

The Influence of Strategic Alliances and Network Capability on Firm Performance at Wings Air, Lion Air Group

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Abstract. The airline industry is characterized by intensive competition, network interdependence, and high operational complexity, making inter-organizational collaboration and relationship management important strategic capabilities. This study examines the influence of strategic alliances and network capability on firm performance at Wings Air, a regional airline within Lion Air Group. The research adopts a quantitative explanatory design. The population comprises Wings Air employees involved in operational, managerial, network, or business-cooperation activities. Respondents are selected purposively based on a minimum one-year tenure and direct knowledge of alliance and network practices, with a planned sample of approximately 100-200 employees. Data are collected using a five-point Likert questionnaire and analyzed through descriptive statistics, instrument testing, classical-assumption tests, and multiple linear regression. Strategic alliances are represented by partner selection, inter-partner trust, resource sharing, coordination, and knowledge transfer; network capability covers relationship building, network coordination, partner communication, partner understanding, and long-term relationship management. The theoretical model expects both strategic alliances and network capability to contribute positively to financial, operational, service, customer, and growth dimensions of firm performance. The study provides an empirical framework for evaluating collaborative strategy in a regional-airline context.

Keywords: Airline Industry; Firm Performance; Network Capability; Strategic Alliances; Wings Air.

1. INTRODUCTION

Air transport is a network-based service industry in which route structure, schedule coordination, technological integration, airport access, and inter-firm relationships jointly shape competitive outcomes. Recent studies show that airline alliances can alter flight frequency, strengthen transfer-market cooperation, and create opportunities for coordinated resource use, although the performance effect is not uniformly positive across airlines or market structures (Calzada et al., 2022; Peng & Lu, 2022; Czerny et al., 2021). Airline performance itself is multidimensional, encompassing financial sustainability, operational efficiency, service outcomes, and productivity rather than a single accounting indicator (Kaya et al., 2023; Yu & Chen, 2023; Wu et al., 2024). These conditions make collaborative strategy and the capability to manage networks especially relevant for regional carriers that operate as part of a wider airline group.

Wings Air occupies a regional-connectivity role within Lion Air Group, linking smaller cities with larger economic centers through short-haul operations. In the source manuscript, this role is associated with internal group integration and external cooperation, including the coordination of routes, schedules, technology, and operational relationships. Such a setting is theoretically consistent with the relational view, which explains competitive advantage as value

created through inter-firm resource combinations, knowledge sharing, complementary resources, and effective governance (Dyer & Singh, 1998). Alliance research likewise shows that dedicated alliance-management capability, partner fit, and repeated coordination can influence alliance outcomes and long-term value creation (Kale et al., 2002; Schreiner et al., 2009). More recent work demonstrates that alliance-network membership can explain meaningful variation in firm profitability and that the survival of alliances depends on the strategic conditions surrounding partner relationships (Kumar et al., 2022; Ryan-Charleton & Galavan, 2024).

Despite this relevance, the relationship between strategic alliances, network capability, and firm performance remains context dependent. Collaboration can create access to resources and markets, but it can also generate coordination costs, partner competition, or uneven benefits (Fudge Kamal et al., 2021; Piezunka & Grohsjean, 2023). At the same time, networking capability is not merely the number of external relationships; it concerns the ability to develop, coordinate, understand, and adapt those relationships so that network resources are converted into business value (Kurniawan et al., 2021; Faroque et al., 2022; Mitrega, 2023). This distinction is important for a regional airline embedded in an integrated group because extensive connectivity does not automatically guarantee stronger performance. The research gap therefore lies in simultaneously testing strategic alliances and network capability as predictors of firm performance within a regional-airline setting in an emerging economy. Accordingly, this study aims to examine the partial and simultaneous influence of strategic alliances and network capability on Wings Air firm performance.

