



## **A Systematic Review of Key Psychological and Organizational Drivers of Sustained Competitive Advantage in Industrial Markets**

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### **ABSTRACT**

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*SCA, RBV, innovation, knowledge management, CSR*

The concept of sustained competitive advantage (SCA) remains central in strategic management, with the Resource-Based View (RBV) providing a key theoretical framework for understanding how firms can achieve and sustain competitive advantages in dynamic and competitive markets. This study aims to offer a systematic review (SLR) of the key drivers of SCA, focusing on contemporary strategies that enable organizations to maintain a competitive edge in rapidly changing markets. The need to better understand the critical drivers of SCA is essential for organizations seeking to maintain their competitive positions. This study conducts a systematic literature review, analyzing key studies on SCA. The review focuses on contemporary strategies, particularly those related to innovation, knowledge management, corporate social responsibility (CSR). Analysis techniques used in synthesizing results with thematic analysis. The review identifies several critical drivers of SCA, including innovation, knowledge management, CSR, and intangible assets like organizational reputation. It emphasizes the importance of integrating resources and reconfiguring capabilities. The findings offer valuable insights for practitioners seeking to implement strategies that enhance competitive sustainability. Firms, particularly SMEs in emerging economies, can leverage knowledge sharing, foster an innovation culture, and integrate sustainability practices to build and maintain long-term competitiveness. This study contributes to the literature by providing a comprehensive understanding of the drivers that sustain competitive advantages, offering guidance for managers in developing strategies to maintain competitiveness.

## **1. INTRODUCTION**

The concept of sustained competitive advantage (SCA) has long served as a foundational pillar in strategic management literature, primarily rooted in the Resource-Based View (RBV) popularized by Barney [1]. SCA denotes a firm's ability to consistently outperform its rivals through unique, valuable, and difficult-to-replicate resources. In contemporary business landscapes characterized by volatility and rapid change, the sources of SCA have evolved beyond static physical resources to encompass knowledge assets, innovation, dynamic capabilities, corporate social responsibility (CSR), and intangible capital such as brand reputation [2-4].

Knowledge-based assets, as posited by Mahdi et al. [5], have become pivotal in sustaining organizational competitiveness. These assets support strategic decision-making and innovation, particularly when embedded in organizational culture and human capital development. Firms increasingly deploy knowledge management processes to adapt to turbulent environments, enhancing their strategic

agility. During the COVID-19 crisis, for instance, many organizations accelerated digital transformation to maintain operational continuity and reinforce competitive positioning [6].

Dynamic capabilities, as conceptualized by Teece [7], further expand the RBV by emphasizing the importance of an organization's ability to sense, seize, and reconfigure resources in response to external changes. Empirical studies confirm that firms with high adaptive capacity exhibit better performance under uncertainty, particularly in sectors like technology and renewable energy [1, 8]. Resource integration and reconfiguration allow such firms to maintain alignment between internal assets and shifting market demands [9].

Reputation, often cited as an intangible yet influential resource, has also emerged as a critical driver of SCA. Miotto et al. [10] found that institutional legitimacy in public universities is strongly associated with reputational capital, enhancing their long-term competitive positioning. Similarly, CSR initiatives when integrated into core strategies generate positive stakeholder relationships and trust, which in turn contribute to sustainable differentiation [11, 12].

Several sector-specific studies further illustrate these dynamics. Ratulian et al. [6] reported that knowledge sharing and an innovation-oriented culture significantly impact SCA in Indonesian SMEs. Likewise, Quaye and Mensah [13] emphasized the importance of marketing innovation including product design and promotional strategies in Ghanaian manufacturing firms. These findings reinforce the view that non-physical assets are central to sustaining competitiveness in emerging markets.

In manufacturing, sustainability practices economic, social, and environmental play a mediating role in enhancing SCA, as evidenced by Cantele and Zardini [12]. Complementary findings by Pieroni et al. [14] suggested that circular economy strategies, such as recycling and resource optimization, serve as long-term enablers of competitive resilience. Moreover, Firmansah and Hana [15] and Chesbrough [16] stressed the strategic importance of intellectual capital and open innovation, particularly in industries undergoing digital transformation.

