдяки мережевому ефекту, який полягає в тому, що вартість активу для кінцевого споживача зростає зі збільшенням кількості людей, які його використовують. У цьому випадку позитивний вплив мережевого ефекту, з одного боку, збільшує вигоди для всіх кінцевих споживачів продукту (тобто тих, хто вже використовує цей актив), з іншого боку, сприяє залученню нових користувачів (тих, хто ще використовує актив), що зрештою призводить до збільшення вигод самої компанії. У статті доведено, що нематеріальні фактори конкурентоспроможності будівельних підприємств є джерелами потенційних вигод, позбавленими фізичної чи фінансової форми, що характеризуються значним інформаційним потенціалом. Крім того, в умовах посилення конкуренції, глобалізації та цифровізації нематеріальні фактори конкурентоспроможності будівельних підприємств можуть служити значною конкурентною перевагою завдяки своїй унікальності, складності їх накопичення, передачі та відтворення, відсутності жорстких обмежень на сферу та обсяг їх використання.*

Ключові слова: *будівництво, конкурентоспроможність, фактори, підприємство, ефективність.*

Introduction. At the stage of development of the world economy, competitiveness is determined by competitive advantages, which, in turn, are associated with intangible factors – information, innovations, human capital, etc. One of the intangible factors that attract the attention of the community and have significant information potential is the implementation of the principles of sustainable development. According to most studies, the ability to adhere to the principles of sustainable development increases competitiveness and contributes to obtaining competitive advantages of construction enterprises. The relevance of the research topic is determined by the study of intangible factors that are significant from the point of view of the modern understanding of the competitiveness of construction enterprises, taking into account the sustainable development of the economy of Ukraine [8].

Analysis of modern research. The problem of competitiveness management is not fundamentally new for science, since competition has always been and remains an important component of the economy of any state, and therefore has been the subject of research by many scientists. In particular, general issues of competitiveness management were considered in the scientific works of A. Smith, I. Ansoff, G. Asel, J.-J. Lambin, F. Samuelson, F. Kotler, M. Porter, G. Mintzberg, A. Thompson, A. Marshall, J. Gibson, Dmitriev I.A., Kyrchata I.M., Shershenyuk O.M., Kuzminv O.E., Melnyk O.G., Romanko O.P., Lupak R.L., Ryzhakova G.M., Novykova I.V. and others. The works of these authors clearly define the concept of competitiveness, its levels, concepts and methodology for managing competitive advantages. However, despite significant theoretical advances in the field of enterprise competitiveness management, many aspects still require further research. This particularly applies to the specifics of competitiveness management in the construction industry.

The purpose of the article is to generalize theoretical provisions and identify factors, including intangible ones, to increase the competitiveness of construction enterprises.

Results/Discussion. In different historical periods, competitive development is determined by various factors, which, in turn, largely depend on the environment. Within the framework of the analysis of competitive advantages, it is advisable to study in more detail the evolution of the most important factors of production. In the history of economic thought, the period of pre-industrial development is largely characterized by the spread of the ideas of the physiocratic school. According to the teachings of the physiocrats, the only productive activity is agriculture, which, according to the criterion of productivity chosen by them, is opposed to trade and industry. The only factor of production considered, thus, is land (soil, natural resources), and the only "productive class" is farmers and hired workers in the agricultural sector. Accordingly, competitive advantages within the framework of the physiocratic school are associated precisely with such a material factor as land [3].

Later, in the works of A. Smith, the works of J.-B. Say [4, 8] and others consider several factors of production at once, the importance of both land resources and labor and capital is noted; It is with the presence of these factors that the competitive advantages of industrial development of society are associated.

A. Smith's theory in some aspects is largely consonant with the teachings of the physiocrats: it was a reaction to the system of mercantilism, which provided for the free functioning of the natural order and non-interference of the state in economic relations. However, unlike the physiocrats and mercantilists, A. Smith's approach was more multilateral and balanced and endowed both agriculture and trade and production with features of productivity. According to A. Smith, human activity in general and in individual areas is based on the satisfaction of one's own selfish interests, which in conditions of free competition leads to the satisfaction of the needs of other buyers, and ultimately to the growth of general well-being. At the same time, according to the labor theory of value, produced goods are exchanged for each other taking into account the equality of socially necessary labor for their production [2, 3].

Another great representative of the classical school, J.-B. Say, fundamentally studies the three factors of production: land, labor and capital, which, in turn, form the "productive funds" from which all the benefits of the country are created. This approach is also balanced, since it "gives due" to each factor, considering them as equal and assuming that income contains elements of remuneration for each factor: labor remuneration, land rent and profit on capital.

A. Marshall, a representative of the Cambridge school of the neoclassical direction, in his work "Principles of Political Science" puts forward the idea of the expediency of isolating "organization" into a separate factor, which has many forms – from a separate enterprise to different enterprises of the same industry, from different industries to the state. In essence, organization is nothing more than entrepreneurship. At the same time, A. Marshall emphasizes the functions of combining other factors of production, and reduces the role of the entrepreneur mainly to the acceleration of processes that have matured in society [2, 6, 7].

