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Revitalising State-Owned Enterprises through Strategic Alliances: A Performance Analysis of Malawi's Public Enterprises

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Abstract

This study examines the impact of Strategic Alliances (SAs) on the performance of commercial public enterprises in Malawi. Using a descriptive survey design, the research analysed 37 commercial public enterprises through structured questionnaires administered to senior managers. The investigation employed the Resource-Based View, Resource Dependency Theory, Public Interest Theory, and Balanced Scorecard Model as theoretical foundations. Four types of SAs were examined: resource sharing, risk sharing, regulatory compliance, and cost efficiency based partnerships. Regression analysis revealed that SAs explain almost ninety per cent of variance in organisational performance. Regulatory compliance-based alliances demonstrated the strongest impact, followed by risk sharing, cost efficiency and resource sharing alliances. The findings indicate that strategic partnerships significantly enhance public enterprise performance across profitability, market share, growth, and operational efficiency metrics

KEYWORDS: Strategic alliances, Public enterprises, State-owned enterprises, SOE, Organisational performance, Resource sharing, Regulatory compliance

Introduction

The modern global business environment is changing quickly, with businesses dealing with intense rivalry and a variety of environmental factors that impact their ability to operate effectively across borders. All businesses, regardless of size, ownership, or location, are affected by these environmental factors, but public enterprises (also referred to as state-owned enterprises or SOEs) with a commercial focus are especially vulnerable (Aharoni, 2024). Because public enterprises sometimes exhibit rigid structures that jeopardise performance outcomes, their state proprietorship frequently makes it difficult for them to effectively compete with fully private firms (Phi et al., 2021). As a result, governments all over the world are becoming more concerned about the sustainability and efficiency of public enterprises (OECD, 2024; Zenebe et al., 2024).

At an international level, public enterprises face examination regarding their operational effectiveness and productivity, primarily due to bureaucratic obstacles, lack of competition, and political interference. Many public enterprises lag behind private companies in terms of efficiency and innovation measures because of outdated technology, inflexible organisational structures, and inadequate performance incentives. Consequently, the performance of public enterprises shows significant variation across measures such as profitability, revenue growth, financial stability, and market share. (Baporikar & Randa, 2020; OECD, 2022). Whilst some public enterprises make valuable contributions to economic growth, others face financial difficulties including significant debt burdens, cash flow problems, and reliance on government rescue packages. Despite these trends, Chinese public enterprises have demonstrated relatively strong performance over the past four decades, owing to sound corporate governance structures, effective funding arrangements, and corporate social responsibility programmes. (Huang et al, 2025; Lin et al., 2020).

By creating jobs, providing basic services, and supporting important industrial sectors, commercial public enterprises in Africa carry out vital roles in economic growth. However, many African public enterprises have difficulties such as high levels of debt, inefficient operations, and dependence on government subsidies. Digital transformation has barely occurred (Marimuthu, 2021; Olubusola et al., 2024). Governance frailties, political interference, corruption, and transparency deficiencies significantly undermine performance outcomes. Fiscal challenges, including liquidity constraints and unsustainable debt obligations, further exacerbate operational difficulties. Addressing these impediments necessitates implementation of sound fiscal management practices, revenue enhancement strategies, and operational cost reductions. In Ghana, for instance, public enterprises play a vital role in public service provision yet continue to experience performance deterioration, necessitating urgent strategic interventions.

In Malawi, public enterprises contribute substantially to economic advancement through provision of essential services, employment creation, and industrial support. Despite their significance, numerous commercial public enterprises have underperformed, with many seeking governmental financial assistance. Reports indicate that the nation faces fiscal risks due to insolvent and underperforming public enterprises, with several such entities requiring huge amounts over the forthcoming period to achieve recovery (IMF, 2024). A noteworthy exemplar is Malawi Airlines, which continues to register substantial financial losses despite implementing turnaround strategies.

Strategic alliances (SAs) have been an effective corporate strategy to revitalise faltering commercial public enterprises. Organisations use SAs to increase competitiveness, break into new markets, acquire vital competencies, and share the risks and costs of large-scale product creation in light of the fiercely competitive global business climate (Mamédio et al., 2019; Skokic, 2015). Identifying appropriate SA partners has become essential for organisations seeking long-term viability.

