



Cognition, Self-Efficacy, and Problem-Solving Strategies: A Harmonistic Framework for Sustainable Competitive Advantage

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Abstract

Purpose: This review examines the ways in which cognition, self-efficacy, and problem-solving strategies can bring about sustainable competitive advantage. **Methodology:** The systematic literature review was adopted to identify, select, and evaluate relevant literature in a transparent manner. **Findings:** Exploring cognition, self-efficacy, and problem-solving strategies are critical to addressing potential fundamental issues that bedevil efforts of organisations to gain sustainable competitive advantage. **Limitations:** Bradley (2015) proposed the dimensions of entrepreneurial resourcefulness as use of cognitions and self-instructions, application of problem-solving strategies, ability to delay immediate gratification, and belief in one's ability to self-regulate internal events (self-efficacy). However, only cognition, self-efficacy, and problem-solving strategies were adopted, applied and discussed independently. **Contributions:** Cognition, self-efficacy, and problem-solving strategies enhances the capabilities of organisations to pursue and take advantage of opportunities.



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Introduction

Sustainable competitive advantage seems to answer the question, as to why a customer would prepare to buy from firm A rather than from firm B. A business can be magnificently developed if it is

hinged upon a sustainable competitive advantage or edge that gradually shapes prospective clients into loyal customers (Hakkak & Ghodsi, 2015). Therefore, emerging businesses tend to carry out a mixture of business functions which includes

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production, marketing, finance, customer service, as well as other activities that are vital to the business, and could be enhanced if sustainable competitive advantage is considered. Sustainable competitive advantage has distinct components in terms of cost leadership, Differentiation Advantage, and technological advantage (Lorenzo *et al.*, 2018), which could lead to the ability of the business to maintain high patronage resulting in an increased market share. This translates into a huge inflow of cash. Interestingly, the focus is on the capacity of the organisation to increase profit and grow on a sustainable basis, with emphasis on trade policy, investment, business environment, government policies, and their impact on sustainable competitive advantage.

An organisation is said to have a cost advantage when it produces and offers its products and services at a lower or cheaper rate as compared to other competing organisations. This means that they produce higher quality products because they benefit from access to relatively low-cost raw materials, effective management of operational activities, adoption of an efficient technological process, and distribution cost (Saclitra, 2016). Saclitra (2016) noted that organisations can capitalize on cost, product differentiation, and technological advantage by pegging their products and services at a reduced rate (because they enjoy the privilege of buying raw materials at lower costs), producing a product that has certain attributes that are different from that offered by others, and which in this case could represent a resource (Kumkale, 2016). Consequently, the need for sustainability underscores concern for a competitive edge based on strategic values and a vision that enables organisations to remain consistently more competitive than others especially, when cognition, self-efficacy, and problem-solving strategies are introduced (Saclitra, 2016).

Cognition, self-efficacy, and problem-solving strategies are central to entrepreneurship that it has in many ways become a ubiquitous concept that is universally assumed. Thus, the perceived ubiquity of cognition, self-efficacy and problem-solving strategies in entrepreneurship has resulted in a more scholarly investigation into what entrepreneurs do who entrepreneurs are why and when entrepreneurs are resourceful and with what consequence and

how are these entrepreneurs resourceful (Titus & Adiza, 2019). Consequently, Ramoglou and Tsang (2016) noted that examining cognition, self-efficacy, and problem-solving is important given its potential role in addressing fundamental concerns of competitive disadvantage. In the light of this, entrepreneurs whose commitments are tied to their personalities are tightly controlled not only in their ability to make major adjustments in either the level of the objects of their aspirations, but also in the manner in which they could behave resourcefully. A strong sense of connection between the entrepreneur's identity and their aspirations and behaviours demonstrates that many possible changes would be seen not just as an organisational change but as a violation of their identity (Jennings *et al.*, 2016).

