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EFFECT OF MANAGERIAL AND FINANCIAL SKILLS ON PERFORMANCE OF SELECTED MSMEs IN KADUNA STATE

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Abstract

This study examined the effect of managerial and financial skills on the performance of selected micro, small, and medium enterprises (MSMEs) in Kaduna State. Although the various tiers of government have made frantic efforts to create an enabling environment for MSMEs in Nigeria to thrive, they are still characterized by a high rate of mortality and poor performance in terms of job creation, poverty eradication, and general contribution to the gross domestic product (GDP). The study adopted a descriptive survey design and collected primary data through a structured questionnaire administered to 230 owners/managers of MSMEs across the three Metropolitan Authorities of Kaduna State, Nigeria. This sample size was obtained from the population of 543, using the Yamane (1967) sample formula. The regression analysis was done using partial least squares - structural equation modeling (PLS-SEM) with Smart-PLS version 3 as the statistical tool. Whereas the findings show that managerial skills have a positive and significant effect on the performance of MSMEs in Kaduna State, Nigeria, financial skills were found to have no significant effect on the performance of MSMEs in the State. Consequently, it was recommended that the Kaduna State government should collaborate with the necessary agencies to encourage owners/managers to acquire managerial skills in areas of planning, organizing, leading, and controlling, and apply them as they run their businesses to improve performance.

Keywords: Managerial skills, financial skills, micro, small and medium enterprises, performance

1. Introduction

Micro, Small, and Medium Enterprises (MSMEs) play a vital role in economies worldwide, serving as important drivers of economic growth, employment generation, innovation, and poverty reduction. Their substantial contribution to employment and national output has made MSME performance an important concern for policymakers and researchers, particularly in developing economies (Usman et al., 2026). In the Nigerian context, MSMEs are widely recognised as important contributors to economic development through employment generation, poverty reduction, export earnings, and contribution to Gross Domestic Product (GDP) (Suleiman et al., 2021). Consequently, improving the performance and sustainability of MSMEs remains an important policy and research concern.

Governments in both developed and developing nations have invested heavily in the MSME sector to stimulate economic development. For instance, the European Union allocated over €2 billion under its COSME program (2014–2020) to support small businesses, while countries like Nigeria have introduced schemes such as the MSME Survival Fund and various Central Bank of Nigeria (CBN) intervention programs to boost access to finance and capacity building (CBN, 2023). These initiatives aim to address challenges like limited access to credit, poor infrastructure, and low technological adoption, which often hinder MSME growth.

A range of entrepreneurial skills has been identified as essential for the effective performance of MSMEs. These include management skills (planning, organizing, and decision-making), technical skills (job-specific competencies and innovation capacity), finance skills (budgeting, investment analysis, Akand cash flow management), and accounting skills (record-keeping and financial reporting) (Akinlabi, 2021; Okeke & Nwankwo, 2020). Such skills enable business owners to navigate market challenges, optimize resources, and sustain competitive advantage.

Management and finance skills are important organisational capabilities that can influence business decision-making, performance, and sustainability. Strong managerial capabilities, including strategic planning and leadership, have been associated with improved productivity and profitability in developed economies (Bloom & Van Reenen, 2012), while effective management practices have also been linked to SME growth and sustainability in African economies (Njoroge & Gathungu, 2018; Abubakar & Yahya, 2021). Financial management skills, particularly budgeting, cash-flow monitoring, and informed financial decision-making, are equally important for the effective management of business resources. The importance of financial knowledge is further underscored by evidence that inadequate financial literacy can impair individuals' ability to make optimal financial and investment decisions (Bello, 2023). Moreover, research on financial decision-making indicates that the assumption of complete rationality does not always adequately explain financial behaviour, thereby highlighting the importance of understanding the knowledge and behavioural factors underlying financial decisions (Bello, 2024). Firms with stronger financial management capabilities may therefore be better positioned to manage resources effectively and sustain their operations, consistent with the broader emphasis on financial management and business sustainability (Kiyosaki, 2017; OECD, 2021). In Nigeria, SMEs with financially literate owners are 40% more likely to sustain beyond five years (Abubakar & Yahya, 2021), while in Kenya, financial management training improved SME profitability by 25% within one year (Njoroge & Gathungu, 2018).