2. THEORETICAL REVIEW

Strategic Alliances

Strategic alliances are cooperative arrangements through which independent or semi-independent organizations share resources, knowledge, market access, technology, or operational responsibilities while retaining organizational autonomy. Their value derives from complementarity: a firm can access capabilities that would be costly or slow to build internally. The alliance-capability perspective emphasizes partner selection, trust, coordination routines, knowledge transfer, and mechanisms for capturing lessons from prior collaborations (Kale et al., 2002; Schreiner et al., 2009). Contemporary evidence also shows that the quality of partner matching and the competitive relationships surrounding alliances shape their performance and survival (Fudge Kamal et al., 2021; Ryan-Charleton & Galavan, 2024). In airlines, alliances may influence route frequency and network reach, while cooperative profit-sharing and

resource allocation can support the sustainability of collaborative arrangements (Calzada et al., 2022; Yea et al., 2022). Therefore, the study proposes H1: Strategic alliances positively and significantly influence firm performance.

Network Capability

Network capability refers to an organization's ability to initiate, develop, coordinate, and use relationships with external and internal partners. It includes relationship-building competence, inter-partner communication, coordination, knowledge of partner characteristics, and the management of long-term ties. Early empirical work established that networking capability can contribute to venture performance by improving access to information and complementary resources (Walter et al., 2006). More recent studies frame networking capability as a dynamic capability whose value depends on the organization's ability to explore new relationships, exploit established ties, and reconfigure networks as market conditions change (Faroque et al., 2022; Cartwright & Davies, 2022; Mitrega, 2023). Indonesian evidence also indicates that networking capability can contribute to performance through market orientation and business-process agility (Kurniawan et al., 2021). Newer research continues to position networking competence as an important mechanism connecting strategic orientation with market outcomes (Alkhalailah, 2026). Thus, H2 states that network capability positively and significantly influences firm performance.

Firm Performance and the Integrated Model

Firm performance is treated as a multidimensional outcome involving financial results, operational efficiency, service quality, customer satisfaction, and organizational growth. This approach is suitable for airlines because network design and operational productivity affect performance alongside financial indicators (de Oliveira et al., 2022; Yu & Chen, 2023). Studies of global airlines similarly show that operational, service, and financial efficiency can move differently over time, reinforcing the need for a balanced assessment (Wu et al., 2024). Capability research also demonstrates that specialized organizational capabilities can create additional performance value beyond conventional resources (Homburg & Wielgos, 2022). In the proposed model, strategic alliances provide access to complementary resources and collaborative opportunities, whereas network capability determines how effectively those relationships are coordinated and exploited. The two factors are therefore expected to reinforce each other in explaining firm performance. H3 states that strategic alliances and network capability simultaneously have a significant influence on firm performance.

3. RESEARCH METHOD

The study uses a quantitative explanatory design to test causal relationships among strategic alliances (X1), network capability (X2), and firm performance (Y). The research object is Wings Air within Lion Air Group. The population consists of employees involved in operational, managerial, network, or business-cooperation activities. Purposive sampling is used with three criteria derived from the source manuscript: respondents have worked for at least one year, are involved in operational/network/business-cooperation activities, and understand organizational processes related to alliances and networks. The planned sample is approximately 100-200 respondents, consistent with the range specified in the source research design.

Primary data are collected using a structured questionnaire measured on a five-point Likert scale from strongly disagree (1) to strongly agree (5), while secondary material supports the theoretical discussion. Strategic alliances are operationalized through strategic-partner selection, inter-partner trust, resource sharing, cooperation coordination, and knowledge transfer. Network capability is represented by relationship building, network coordination, inter-partner communication, partner understanding, and long-term relationship management. Firm performance is measured through financial performance, operational efficiency, service quality, customer satisfaction, and company growth. Instrument validity is assessed using item correlations and reliability using Cronbach's alpha, followed by normality, multicollinearity, and heteroscedasticity tests. Hypotheses are tested by multiple linear regression, $Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \epsilon$, using t-tests for partial effects, an F-test for the joint effect, and R-squared to evaluate explanatory power.