Research demonstrates a positive correlation between SAs and organisational performance. The alliances between banking institutions and FinTech enterprises facilitate accelerated innovation whilst enabling FinTech firms to leverage banks' resources and market reach and provide emerging enterprises with essential financing, thereby enhancing performance outcomes. SAs improve small and medium-sized enterprise (SME) performance. Additionally, the alliances positively influence both financial and non-financial performance metrics within the textile industry.

Furthermore, backward, forward, and horizontal integration directly contributes to SME growth by expanding market reach and customer accessibility. Environmental, firm-specific, and partner-related factors can influence SA effectiveness. Within the banking sector, strategic partnerships assist commercial banks in expanding their customer base, diversifying product offerings, and enhancing profitability. The SAs have contributed to market share growth within Malawi's commercial banking sector. Generally, whilst commercial public enterprises face significant performance challenges globally, regionally, and locally, SAs present opportunities to enhance competitiveness, improve fiscal stability, and foster long-term growth. Implementing effective governance structures, adopting innovative business strategies, and forming SAs can assist commercial public enterprises in navigating the complex global business environment and achieving sustainable success.

Organisational performance refers to the extent to which enterprises utilise resources to generate value. Traditionally, fiscal metrics such as profitability and revenue growth have been extensively employed to assess performance, particularly within manufacturing contexts. These financial measurements provide crucial insights into an organisation's fiscal health. However, scholars contend that financial indicators alone provide an incomplete representation of organisational performance. Non-financial metrics including market share, growth, and cost efficiency are equally important. Operational efficiency, for instance, represents a key performance measure that cannot be quantified solely through financial data. Consequently, comprehensive performance evaluation integrates both financial and non-financial indicators. This investigation adopts a dual approach, incorporating profitability, market share, growth, and cost efficiency to measure organisational performance.

SAs constitute formal partnerships between organisations aimed at achieving business objectives collaboratively rather than competitively. These alliances are frequently motivated by diverse benefits but also present challenges. For SAs to succeed, they must be well-structured, supported by strategic managers, and implemented within an environment of trust and supportive organisational culture. The motivations for establishing SAs are diverse. External motivations include regulatory requirements, industry policies, and competitive pressures, whilst internal factors involve acquiring both tangible and intangible resources such as expertise, financial capital, and human resources.

Benefits of SAs can be classified into three categories: firm-based, environmental, and partner-based. Firm-based motivations stem from an organisation's need to acquire resources, both material and immaterial, to sustain operations. Environmental-based motivations aim to reduce risks associated with market concentration, competitive pressures, and geographical limitations. Partner-based motivations focus on leveraging industry connections, enhancing reputation, and gaining access to new opportunities through collaboration.

This study follows the classification of SAs, categorising them into four principal types based on benefits or underlying rationales: resource sharing, risk sharing, regulatory compliance, and cost efficiency. Resource-sharing alliances enable organisations to pool strategic resources, including knowledge, finances, and human capital, to enhance competitiveness. Risk-sharing alliances are formed to mitigate financial, operational, and global risks, ensuring business continuity in uncertain environments. Compliance-based alliances arise due to governmental regulations that necessitate collaborative operations to meet legal requirements. Lastly, cost-efficiency-based alliances focus on reducing operational expenditures by leveraging economies of scale, optimising production, and minimising expenses associated with business activities. SAs play a crucial role in improving business performance by fostering collaboration, resource optimisation, and risk mitigation. However, for these partnerships to be effective, organisations must align their objectives, maintain trust, and implement strategies that maximise shared benefits. By integrating financial and non-financial performance measures with SAs, organisations can enhance their competitive advantage and ensure long-term sustainability.

Commercial public enterprises in Malawi were established by the colonial administration to provide essential services beyond private sector capacity, including communication, transport, manufacturing, and trade facilitation. These enterprises were constituted through Parliamentary legislation under the State Corporation Act. Despite their intended role in economic development, certain public enterprises have experienced financial difficulties, frequently relying on governmental financial support. In Malawi, public enterprises serve both commercial and social objectives, including development in underdeveloped regions, provision of essential goods and services, and correction of market failures. They may be wholly or partially government-owned, with their functions determined by legal instruments including Parliamentary Acts, company laws, or executive orders. The regulatory framework governing public enterprises consists of institutional, legislative, and regulatory guidelines applicable to public servants and entities. Similar to other business entities, the primary objective of commercial public enterprises is wealth maximisation through cost reduction, increased production, or both approaches. public enterprises are classified into commercial and non-commercial categories, with commercial public enterprises prioritising profitability. Key commercial public enterprises in Malawi include dealing with pipelines, power, media and energy. This investigation will specifically examine the role and performance of commercial public enterprises.