Statement of the Problem

In Nigeria, the MSME sector contributes about 48% to the nation's GDP and accounts for over 80% of employment (SMEDAN, 2021). However, their contribution to GDP has been declining in recent years, and they experience a high mortality rate, with over 70% failing within the first five years of operation (NBS, 2022). Furthermore, the federal government and Kaduna State government have made frantic efforts to create an enabling environment for MSMEs to thrive, yet they continue to face significant obstacles that affect their performance and sustainability. Issues such as inadequate financing, regulatory bottlenecks, and low digital literacy remain prevalent, especially in developing economies (OECD, 2022).

Despite the growing body of literature on entrepreneurship, empirical studies examining the direct nexus between entrepreneurial skills and MSME performance remain limited, especially in developing economies. While some researchers have explored individual skill sets, such as managerial or financial literacy, in isolation (Njoroge & Gathungu, 2018; Yusuf & Dansu, 2020), there is a paucity of integrated studies analyzing how these skills collectively influence MSME growth, profitability, and sustainability. This gap limits policymakers' ability to design targeted capacity-building interventions. Consequently, this study aims to provide answers to the following research questions:

1. What is the effect of managerial skill on the performance of MSMEs in Kaduna State.
2. To what extent is the effect of finance skills on the performance of MSMEs in Kaduna State.

The broad objective is to examine the effect of entrepreneurial skills on the performance of micro, small and medium enterprises in Kaduna State, while the specific objectives include:

1. To examine the effect of management skills on the performance of MSMEs in Kaduna State.
2. To evaluate the effect of finance skills on the performance of MSMEs in Kaduna State, Nigeria.

2. Literature Review

2.1 Conceptual Review

2.1.1 Managerial Skills

Several studies on management skills have developed since the propagation of human capital and business literature (e.g. Tonidandel et al, 2012; Aliyu, 2015; Mehralian et al, 2020). These studies defined management skills as organizational resources, which can deal with upcoming challenges, development of organizational planning and lead the firm's operations by utilizing the organizational resources. Preceding studies introduced five significant dimensions of managerial skills, namely, management skills, marketing skills, financial skills, legal skills, and administrative skills (Smith et al, 2007).

Abourizk (2021) defined managerial skills as having the capacity to run a business. It's being able to make the right choices while managing the overall performance of the company. It means being able to communicate and deliver results by providing employees with a strong business plan to meet the aim of the company. Furthermore, he explains that management skills are required to manage the business and include overseeing workplace issues, employees, teamwork and team development and communication.

Therefore, it can be deduced that managerial skills encompass management, marketing, finance, legal and administrative competencies, which are requisite qualities for owners or managers of MSMEs in turbulent economies like Nigeria, where competition for survival and growth is fierce due to the presence of giant organizations, high technology and fast changing tastes and fashion. It also means giving employees their duties and monitoring their performance, while at the same time reaching the business objective. Management skills can be developed through learning and practical experience as a manager.

2.1.2 Financial skills

Ng'ora (2012) defined financial skills as the ability to plan, organize, direct and control the financial activities such as procurement and utilization of funds of the enterprise. Financial skills are linked to the usage of financial products that enable investors to evaluate and compare financial products, such as bank accounts, saving products, credit and loan options, payment instruments, investments, insurance coverage, to make optimal decisions (Miller et al 2009). The ability to make informed financial decisions is evident in efficient allocation of financial resources that translates into improved financial stability (Klapper et al, 2013). Therefore, if financial resources of the enterprise are mismanaged obviously it will lead to poor performance.

