EFFECT OF KNOWLEDGE MANAGEMENT ON PERFORMANCE SMALL AND MEDIUM ENTERPRISE IN NASARAWA STATE

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Abstract
The study examined the effect of knowledge management on the performance of SMES in Nasarawa state. *Specifically, it focuses on the effect of knowledge acquisition and knowledge application on SME performance. The study adopts a survey research design using structured questionnaires administered to selected SMEs operating in Nasarawa State. Data collected were analyzed using regression analysis to determine the extent of the relationship between the variables. The findings reveal that knowledge acquisition has negative and insignificant effect on SMEs performance and knowledge application have a significant positive effect on the performance of SMEs, indicating that firms that effectively gather and apply relevant knowledge tend to perform better in terms of innovation, customer satisfaction, and overall growth. Based on these findings, the study recommends that SME operators should invest in structured knowledge acquisition processes such as training, market research, and networking. Additionally, they should develop strategies for effectively applying acquired knowledge in their business operations to enhance decision-making, improve efficiency, and maintain competitiveness in the market.*
Keywords: Knowledge management, knowledge acquisition, knowledge application and performance of SMEs

INTRODUCTION

Small and medium enterprises (SMEs) play a pivotal role in the economic development of Nasarawa State, Nigeria, by contributing significantly to employment generation, poverty reduction, and economic growth. However, the performance of SMEs in the state remains suboptimal due to various challenges, including low productivity, inefficient operations, and high failure rates (Ojo, 2022). One of the critical factors influencing SME performance is knowledge management, which encompasses knowledge acquisition and knowledge application. Effective knowledge management enhances business performance, improving decision-making, fostering innovation, and increasing competitiveness (Nonaka & Takeuchi, 2021). Unfortunately, many SMEs in Nasarawa State lack structured knowledge management practices, thereby limiting their ability to adapt to market changes and technological advancements (Adegbite et al., 2023).

Knowledge management (KM) is a strategic approach that organizations adopt to systematically create, share, and utilize knowledge to enhance productivity and innovation. It involves the integration of processes, technologies, and a culture that promotes collaboration and learning (Alavi & Leidner, 2022). studies highlight the significance of KM in leveraging both tacit and explicit knowledge, facilitating informed decision-making and continuous improvement (Zhang et al., 2020). The evolving digital landscape necessitates robust KM practices to manage knowledge assets effectively and ensure competitive advantage (Brewster et al., 2021). Knowledge management is integrated into business operations, enabling firms to leverage information effectively for growth and sustainability systematically. It has been established that businesses with robust knowledge management strategies experience improved innovation, market expansion, and long-term sustainability (Grant, 2020).

Knowledge acquisition refers to the process through which SMEs obtain new and relevant information essential for improving their operations (Zack, 2019). This information may be obtained internally through employees and past business experiences or externally from customers, competitors, industry reports, and technological advancements. Firms that actively acquire and integrate new knowledge can identify business opportunities, mitigate risks, and enhance strategic decision-making (Becerra-Fernandez & Sabherwal 2019). However, in Nasarawa State, many SMEs depend on informal and unstructured sources of knowledge rather than systematic research and analysis, which affects their ability to leverage valuable insights for growth (Ogunleye & Salisu, 2022).

Knowledge application, on the other hand, involves the effective utilization of acquired knowledge in business operations (Davenport & Prusak, 2021). This process includes integrating industry best practices, utilizing customer insights for product development, and applying market intelligence to improve competitiveness. SMEs that effectively apply knowledge demonstrate higher levels of innovation, operational efficiency, and adaptability to environmental changes (Chen et al., 2022). However, in Nasarawa State, many SMEs struggle with the implementation of acquired knowledge due to constraints such as inadequate managerial expertise, resistance to change, and limited financial resources (Musa et al., 2023).

