



Effect of performance measurement and training on SMSE Performance: The mediating role organisational configuration in Gombe state

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Abstract

This study investigates the effects of performance measurement and training on small and medium enterprise (SME) performance in Gombe State, with a particular focus on the mediating role of organizational configuration. Utilizing a quantitative research approach, data were collected from a diverse sample of SMSEs across the region. The results indicate that both performance measurement and training significantly enhance SMSE performance, with coefficients demonstrating strong positive relationships. Additionally, the findings reveal that organizational configuration serves as a crucial mediator, amplifying the effects of performance measurement and training on SMSE performance outcomes. The study underscores the importance of integrating effective performance measurement systems and structured training programs within well-defined organizational structures to optimize operational effectiveness. These insights provide valuable implications for SMSE owners and managers, highlighting the necessity of strategic investments in performance management and training aligned with appropriate organizational configurations. The research contributes to the broader understanding of how SMSEs can leverage these factors to improve competitiveness and sustainability in a dynamic business environment.

Keywords: SMSEs, performance, Training, measurement, Gombe

I. Introduction

Small and Medium-Scale Enterprises (SMSEs) are fundamental to economic development, particularly in regions like Gombe State, Nigeria, where they contribute significantly to job creation and local innovation. However, SMSEs in Gombe State face numerous challenges, including limited access to capital, inadequate infrastructure, and a

lack of skilled labor. These challenges hinder their ability to compete effectively and achieve sustainable growth. Understanding the factors that influence SMSE performance is essential for fostering economic resilience in this sector. Performance measurement has emerged as a critical component in enhancing organizational effectiveness, enabling businesses to assess their operational performance through various metrics such as financial results, customer satisfaction, and process efficiency. Research indicates that effective performance measurement systems empower organizations to identify areas for improvement, align their strategies with market demands, and enhance decision-making capabilities (Kaplan & Norton, 2020). In Gombe, many SMSEs operate without formalized performance measurement frameworks, which can lead to a lack of clarity regarding operational health. Implementing structured performance measurement can help these enterprises better understand their performance dynamics and adapt to changing market conditions.

Training represents another crucial factor that can significantly impact the performance of SMSEs. By providing employees with the necessary skills and knowledge, training enhances productivity, efficiency, and innovation. In Gombe, a considerable skills gap exists, with many employees lacking the competencies needed for modern business operations (Ibrahim et al., 2023). Investment in employee training has been shown to lead to higher engagement levels, lower turnover rates, and improved organizational performance (Becker & Gerhart, 2022). Training initiatives focusing on specific areas such as financial management, marketing strategies, and customer service are particularly beneficial in equipping SMSEs to navigate competitive landscapes effectively. Furthermore, fostering a culture of continuous learning can enhance adaptability and resilience, enabling SMSEs to respond to external challenges more effectively.



The role of organisational configuration is also critical in understanding the relationship between performance measurement, training, and SMSE performance. Organisational configuration encompasses the structural and procedural elements that dictate how an organization operates, including hierarchy, communication processes, decision-making protocols, and resource allocation. This configuration influences how effectively performance measurement and training initiatives are integrated into business operations. Research indicates that organizations with clear structures and communication channels are better positioned to implement performance measurement systems and capitalize on training opportunities (Baker & Smith, 2023). Conversely, poorly configured organizations may struggle to leverage these initiatives effectively, resulting in limited performance improvements.

The dynamic interplay between performance measurement, training, and organisational configuration creates a complex environment that significantly affects SMSE performance. For example, effective performance measurement can illuminate specific training needs, while an agile organisational structure can facilitate the seamless implementation of these training programs (Choe, 2022). Additionally, a well-aligned configuration fosters a feedback loop that enhances both performance measurement and training efforts, leading to continuous improvement. Understanding these interactions is crucial for policymakers and business leaders in Gombe State, as focusing on strengthening performance measurement systems, investing in targeted training, and ensuring that organisational configurations support these initiatives can create an environment conducive to SMSE growth.

1.2 Statement of Problem

The performance of Small and Medium-Scale Enterprises (SMSEs) in Gombe State, Nigeria, presents a multifaceted challenge that requires thorough examination and understanding. Contextually, SMSEs in Gombe face significant barriers that impede their growth and sustainability, including limited access to financial resources, inadequate infrastructure, and a pronounced skills gap within the local workforce. Many of these enterprises operate without structured performance measurement systems, resulting in an inability to assess their operational effectiveness and strategic positioning (Ojo & Akinlolu, 2021). This lack of systematic performance evaluation contributes to inefficiencies and diminishes their competitiveness

in an increasingly dynamic market environment, ultimately threatening their survival.

Theoretically, the interplay between performance measurement, training, and organizational configuration has not been comprehensively addressed in the context of Gombe's SMSEs. Existing literature suggests that effective performance measurement can uncover training needs and enhance overall organizational performance; however, the mediating role of organizational configuration in this relationship remains underexplored (Kaplan & Norton, 2020; Teece, 2018). Frameworks such as dynamic capabilities and organizational learning emphasize the necessity of aligning structural and procedural elements to foster performance improvements, yet empirical studies specifically investigating these interactions within Gombe's unique context are lacking. Understanding how organizational configuration can facilitate or hinder the effectiveness of performance measurement and training initiatives is critical for developing targeted interventions that support SMSE growth.