4. RESULTS AND DISCUSSION

The source manuscript is a research proposal and does not contain completed survey responses, regression coefficients, significance values, or an R-squared result. To preserve the meaning of the original study and avoid fabricating empirical evidence, this section presents the analytical expectations that the specified model is designed to test. The empirical manuscript can be finalized once the questionnaire dataset or SPSS output is available.

Expected Effect of Strategic Alliances on Firm Performance

The first relationship is expected to be positive when alliances give Wings Air access to complementary routes, technology, knowledge, market reach, or operational resources and when the relationships are governed effectively. This expectation is consistent with the relational view and alliance-capability literature, which argue that collaboration can generate

relational rents and performance advantages when firms establish suitable partners, effective coordination, and learning routines (Dyer & Singh, 1998; Kale et al., 2002; Schreiner et al., 2009). Airline-specific studies further show that alliances can reshape flight frequency, transfer-market cooperation, and the allocation of joint benefits (Calzada et al., 2022; Peng & Lu, 2022; Yea et al., 2022). Nevertheless, the analysis should remain sensitive to the possibility that alliances do not always improve performance, as collaboration may create partner competition, dependency, or coordination costs (Piezunka & Grohsjean, 2023; Kaya et al., 2023). The t-test for X1 will therefore determine whether the expected positive relationship is supported in the Wings Air context.

Expected Effect of Network Capability on Firm Performance

The second relationship is expected to be positive because network capability represents the organizational mechanisms that convert relationships into usable resources. Effective communication, coordination, partner knowledge, and long-term relationship management can improve information flow, reduce friction, and increase the firm's ability to reconfigure its network when operating conditions change. Evidence from networking-capability research supports links with agility, market knowledge, relationship quality, and performance (Kurniawan et al., 2021; Faroque et al., 2022; Mitrega, 2023). The development of networking capabilities is also cumulative and adaptive, suggesting that organizations become more effective as routines for managing relationships mature (Cartwright & Davies, 2022). For Wings Air, this capability is particularly relevant because regional operations depend on coordinated connections within a wider airline system. The t-test for X2 will indicate whether network capability makes a statistically significant contribution after controlling for strategic alliances.

Expected Simultaneous Effect and Managerial Meaning

The joint model expects strategic alliances and network capability to explain firm performance more effectively together than when each is considered in isolation. Alliances provide access and opportunity, whereas network capability provides the managerial capacity to coordinate and exploit those opportunities. This logic is consistent with evidence that alliance-network membership can account for variation in firm profitability and that network relationships require active capabilities rather than passive membership (Kumar et al., 2022; Alkhalailah, 2026). In airline operations, performance is also shaped by network structure, connectivity, productivity, and resilience, making coordinated relationship management strategically important (de Oliveira et al., 2022; Yu & Chen, 2023; Wu et al., 2024). If the F-test is significant and R-squared is substantive, the practical implication would be that Wings

Air should manage alliance design and network capability as an integrated strategic system rather than separate initiatives.

5. CONCLUSION AND RECOMMENDATIONS

This study is designed to examine how strategic alliances and network capability influence firm performance at Wings Air, Lion Air Group. The theoretical framework indicates that alliances can expand access to complementary resources, markets, technology, and knowledge, while network capability determines the firm's ability to build, coordinate, communicate with, understand, and sustain partner relationships. Together, these capabilities are expected to support financial, operational, service, customer, and growth outcomes. Because the source manuscript does not yet provide completed survey data, the study cannot responsibly claim empirical acceptance or rejection of H1-H3. The next step is to complete data collection and report validity, reliability, classical-assumption, regression, t-test, F-test, and R-squared results. For managerial practice, the proposed model recommends evaluating alliances not only by their existence or network reach but also by the quality of coordination and relationship-management routines. Future research may compare regional and full-service carriers or examine mediating mechanisms such as agility, innovation, and service integration.

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