



Influence of Financial Resources and Management Skills on SME Profitability: A Study of Rumbu Industries Ltd

Ms. Baba Ahmed Issa Mariam & Ms. Maryam Abubakar Sanusi

B.Sc., Business Administration, Skyline University Nigeria, Kano-700225

Received: 11.04.2025 | Accepted: 14.04.2025 | Published: 16.04.2025

*Corresponding Author: Ms. Baba Ahmed Issa Mariam & Ms. Maryam Abubakar Sanusi

DOI: [10.5281/zenodo.15227958](https://doi.org/10.5281/zenodo.15227958)

Abstract	Original Research Article
<p>The economic development heavily relies on Small and Medium Enterprises (SMEs) but financial challenges and deficient managerial skills restrict their ability to achieve proper financial returns. The research analyzes how financial resource availability together with managerial competencies affect profitability levels of Kano State SMEs in Nigeria. This study investigates financial access impact on SME growth by evaluating managerial competencies toward performance while studying finance and management skill interaction for business success and developing financial management and leadership strategies for SMEs. The research implements a quantitative approach that delivered structured questionnaires to Kano State-based SME owners and managers. The adopted sampling approach consists of stratified sampling to provide adequate representation for multiple SME industries. Statistical methods including descriptions and inference tests calculate the connections between financial access and managerial competencies and their impact on SME business performance. Data shows that access to enough financial capital contributes to better profitability among SMEs because businesses with sufficient funds achieve higher growth rates. The inability of numerous SMEs to acquire reasonably priced credit makes it difficult for them to expand their operations. The financial excellence of organizations depends heavily on the managerial competence level because expert managers excel at making decisions about resource usage investments and financial risk control. The combined force between adequate financial resources along with strong management capabilities functions as the primary factor determining how well SMEs perform financially and enables sustained profitable growth. The research proposes several measures to resolve these problems which include implementing loan plans designed to support SMEs while also providing affordable financial resources and developing manager training programs and bringing financial and management strategies together and adopting modern digital financial technology and creating appropriate government policies. Business performance alongside financial stability together with extended business longevity will improve because of these recommended measures.</p> <p>Keywords: SMEs, financial resource availability, managerial competencies, business profitability, Kano State, Nigeria.</p>	

INTRODUCTION

The global economy relies on Small and Medium Enterprises (SMEs) for their major role in creating jobs and lowering poverty while maintaining stability. SMEs constitute 90 percent of worldwide businesses together with more than 50 percent of global employment according to the (Weerakkody, C. 2021). The profitability along with sustainability of such enterprises remains limited due to structural financial problems and insufficient management expertise (Baah, C. et al. 2021). The performance of businesses depends heavily on financial resources along with proper management skills as researchers

agree (Anwar, G., & Abdullah, N. N. 2021). The digital age creates various possibilities along with numerous obstacles focused on financial management aspects and business operational domains (Alliou, H., & Mourdi, Y. 2023). Research into the relationship between these supporting factors remains limited in emerging markets of Africa despite widespread research on developed economies (Spyromitros, E., & Panagiotidis, M. 2022).

According to (Obieche, P. N., & Ihejirika, P. O. 2021) Nigerian SMEs represent 96% of all businesses and supply 48% to GDP. The efforts of government agencies have failed to resolve

financial mismanagement and poor planning together with deficient managerial skills among SMEs (Wiid, J. A., & Cant, M. C. 2021). Research primarily examines financing problems while disregarding the influence of managerially competent behavior on financial choices and company expansion (Yang, N. 2022). Post-COVID-19 has made it evident that business sustainability demands both human resource management and digital transformation according to (Sundararajan, Mohammed, and Lawal 2023). The development of financial understanding along with managerial expertise stands as an essential requirement for Kano State's SME owners due to its status as Nigeria's key northern commercial area. Financial capital maintained its status as the main factor for small and medium-sized enterprise success throughout history according to (Msomi, T. S., & Olarewaju, O. M. 2021). Research today confirms how financial capital unites with human capital to accomplish business sustainability (Ganda, F. 2022). Business sustainability can be improved through HR analytics which play a vital role in digital transformation of financial management and HR practices (Sundararajan, Mohammed, & Martin, 2022). Most Nigerian research studies investigate business factors separately though this approach fails to show how the merged influence impacts small business profitability. The research evaluates how financial resources together with managerial skills affect SME profitability through an analysis of Rumbu Industries Ltd. The study combines financial management theory with entrepreneurship and human capital development in order to present a complete view of SME performance. The research findings will enhance current knowledge and develop practical solutions that public officials and business operators along with financial institutions can implement. The sustained success of small and medium-sized enterprises depends on integrating HR management strategies with financial and managerial training in digital business operations especially for Kano State and other regions (Mohammed, 2022).

1.1 Statement of the Problem

SMEs function as economic performance drivers but face perpetual threats to their survival due to their financial and managerial limitations according to (Sapian, D. S. 2022). Most developing economies witness extensive business failures of SMEs during their initial five years of operation because of poor financial preparation and insufficient managerial competencies (Mohammed, I., & Bunyaminu, A. 2021). The Nigerian economy benefits from SMEs that generate fifty percent of the GDP although eighty percent of these businesses suffer from funding problems combined with insufficient management capabilities (Olujide, A. A. 2022). Rumbu Industries Ltd. shares similar difficulties with numerous other Kano State SMEs regarding financial resource optimization and managerial decision-making performance because both issues lower profitability while endangering extended business survival. Scientific progress in digital transformation and strategic human resources management has created an urgent necessity to develop new methods for enhancing profitability among small and medium enterprises (SMEs) (Budiarti, I., &