The addition of entrepreneurship to the list of factors of production is also evidenced by the Austrian economist J. Schumpeter in his work "Theory of Economic Development". However, unlike the neoclassicals, by the fourth factor of production he understands the innovative approach of the entrepreneur, his innovative abilities. For him, entrepreneurship "is not a profession", entrepreneurs "form a special class", "are subjects of a special type", which must be involved in the production of new goods, the discovery of new production methods, the opening of new sales markets, the development of new sources of raw materials and the introduction of changes in the organization and structure of the production industry. At the same time, J. Schumpeter did not assume that the entrepreneur is necessarily the owner of production, on the contrary, he can be the head of a company or organization[7].

The theory of entrepreneurship was further developed in the works of F. Hayek, who also presented his own understanding of the concept of entrepreneurship and the image of an entrepreneur. F. Hayek emphasizes competition between several market entities, within which new unused opportunities are searched for. In this, new opportunities are not only the optimal use of resources, but also the reduction of time costs and transaction costs [2].

Thus, in the works of A. Marshall, J. Schumpeter and F. Hayek, a new factor of production – entrepreneurship – is considered, respectively, from the position of combining other factors of production and accelerating the processes that have emerged in society (A. Marshall), from the point of view of innovative development (J. Schumpeter) and the search for unused opportunities to reduce costs in the process of competition (F. Hayek). Competitive advantage

is inextricably linked with the possession of this new, intangible factor.

Later, within the framework of post-industrial society, many researchers added information (knowledge) to the theory of production factors. For example, in his book "The New Industrial Society", a prominent representative of the institutional trend, J. K. Galbraith, draws attention to such an important aspect of the development of post-industrial society as knowledge: "Specialized knowledge and its coordination have now become, as we have seen, decisive factors in achieving economic success. His contemporary, the creator of the theory of post-industrial (information) society, J. Bell, characterized post-industrial society by the decisive role of knowledge and information. At the same time, he distinguished three categories of information: data, which involves the collection of empirical information about the subject of knowledge (the surrounding world); information, which involves the meaningful structuring of previously obtained data; and knowledge itself, which involves the use of previously obtained and processed information in order to make a certain judgment [8].

According to the famous economist who laid the foundations of scientific research into the concept of intellectual capital, T.A. Stewart, which he outlined in his book "Intellectual Capital: A New Source of Wealth for Organizations", in historical retrospect, manual and machine labor are eventually replaced by intellectual labor, and by the end of the last century "knowledge has become the only and most significant factor of production, and management is intellectual. In this, by knowledge, the scientist understands not only scientific knowledge, but also consulting services, news, communication capabilities, etc. [16].

The transition from an industrial economic system to a post-industrial economy involves a significant strengthening of the role of information as a significant economic resource that determines the development of the economy. Other researchers have also written about the importance of information. For example, J. Stigler in his famous article "Economic Theory of Information" points to the importance of accounting for information for the analysis of economic life. J. Akerlof in his article "The Market for Lemons: Quality Uncertainty and the Market Mechanism" writes about the negative consequences of information asymmetry. K. Arrow in his article "Information and Economic Behavior" says that in conditions of lack of information, the decision-making process of each economic entity is associated with uncertainty: "an inherent feature of decision-making (both economic and any other) is insufficient knowledge of all available opportunities and factors that can affect the results of decisions"; and information, according to K. Arrow, is designed to eliminate this uncertainty [12, 13].

Thus, the aforementioned economists – K. Galbraith, J. Bell, T.A. Stewart, J. Stigler, J. Akerlof, K. Arrow, etc. – spoke about the importance of such intangible factors of production for the economic success of a company as knowledge and information, linking the concept of the competitiveness of an enterprise in the post-industrial era with them.

So, from the point of view of the factors of production, the following picture is observed. In the conditions of pre-industrial society, the most valuable economic resource was considered to be land, as well as natural resources and materials contained in it; accordingly, the key competitive advantage at that time was proximity to sources of raw materials. In the era of industrial development, the most important economic resources were capital and labor, and the availability of production funds, access to capital resources and productive labor determined the competitiveness of enterprises. Finally, in the period of development of post-industrial society, information and entrepreneurial talent acquire the status of the most valuable economic resource; while the ownership of intangible assets (such as information, technology, image) plays a leading role in increasing the competitiveness of the company.

In general, the historical development of society and the economy is characterized by the evolution of the most significant factors of production that determine the economic success of business entities: from material factors (namely, land, labor, capital) to intangible ones (entrepreneurial talent, information, knowledge).

At the present stage, in the conditions of increased competition and its acquisition of new, more complex forms against the background of globalization and technological progress, many researchers agree that intangible resources are factors of company growth and value creation, and, accordingly, competitiveness.

According to some researchers, historically such a form of intangible resources as intellectual capital has always had a certain importance, but at the end of the 20th century it became dominant, which is mainly due to the processes of globalization, computerization, the rejection of intermediary operations in various sectors of the economy and the growing orientation to the use of intangible factors. As a result, the very essence of the firm is changing, more and more companies are emerging, the activities of which are based on intangible factors, and these fundamental transformations force researchers to rethink many basic principles of economics.

