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EFFECT OF STRATEGIC ALLIANCE ON ALLIANCE PERFORMANCE OF MICRO, SMALL AND MEDIUM-SCALE (SMEs) IN BENUE STATE, NIGERIA

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Abstract

Small and medium scale enterprises (SMEs) are vital to employment creation and local economic development in Benue State, yet many face persistent constraints relating to inadequate resources, weak market access, limited technical knowledge and unstable operating conditions. Research studies have Research studies have largely focused on finance, taxation, entrepreneurship and the business environment, with limited attention to how strategic alliances enhance alliance performance among SMEs. Consequently, this study examined the effect of strategic alliance on alliance performance of SMEs in Benue State. A cross-sectional survey design was adopted, with data obtained through a structured questionnaires administered to SME owners and/or managers in Benue State. Of the 216 questionnaires retrieved, 180 valid responses were retrieved and analysed using descriptive statistics, Pearson correlation and multiple regression analysis. The findings showed that strategic alliance dimensions jointly explained 42.0% of the variance in alliance performance. Resource sharing alliances, knowledge sharing and learning alliance, and flexibility/adaptability alliance had statistically significant positive effects on alliance performance, whereas governance alliance had no significant effect. The study recommended that SMEs should strengthen joint resource-pooling, knowledge-exchange and adaptable collaboration practices, while support agencies should promote simple governance arrangements that enhance transparency, trust and sustainable alliance outcomes.

Keywords: governance alliance; resource sharing alliance; knowledge sharing and learning alliance; flexibility/adaptability alliance; alliance performance; SMEs

1. Introduction

Globally, micro, small and medium enterprises (SMEs) play central roles in national development by providing employment and wealth creation opportunities, harness innovation and creativity to enhance productivity, competitiveness and economic diversification, support local production of goods and services and ensure inclusive growth, which strengthens the socio-economic fabric of nations (Iyortsuun & Shakpande, 2022; Ater, 2026). This role is particularly important in developing economies, where SMEs are

known for providing livelihoods to many where formal employment opportunities are limited and large-scale industrialisation remains uneven. In Nigeria, the situation is not different. The SME sector is a major contributor to employment and Gross Domestic Product (GDP). According to SMEDAN and NBS (2021), micro, small and medium enterprises (MSMEs) account for 96.9% of businesses, 87.9% of employment, and 46.32% of GDP. This demonstrates how important the SME sector is to employment generation, household income and broad-based economic development in Nigeria.

Despite their contribution, SMEs in Nigeria face persistent operational and structural challenges widely linked to finance, infrastructure, market access, managerial capacity, lack of human capital, high taxation and levies, institutional weakness and the impact of environmental conditions on their operations (Awoyemi & Makanju, 2020; PwC, 2024). Additionally, studies show how SMEs struggle to transform entrepreneurial activity into sustained growth because of limited access to credit, high operating costs, weak technological capability, low managerial competence and exposure to economic shocks (Eggers, 2020; Kuckertz et al., 2020; Adam & Alarifi, 2021). In Nigeria, the challenge is compounded by electricity instability, inflation, multiple levies and taxes, weak logistics infrastructure, and a difficult regulatory environment among others (PwC, 2024; Hussain et al., 2024). As a result, many SMEs remain informal, small-scale, survival-oriented and weakly integrated into broader domestic and international value chains.

The situation is particularly important in Benue State, where SMEs are active in trading, agro-processing, retail services, transport, hospitality, food supply chains and small-scale manufacturing (Gisaor et al., 2019). Benue State's economy is strongly connected to agriculture and local commerce, meaning that SME performance is influenced not only by internal managerial capacity but also by agricultural productivity, market stability, transport networks, household purchasing power and insecurity. Evidence from Makurdi metropolis shows that SMEs contribute to employment creation but face persistent constraints such as lack of capital, poor business planning, weak confidence in competitive environments, unfavourable business conditions, high government taxes and inadequate technical knowledge (OJONUGWA & NGBEDE, 2024). Similarly, studies on taxation in Benue State show that multiple taxation negatively affects the survival and financial performance of SMEs (Ocheni, 2015; Zayol et al., 2018). Recent evidence on insecurity in Benue State further suggests that insecurity reduces agricultural output and disrupts productive activity (Ijirshar et al., 2025). Since many SMEs in the state depend directly or indirectly on agriculture, distribution, local markets and rural-urban exchange, such disruptions can weaken sales, input supply, market reach and business continuity.