Oliver (2016) posits that financial skills are an integral part of the basic toolkit that any manager should have. Managers should understand the financial implications of their decisions and how to use financial information to improve their company's performance. Karlan and Valdivia (2011) and Drexler et al, (2014) also argued that entrepreneurs require financial experience to always infer during decision-making activities concerning resource acquisition, allocation and utilization because in all the decisions, the analysis of past and future benefits and costs are vital. However, individuals and micro-entrepreneurs often lack sufficient financial experience to make the complex financial decisions they face.

The foregoing review shows that financial skills are essential requirements for managers of both large and small business organizations to perform effectively and to reduce to the barest minimum wrong financial decisions. While large enterprises often engage the services of financial experts to carry out the firm's financial decisions, most entrepreneurs or managers of MSMEs especially in Nigeria are yet to appreciate the implication of not engaging financial experts or non-acquisition of finance skills.

2.1.3 MSME Performance

Performance is one of the major concerns of most fields in management studies, and of interest to both practicing managers and academic scholars (Santos et al, 2012). Therefore, performance is a common construct to measure the effect of corporate strategy implementation. Performance indicators can be measured by financial and non-financial. In accounting, firm performance could be viewed from the perspective of sales growth, market share and profitability. The measures of financial performance among others are percentage of sales emanating from new products, profit after tax (PAT), return on capital employed (ROCE), return on equity (ROE) and return on asset (ROA) (Egberi, 2019).

According to Asmar et al, (2025) MSME performance is shaped by a combination of internal and external factors. Internal factors include innovation, entrepreneurial orientation, and financial literacy. External factors comprise government policies, access to finance, and business ecosystems. Consequently, Eniola et al, (2015) concluded that the performance of the MSME sector is closely associated with the performance of the nation. Astitu et al (2019) measured business performance by three indicators, namely sales growth, profit growth and capital growth.

The ongoing review reveals that firm performance needs to be precisely defined to avoid ambiguity since many dimensions are available for measurement. For example, the dimensions as revealed include sales growth, profitability, returns on assets, returns on investment, return on capital employed, profit after tax, increased market share, productivity, number of employees, employee satisfaction, customer satisfaction, and so on. Since it is not necessary to measure all these dimensions of MSMEs' performance (FP) in a single construct, it calls for careful selection of one or few of these factors. Hence, this study measures MSMEs performance by focusing on sales growth only.

2.2 Empirical Review

Yazeed and Ringim (2016) examine the effect of entrepreneurial skills on organizational performance of small and medium scale enterprises in Kaduna State. The survey research design was employed in the study which is cross sectional in nature. The data was collected from a sample of 174 drawn from a population of 201 SMEs. The study employed stratified and simple random sampling techniques in selecting the samples and the unit of analysis was the owner-managers representing each SME. Inferential statistics was used to analyze the data collected from the field with the aid of Statistical Package for Social Sciences (SPSS) version 20. The findings revealed that organizing and controlling skills have significant positive effect on the performance of SMEs in the state, while planning skills have insignificant but positive effect on the performance of SMEs in the state.

Although the study was conducted in Kaduna state and used a fair sample size of 174, it is limited by its focus on SMEs only. This study examines both the SMEs and the micro businesses in Kaduna State. Also, it uses Smart PLS-SEM version 3 as a tool for data analysis.

Ahmad and Ahmad (2021) studied the effect of managerial skills on the performance of SMEs in Punjab, Pakistan. The study specifically investigated the mediating effect of strategic planning on the relationship between managerial skills and the performance of SMEs. Stratified proportionate probability sample method was used to select the 265 SMEs. The study applied a structural equation model (SEM) to analyze the proposed research hypotheses by using PLS-SEM. This research examined the direct and indirect effects of strategic planning on the performance of SMEs using the SEM test. The result shows that there is positive effect of managerial skills on SMEs' performance and suggests that strategic planning mediates the relationship between managerial skills and SMEs' performance.

Although the study provides useful insights for understanding the nexus between managerial skills and firm performance, its conduct in Punjab, Pakistan limits its applicability in other regions especially in Kaduna State.