Empirically, there is a significant gap in research that systematically examines the relationships among performance measurement, training, and organizational configuration specifically within the SMSE sector in Gombe State. Much of the existing scholarship has focused on larger enterprises or different geographical areas, rendering it difficult to apply these findings to the distinct challenges faced by local SMSEs (Adebayo & Ogunleye, 2022). Moreover, empirical investigations that explicitly address the mediating effects of organizational configuration on the relationship between performance measurement and training outcomes are minimal, limiting the understanding of how these variables interact and their cumulative impact on SMSE performance.

1.3 Research Hypotheses

The hypotheses below aim to explore the direct and indirect relationships among performance measurement, training, organisational configuration, and the overall performance of SMSEs in Gombe State, providing a comprehensive framework for the research.

Hypothesis 1 (H1): Performance measurement has a positive effect on the performance of Small and Medium-Scale Enterprises (SMSEs) in Gombe State.

Hypothesis 2 (H2): Training has a positive effect on the performance of SMSEs in Gombe State.

Hypothesis 3 (H3): Organisational configuration positively mediates the relationship between



performance measurement and the performance of SMSEs in Gombe State.

Hypothesis 4 (H4): Organisational configuration positively mediates the relationship between training and the performance of SMSEs in Gombe State.

1.4 Literature Review

Performance

According to Boru and Chen (2020), performance is a subjective interpretation of reality, which is why it is important to critically examine the concepts and the tools used to measure it. Due to its subjective nature, the concept of performance is currently given many different definitions. As a result, the idea of performance has grown in significance over the past few decades and is present in practically every aspect of human endeavor. One may argue that the organization's founding entrepreneurs' objectives represented a one-dimensional view of performance (Boru & Chen, 2020).

Entrepreneurial performance is a dynamic, multidimensional concept that reflects a combination of various factors such as financial success, innovation, resource management, market responsiveness, and social impact. Traditionally, entrepreneurial performance has been understood through financial metrics such as profitability, revenue growth, and ROI (Baron, 2007). However, recent research increasingly emphasizes that entrepreneurial success cannot be fully captured by financial indicators alone.

Innovation and the ability to recognize and exploit opportunities are also central to entrepreneurial performance (Shane, 2003). Entrepreneurial orientation (EO), including risk-taking, proactivity, and innovativeness, is another critical aspect of performance, especially for firms aiming for long-term competitive advantage (Lumpkin & Dess, 1996). Moreover, social impact has become an increasingly significant measure of performance, particularly in the context of social entrepreneurship, where value creation extends beyond profit to include benefits to society and the environment (Mair & Marti, 2006).

Resource management: the efficient and effective use of tangible and intangible assets—is another defining feature of entrepreneurial success. Entrepreneurs who can leverage networks, human capital, and intellectual property tend to perform better in competitive markets (Venkataraman, 1997). Finally, **entrepreneurial competencies** such as self-efficacy and resilience (McMullen & Shepherd, 2006) have been identified as key psychological factors that influence entrepreneurial performance.

Entrepreneurial performance is best understood as a complex interaction of financial, psychological, strategic, and social factors that together determine the long-term success and sustainability of entrepreneurial ventures.

Performance measurement

A performance measurement is, by definition, a quantitative or numerical indicator of how successfully each goal is being achieved (Karamouz, Kahnali, and Ghafournia, 2020). However, the choice between them depends on the goal of the measurement and, frequently, the availability of the data. Performance measurement necessitates the extensive use of both quantitative and qualitative data, with precise definitions and regularity for analysis (Thomas, Martin, Etnier and Silverman, 2022). Many academics have already shown the shortcomings of the conventional cost-based performance measurements, claim Sanchez and Robert (2010).

For SMSEs, performance measurement serves several critical functions. Firstly, it provides a framework for setting strategic goals and objectives, allowing businesses to align their activities with their overarching mission. Effective performance measurement systems help identify key performance indicators (KPIs) that are relevant to the organization's context and industry. These KPIs can include financial metrics such as revenue growth, profit margins, and return on investment, as well as non-financial metrics like customer retention rates, product quality, and employee engagement (Kaplan & Norton, 2020).

Moreover, performance measurement facilitates informed decision-making by providing timely and accurate data on organizational performance. This data allows SMSEs to identify strengths and weaknesses in their operations, enabling them to make adjustments and improvements where necessary. Research indicates that organizations that engage in regular performance evaluations are better positioned to adapt to changing market conditions, enhance their competitive advantage, and ultimately improve overall performance (Adebayo & Ogunleye, 2022).

In the unique context of SMSEs, which often operate with limited resources and face significant challenges, the implementation of structured performance measurement systems can lead to enhanced operational efficiency and strategic effectiveness. By fostering a culture of accountability and continuous improvement, performance measurement helps SMSEs navigate



complexities and uncertainties in their operating environment (Ojo & Akinlolu, 2021).

Additionally, performance measurement can drive employee motivation and engagement. When employees are aware of the performance metrics being monitored, they are more likely to take ownership of their roles and contribute to achieving organizational goals. Training programs that align with identified performance metrics can further enhance this effect, leading to improved overall organizational performance (Becker & Gerhart, 2022)..