Several initiatives have been introduced to improve SME performance in Nigeria and Benue State. At the national level, these include entrepreneurship development programmes, credit schemes, cooperative financing, Bank of Industry interventions, SMEDAN programmes, digital finance, youth empowerment initiatives and policy efforts targeted at SME resilience (PwC, 2024; SMEDAN & NBS, 2021). At the local level, SMEs also rely on trade associations, cooperatives, informal savings groups, family support, supplier relationships, customer networks and community-based business arrangements. However, many interventions are developed without the inputs of these SMEs or insufficiently sensitive to the relational and network-based realities of SMEs. Additionally, recent SME studies suggest that performance improvement increasingly depend not only on internal resources but also on how firms collaborate, learn, share resources, build networks and adapt to turbulence (Crick & Crick, 2020; Kustiningsih et al., 2022; Peng, 2025).

This creates an important gap in the literature. For instance, existing studies on SME performance in Benue State have examined taxation, capital constraints, employment creation, management skills, entrepreneurship and business environment with limited attention paid to how strategic alliances influence alliance performance of SMEs in the state. This gap is significant because SMEs in resource-constrained environments such as Benue State often cannot compete effectively by relying only on internal capabilities. Relying on the arguments by Emami et al. (2022), Coelho et al. (2024) and Zairbani (2025), this study argues that strategic alliances may enable SMEs to access complementary resources, reduce costs, share risks, acquire market knowledge, improve innovation and respond more effectively to environmental uncertainty. Yet, the success of such alliances depends on how they are governed, the extent of resource sharing alliance, the quality of knowledge sharing and learning, and the flexibility of the alliance arrangement.

Therefore, this study was designed to examine the effect of strategic alliance on alliance performance of SMEs in Benue State. The study focuses on four dimensions of strategic alliance: governance alliance, resource sharing alliance, knowledge sharing and learning, and flexibility/adaptability alliance. In the

context of this study, strategic alliance is defined as a cooperative arrangement in which two or more independent SMEs deliberately collaborate by sharing resources, knowledge, responsibilities and capabilities to pursue mutually beneficial business objectives while retaining their separate legal identities. On the other hand, alliance performance refers to the extent to which alliance relationships help SMEs achieve expected outcomes such as market access, cost reduction, sales growth, innovation, operational efficiency, partner satisfaction, learning and continuity of collaboration. By focusing on alliance performance, the study moves beyond general SME survival and examines the specific value generated through inter-firm cooperation.

1.2 Research Objectives

The main objective of the study is to examine the effect of strategic alliance on alliance performance of SMEs in Benue State. The specific objectives is to:

1) Examine the effect of governance alliance on alliance performance of SMEs in Benue State.
2) Assess the effect of resource sharing alliance on alliance performance of SMEs in Benue State.
3) Ascertain the effect of knowledge sharing and learning alliance on alliance performance of SMEs in Benue State.
4) Evaluate the effect of flexibility/adaptability alliance on alliance performance of SMEs in Benue State.

1.3 Research Hypotheses

The following null hypotheses are formulated and tested in this study:

H_{01}: Governance alliance has no significant effect on alliance performance of SMEs in Benue State.

H_{02}: Resource sharing alliance has no significant effect on alliance performance of SMEs in Benue State.

H_{03}: Knowledge sharing and learning alliance has no significant effect on alliance performance of SMEs in Benue State.

H_{04}: Flexibility/adaptability alliance has no significant effect on alliance performance of SMEs in Benue State.

2. Literature Review

2.1 Conceptual Review

This conceptual review examines strategic alliance as a collaborative arrangement through which SMEs access complementary resources, exchange knowledge, coordinate activities and adapt to changing business conditions through governance, resource sharing, knowledge sharing and flexibility. It also reviews alliance performance as the economic and relational value generated from such collaboration.

2.1.1 Strategic Alliance

Strategic alliance refers to a cooperative relationship between two or more independent firms that agree to work together to achieve mutually beneficial objectives while retaining their separate identities (Emami et al., 2022). According to Das and Teng, 2000, strategic alliance may involve joint marketing, cooperative purchasing, shared logistics, technology exchange, supplier partnership, distribution collaboration, knowledge exchange or market access arrangements. Unlike mergers and acquisitions, strategic alliances do not require full ownership integration but rather, are based on collaboration, complementarity and shared expectations (Emami et al., 2022; Kustiningsih et al., 2022; Peng, 2025). These arrangements are beneficial particularly to SMEs because micro enterprises often face resource scarcity and environmental vulnerability; hence, may lack finance, technology, managerial expertise, market information, skilled labour and distribution capacity. Through alliances, these enterprises can access resources and capabilities that may be difficult to develop internally (Muthoka, 2022; Widjajanti, 2023; Coelho et al., 2024). However, alliances do not automatically improve performance as they may fail where there is mistrust, weak governance, unequal contribution, poor communication, resource misuse or lack of adaptability (Kim et al., 2025; Su, 2024). In this study, strategic alliance is conceptualised as governance alliance, resource sharing alliance, knowledge sharing and learning, and flexibility/adaptability alliance.