The effect of knowledge management on SME performance is rooted in the ability of businesses to acquire and apply knowledge effectively. Knowledge acquisition enables SMEs to gather relevant market intelligence, technological insights, and managerial expertise, which are crucial for informed decision-making and strategic growth. When SMEs apply this acquired knowledge in their operations, they improve efficiency, enhance innovation, and gain a competitive advantage, ultimately leading to better performance outcomes (Chen et al., 2022; Serenko & Bontis, 2020). This study aims to provide empirical evidence that will inform policy and strategic initiatives for improving SME competitiveness in Nasarawa State.

Statement of the Problem

Small and Medium Enterprises (SMEs) in Nasarawa State face challenges in achieving sustainable growth and competitiveness. Despite their crucial role in economic development, many SMEs in the state struggle with low productivity, limited innovation, and high failure rates. Knowledge acquisition allows businesses to gather relevant information from internal and external sources, while knowledge application ensures that acquired knowledge is effectively utilized to improve decision-making, innovation, and operational efficiency (Serenko & Bontis, 2020). However, empirical evidence suggests that many SMEs in Nasarawa State do not have structured mechanisms for acquiring, storing, and applying knowledge, thereby limiting their ability to adapt to market dynamics and technological advancements (Musa, Adeyemi, & Bello, 2023).

While research has established a positive link between knowledge management and firm performance, most studies have focused on large corporations or SMEs in developed economies, with limited attention to SMEs in Nasarawa State. Existing studies in Nigeria tend to generalize SME challenges without specifically addressing the role of knowledge management in improving their performance (Ogunleye & Salisu, 2022). Consequently, there is a knowledge gap regarding how knowledge acquisition and application affect SME performance within the unique economic and business environment of Nasarawa State.

Given the increasing complexity of business operations and the competitive pressures in today's global economy, it is imperative to examine how SMEs in Nasarawa State can leverage knowledge management practices to enhance their performance. This study seeks to fill this gap by investigating the effect of knowledge acquisition and knowledge application on SME performance in Nasarawa State, providing empirical insights that can inform policy interventions and managerial strategies for sustainable growth. The main objective of this study is to examine the effect of knowledge management on the performance of Small and Medium Enterprises (SMEs) in Nasarawa State. The specific objectives are to:

i. Examine the effect of knowledge acquisition on SME performance in Nasarawa State.
ii. Investigate the effect of knowledge application on SME performance in Nasarawa State.

LITERATURE REVIEW

Conceptual Review

Knowledge management has been widely explored in academic literature, with scholars providing varying definitions based on its role in organizational success. According to Nonaka and Takeuchi (2021), knowledge management is a dynamic process through which organizations create, share, and utilize knowledge to gain a competitive advantage. This definition emphasizes the interactive and evolving nature of knowledge processes in business settings. Alavi and Lei 2dner (2022) define knowledge

management as the systematic approach to acquiring, organizing, and disseminating both tacit and explicit knowledge within an organization. This view highlights the structured mechanisms required to manage knowledge effectively. Grant (2023) describes knowledge management as the firm's capability to integrate knowledge resources into strategic decision-making and operational processes, ensuring innovation and adaptability. Serenko and Bontis (2020) extend this definition by focusing on knowledge management as a set of practices that enhance learning, problem-solving, and decision-making within organizations. Their perspective underscores the practical benefits of knowledge-driven operations.

Knowledge management has been broadly defined as the systematic process of identifying, capturing, organizing, and utilizing knowledge to improve organizational performance. Andreeva and Kianto (2022) describe knowledge management as a framework that integrates human capital, technological systems, and organizational culture to facilitate innovation and improve efficiency. In line with this, Davenport and Prusak (2023) emphasize that knowledge management enables firms to leverage both explicit and tacit knowledge, ensuring that valuable insights are embedded within business processes. These perspectives highlight the importance of a structured knowledge management approach in achieving business success. Hislop, et al., (2022), knowledge management is a multidimensional approach that includes creating, storing, sharing, and applying knowledge to enhance business decision-making. This aligns with the view of Donate and de Pablo (2023), who argue that knowledge management is a strategic asset that enables firms to adapt to environmental changes and sustain a competitive advantage.