Research Problem

While public enterprises fulfil a pivotal function in Malawi's industrial advancement, employment provision, and economic enhancement, numerous commercial public enterprises have encountered fiscal difficulties, with several requiring governmental financial intervention to maintain operations. Organisations such as Malawi Railways, and have exhibited suboptimal performance, exposing the nation to fiscal vulnerability. SAs are regarded as a potential methodology for revitalising underperforming public enterprises. However, the degree to which

Malawian public enterprises have employed SAs to enhance operational efficacy remains indeterminate.

Extant literature accentuates the function of SAs in organisational performance, albeit with constrained emphasis on public enterprises. The banking institutions establish alliances with FinTech organisations to expedite innovation, whilst FinTech entities benefit from banking resources. Environmental and partner-based motivations can enhance performance, albeit within the manufacturing context. Similarly, banks form alliances to expand their clientele and augment profitability. Notwithstanding these findings, knowledge gaps persist. The preponderance of studies concentrate on SA typologies rather than motivations, are conducted within global contexts, and emphasise banks, FinTechs, and SMEs, with circumscribed research on public enterprises. This investigation seeks to examine the impact of SAs on the performance of commercial public enterprises in Malawi, addressing these lacunae in current literature.

The specific objectives of this research are to establish the effect of resource sharing based alliance on the performance of commercial public enterprises in Malawi; to examine the effect of risk sharing based alliance on the performance of these enterprises; to evaluate the effect of regulatory compliance-based alliance on their performance; and to analyse the effect of cost efficiency-based alliance on the performance.

The investigative findings are valuable for senior management within the public enterprises to comprehend the motivations underlying SA formation through analysis of both internal and external business environments. This understanding enables managers to align alliances with specific advantages such as growth, fiscal performance, and market presence. It additionally assists them in identifying appropriate partners capable of providing necessary resources to enhance performance and adapt to evolving conditions. Consequently, public enterprises can improve their operations, contributing to national socioeconomic advancement by addressing unemployment and poverty. Furthermore, the investigation provides significant insights for researchers exploring the relationship between SAs and organisational performance, particularly through public interest, resource dependency, and resource-based view theoretical frameworks. It serves as a valuable empirical literature source for future research by identifying knowledge gaps that can inform study topics and refine research problems. The findings are likewise beneficial for policymakers within governmental agencies and regulatory bodies such as the CMA, CBK, and parliament, assisting in policy formulation and evaluation of SAs involving public enterprises.

Literature Review

The theoretical literature review for this study is grounded in the Resource-Based View (RBV), Resource Dependency Theory (RDT), Public Interest Theory, and the Balanced Scorecard Model. These theoretical frameworks and models establish a solid foundation for examining the connections between SAs, resource deployment, regulatory adherence, and performance within public enterprises.

The Resource-Based View (RBV) Theory argues that an organisation's ability to attain and maintain competitive advantage rests upon its capacity to procure and deploy valuable, scarce, inimitable, and non-replaceable resources. Such resources might be physical assets like equipment and infrastructure, or intangible assets including brand standing, knowledge, and specialist skills (Bou, 2023). Commercial public enterprises may either cultivate resources internally or obtain them via SAs with organisations that possess the required capabilities. For example, knowledge exchange, market insights, and innovation may be accessed through collaborative arrangements rather than through expensive internal development. This makes RBV pertinent for explaining how resource-sharing partnerships improve organisational performance. Particularly for public enterprises with international operations, SAs enable them to obtain overseas market intelligence, which is essential for extending market presence. Therefore, this theory supports the independent variable of resource-sharing-based partnerships.

Resource Dependency Theory (RDT) explains the mutual dependence between organisations and their external operating environment. Companies depend upon external resources controlled by other entities, making SAs essential for business continuity and achievement. RDT presupposes that organisations rely on external firms for vital resources, and their capacity to access these resources influences their stability and performance. The power relationships within such partnerships may generate dependencies, uncertainties, and potential disputes. Nevertheless, trust, reciprocity, and dedication amongst strategic partners can reduce opportunistic conduct and reinforce partnerships, resulting in enhanced resource access. For commercial public enterprises, SAs help in obtaining resources such as technology, financial backing, and expertise that they might not develop independently. This improves their effectiveness and competitiveness within a highly fluid business landscape.