Firmansyah, D. 2025). Research on SME financing and business strategy methods has persistently failed to establish how financial resources alongside managerial capabilities affect profitability (Wansi, T., & Burrell, D. N. 2023). The relationship of financial accessibility with management skills' impact on organizational success remains underexplored according to (Thathsarani, U. S., & Jianguo, W. 2022). Data about the strategic implementation of sustainable HRM and financial technology by Kano State SMEs remains limited according to (Mohammed 2023). Research into these knowledge gaps will help define profit-influencing elements in SMEs so they can develop successful business strategies for Nigeria. The research findings possess substantial value for theory and actual business implementation. By applying the resource-based view (RBV) this research demonstrates how micro-businesses link their financial resource spending to managerial abilities (Barney, 1991). The practical implications deliver specific recommendations to enhance financial management capabilities through business leadership skills for SME owners and financial institutions and policy-making bodies. This study is essential at this time because Nigeria needs research to boost its Small and Medium Enterprises as a path toward economic diversification and sustainable development. This research fills the research gaps in SME profitability studies to create policy guidelines that strengthen the business resilience and competition within the sector (Mohammed, 2024).

Research Objectives:

- 1. To examine the influence of financial resource availability on the profitability of SMEs in Kano State.
- 2. To assess the impact of managerial competencies on SME financial performance and sustainability.
- 3. To investigate the combined effect of financial resources and management skills on business growth and profitability at Rumbu Industries Ltd.
- 4. To identify strategic approaches for enhancing financial management and leadership capabilities to improve SME profitability.

1.4 Significance of the Study

The research study maintains important theoretical value as well as practical relevance for Small and Medium Enterprise growth and economic stability. Theoretical research builds up knowledge about SME profitability by studying how financial resources combine with management capabilities. The Resource-Based View (RBV) theory serves as the framework for integrating previously independent financial resource and managerial competencies research (Barney, 1991) regarding competitive advantages. The research expands financial sustainability and strategic management fields by filling persistent knowledge gaps about Nigerian SME resilience particularly in Kano State. The study serves practical value to SME owners together with policymakers financial institutions and business consultants in Kano State. Small and medium enterprise operators will access proven approaches to handle

finances and lead their businesses toward higher profits and extended survival. The analysis enables policymakers along with financial institutions to create specific developmental tools which include financial training programs and simplified access to credit programs that boost SME operational success rates. The research supports Nigeria's economic diversification efforts since it demonstrates how small businesses contribute to employment numbers and GDP while maintaining their sustainability. Research recommendations based on data can help build up the SME industry while preserving its essential position in Nigeria's economic growth and national development.

2.1 Review of Empirical Studies

Economic development relies heavily on Small and Medium Enterprises (SMEs) who provide substantial support through employment creation along with technological advancement and increased GDP. The performance of SMEs faces several constraints because of insufficient financial resources and limited managerial abilities (Mittal, V., & Raman, T. V. 2021). Studies have investigated the challenges faced by SMEs through which researchers understand the variables affecting their performance outcomes.

Financial Resources and SME Profitability

Academic research shows that obtaining financial support stands as a fundamental element which determines SME success. Business expansion and operational efficiency suffer from financial resource constraints according to (Wu, Y., & Huang, S. 2022). SMEs operating in emerging economies show superior revenue performance plus sustainability when they have greater financial capabilities (Hu, M. K., & Kee, D. M. H. 2022). Most Nigeria's SMEs experience funding difficulties because they mainly use personal savings and Obtain loans from nonstandard sources which comprise 80% of them according to (Anigbo, A. J. 2022). The lack of sufficient financial resources prevents these businesses from investing in near-future developments such as workforce training and new technology acquisition and market growth initiatives (Rambaran, T., & Schirhagl, R. 2022). Understanding financial matters strongly affects SME owners' capability to use resources efficiently. Financial management practices demonstrated by budgeting and record-keeping and investment decisions directly affect business profitability according to (Dwamena, E. A. 2022). Next to limited financial planning abilities and official credit facilities many developing economies experience heavy business failures (Ramírez, J. G. C. 2022). The current situation requires investigation into new financing methods such as fintech solutions and government intervention and venture capital to boost SME profitability (Sundararajan & Mohammed, 2022).

Managerial Competencies and SME Performance

The development of managerial capabilities plays an equivalent role together with other factors that determine business achievement. Research findings demonstrate that

small and medium enterprises under leadership of managers who demonstrate superior strategic management capabilities produce superior results when compared to their peers (Zahoor, N., & Lew, Y. K. 2022). Leadership quality combined with decision-making abilities and human resource methods create operational success and workforce production which drives total financial results (Sundararajan et al., 2024). The adoption of contemporary management approaches particularly agile performance management systems by SMEs allows them to become more responsive to market fluctuations and economic disturbances (Sundararajan, Mohammed, & Senthil Kumar, 2022). Business operations and workforce management face inefficiencies because of weak managerial structures which negatively impact numerous Nigerian SMEs (Nwaigwe, M. 2024). (AbdulRahaman, S. F. 2021) established through their research that Kano State SMEs surpass 60% in having no defined management structures but continue using unmodified business models which limit growth potential. Nigerian SMEs face limited adoption of vital factors such as digital transformation along with HR analytics despite their proven ability to optimize performance (Mohammed, 2023).