Knowledge acquisition, a fundamental component of knowledge management, has also been conceptualized in various ways. Zahra and George (2021) define knowledge acquisition as the process by which firms seek, absorb, and internalize external and internal knowledge to improve their capabilities. This notion aligns with the argument of Wang and Ahmed (2022), who assert that knowledge acquisition involves identifying valuable information from different sources and integrating it into business operations. Choi et al. (2023) describe knowledge acquisition as a firm's ability to recognize, assimilate, and apply valuable knowledge to drive innovation and performance. These perspectives suggest that knowledge acquisition is not merely about obtaining information but also about integrating it effectively for strategic advantage.

Lichtenthaler (2022), knowledge acquisition is a critical component that influences business performance, knowledge acquisition refers to a firm's ability to obtain and absorb new information from external and internal sources. Camisón and Villar-López (2023) define knowledge acquisition as the process of recognizing valuable knowledge, integrating it into business practices, and ensuring its accessibility for decision-making. This perspective is reinforced by Jasimuddin, et al., (2021), who assert that knowledge acquisition involves formal and informal mechanisms such as training, research, market intelligence, and collaboration with external partners. Argote and Miron-Spektor (2022) highlight that firms with effective knowledge acquisition capabilities tend to experience improved innovation and adaptability, allowing them to respond proactively to market changes.

Knowledge application has been defined as the utilization of acquired knowledge to improve business processes, enhance decision-making, and foster innovation. Gold et al. (2022) emphasize that knowledge application refers to the mechanisms through which organizations translate stored knowledge into actionable strategies that enhance performance. DeLong and Fahey (2021) argue that effective knowledge application depends on an organization's ability to embed knowledge into daily operations, ensuring that insights are effectively leveraged. According to Holsapple and Wu (2023), knowledge application involves the transformation of organizational knowledge into practices that optimize productivity and competitive positioning. These perspectives highlight that without proper application, knowledge remains an underutilized asset, limiting its contribution to business success.

Bhatt, (2023) knowledge must be applied effectively to yield tangible business benefits. Knowledge application refers to the process of utilizing acquired knowledge to solve problems, enhance productivity, and create innovative solutions. King (2022), knowledge application is the ability of an organization to embed newly acquired knowledge into its operational processes to improve efficiency and decision-

making. This is supported by the argument of Sabherwal and Becerra-Fernandez (2021), who emphasize that organizations that actively apply knowledge in their strategies and workflows achieve higher levels of performance and innovation. Furthermore, Schulz (2023) asserts that knowledge application is facilitated by organizational structures that promote collaboration, learning, and continuous improvement.

SME performance has been conceptualized in various ways. Lumpkin and Dess (2022) define SME performance as the ability of small and medium enterprises to achieve financial and non-financial success, including profitability, market growth, and customer satisfaction. Similarly, Wiklund and Shepherd (2023) describe SME performance as a firm's capacity to achieve sustainable competitive advantage through efficiency, innovation, and customer engagement. According to Covin and Slevin (2021), SME performance is reflected in an enterprise's ability to adapt to changing market conditions, maintain financial stability, and expand its operations. Franco and Haase (2023) define SME performance as a multidimensional construct encompassing financial, operational, and strategic indicators of business success. These definitions indicate that SME performance is not limited to financial metrics but also includes broader aspects of business sustainability and growth.

SME performance has multiple dimensions, including financial growth, operational efficiency, and sustainability. Storey (2022), SME performance is a measure of an enterprise's ability to achieve profitability, market expansion, and long-term sustainability. Teece (2023) argues that SME performance is influenced by strategic management practices, resource allocation, and the ability to leverage competitive advantages. In a related study, Covin and Wales (2022) highlight that SME performance encompasses non-financial metrics such as customer satisfaction, employee productivity, and innovation capacity. Barney and Wright (2021) emphasize that performance is driven by the firm's ability to effectively utilize its knowledge resources, demonstrating the importance of knowledge management in business success.