Public Interest Theory offers an alternative lens through which to examine the relationship between regulation and public enterprise performance. The theory proposes that market failures, frequently arising from monopolistic practices and externalities, require governmental intervention to ensure fair resource distribution and social welfare. Regulations are formulated to address market failures by implementing policies that safeguard public interests. Public Interest Theory assumes that politicians and regulators operate in the public's interest and that regulatory measures improve transparency, effectiveness, and fairness in business operations. However, detractors, notably from the Chicago School of Law and Economics, contend that market failures can frequently self-rectify without governmental interference, and where regulation is required, private sector-led solutions may offer better alternatives to government supervision. Furthermore, when regulators lack competence, are corrupt, or are swayed by vested interests, regulation fails to accomplish its intended objectives. Notwithstanding these criticisms, Public Interest Theory continues to be applicable in explaining compliance motivations and regulatory effects on public enterprise performance. In Malawi, numerous regulations have been implemented to oversee public enterprises, ensuring they function transparently and serve the public interest. The theory provides justification for why governments establish rigorous regulatory frameworks for public enterprises to guarantee accountability and long-term viability.

The Balanced Scorecard Model offers a thorough approach to evaluating organisational effectiveness. It converts strategic goals into measurable performance indicators across four key areas: financial outcomes, customer relations, internal operational processes, and learning and development. The financial dimension concentrates on turnover expansion, profit margins, return on investment, liquidity, and stakeholder returns. The customer dimension examines client contentment, allegiance, and continuity, guaranteeing the organisation successfully fulfils client requirements. Crucial indicators within this area encompass market position, customer satisfaction scores, and client retention figures. The internal operational process dimension reviews procedural effectiveness, innovation capabilities, quality standards, and operational performance. Essential measurements comprise processing duration, error frequencies, output levels, and procedural effectiveness. Finally, the learning and development dimension investigates the organisation's ability to foster innovation, cultivate expertise, and maintain sustained performance. This encompasses staff satisfaction levels, employee departure rates, educational expenditure, and corporate ethos.

By combining these four perspectives, the Balanced Scorecard Model provides public enterprises with a structured approach to measuring and improving their performance. Because of its comprehensive methodology, the model is applicable to evaluating the effectiveness, long-term viability, and strategy alignment of commercial public enterprises. The theoretical literature review offers a thorough framework for assessing public enterprise performance by combining RBV, RDT, Public Interest Theory, and the Balanced Scorecard Model. Acquisition of both internal and external resources is emphasised by RBV as a major source of competitive advantage. RDT emphasises how important SAs and inter-firm resource interdependence are to guaranteeing access to vital resources. According to public interest theory, government regulation of public enterprises is justified in order to safeguard the general welfare and guarantee the best possible use of available resources. Last but not least, the Balanced Scorecard Model provides an organised method for assessing an organization's performance in a number of areas. When combined, these theories and models aid in comprehending resource management, SA dynamics, regulatory compliance, and performance enhancement in commercial public enterprises.

Extensive empirical research has investigated the connection between SAs and organisational performance, focusing particularly on partnerships centred around resource sharing, risk distribution, regulatory adherence, and cost-effectiveness. This body of research offers valuable understanding regarding the underlying drivers of SAs and their effects across different sectors. Multiple studies demonstrate how companies participate in SAs to pool resources and foster expansion. Through backward, forward, and horizontal integration via SAs, organisations achieved sustained growth by broadening their market presence. Environmental factors, firm characteristics, and partner-related considerations substantially affect organisational outcomes.

Within the educational domain, collaborations between universities and industry, alongside government-implemented penalties and incentives, fostered stability in cooperative ventures. Alliances between banking institutions and financial technology companies showed that banks established partnerships to enhance product development speed, whilst FinTech organisations pursued financial backing, market insights, and regulatory support. This research indicates that companies establish alliances to capitalise on collective resources and market prospects, thereby improving overall performance.

Risk-sharing strategic partnerships enable companies to reduce uncertainties whilst bolstering their competitive position. Organisations establish these partnerships to distribute risks, lower expenses, strengthen their standing, and boost credibility. Research in the banking industry demonstrates that partner compatibility and organisational commitment substantially affect outcomes, whereas strategic direction exerts less influence. Collaborations between Swedish financial technology companies and venture capital firms show these partnerships assisted FinTech enterprises in establishing credibility within competitive markets. Reputation plays a crucial role when emerging market companies expand internationally, with firms possessing weaker reputations more inclined to pursue strategic alliances to improve their standing in global markets. Strategic alliances function as a vital tool for organisations seeking to control risk, broaden market reach, and enhance competitive strength.