According to Poppo and Zenger (2002), governance alliance refers to the formal and informal mechanisms used to coordinate and regulate alliance relationships, which includes the rules, contracts, partner responsibilities, monitoring systems, decision-making structures, accountability mechanisms, trust, conflict resolution procedures and shared norms. Without governance, alliances may experience opportunism, ambiguity, conflict and poor coordination (Kim et al., 2025; Su, 2024). For SMEs in Benue State, governance

may involve association rules, written agreements, verbal commitments, trust and repeated interaction. Resource sharing alliance on the other hand, refers to the exchange, pooling or joint use of tangible and intangible resources by alliance partners (Das & Teng, 2000). While tangible resources include finance, raw materials, equipment, vehicles, storage facilities, production space and distribution channels, intangible resources include reputation, market knowledge, customer contacts, managerial expertise, technology and business networks. In Benue State, SMEs may share transportation, market information, supplier access, production equipment, procurement channels or customer referrals. However, resource sharing alliance may also create conflict where partners perceive unfair contribution or unequal benefit.

Knowledge sharing and learning alliance refers to the exchange, acquisition and application of knowledge among alliance partners (Coelho et al., 2024). Danko and Crhová (2025) argues that knowledge may include market intelligence, technical know-how, production methods, digital skills, customer management practices, financial management routines, and regulatory information. Recent empirical evidence shows that knowledge sharing improves organisational performance, innovation and market efficiency when firms can absorb and apply external knowledge (Kustiningsih et al., 2022; Coelho et al., 2024; Zhang, 2024). In the SME context, knowledge sharing is especially valuable because many small businesses suffer from inadequate technical and managerial knowledge. Conversely, flexibility/adaptability alliance refers to the ability of alliance partners to adjust their roles, agreements, resource commitments and strategies in response to changing environmental conditions (Peng, 2025). Flexible alliances allow SMEs to renegotiate arrangements, respond to market shifts, reconfigure resources and solve problems jointly. In Benue State, flexibility is particularly important because SMEs operate in an environment that is impacted by insecurity, agricultural seasonality, infrastructure weakness and unstable purchasing power. With flexibility/adaptability alliance, these enterprises expect improvements in alliance performance by enabling them to respond to change without abandoning cooperation.

2.1.2 Alliance Performance

Alliance performance refers to the extent to which an alliance achieves the goals (both economic and relational) for which it was established (Zairbani, 2025). Economic outcomes in an alliance performance may include sales growth, cost reduction, profitability, market expansion, product improvement, operational efficiency and innovation. On the other hand, relational outcomes may include partner satisfaction, trust, commitment, stability, learning and willingness to continue the alliance (Ryan-Charleton et al., 2022; Emami et al., 2022). In SME research, alliance performance is often measured using perceptual indicators because many SMEs lack reliable financial records or are unwilling to disclose financial information. This implies that perceptual indicators provide an appropriate means of assessing alliance outcomes where SMEs do not maintain detailed or publicly available financial records.

Importantly, alliance performance differs from general firm performance because it focuses specifically on the value created for SMEs through collaboration. For example, while an SME may not experience immediate overall firm growth, alliance may still improve supplier access, reduce distribution costs, increase learning or strengthen market visibility. A high-performing alliance is therefore one that creates value for participating SMEs, which supports the achievement of shared objectives. Therefore, this means that alliance performance should be evaluated according to the value specifically generated through collaboration, rather than the overall financial position of an individual SME alone. In this study, alliance performance indicators involve access to the market, reduction in operational costs, innovation and creativity, improvement in sales, learning, partner satisfaction and continuity of collaboration. This implies that a successful alliance improves both business outcomes, such as market access and cost efficiency, and relational outcomes, such as partner satisfaction and continuity of cooperation.

2.2 Theoretical Framework

This study is anchored on the relational view theory (Dyer & Singh, 1998) while supported by the knowledge-based view (Danko & Crhová, 2025). The relational view theory, developed by Dyer and Singh (1998) explains how firms generate competitive advantage through inter-organisational relationships. The theory argues that firms do not create advantage only from resources they own internally but rather, they achieve superior performance from collaborative relationships between and among firms. The central theme of the theory is relational rent, which refers to jointly generated benefits that cannot be produced by either partner acting alone (Zairbani, 2025). According to Dyer and Singh (1998), the theory identifies four sources of relational rent: relation-specific assets, knowledge-sharing routines, complementary resources and capabilities, and effective governance. This theory is applicable to this study because strategic alliances are

fundamentally relational. For instance, while governance alliance reflects the governance mechanism emphasised by the theory, resource sharing alliance reflects complementary resources and capabilities. This shows that SMEs can improve alliance performance when they deliberately structure relationships to access partner resources, coordinate joint activities, share knowledge and respond collectively to environmental changes. In Benue State, where SMEs face resource constraints and environmental uncertainty, the relational view provides a strong explanation of how collaboration may become a source of performance improvement.