Anning-Dorson [17] argued that for SMEs in emerging markets, the development of dynamic capabilities is not optional but essential. These firms face unique challenges, such as limited access to capital and regulatory volatility, requiring a heightened focus on strategic agility. In the higher education sector, studies by Miotto et al. [10] and Rust and Kim [3] revealed that global competition for students has turned institutional reputation and international partnerships into significant contributors to SCA.

Finally, in service and retail industries, customer-centric innovation remains paramount. Kuncoro and Suriani [18] highlighted the role of product innovation and market orientation in sustaining competitiveness, while Doherty and Ellis-Chadwick [19] found that digital transformation—especially data-driven strategies and omnichannel integration—enhances customer loyalty and long-term advantage.

This synthesis of recent empirical and theoretical work underscores the multidimensional nature of SCA in today's competitive environments. Effective deployment of intangible resources, dynamic capabilities, and sustainability-oriented practices is now central to the strategic playbook of enduring firms.

## 2. METHOD

The study employs a systematic literature review (SLR) methodology, a structured, transparent, comprehensive, and reproducible approach to identifying, evaluating, and synthesizing the body of work produced by previous researchers [7]. This method has gained considerable popularity and widespread use in academic research [17, 20].

The systematic review conducted in this study adheres to the guidelines provided by the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) framework [21]. Literature sources were meticulously identified using the predefined keywords through comprehensive searches in Google Scholar, ProQuest, and ScienceDirect databases. Analysis techniques used in synthesizing results with thematic analysis. These platforms are recognized for their extensive collection of scholarly works, encompassing not only journal articles but also books, reports, essays, and other forms of academic literature from various disciplines. The initial search yielded approximately

400,327 publications containing the term "Sustainable Competitive Advantage" in the title, abstract, or main text. Given the broad scope and diverse content available in these databases, the researcher applied selection criteria to filter and refine the search results, ensuring the relevance and quality of the literature included in the review. To ensure the inclusion of up-to-date and contextually relevant studies, the researcher limited the selection to articles published between 2015 and 2024. This temporal criterion was intended to capture recent developments, contemporary theoretical perspectives, and current empirical findings related to the research topic. By focusing on this time frame, the review aimed to maintain both the relevance and timeliness of the literature. The overall process of literature identification, screening, eligibility, and inclusion is illustrated in the PRISMA flow diagram (Figure 1), adapted from Liberati et al. [21].

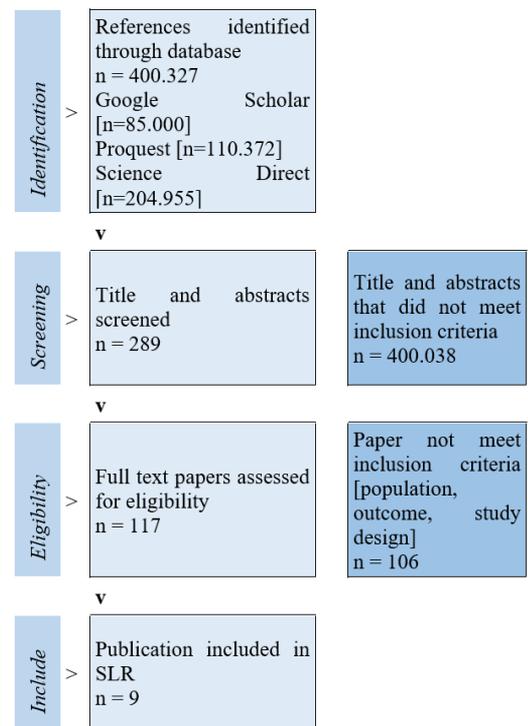


Figure 1. PRISMA flow diagram [22]

Table 1. Papers assessed for eligibility

Num.	Ref.	Years	Resource
1.	[6]	2022	Science Direct
2.	[10]	2020	Science Direct
3.	[23]	2019	Science Direct
4.	[13]	2019	Google Scholar
5.	[5]	2019	Science Direct
6.	[15]	2019	ProQuest
7.	[18]	2019	ProQuest
8.	[12]	2018	Google Scholar
9.	[24]	2024	Science Direct

A total of 9 articles were collected and matched the desired criteria. Next is the narrative synthesis analysis stage. Findings from the literature that has been reviewed will be written down and summarized as the results of the analysis which are then systematically recorded in a structured manner in the search results table contained in the research results section. These results are organized in the search results table presented in the research findings section (Table 1).