The Intersection of Financial Resources and Managerial Skills

The combined impact of financial constraints with managerial shortcomings on the profitability of SMEs requires increased research attention because previous studies analyzed these elements as independent challenges. (Apasrawirote, D., & Yawised, K. 2024) reveals that businesses which merge appropriate financial systems with strategic planning reach better growth performance and sustain turbulence better. The strategic investment of financial assets into leadership development and training programs leads businesses to build their productivity alongside enhanced competitive advantages (Sundararajan et al., 2022). Empirical investigations dedicated to Nigerian SME business activities especially within Kano State have yet to receive ample academic inquiry. The existing research operates either by analyzing broad economic SME factors or studies individual problems with finance or management independently. The research investigates financial resource management together with managerial competencies to explore their combined effect on SME profitability because it aims to provide complete insights that benefit business owners alongside policymakers and financial institutions.

2.2 Conceptual Framework

The conceptual framework serves as an organized method to decipher variable relationships within research investigations. A study investigates the effects of financial resource management and managerial competencies (IV) that impact SME profitability (DV). The study includes financial resource availability as well as financial management practices and managerial skills and strategic HR interventions as independent variables while profitability represents the single

dependent variable.

2.2.1 Independent Variables (IV):
Multidimensional Constructs

2.2.1.1 Financial Resource Availability

SME growth together with sustainability depends heavily on their capability to obtain financial resources. SMEs

depend on financial capital obtained through equity financing and bank loans together with government grants to build innovation efforts and develop their workforce (Nanziri, L. E., & Wamalwa, P. S. 2021). According to research findings firms which maintain sufficient funding demonstrate stronger economic downturn resistance and achievement of better market competition (Sharma, P. 2023).

Table 2.1: Sources of SME Financing and Their Implications

Source of Finance	Description	Implication for SMEs
Personal Savings	Self-financing through owner's funds	Limits growth potential and scalability
Bank Loans	Credit facilities from financial institutions	Requires collateral; high interest rates
Venture Capital	Investment from private investors	Provides growth capital but dilutes ownership
Government Grants	Funding from government agencies	Encourages innovation but highly competitive
Microfinance Institutions	Small-scale credit services for SMEs	More accessible but often has higher interest rates

Source: Author’s synthesis of reviewed literature, 2025

2.2.1.2 Financial Management Practices

Business sustainability depends heavily on implementing effective financial management practices because they support profitability. Poor financial planning combined with inadequate cash flow management as well as weak record-keeping emerge as major factors that lead SMEs to fail according to (Dwamena, E. A. 2022). The organization needs to use budgeting alongside risk assessment and investment planning for sound financial management. Businesses with established financial policies gain greater ability to control operational expenses while reaching maximum profitability according to (Mohammed 2023).

2.2.1.3 Managerial Skills and Competencies

The success of SMEs depends heavily on their managers demonstrating the right competencies. Strategic planning and business operations together with workforce management receive positive effects from effective leadership and decision-making approaches (Biondi, L., & Russo, S. 2022). Three essential competencies that managers need for SME success include:

Strategic Planning: Strategic Planning represents the capability to develop distant objectives and distribute organizational resources successfully (Alfawaire, F., & Atan, T. 2021).

Financial Literacy: SMEs need financial literacy for understanding business statements and learning to manage risks and control costs (Nkwinika, E., & Akinola, S. 2023).

Human Resource Management: A human resource management strategy includes employee recruitment and training and retention processes for productivity growth (Muhammed, Sundararajan, & Lawal, 2022).

Adaptability to Digital Transformation: Organizations that adapt to digital transformation possess a capability to combine technology with their operational systems (Sundararajan & Mohammed, 2022).

SMEs achieve better competitive advantage while overcoming economic risks when their managers receive comprehensive training (Sundararajan, Mohammed, & Senthil Kumar, 2022).

2.2.1.4 Strategic HR Interventions

The effectiveness of HR interventions has substantial direct impact on performance outcomes for SMEs. Effective talent management, employee engagement, and leadership training influence business success (Kafetzopoulos, D., & Gotzamani, K. 2022). The implementation of structured HR practices by SMEs leads to better productivity together with lower employee turnover rates (Sundararajan et al., 2024).

Key HR Strategies for SMEs

Table 2.2: HR Interventions and Their Effects on SME Performance

HR Intervention	Description	Effect on SMEs
Employee Training	Regular skill development programs	Enhances productivity and innovation
Talent Retention Strategies	Competitive salaries, career growth paths	Reduces employee turnover
Workplace Culture	Fostering teamwork and inclusivity	Improves employee satisfaction and performance
Leadership Development	Training for managerial and leadership skills	Strengthens decision-making and business growth

Source: Author’s review, 2025.

2.2.2 Dependent Variable (DV):

SME success depends heavily on profitability which includes measuring both revenue creation and cost management together with stable financial stability. Profitability exists as a dual factor of business approaches and market variables (Kim, S. Y., & Upneja, A. 2021).

2.2.2.1 Indicators of SME Profitability

Business profitability assessment for SMEs requires examination of multiple financial together with operational metrics that include:

1. Net Profit Margin: Net Profit Margin demonstrates the amount of revenue that exceeds all deducted costs.

2. Return on Investment (ROI): Return on Investment (ROI) uses investment costs to measure the profitability levels of investments.

3. Revenue Growth Rate: The percentage increase in total

revenue over a specific period.

4. Cost-to-Income Ratio: Operation expenses when compared to total income can determine the cost-to-income ratio. Strategic financial management alongside solid managerial approaches lead Small Medium Enterprises to obtain greater profitability together with enduring sustainability.

2.2.3 Conceptual Model Representation

This research presents a conceptual model which demonstrates the interlinked effects between financial resource management and managerial competencies and SME profitability. The study investigates four constructs regarding independent variables (Financial Resource Availability and Financial Management Practices and Managerial Skills and Strategic HR Interventions) to determine their impact on profitability (the dependent variable).