Makdissi et al. (2020) examined the effect of financial culture on the financial performance of SMEs in Lebanon. The results of the study revealed that financial knowledge of SME owners has a strong relationship with financial performance of SMEs in Lebanon; hence financial knowledge is very important in explaining the use of financial services by SMEs. Financial knowledge as used in the study being reviewed could also mean financial skills, particularly because acquisition of skills through teaching in a classroom is the same as acquisition of knowledge.

Buchdadi et al. (2020) examined the financial literacy of the manager as a determinant variable of SMEs' performance. The study utilized access to financial facility and financial risk attitude as mediation variables. It employed a sample of 70 persons that managed the SMEs in Brebes district of Central Java in Indonesia and the study revealed a positive impact of financial literacy, access to finance, and financial risk on the MSMEs' performance.

The major limitation of the studies reviewed is the fact that they were conducted outside Nigeria. Hence, since there are regional differences in economic and social systems, application of the findings or recommendations thereof may not properly address the problems of MSMEs in Kaduna State Nigeria. Also, whereas the study by Makdissi et al, (2020) provided neither the population nor the sample size, the sample size of 70 provided by Buchdadi et al (2020) is too small to guarantee reliability.

2.3 Research Framework/Model and Underpinning Theory

2.3.1 The Human Capital Theory (HCT)

This study is underpinned by Human Capital theory because it provides explanation about the roles of education, training and skills acquisition towards attaining productivity, workers' efficiency and overall socio-economic development. The origin of human capital is traceable to Adam Smith in at least the 18^{th} century, but the modern theory was popularized by Becker (1964) in his effort to estimate employees' income distribution from their investments in human capital. There is consensus among many authors that the concept of human capital is equivalent to the concept of capabilities to utilize and manage a firm's tangible resources.

Human Capital encompasses formal education, age, gender, experience, skills and knowledge that individuals acquire through investment in schooling, on-the-job training, and other types of experiences. It comprises the stock of knowledge and skills that reside within individuals (Becker, 1964; Becker, 1976; Dess & Pickens, 1999; Bohlander et al, 2001; Barney, 2001). Therefore, spending on human capital development is worthwhile and productive investment like investment in nation's physical assets. The general assumption is that the human capital of the founder improves small firms' chances of survival (Bruederl et al, 1992).

Muhammed (2016) asserted that researchers have employed a large spectrum of variables signifying human capital such as formal education, training, employment experience, start-up experience, owner experience, parent's background, skills, knowledge among others. In the same vein, some theorists have proposed that an entrepreneur's human capital is comprised of management skills and tacit knowledge (Lerner & Almor, 2002), previous entrepreneurial experience, and family background (Dzisi, 2008). It therefore implies that effective performance of an MSME depends on the investment made on owner-manager to acquire knowledge and skills at school, apprenticeship training, career history (experience gained at workplace) or family occupational background.

3. Method

This study adopted a descriptive survey research design, utilizing a self-administered questionnaire as the data collection instrument. The research population encompasses owners/managers of 543 MSMEs in Kaduna State as listed by Finelib.com. These businesses span various sectors, including manufacturing, distribution, wholesale, transport, agriculture, retail, service, hotels, restaurants, building, construction, culture, tourism, and more, with less than 10 to 200 employees.

Using Yamane's (1967) sample formula, a sample size of approximately 230 respondents was determined from the population of 543. This sample size is considered adequate for the study, as it falls within the recommended range of 30 to 500 for social science research (Ng'ora, 2012; Sekaran & Bougie, 2013). The study used a proportionate stratified sampling technique to allocate the sample size to the four metropolitan authorities in Kaduna State as shown in Table 1 below:

Table 1. *Distribution of Questionnaires to Owners/Managers of MSMEs in Kaduna State*

Metropolitan Authorities	**Number of MSMES**	**Proportion**	**Sample**
Kaduna Capital Authority	429	79%	182
Kafanchan Municipal Authority	19	3.5%	9
Zaria Metropolitan Authority	95	17.5%	39
Total	**543**	**100%**	**230**