Companies also participate in strategic alliances to meet regulatory obligations whilst preserving their competitive edge. Partnerships between commercial and charitable organisations in Bangladesh demonstrate that collaborative innovation drove strategic relationships, assisting firms in managing stringent regulatory frameworks. Government regulations significantly affect partnership formation, with regulatory policies encouraging small and medium enterprises to establish strategic alliances for enhanced environmental performance.

Strategic alliances within Indonesia's medical equipment sector show that regulatory limitations on foreign direct sales and the implementation of electronic procurement systems encouraged cooperation between domestic and international companies. Likewise, marketing approaches in heavily regulated Italian sectors indicate that firms partnered with reputable organisations to enable market access in compliance-intensive industries. These findings illustrate that regulatory contexts considerably shape partnership development, allowing companies to manage complex compliance demands whilst maintaining growth.

Cost-effectiveness represents another fundamental motivation for strategic alliances. Among courier companies in Malawi, resource-based, cost-focused, and relationship-driven collaborations directly enhance performance. Swedish company partnerships reveal that smaller enterprises were more inclined to form alliances with larger organisations to reduce expenses and improve learning opportunities. Strategic alliances amongst Portuguese technology SMEs demonstrate that market-driven, learning-oriented, and efficiency-focused objectives directly affect human resource development, promoting knowledge transfer and innovation, resulting in greater patent activity and improved corporate performance. Within Fortune 500 corporations, non-equity partnerships created immediate benefits, whilst equity-based alliances produced delayed yet sustained gains. Strategic alliances between manufacturing and knowledge-focused firms enhance service innovation, knowledge distribution, and risk control.

In summary, empirical research confirms that strategic alliances represent an essential tool for companies aiming to enhance performance through resource collaboration, risk reduction, regulatory compliance, and cost optimisation. Through strategic partnerships, organisations can enter new markets, exchange knowledge, foster innovation, and maximise resource deployment, ultimately reinforcing their competitive position.

Methods and Measures

The study utilised a descriptive survey design to investigate the association between SAs and organisational performance in commercial public enterprises. This approach was chosen because it permits data gathering within natural environments whilst avoiding interference with variable relationships. Furthermore, it enabled the analysis of causal effects between explanatory and dependent variables through quantitative data.

The target population consisted of 35 commercial public enterprises in Malawi, as recognised by the Treasury and Planning Department. The study concentrated on strategic-level managers who had occupied their roles for a minimum of one year, thus ensuring they possessed sufficient expertise regarding SAs and organisational performance. These managers constituted the unit of observation, whilst the companies themselves functioned as the unit of analysis.

Given that the population was comparatively modest, the study employed a census methodology, whereby all 46 public enterprises were incorporated. Purposive sampling was utilised to choose one senior manager from each company, yielding 46 participants. This approach guaranteed that only individuals with thorough understanding of SAs and performance took part.

Data collection was conducted through a structured questionnaire comprising various sections: One section collected company-specific details; another section examined SA motivations, and a third section explored organisational performance. The questionnaires were completed by the chosen senior managers themselves.

A pilot study was conducted with a senior manager from four different public enterprises. This process helped assess the validity and reliability of the questionnaire before its final use. Firms participating in the pilot study were omitted from the primary analysis to avoid contamination of data. Validity was evaluated through expert consultation for content validity, pilot questionnaires for face validity, and factor analysis for construct validity. Strong construct validity was demonstrated by high correlations amongst items measuring the same construct. Reliability, which guarantees consistent measurement, was examined using Cronbach's alpha, with a 0.7 threshold for internal consistency. For data collection, primary data was obtained through questionnaires administered to senior managers of public enterprises. The questionnaires were distributed both physically and electronically via Google Forms, with participants given one week to complete them. Secondary data was sourced from annual reports and websites. Data analysis was done by R. Descriptive statistics including mean, standard deviation, and coefficient of variation were employed. The study also utilised the multivariate Ordinary Least Squares regression model and Pearson correlation to explore the relationship between organisational performance and strategic partnership motivations. This methodology ensured a thorough analysis of the data.