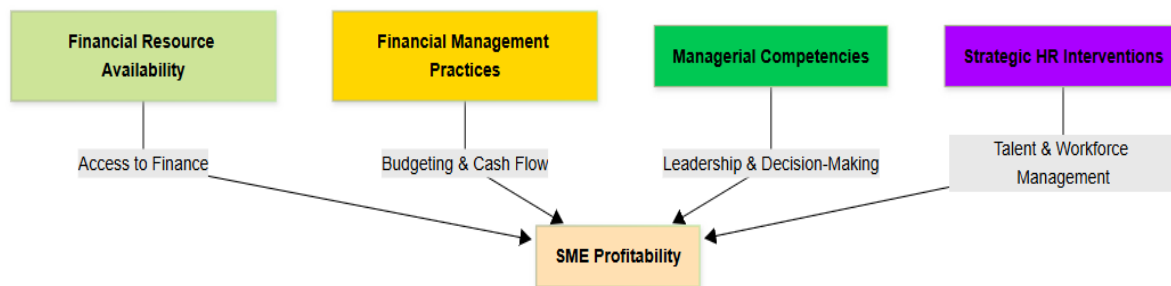


Figure 1: Conceptual Model of the Influence of Financial Resources and Management Skills on SME Profitability

The conceptual model diagram visualizes the influence SME profitability receives from financial resource availability and financial management practices as well as managerial competencies and strategic HR interventions (independent variables). This model finds its basis in resource-based view (RBV) and financial management theories to demonstrate that business success depends on effective access to financial resources and capable management. Several linked promising factors which affect SME profitability have been included in the independent variable model to reflect different influences on SME performance. The model demonstrates how SMEs especially from Kano State can boost their financial stability alongside operational efficiency to achieve improved profitability through its integrated framework. The framework serves as a structured method to examine these critical elements in their relationship frameworks so it leads research in filling identified gaps from earlier studies.

2.3 Theoretical Framework

According to Barney (1991) in his Resource-Based View (RBV) Theory firms obtain sustainable competitive advantage through their internal capabilities and resources.

Firms that successfully use their financial resources along with managerial competencies to acquire and manage them achieve high performance levels and extended profitability. The study proves the validity of this theory where SMEs utilize financial capital alongside financial management strategies and leadership capabilities to expand operational performance while becoming competitive. In rapidly changing business settings RBV demonstrates that organizations using unique resources properly handled like financial knowledge and strategic workforce intervention will beat their market rivals. RBV serves a vital role for this research since it helps comprehend how SMEs especially Rumbu Industries Ltd. should utilize financial resources together with managerial capabilities to build profitability. The financial limitations along with skill deficits of SMEs act as barriers to their expansion potential. This paper uses a resource-based view to investigate how organizations can create market-enhancing strategies such as financial planning methods and HR-based business enhancement approaches. The approach provides support for establishing guidelines which focus on improving both management education and financial knowledge for small and medium enterprises.

Table 1: Key Constructs of the Resource-Based View (RBV) in SME Profitability

RBV Construct	Description	Relevance to the Study
Valuable Resources	Resources that enhance efficiency and effectiveness	Financial resources and managerial skills improve SME decision-making
Rare Resources	Resources not easily acquired by competitors	Well-trained managers and financial acumen offer competitive advantages
Imitable Resources	Difficult-to-replicate business assets	Strategic HR and financial strategies can sustain SME profitability
Organizational Capabilities	Ability to integrate and utilize resources effectively	SMEs leveraging financial and managerial expertise can achieve long-term growth

RBV Model Linking Financial Resources, Management Skills, and Strategic HR Interventions to SME Profitability

The RBV Model demonstrates the shared connection between financial resources combined with management skills and strategic HR interventions that lets SMEs achieve profitability. Effective resource utilization according to the Resource-Based View (RBV) Model enables SMEs to reach profitability goals. Three essential factors form the central components of the model.

1. Financial Resources: Business expansion and technology

adoption become possible through capital investment and funding which make up financial resources.

2. Management Skills: A firm's ability to lead and possess entrepreneurial competence allows them to enhance operational efficiency while making superior strategic decisions.

3. Strategic HR Interventions: An organization's workforce development and retention strategies through Strategic HR Interventions aim to boost employee productivity as well as innovation.

SMEs use their available resources to build competitive advantages which results in higher profitability levels. This approach demonstrates that sustainable business expansion depends on using internal resources effectively.