### 3. RESULT

After the screening and literature filtering stages, the researcher formulated a categorization of the screening results.

This screening stage is the results and discussion that are the focus of the systematic literature review article. The results of the literature screening can be seen in Table 2 below.

**Table 2.** Result of literature review

Num.	Refs.	Variable	Result
1.	[6]	SCA	<p>The findings of this study may encourage managers and practitioners to emphasize knowledge sharing and an innovation culture within the SME sector. The role of knowledge sharing has been extensively focused on large companies in various countries. However, studies examining the role of knowledge sharing in fostering an innovation culture remain rare in the SME sector, particularly in Indonesian SMEs. Therefore, research on this topic is essential, as Indonesia not only has a distinct culture but also different business practices.</p> <p>This research aims to enhance our understanding of the field by measuring how reputation, through its influence on legitimacy, can create a continuous competitive advantage for public universities. We measured reputation and legitimacy by surveying 509 professors from 47 different universities in Spain, considering pragmatic, moral, and cognitive types of legitimacy, while analyzing reputation in terms of performance, innovation, citizenship, services, governance, and workplace climate. According to academics, a university's reputation has a significant and positive effect on its legitimacy.</p>
2.	[10]	SCA, Educational	<p>Using structural equation modeling (SEM), the study's findings reveal that social and technological challenges play a key role in enhancing sustainable competitive advantage and sustainable business performance. Additionally, strategic alignment is a critical factor in reflecting the positive role of social and technological factors on sustainable competitive advantage. These findings benefit practitioners by enabling their strategies to reflect sustainable competitive advantages and sustainable business performance.</p>
3.	[23]	SCA, Education, Social, Technology	<p>The study found that product and packaging design innovation, promotional innovation, retail innovation, and pricing innovation provide sustainable market advantages for SMEs in the sectors of water, beverages, detergents, and metal fabrication. This paper also finds that new product and packaging design are the primary drivers of sustainable market advantage, followed by innovative retail outlets. Furthermore, the study discovered that integrating marketing efficiency (marketing resources and marketing capabilities) with innovative marketing activities provides a marginal increase in competitive advantage.</p>
4.	[13]	Marketing, SCA	<p>The results of the study show a significant influence of these factors on financial performance (FP). However, sustainable competitive advantage (SCA) fully mediates the relationship between financial capability (FC) and FP, as well as between corporate social responsibility (CSR) and FP, while SCA partially mediates the relationship between intellectual capability (IC) and FP. Overall, these findings suggest the role of CSR and FC in indirectly stimulating FP through SCA. While this study has some limitations, its results offer several practical and theoretical implications for owners, managers, and policymakers.</p>
5.	[5]	Knowledge Management, SCA	<p>The findings indicate a significant influence of these factors on financial performance (FP). However, sustainable competitive advantage (SCA) fully mediates the relationship between financial capability (FC) and FP, as well as between corporate social responsibility (CSR) and FP, while SCA partially mediates the relationship between intellectual capital (IC) and FP. Overall, these results suggest the indirect role of CSR and FC in enhancing FP through SCA. Although this study has several limitations, the findings offer practical and theoretical implications for business owners, managers, and policymakers.</p>
6.	[15]	Intangible Resources and Capabilities, SCA	<p>We found that the dimensions of social, economic, and formal practices in sustainability have a positive impact on competitive advantage, which is mediated by corporate reputation, customer satisfaction, and organizational commitment. We also found that competitive advantage serves as a second-order mediator, which positively contributes to financial performance. The contribution of our study lies in testing a new model of the relationship between sustainability and financial performance, considering each dimension of sustainability and the pathways through different mediators in a less explored context namely, small businesses in the manufacturing sector in a European country.</p>
7.	[18]	SCA, Inovation	<p>We found that the dimensions of social, economic, and formal practices in sustainability have a positive impact on competitive advantage, which is mediated by corporate reputation, customer satisfaction, and organizational commitment. We also found that competitive advantage serves as a second-order mediator, which positively contributes to financial performance. The contribution of our study lies in testing a new model of the relationship between sustainability and financial performance, considering each dimension of sustainability and the pathways through different mediators in a less explored context namely, small businesses in the manufacturing sector in a European country.</p>
8.	[12]	Continuous Competitive Finance	<p>The investigation discovered that knowledge management partially mediates the relationship between technological innovation and sustainable competitive advantage. Cameroonian hotels can improve their competitive advantage by innovating technology and promoting efficient knowledge management techniques. Adopting cuttingedge technologies and fostering a culture of knowledge exchange can result in increased operational efficiency, enhanced service delivery, and differentiation from rivals, ultimately bolstering long-term competitiveness in the hospitality sector.</p>
9.	[24]	SCA	