Empirical Review

Kirui et al. (2021) investigated the impact of knowledge acquisition on the financial performance of micro and small enterprises in Sotik Sub-county, Kenya. The study employed a correlational survey design, targeting a population of 810 micro and small enterprises, with a sample size of 267 firms selected through simple random sampling. Data analysis utilized regression techniques, revealing that knowledge acquisition positively and significantly influences financial performance. The study recommends that micro and small enterprises enhance their knowledge acquisition strategies to improve financial outcomes. However, the study's focus on a specific geographical area may limit the generalizability of the findings.

Gatuyu and Kinyua (2020) examined the role of knowledge acquisition on firm performance among SMEs in Meru County, Kenya. Utilizing a descriptive research design, they targeted 5,460 SMEs, with a sample size of 358 respondents. Data were analyzed using descriptive and inferential statistics, indicating that market knowledge acquisition positively influences market performance. The authors recommend that SMEs invest in market research and training to enhance knowledge acquisition. A critique of this study is its reliance on self-reported data, which may introduce bias.

Alshammari (2020) explored the impact of knowledge management on SME growth and profitability. The research utilized a structural equation modeling approach, collecting data from 168 firms through questionnaires. The findings indicate that knowledge acquisition at the individual level positively influences firm performance. The study recommends that SMEs implement knowledge management practices to achieve growth and profitability. One limitation is the potential for response bias due to self-administered questionnaires.

Ibrahim et al., (2024) Study examined the effect of knowledge application, on manufacturing SMEs' performance. The Partial Least Squares - Structural Equation Modelling (PLS-SEM) approach was used to analyse the data from 428 Malaysian manufacturing SMEs. The results show that knowledge

application indirectly affects the sustainable performance of manufacturing SMEs. Manufacturing SMEs fulfil their responsibility to sustainably improve the safety and health of their employees in the course of their business while focusing on innovation in new product development and new business creation. They also promote awareness and protection of community entitlements and rights and reduce environmental impacts and risks to the community.

Knowledge Based View Theory

Knowledge based view is an extension of resource-based view which was promoted by Penrose, (1959), and later advanced by Warnerfeit, (1984), Conner, (1991), and Barney, (1991). This theory was developed as a managerial framework to be used in determination of strategic resource utilization. The theory considers knowledge as a significant and strategic resource that is socially complex and generally tough or difficult to imitate. The theorists emphasize that those resources which are rare, valuable, difficult to substitute or imitate should be guarded and given attention as they can position a firm for long term success. The resources are often referred to as strategic resources as they are capable of providing an organization with capabilities that can lead to organizations superior performance over a given period and hence give a competitive advantage, (Barney 1991).

According to Hart (1995), as cited by Collins (2020), Knowledge-Based View was expounded out of weaknesses of the Resource-Based View theory. Resource-Based View theory was confusing since it considered the term resource wholesomely. The word resource within the everyday common language can be used to imply so many things. Therefore, it is important to distinguish between strategic resources from other resources within the organization. Knowledge management is considered as a strategic human resource and hence proper management of this resource can make an organization have a competitive advantage over its competitors (Blomkvist, et al., 2018).

