THE MODERATING ROLE OF EMPLOYEE COMMITMENT ON THE EFFECT OF LEARNING ORIENTATION ON SMES PERFORMANCE
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Abstract
The study examines the moderating role of employee commitment on the effect of learning orientation on SMEs performance. SMEs has not been performing in Nigeria because of low level of learning orientation, entrepreneurial skills, poor management practices, low access to money and capital markets, low equity participation from the promoters because of insufficient personal savings due to their level of poverty and low return on investment, inadequate equity capital. The main objective of the study is to examine the moderating role of employee commitment on the effect of learning orientation on SMEs performance. 408 usable questionnaires were gathered to determine 2 hypotheses developed to address the research problem, and PLS-SEM path modeling was employed to analyze the data. The findings of the study revealed that learning orientation has significant effect on Small and Medium Enterprises (SMEs) performance and employee commitment moderate the effect of learning orientation on Small and Medium Enterprises (SMEs) performance. The study recommended that Owner/managers should encourage employees to introduce new ideas, new technology, new way of thinking implement and utilize these abilities as this will improve SMEs performance.

Keyword: learning orientation, employee commitment and SMEs performance

INTRODUCTION
SMEs contribute to economic growth, job creation and global competitiveness of the Nigeria economy (Shafi, 2020). The contribution of SMEs has manifested and shown that they are major components of the Nigerian economy (Yu, Aslam, Murad, Jiatong, & Syed, 2022). In Nigeria, SMEs encounter several problems which have prevented them from being successful in their business operation and consequently achieve higher performance (Puspita, Christiananta & Ellitan, 2020).

Audretsch, & Belitski, (2022) reports that SMEs has not been performing in Nigeria because of low level of learning orientation, entrepreneurial skills, poor management practices, low access to money and capital markets, low equity participation from the promoters because of insufficient personal savings due to their level of poverty and low return on investment, inadequate equity capital, poor infrastructural facilities, high rate of enterprise mortality, shortages of skilled manpower, multiplicity of regulatory agencies and overbearing operating environment, societal and attitudinal problems, integrity and transparency problems, restricted market access, lack of skills in international trade; bureaucracy, lack of access to information given that it is costly, time consuming and complicated at times and insecurity of people and property (Gomes, Seman, Berndt, & Bogoni, 2022).
More so, if Nigeria is to achieve an appreciable success, one of the possible ways is to improve SMEs performance vigorously (Kiyabo & Isaga, 2020). One of the major drawbacks in Nigeria’s quest for industrial growth and development over the past years has been the absence of a vibrant, strong and performing SMEs sector.

In Nigeria, SMEs encounter several problems which have prevented them from achieving higher performance (Wang, Cai, Liang, Wang & Xiang, 2021). Several studies have been conducted on intangible resources and SMEs performance (e.g; Luge, Mapunda, Kitomo & Mihayo, 2021). However, there is lack of studies on how employee commitment has moderated the present firm intangible resources to improve SMEs performance as recommended by Al-Surmi, Cao & Duan, (2020).

There are several studies conducted on learning orientation and SMEs performance. The work of Alkalouti, Kumar, Kumar, Garza-Reyes, Upadhyay & Zwiegelaar, (2020) documented a positive relationship between learning orientation and SMEs performance while the studies of Bašić, (2021) documented a negative relationship. These inconsistencies in results also need explanation as in which situation the relationship between learning orientation and SMEs performance will be supported as recommended by Vieira & Sampaio (2017). Kiyabo & Isaga, (2020) reports that there is relatively little research on learning orientation and SMEs performance in developing countries. Therefore, conducting this study thereby addressing the aforementioned gaps is generally an important contribution to knowledge.

Research Questions
Based on the problems identified in the statement of problems. The following research questions were raised:

i. Does learning orientation affect Small and Medium Enterprises performance?

ii. Does employee commitment moderate the effect of learning orientation on Small and Medium Enterprises performance?