This means that entrepreneurs with an elastic commitment tend to demonstrate a diversity of resourceful behaviours which freely examine the boundaries of each behaviour (Zhang & Cueto, 2015). These entrepreneurs could test the boundaries of behaviours because their obligation can be shaped by their values and make them more cognitive, self-reliant, and solve problems as they arise (Bradley, 2015). Cognition, self-efficacy, and problem-solving strategies are perceived as a property that allows actors to get more from less, by identifying novel and clever ways to assemble and deploy resources. Thus, cognition, self-efficacy, and problem-solving strategies are resourceful behaviours (Bradley, 2015). Consequently, cognition, self-efficacy, and problem-solving strategies are not necessarily ignited by a lack of resources (Zhang & Cueto, 2015). Instructively, Bradley (2015) revealed that entrepreneurial cognition, self-efficacy, and problem-solving strategies represent a set of capabilities that include behavioural and socio-economic properties within a formative construct. This process seems to provide relative consistency with the behavioural properties and strategic capability approaches for cognition, self-efficacy, and problem-solving strategies offered in the literature of psychology and sociology. Komarkova *et al.* (2015) supported this view as they opined that entrepreneurial cognition, self-efficacy, and problem-solving strategies also be an elaborate set of capacities that goes beyond the specific actions and skills the entrepreneurs use in the development of resources for opportunities. In the same vein, Bradley (2015) revealed that

the use of cognition, self-efficacy, and problem-solving strategies are factors that contribute to organizational survival. These factors can strengthen the ability of necessity-based entrepreneurs to grow organizations.

Theoretical Review

Here, competitiveness theory serves as an undergirded theory to underpin this systematic review. Hence, the competitiveness theory is relied upon to build a philosophical foundation. This theory is selected because of its close links to the concepts under review. In light of this, Mekic and Mekic (2014) citing Porter submits competitiveness as sustainable productivity. Productivity is the fulcrum of Porter's definition of competitiveness (Mekic & Mekic, 2014). Productivity is the key driver of a location's sustained wealth. Porter's concept of competitiveness focuses on "created prosperity" being gains from economic activities that create value by providing products and services at prices above their cost of production against inherited prosperity. Porter also highlights the difference between individual-based and economy-based productivity (Mekic & Mekic, 2014). Economy-based productivity being the gross domestic product generated for each unit of factor input available for economic activity at market prices while individual-based productivity being the gross domestic product generated by each person. However, Mekic and Mekic (2014) noted that Porter's definition of location and gross domestic product productivity will be limited to the organisational level being business organisations. Porter's framework emphasizes that organisations can eventually create wealth by output market prices of output being more than the costs of the same output production. However, it is worthy of note that changes in economic strategy will only affect profitability at the micro-level if they transform into changes in the manner and magnitude of economic activity undertaken by organisations. Competitiveness is dependent on a varied collection of factors, controlled by organisations and governments. Mekic and Mekic (2014) pointed out some characteristics of competitiveness of a firm in terms of trustworthiness, cost, adaptability, quality and speed. As indicated by these creators, by achieving these five destinations, the association will set its prevalence in the market. Mekic and Mekic (2014) noted that other than costs, quality and adaptability, quick conveyance, and great administration are

focused needs. The knowledge level of organisations is necessary to identify the factors that could turn out to be the challenges that constrain productivity and productivity growth. Knowledge management and information sharing are essential channels through which organisations and employees can contribute to innovation and ultimately the sustainable competitive advantage of the organisation (Mekic & Mekic, 2014).

Cognition

Cognition represents a mental state, process, or action which allows for the acquisition of understanding and knowledge using the sense or through experience. It encompasses various aspects of the ability of an individual to think independently and understand ideas, events, and the world around them. It helps an individual to function mentally in terms of reasoning, working memory measurement and evaluation, problem-solving and informed decision-making, the formation and evaluation of knowledge, production of language, and general comprehension (Ardila, 2018). Effective cognitive processes apply existing knowledge in a bid to generate new knowledge. Ardila (2018) pointed out that there are several perspectives within which cognitive processes can be analyzed. These perspectives include; systematic logic, neuroscience, philosophy, psychology, computer science, psychiatry, linguistics, biology, anaesthesia, and education (Ardila, 2018). The various fields as mentioned above contribute to the development of cognitive science. The aspect of cognition that deals with entrepreneurship (entrepreneurial cognition) pertain to the knowledge system and/or structure that individuals apply in making assessments, judgments, and decisions which involves the evaluation of opportunities in new markets or market segments. Thus, literature on entrepreneurial cognition states that a link exists between an individual's cognitive abilities and properties and their capability to identify, enhance, and exploit opportunities (Ardila, 2018).