The knowledge-based view (Grant, 1996) complements the relational view by explaining why knowledge sharing and learning alliances are essential in alliance relationships. This theory argues that knowledge is one of the most important strategic resources of any firm and that its performance depends on the ability to create, integrate, transfer and apply knowledge (Grant, 1996; Coelho et al., 2024). In alliance relationships, firms do not merely share physical resources; they exchange experience, market intelligence, technical skills and managerial know-how. Recent studies show how knowledge sharing contributes to innovation, competitive advantage, market efficiency and organisational performance (Ratulian et al., 2024; Danko, 2025; Coelho et al., 2024). For SMEs in Benue State, this is particularly important because inadequate technical knowledge and weak managerial capability are major constraints to their performance; hence, this theoretical perspective strengthens the theoretical argument that alliances improve performance when SMEs are able to acquire and apply partner-based knowledge. Therefore, while the relational view explains how inter-firm relationships generate collaborative value, the knowledge-based view explains why knowledge sharing and learning alliance are central to value creation with SMEs. This shows the suitability of integrating these two theoretical perspectives in examining the effect of governance alliance, resource sharing alliance, knowledge sharing and flexibility/adaptability alliance on alliance performance of SMEs in Benue State.

2.3 Empirical Review

Empirical evidence increasingly shows that strategic alliances can improve SME performance, but the effect depends partly on the quality of alliance management and also the specific dimension of collaboration. For instance, Kustiningsih et al.'s (2022) study involving 308 technology-based MSMEs in Indonesia found that strategic alliances positively influence organisational performance. Similarly, Emami et al. (2022) found that strategic alliances influence firm performance among small entrepreneurial firms. Peng (2025) on the other hand, using evidence from Taiwanese SMEs, found that international strategic alliances contribute to dynamic internationalisation capability and competitive advantage. This shows how strategic alliances enable SMEs to overcome internal resource limitations, develop new capabilities, access external markets and convert collaborative relationships into improved performance outcomes.

With respect to alliance governance, Kim et al. (2025) notes that alliance governance research has traditionally focused on structural mechanisms such as contracts and relational mechanisms such as trust. In terms of its relationship on performance, Imtiaz et al.'s (2023) study found that governance mechanisms and collaborative culture influence supply-chain collaboration, which in turn improves SME performance. These findings imply that governance is not only a control mechanism but also a coordination mechanism that supports partner commitment and alliance success. On resource sharing, empirical studies suggest that SMEs benefit when alliances enable them to access complementary assets. Imtiaz et al. (2023) found that inter-firm resource sharing and supply-chain collaboration enhance SME performance. Muthoka (2022) also reported that strategic alliances support SME performance by enabling firms to acquire resources and capabilities that may not be internally available. Ofori-Baafi and Opoku (2025), in a systematic review of resource-based factors driving SME growth, found that firm growth is influenced by resource capabilities, competitiveness and strategic deployment of assets. These findings support the argument that resource sharing improve alliance performance among SMEs.

Knowledge sharing and learning have also received strong empirical support. Coelho et al. (2024) found that alliance management capabilities influence export performance through knowledge sharing and technological capabilities. On their part, Ratulian et al. (2024) showed how knowledge sharing supports sustainable competitive advantage through innovation culture and SME business performance. Additionally, Danko (2025) further established that knowledge sharing is associated with innovation, market efficiency and financial outcomes. These studies suggest that knowledge sharing enables SMEs to transform alliance relationships to achieve sustained competitive advantage by acquiring and applying partner-based expertise. Conversely, research by Peng (2025) found that international strategic alliances help SMEs build

dynamic capabilities that enhance competitive advantage. Zahoor (2023) also showed that alliance management capability can drive co-innovation and internationalisation speed among SMEs while Zairbani (2025) found that strategic alliances influence innovation, product development and organisational performance. These findings suggest that alliance management capability and flexibility help SMEs reconfigure resources, pursue co-innovation and respond more rapidly to market opportunities.

Despite these empirical studies, research gaps still exist especially in the context of this study. Most alliance-performance relationship studies are conducted outside Nigeria with many SME studies in Nigeria focusing more on finance, taxation, entrepreneurship training and environmental constraints rather than alliance governance, resource sharing, knowledge sharing and flexibility. Additionally, studies conducted in Benue State have documented SME constraints without sufficiently examining how strategic alliance is a performance-enhancing mechanism. This study therefore addresses these gaps by examining how four dimensions of strategic alliance influence alliance performance among SMEs in Benue State.