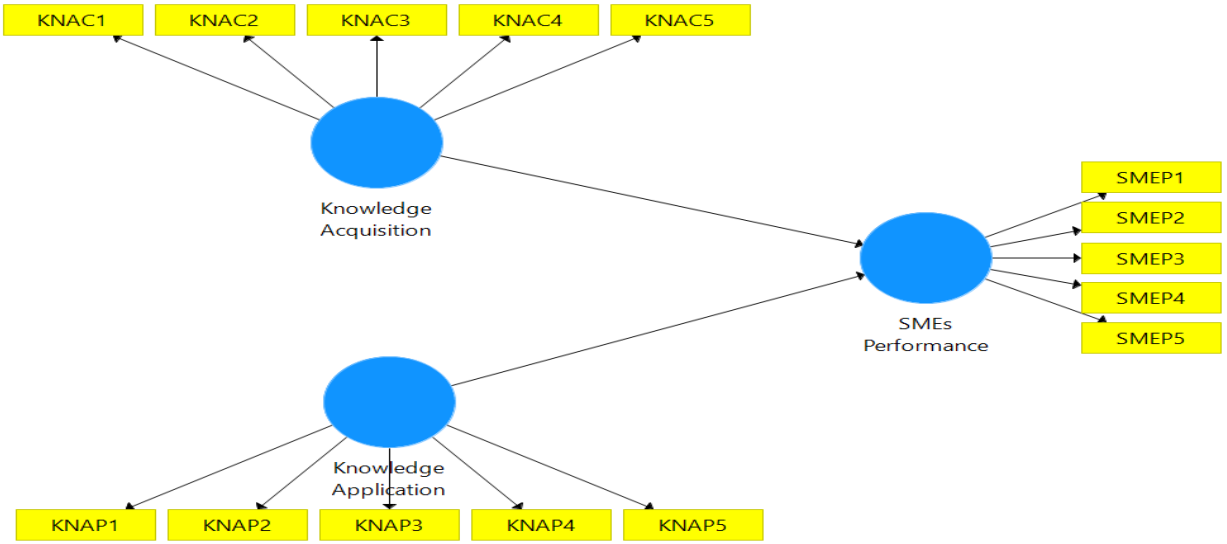
The KBV of the organization assumes that learning and sharing of knowledge is an essential asset of an organization. The advocates of this theory claim that assets based on learning are usually hard to imitate. This type of learning is developed and presented using elements that are different. Such elements include personal traits, culture hierarchy, methods, schedules, frameworks, archives and the organizational workforce (Kitchlew, 2015). KBV is applied in the concept of management which gives the organization strategies towards accomplishing their competitive advantage. This approach forms the basis for creation of human capital that is adopted in most routine and basic activities in an organization and, furthermore, highlights the deliberate assets that form the foundation for the acquisition of the organization's competitive advantage.

The main thrust of the knowledge-based theory is that companies function as a result of their information management capability and managing it efficiently than other types of organizational structures (Grant 1996). It relates that organizations are social entities that acquire, store and use internal knowledge, competencies, and capabilities which are essential for organizations' growth and success (Pentina, 2018). The rationale for an organization's knowledge-based viewpoint emphasizes the role of information in establishing performance and influencing it thus Knowledge-based views aim is to make the company function as smartly as possible to secure its potential and overall success and otherwise realize the best value of its knowledge assets (Curado, 2014).

METHODOLOGY

The study adopted survey research design with the population of 10,728 registered small and medium enterprises Nasarawa State, from survey of Small and Medium Enterprises Development Agency of Nigeria (SMEDAN 2021). The study used Taro Yamane Formula to determine the total number of 387 sample size. The study employs purposive sampling to select the target respondents, this is a non-probability sampling technique characterized by the deliberate choice of participants based on specific criteria relevant to the research objectives. The study employed primary data source which is considered as appropriate in capturing effect of knowledge management on SMEs performance in Nasarawa state. The study used structured questionnaire designed for knowledge acquisition, knowledge application SMEs performance and adapted from the study of Kirui et al. (2021) and Ibrahim et al., (2024). The

questionnaire was designed in 5-point Likert scale ranging from 1(strongly disagree), 2(disagree), 3(undecided), 4(agree) and 5(strongly agree). Partial Least Square Structural Equation Model (PLS-SEM) version 3.0 was used to model the regression analysis and to test the hypotheses in determined the effect of the independent variables on dependent variable.



Structural Model for knowledge acquisition and knowledge application on SMEs Performance
Source: SMART PLS Outcome

Table 1: Measurement of variables tables

Variables	Acronym	Variable Measurement	Sources
SMEs Performance (Dependent Variable)	SMEP	- My business has experienced significant growth in revenue over the past three years. - The size of my customer base has expanded steadily in recent years. - My business has successfully entered new markets or regions in the past two years. - I actively develop strategies to grow the business beyond its current scale. - The number of employees in my business has increased in response to growth demands.	Kirui et al. (2021)
Knowledge acquisition (Independent Variable)	KNAC	- I actively encourage employees to share their knowledge and expertise within the organization. - We use technology tools such as; databases, software to collect and manage useful information for our business. - Our organization has systems in place to track and store valuable market or competitor insights. - I actively pursue new knowledge to identify and implement innovative solutions in our business. - We allocate resources to acquire knowledge that can help us stay ahead in the industry.	Kirui et al. (2021)
Knowledge Application	KNAP	- I effectively apply the knowledge I acquire to improve my business operations. - I regularly implement new knowledge to solve challenges in my organization.	Ibrahim et al., (2024)