The literature review findings demonstrate diverse perspectives on achieving SCA across various sectors, with a focus on factors such as knowledge sharing, innovation, reputation, and strategic alignment. A key theme across studies is the significant impact of knowledge sharing and innovation culture within the SME sector. For instance, Ratulian et al. [6] highlighted the importance of fostering a knowledge-sharing culture in SMEs, particularly in Indonesia, where cultural and business practices differ from other countries [25]. This study underscores that, while knowledge sharing has been examined in larger corporations globally, its influence on innovation culture in SMEs is less explored, making it an essential area for further research to boost competitiveness [5, 26]. Furthermore, research on SMEs in developing nations, such as Sri Lanka and India, corroborates the notion that knowledge-sharing mechanisms significantly enhance the ability of SMEs to innovate and sustain a competitive edge in challenging environments [27, 28].

In contrast, Miotto et al. [10] shifted the focus to the education sector, exploring how reputation and legitimacy can create a competitive edge for public universities. These findings illustrate the value of building a strong reputation in the educational context, as it plays a crucial role in enhancing a university's long-term competitiveness [17, 29]. In addition, Thompson et al. and Mills et al. demonstrate that institutional reputation, when integrated with strategic management and stakeholder engagement, can significantly influence the competitiveness of educational institutions in both developed and emerging markets [3, 17].

Meanwhile, Haseeb et al. [23] expanded the discussion on competitive advantage by examining social and technological factors. The findings suggest that integrating social and technological factors into business strategies allows companies to maintain a competitive edge, essential for long-term success [11, 30]. Notably, in industries such as healthcare and financial services, technology and social capital have become increasingly central to achieving competitive resilience and innovation-driven growth [26, 31].

Quaye and Mensah [13] focused on the role of marketing and innovation in gaining a sustained market advantage for SMEs in various sectors. This insight suggests that SMEs can enhance their competitiveness by emphasizing unique marketing strategies alongside product innovations [18, 28]. Studies on the retail sector and consumer goods industry confirm that integrating marketing and innovation provides SMEs with a distinctive competitive advantage, particularly in rapidly evolving markets [19, 28].

The influence of intangible resources and capabilities on financial performance, mediated by SCA, is investigated by Mahdia et al. [5]. This highlights CSR and financial capabilities as indirect stimulants of financial performance through SCA, offering valuable insights for policymakers and business leaders on the importance of intangible resources in achieving financial success [2, 32]. Moreover, research in sectors such as banking and manufacturing supports these findings, showing that CSR and intellectual capabilities significantly mediate organizational outcomes in these industries [8, 33].

