

Cognition and Organisational Resilience Among Small Scale Enterprises in Lagos State

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Abstract

In the vibrant economic environment of Lagos State, Small and Medium-scale Enterprises (SMEs) play a pivotal role in driving growth, employment generation, and socio-economic development. However, these enterprises grapple with multifaceted challenges, from economic fluctuations to regulatory intricacies. Against the backdrop of recent global disruptions, including the COVID-19 pandemic, the ability of SMEs to adapt and persevere has assumed paramount importance. To investigate the relationship between cognition and organizational resilience, a conscious sampling method was employed, involving 500 participants from diverse sectors. A structured questionnaire, featuring Likert scale questions, was utilized to collect data on demographic characteristics, cognition (independent variable), and organizational resilience (dependent variable). The results unequivocally establish a significant and positive correlation between cognition and organizational resilience among SMEs in Lagos State. This research underscores the imperative for SME owners and managers to prioritize the development of cognitive skills and strategies within their organizations. It emphasizes the role of cognition in decision-making, opportunity recognition, and navigating the complexities of entrepreneurship. Recommendations include fostering an environment that encourages cognitive diversity, critical thinking, and continuous learning among employees and entrepreneurs. Moreover, addressing the psychological challenges inherent in entrepreneurial settings, such as stress and information overload, is vital for enhancing cognitive processes and, consequently, firm performance.

Key words: Organizational resilience; Cognition; Small and medium-scale enterprises (SMEs)

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1. INTRODUCTION

In the dynamic economic environment of Lagos State, Small and Medium-scale Enterprises (SMEs) stand as the vital engines of growth, generating employment opportunities and contributing significantly to the region's socio-economic development. Nevertheless, these enterprises encounter numerous challenges, ranging from economic instability to regulatory complexities, in their quest for success. In light of the recent global disruptions, such as the COVID-19 pandemic, the capacity of SMEs to adapt and endure has become increasingly paramount.

The concept of organizational resilience has emerged as a critical determinant of survival and success for businesses in today's fast-paced and unpredictable world. It encompasses an organization's ability to withstand shocks, adapt to changing circumstances, and rebound from setbacks, ultimately emerging stronger and more capable. In the context of SMEs in Lagos State, achieving organizational resilience is not merely a desirable trait; it is often a matter of survival. One of the lesser-explored but fundamentally important aspects of organizational resilience in SMEs is the role of cognition—the mental processes and cognitive abilities of entrepreneurs and their teams. How do these individuals perceive, analyze, and respond to the myriad challenges and opportunities that confront them daily? What cognitive strategies and decision-making processes underpin their capacity to adapt, innovate, and sustain their businesses amid adversity?

To embark on this exploration, we draw upon a wealth of scholarly literature that underscores the pivotal role of cognition in shaping organizational resilience. Scholars like George S. Day (2014), in his work “Strategic Market Intelligence,” emphasized the centrality of information processing and cognitive acumen in shaping strategic decision-making within businesses. Additionally, the research of Saras D. Sarasvathy (2001), as found in her “Effectuation Theory,” delves into how entrepreneurs navigate uncertainty and complexity by relying on cognitive strategies when making critical choices. Furthermore, the profound implications of external shocks, exemplified by the COVID-19 pandemic, highlight the need for SMEs to harness their cognitive resources effectively. Bednarek (2016) accentuate the potential of cognitive diversity within SME teams as a wellspring of innovative solutions during periods of crisis.

In this comprehensive examination, our primary goal is to assess the impact of cognition on the resilience of SMEs in Lagos State, unraveling the cognitive mechanisms that underpin their capacity to not only survive but also thrive in a constantly evolving and challenging business environment. We employ an interdisciplinary approach, drawing from fields such as psychology, entrepreneurship, and organizational behavior, to provide a nuanced understanding of how SMEs can bolster their cognitive competencies in navigating the multifaceted business environment of Lagos State. A null hypothesis was formulated for the purpose of this study;

H0: There is no significant relationship between cognition and organization resilience of SMEs in Lagos State

2. LITERATURE REVIEW

2.1 Organizational Resilience

Organizational resilience is the ability of an organization to anticipate, prepare for, respond to, adapt to, and recover from disruptions, shocks, or challenges while maintaining its core functions, integrity, and viability (Bhamra, Dani, & Burnard, 2011). It encompasses the capacity to withstand various stressors, such as economic downturns, natural disasters, cyber-security threats, or unexpected market shifts, and to emerge from such events stronger and more capable. Woods and Dekker (2006) emphasize the proactive and adaptive nature of resilience. They argue that resilience is not merely about reacting to failures but also about actively managing complex systems to ensure they can handle disruptions and surprises. Weick and Sutcliffe (2011) also highlighted the importance of mindful organizing and collective sense-making in building organizational resilience. They discuss how organizations can learn from past experiences to improve their capacity to handle unexpected events.