3. Research Methodology

This study adopted a cross-sectional survey research design to collect quantitative data on the relationship between strategic alliance and alliance performance of small and medium scale enterprises (SMEs) in Benue State, Nigeria. Cross-sectional research design is appropriate in this study because it enables the researcher to obtain standardised responses from a relatively large number of SME owners and/or managers within a specified period, thereby facilitating the empirical examination of the effect of strategic alliance dimensions on alliance performance. Therefore, this research design will be based on a population of 1,811 SMEs (SMEDAN, 2017) operating in Benue State across sectors such as trading, agro-processing, transportation, hospitality, retailing, small-scale manufacturing and other service activities. Employing Yamane (1967) formula, the sample size of 328 was calculated for this study. Consequently, SME owners and/or managers were selected as respondents because they are directly involved in making decisions concerning business partnerships, resource exchange, market relationships and collaborative arrangements.

In terms of sampling technique, simple random sampling was employed in selecting respondents from the available sampling frame, giving eligible SMEs an equal opportunity of being selected and included in the study to reduce possible selection bias. To collect the data, a structured questionnaire was designed and administered directly on the owners and/or managers of the selected SMEs with the questionnaire containing items measuring the dimensions of strategic alliance and alliance performance. Before administration, respondents were informed about the purpose of the study, assured that their responses would be treated confidentially, and informed that participation was voluntary. Thereafter, the complete questionnaires were checked for completeness, then coded and entered into SPSS v.23 for analysis.

For data analysis, descriptive statistics, including mean scores, standard deviations and Pearson correlation analysis were used to summarise the data and determine preliminary relationships among the study variables. Thereafter, multiple regression analysis was then employed to test the individual and combined effects of governance alliance, resource sharing alliance, knowledge sharing and learning, and flexibility/adaptability alliance on alliance performance at a 5% level of significance.

4. Findings

4.1 Descriptive Statistics and Correlation Results

The study distributed 328 questionnaires but only 216 were retrieved. Out of those retrieved, 180 were removed for incomplete information which resulted to a usable sample size of 53.04%. The descriptive statistics (Table 1) show that respondents generally reported relatively high levels of alliance performance and strategic alliance practices among SMEs in Benue State. Alliance performance recorded the highest mean score of 4.33 (SD = 0.717), indicating that the sampled SMEs generally perceived their alliances as beneficial in achieving expected outcomes. Resource sharing alliance also recorded a high mean score of 4.39 (SD = 1.022), suggesting that SMEs commonly exchange or jointly utilise resources such as information, market contacts, materials, facilities, distribution arrangements, finance, or business networks. On the other hand, knowledge sharing and learning alliance had a mean score of 4.03 (SD = 0.858), while flexibility/adaptability alliance recorded a mean score of 3.74 (SD = 0.820). The relatively lower mean score for governance alliance suggests that although SMEs appear willing to share resources and learn from alliance partners, their collaborative relationships may not always be supported by clear rules, formal agreements, monitoring

procedures, conflict-resolution mechanisms, or jointly agreed decision-making arrangements.

Table 1: Mean, Standard Deviation of Correlation Result

Variables	Mean	SD	1	2	3	4	5
Alliance performance (1)	4.33	.717	1.000				
Alliance governance (2)	3.33	.846	.065	1.000			
Resource sharing alliance (3)	4.39	1.022	.483**	-.017	1.000		
Knowledge sharing alliance (4)	4.03	.858	.472**	-.023	.182*	1.000	
Flexibility/adaptability alliance (5)	3.74	.820	.279**	.027	.141*	.139*	1.000

**p < 0.001; *p < 0.01

The correlation results (Table 1) show that resource sharing alliance, knowledge sharing and learning, and flexibility/adaptability alliance each have positive and statistically significant relationships with alliance performance. Alliance performance correlated significantly with resource sharing alliance (R = 0.483, p < 0.001), knowledge sharing and learning alliance (R = 0.472, p < 0.001), flexibility/adaptability alliance (R = 0.279, p < 0.001). In contrast, governance alliance had a weak and statistically non-significant relationship with alliance performance, r = 0.065, p = 0.195. This implies that, within the sampled SMEs, the existence of governance-related practices alone was not strongly associated with improved alliance performance. Additionally, the correlations among the independent variables were low, ranging from −0.023 to 0.182, indicating that the strategic alliance dimensions were related but distinct constructs and were unlikely to create multicollinearity concerns in the subsequent regression analysis.