Notwithstanding, the cognitive ability to identify market opportunities is different from person-to-person. This is because everyone perceives the world in a particular or unique way that is somewhat different from others. In this sense, Knomarkova *et al.* (2015) pointed out that everyone has a restricted and/or fragmented uniquely different

perception of the world which serves as a heuristic system that helps them to make sense of the world and achieve positive results. Indeed with the right insight, right cognitive properties, the right information, and the right perception of the world, opportunities will constantly be spotted and made sense of. The view of Smith (2010) demonstrated that Kolb's entrepreneurial learning model has constantly shown that opportunities could be easily identified on the account that the entrepreneur is privy to the right information at the right time, with the right cognitive properties. Thus, cognition is shaped and harnessed by the interaction between person and their environment in the way and manner in which they obtain, receive and utilize information. Indeed, there is seemingly perfect information in the world as the ability to make an informed and educated decision as well as the capability to utilize cognitive ability is tied to the extent of knowledge acquired and information exposed to through the process of learning. This has made it cumbersome in the thoughts of Kolb (Smith, 2010). This has shown that experimental learning has a way of integrating or combining knowledge gained with experience, perception, and cognition to make sense out of life and the world around man.

Self-Efficacy

The ability of an independent individual to undertake a task and get positive results can be perceived as self-efficacy (Shaheen & Al-Haddad, 2018). This is being demonstrated in different aspects of the endeavor of man. For instance, one who scores high in their grading, or examination, getting the desired job, or even starting one's own business. Self-efficacy helps in the understanding of the behaviour of man, the way and manner people perceive and treat available information, their daily choices, and the level at which man is committed to realizing their objectives (Shaheen & Al-Haddad, 2018). Akintokunbo and Obomanu (2018), Sadriwala and Khan (2018), and Shadeen and Al-Haddad (2018) have independently submitted that; (1) self-efficacy is perceived in the world over as a key factor in a social learning process (ii) self-efficacy stands for individual's judgment as it relates to their ability to undertake a certain task, influence their individual choices, emotional reactions, goals, persistence, and ability to cope in difficult circumstances. (iii) self-efficacy helps and individuals to understand and stand by their beliefs and rely on their

personal ability to get the job done. That is to say, individuals with high self-efficacy are more likely to undertake tasks and see it to the end as compared to individuals who are relatively low on the trait of being self-efficacious. It can be submitted therefore that, an individual with high self-efficacy are likely to have inclinations of entrepreneurial self-efficacy, thus, having high possibilities of starting their own business and ensuring that they succeed of it.

In light of the above, self-efficacy is an awesome characteristic that could be tailored to enhance the entrepreneurial spirit in an attempt to boost the resilience of such businesses (Tende *et al.*, 2018). Shaheen and Al-Haddad (2018) explained that self-efficacy has even expanded to developing entrepreneurial characteristics that can enhance the individual's belief about their abilities to adequately manage risk and challenges as well as addressing perceived problems that could affect the business. This is to say that entrepreneurial self-efficacy is an important tool that can be applied to ascertain the entrepreneurial intentions of individuals, and identify others who are likely to become successful as entrepreneurs based on their choices during challenging situations. Thus, self-efficacy can be used to determine entrepreneurial behaviour. Akintokunbo and Obomanu (2018), and Shabeen and Al-Haddad (2018) have opined that entrepreneurial awareness, entrepreneurial education, entrepreneurial training, and entrepreneurial commitment are key factors for building entrepreneurial self-efficacy which is a demonstration of entrepreneurial strategy which in turn manifest entrepreneurial behaviour to achieve higher levels of new venture performance.

Problem-Solving Strategies

Problem-solving is the ability to identify a problem, define the problem, determine the cause of the problem, prefer viable solutions, prioritize solutions according to their significance, selecting viable alternative solutions, and implement the best possible solution. Kim *et al.* (2018) opined that immediately the entrepreneur attempt to identify a problem situation, plans are by default put in place in an attempt to address such problems cost-effectively. The efficacy of experimental search comes to play amid devising a solution that will be cost-effective and lasting. Although, chances are, that one could get a solution that cannot pass as an opportunity (Banel *et al.*, 2015). In the event where

the problem is simple and easily noticed, the solution to such a problem is usually obvious (Steering one in the face), hence, there is no need to adopt any chronological step to address such problem. If one despite this fact still creates or adopts and follows strictly a step-by-step procedure in addressing the problem, ends up compounding such problem thereby making it more difficult and complex to address or solve. Kaiser (2021) noted that such difficulty or complexity could arise because there is a web of interrelated issues.