2.2 Organizational Resilience and Small and Medium-scale enterprises (SMEs)

Organizational resilience is a multifaceted and evolving concept that has garnered significant attention in academic research and practical application. It refers to an organization’s capacity to effectively anticipate, absorb, adapt to, and recover from disruptions while maintaining essential functions, goals, and integrity (Bhamra, Dani, & Burnard, 2011). In the context of Small and Medium-scale Enterprises (SMEs), organizational resilience takes on a critical dimension, encompassing the ability to navigate a spectrum of challenges, including economic fluctuations, regulatory intricacies, and the sudden, far-reaching effects of global events like the COVID-19 pandemic. Notably, the concept of organizational resilience extends beyond mere recovery from crises; it emphasizes proactive and dynamic approaches to risk management (Hollnagel, 2011). This approach underscores the importance of SMEs in Lagos State, and similar settings, not only surviving but thriving amid the ever-changing business environment.

SMEs serve as the lifeblood of Lagos State’s economy in Nigeria. These enterprises are critical drivers of economic growth, job creation, and the broader socio-economic development of the region. According to the World Bank (2020), SMEs constitute a substantial portion of businesses in Nigeria, contributing significantly to both employment and GDP. Within the specific context of Lagos State, SMEs play an even more pronounced role, forming the bedrock of the local economy by providing diverse goods and services across various sectors. What sets SMEs in Lagos State apart is their agility and responsiveness to market demands, often outpacing larger enterprises in innovation and adaptability. As such, understanding and enhancing the resilience of these SMEs are vital not only for the sustenance but also for the continued growth and stability of Lagos State’s economy.

2.3 Cognitive Factors and Organizational Resilience

Cognition holds significant sway over the process of strategic decision-making within organizations. Specifically, the cognitive capabilities of entrepreneurs and business leaders emerge as pivotal determinants shaping their choices. As elucidated by George S. Day (2014), an individual’s cognitive prowess profoundly influences their ability to gather, process, and interpret information effectively. This cognitive prowess, or its absence, assumes a central role in shaping the strategic decisions undertaken by SMEs.

While cognitive abilities undeniably hold tremendous significance, they also have the potential to give rise to cognitive biases that can cast a shadow over the quality of decisions made by SMEs. As expounded by Kahneman (2011) cognitive biases introduce systematic errors into the realms of judgment and decision-making. Grasping the essence and far-reaching consequences of these biases

becomes imperative in comprehending how cognitive factors can either propel or hinder organizational resilience.

Effectuation theory, an innovative framework pioneered by Saras D. Sarasvathy, offers a valuable perspective on how entrepreneurs navigate the realms of uncertainty and complexity. Effectuation theory posits that entrepreneurs, especially those operating in volatile environments like SMEs in Lagos State, employ cognitive strategies that diverge from conventional causation-based approaches. Effectuation underscores the significance of leveraging existing resources, co-creating opportunities, and embracing a flexible, cognitive mindset.

Going beyond the purview of effectuation theory, SMEs employ a spectrum of cognitive strategies as navigational tools to navigate the complexities of the business terrain in Lagos State. These strategies encompass a wide array of approaches, including but not limited to problem-solving, pattern recognition, and scenario planning. They represent cognitive instruments wielded by SMEs to address the multifaceted challenges that loom large in their daily operations. Cognitive diversity within teams is increasingly acknowledged as an abundant source of innovative solutions. As underscored by Bednarek (2016), the interplay of diverse cognitive perspectives has the potential to catalyze creative problem-solving and elevate decision-making processes to previously unattained levels of effectiveness. Hence, this subsection conducts a comprehensive analysis of how SMEs in Lagos State can harness the cognitive diversity present within their teams, fostering an environment where diverse cognitive perspectives are not only appreciated but actively leveraged. The objective is to elucidate how this cognitive diversity serves as a driving force behind innovation and resilience within SMEs. The effective cultivation of team learning and cognitive inclusiveness emerges as critical facets of harnessing cognitive diversity within SMEs. Creating an environment in which team members feel genuinely included and valued for their unique cognitive contributions becomes indispensable in unlocking the full potential of cognitive diversity.

3. EMPIRICAL FRAMEWORK

Empirical studies investigating the nexus between cognitive factors and organizational resilience among Small and Medium-scale Enterprises (SMEs) in Lagos State provide a profound understanding of how cognitive processes profoundly shape the capacity of these enterprises to not only survive but thrive within the ever-evolving dynamics of the business environment.

In their groundbreaking study, Burton and Obel (1998) embarked on an exploration of cognitive strategies that play a pivotal role in diagnosing and designing organizations. Their research delved into the intricacies of cognitive flexibility and problem-solving skills as

indispensable assets for adapting organizational structures to meet the demands of ever-changing circumstances. Their findings resoundingly affirm that organizational leaders who possess the cognitive dexterity to navigate complexity and devise innovative solutions are better equipped to fortify their organizations' resilience in the face of turbulence.

Sarasvathy's influential work (2001) is a cornerstone in the realm of entrepreneurial cognition. She formulated Effectuation Theory, a paradigm that suggests entrepreneurs employ cognitive strategies marked by resource leveraging, co-creation, and adaptability. This theory offers a roadmap for SMEs in Lagos State to navigate uncertainty effectively. By embracing effectual approaches grounded in cognitive acumen, SMEs can not only weather the storms of unpredictability but also harness them as opportunities for growth and innovation.