4.3 Test of Multicollinearity

The collinearity statistics indicate that multicollinearity was not a problem in the model as the tolerance values ranged from 0.953 to 0.998, which are substantially above the minimum acceptable threshold of 0.10 (Tabachnick & Fidell, 2019). Similarly, the Variance Inflation Factor values ranged from 1.002 to 1.050, which are far below the commonly accepted cut-off value of 10 as suggested by Tabachnick and Fidell (2019). These results indicate that the independent variables did not excessively overlap and could be included together in the regression model without creating unstable coefficient estimates.

4.4 Regression Model Evaluation

Multiple regression analysis was employed to evaluate the effect of governance alliance, resource sharing alliance, knowledge sharing and learning, and flexibility/adaptability alliance on alliance performance of SMEs in Benue State. The results (see Table 2) showed an R = 0.648, indicating a moderately strong combined relationship between the strategic alliance dimensions and alliance performance. The R-square (R^2) = 0.420 shows that the four dimensions jointly explain 42.0% of the variance in alliance performance while the adjusted R-square = 0.407, indicating that after adjusting for the number of predictors, approximately 40.7% of the variation in alliance performance was explained by the model. Also, the model evaluation result (see Table 2) showed that the overall regression model was statistically significant, F(4, 175) = 31.667, p < 0.001 indicating that the four strategic alliance dimensions, when considered together, significantly predict alliance performance of SMEs in Benue State.

4.5 Regression Result: Hypothesis Testing

Four hypotheses were tested in this study whereby governance alliance (H_{01}), resource sharing alliance (H_{02}), knowledge sharing and learning alliance(H_{03}), and flexibility/adaptability alliance (H_{04}) was hypothesised to have a significant influence on alliance performance of SMEs in Benue State. The multiple regression results show that while resource sharing alliance (H_{02}), knowledge sharing and learning alliance(H_{03}), and flexibility/adaptability alliance (H_{04}) had a statistically significant effect on alliance

performance, governance alliance (H_{01}) fail to have a statistically significant effect (see Table 2).

Table 2: Model Evaluation and Test of Hypotheses

Variables	B	t	sig.	Decision
Governance alliance	0.075	1.310	0.192	Accept
Resource sharing alliance	0.391	6.632	0.001	Reject
Knowledge sharing and learning alliance	0.379	6.428	0.001	Reject
Flexibility/adaptability alliance	0.169	2.883	0.004	Reject
R		0.648		
R^2		0.420		
Adjusted R^2		0.407		
$F_{0.001}$		31.667		
df		4, 175		

The Table 2 shows that governance alliance had a positive but statistically non-significant effect on alliance performance ($\beta = 0.075$, $t = 1.310$, $p = 0.192$). Therefore, the null hypothesis stating that governance alliance has no significant effect on alliance performance of SMEs in Benue State was retained. On the other hand, resource sharing alliance had a positive and statistically significant effect on alliance performance ($\beta = 0.391$, $t = 6.632$ $p < 0.001$) indicating that SMEs that engage more actively in sharing resources with alliance partners are more likely to report improved alliance performance. Therefore, the null hypothesis stating that resource sharing alliance has no significant effect on alliance performance of SMEs in Benue State was rejected.

Knowledge sharing and learning alliance also had a positive and statistically significant effect on alliance performance ($\beta = 0.379$, $t = 6.428$, $p < 0.001$) implying that SMEs that exchange knowledge, learn from their partners and apply shared business information are more likely to achieve positive alliance outcomes. Hence, the null hypothesis which stated that knowledge sharing and learning alliance has no significant effect on alliance performance of SMEs in Benue State was rejected. Lastly, flexibility/adaptability alliance had a positive and statistically significant effect on alliance performance ($\beta = 0.169$, $t = 2.883$, $p = 0.004$), meaning that SMEs that can adjust alliance roles, agreements, resource commitments and joint activities in response to changing conditions are more likely to achieve better alliance outcomes. This shows that the null hypothesis that stating that flexibility/adaptability alliance has no significant effect on alliance performance of SMEs in Benue State was also rejected.

5. Discussion

Four hypotheses were evaluated in this study using multiple regression analysis. The overall regression model jointly explain the variation with alliance performance of SMEs in Benue State (R^2 = 42.0%) implying that these aspects of strategic alliance constitute a meaningful source of collaborative value in a context where many firms operate with limited capital, weak infrastructure, inadequate market information and unstable operating conditions. For SMEs in Benue State, strategic alliances may reduce the disadvantages associated with small size by allowing firms to access resources, share risks, coordinate market activities and learn from external partners. However, the model also leaves 58.0% of alliance performance unexplained, which demonstrates that strategic alliance dimensions, although significant, do not fully determine alliance outcomes implying that alliance performance may depend on other factors such as trust, partner commitment, firm capability, quality of leadership, business sector, financial strength, technological readiness, customer demand, security conditions and institutional support; factors which are not considered in

this study. Therefore, strategic alliances should not be treated as a universal solution to SME performance challenges.