Again, Kaiser (2021) noted that in addressing problem situations especially in business organizations, one has to create a CATWOE checklist to discover the real reason for the underperformance of the organization, as this would provide a powerful reminder to consider several elements that have caused and/or contributed to the problem. CATWOE is a problem-solving technique that provides a framework for defining and analyzing business-stakeholder perspectives on issues relating to "customer, actor, transformation process worldview, owner, and environment". To device a chronological step in addressing issues in each business-stakeholder element, it is best to summarize stakeholder beliefs, introduce the main business activity, capture the views of customers, ascertain the key players that make the business function effectively, examine the opinion of those who own the business system in line with the rules, regulations, policies, procedures and/or constraints in the industry within which such businesses are domical.

Similarly, Wang and Chiew (2010) suggested problem-solving strategies that could be deployed as techniques to solve problems as they arise. These problem-solving strategies consist of (1). Abstraction, (2) Algorithmic Deduction, (3). Analogy (4). Analysis and Synthesis, (5). Brainstorming, (6). Critical thinking, (7). Direct facts, (8). Divide and conquer, (9). Heuristic model, (10). Hill climbing, (11). Hypothesis testing, (12). Lateral thinking, (13). Means-end Analysis, (14). Method of focal objects, (15). Morphological Analysis, (16). Proof, (17). Reduction, (18). Research, (19). Root cause analysis, and (20). Trial-and-error. These problem-solving strategies are applicable in different problem situations and can proffer lasting solutions. In essence, Wang and Chiew (2010) suggested

that these problem-solving straits can be applied respectively as follows: (1). Solving the problem using a model of problem situation before applying it to the real system, (2). Applying a well-defined solution for a problem, (3). Adopting and applying a solution that solves an analogous problem, (4). Categorizing a problem and findings a particular solution, (5). Suggesting ideas, combining and developing them in pursuit of an optimum solution as a group. (6). Proffering viable solution using the outcome of a cognitive process, (7). Finding a direct solution path based on known solutions, (8). Solving a problem by decomposing it into sub-sets, (9) Adopting rule of thumb or the most possible solution, (10). Making step-by-step closer to the solution, (11). Tentative or provisional answers to the problem, (12). Approaching solutions creatively and indirectly, (13). Applying an action at each step towards the final objective, (14). Synthesizing non-matching features of different objects into something new, (15). Assessing the outcome of an entire system (16). The moment the proof fails will be the starting point for solving it. (17). Transforming the problem into another problem for which solutions exist, (18). A systematic investigation to establish facts reach new solutions, (19). Identifying the cause of a problem, (20). Testing possible solutions until the right one is found.

Entrepreneurship and Sustainable Competitive Advantage

Above, we can see that entrepreneurship and strategic management have diverse beginnings but have key commonalities that make their marriage virtually impossible to ignore. In addition to economics, sociology, anthropology, and psychology, strategic management draws on the systems approach, contingency approach, and information technology approach (Titus & Adiza, 2019; Wegwu, 2016; Zahra & Wright, 2016). Still, despite this, the two paradigms of entrepreneurship and strategic management appear to have certain notions in common that link them up. The resource-based theory under entrepreneurship, for example, stresses the importance of persons being able to access resources to explore entrepreneurial opportunities and set up a business (Tairas *et al.*, 2016). Resources are important in identifying entrepreneurial possibilities and in gaining a competitive edge in the marketplace. The human resource-based theory of entrepreneurship and

strategic management is another idea that intersects the two. Two key variables are examined within the theory of entrepreneurship (Tairas *et al.*, 2016). They claim that information and experience gained over time are important to identify possibilities, disparities, and exploitative practices (Damilano *et al.*, 2018). According to this idea, an organisation's competitive edge comes from its highly skilled and talented personnel. These comments highlight the fact that both parties appear to understand that education and experience are essential to the creation of wealth and the achievement of sustainable competitive advantage in the economic world. Strategic management and entrepreneurship have a similar economic outlook. Entrepreneurship and sustainable competitive advantage, despite their diverse origins, have several comparable characteristics that characterize organisational value generation and viable success (Tairas *et al.*, 2016; Titus & Adiza, 2019).