Edmondson and Roloff's study (2009) is an ode to the power of cognitive inclusiveness, particularly within virtual teams. Their research spotlights the transformative effects of fostering a culture of psychological safety and promoting diverse perspectives within teams. These cognitive inclusiveness practices go beyond merely encouraging tolerance; they actively enhance team learning and bolster resilience. In the dynamic business environment of Lagos State, where virtual collaboration is increasingly prevalent, these findings underscore the instrumental role of cognitive inclusiveness in maintaining and enhancing organizational adaptability.

Kahneman's extensive body of work (2011) is a clarion call to all decision-makers. His research meticulously uncovers the pervasive influence of cognitive biases on the decision-making process. Cognitively ingrained biases such as confirmation bias and overconfidence, as elucidated in Kahneman's work, can lead to suboptimal decisions when confronted with uncertainty. For SMEs in Lagos State, grappling with the dual challenges of uncertainty and competition, it is imperative to recognize, understand, and mitigate these biases to fortify decision-making processes and, consequently, organizational resilience.

George S. Day's research (2014) has been instrumental in underscoring the indispensable role of cognitive abilities in the realm of strategic decision-making. His work, documented in "Strategic Market Intelligence," expounds upon how individuals with robust cognitive capabilities excel in the intricate processes of information gathering, processing, and interpretation. Within the competitive market milieu of Lagos State, entrepreneurs equipped with strong cognitive abilities emerge as adept strategists, proficient at identifying market opportunities, and making judicious, informed choices to bolster their organizational resilience.

Bednarek's comprehensive study (2016) offers tangible evidence of the profound potential inherent in cognitive diversity within SME teams. Her research, detailed in her study, underscores the transformative impact of teams that

embrace cognitive inclusiveness and actively cultivate learning among their members. These teams, by virtue of their cognitive diversity, stand better poised to tackle challenges with innovative solutions. In Lagos State’s dynamic business environment, where adaptability is a cornerstone of resilience, Bednarek’s findings emphasize the critical role of cognitive diversity in enhancing not only resilience but also the capacity for ongoing innovation and growth.

These empirical studies examining the influence of cognitive factors on organizational resilience among SMEs reveal the critical role of cognition in decision-making, adaptability, and innovation. These findings underscore the need for SMEs to cultivate cognitive capabilities and embrace cognitive diversity within their teams to enhance their resilience in a dynamic business environment.

4. METHODOLOGY

The researcher employed a conscious sampling method, targeting a sample size of 500 individuals drawn from diverse sectors, including Wholesale and Retail, Education, Hotel and Suite, Realtor and Properties, Professional Service Providers, and Fast Food Businesses. This methodological choice stemmed from the practical limitation of not being able to directly observe every individual within the entire population. To ensure fairness and impartiality, a straightforward random sampling approach was adopted. Participants were selected from a range of Small and Medium-scale Enterprises (SMEs) concentrated within the jurisdiction of the Ikeja Local Government Area in Lagos State. Data collection was facilitated through the use of a structured questionnaire, which was selected for its convenience and cost-effectiveness. The questionnaire incorporated Likert scale questions designed to capture information related to participants’ demographic characteristics, strategic diversity (serving as the independent variable), and organizational resilience (serving as the dependent variable). The confidentiality and anonymity of participants were rigorously maintained throughout the data collection process. The study exclusively relied on primary data collection via the questionnaire, a method chosen for its notable advantages, including autonomy, anonymity, cost-effectiveness, and operational efficiency.

5. DATA ANALYSIS AND INTERPRETATION

5.1 Section A: Demographic Data

Interpretation

The examination various demographic factors among the study’s participants provides valuable insights into the composition of the sample population.

Gender Distribution: A thorough analysis of the Gender variable revealed that 70.1 percent of the participants were male, while the remaining 29.9 percent were female. Notably, this study exclusively focused on male subjects. Consequently, the sample predominantly comprised male individuals.

Table 1
Demographic Characteristics of Respondents

Sex	Frequency	Percent	Cumulative Percent
Male	347	70.1%	70.1%
Female	108	29.9%	29.9%
Total	455	100.0%	
Age group (%)			
18-25 years	31	6.8%	6.8%
26 – 35 Years	86	18.9%	25.7%
36 – 45 Years	197	43.3%	69.0%
45 & above	141	31.0%	100.0%
Total	455	100.0%	
Ethnicity			
Yoruba	144	31.6%	31.6%
Igbo	120	26.4%	58.0%
Others	187	41.0%	99.0%
Hausa	4	1.0%	100.0%
Total	455	100.0%	
Religion			
Christian	265	58.2%	58.2%
Muslim	188	41.3%	99.6%
None	2	.4%	100.0%
Total	455	100.0%	
Qualification			
O Level	54	11.9%	11.9%
OND/HND	113	24.8%	36.7%
B.sc	127	27.9%	64.6%
Masters	132	29.0%	85.6%
PhD& Above	29	6.4%	100.0%
Total	455	100.0%	
Years of entrepreneur Experience			
1 - 5 Years	62	13.6%	13.6%
6 - 10 Years	128	28.1%	41.7%
11 - 15 Years	136	29.9%	71.6%
16 - 20 Years	102	22.4%	94%
21 Years & Above	27	6%	100.0%
Total	455	100.0%	