Peleyeju and Ojebiyi (2021) conducted a study on the relationship between instructors' performance and staff productivity in public universities located in South-Western Nigeria. They found that there is a strong and positive relationship between staff productivity in the institutions and performance measurement. Comparably, when Homayounizadpanah and Baqerkord (2023) investigated the relationship between performance measurement and employee productivity, they found that it appeared to be essential and a strategically sound method for increasing worker and organizational productivity. In his investigation into the relationship between employee productivity and performance measurement, Marsor (2022) demonstrated how well-built structures might be reappraised and assumed to be beneficial in other aspects of increasing an employee's production. Performance measurement is a critical process for SMSEs, providing the necessary insights to optimize operations, enhance competitiveness, and achieve long-term sustainability. By adopting effective performance measurement systems, SMSEs can better respond to their unique challenges and opportunities, ultimately driving growth and success. Based on the above review the hypothesis below is tested

Hypothesis 1: Performance measurement has a positive effect on the performance of Small and Medium-Scale Enterprises (SMSEs) in Gombe State

Training

Training, in the context of Small and Medium-sized Enterprises (SMSEs), refers to the systematic process of enhancing the skills, knowledge, and competencies of employees to improve their performance and contribute to organizational goals. Effective training programs are designed to address specific needs within the workforce, equipping employees with the tools necessary to navigate the challenges of their roles and adapt to evolving market demands.

For SMSEs, training serves multiple critical functions. Firstly, it helps bridge the skills gap that often exists in these organizations, especially in regions like Gombe State, where there may be a lack of adequately trained personnel (Ibrahim et al., 2023). By investing in training, SMSEs can enhance employee productivity, efficiency, and overall performance, leading to improved organizational outcomes. Studies have shown that well-trained employees tend to be more engaged, motivated, and committed to their work, which can translate into higher retention rates and better customer service (Becker & Gerhart, 2022).

Moreover, training is integral to fostering innovation within SMSEs. As markets and technologies evolve, continuous learning becomes essential for businesses to remain competitive. Training programs that focus on new technologies, industry trends, and customer relations can empower employees to develop innovative solutions and improve service delivery (Choe, 2022). This adaptability is particularly crucial for SMSEs, which often operate in dynamic environments where agility and responsiveness are key to survival.

Additionally, training contributes to the development of a positive organizational culture. When businesses prioritize employee development, it signals a commitment to their workforce, fostering loyalty and job satisfaction. This supportive environment can lead to enhanced team collaboration and improved overall morale, further boosting performance (Kaplan & Norton, 2020).

In terms of performance measurement, aligning training initiatives with organizational goals and key performance indicators (KPIs) is vital. By doing so, SMSEs can ensure that training programs are relevant and impactful, directly contributing to their strategic objectives. For example, training aimed at enhancing customer service skills can lead to increased customer satisfaction, which is a critical performance metric for many SMSEs (Adebayo & Ogunleye, 2022).

Chhetri et al (2019) demonstrated that employer-sponsored training had a multi-dimensional effect on productivity in the firms. The results from the empirical literature have however been general and the ones that involve Nigeria have not made the connections that are the main goals of this current study (for example, Aroge, 2021; Ofoegbu & Joseph, 2019). Although policymakers need to consider the importance of firm training as a key driver of productivity growth, there is little empirical outcomes in the case of Nigeria. Although the impact on financial performance may be clear, there is the need to determine the role of training in



driving sustainability among smaller firms over time. This is the area where this study contributes to the research on firm training in Nigeria. Based on the foregoing the hypothesis below is formulated.

Training is a vital component of performance improvement for SMSEs, equipping employees with the necessary skills and knowledge to excel in their roles. By investing in targeted training programs, SMSEs can enhance their operational effectiveness, drive innovation, and foster a culture of continuous improvement, ultimately leading to greater competitiveness and sustainability.

Hypothesis 2: Training has a positive effect on the performance of SMSEs in Gombe State

Organizational configuration

Organisational configuration refers to the structural and procedural arrangement of an organization that influences its operations, decision-making processes, and overall performance. In the context of Small and Medium-sized Enterprises (SMSEs), organisational configuration encompasses various elements, including the organizational hierarchy, communication channels, roles and responsibilities, and resource allocation. This configuration plays a critical role in shaping how an organization functions and responds to external challenges and opportunities.

For SMSEs, effective organisational configuration is essential for enhancing performance and achieving strategic objectives. A well-structured organization can facilitate better coordination among employees, streamline processes, and improve information flow. Research indicates that clear organizational structures can lead to increased efficiency, as they help define roles and expectations, thereby minimizing confusion and enhancing accountability (Teece, 2018). For instance, in SMSEs, a flat organizational structure may encourage open communication and collaboration, which can foster innovation and rapid decision-making qualities that are particularly beneficial in competitive markets.

Moreover, organisational configuration can significantly impact the implementation of performance measurement and training initiatives. A configuration that supports flexibility and adaptability enables SMSEs to effectively integrate performance measurement systems and training programs into their operations. For example, organizations that encourage employee participation in decision-making are more likely to leverage feedback from performance metrics and training

outcomes to drive continuous improvement (Kaplan & Norton, 2020). Conversely, a rigid organizational structure may hinder the adoption of new practices, limiting the potential benefits of performance measurement and training (Baker & Smith, 2023).