Source: Finelib.com accessed in *2026.*

To select the actual respondents for the administration of the questionnaire, the study employed judgemental sampling, a non-probability sampling technique, but mindful about the various industries and sizes of business (micro, small and medium). The questionnaire consisted of thirty five items, with fifteen items for each of the two independent variables and five items for the dependent variable, adapted from previous studies (Jamiya, 2010; Aminu, 2015; Ng'ora, 2012; Muhammed, 2016; Kotane & Kuzamina-Merlino (2017). The various items were measured on a 5-point Likert scales ranging from strongly agree (5), agree (4), undecided (3), disagree (2) and strongly disagree (1). The data collected was evaluated through partial least squares structural equation modeling (PLS-SEM) using Smart-PLS version 3.

4. Result and Discussion

A total of 230 copies of the questionnaire were administered, out of which 198 were retrieved, representing 86 percent of the total. This study considers this response rate to be sufficient for statistical reliability and generalization based on the position of Aminu (2015) where it was suggested that in social science research, a 50 percent response rate is considered adequate for data analysis and reporting, whereas 60 percent is good, and 70 percent is very good considerably.

The assessment of reflective measurement models involves evaluating the measure's reliability (i.e., indicator reliability and internal consistency reliability) and the validity (i.e., convergent and discriminant validity).

Indicator Reliability

Indicator loadings help to measure how well a question (the indicator) measures a concept (latent construct) being studied. Comrey and Lee (1992) classified loadings of 0.32 as poor, 0.45 as fair, 0.55 as good, 0.63 as very good, and 0.71 as excellent. Consequently, nine (9) items with factor loadings below the threshold of 0.55 have been removed as can be seen in Table 2 below. All the remaining items are reliable to measure their respective reflective latent constructs based on the criterion recommended by Hair *et al*. (2013) and Hamid *et al*. (2017).

Table 2: Factors Loading: *Reliability and Convergent Validity*

Constructs	**Items**	**Loadings**	**CA**	**CR**	**AVE**
Firm Performance	FP2	0.762	0.857	0.898	0.688
	FP3	0.755			
	FP4	0.886			
	FP5	0.903			
Finance Skills	FS10	0.773	0.887	0.911	0.52
	FS11	0.720			
	FS13	0.700			
	FS14	0.717			
	FS15	0.726			
	FS3	0.565			
	FS4	0.607			
	FS5	0.744			
	FS6	0.782			
	FS7	0.825			
	FS8	0.716			
	FS9	0.735			
Management Skills	MS1	0.842	0.845	0.903	0.573
	MS10	0.743			
	MS11	0.675			
	MS2	0.814			
	MS3	0.643			
	MS4	0.727			
	MS5	0.793			
	MS6	0.725			
	MS8	0.790			
	MS9	0.793			

NOTE: 9 items were deleted due to measurement issue (n=198)

Construct Reliability and Convergent Validity

To establish internal consistency reliability of the constructs, both the Cronbach's alpha and composite reliability (CR) scores were examined. As shown in Table 3, the results indicate that all the constructs are adequately reliable as their values are higher than the recommended threshold of 0.70 (Nunnally, 1978; Fornell and Larcker, 1981; Hair et al. (2019). As an alternative, to Cronbach's alpha and composite reliability, Dijkstra & Henseler (2015) proposed rho_A as an approximately exact measure of construct reliability, which usually lies between Cronbach's alpha and the composite reliability.

Convergent validity on the other hand, measures the degree to which the various indicators of a construct correlate with one another and was assessed by the average variance extracted (AVE). Thus, an AVE score of at least 0.5 is recommended, which implies that a construct should be able to explain more than half of the variance of its indicators (Hair et al., 2013). Consequently, Table 3 demonstrates that all the constructs satisfied the recommended minimum threshold since all the scores are above 0.5 and as such are valid for the study.