Research Objectives
The main objective of the study is to examine the moderating role of employee commitment on the effect of learning orientation on SMEs performance. Other specific objectives include to:

i. determine whether learning orientation affect Small and Medium Enterprises performance;

ii. determine whether employee commitment moderate the effect of learning orientation on Small and Medium Enterprises performance.

Hypotheses of the Study
The following hypotheses were raised in null form to guide the researcher:

H01: Learning orientation has no significant effect on Small and Medium Enterprises performance.
H02: Employee commitment does not significantly moderate the relationship between learning orientation and Small and Medium Enterprises performance.

Scope of the Study
The study examines the moderating role of employee commitment on the effect of intellectual capital, learning orientation on SMEs performance. This study is concerned with Small and Medium Enterprises (SMEs) in Kaduna State of the Federal Republic of Nigeria and the study will cover 2023.

LITERATURE REVIEW
The main objective of this chapter is to review related literature on the constructs or variables under study.

Concept of SMEs Performance
SMEs performance is the SMEs ability to attain its goals by using resources in an efficient and effective manner. Iqba, Martins, Mata, Naz, Akhtar, & Abreu, (2021), defines SMEs performance as the ability of the organization to achieve its goals and objectives. SMEs Performance is the sum of accomplishments attained by SMEs business (Barney, 1991). Shafi, (2020) amongst other management theorists observes that there is no agreement on SMEs performance measures as scholars operationalize the concept depending on their discipline of study. Their view agrees with Abdulrab, Al-Mamary, Alwaheeb, Alshammari, Balhareth, & Al-Shammari, (2021) who opines that lack of consensus on definition arises because the concept is associated with a variety of SMEs firm’s overall wellbeing ranging from financial profitability, output levels to market levels.

Concept of Learning Orientation
Puspita et. al., (2020) posit that learning orientation is conceptualised as a basic attitude towards learning, i.e., the organisational and managerial characteristics that facilitate the organisational learning process (Alkalouti, et. al., 2020). In this context, learning orientation is viewed as a firm’s values that influence the firm’s tendency to create and use knowledge and management commitment to support a culture that fosters learning orientation as one of its main values (Al-Surmi, et. al., 2020).

Concept of Employee Commitment
Commitment is considered to be psychological immersion of an individual with his institute through sense of belonging, ownership of organizational goals and being ready to accept challenges. Organizational commitment means the involvement of an employee to perform his work with zeal and excitement (Yu, et. al., 2022). Performance of an organization is directly related to commitment level of employees (Abdulrab, et. al., 2021). Committed employees will be able to perform their jobs more than management expectations (Bragg, 2002). High level commitment is indispensable for increasing output and obtaining sustainable competitive advantages (Gomes, et. al., 2022).

Review of Empirical Studies
This section reviews empirical studies relates to the present study with the hope of establishing a gap for the present study.
Relationship between Learning Orientation and Performance

Makhlouf, Laghouag, Sahli, & Belaid, (2021), investigated on effect of learning orientation on SMEs in Somalia and established that learning orientation enhances employee engagement in change processes, innovation and better SMEs performance.

Audretsch, & Belitski, (2022) studied learning orientation and its impact on the SMEs performance in Jordanian, the findings of the study indicates that there is a relationship between effective learning orientation and SMEs performance.

Mantok, Sekhon, Sahi, & Jones, (2019) assessed learning orientation and its effect on employees’ job performance in Yaba College of Technology in Nigeria and concludes that learning orientation programs are essential tools for effective job performance.

Relationship between Employee Commitment and Performance

Ricciardi, Cantino & Rossignoli (2019) investigated the impact of employee commitment (Affective commitment, Continuance commitment and Normative commitment) on performance from a sample of 153 public and private and public sector employees of oil and gas sector in Pakistan. The results reveal a positive relationship between employee commitment and performance. The study does not concentrate on a particular industry; it generalizes on all industries. Choosing a particular segment i.e SMEs is a knowledge gap that future research could cover.