Lastly, Kuncoro and Suriani [18] and Cantele and Zardini [12] provided insights into the sustainability aspects of competitive advantage. Both studies emphasize that social, economic, and formal sustainability practices positively affect competitive advantage, which in turn boosts financial performance. Kuncoro and Suriani [18] highlighted

competitive advantage as a mediator that enhances financial performance through reputation, customer satisfaction, and organizational commitment. This research is particularly valuable for small businesses in the European manufacturing sector, where sustainability practices can serve as a strategic pathway to financial success [12, 18]. Similarly, Cantele and Zardini [12] explored how sustainability innovations foster a competitive advantage that positively affects operational efficiency and market share in global supply chains [12, 34].

## 4. DISCUSSION

The literature on SCA reveals a broad set of strategies and resources that contribute to long-term success across industries. The studies highlight diverse factors, such as knowledge sharing, innovation, reputation, strategic alignment, and sustainability practices, which play pivotal roles in establishing SCA for small and medium-sized enterprises (SMEs), educational institutions, and other sectors. Through a review of recent research, several key themes emerge that underscore the multifaceted nature of achieving and maintaining competitive advantage.

### 4.1 Knowledge sharing and innovation in SMEs

Knowledge sharing is widely recognized as a crucial factor in fostering a culture of innovation, especially within SMEs. Novi Diansari et al. [4] demonstrated that the Indonesian SME sector benefits significantly from practices that promote knowledge exchange, as these enable an innovation culture, ultimately boosting competitiveness. Despite a strong focus on knowledge sharing in large corporations worldwide, research on its application in SMEs remains limited. Findings suggest that knowledge sharing can be an essential strategic asset for SMEs seeking to leverage unique cultural and business practices for competitive advantage.

Similarly, other recent studies support the role of knowledge sharing in building an innovative environment within smaller firms [28]. These environments encourage creative problem-solving and proactive responses to market changes, enhancing SMEs' ability to remain competitive. Through effective knowledge sharing, SMEs are positioned to refine processes and innovate products, which align well with both market demands and organizational capabilities.

### 4.2 Reputation and legitimacy in educational institutions

Educational institutions also employ unique strategies for SCA, with recent studies focusing on reputation and legitimacy. Miotto et al. [10] investigated how reputation, viewed through different dimensions of legitimacy [pragmatic, moral, and cognitive], impacts universities' competitive advantage. Surveying professors in Spanish universities, the authors find that a strong reputation can establish long-term credibility and attract resources, students, and faculty. This positive reputation ultimately enhances the institution's legitimacy and contributes to its SCA.

This trend in higher education is further supported by Rust and Kim [3], who suggested that an institution's commitment to academic excellence and social responsibility positively affects its reputation. The authors argue that these reputational assets enable educational institutions to secure a competitive position within a competitive academic market.

### 4.3 Social and technological factors in competitive strategy

The integration of social and technological advancements into organizational strategies is another key factor influencing SCA. Haseeb et al. [23] utilized structural equation modeling to examine how these factors enhance SCA and sustainable business performance. Their findings reveal that social responsibility and technological resources, when strategically aligned, enable organizations to develop resilient, competitive structures that can withstand industry changes. As companies invest in these resources, they are more likely to maintain their competitive advantage over time.

Further research in this domain, such as that by Nyuga and Tanova [24], supports the significance of technological advancements in reinforcing emphasize that technology can improve operational efficiency and introduce cost-effective solutions that cater to shifting customer demands. By prioritizing technological and social factors, organizations can strengthen their brand and remain adaptable in dynamic markets.

### 4.4 Marketing and innovation strategies for SMEs

Innovation in marketing strategies plays a vital role in helping SMEs achieve SCA. Quaye and Mensah [13] found that SMEs in sectors like food and beverage manufacturing gain competitive advantages through innovative practices in product design, packaging, promotion, retail strategy, and pricing. These elements enable SMEs to offer unique market value, distinguish themselves from competitors, and effectively respond to evolving consumer preferences. Additionally, marketing efficiency which involves both resource allocation and marketing capabilities can slightly improve SCA when aligned with innovative practices.