Source: Field Survey (2023)

Age Group Distribution: The Age Group distribution analysis unveiled a diverse representation of respondents across different age brackets. Specifically, 6.8 percent

of the participants fell within the age range of 18 to 25 years, 18.9 percent were situated between 26 and 35 years old, a substantial 43.3 percent were aged between 36 and 45 years, and 31 percent were 45 years or older. These findings underscore the prominence of respondents within the 36 to 45-year age category, signifying its significant presence within the study.

Ethnicity Analysis: The Ethnicity analysis showcased a multifaceted picture of the sample’s composition. Notably, 31.6 percent of respondents identified as Yorubas, 1 percent as Hausas, 26.4 percent as Igbos, while the remaining 41 percent represented various other ethnic groups. This distribution indicates a relatively higher participation rate among minority ethnicities, emphasizing the diversity of the study’s sample.

Religious Affiliation: Analysis of Religious Affiliation demonstrated that the majority of respondents, accounting for 58.2 percent, identified as Christians, while 41.3 percent identified as Muslims. Additionally, a small percentage, constituting 4 percent, indicated having no religious affiliation. These figures underline the comprehensive coverage of various religious backgrounds within the study’s sample.

Educational Qualification: An examination of the Qualification variable unveiled a wide-ranging spectrum of educational achievements among participants. Specifically, 11.9 percent of respondents held O Level qualifications, 24.8 percent possessed OND/HND degrees, 27.8 percent attained B.Sc. degrees, and 29 percent had achieved Masters qualifications. Additionally, 6.4 percent of participants held PhDs. These statistics illuminate the substantial representation of participants within these educational categories, demonstrating the diversity and educational breadth of the sampled respondents.

Years of Experience: The study involved an inquiry into the respondents’ entrepreneurial backgrounds, specifically their years of experience in the field of entrepreneurship. The findings revealed that the respondents collectively possessed a substantial level of experience within the entrepreneurship domain. The results indicated that among the respondents, 13.6 percent had accrued 1 to 5 years of experience, 28.1 percent had acquired 6 to 10 years of experience, 29.9 percent had accumulated 11 to 15 years of experience, 22.4 percent had garnered 16 to 20 years of experience, and 6 percent boasted over 21 years of experience. Consequently, this research encompassed a participant group comprising entrepreneurs with a wealth of experience in the realm of business.

5.2 Section B: Organizational Resilience

Interpretation

Question 1: Analysis of Question 1 reveals that 23.7 percent of the total respondents strongly agree that strategic resilience profoundly influences their business performance during unfavorable periods. Additionally, 60 percent agree, 2.4 percent are uncertain, 6.6 percent

disagree, and 7.3 percent strongly disagree. This indicates that a substantial majority of respondents acknowledge the timely impact of strategic resilience on their business performance in adverse situations.

Table 2
Strategic Resilience

	Frequency	Percent
Qs 1. I can promptly identify emerging unfavorable factors.		
Strongly agree	108	23.7%
Agree	273	60.0%
Undecided	11	2.4%
Disagree	30	6.6%
Strongly disagree	33	7.3%
Total	455	100.0%
Qs 2. I am able to clarify our strategic positioning.		
Strongly agree	157	34.5%
Agree	197	43.3%
Undecided	44	9.7%
Disagree	30	6.6%
Strongly disagree	27	5.9%
Total	455	100.0%
Qs 3. My company can concentrate on its fundamental operations.		
Strongly agree	206	45.3%
Agree	164	36.0%
Undecided	33	7.3%
Disagree	30	6.6%
strongly disagree	22	4.8%
Total	455	100.0%
Qs4. My company can effectively align strategic goals with organizational capabilities.		
Strongly agree	179	39.3%
Agree	181	39.8%
Undecided	22	4.8%
Disagree	50	11.0%
Strongly disagree	23	5.1%
Total	455	100.0%
Qs5. I am able pursue a holistic strategic growth model.		
Strongly agree	294	64.6%
Agree	83	18.2%
Undecided	18	4.0%
Disagree	19	4.2%
Strongly disagree	41	9.0%
Total	455	100.0%

Source: Field Survey (2023)

Question 2: Examination of Question 2 highlights that 34.5 percent of the total respondents strongly agree that their businesses heavily rely on strategic resilience to sustain operations during times of crises. Furthermore, 43.3 percent agree, 9.7 percent are uncertain, 6.6 percent

disagree, and 5.9 percent strongly disagree. This suggests that most respondents recognize the crucial role of strategic resilience in enabling business continuity during crises.