	- I ensure that employees are encouraged to apply knowledge gained from training or external sources. - Knowledge acquired from past experiences is effectively utilized to guide current business decisions. - I use acquired knowledge to improve customer satisfaction and service delivery.

Sources: Researcher

RESULTS AND DISCUSSION

Table 2: Descriptive Statistics

Variables	Mean	Median	Min	Max	SDV	Kurtosis	Skewness
KNAC	1.8	2	1	5	0.6	-0.2	0.3
KNAP	4.1	2	1	5	0.5	0.9	-1.0
SMEP	1.8	1.8	1.0	4.6	0.9	2.5	1.4

Source: Smart-PLS Output, 2025.

The table above revealed descriptive statistics that show the mean responses to each question from all respondents, including the median, minimum, maximum, standard deviation, kurtosis, and skewness of the responses. In this case, the median is the most appropriate measure of central tendency to indicate the presence of outliers. While the minimum and maximum values do not indicate any outliers, it is important to note that the median is generally the best measure of average for ordinal data.

The statistics provides insight into the central tendencies and distributional characteristics of the three key variables: knowledge acquisition (KNAC), knowledge application (KNAP), and SMEs performance (SMEP). The mean value for knowledge acquisition is 1.8, with a median of 2, indicating that, on average, SMEs in Nasarawa State exhibit low levels of knowledge acquisition activities. The standard deviation of 0.6 suggests relatively low variability in responses. The kurtosis value of -0.2 implies a slightly flatter distribution than normal, while the skewness of 0.3 indicates a slight positive skew, showing a tendency for most values to be clustered toward the lower end of the scale.

Knowledge application, the mean is considerably higher at 4.1, implying that SMEs are highly engaged in applying the knowledge they have. However, the median is 2, which may point to potential data inconsistencies or outliers that are elevating the mean. The negative skewness of -1.0 suggests that a majority of responses are on the higher end of the scale, while the kurtosis of 0.9 denotes a fairly peaked distribution.

SMEs performance, the mean and median are both 1.8, showing a generally low level of performance among the sampled SMEs. The standard deviation is relatively higher at 0.9, suggesting more variation in how performance is perceived or measured. A kurtosis of 2.5 reflects a sharply peaked distribution with heavy tails, and the skewness of 1.4 indicates a strong positive skew, suggesting that most SMEs report poor performance while a few perform significantly better.

Table 3: Reliability of study scale

	Knowledge Acquisition	Knowledge Application	SMEs Performance
KNAC1	**0.882**		
KNAC2	**0.644**		
KNAC3	**0.902**		
KNAC4	**0.521**		
KNAC5	**0.809**		
KNAP1		**0.792**	
KNAP2		**0.845**	

KNAP3		**0.618**	
KNAP4		**0.743**	
KNAP5		**0.884**	
SMEP1			**0.938**
SMEP2			**0.975**
SMEP3			**0.919**
SMEP4			**0.905**
SMEP5			**0.987**

Source: SmartPLS Output, 2025

All the values fall within the Hair, et al., (2019) rating of good consistency. The Cronbach alpha value was above 0.60 which is the minimum threshold as recommended by Sekaran (2010). To test for the convergent validity, the average variance extracted (AVE) was used. All the latent variables showed values greater than 0.50 which indicates that the constructs explain at least 50 percent of the variance of its items. According to Henseler et al., (2015) the Fornell-Larcker criterion does not perform well when explaining discriminant validity, particularly when the indicator loadings on a construct differ only slightly. As a replacement, they proposed the Heterotrait-Monotrait (HTMT) ratio of the correlations which is the mean value of the item correlations across constructs relative to the (geometric) mean of the average correlations for the items measuring the same construct (Voorhees et al., 2016). Discriminant validity problems are present when HTMT values are higher than 0.90 for structural models (Henseler, et al., 2015).