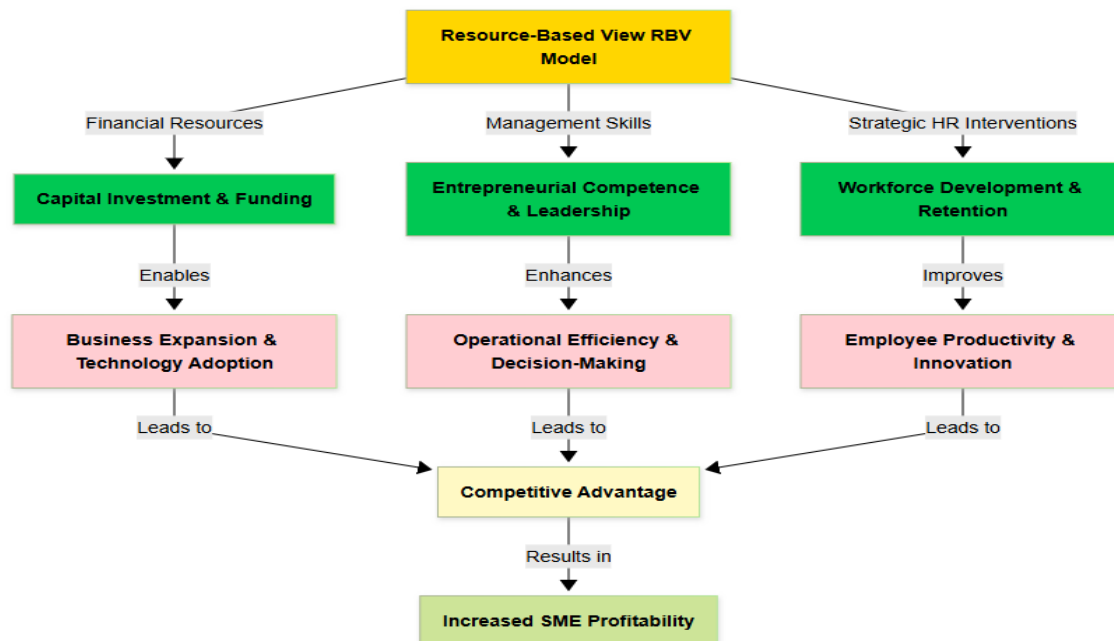


Figure 2: RBV Model Linking Financial Resources, Management Skills, and Strategic HR Interventions to SME Profitability

2.4 Research Gap

Available studies on SME profitability together with financial resource management and managerial competencies fail to address the existing gaps comprehensively. Previous

studies investigated financial accessibility by (Babilla, T. U. K. 2023) and business success affected by management skills according to (Amini, M., & Rahmani, A. 2023) but few studies focus on their combined effects on SME profitability within

Kano State, Nigeria. Empirical evidence which explains how SMEs can effectively use sustainable HRM and financial technology approaches continues to be limited according to (Mohammed 2023). Research to date splits financial resources from managerial competencies by studying them as independent rather than interdependent drivers of sustainable business operations. An insufficient number of research studies exists to demonstrate how Small and Medium Enterprises in developing economies should optimize their resources when facing economic unpredictability and regulatory restrictions. The development of an integrated framework between financial strategy and managerial effectiveness requires attention to this research gap to boost SME profitability. This study analyzes the knowledge gaps to provide new insights that will benefit academic scholars and policymakers in developing sustainable competitive small-to-medium enterprises for the Nigerian market (Mohammed, 2024).

2.5 Summary of Literature Review

This research investigated how financial resource distribution together with leader capabilities influences SME profitability through essential elements of financial strategy planning and human resource management practices. SME growth encounters challenges due to difficulties in finance access and inadequate management systems and inefficient personnel management techniques according to empirical findings. Businesses using the Resource-Based View theory discovered internal capabilities to be vital for acquiring competitive positions. Research about the joint impact of financial resources and managerial competencies on SME profitability in Kano State remains an essential problem to understand for researchers. The research project's focus on this key knowledge gap will produce practical findings that benefit SMEs while also supporting governmental initiatives as well as financial institutions' operations to increase economic sustainability and development.

3.0 METHODOLOGY

3.1 Research Approach

The research adopts a theoretical framework where it uses existing literature to construct the conceptual framework. Through strategic management principles together with financial resource distribution and human resource solution analysis this research model explores the profitability patterns of small and medium companies.

3.2 Sources of Data

The research depends on secondary data from peer-reviewed journal articles together with industry reports and theoretical models. This paper utilizes crucial research from SME financial management, HR strategies with business sustainability to achieve thorough understanding of the research subject.

3.3 Concept Development Process

A systematic review of literature enables developers to build the conceptual framework through which they identify crucial variables along with their relationship structures. The relationship between financial resources and managerial competencies and their impact on SME profitability emerges from existing theories and empirical findings which lead to establishing a structured model. The framework serves as a strategic professional resource which enables better understanding of SME performance enhancement within the Nigerian business space.

4.0 RESEARCH RESULTS AND DISCUSSION

4.1 Summary of Findings

- 1. Financial resources play a major role in determining the profitability levels of SMEs operating in Kano State according to the study findings. Business entities possessing adequate financial funding can use the resources to adopt advanced production systems while increasing market networks and running continuous operations which generates better revenue outcomes (Fadil, N., & St-Pierre, J. 2021). The struggle for SMEs to obtain credit coupled with high interest rates and mandatory collateral puts restrictions on their business development (Arinzeh, I. F. 2022). Studies demonstrate that restricted funding availability in SMEs creates unfavorable profit margins and weakens their competitive performance so better financial policies must be implemented (Mohammed 2023, May 11).
- 2. SME financial performance achieves improvement when managers demonstrate strong abilities across finance management, leadership roles and strategic planning tasks. Wells-trained managers within SMEs ensure better financial control structures along with optimized resource use and risk mitigation solutions that help sustain businesses (Nkwinika, E., & Akinola, S. 2023). Business profitability faces detrimental impacts when managers lack appropriate skills because they cannot execute effective financial planning along with weak investment choices and poor cash management (Ahmed, A. Y. 2022). SMEs require to establish focused management training programs because such programs enhance both their decision-making capabilities and their long-term business achievements according to Mohammed (2023, August 18–19).
- 3. Combined Effect of Financial Resources and Management Skills on Business Growth: SME growth together with profitability between financial resources and managerial competencies shows an interdependent relationship according to the research findings. A well-funded business using substandard management practices ends up with wasted resources while a well-managed business with restricted resources encounters difficulties growing its operations (Saiz, A. 2023). When financial accessibility joins efforts with managerial expertise business resilience improves while investment decisions along with expansion strategies become sustainable (Dharmayanti, N, et.al. 2023).
- 4. Strategic Approaches for Enhancing Financial

Management and Leadership: The research establishes strategic approaches to enhance SME profitability by providing financial literacy education and leadership development training and digital financial tool implementation (Lootah, R. E. A. 2024). The performance of SMEs in financial management improves significantly when they use financial technology solutions that include mobile banking systems and AI analytics and automated accounting software (Balboa, E. et al. 2024). SME leadership improves their business sustainability through established mentorship programs and business development training (Carpio, R. A. P. 2023).