Results

Descriptive Statistics

Using a 5-point Likert scale, the study evaluated various SAs and their impact on commercial public enterprises. Analysis of the results using percentages, mean values, and standard deviations revealed information about risk and resource sharing, cost effectiveness, regulatory compliance, and organisational success. According to the analysis, 64.8% of commercial public enterprises set up SAs in order to gain access to market intelligence that their associates provided (M=3.54).

58% of participants concurred that these partnerships facilitated access to financial resources (M=3.23), corresponding with the view that FinTech organisations allied with banks to leverage financial resources. Moreover, 85% of public enterprises benefited from their partners' technological resources (M=4.32), supporting findings that banking institutions collaborate with FinTech firms for innovation purposes. Additionally, 46% of public enterprises reported utilising human capital from their partners (M=2.85), whilst the same proportion acknowledged knowledge-sharing advantages (M=3.31), reinforcing the view that knowledge-sharing enhances market presence. A substantial 95% of public enterprises recognised the significance of their partners' research and development assets (M=4.79), illustrating the value of these collaborative arrangements.

SAs fulfilled a critical function in risk mitigation for public enterprises. 62.3% of public enterprises indicated that these alliances assisted them in sharing financial risks (M=3.83). Furthermore, 89.3% of public enterprises reported that alliances helped distribute operational risks (M=4.49), in concordance with the view that alliances diminish risks. Additionally, 96% of public enterprises formed alliances to ameliorate reputational risks when penetrating new markets (M=4.69), a finding supporting the view that the reputational challenges encountered by firms in foreign markets. Moreover, 83.7% of public enterprises utilised alliances to mitigate political risks in cross-border operations (M=4.19), and 97.3% relied on alliances to avoid regulatory risks in emergent markets (M=4.59). These findings align with the view that the regulatory restrictions prompt firms to establish SAs for market entry purposes.

The study found that SA creation was significantly impacted by regulatory restrictions. In line with the belief that alliances promote co-innovation in highly regulated markets, about 89.1% of public enterprises stated that domestic laws forced them to join alliances (M=4.37). Furthermore, according to 59.4% of public enterprises, government policies facilitated the creation of alliances (M=3.54), supporting the idea that laws support SAs. The idea that strict penalties and subsidies promote alliance stability is supported by the fact that only 13.5% of public enterprises stated that regulatory frameworks from market regulators encouraged alliance formation (M=1.86). Additionally, 48.6% of public enterprises reported that their choice to create alliances was impacted by international regulations (M=3.32). Notably, while extending operations overseas, all of the public enterprises in the investigation stated that SA formation was required by foreign government rules.

Cost factors served as a primary motivation for strategic alliances amongst public enterprises. Nearly 89.2% of public enterprises indicated that strategic alliances diminished research and development spending (M=4.57). All participants agreed that they formed alliances to distribute operational expenses (M=4.84), emphasising the stabilising influence of cost distribution on alliance frameworks. Additionally, 97.3% of public enterprises gained from synergistic benefits arising from collaborative efforts (M=4.86), which supports the notion that such partnerships offer learning opportunities and synergistic benefits. Conversely, merely 18.9% of public enterprises indicated that alliances assisted in reducing marketing expenditure (M=1.95). Finally, 78.4% of public enterprises stated that alliances decreased technology procurement costs (M=4.24), supporting the perspective that technology companies typically form alliances to boost patent production.

Regarding the organisational performance of public enterprises, the results showed that 64.9% of public enterprises achieved profitability ranging from 1% to 10%, while 29.7% recorded profits above 10%. Moreover, 81.1% of public enterprises saw their average operational costs fall by less than 10%, with the remainder experiencing either no alteration or an upturn. In addition, 67.6% of public enterprises witnessed at least a 1% increase in market share, whilst the rest observed either a decrease or remained unchanged. Finally, 91% of public enterprises documented business growth, with a minor proportion experiencing stagnation or contraction. The study underscored the significance of strategic alliances in improving resource distribution, risk reduction, regulatory adherence, cost effectiveness, and overall organisational performance for commercial public enterprises. These partnerships enabled access to financial, technological, and human capital, diminished operational hazards, guaranteed regulatory compliance, reduced expenditure, and supported profitability, market share expansion, and business development. The results correspond with existing research that highlights the strategic importance of alliances in promoting commercial success.