Table 3: *Construct Reliability and Validity of the Indicators*

Variable	Cronbach's Alpha	rho_ A	Composite Reliability	Average Variance Extracted (AVE)
Firm Performance	0.846	0.857	0.898	0.688
Management Skill	0.845	0.926	0.903	0.573
Finance Skill	0.915	0.924	0.911	0.520

Sources: *Survey data analyzed using Smart Pls, 2026*

To assess the structural model, Hair et al (2013) suggests looking at the R^2, Beta, and corresponding t-values via bootstrapping procedure with a resample of 5000. For this study, the resample of bootstrapping procedure was done using 5000. Figure 1 below, shows the structural model results – the loadings and the R-square values for managerial skills and financial skills.

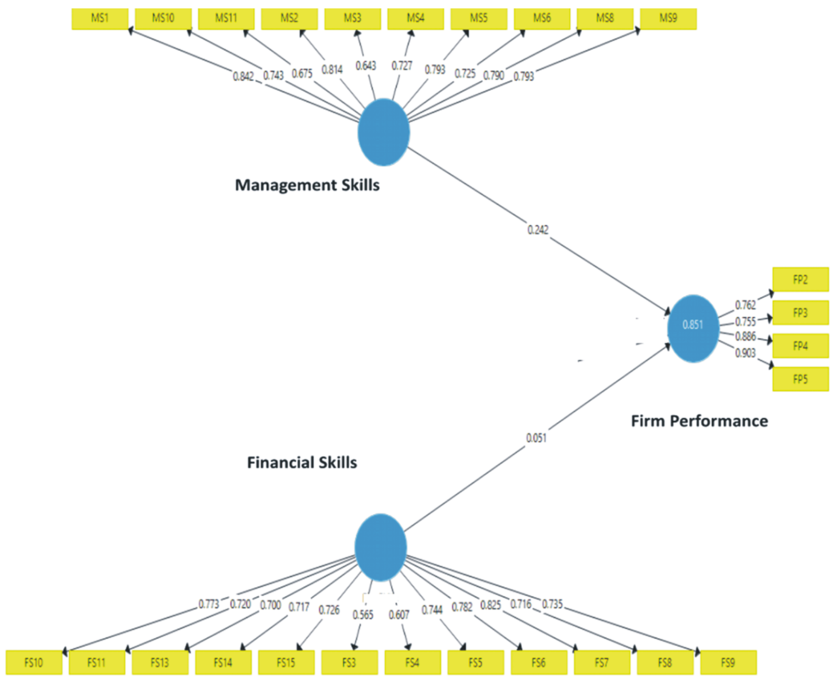

Figure 1. *PLS Algorithm*

Test of Hypotheses

Table 4 shows the path coefficient of the regression results using Smart Pls Version 4. The study used both the t-values and p-values to test the two null hypotheses earlier developed in line with the specific objectives.

Table 4: The Path Coefficients

Hypotheses	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	Decision	P Values
H_1: Managerial Skills --> Firm Performance	0.242	2.211	0.11	0.225	0.027	Rejected
H_2: Financial Skills --> Firm Performance	0.051	0.452	0.113	0.053	0.651	Accepted

***Notes**: ***(P<0.01), **(P<0.05), *(P<0.1)*

Source: *Smart PLS Output, 2026*

H_{01}: Managerial Skills

The result of the test of hypothesis in Table 4 above shows that management skills have positive and significant effect on the performance of micro, small and medium enterprises in Kaduna State, with β =0.242

and p = 0.027. The study lacks sufficient ground to accept the null hypothesis; hence it is rejected at 5% level of significance. Consequently, the study concludes that management skills have positive and significant effect on the performance of micro, small and medium enterprises in Kaduna State, Nigeria.

H_{02}: Financial Skills

The result of the test of the second hypothesis in Table 4 above shows that financial skills do not have significant effect on the performance of micro, small and medium enterprises in Kaduna State with $\beta = 0.051$ and $p = 0.651$. The study does not have sufficient ground to reject the null hypothesis since the p-value is greater than the 0.05 level of significance. Therefore, the study concludes that finance skills have no significant effect on the performance of micro, small and medium enterprises in Kaduna State.