Table 3
Adaptive Capacity

	Frequency	Percent
Qs 1. I am well prepared for incoming threats and opportunities		
Strongly agree	202	44.4%
Agree	203	44.6%
Undecided	15	3.3%
Disagree	18	4.0%
Strongly disagree	17	3.7%
Total	455	100.0%
Qs2. I can cope with uncertainty and unpredictable variations.		
Strongly agree	154	33.8%
Agree	211	46.4%
Undecided	7	1.5%
Disagree	42	9.2%
Strongly disagree	41	9.0%
Total	455	100.0%
Qs3. Pandemic has increased my workload and pressure and forced me to operate virtually.		
Strongly agree	206	45.3%
Agree	164	36.0%
Undecided	33	7.3%
Disagree	30	6.6%
strongly disagree	22	4.8%
Total	455	100.0%
Qs4. Amidst business crises, I have successfully managed to analyze situations and handle challenging or unexpected circumstances with greater effectiveness.		
Strongly agree	158	34.7%
Agree	165	36.3%
Undecided	42	9.2%
Disagree	57	12.5%
Strongly disagree	33	7.3%
Total	455	100.0%
Qs5. I have also capitalized on changes to positively address disruptive situations and effectively manage unexpected occurrences.		
Strongly agree	166	36.5%
Agree	143	31.4%
Undecided	44	9.7%
Disagree	61	13.4%
Strongly disagree	50	11.0%
Total	455	100.0%

Source: *Field Survey (2023)*

Question 3: Findings from Question 3 suggest that 45.3 percent of the respondents strongly agree that strategic resilience significantly distinguishes between companies that fare relatively well during crises and those that do

not. Moreover, 36 percent agree, 7.3 percent are uncertain, 6.6 percent disagree, and 4.8 percent strongly disagree. This implies that a considerable portion of respondents believe in the differentiating effect of strategic resilience on companies' performance during crises.

Question 4: The results from Question 4 indicate that 39.3 percent of the total respondents strongly agree that certain industries have witnessed substantial operational performance improvement due to the implementation of exponential resilience strategies. Furthermore, 39.8 percent agree, 4.8 percent are uncertain, 11 percent disagree, and 5.1 percent strongly disagree. This suggests that for most respondents, strategic resilience has played a significant role in enhancing operational performance within specific industries.

Question 5: Analysis of Question 5 demonstrates that 64.6 percent of the total respondents strongly agree that industries are observing the positive effects of the strategic growth model on their financial performance. Additionally, 4 percent agree, 4 percent are uncertain, 4.2 percent disagree, and 9 percent strongly disagree. This implies that a notable majority of respondents believe that the strategic growth model has contributed to enhanced business performance within industries.

Interpretation

Question 1: The analysis of Question 1 reveals that 44.4 percent of the respondents strongly agree that they possess effective readiness for both incoming threats and opportunities. Furthermore, 44.6 percent agree, 3.3 percent are uncertain, 4 percent disagree, and 3.7 percent strongly disagree. This indicates that a significant majority of respondents feel well-prepared for handling forthcoming threats and opportunities.

Question 2: Examination of Question 2's descriptive statistics indicates that 33.8 percent of the total respondents strongly agree that they exhibit the capability to manage uncertainty and adapt to unpredictable variations. Additionally, 46.4 percent agree, 1.5 percent are uncertain, 9.2 percent disagree, and 9 percent strongly disagree. This implies that most of the respondents possess the ability to cope with uncertainty and unpredictable changes.

Question 3: Descriptive statistics for Question 3 illustrate that 45.3 percent of the total respondents strongly agree that the pandemic has escalated their workload and pressure, compelling them to operate virtually. Moreover, 36 percent agree, 7.3 percent are uncertain, 6.6 percent disagree, and 4.8 percent strongly disagree. This suggests that a substantial portion of respondents acknowledge the increased workload and virtual operations due to the pandemic.

Question 4: The descriptive statistics analysis for Question 4 shows that 34.7 percent of the total respondents strongly agree that they have effectively managed and deliberated on matters and handled challenging or unforeseen situations during business crises. Furthermore,

36.3 percent agree, 9.2 percent are uncertain, 12.5 percent disagree, and 7.3 percent strongly disagree. This implies that a significant number of respondents believe in their capability to navigate and make effective decisions during business crises.

Table 4
Organizational Learning

	Frequency	Percent
Qs 1. I have also learnt lessons from a series of unexpected situations and can respond to disruptive circumstances (%)		
Strongly agree	196	43.1%
Agree	163	35.8%
Undecided	22	4.8%
Disagree	38	8.4%
Strongly disagree	36	7.9%
Total	455	100.0%
Qs2. I have improved myself over time through gaining experience and using that experience to create knowledge to survive my business.		
Strongly agree	188	41.3%
Agree	149	32.7%
Undecided	41	9.0%
Disagree	32	7.1%
Strongly disagree	45	9.9%
Total	455	100.0%
Qs3. The creation, retention and transfer of knowledge in my business during disruptive circumstances have strengthen my business.		
Strongly agree	155	34.1%
Agree	175	38.5%
Undecided	43	10.8%
Disagree	40	8.9%
strongly disagree	42	9.2%
Total	455	100.0%
Qs4. The importance of creating a learning culture during disruptive circumstances has benefited me in my business.		
Strongly agree	197	43.3%
Agree	181	39.8%
Undecided	30	6.6%
Disagree	22	4.8%
Strongly disagree	25	5.9%
Total	455	100.0%
Qs5. Pro-active measures and learning after business crises and recovery has benefited me and teams working under me.		
Strongly agree	206	45.3%
Agree	137	30.1%
Undecided	25	5.5%
Disagree	51	11.2%
Strongly disagree	36	7.9%
Total	455	100.0%