Sustainable Competitive Advantage

Sustainable competitive advantage is a multidimensional term that can be depicted from three distinct levels: country, industry, and the business level (Hakkak & Ghodsi, 2015 Saclitra, 2016). (Hakkak & Ghodsi, 2015 Saclitra, 2016). The notion of sustainable competitive advantage is that edge that a business should have over its competitors and is attained by offering customers better and greater services as value for their money (Damilano *et al.*, 2018). If the value proposition provides the consumer better and more value, it might improve their expectations and choices (Damilano *et al.*, 2018a). Cost advantage, Differentiation Advantage, and technical advantage are two methods in which a business gets a competitive edge over its competitors (Kumkale, 2016). "Cost advantage" refers to situations where a business offers the same products and services as its competitors, but at a lower price. An example of Differentiation Advantage is when a business offers better products and services than its competitors, and the last example of technical advantage is when an organisation uses cutting-edge technology. Varanavicius and Navikaite (2016), quoting Porter, stated that strategic management should be concerned with developing and preserving sustainable competitive advantage.

Sustainable competitive advantage refers to the capacity to achieve at a greater level than others in the same sector or market through credit and resources (Nkuda, 2016). As with the sustainable competitive advantage, the organisation has an edge when its value-creating strategy is not being pursued by any of its existing or future rivals (Gareche *et al.*, 2017). As a result, an organisation with a competitive edge will outperform existing or potential competitors (Kang & Na, 2020). An organisation's business plan manipulates the various resources over which it has direct control to gain a sustainable competitive advantage. Resource management and competitive strategy play a major role in creating sustainable competitive advantage (Nkuda, 2016 Tende & Ekanem, 2018). Competitive strategy is viewed by Varanavicius and Navikaite (2016) as an instrument for maximizing resources and gaining an edge in the marketplace. If one does not have control of distinctive resources, one's competitive approach may not be effective. The measures of sustainable competitive advantage used here are; cost advantage, Differentiation Advantage, and technological advantage.

Cost Advantage

It describes a situation in which an organisation or a service provider delivers services and commodities at a comparatively low cost considering where they acquire their raw materials from. Automating operations, utilizing technology, and decreasing procurement and shipping costs can help businesses gain cost advantage sooner (Ross, 2018). Cost-cutting has a major influence on the performance and competitiveness of organisations (Ross, 2018). Note that cost advantage does not necessarily mean the lowest pricing, because a strong competitor may also set the prices. It occurs when a business can leverage its competent workforce, low-cost raw resources, and efficient processes to produce maximum value for its customers and clients. By leveraging its retail power and size, Walmart takes use of its cost advantage to provide a broad assortment at cheap costs. As cost advantage indicates, costs are maintained to a minimum (Ross, 2018). Every time a firm loses its ability to differentiate itself from the competition, it suffers from bad financial performance as a result (Soloduchko-Pelc, 2014). Cost advantage enhances a firm's competitiveness in the market, which assist to advance sales and total turn over,

and aid in any growth strategy, as well as help, to advance sales. An effective cost-saving approach is capable of achieving the lowest cost-per-unit-of-production compared to other techniques in the same industry. It emphasizes the firm's value chain, resulting in cost-effective goods and services. A wide net is cast across the whole potential market. They win market share solely by offering the lowest feasible price. Some of the most profitable organisations are those that control costs at each step of the value chain (Ross, 2018).

Varanavicius and Navikaite (2016) argue that organisations should seek forward, backward, and horizontal integration techniques to obtain a cost advantage. As a result, organisations that search for cost advantage engage in activities such as demand forecasting, high capability utilization, technological advancement, outsourcing, and learning experience curve (Hakkak & Ghodsi, 2015). However, there is no guarantee that cost savings will lead to innovation in the manufacturing process. According to Hakkak and Ghodsi (2015), to achieve cost advantage organisations should insist on cost reduction and participate in process innovation or re-engineering. Changes in resource endowments, technology, demand patterns, specialization, business practices, and government legislation can affect a firm's ability to maintain a cost advantage throughout a product's life. In addition to better technology, a country might benefit from the availability of resources in a business (Ross, 2018).