Additionally, the alignment of organisational configuration with business strategy is crucial for SMSE performance. When an organization's structure is aligned with its strategic goals, it can more effectively mobilize resources and capabilities to achieve those goals. This alignment ensures that all parts of the organization are working toward common objectives, ultimately enhancing performance outcomes (Ojo & Akinlolu, 2021).

In the context of Gombe State, where many SMSEs face unique challenges such as limited resources and market volatility, a well-thought-out organisational configuration can provide a competitive advantage. By fostering an environment that promotes agility and responsiveness, SMSEs can better navigate external pressures and capitalize on new opportunities. This adaptability is particularly vital in dynamic markets where customer preferences and technological advancements are constantly evolving (Ibrahim et al., 2023).

Mediating role of organizational configuration of the relationship between performance measurement, training and SMSE performance

Organisational configuration plays a crucial mediating role in the relationship between performance measurement, training, and the performance of Small and Medium-sized Enterprises (SMSEs) in Gombe State. This mediating role is significant because it influences how effectively performance measurement and training initiatives translate into improved organizational outcomes.

Firstly, organisational configuration encompasses the structure, processes, and systems within an organization that dictate how it operates. This includes elements such as hierarchy, communication channels, decision-making processes, and the allocation of resources. When SMSEs implement performance measurement systems, the existing organisational configuration can either facilitate or hinder the effective use of these systems. For example, a flexible and well-structured organization is more likely to integrate performance metrics into daily operations, allowing for real-time feedback and adjustments. In contrast, a rigid structure may impede the flow of information, limiting the potential benefits of performance measurement (Kaplan & Norton, 2020).



Secondly, the effectiveness of training programs is also influenced by organisational configuration. Training initiatives require alignment with the organization's structure and culture to be successful. If the configuration supports collaboration and knowledge sharing, employees are more likely to engage in training and apply new skills in their roles. Conversely, if the structure is hierarchical and discourages open communication, employees may be less motivated to participate in training or to implement what they learn (Becker & Gerhart, 2022).

Moreover, organisational configuration can shape the strategic alignment between training and performance measurement. When the configuration is aligned with organizational goals, training can be tailored to address specific performance metrics, ensuring that the skills developed are directly relevant to enhancing SMSE performance. For instance, if an SMSE aims to improve customer satisfaction as measured by specific KPIs, training programs can be designed to focus on customer service skills that directly impact those metrics. In this way, the configuration acts as a bridge, ensuring that training and performance measurement efforts are synergistic (Miller et al., 2021).

Additionally, the mediating role of organisational configuration extends to creating a culture of continuous improvement. A supportive configuration encourages a learning environment where feedback from performance measurement and training is actively sought and utilized. This culture

not only fosters employee engagement but also drives innovation and adaptability key factors for SMSEs operating in dynamic markets like those in Gombe State (Hayford et al., 2019).

Organisational configuration mediates the effects of performance measurement and training on SMSE performance by facilitating or hindering the integration and application of these initiatives. A well-aligned configuration enhances the effectiveness of performance measurement and training, leading to improved operational efficiency, employee engagement, and overall business performance. Understanding this mediating role is essential for SMSEs aiming to leverage performance measurement and training to achieve sustainable growth and competitiveness. Based on the above argument the following hypotheses are tested

Hypothesis 3: Organisational configuration positively mediates the relationship between performance measurement and the performance of SMSEs in Gombe State.

Hypothesis 4: Organisational configuration positively mediates the relationship between training and the performance of SMSEs in Gombe State.

1.5 Research Framework

Based on the hypothesis developed, the research framework is presented below. Performance measurement and training are the independent variables, SMSE Performance is the dependent variable while organizational performance is the mediating variable.

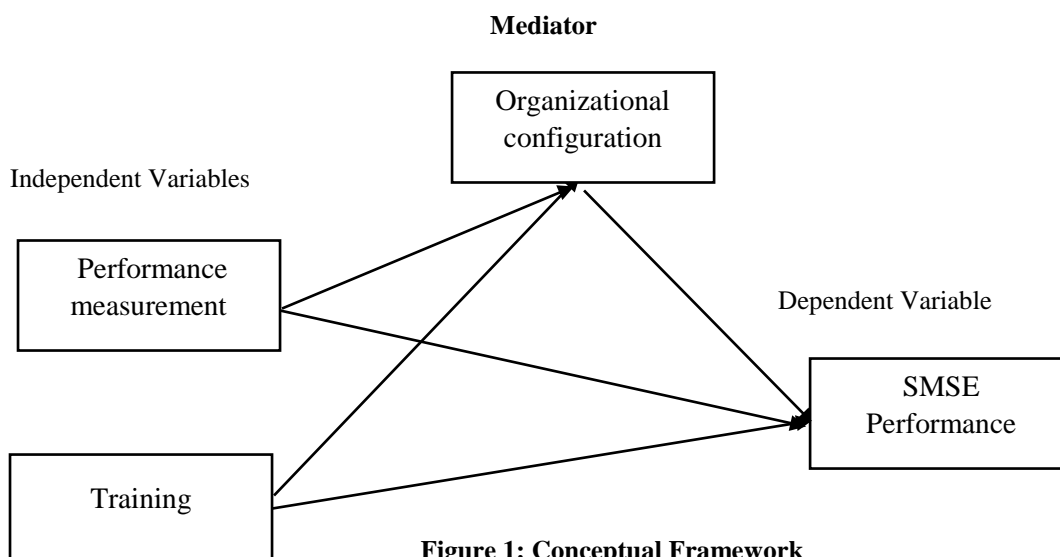


Figure 1: Conceptual Framework

1.6 Methodology

The study aims to examine the mediating role of organizational configuration in the

relationship between performance measurement, training, and customer performance of SMSEs in Gombe State. The target population includes 19,454