Model Evaluation: R-Square and Predictive Relevance

The study evaluated the structural model using R-square (R^2), a measure of predictive accuracy (Hair et al., 2011; Hair et al., 2012; Henseler et al., 2009). R^2 represents the combined effects of exogenous latent variables on the endogenous variable (Hair et al., 2010). As a guideline, R^2 values of 0.75, 0.50, and 0.25 are considered substantial, moderate, and weak, respectively (Henseler et al., 2009; Hair et al., 2011). Thus, the two exogeneous constructs of the study explain 85 percent of the variance in MSME performance as shown in Table 4 below.

Table 5: R^2 and Predictive Relevance of the Model

Endogenous Variable	R Square
Firm Performance	0.851

Source: *Smart PLS Output, 2026*

Based on the recommendations of Chin (1998), Henseler et al (2009), and Hair et al (2011), this study considers the direct relationship of these constructs as substantial.

Collinearity Test

Collinearity occurs when the independent variables are extremely interrelated to as high as 0.9 and above (Tabachnick & Fidell, 2007). In this study, collinearity was observed using the Variance Inflation Factor (VIF), to ensure it does not influence the regression results. VIF values above 5 are indicative of probable multicollinearity issues among the predictor constructs. However, collinearity problems can also occur at lower VIF values of 3 to 5 (Masson & Perreault1, 1991) and Becker et al (2014). From Table 6 below, none of the VIF values is close to 5.0, which shows that there is no dilemma of collinearity among the variables under examination

Table 6: Inner VIF Values of the Model

Variables	Firm Performance
Management Skills	3.424
Finance Skills	2.637

Source: *Survey data analyzed using SMART PLS, 2026*

Discussion of Findings

The findings of this study contribute to the existing body of knowledge regarding the effect of managerial and financial skills on the performance of MSMEs. The study examined how managerial skills and financial skills have influence on the performance of selected MSMEs in Kaduna State.

The result of the first hypothesis reveals that management skills have positive and significant effect on the performance of MSMEs in Kaduna State Nigeria. This outcome is consistent with the findings of previous studies by Ng'ora (2012) in Tanzania; Arasti et al. (2014) in Iran; Yazeed and Ringim (2016) in Nigeria; and Ahmad and Ahmad (2021) in Pakistan. All these studies reveal that management skills have significant and positive relationship with MSMEs performance.

The implication of the findings above is that the more owners/managers of MSMEs in Kaduna State possess or acquire management skills, such as planning, organizing, leading and controlling skills, the higher the performance of their firms.

Having tested the second hypothesis above, the outcome shows that financial skills have no significant effect on the performance of MSMEs in Kaduna State. The implication is that there is no significant difference if owners/managers possess financial skills or not as long as they are equipped with managerial skills such as planning, organizing leading and controlling skills their firms will experience effective performance. This is however not consistent with the findings of most previous empirical studies, such as, Greenspan, (2002), Nunoo and Andoh (2012), Otieno (2016), Makdissi et al. (2020) and Buchdadi et al. (2020) which established the existence of a strong significant positive correlation between financial skills and firm performance.

5. Conclusion

The study concludes that whereas management skills have significant and positive effect on the performance of MSMEs in Kaduna State, Nigeria; financial skills do not. This implies that if owner/manager of MSME possesses managerial skills, effective firm performance is guaranteed with or without financial skills.

6. Implications/Recommendations

The Kaduna State government should collaborate with the various agencies established to promote the growth and effective performance of the MSMEs in the country to encourage owners/managers to acquire managerial skills in areas of planning, organizing, leading and controlling and apply them as they run their businesses to improve performance. This will greatly reduce the rate of business failure and promote effective performance of the MSMEs in Kaduna State, Nigeria.

The collaborative effort of government and the private sector to promote effective performance of the MSMEs in the Kaduna state should deemphasize possession of financial skills as the basis of qualification for any form of support to owners/managers of MSMES, since it has been realized that enterprises can perform effectively if owners/managers possess managerial skills.

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