Variance Inflation Factors (VIF) were used to measure multicollinearity; values less than 10 indicated the lack of multicollinearity. Techniques like centring, scaling, or logarithmic transformation would be used if they were available. The results validated the use of OLS regression by confirming that there were no collinearity problems.

The study examined normality, homoscedasticity, and linearity to verify regression assumptions. Normality was assessed using a histogram plot to confirm that residuals followed a bell-shaped distribution along the normal probability curve. The results showed no substantial departure from normality. Homoscedasticity was examined through a scatter plot of residuals plotted against predicted values or independent variables. The outcomes demonstrated an even spread of residuals across the line of best fit, confirming homoscedasticity was present. Had heteroscedasticity been detected, robust standard errors would have been applied. Linearity was evaluated using the Pearson Correlation Coefficient from the model summary, with coefficients above 0.7 indicating strong linear relationships. The study found an overall R value of 0.942, demonstrating a robust linear relationship between predictor variables and the dependent variable. These assessments ensured the regression model's reliability and validity. To assess the link between predictors and the outcome variable, the study used the bivariate Pearson correlation coefficient. Organisational performance and cost efficiency-based alliances showed a somewhat good link ($r = .290$), whereas regulatory compliance showed a strong positive correlation ($r = .825$).

The study looked at how SAs—sharing, regulatory, and cost-efficiency based—affect the performance of public enterprises in Malawi. A strong positive association was shown using regression analysis (R=.942). These alliance typologies were included in the model, which explained 88.7% of the variation in performance (R2=.887). SAs have a major impact on public enterprise performance, as evidenced by the remaining 11.3%, which is attributable to unanalysed factors outside the scope of the inquiry. The results of the ANOVA (F=63.043, p<.001) show that SAs have a major effect on the performance of Malawian commercial public enterprises. This performance is explained by resource sharing, risk sharing, cost effectiveness, and regulatory compliance partnerships, as the computed F-statistic exceeds the critical threshold.

Discussion and Conclusion

The study examined how SAs affect the performance of commercial public enterprises in Malawi, focusing on four key areas: resource sharing, risk sharing, cost efficiency, and regulatory compliance. Regression analysis revealed significant positive impacts across all four types of alliances. Resource sharing partnerships improved public enterprise performance by 0.321 units, supporting findings that resource-based collaborations help with market entry and product development, as demonstrated by NCBA bank's strategic alliances. Risk sharing partnerships showed strong positive effects, delivering a 0.369-unit performance improvement, highlighting how shared risk enhances market position and credibility, which aligns with research on environmental and market-based partnerships. Regulatory compliance alliances had the greatest impact, boosting performance by 1.171 units, emphasising how strategic partnerships help navigate complex regulatory environments and promote collaborative innovation, especially in heavily regulated industries like healthcare. Cost efficiency alliances provided a 0.454-unit performance enhancement, confirming that reducing expenses and creating learning opportunities are key drivers for public enterprises forming strategic partnerships, consistent with studies of courier companies and technology firms. The research concluded that strategic alliances significantly strengthen commercial public enterprise performance in Malawi, with each type of alliance serving a unique but essential role in promoting growth and efficiency.

This investigation has provided substantial empirical evidence demonstrating the transformative potential of SAs in revitalising the performance of commercial public enterprises in Malawi. The research findings reveal that strategic partnerships, when properly structured and implemented, serve as powerful mechanisms for addressing the multifaceted challenges that have historically plagued public enterprises across the African continent. Through comprehensive analysis of 37 commercial public enterprises, this study has established that SAs explain 88.7% of the variance in organisational performance, representing a statistically significant and practically meaningful relationship that validates the theoretical foundations underpinning this investigation.

The empirical evidence demonstrates that each category of SA contributes distinctively to enhanced organisational performance, albeit with varying degrees of impact. Regulatory compliance-based alliances emerge as the most influential driver of performance improvement, contributing 1.171 units to overall performance enhancement. This finding underscores the critical importance of strategic partnerships in navigating the increasingly complex regulatory landscape that characterises modern business environments, particularly in developing economies where regulatory frameworks continue to evolve rapidly. The substantial impact of compliance-based alliances reflects the reality that public enterprises operate within highly regulated environments where adherence to domestic and international standards is paramount for sustainable operations and market access.