Assessing the Structural Model

Having satisfied the measurement model assessment, the next step in evaluating PLS-SEM results is to assess the structural model. Standard assessment criteria, which was considered include the path coefficient, t-values, p-values and coefficient of determination (R^2). The bootstrapping procedure was conducted using a resample of 5000.

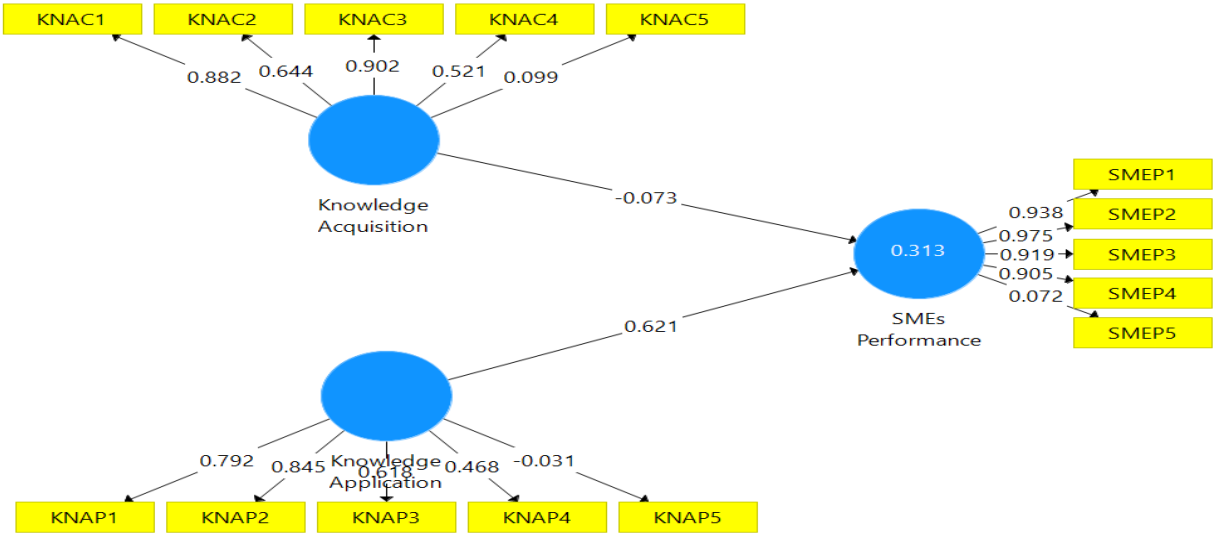


Fig. 1: Path Coefficients of the Regression Model

The R-square value revealed 0.313% indicating that knowledge acquisition and knowledge application are responsible for 31% variation in the SMEs performance. The remaining 69% variation could be explained by other factors that can explain SMEs performance that is not included in the study. Based on Hair, et al., (2019), the r-square is considered small and suitable lends credence to the findings of the study. The result of the path analysis is presented in the table below;

Table 4: Path Coefficients

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Knowledge Acquisition -> SMEs Performance	-0.073	-0.021	0.207	0.353	**0.724**
Knowledge Application -> SMEs Performance	0.621	0.592	0.158	3.935	**0.000**

Source: Smart PLS Output, 2025

Results and Discussion.

The path coefficient table presents the structural effect of independent variables and the dependent variable, SMEs performance. The result revealed knowledge acquisition has negative effect on SMEs performance is with an original sample coefficient of -0.073 and a high p-value of 0.724. This implies that knowledge acquisition does not have a statistically significant effect on SMEs' performance in Nasarawa State.

The result also revealed positive effect of knowledge application on SMEs performance with an original sample coefficient of 0.621, indicating that greater application of knowledge is associated with higher performance levels among SMEs. The p-value of 0.000 confirmed significant effect at the threshold of 5% significance level, supports the reliability of this effect. This result suggests that while SMEs may struggle with acquiring new knowledge, their ability to apply existing knowledge plays a pivotal role in driving performance outcomes.