Theoretical Framework

This study is built on two theories. These are the Resource-Based View (RBV) and Knowledge-Based View (KBV). These two theories were chosen because of the fact that both knowledge and non-knowledge assets determine performance.

Research Model

The framework of this study was develop based on the suggestion of extant studies.

Employee commitment is the moderator for the study.

RESEARCH METHODOLOGY

This chapter presents the most appropriate methods employed for conducting the present study.

Population of the Study
The population of this study comprises of Small and Medium Enterprises (SMEs) that are operating within Kaduna State. Kaduna State has one thousand three hundred and twenty-nine (1,329) SMEs (KADCCIMA, 2022).

Sample Size
The objective of the research is to draw inference from a population in order to make generalization on the target population. However, because of large population, in most studies researchers hardly study the entire population. Therefore, sample is always drawn from the population. The present study uses Krejcie and Morgan (1970) Model. The sample size drawn is 302 using Krejcie and Morgan (1970).

In order to reduce the nonresponse rate, the study adhered to the Salkind’s view for adjusting sample size, which is commonly used in survey research (Bartlett et al., 2001). According to this view a sample size could be increased by 40 percent to 50 percent in order to cover off the possibility of lost questionnaires. 50% of 302 is 151, hence the sample size is 453. Therefore 453 survey instruments have been given out to the randomly sampled SMEs’ in Kaduna State.

Sampling Technique
The present study employs simple random sampling techniques.

Method of Data Collection
Primary source of data was used in the study to examine the moderating role of employee commitment on the effect of learning orientation on SMEs performance. Primary data was obtained through the use of questionnaire.

RESULT AND DISCUSSION

This section contains data analysis and presentation according to questionnaire administration. The study employs Partial Least Square (PLS) 2 for the data analysis. Three hundred and twenty-two (322) copies of the questionnaire were duly filled and returned. Therefore, analysis was done on the basis of questionnaires returned.

Response Rate
Table 4.1 Response rate of questionnaire

<table>
<thead>
<tr>
<th>Options</th>
<th>Total</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Questionnaire administered</td>
<td>453</td>
<td>100</td>
</tr>
<tr>
<td>Questionnaire not returned</td>
<td>109</td>
<td>24</td>
</tr>
<tr>
<td>Questionnaire Rejected</td>
<td>22</td>
<td>5</td>
</tr>
<tr>
<td>Questionnaire received</td>
<td>322</td>
<td>71</td>
</tr>
</tbody>
</table>

From the table above, it shows that the response rate is 71% which is adequate for data analysis. A response rate of 50% and above is consider adequate enough for data analysis (Babbie 2007). Also, the response rate is more than the calculated sample size which is 302 which increases to 453 as a result of Iqba et al. (2021) view which is of the view that a sample size could be increased by 40 percent to 50 percent in order to cover off the possibility of lost questionnaires. 50% of 302 is 151, hence the sample size is 453.

Preliminary Analysis and Data Cleansing
The first stage in performing preliminary analysis is to code data and enter the data into a particular data file. The study utilized SPSS for coding and entering the data. This is to ensure minimal distortion that possibly can be caused by inaccurate data. The data were screened for missing values, detection of outlier, Multicollinearity and normality test were
also determined. A total of 453 questionnaires were administered of which 109 questionnaires were not returned, 22 questionnaires was rejected. The analysis was based on the valid questionnaire of 322.

**Missing value**

In statistics, missing data, or missing values, occur when no data value is stored for the variable in an observation. Missing data are a common occurrence and can have a significant effect on the conclusions that can be drawn from the data. Hair (2013) provided a threshold of 10% as maximum acceptable missing values.

**Outlier**

An outlier is an observation that lies an abnormal distance from other values in a random sample from a population. In a sense, this definition leaves it up to the analyst (or a consensus process) to decide what will be considered abnormal. The study discovered 10 outliers and removed the outlier this further reduce the questionnaire.