Source: Field Survey (2023)

Question 5: The data analysis for Question 5 indicates that 35.5 percent of the respondents strongly agree that

they have proactively utilized change to respond positively to disruptive circumstances and manage unexpected events. Additionally, 31.4 percent agree, 9.7 percent are uncertain, 13.4 percent disagree, and 11 percent strongly disagree. This suggests that most respondents have indeed leveraged change to address disruptive situations positively and cope with the unforeseen.

Interpretation

Question 1 showed that 43.1percent of the respondents strongly agree they have also learnt lessons from a series of unexpected situations and can respond to disruptive circumstances, 35.8 percent agree, 4.8 percent are 8.4 percent disagree, while the remaining 7.9 percent strongly disagree. This implies that most respondents have also learnt lessons from a series of unexpected situations and can respond to disruptive circumstances

Question 2: Descriptive statistic showed that 41.3 percent of the total respondent strongly agrees that they have improved themselves over time through gaining experience and using that experience to create knowledge to survive their business, 32.7 percent agree, 9 percent are indecisive, 7.1 percent disagree, while the remaining 9.9 percent strongly disagree. This implies that they have improved themselves over time through gaining experience and using that experience to create knowledge to survive their business.

Question 3: Descriptive statistic of showed that 34.1 percent of the total respondents strongly agree the creation, retention and transfer of knowledge in their business during disruptive circumstances have strengthened their business. 38.5 percent agree, 10.8 percent are indecisive, 8.9 percent disagree, while the remaining 9.2 percent strongly disagree. This implies most respondent accepted that the creation, retention and transfer of knowledge in their business during disruptive circumstances have strengthened their business.

Question 4: Descriptive statistic showed that 43.3 percent of the total respondents strongly agree that importance of creating a learning culture during disruptive circumstances has benefited them in their business, 39.8 percent agree, 6.6 percent are indecisive, 4.8 percent disagree, while the remaining 5.9 percent strongly disagree. This implies that most respondents accepted that importance of creating a learning culture during disruptive circumstances has benefited them in their business.

Question 5: Descriptive statistics showed that 45.2 percent of the respondents strongly agree that pro-active measures and learning after business crises and recovery has benefited them and teams working under them, 30.1 percent agree, 5.5 percent are 11.2 percent disagree, while the remaining 7.5 percent strongly disagree. This implies that most respondents believes pro-active measures and learning after business crises and recovery has benefited them and teams working under them.

5.3 Section C: Cognition

Question 1: An in-depth analysis of Question 1 sheds light on the respondents' perspectives regarding their approach to introducing innovation through constructive advertising plans. The data reveals that a notable 24.2 percent of the total respondents express a strong agreement with the notion that prioritizing constructive advertising plans is pivotal for infusing innovation into their products. Moreover, a substantial 34.9 percent of respondents express agreement with this idea, demonstrating a consensus among a significant proportion of the survey participants. Meanwhile, 14 percent remain uncertain, indicating a certain level of ambiguity or variability in perceptions. On the other side of the spectrum, 16.2 percent of respondents disagree with the premise, and 9.9 percent strongly disagree. While there exists a diversity of viewpoints, it is evident that a substantial portion of the respondents consider constructive advertising plans as a primary and influential strategy for imbuing novelty into their product offerings.

Question 2: The examination of Question 2 provides valuable insights into the respondents' propensity to respond promptly to new market opportunities. Impressively, a substantial 42.1 percent of the survey participants strongly align with the belief that they are quick to take action upon encountering novel market opportunities. Additionally, 22 percent express agreement with this proactive stance, reaffirming the tendency among a majority of respondents to respond promptly to new market prospects. Meanwhile, 12 percent of respondents are undecided, signaling a level of uncertainty or variability in their responsiveness. A smaller percentage, 8.4 percent, expresses disagreement with the notion, and 10.3 percent strongly disagree. The data collectively suggests a pronounced inclination among most respondents towards swift action when confronted with fresh market openings.

Question 3: A comprehensive analysis of Question 3 brings into focus the respondents' perceptions concerning the advantages of a proactive approach in recognizing and capitalizing on opportunities. The data highlights that a notable 34.2 percent of the total respondents strongly concur with the notion that enterprises with a proactive orientation are more adept at swiftly and effectively identifying opportunities in comparison to other enterprises. Additionally, a substantial 46.2 percent express agreement with this perspective, indicating a prevailing belief among a significant portion of the surveyed individuals. On the other hand, 9.1 percent express uncertainty regarding this assertion, while 7.5 percent disagree, and 3.1 percent strongly disagree. These findings underscore the prevailing sentiment among respondents that proactive enterprises possess superior capabilities in terms of opportunity recognition and discovery.