Risk-sharing alliances demonstrate considerable efficacy in enhancing public enterprise performance, contributing 0.369 units to overall improvement whilst simultaneously addressing the fundamental vulnerability of public enterprises to various forms of operational, financial, and reputational risks. The research confirms that strategic partnerships enable public enterprises to distribute risks more effectively across multiple stakeholders, thereby reducing their exposure to market volatility and enhancing their resilience in competitive environments. This finding is particularly relevant for Malawian public enterprises, which have historically struggled with financial sustainability and operational efficiency due to their limited capacity to manage risks independently.

Cost efficiency-based alliances contribute 0.454 units to performance enhancement, validating the theoretical proposition that strategic partnerships enable organisations to achieve economies of scale and optimise resource utilisation. The research demonstrates that public enterprises can significantly reduce operational expenditures through collaborative arrangements that facilitate shared research and development costs, operational synergies, and technology acquisition. This finding is especially pertinent given the fiscal constraints that characterise many African economies and the imperative for public enterprises to operate more efficiently whilst maintaining their developmental mandate.

Resource-sharing alliances, whilst contributing 0.321 units to performance improvement, represent the foundational element upon which other forms of strategic partnerships are built. The research confirms that access to technological resources, market intelligence, financial capital, and human expertise through SAs enables public enterprises to overcome resource constraints that have traditionally limited their competitiveness. This finding supports the Resource-Based View theory's central proposition that sustainable competitive advantage derives from the acquisition and deployment of valuable, rare, and inimitable resources.

The theoretical implications of this research extend beyond the immediate context of Malawian public enterprises to contribute meaningfully to the broader understanding of SA effectiveness in emerging economies. The integration of Resource-Based View theory, Resource Dependency Theory, Public Interest Theory, and the Balanced Scorecard Model provides a robust theoretical framework that explains how SAs address the fundamental challenges facing public enterprises. The research demonstrates that whilst market failures and governmental intervention remain important considerations in public enterprise management, strategic partnerships offer a pragmatic mechanism for enhancing efficiency without necessarily requiring comprehensive privatisation or structural reforms.

From a practical perspective, these findings provide valuable guidance for public enterprise management teams, policymakers, and development practitioners seeking to improve the performance of public enterprises. The research suggests that rather than viewing SAs as ancillary business activities, public enterprise leadership should position partnership development as a core strategic capability that requires dedicated resources and systematic implementation. The evidence indicates that successful alliance formation requires careful attention to partner selection, objective alignment, and the development of trust-based relationships that facilitate effective collaboration.

The policy implications of this research are particularly significant for governments across sub-Saharan Africa that continue to grapple with underperforming public enterprises whilst recognising their importance for economic development and service delivery. The findings suggest that SA facilitation should be incorporated into public enterprise governance frameworks and that regulatory environments should be designed to encourage rather than impede collaborative arrangements between public and private sector entities. Furthermore, the research indicates that capacity building initiatives should focus on developing alliance management capabilities within public enterprise leadership teams.

However, this investigation also acknowledges certain limitations that should inform future research directions. The focus on Malawian public enterprises, whilst providing valuable insights into the African context, may limit the generalisability of findings to other geographical regions or economic contexts. Additionally, the cross-sectional nature of the research design precludes analysis of the temporal dynamics of SA effectiveness, suggesting that longitudinal studies would provide valuable insights into the sustainability of performance improvements achieved through partnership arrangements.

Future research should explore the specific mechanisms through which different types of SAs generate performance improvements, examining the role of organisational culture, leadership capabilities, and institutional contexts in determining alliance success. Additionally, comparative studies examining SA effectiveness across different sectors and economic contexts would enhance understanding of the conditions under which partnerships are most likely to succeed. Investigation of the potential negative consequences or unintended outcomes of SAs would also contribute to a more nuanced understanding of partnership dynamics.

In conclusion, this research provides compelling evidence that SAs represent a viable and effective mechanism for enhancing the performance of commercial public enterprises in developing economies. The findings demonstrate that well-structured partnerships addressing resource sharing, risk mitigation, regulatory compliance, and cost efficiency can significantly improve organisational performance across multiple dimensions. As governments and international development organisations continue to seek sustainable solutions for improving public enterprise effectiveness, SA facilitation should be recognised as a critical component of comprehensive reform strategies that balance commercial viability with developmental objectives. The success of such initiatives will ultimately depend upon the development of institutional capabilities that support effective partnership formation and management whilst maintaining accountability for public resources and social outcomes.

Notes

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