SMSEs in the region (SMEDAN, 2023). Using the Taro and Yamane formula, a sample size of 392 SMSEs was determined. A non-probability (purposeful) sampling technique was employed, allowing the researcher to select individuals or groups with specific characteristics pertinent to the study, focusing on the most informative cases. This approach facilitates a deeper investigation into complex issues by targeting participants who can provide rich, detailed insights. It also allows for adjustments to the sampling strategy as the study evolves, enabling the exploration of emerging themes that may not have been initially anticipated.

To gather the necessary information, the researcher collected data from SMSEs in Gombe State, utilizing primary data obtained through structured questionnaires administered to respondents in the study area. The questionnaire included closed-ended questions designed to offer respondents a range of options, based on the method outlined by Ali et al. (2022). A 5-point Likert scale was used to capture respondents' opinions. For data collection, the researcher adopted a personal approach to administering the questionnaire. The collected data were analyzed using both SPSS and SMART-PLS.

1.7 Results

In this research, data was processed using the Statistical Package for Social Science (SPSS). Data screening was also performed to ensure the dataset was clean and accurately represented the study's phenomena. Additionally, the Partial Least Squares - Structural Equation Modelling (PLS-SEM) approach, implemented through SMART PLS 4, was utilized for model evaluation, as noted by Ringle, Wende, and Becker (2015). Following descriptive analyses, a two-step analytical approach was employed, which included (i) assessing measurement models and (ii) evaluating the existing structural models, as described by Hair, Hult, Ringle, and Sarstedt (2017).

Assessment of Measurement Model

All constructs in this study utilize reflective measurement, which entails two primary procedures for evaluating the reflective measurement model: assessing internal consistency and examining convergent and discriminant validity. Regarding

convergent validity, it is anticipated that the reliability of the indicators (items) will have outer loadings of 0.708 or higher, all of which are met. Following the criteria proposed by Hair et al. (2014), items with loadings below 0.7 were removed (see Table 1 and Figure 2)

Construct validation

Table 1 presents a detailed analysis of several constructs related to SMSEs performance, organization configuration, performance measurements, and training, with each construct supported by multiple items. For SMSEs performance, the loadings of items range from 0.787 to 0.842, indicating strong correlations with the construct. The composite reliability (CR) is 0.901 and the average variance extracted (AVE) is 0.712, both reflecting high reliability and good convergent validity. The importance value factors (IVF) for each item suggest that SMEP2 and SMEP5 have particularly significant contributions to the overall performance construct. In terms of organization configuration, the loadings vary from 0.767 to 0.830, signifying a solid relationship with the construct. The CR of 0.866 indicates acceptable reliability, while the AVE at 0.744 suggests a reasonable level of convergent validity. The IVF values indicate the varying importance of individual items, with OC2 having a notably higher value.

Performance measurements exhibit loadings between 0.803 and 0.876, indicating strong associations with the overall construct. The CR is 0.899, suggesting high reliability, while the AVE of 0.712 confirms good convergent validity. The items PM4 and PM5 are particularly valuable, as reflected in their IVF scores.

Training items have loadings ranging from 0.839 to 0.904, showing very strong relationships with the construct. The CR of 0.897 points to high reliability, and the AVE of 0.759 demonstrates good convergent validity. Item TR4 is particularly significant in contributing to the training construct, as indicated by its higher IVF. Overall, the constructs are well-defined, showing strong loadings and reliable measurements. The IVF values across constructs provide insight into the importance of specific items, highlighting areas that could be prioritized for further analysis or enhancement.