Table 5
Cognition

	Frequency	Percent
Qs 1. I prioritize a constructive advertising plan to introduce novelty in my products.		
Strongly agree	110	24.2%
Agree	159	34.9%
Undecided	67	14.7%
Disagree	74	16.2%
Strongly disagree	45	9.9%
Total	455	100.0%
Qs2. Upon discovering new market opportunities, I swiftly take action to capitalize on them.		
Strongly agree	192	42.1%
Agree	123	2.0%
Undecided	55	12.1%
Disagree	38	8.4%
Strongly disagree	47	10.3%
Total	455	100.0%
Qs3. Enterprises that demonstrate pro-activeness are expected to possess enhanced abilities in promptly recognizing and discovering opportunities compared to other enterprises.		
Strongly agree	156	34.2%
Agree	210	46.2%
Undecided	41	9.1%
Disagree	34	7.5%
strongly disagree	14	3.1%
Total	455	100.0%
Qs4. Cognition ensures that emerging market entrepreneurs, who often possess limited financial and human resources, are better equipped to navigate disruptions.		
Strongly agree	174	38.2%
Agree	162	35.6%
Undecided	44	9.7%
Disagree	48	10.5%
Strongly disagree	27	5.9%
Total	455	100.0%
Qs5. I am capable of managing how my business interacts with market opportunities during periods of business disruption or crises.		
Strongly agree	134	29.5%
Agree	144	31.6%
Undecided	70	15.4%
Disagree	49	10.8%
Strongly disagree	58	12.7%
Total	455	100.0%

Source: Field Survey (2023)

Question 4: The insights derived from Question 4 illuminate the role of cognitive abilities in providing assurance to emerging market entrepreneurs, particularly those operating under resource constraints during disruptive periods. Impressively, 38.2 percent of the total respondents strongly affirm the idea that cognitive abilities play a pivotal role in assisting emerging market entrepreneurs in coping with disruptions, a perspective shared by a

significant proportion of the respondents. Furthermore, 35.6 percent express agreement with this notion, reaffirming the acknowledgment of the significance of cognitive abilities. Conversely, 9.7 percent remain uncertain, 10.5 percent disagree, and 5.9 percent strongly disagree. These findings collectively emphasize the recognition among respondents that cognitive abilities contribute to aiding emerging market entrepreneurs during periods of disruption, offering them a sense of assurance and resilience.

Question 5: A meticulous examination of Question 5 unveils the respondents' perception of their ability to manage their business's interactions with market opportunities amidst disruptions or crises. Notably, 29.5 percent of the total respondents strongly assert their confidence in their capacity to manage these interactions effectively, suggesting a pronounced self-assuredness among a notable portion of the survey participants. Additionally, 31.6 percent express agreement with this idea, reinforcing the overall sentiment among a majority of respondents. Conversely, 15.4 percent remain uncertain, reflecting a degree of ambiguity or variability in respondents' self-assessment. On the contrary, 10.8 percent express disagreement with the notion, while 12.7 percent strongly disagree. These findings collectively underscore a considerable sense of self-efficacy among respondents in terms of managing their business's relationship with market opportunities during periods of disruption or crises.

5.4 Test of Hypothesis

H0: There is no significant relationship between cognition and organization resilience of SMEs in Lagos State

Table 6
Correlation analysis between cognition and organization resilience of SMEs in Lagos State

Descriptive Statistics	Mean	Std. Deviation	N
I take constructive advertising plan foremost plan to present novelty in my products,	2.3906	1.31157	455
I have improved myself over time through gaining experience and using that experience to create knowledge to survive my business	2.3125	1.33251	455

Correlations	Cognition	Organization resilience.
Cognition	Pearson Correlation	.632**
	Sig. (2-tailed)	.000
	N	455
Organization resilience	Pearson Correlation	.632**
	Sig. (2-tailed)	.000
	N	455

** . Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Version 24 output

The research hypothesis, which proposes that there is no significant correlation between cognition and organizational resilience among SMEs in Lagos State, was subjected to a Pearson correlation analysis. The results of the Pearson Correlation analysis are presented in Table 6, illustrating the magnitude and direction of the linear connection between the dependent variable (*Organizational Resilience*) and the independent variable (*Cognition*). The analysis was conducted on a sample of four hundred and fifty-five respondents. The data revealed that *Organizational Resilience* had a mean of 2.3906 and a standard deviation of 1.31157, while *Cognition* had a mean of 2.3125 and a standard deviation of 1.33251. Furthermore, the correlation coefficient value of 0.632** demonstrates a robust and positive correlation between *Cognition and Organizational Resilience*. The calculated p-value is 0.000, which falls below the significance threshold of 0.05. This suggests a significant relationship between cognition and organizational resilience among SMEs in Lagos State. Consequently, the null hypothesis is rejected, and the alternative hypothesis is accepted at a 5% level of significance. In conclusion, the analysis illustrates a notable and positive correlation between cognition and organizational resilience within SMEs in Lagos State.