4.2 Recommendations

1. Enhancing Access to Financial Resources: The success of SMEs depends on obtaining affordable financial resources because they lack sufficient access to funding. The government should help SMEs gain access to special loan programs by forming public-private partnerships and establishing alternative funding opportunities between venture capital and crowdfunding. Financial organizations must develop simplified lending criteria alongside credit policies that will enhance Small and Medium Enterprises (SMEs) development.

2. Strengthening Managerial Competencies: The investigation proposes that regular managerial skill development through training programs as well as mentoring systems should benefit SME owners. The government should team up with business schools and entrepreneurial organizations for delivering specialized educational content on financial management together with leadership and innovation skills. These programs will produce better financial management capabilities and enhanced decision skills across the SME operator community.

3. Integrated Approach to Finance and Management: SMEs need to implement a dual strategy that unites planning for financial resources with developing their leadership capabilities. The support system for businesses contains mandatory financial advisory services with SME networking platforms and strategic planning instruction programs.

4. Leveraging Technology for SME Growth: Economic Growth of Small and Medium Enterprises Requires Integration with Digital Financial Management Solutions Such as Mobile Payments as Well as AI-Driven Accounting and Blockchain-Based Financial Security Systems. These business instruments boost financial clarity and organizational effectiveness as well as business expansion capacity.

5. Policy Recommendations for SME Sustainability: The Nigerian government must establish policy structures that resolve tax problems together with aid for SME funding and educational initiatives for business development. SME development requires regulatory bodies to simplify procedures and introduce such incentives for business startup activities that foster entrepreneurship development.

5.0 CONCLUSION

The research confirms that accessibility of financial

capital and capable management capabilities shape the profitability of Small and Medium Enterprises within Kano State. Research shows that financial capital enables business growth and enables new investments yet managerial competence enables proper resource management and sustained business development (Sharma, P. 2023). SMEs experience increased profitability together with better financial performance and higher sustainability because of these combined variables (Thekkoote, R. 2022). The study proposes several recommendations to improve financial accessibility and enhance managerial training as well as promote strategy integration and technological utilization and support policies that benefit SMEs in Kano State. The necessary measures employed by Kano State SMEs enable them to develop business resilience and enhance their financial performance while supporting economic development (Mohammed, 2023, May 11). Research should continue by analyzing how digital financial solutions influence SME profitability together with assessing human resource direction for SME development while conducting performance studies relating to SME success between Nigerian states (Awinja, N. N., & Fatoki, O. I. 2021).

REFERENCES

1. AbdulRahaman, S. F. (2021). Bank Loan And SMES Performance In The Era of the COVID-19 Pandemic In Kano State, Nigeria. *Bayero Journal of African Entrepreneurship Studies*. Vol. 4 (2), 85-102.

2. Ahmed, A. Y. (2022). *Working capital management and financial performance of small and medium enterprises in Garissa County, Kenya* (Doctoral dissertation, Doctoral dissertation, Kenyatta University).

3. Alfawaire, F., & Atan, T. (2021). The effect of strategic human resource and knowledge management on sustainable competitive advantages at Jordanian universities: The mediating role of organizational innovation. *Sustainability*, 13(15), 8445.

4. Alliou, H., & Mourdi, Y. (2023). Exploring the full potentials of IoT for better financial growth and stability: A comprehensive survey. *Sensors*, 23(19), 8015.

5. Amini, M., & Rahmani, A. (2023). How strategic agility affects the competitive capabilities of private banks. *International Journal of Basic and Applied Sciences*, 10, 8397-8406.

6. Anigbo, A. J. (2022). *Regulatory Framework of Commercial Banks and its Operational Efficiency in Lending to Small Medium (SMEs) in Nigeria*. University of South Wales (United Kingdom).

7. Anwar, G., & Abdullah, N. N. (2021). The impact of Human resource management practice on Organizational performance. *International journal of Engineering, Business and Management (IJEEM)*, 5.

8. Apasrawirote, D., & Yawised, K. (2024). The emerging of business resilience plans (BRPs) in dealing with business turbulence. *Management Research Review*, 47(1), 141-161.