The period of the 80s was characterized by a trend of mass reorganization of the corporate sector. Initially, vertically integrated companies of the industrial period, which used mainly tangible assets, were created to obtain maximum benefits from the effect of scale. However, soon this model naturally exhausted itself and in the new conditions of modern reality proved incapable of serving as a way to obtain competitive advantage. Companies were forced to change their organizational structure in many ways by replacing tangible assets with intangible ones and to increase attention to innovations, which are a source of competitive advantages. Thus, at the present stage, the presence of competitive advantages depends on the intangible assets at the disposal of construction companies, which, in turn, are the most important factor in the growth of the company's value in developed countries. Other researchers, for example, S. Brondoni [10], draw attention to the fact that the modern market is characterized by an excess of goods, the main characteristics of which are constantly improved, standardized, and the goods themselves are offered at a lower price. In these conditions, their material components lose their role as distinctive features that constitute a competitive advantage, and the success of an enterprise is determined by the presence of intangible assets, which forces companies to increase their own potential of intangible factors.

In the literature, intangible factors (resources) are often called intangible assets, intangible capital, intangible assets, intellectual resources, intellectual capital, etc.

Of course, it is advisable to make a reservation that, from a terminological point of view, within the framework of this study, many of these concepts are used interchangeably, since the main characteristics and essence of these terms are similar, and the boundaries between them are quite blurred. This approach is not new, because other researchers act accordingly. For example, B. Lev [14] uses the terms "intangible assets", "intellectual capital" and "knowledge assets" interchangeably, indicating that the first term is most common for accounting, the second for management and jurisprudence, and the third for the practical activities of enterprises. The author does not set out to conduct a detailed analysis and propose a new definition of these terms. However, given the variety of their interpretations, some of them should be cited for a more complete understanding of the essence of these concepts and the identification of their characteristics that are significant for the study.

B. Lev points out [14] that intangible assets are "claims for potential benefits that do not have a physical or financial expression and lead to a reduction in costs" or "do not have a material form of a source of potential benefits that are created through innovations, unique organizational practices and human capital". Some scientists focus only on certain aspects of intangible assets, for example, such as "accumulated knowledge and channels through which a company can receive important information". Sometimes in scientific works the emphasis is placed on the informational essence of the concept and its significance, which is consonant with the conclusions based on the results of the above analysis of the evolution of the theory of production factors. Within the framework of this interpretation, it is noted that intangible assets, from the point of view of economic theory, have a dual nature: on the one hand, these are initial parameters, i.e. the flow of information that enters the organization from the outside; and on the other hand, these are initial data, in other words, results, i.e. information that is directed from within the company to its external environment.

Considering intangible factors as information flows, it is reasonable to assume that at the current stage of development of society they are the competitive advantage of a construction company when making decisions and conducting observations or analyzing the current situation.

Other researchers clarify the interpretation of intangible assets, focusing on the study of intellectual capital, and reduce it to a simple definition: intellectual capital is a set of all factors that give an enterprise a competitive advantage. Therefore, intangible assets are increasingly playing the role of new competitive advantages, which is primarily associated with the specific nature of the intangible assets themselves and the features that characterize them.

According to many scientists, sustainable competitive advantage is achieved only thanks to assets and competencies that cannot be copied or accurately reproduced. Therefore, when considering the features and advantages of intangible assets of a construction company in the context of competitiveness, researchers note, in particular, the following: unlike tangible assets, intangible assets are more difficult to accumulate and transfer, since they are unique to the companies that own them. Other researchers point out that, unlike tangible assets, which have specific limited capacities and technical characteristics, intangible assets have more "soft" restrictions, i.e. the same assets can be used in the development of a number of products or in the promotion of goods on the market. At the same time, the non-rivalrous nature of intangible assets is emphasized: i.e. their consumption by one entity does not prevent their consumption by other entities (for example, the use of an Internet site by several users), thus leading to zero or minimal lost opportunity costs [6].

In addition, an important characteristic of intangible assets is their scalability, which is limited, in fact, only by the capacity of the market. An additional competitive advantage of intangible assets, according to some researchers, are the benefits obtained through the network effect, which is that the value of an asset for the end user increases with the number of people using it. In this case, the positive impact of the network effect, on the one hand, increases the benefits of all end users of the product (i.e., those who already use this asset), on the other hand, contributes to the attraction of new users (those who are still using the asset), which ultimately leads to an increase in the benefits of the company itself.

Conclusions. Thus, it can be concluded that the intangible factors of competitiveness of construction enterprises are sources of potential benefits devoid of physical or financial form, characterized by significant information potential. In addition, in conditions of increased competition, globalization and digitalization, intangible factors of competitiveness of construction enterprises can serve as a significant competitive advantage due to their uniqueness, the difficulty of accumulating, transferring and reproducing them, the absence of strict restrictions on the scope and volume of their use, scalability and the ability to take advantage of the network effect.

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Стаття надійшла: 19.08.2025
Стаття прийнята: 10.09.2025
Стаття опублікована: 26.09.2025