Differentiation Advantage

Differentiation Advantage is an organisation's attempt to redefine its products and services in terms of packaging or other ways to make them more attractive to customers in the marketplace. A product's differentiation is away used in the market to distinguish one product from another, especially when the products have identical features. Even in a sector that has been controlled by major organisations, Differentiation Advantage aid in the activation of sustainable competitive advantage (Ross, 2018). The cost value, non-price competition, and brand loyalty are used to implement this technique. Product/service differentiation is another method by which businesses get a competitive edge in the marketplace. Consumers become loyal to a firm's product or service if it offers a unique, valued feature. With the advent of a new competitor

or new technology, a cost-sustainable competitive advantage might simply evaporate (Ross, 2018). A unique product or service, on the other hand, is more difficult to retain a competitive edge based on pricing alone. As a marketing approach, product differentiation is used to separate a firm's products or services from those of its competitors. Identifying and conveying the distinctive features of a firm's offerings, while highlighting the distinctions between those offers and other products in the market, is key to successful product differentiation strategies. To make a product or service attractive to a target market, product distinctiveness and a compelling value proposition are necessary. Succeeding in the differentiation of products generate a sustainable competitive advantage for the seller of the product and, eventually, establishes brand recognition for the product. These items are, for example, faster internet access or a more efficient automobile (Ross, 2018). If both products X and Y are priced the same by the customer, the market share of both will be positive. If two different items are given at the same price, all buyers choose the higher quality one. As an example, the operating speed of a product might be different from that of another. Relationships between consumers are what matter most. Belief in the ability of consumers to pay more for improved quality and the higher cost per unit that comes with such an advance in quality. There are diverse customer tastes, therefore the differences in quality can be objectively determined (Ross, 2018). A green product has a decreased or zero negative impact on the environment, but it may be inferior to comparable products in other respects, such as cost or quality of materials. Advertising and societal pressure have a role in a product's success. Buyers might be swayed by even one vertical differentiation (Ross, 2018).

Technological Advantage

Organisations that have a technological advantage stand out from the crowd because of their technological advances, patents, or inventive capabilities. Technological advancements have transformed the globe into a global village, and as a result, managers are constantly looking for ways to improve the technology they are using to compete with their rivals (Hsieh & Chen, 2011). Technological inputs (materials and information) and outputs (products and services) are well defined by Hsieh and Chen (2011). Technology is

well-thought-out to be one of the internal contingency variables that also affect the structure of an organisation. Unit production or batch technology, mass production or big batch technology, and continuous process technology have varied links with the following organisation of manufacturing enterprises. Technology is a topic that has been given a lot of thought in research efforts these days (Hsieh & Chen, 2011). Depending on their fields of study, many authors have seen technology from a different perspective. The knowledge and skills (such as those found in people of an organisation or machines), the techniques and procedures available for translating inputs into outputs, and the processes or activities connected with the use of those technologies, Hsieh and Chen (2011). A firm's technology is how it transforms inputs such as resources and information into goods and services. Hsieh and Chen (2011) define technology as one of the internal contingency factors affecting the organisation's structure. To ensure that a firm can acquire or increase its level of competitiveness, it must make proper use of the technology it relies on or acquires new technology. Because it is through technology that organisations can reduce production costs, improve processes, create new products and expand their distribution networks.

As a result, the use of technology has become the current literature in the field of business sciences, as a significant indication in determining the level of organisations competitiveness. The latest advances in technology did not only seem to be medium-term or, maybe, but they were also preceded by several other technical innovations. Researchers in the management area is particularly interested in how technology improves service in organisations, given the widespread reliance on technology to accomplish work within and between businesses. It's been a long time since technology has replaced physical labour, and it's always created high-skilled jobs in its wake. Artificial Intelligence (AI) is the term used for this. A recent technological development has displaced roles that were a part of middle-class life in the 20th century (Hsieh & Chen, 2011), as technological innovation is rapidly replacing physical labour. Technological advancements have been a focal point of senior management in many businesses, especially in the financial sector. Because

of the smallest degree of mistake and uniformity of products and services, organisations are moving towards technological progress and automation. Practicing organisations also benefit from this by gaining an edge in the market (Hsieh & Chen, 2011). It is argued that businesses that are successful in competitive marketplaces are using modern technologies for manufacturing and management. Organisations that have extraordinary assets and capacities are more likely to be in a better position than their competitors in competitive marketplaces. It allows organisations to come up with a variety of new product and service ideas as well as a variety of new management techniques that are important for better and helpful products and services. For organisations operating in developing countries, technical enhancements might help them achieve their goal of increased market penetration.