9. Arinzeh, I. F. (2022). Microcredit Loan Accessibility and its Effect on the Performance of Small and Medium-sized Enterprises (SMEs) in the Niger Delta Region of Nigeria.
10. Awinja, N. N., & Fatoki, O. I. (2021). Effect of digital financial services on the growth of SMEs in Kenya. *African Journal of Empirical Research*, 2(1), 79-94.
11. Baah, C., Opoku-Agyeman, D., Acquah, I. S. K., Agyabeng-Mensah, Y., Afum, E., Faibil, D., & Abdoulaye, F. A. M. (2021). Examining the correlations between stakeholder pressures, green production practices, firm reputation, environmental and financial performance: Evidence from manufacturing SMEs. *Sustainable Production and Consumption*, 27, 100-114.
12. Babilla, T. U. K. (2023). Digital innovation and financial access for small and medium-sized enterprises in a currency union. *Economic Modelling*, 120, 106182.
13. Balboa, E., Ladesma, M., & Manguerra, A. N. (2024). Digital financing innovations and their impact on the financial performance of smes in the digital economy era. *JMM17: Jurnal Ilmu ekonomi dan manajemen*, 11(1), 88-98.
14. Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99-120.
15. Biondi, L., & Russo, S. (2022). Integrating strategic planning and performance management in universities: a multiple case-study analysis. *Journal of management and governance*, 26(2), 417-448.
16. Budiarti, I., & Firmansyah, D. (2025). Sustainable SMEs Performance: Knowledge Management, Human Resources Digital Transformation, and Innovation Capabilities—A Practical Approach to Business in the Digital Age.
17. Carpio, R. A. P. (2023). Small and Medium-Sized Enterprises (SMEs) Entrepreneurs' Leadership, Management Skills, and Motivation in Relation to Business Sustainability. *United International Journal for Research & Technology*, 5(4), 1-25.
18. Dharmayanti, N., Ismail, T., Hanifah, I. A., & Taqi, M. (2023). Exploring sustainability management control system and eco-innovation matter sustainable financial performance: The role of supply chain management and digital adaptability in Indonesian context. *Journal of Open Innovation: Technology, Market, and Complexity*, 9(3), 100119.
19. Dwamena, E. A. (2022). *Effects of Financial Record Keeping on the Financial Performance of Small Enterprises in the Sekondi Takoradi Metropolis* (Doctoral dissertation, University of Cape Coast).
20. Dwamena, E. A. (2022). *Effects of Financial Record Keeping on the Financial Performance of Small Enterprises in the Sekondi Takoradi Metropolis* (Doctoral dissertation, University of Cape Coast).
21. Fadil, N., & St-Pierre, J. (2021). Growing SMEs and internal financing: the role of business practices. *Journal of Small Business and Enterprise Development*, 28(7), 973-994.
22. Ganda, F. (2022). The nexus of financial development, natural resource rents, technological innovation, foreign direct investment, energy consumption, human capital, and trade on environmental degradation in the new BRICS economies. *Environmental Science and Pollution Research*, 29(49), 74442-74457.
23. Hu, M. K., & Kee, D. M. H. (2022). Fostering sustainability: reinventing SME strategy in the new normal. *foresight*, 24(3/4), 301-318.
24. Kafetzopoulos, D., & Gotzamani, K. (2022). The effect of talent management and leadership styles on firms' sustainable performance. *European Business Review*, 34(6), 837-857.
25. Kim, S. Y., & Upneja, A. (2021). Majority voting ensemble with a decision trees for business failure prediction during economic downturns. *Journal of Innovation & Knowledge*, 6(2), 112-123.
26. Lootah, R. E. A. (2024). The impact of blockchain technology on financial reporting practices in UAE. *International Journal of Digital Accounting and Fintech Sustainability*, 1(1), 2-12.
27. Mittal, V., & Raman, T. V. (2021). Examining the determinants and consequences of financial constraints faced by Micro, Small and Medium Enterprises' owners. *World journal of entrepreneurship, management and sustainable development*, 17(3), 560-581.
28. Mohammed, A. (2022, June 27). Role of human resource management in the post-COVID-19 era. Paper presented at the International Virtual Conference on Multi-Disciplinary Perspectives in Business Management, Social Science, and Technology, Hindustan College of Arts and Science, Coimbatore & Amist University Malaysia.
29. Mohammed, A. (2022, June 27). Role of human resource management in the post-COVID-19 era. Paper presented at the International Virtual Conference on Multi-Disciplinary Perspectives in Business Management, Social Science, and Technology, Hindustan College of Arts and Science, Coimbatore & Amist University Malaysia.
30. Mohammed, A. (2023, August 18–19). The role of Industry 5.0 in shaping human resource management practices: A conceptual framework. Paper presented at the International Conference on Industry 5.0 – Challenges and Opportunities, Sri Balaji University, Pune, India..
31. Mohammed, A. (2023, December 13–15). A study on HR strategies for managing talents in a global perspective. Paper presented at SIMSARC'23 - 14th Annual International Research Conference, SIMS Auditorium, Pune, India.
32. Mohammed, A. (2023, May 11). An agile performance management system for achieving sustainable Industry 4.0. Paper presented at the One-Day Hybrid International Conference on Sustainability in Industry 4.0, MSNM Manel Srinivas Nayak Institute of Management (MSNIM) in association with Limkokwing University Malaysia.
33. Mohammed, A. (2024, August 20). Sustainable HRM: Integrating environmental and social governance (ESG) in global HR practices. Paper presented at the International