**Multicollinearity**

Multicollinearity (also collinearity) is a phenomenon in which one predictor variable in a multiple regression model can be linearly predicted from the others with a substantial degree of accuracy. The present study has no multicollinearity problem.

**Partial Least Square (PLS)**

After collecting valid and adequate data, the researcher employed Statistical Package for the Social Sciences (SPSS) version 18 for preliminary analyses. For the main analysis, the study employed partial least squares (PLS) 2 path modeling.

**Assessment of Structural Model**

Having recognized acceptable outer models (measurement model) with indication of adequate reliability and validity of the reflective indicators and constructs, as well as, the adequacy of the reflective indicators and constructs, the next section evaluates the inner model (structural model). The path coefficients were estimated through the bootstrapping procedure (Ringle et al., 2005). As suggested by Hair et al., (2017), the number of bootstrapping subsamples was set at 5,000 with 452 bootstrap cases in the data set and a no significant change. The bootstrapping procedure was carried out to obtain standard errors to determine the significance of the coefficients and for the test of hypotheses (Hair et al., 2014; Hair et al., 2017).
Figure 4.1: Structural Model

Table 4.2

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Relationship</th>
<th>Beta Value</th>
<th>Std error</th>
<th>T Stat</th>
<th>p-value</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>H₁</td>
<td>LO =&gt; SP</td>
<td>0.405</td>
<td>0.114</td>
<td>3.545</td>
<td>0.000***</td>
<td>Rejected</td>
</tr>
<tr>
<td>R²</td>
<td></td>
<td>0.392</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Path Coefficient for Direct Relationship
Learning orientation has a significant positive effect on SMEs performance ($\beta = 0.405$ and $t$-value $= 3.545$, $p$-value $<0.01$). This means as learning orientation increases by one unit, SMEs performance increases by 40.5%. Hence, hypothesis one ($H_1$), learning orientation has no significant effect on SMEs performance is rejected.

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Relationship</th>
<th>Beta Value</th>
<th>Std error</th>
<th>T Stat</th>
<th>p value</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>$H_2$</td>
<td>EC*LO -&gt; SP</td>
<td>0.383</td>
<td>0.112</td>
<td>3.409</td>
<td>0.001***</td>
<td>Rejected</td>
</tr>
<tr>
<td>$R^2$</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

***P value <0.01, **P value<0.05 *P-value<0.1

Employee commitment significantly moderates the relationship between learning orientation and SMEs performance ($\beta = 0.383; t = 3.409, p = 0.001$).

The $r$ square value of 0.579 implies that 57.9% of the variance in the dependent variable SMEs performance is explained by learning orientation, employee commitment and the interaction terms of employee commitment*and employee commitment*learning orientation.

**Summary of Findings**
From the tested hypotheses, the findings of the study revealed that learning orientation has significant effect on Small and Medium Enterprises (SMEs) performance and employee commitment moderate the effect of learning orientation on Small and Medium Enterprises (SMEs) performance.

**CONCLUSION AND RECOMMENDATIONS**

**Conclusion**
Based on the tested hypotheses, it can be concluded that learning orientation has significant effect on Small and Medium Enterprises (SMEs) performance and employee commitment moderate the effect of learning orientation on Small and Medium Enterprises (SMEs) performance.

**Recommendations**
On the basis of the findings of the study following suggestions are provided to the various stakeholders.

1. Owner/managers should encourage employees to introduce new ideas, new technology, new way of thinking implement and utilize these abilities as this will improve SMEs performance.
2. The owner/managers should realize that in the present knowledge economy, entrepreneurial orientation forms an important element of intangible assets of the SMEs which should be reconfigured to ensure that the enterprises are proactive in the
market place, make new product and process innovations.

Reference


Ferreira, J., Cardim, S., & Coelho, A. (2021). Dynamic capabilities and mediating effects of innovation on the competitive advantage