Cognition and Sustainable competitive Advantage

The role of cognition in sustainable competitive advantage cannot be over-stressed. Cognition represents the thought processes of the entrepreneur to achieve a sustainable competitive advantage (Blomberg, 2011). This demonstrates that the strategic options, organisational capability, and managerial philosophy are linked to cognitive ability that drives organisational performance. High-performing organisations could be perceived to have a cost advantage, Differentiation Advantage, and technological advantage. Ardila (2018) believe that cognition is rationality exerted to rationalize critical effects on strategic option and take necessary strategic actions towards critical strategic decision process to demonstrate organisational dynamic capability and achieve a competitive edge. Kar and Jain (2016) explained that several domains of cognition tend to give a broader perspective its major domains such as; executive functions, social cognition, unbiased judgment, organisational memory management, collective intelligence, and attention. Interestingly, cognition allows the individual to perform certain basic functions that tend to drive reasoning, vision, problem-solving strategies, and logical disposition that gives the individual the ability to learn newer behaviours and suspend previous behaviours that are supposedly detrimental to the organisation. In reality, these newer forms of behaviours are acquired to shift the attention

of the organisation towards attaining sustainable competitive advantage through cost advantage, Differentiation Advantage, and technological advantage. It is believed that cognition puts the senses in a position in which it interfaces with the mind and the environment in which the individual operates (Smith, 2010). In this process, the individual receives stimuli in form of information and sensation, translate the same into emotions and memories which are eventually products of thoughts geared towards a competitive edge for the organisation.

Self-Efficacy and Sustainable Competitive Advantage

Self-efficacy is perceived as the ability of an individual to convincingly motivate, exploit, and apply cognitive and non-cognitive resources to actively and successfully execute tasks and responsibilities of the organisation (Shaheen & AL-Haddad, 2018). Self-efficacy demonstrates the confidence of the individual in their ability to take responsibility that covers a wider range of activities that goes beyond what is traditionally recognized as technical performance requirements for certain job roles (Akintokunbo & Obomanu, 2018). Interestingly, Akintokunbo and Obomanu (2018) noted that these requirements and the context within which the ability is needed are what informs the conceptualization of self-efficacy demonstrates individual judgment on the capabilities of individuals in handling specific situations with a primary focus on what they can do effortlessly concerning certain task and responsibilities. Although, this belief is holding regardless of whether they possess such capabilities or not. Ibidunni *et al.* (2015) noted that empirical research has it that individuals who tend to have the belief that they can perform certain tasks and responsibilities do this successfully and tend to have a competitive edge over their counter parts who do not demonstrate such abilities. In the light of the above, certain studies have demonstrated this as the outcome of their research. For instance, Bamelet *et al.* (2015) posit that self-efficacy can potentially enhance the ability of leaders as well as employees to show their innovative work behaviours. These innovative work behaviours could translate into a sustainable competitive advantage for the organisation through using their expertise to reduce cost, producing products and delivering services that stand

out from others, and applying newer technology. A typical instance is when an individual believes he/she can perform certain tasks and take certain responsibilities, they practically engage in activities that revolve around it to get things done. This move makes them attempt to achieve the stated objective of the situation until they do. This alone tends to stand them out among their equals and this brings about a competitive edge (Henry *et al.*, 2015).

Problem-Solving Strategies and Sustainable Competitive Advantage

The ability to proffer solutions to problems is not just a treat that every entrepreneur should possess. This quality is in fact what brings entrepreneurs into business and helps them achieve their goals. One of such goals is to increase profit. Profit is a by product of problem-solving as well as a large market share. Problem-solving revolves around relentless attempts to improve the world and make it a better place to be (Kuckertz *et al.*, 2017). Although, improving the world in this sense could come in specific packages, categories, and industries, and/or even in a little way. Globalization has with the help of the internet brought about the oneness in the global space. Today, one thing that happens in a small corner of the world is to perceive, noticed, or at least observed in other corners of the world. In the same way, globalization has brought about its challenges. Businesses tend to share in these challenges. In a more precise tone, businesses globally nowadays are now faced with big challenging problems. Entrepreneurs who are solving these problems with their ideas and resources tend to show and/or demonstrate sustainable competitive advantage among their peers because they use their resources to reduce cost, producing products and deliver services that stand out from others, and apply newer technology. (Kuckertz *et al.*, 2017). Interestingly, one obvious factor that has positively influenced the problem-solving ability of some entrepreneurs is the advent of technology. Similarly, some entrepreneurs have adopted technological approaches to make life more convenient. Nevertheless, problem-solving is a characteristic that is in itself sustainable and could sustain the business enterprise in the long run. So in reality, not only will businesses that are sustainability-focused reach more customers, their actions, activities, and disposition will have a ripple effect on the economy and economic activity

of the larger society by way of improving the lives of members of the society they serve. As such these businesses will have a competitive edge over others that are not actively into applying problem-solving strategies (Kuckertz *et al.*, 2017).