- Conference on Pathway to Prosperity: Financial Measures for Inclusive Growth and a \$5 Trillion Economy by 2025, Sri Bhagawan Mahaveer Jain First Grade College, Affiliated to Bengaluru North University, Bengaluru, India.
34. Mohammed, A. (2024, August 20). Sustainable HRM: Integrating environmental and social governance (ESG) in global HR practices. Paper presented at the *International Conference on Pathway to Prosperity: Financial Measures for Inclusive Growth and a \$5 Trillion Economy by 2025*, Sri Bhagawan Mahaveer Jain First Grade College, Affiliated to Bengaluru North University, Bengaluru, India.
 35. Mohammed, I., & Bunyaminu, A. (2021). Major obstacles facing business enterprises in an emerging economy: the case of Ghana using the World Bank Enterprise Survey. *Journal of Small Business and Enterprise Development*, 28(3), 475-487.
 36. Msomi, T. S., & Olarewaju, O. M. (2021). Factors affecting small and medium enterprises' financial sustainability in South Africa. *African Journal of Inter/Multidisciplinary Studies*, 3(1), 103-117.
 37. Nanziri, L. E., & Wamalwa, P. S. (2021). Finance for SMEs and its effect on growth and inequality: evidence from South Africa. *Transnational Corporations Review*, 13(4), 450-466.
 38. Nkwinika, E., & Akinola, S. (2023). The importance of financial management in small and medium-sized enterprises (SMEs): an analysis of challenges and best practices. *Technology audit and production reserves*, 5(4 (73)), 12-20.
 39. Nkwinika, E., & Akinola, S. (2023). The importance of financial management in small and medium-sized enterprises (SMEs): an analysis of challenges and best practices. *Technology audit and production reserves*, 5(4 (73)), 12-20.
 40. Nwaigwe, M. (2024). Talent Management and Talent Retention in SMEs in Emerging Markets: A case study of the Nigerian context.
 41. Obieche, P. N., & Ihejirika, P. O. (2021). Bank credit and SMEs financing in Nigeria. *Journal of Economics and Sustainable Development*, 12(14), 35-44.
 42. Okafor, C., & Nwankwo, T. (2022). The role of financial literacy in improving SME financial management. *African Journal of Business Studies*, 29(3), 134-156.
 43. Olujide, A. A. (2022). *Recognizing the Onset of Financial Problems in Nigerian Small and Medium Enterprises* (Doctoral dissertation, Walden University).
 44. Rambaran, T., & Schirhagl, R. (2022). Nanotechnology from lab to industry—a look at current trends. *Nanoscale advances*, 4(18), 3664-3675.
 45. Ramírez, J. G. C. (2022). Struggling Small Business in the US. The next challenge to economic recovery. *International Journal of Business Intelligence and Big Data Analytics*, 5(1), 81-91.
 46. Saiz, A. (2023). *The global housing affordability crisis: Policy options and strategies* (No. 203). IZA Policy Paper.
 47. Sopian, D. S. (2022). *SME strategic regeneration: Building a holistic framework for decision-making in managing growth uncertainties and market volatilities for SMEs in Malaysia*. University of Wales Trinity Saint David (United Kingdom).
 48. Sharma, P. (2023). Analyzing How Rigorous Financial Analysis Informs Strategic Decisions and Contributes to Corporate Growth. *Nanotechnology Perceptions*, 20, 219-229.
 49. Sharma, P. (2023). Analyzing How Rigorous Financial Analysis Informs Strategic Decisions and Contributes to Corporate Growth. *Nanotechnology Perceptions*, 20, 219-229.
 50. Spyromitros, E., & Panagiotidis, M. (2022). The impact of corruption on economic growth in developing countries and a comparative analysis of corruption measurement indicators. *Cogent Economics & Finance*, 10(1), 2129368.
 51. Subramani, S. K., Mohammed, A., Rasheed, H., Sundararajan, S., & Pal, S. K. (2024). Metaverse as a platform for entrepreneurs and startups: Exploring opportunities and challenges. *International Journal of Marketing & Financial Management*, 12(1). <https://doi.org/10.53882/IJMFM.2024.1201002>
 52. Subramani, S., Kumar, V., & Rao, P. (2024). Digital transformation in SMEs: Impact on profitability and growth sustainability. *International Journal of Business and Digital Economy*, 12(1), 88–103.
 53. Sundararajan, S., & Mohammed, A. (2022). Emerging trends of business transformation: Conceptual study. In *Proceedings of the One-Day Virtual International Conference on Digital Transformation of Business* (pp. 16–23). MSNIM Mangaluru & Limkokwing University Malaysia. ISBN: 978-93-5607-182-7.
 54. Sundararajan, S., Mohammed, A., & Lawal, T. (2023). Role of human resource management in the post-COVID-19 era: Experiential study. *Bio Gecko: A Journal for New Zealand Herpetology*, 12(2).
 55. Sundararajan, S., Mohammed, A., & Martin, V. P. (2022). Digital transformation in HR practices and HR analytics for sustainable business. In *Proceedings of the International Conference on Business, Innovation and Sustainability in the Digital Era* (pp. 73–74). ISBN: 978-81-955963-7-9.
 56. Sundararajan, S., Mohammed, M. A., & Senthil Kumar, S. (2022). A perceptual study on the impact of agile performance management systems in the information technology companies. *Scandinavian Journal of Information Systems*, 34(2), 3-38.
 57. Sundararajan, S., Muhammed, A., & Senthil Kumar, S. (2024). A study on HR strategies for managing talents in a global perspective. *ISRG Journal of Economics, Business & Management (ISRGJEBM)*, 2(1), 15–21. <https://zenodo.org/records/10547775>
 58. Thathsarani, U. S., & Jianguo, W. (2022). Do digital finance and the technology acceptance model strengthen financial inclusion and SME performance?. *Information*, 13(8), 390.

59. Thekkoote, R. (2022). A framework for the integration of lean, green and sustainability practices for operation performance in South African SMEs. *International Journal of Sustainable Engineering*, 15(1), 47-58.
60. Wansi, T., & Burrell, D. N. (2023). Financing Challenges of Cameroon's Small and Medium Enterprises (SMEs). *Financial Markets, Institutions and Risks*, 7(4), 88-104.
61. Weerakkody, C. (2021). Impact of global value chain on the performance of SMEs. *Available at SSRN 3941253*.
62. Wiid, J. A., & Cant, M. C. (2021). Obstacles faced by owners of township micro, small and medium enterprises to acquire funds for survival and growth (2010-2020). *Entrepreneurship and Sustainability Issues*, 9(1), 52.
63. Wu, Y., & Huang, S. (2022). The effects of digital finance and financial constraint on financial performance: firm-level evidence from China's new energy enterprises. *Energy Economics*, 112, 106158.
64. Yang, N. (2022). Economic policy uncertainty, managerial ability, and the peer effect of corporate investment. *Mathematical Problems in Engineering*, 2022(1), 8231201.
65. Zahoor, N., & Lew, Y. K. (2022). Sustaining superior international performance: Strategic orientations and dynamic capability of environmentally concerned small- and medium-sized enterprises. *Business Strategy and the Environment*, 31(3), 1002-1017.