5.1 Governance Alliance and Alliance Performance

The finding that governance alliance had no statistically significant direct effect on alliance performance is one of the most important results of the study. Although the coefficient was positive, the relationship was weak and not statistically significant. This means that the governance practices measured in the study did not independently predict alliance performance holding resource sharing alliance, knowledge sharing and flexibility constant. This finding appears to differ from the relational view (Dyer & Singh, 1998), which identifies effective governance as one of the core sources of relational rents. The relational view suggests that governance mechanisms reduce opportunism, clarify responsibilities, coordinate activities and protect alliance partners from conflict. However, the non-significant result does not necessarily mean that governance is irrelevant to SMEs in Benue State. Instead, it may indicate that governance plays a more indirect role.

One possible explanation is that many SME alliances in Benue State are informal and based on social familiarity, kinship networks, association membership, personal reputation and repeated interaction. In such settings, formal governance arrangements such as written contracts, formal monitoring systems and documented dispute-resolution procedures may be weak or absent. Consequently, respondents may not perceive governance practices as the direct source of alliance value but rather that alliance performance may be driven more immediately by visible benefits such as access to resources, market information and practical business support. The relatively low mean score for governance alliance also supports this interpretation implying that many alliances may be operating through informal routines rather than deliberate structures. While this may work in the short term, it can become problematic as alliances expand, involve more resources, or encounter disagreements. Therefore, the non-significant result highlights the need for SMEs to develop governance arrangements that are simple, context-sensitive and sufficiently formal to clarify roles, contributions, decision rights and dispute-resolution processes.

5.2 Resource Sharing Alliance and Alliance Performance

Resource sharing alliance had the strongest effect on alliance performance of the four dimensions of strategic alliance. The positive and significant coefficient indicates that SMEs that share resources with alliance partners are more likely to experience improved alliance outcomes. This finding is consistent with the relational view, particularly its emphasis on complementary resources and capabilities. Because SMEs often lack sufficient financial resources, equipment, market access, storage facilities, technical expertise and distribution capacity, alliance relationships will enable them to access resources that may be difficult or expensive to acquire individually. The result is also consistent with empirical studies showing that collaboration improves SME performance by providing access to complementary assets, reducing transaction costs and strengthening market reach (Imtiaz et al., 2023; Muthoka, 2022; Ofori-Baafi & Opoku, 2025). In Benue State, resource sharing alliance may involve joint purchasing, shared transportation and storage, supplier linkages, customer referrals, pooled capital, collective marketing and access to distribution channels. These practices can directly reduce costs and improve operational efficiency, thereby producing visible performance benefits. However, Gao and Huang (2025) cautions that resource sharing alliance may create short-term gains, but sustainable alliance performance requires transparent arrangements regarding who contributes what, who controls shared resources and how benefits are distributed.

5.3 Knowledge Sharing and Learning Alliance and Alliance Performance

Knowledge sharing and learning alliance had the second strongest effect on alliance performance, indicating that SMEs that exchange market information, technical knowledge, production experience, customer insights and management practices are more likely to achieve positive alliance outcomes. This finding strongly supports the knowledge-based view, which treats knowledge as a strategic resource that can create sustained advantage when firms are able to acquire, integrate and apply it effectively (Grant, 1996). In addition, this finding is consistent with previous studies that link knowledge sharing to innovation, competitive advantage, export performance and SME growth (Coelho et al., 2024; Kustiningsih et al., 2022; Ratulian et al., 2024). In the context of SMEs in Benue State, knowledge sharing can be particularly valuable because limited technical and managerial knowledge is one of the major barriers to business growth, therefore, through alliances, SMEs in Benue State may learn improved

production processes, pricing strategies, digital marketing methods, inventory management techniques, customer-service practices and regulatory requirements. Despite its importance, Kustiningsih et al. (2022) argues that SMEs may receive useful knowledge from partners but may fail to benefit from such knowledge if they lack the skills, systems or willingness to understand and apply that knowledge.

5.4 Flexibility/Adaptability Alliance and Alliance Performance

Flexibility/adaptability alliance also had a positive and statistically significant effect on alliance performance, although its effect was smaller than those of resource sharing alliance and knowledge sharing suggesting that while flexibility matters, it may be playing a supporting rather than dominant role in creating alliance value among SMEs in Benue State. This is understandable because SMEs in Benue State operate in an environment characterised by fluctuating input costs, weak infrastructure, changing customer demand, insecurity, supply disruptions and agricultural seasonality. Under these conditions, rigid alliance arrangements may become ineffective. Therefore, alliances that allow partners to adjust delivery schedules, revise resource contributions, modify product offerings, change distribution arrangements and respond jointly to market shocks are more likely to remain functional and productive. This finding is consistent with studies linking strategic alliance capability, dynamic capability and adaptability to innovation and SME competitiveness (Peng, 2025; Zahoor, 2023; Zairbani, 2025). Likewise, the conclusion derives strength from the relational view (Dyer & Singh, 1998), submitting that alliance value depends not only on the existence of shared resources but also on the ability of partners to reconfigure their relationship in response to changing conditions.