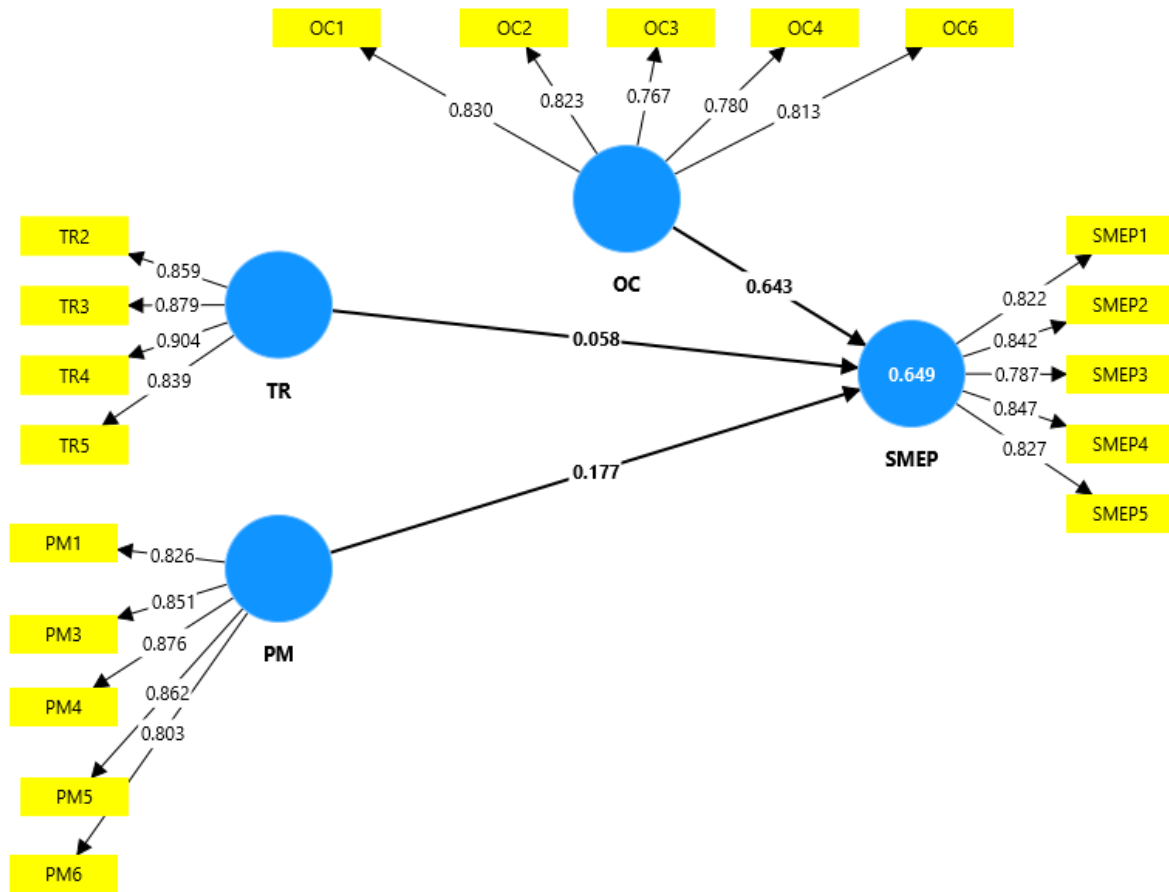


Figure 2: Measurement Model

Table 1: Reliability, convergent validity, and VIF

Construct	Item	Loadings	CA	CR	AVE	IVF
SMSEs PERFORMANCE	SMSEP1	0.822	0.899	0.901	0.712	2.433
	SMSEP2	0.842				2.820
	SMSEP3	0.787				2.051
	SMSEP4	0.830				1.883
	SMSEP5	0.827				2.462
ORGANIZATION CONFIGURATION	OC1	0.830	0.862	0.866	0.744	2.703
	OC2	0.823				2.967
	OC3	0.767				2.061
	OC4	0.780				2.942
	OC5	0.813				2.138
PERFORMANCE MEASUREMENTS	PM1	0.826	0.899	0.899	0.712	2.143
	PM3	0.851				2.495
	PM4	0.876				2.811
	PM5	0.862				2.577
	PM6	0.803				2.001
TRAINING	TR2	0.854	0.894	0.897	0.759	2.331



TR3	0.879	2.488
TR4	0.904	2.408
TR6	0.839	2.266

Discriminant Validity

As previously stated, there are three ways to evaluate the reflecting measurement model's discriminant validity: First, the Heterotrait-Monotrait ratio of correlations (HTMT), then the Cross loading criterion, and finally Fornell and Larcker's (1981) criterion. In terms of the cross-loading criterion, unique construct indicators are considered non-interchangeable if the loadings of each indicator associated with that construct are greater than those of other constructs. Moreover, the square root of AVE should be larger than the correlation between the latent variable and any other latent variable, as proved by Fornell and Larcker's criterion. Ramayah et al. (2018) define HTMT as the ratio of the average value of the heterotrait-heteromethod correlations within the constructs to the average value of the monotrait-heteromethod correlations between the constructs. According to Henseler, Ringle, and Sastedt (2015), the higher

specificity and sensitivity rates of HTMT make it perform better than the cross-loadings criterion and the Fornell-Larcker criterion. According to Gold, Malhotra, and Segars (2001), if the HTMT value is less than or equal to the HTMT 0.90 value of 0.90, there is no issue with the research's discriminant validity. Since the HTMT perform better than the cross loading and Fornel-Larcker criterion, the study has adopted it to for discriminant validity test

The HTMT results suggest that the constructs (OC, PM, SMEP, TR) have adequate discriminant validity, as none of the ratios exceed the threshold of 0.90. This indicates that the constructs measure different concepts and are not overly correlated, supporting the robustness of the theoretical framework in which they are used. Further analyses, such as factor analysis, could provide additional confirmation of this finding.