Methodology

The systematic literature review was adopted to identify, select, and evaluate relevant literature in a transparent manner (Dewey & Drahotka, 2016). This was done through comprehensive integration of searches conducted to proffer practical solutions that address the purpose of the study.

Findings

Exploring cognition, self-efficacy, and problem-solving strategies are critical to addressing potential fundamental issues that bedevil efforts of organisations to gain sustainable competitive advantage. This shows that harmonizing and harnessing collective organisational intelligence and capabilities is essential to moving the organisation towards attaining a sustainable competitive advantage.

Conclusion and Managerial Implications

Cognition, self-efficacy, and problem-solving strategies are central to gaining a sustainable competitive advantage. Hence, it invokes the innovative and creative abilities of the entrepreneur to factor a way or means to navigate through turbulent situations within their business environment. Lastly, cognition, self-efficacy, and problem-solving strategies enhance the capabilities of organisations to pursue and take advantage of opportunities. Arising from the review of literature, it can be submitted that organisations should encourage an all-inclusive analysis of their environment using a comprehensive thought process that fosters the acquisition of low-cost raw materials. Enhance their operation by allowing for flexible decision-making processes while efficiently managing operational processes. Establish long-term learning programmes which will aid them to achieve organisational needs seamlessly. Take advantage of opportunities in which they can develop innovative strategies to help them become self-efficient. This thus helps entrepreneurs to develop a deeper interest in their activities thereby focusing on market penetration. Commit to their central interest and activities to achieve a

competitive edge without any rivals. Thus, self-efficacy forms a strong sense of commitment towards achieving customer brand loyalty. Organisations that realize the importance of technology to solve their problems promptly enhance information communication systems to help entrepreneurs recover quickly from operational setbacks. Problem-solving abilities help in recognizing challenging problems and relative solving skills to be mastered. Such problem-solving skills should be developed and improved to mitigate organisational challenges. Organisations with collective problem-solving skills assess, manage, and surmount problem situations including price competition. Hence, Problem-solving skills should be cultivated and harnessed to their advantage. Ensure they develop forecasting skills to better their chances of solving problems, because, problem-solving abilities help entrepreneurs to develop long-term knowledge retention capabilities to address challenging situations that come with cost efficiency and innovation. More specifically, Firstly, each person has a unique and constrained view of the universe that functions as a heuristic system for making sense of the environment and achieving good outcomes. Opportunities may be seen and taken advantage of all the time if one has the correct insight, cognitive qualities, knowledge, and worldview. Thus, opportunities may be readily spotted when the entrepreneur is privy to relevant and timely information using cognitive abilities. Consequently, a person's ability to acquire, process, and use knowledge is formed and channeled by their interactions with their surroundings. Knowledge and cognitive capacity are related together because of how much knowledge and information one has accumulated through the process of learning. Secondly, Self-efficacy in this sense includes developing entrepreneurial traits that may boost the individual's conviction about their ability to handle risk and solve anticipated issues that might disturb the existence of the firm. Thus, Self-efficacy will help in identifying ways to succeed based on their decisions in difficult circumstances, which is why self-efficacy is such an essential tool because it is a manifestation of entrepreneurial strategy which in turn induces entrepreneurial behaviours to achieve new venture creation and higher levels of performance. Thirdly, problem-solving strategies it's critical because it classifies the problem and pinpoint a particular solution by generating, combining, and developing

ideas, and ensuring that many possibilities are tested until the best one is picked and adopted.

Limitations and Future Direction

Bradley (2015) proposed the dimensions of entrepreneurial resourcefulness as use of cognitions and self-instructions, application of problem solving strategies, ability to delay immediate gratification, and belief in one's ability to self-regulate internal events (self-efficacy). However, only cognition, self-efficacy, and problem-solving strategies were adopted, applied, and discussed independently. Lastly, this study provides a theoretical direction for future research in this regard.

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