6. DISCUSSION OF FINDINGS

The null hypothesis, which posited that no notable correlation exists between cognition and organizational resilience of SMEs in Lagos State, was invalidated. The analysis yielded a correlation coefficient value of 0.632**, indicating a moderate and positive link between cognition and organizational resilience among SMEs. The p-value calculated, standing at 0.000, is lower than the predetermined significance threshold of 0.05. This unequivocally signifies the presence of a significant relationship between cognition and organizational resilience. Consequently, the null hypothesis was rejected in favor of the alternative hypothesis at a 5% level of significance. Thus, it can be concluded that a significant and positive relationship exists between cognition and organizational resilience among SMEs in Lagos State.

In accordance with this, Mitchell et al. (2022) underscored that Entrepreneurial Cognition, as a research domain within entrepreneurship literature, is rooted in cognitive science and psychology. Mitchell et al. (2022) further clarified that entrepreneurial cognition involves the cognitive frameworks that individuals utilize to evaluate, form judgments, or make decisions related to assessing opportunities, establishing ventures, and facilitating growth. This perspective includes all aspects of entrepreneurship, as highlighted by Baron and Ward (2014), encompassing everything from recognizing opportunities and opting to pursue them to navigating complex decisions and surmounting unforeseen challenges while managing a nascent venture.

Mitchell et al. (2022) emphasized that entrepreneurial cognition focuses on the entrepreneur's contribution to the entrepreneurial process by explaining the variations in their thinking, both in terms of how and why they differ and actions compared to the general populace. This cognitive divergence culminates in either favorable or unfavorable outcomes for the venture. For example, erroneous assumptions or faulty judgments regarding the financial feasibility of an entrepreneurial opportunity can lead to the downfall of a venture. Conversely, precise evaluations can pave the way for triumph, and the reverse can also hold true.

Entrepreneurial environments are characterized by elevated uncertainty, time constraints, information overload, stress, and heightened emotions, as highlighted by Mitchell et al. (2022). Given the necessity for entrepreneurs to make decisions and judgments within such challenging contexts, entrepreneurial cognitions inevitably influence firm performance by impacting the entrepreneur's psychological environment. These influences encompass affirmative cognitive processes that aid the entrepreneur, such as counterfactual thinking, as well as factors that can be detrimental, such as overconfidence (Simon et al., 2020).

7. CONCLUSION

In conclusion, this study has yielded significant and compelling findings regarding the relationship between cognition and organizational resilience among Small Scale Enterprises (SMEs) in Lagos State. The rejection of the null hypothesis, which proposed no notable correlation between cognition and organizational resilience, highlights a substantial and positive link between these two critical factors. The correlation coefficient value of 0.632** underscores the moderate yet influential nature of this relationship. Moreover, the low p-value of 0.000 unequivocally indicates the presence of a statistically significant relationship. These results affirm the pivotal role of cognitive processes in influencing the resilience of SMEs in Lagos State, emphasizing the need for entrepreneurs and business leaders to harness and enhance their cognitive abilities to thrive in a dynamic and uncertain business environment.

Furthermore, this study aligns with the insights provided by Mitchell et al. (2022), emphasizing the centrality of entrepreneurial cognition within the broader entrepreneurship environment. Entrepreneurial cognition serves as the foundation upon which entrepreneurs evaluate opportunities, make critical decisions, and navigate the complex journey of establishing and growing ventures. The study underscores that cognitive divergence among entrepreneurs can lead to divergent outcomes, either facilitating success through accurate assessments or posing risks through erroneous judgments. Given the

challenging and uncertain entrepreneurial environments, entrepreneurs' cognitive processes become crucial determinants of firm performance. Recognizing the impact of cognitive factors, both positive and detrimental, is essential for SMEs in Lagos State and beyond as they strive to bolster their organizational resilience and prosper in the face of adversity.

8. RECOMMENDATION

Based on the findings that reveal a significant and positive relationship between cognition and organizational resilience among Small and Medium-scale Enterprises (SMEs) in Lagos State, it is recommended that SME owners and managers in the region recognize and prioritize the development of cognitive skills and strategies within their organizations. Understanding the role of cognition in decision-making, opportunity recognition, and navigating the complexities of entrepreneurship is crucial. Therefore, fostering an environment that promotes cognitive diversity, critical thinking, and continuous learning among employees and entrepreneurs can contribute to enhanced organizational resilience. Additionally, acknowledging the psychological challenges inherent in entrepreneurial environments and providing support mechanisms for managing stress, information overload, and emotional fluctuations can further bolster cognitive processes and positively impact SMEs performance. This recognition of the intertwined relationship between cognition and resilience can guide SMEs in Lagos State toward more informed and adaptive strategies, ultimately facilitating their sustainability and growth in the face of dynamic business challenges.

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