CONCLUSION AND RECOMMENDATIONS

Based on the specific findings from the descriptive and structural model analyses, the following conclusions can be drawn for each study objective:

The study first objective sought to examine the effect of knowledge acquisition on SMEs performance in Nasarawa State. The results indicate that knowledge acquisition has a negative and statistically insignificant effect with SMEs performance. The study concludes that the process of acquiring knowledge alone, without corresponding effective mechanisms for its assimilation, may not directly contribute to enhancing performance outcomes among SMEs in the region. It is possible that SMEs in Nasarawa State face challenges in accessing relevant, actionable knowledge or lack the strategic capabilities to translate acquired knowledge into practical value.

The second objective focused on investigating the effect of knowledge application on SMEs performance. The findings reveal a strong, positive, and statistically significant relationship between knowledge application and SMEs performance. This implies that SMEs that actively apply existing knowledge in their business processes, decision-making, and innovation strategies are more likely to experience improved performance outcomes. This aligns with the theoretical expectation that the utility of knowledge lies not just in its possession but in its strategic deployment toward solving operational challenges, enhancing productivity, and maintaining competitive advantage.

Based on the findings of this study, the following recommendations are offered in alignment with each specific objective:

i. Given that knowledge acquisition was found to have a negative and statistically insignificant effect on SMEs performance in Nasarawa State, the study recommended that SMEs place greater emphasis on improving the quality and relevance of the knowledge they acquire. Government agencies, business support organizations, and SME development centers should facilitate access to practical, context-specific, and actionable knowledge through structured training, workshops, and mentorship programs tailored to the unique needs of local enterprises. Moreover, SMEs should be encouraged to develop internal systems for

filtering, validating, and storing knowledge in ways that can be easily accessed and utilized when needed. Rather than merely accumulating knowledge, SMEs must be trained on how to identify which knowledge is most valuable for their specific business context and how to convert it into a resource for competitive advantage.

ii. Knowledge application was found to have a strong positive and statistically significant influence on SMEs performance, the study recommended that SMEs in Nasarawa State adopt deliberate strategies to institutionalize knowledge application in their day-to-day operations. This includes encouraging a culture of continuous learning, innovation, and knowledge sharing among employees. Business owners and managers should be trained to embed knowledge-driven decision-making in operational procedures, marketing strategies, customer relationship management, and product development. Support structures such as digital tools, enterprise resource planning (ERP) systems, and customer feedback mechanisms can also enhance the practical use of knowledge and help SMEs respond dynamically to market changes.

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APPENDIX: Questionnaire

	QUESTION	SA	A	U	D	SD
		5	4	3	2	1
	Knowledge acquisition					
KNAC1	I actively encourage employees to share their knowledge and expertise within the organization.					
KNAC2	We use technology tools such as; databases, software to collect and manage useful information for our business.					
KNAC3	Our organization has systems in place to track and store valuable market or competitor insights.					
KNAC4	I actively pursue new knowledge to identify and implement innovative solutions in our business.					
KNAC5	We allocate resources to acquire knowledge that can help us stay ahead in the industry.					
	Knowledge application					
KNAP1	I effectively apply the knowledge I acquire to improve my business operations.					
KNAP2	I regularly implement new knowledge to solve challenges in my organization.					
KNAP3	I ensure that employees are encouraged to apply knowledge gained from training or external sources.					
KNAP4	Knowledge acquired from past experiences is effectively utilized to guide current business decisions.					
KNAP5	I use acquired knowledge to improve customer satisfaction and service delivery.					
	SMEs Performance					
SMEP1	My business has experienced significant growth in revenue over the past three years.					
SMEP2	The size of my customer base has expanded steadily in recent years.					
SMEP3	My business has successfully entered new markets or regions in the past two years.					
SMEP4	I actively develop strategies to grow the business beyond its current scale.					
SMEP5	The number of employees in my business has increased in response to growth demands.					