6. Contribution to Knowledge

This study makes several contributions to knowledge. First, it provides empirical evidence on how strategic alliance dimensions influence alliance performance of SMEs in Benue State. Existing studies on SMEs in Benue State, Nigeria concentrate more on access to finance, taxation, entrepreneurship training, business environment and government support. Hence, this study extends the literature by demonstrating that collaborative relationships between and among firms are also important for understanding SME performance. Second, the study contributes to relational view theory (Dyer & Singh, 1998) by showing how alliance performance of SMEs is significantly associated with resource sharing alliance and flexibility/adaptability alliance. This supports the core argument that SMEs can create relational rents through access to complementary resources and relationship-specific capabilities, demonstrating how the relational view is relevant not only to large firms and international alliances but also to smaller businesses operating in a resource-constrained local economy.

Third, the study advances the knowledge-based view by providing evidence that knowledge sharing and learning alliance significantly improve alliance performance. The finding confirms that knowledge is not merely an internal firm resource but that it can also be generated, exchanged and applied through inter-firm relationships. Fourth, the study establishes the relative importance of the alliance dimensions examined. Resource sharing alliance emerged as the strongest predictor of alliance performance, followed closely by knowledge sharing and learning, while flexibility/adaptability alliance made a smaller but significant contribution. Governance alliance was not a significant direct predictor. By establishing the relative strength of each strategic alliance dimensions, this study add depths to our understanding of what alliance performance connotes by showing that not all alliance practices contribute equally in the Benue State SME context.

7. Limitations and Suggestions for Further Studies

The study is without limitations. The study employed a cross-sectional design where data was collected at a single point in time, making it difficult to establish whether strategic alliance practices cause improved alliance performance or whether better-performing SMEs are more likely to engage in strategic alliances. This connotes that establishing causality in cross-sectional research studies is difficult. Therefore, future studies should use longitudinal research designs to better observe how alliance relationships and performance evolve over time. Also, because the study relied on self-reported questionnaire data, there is a possibility that respondents may have overstated the effectiveness of their alliances because of social desirability, recall bias or the tendency to present their businesses positively. This impacts greatly on the validity and conclusions of the research. Therefore, future research should combine perceptual measures with objective indicators such as sales growth, profit growth, number of customers, market expansion, cost reduction, alliance duration and business survival.

Additionally, the study did not include mediating or moderating variables such as trust, partner compatibility, alliance duration, business size, sector, firm age, owner-manager experience, and environmental uncertainty among others. Hence, future research should include these variables to better explain the mechanisms and boundary conditions through which strategic alliance dimensions influence alliance performance. Lastly, the study was conducted in Benue State which may make the generalisable of findings to SMEs in other Nigerian states difficult. Future studies should undertake comparative research across states, geopolitical zones and sectors to better establish whether the relationships found are replicable across the different geopolitical zones in Nigeria and abroad. Finally, future studies may adopt mixed methods designs to combine statistical evidence with in-depth insights into how SME owners and/or managers form, manage and sustain alliance relationships in practice.

8. Conclusion

This study was conducted to examine the effect of strategic alliance dimensions on alliance performance of SMEs in Benue State. The result showed that the four strategic alliance dimensions jointly explained a substantial proportion of variation in alliance performance. Specifically, resource sharing alliance, knowledge sharing and learning, and flexibility/adaptability alliance had a positive and statistically significant effect on alliance performance while governance alliance failed to predict alliance performance. The findings demonstrate that SMEs in Benue State are more likely to benefit from alliances when such relationships provide practical access to complementary resources, facilitate learning and remain flexible in the face of changing conditions. Resource sharing alliance emerged as the strongest predictor with knowledge sharing and learning alliance also emerging as a major driver of alliance performance, reinforcing the importance of learning-based collaboration. Flexibility/adaptability alliance also enhanced alliance performance as it enabled alliance partners to respond to environmental uncertainty and the changing market conditions. Although, while governance alliance was not statistically significant, it should not be dismissed as unimportant, which highlights the importance of SMEs in developing governance arrangements that are simple, practical and appropriate for their operating environment. The study concludes that strategic alliances can provide a viable pathway for improving SME alliance performance in Benue State; yet successful alliances require more than informal cooperation to ensure the success of SMEs.

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