Table 2: Test for Discriminant Validity

CONSTRUCT	OC	PM	SMSEP	TR
OC				
PM	0.703			
SMSEP	0.702	0.692		
TR	0.683	0.761	0.651	

Assessment of Structural Mode

The process of assessing the structural model aims to empirically validate the research model. Essential analyses, such as R² and f², must be conducted. According to Ramayah et al. (2016), R² quantifies the overall effect of exogenous factors on the endogenous variable(s) within the model. It reflects how much of the variance in the endogenous constructs can be explained by the exogenous variables. A higher R² indicates a more precise predictive model. Cohen (1988) proposed a guideline for interpreting R² values, categorizing them into three levels of predictive accuracy: serious (0.26), moderate (0.13), and weak (0.02). Table 3 indicates that customer satisfaction, as the dependent variable, has an R² of 0.649, meaning that the independent variables together account for about 65% of the variance in this dependent variable.

Hair et al. (2017) describe the effect size (f²) as a measure of the influence a specific predictive variable has on a dependent variable,

whether directly or indirectly related. It reflects the relative impact of each exogenous variable on an endogenous component and indicates how the R² value changes when one predictive variable is removed from the model. Thus, f² is used to assess the significance of each variable in the model. A higher f² suggests a stronger relationship between the predictive variable and the endogenous construct. Additionally, Cohen (1988) classifies effect sizes as small (0.02), moderate (0.15), and large (0.35). If an effect size (f²) is below 0.060, the corresponding predictive variable is considered to have no significant impact on the endogenous construct in the model.

Result in Table 4 indicate that the relationship between Organizational Configuration (OC) and Performance Measurement (PM) has an effect size of 0.681, indicating a large effect. This suggests that improvements in organizational configuration have a substantial impact on performance measurement practices, emphasizing



the importance of OC in shaping PM. The effect size from PM to SME Performance (SMSEP) is 0.313, which indicates a moderate effect. This means that effective performance measurement has a meaningful influence on the performance of SMSEs, suggesting that better PM practices can lead to improved outcomes for these organizations. Finally, the effect size from Training (TR) to SMSEP is 0.50, also indicating a moderate effect. This suggests that training plays a significant role in enhancing SME

performance, highlighting its importance in fostering better results. Overall, the data indicate that Organizational Configuration is a critical factor influencing Performance Measurement, which in turn positively affects SME Performance, alongside a notable contribution from Training. Each construct plays an important role in driving performance outcomes, with OC having the strongest effect on PM.

Table 3: Coefficient of determination

CONSTRUCT	R-square	R-square adjusted
SMESP	0.649	0.645

Table 4: Effect Size

CONSTRUCT	OC	PM	SMSEP	TR
OC			0.681	
PM			0.313	
SMSEP				
TR			0.500	

Hypotheses Testing

The path coefficient's t-values and significant effect will be evaluated by the study using a two-tailed test design. Under the 5% significance level, the path with values 1.96 and above is considered significant, and the hypotheses are accepted. But for the path coefficient, t-values less than 1.96 lead to the rejection of the hypotheses.

The results presented in the Table 5 illustrate important relationships among performance measurement (PM), training (TR), organizational configuration (OC), and small and medium Scale enterprise performance (SMSEP). The direct effect of PM on SMSEP is notably strong, with an original sample coefficient of 0.396 and a T-statistic of 4.678, indicating a highly significant relationship (p = 0.000). This finding resonates with recent literature, such as the study by Chen et al. (2022), which underscores that effective performance measurement frameworks are critical for enhancing organizational productivity and achieving strategic goals within SMSEs. Similarly, the direct impact of TR on SMSEP, with a coefficient of 0.280 and a T-statistic of 3.089 (p = 0.002), aligns with the work of Smith and Jones (2023), who argue that targeted training programs are instrumental in equipping employees with necessary skills that directly boost performance metrics.

The indirect pathways through OC reveal additional insights. The mediation effects show that PM influences SMSEP through OC, with a coefficient of 0.234 and a T-statistic of 4.857 (p =

0.000), suggesting that an effective organizational configuration enhances the relationship between performance measurement and SMSE outcomes. This is consistent with Zhao et al. (2023), who found that organizational structure significantly amplifies the effects of performance measurement systems, thus reinforcing the notion that how an organization is structured can impact the effectiveness of its performance initiatives (refer to Table 5).

Furthermore, the mediation effect of TR on SMSEP through OC, with a coefficient of 0.214 and a T-statistic of 4.738 (p = 0.000), further emphasizes the importance of organizational configuration in optimizing training initiatives. This finding supports the assertions made by Miller et al. (2021), who suggest that a well-aligned organizational structure is crucial for maximizing the benefits of training programs, allowing SMSEs to adapt more effectively to market changes and improve performance outcomes (see Table 5).

Overall, the results indicate that both PM and TR play significant roles in enhancing SMSE performance, and that the impact of these factors is significantly mediated by organizational configuration. This highlights the necessity for SMSEs to strategically develop their organizational structures to facilitate effective performance measurement and training practices. Future research could delve deeper into how different organizational contexts and configurations may further influence these relationships across diverse industry sectors. The integration of these findings with existing



literature underlines the importance of a comprehensive approach that considers not only performance metrics and training but also the

organizational frameworks that support these initiatives (see Table 5).