According to research by Suharti et al. [25], SMEs are particularly well-positioned to leverage flexible marketing tactics, which allow them to quickly adapt to industry changes. Marketing innovations, when effectively implemented, enhance a company's resilience and ability to compete, even with limited resources. This adaptability allows SMEs to maintain a sustainable market presence and appeal to a broad customer base.

### 4.5 Intangible resources and financial performance

The role of intangible resources, such as intellectual capabilities, CSR, and financial resources, in influencing SCA is also evident in recent literature. Xu et al. [8] highlighted that CSR and financial capabilities indirectly improve financial performance when mediated by SCA. This means that while CSR initiatives and financial assets contribute to business success, they do so more effectively when aligned with a sustainable competitive strategy.

Cantele and Zardini [12] underscored the value of intangible resources in achieving SCA, with specific emphasis on organizational knowledge and intellectual capital. The study indicates that companies prioritizing employee development and knowledge sharing are better equipped to create innovative solutions, ultimately securing a competitive edge. As such, intangible resources can function as strategic assets that help businesses navigate competitive landscapes effectively.

### 4.6 Sustainability practices and competitive advantage

Sustainability practices, particularly in social, economic, and formal dimensions, are increasingly recognized as strategic assets for competitive advantage. Dahri et al. [34] provided evidence of the positive impact of sustainability practices on SCA in the European manufacturing sector. These studies highlight that sustainable practices, when integrated into the business model, strengthen an organization's reputation, improve customer satisfaction, and increase organizational commitment, all of which are essential for long-term success.

Recent research continues to support these findings. For instance, Rahimli [35] emphasized that sustainability can act as a differentiator in competitive markets, attracting customers who value corporate responsibility. Sustainability-focused businesses thus experience enhanced brand loyalty, customer trust, and market share, which contribute to a sustainable competitive advantage.

### 4.7 The interplay of multidimensional factors in achieving SCA

Collectively, these studies illustrate that achieving SCA requires a multidimensional approach that strategically incorporates both tangible and intangible resources. Integrating knowledge sharing, innovation, technological advancements, and sustainability practices creates a robust framework for sustained success. While some strategies are more effective in specific industries such as knowledge sharing in SMEs [4, 28] or reputation in educational institutions the general principles of leveraging resources, fostering adaptability, and aligning strategic goals with organizational values are universally beneficial.

In conclusion, the results of this literature review suggest that SCA is achievable through a strategic balance of diverse elements, including knowledge sharing, innovation, and a commitment to social and environmental responsibility. These findings provide both theoretical insights and practical implications for managers, policymakers, and educators seeking to enhance competitive advantage in dynamic markets.

## 5. CONCLUSION

This systematic literature review underscores the evolving nature of SCA in modern strategic management. Traditional resources are no longer the sole drivers of competitive success; innovation, knowledge management, and CSR now play integral roles in creating and maintaining a lasting competitive edge. Firms in dynamic markets must continuously adapt by integrating their resources and fostering an innovation-driven culture, while also aligning their strategies with societal expectations to enhance their intangible assets, such as reputation. The findings also highlight the importance of knowledge sharing, particularly in the context of SMEs within emerging markets, where cultural nuances and resource constraints must be strategically managed to ensure sustained competitiveness. The integration of sustainability practices further strengthens the resilience of organizations, positioning them for long-term success. Therefore, organizations aiming to achieve SCA should focus on a holistic approach, combining resource reconfiguration, innovation, and

responsible corporate practices to stay ahead in an increasingly competitive global marketplace.

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## NOMENCLATURE

A	Sustained Competitive Advantage (SCA)
C	Corporate Social Responsibility (CSR)
D	Dynamic capabilities
FP	Financial Performance
IC	Intellectual Capability
FC	Financial Capability
K	Knowledge Management
M	Marketing Innovation
R	Reputation
S	Sustainability Practices
T	Technological Innovation

## Greek symbols

$\lambda$	Legitimacy
$\mu$	Market Orientation

## Subscripts

I	Represents an individual
F	Represents a sector or category