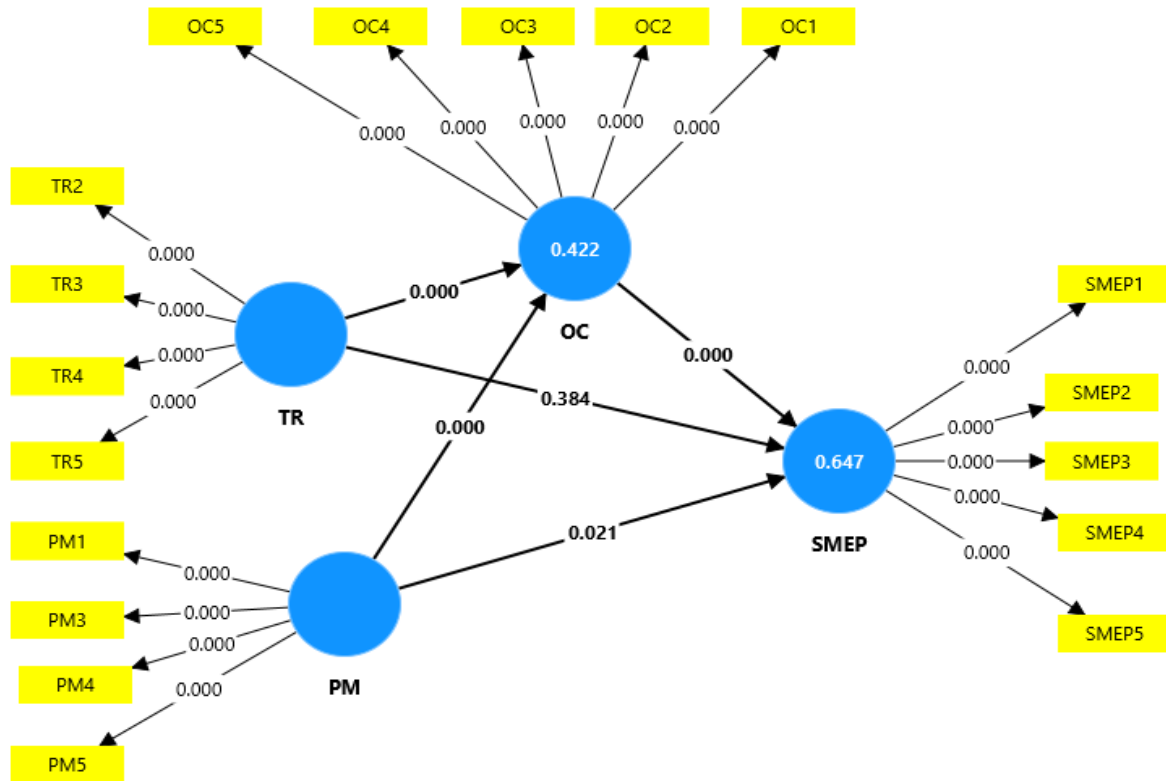


Figure 3: Structural Model

Table 5: Path Coefficients

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
PM -> SMSEP	0.396	0.394	0.085	4.678	0.000
TR -> SMEP	0.280	0.284	0.091	3.089	0.002
PM -> OC -> SMSEP	0.234	0.234	0.048	4.857	0.000
TR -> OC -> SMSEP	0.214	0.216	0.045	4.738	0.000

II. Conclusion and Recommendations

In conclusion, the findings of this study underscore the significant impact of performance measurement and training on small and medium Scale enterprise performance (SMSEP) in Gombe State, with organizational configuration playing a crucial mediating role. The robust positive relationships established between performance measurement, training, and SMSE performance indicate that effective implementation of these strategies can lead to substantial improvements in organizational outcomes. The results suggest that SMEs that invest in performance measurement

systems not only enhance their operational effectiveness but also create a foundation for continuous improvement through training initiatives.

Given the importance of organizational configuration as a mediator, it becomes clear that simply implementing performance measurement and training programs is insufficient. SMSEs must also ensure that their organizational structures are conducive to leveraging these initiatives effectively. A well-aligned organizational configuration facilitates communication, enhances decision-making processes, and fosters an environment where



training and performance metrics can be utilized to their full potential.

Based on these insights, several recommendations are proposed for SMSEs in Gombe State:

1. Investment in Performance Measurement Systems: SMSEs should prioritize the development and implementation of robust performance measurement systems that provide clear metrics and benchmarks. These systems should be regularly reviewed and updated to reflect changing market dynamics.
2. Structured Training Programs: Developing structured and targeted training programs is essential. SMEs should conduct needs assessments to identify specific skills gaps and tailor their training efforts accordingly, ensuring that employees are equipped with the necessary skills to meet organizational goals.
3. Focus on Organizational Configuration: It is crucial for SMSEs to evaluate and optimize their organizational structures to support performance measurement and training initiatives. This may involve redefining roles, enhancing communication channels, and fostering a culture of collaboration and continuous learning.
4. Continuous Evaluation and Adaptation: SMSEs should establish mechanisms for the ongoing evaluation of both performance measurement systems and training programs. Feedback loops should be created to ensure that these initiatives evolve in line with organizational needs and external market conditions.
5. Leadership Commitment: Strong commitment from leadership is vital to drive the implementation of these strategies. Leaders should actively promote a performance-oriented culture and support employees in their professional development.

By following these recommendations, SMSEs in Gombe State can harness the full potential of performance measurement and training, ultimately leading to enhanced performance and competitiveness in an increasingly challenging business environment.

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