

THE EFFECT OF TRAINING ON THE PERFORMANCE OF SMALL AND MEDIUM SIZED ENTERPRISES (SMEs) IN KANO METROPOLIS

¹ALIYU MOHAMMED, ²Dr. SHANMUGAM SUNDARARAJAN, and ³ TRIMISIYU OMOTAYO LAWAL

¹Lecturer II, Business Management, Skyline University Nigeria, Kano State, Nigeria.

Email: aliyu.mohammed@sun.edu.ng

²Associate Professor, Business Management, Skyline University Nigeria, Kano State, Nigeria.

Email: s.sundararajan@sun.edu.ng

³Lecturer II, Dept.of Economics, Skyline University Nigeria, Kano State, Nigeria.

Email: trimisiyu.lawal@sun.edu.ng

ABSTRACT

Training benefits both the employee and the organization, a well-trained employees can face current and future challenges in the organization and achieve competitive advantages. Financial performance is linked to metrics such as Return on Investment (ROI), Return on Assets (ROA), Return on Equity (ROE), Return on Sales (ROS), Sales, Market Share and Productivity. Non-financial performance includes workforce turnover, employee absence conflicts, product and service quality, and advancement. Small and Medium Enterprises (SMEs) contribute altogether to a country's long-term socioeconomic development by increasing GDP, creating jobs, creating wealth, alleviating poverty, building capacity, and improving people's well-being through the provision of goods and services, including education. Specifically, it will show what SMEs had to assess their trainings in terms of persons, tasks, knowledge, skill and abilities. Also, it will show SMEs management the type of training materials, delivery training approach, and the content to facilitate the training programme. This research study examines the effect of training about the financial performance of small and medium-sized enterprises in Kano metropolis. The reason above was poor performance of SMEs in proper bookkeeping, lack of profit, decreased employee productivity, lack of loan repayment, low or absence of return on investment, decreasing sales growth etc. All of these were traced to inadequate training of employees. The study's overarching objective is to assess the impacts of training on the Small and Medium Enterprises (SMEs) performance with in Kano City. The results showed that training needs assessment and training evaluation have a positive and significant impact on the financial performance of SMEs Kano metropolis. Whereas training content has a less or no significant impact on the performance of small and medium-sized enterprises in the Kano metropolitan area. This study suggests that training content needs to be prioritized in order to improve the financial performance of SMEs in Kano metropolitan areas.

Keywords: SMEs; Financial Performance; Training; Kano Metropolis.

INTRODUCTION

Small and Medium Enterprises (SMEs) contribute essentially to a country's long-term socioeconomic development by increasing GDP, creating jobs, creating wealth, alleviating poverty, building capacity, and improving people's well-being through the provision of goods and services, including education. According to the most recent SMEDAN/NBS MSME Survey, Nigeria's SMEs contribute nearly half of the country's GDP and employ more than

80% of the workforce. Without a doubt, the sector is critical to Nigeria's growth, including poverty reduction. (PwC's MSME Survey 2020).

Financial performances are a summary of accounting that details the income, expenses, and net income of an organization. He continues, "a statement of financial performance is also known as profit and loss statement or an income statement; and corporation may prepare a statement of financial performance on a monthly, quarterly, or annual basis." Codjia (2010), In this context, financial performances are related to metrics such as return on investment (ROI), return on assets (ROA), return on equity (ROE), return on sales (ROS), sales, market share and productivity, non-productivities include employee turnover, employee absence, conflict, product and service quality, and innovation.

According to Saleem and Mehwish (2011) training may be a major activity in human resource management for the development of employees. In today's competitive world, training is the foremost important strategy for accomplishing organisational goals. Training benefits employee performance and organizational effectiveness. In today's competitive world, achieving organizational performance requires attractive employee to perform well.

Training benefits both the employee and the organization, according to Niazi's (2011) research. A well-trained employees can face current and future challenges within an organization and gain a competitive advantage. Training is a process designed to provide employees with knowledge, skills and a better understanding of an organization and its goals and objectives (Ivancevich. 2010). In addition, training and development enable employees to continue to make the positive commitment necessary to the success of the organization through good job performance.

Despite the massive resources spent by SMEs on training, some financial performance issues were discovered. A lack of proper bookkeeping, a lack of profit, decreased employee productivity, a lack of loan repayment, a lack of proper records or no records at all, a low or no return on investment, a lack of business strategy, and a decrease in sales growth are examples of these. SME owners struggle to manage their businesses as they grow due to a lack of financial training and managerial experience or skills, as well as an inability to distinguish between revenue and profit. Improper financial management is the main and widest cause of bankruptcy of small and medium-sized enterprises. A lack of financial management expertise in particular, join with business environment uncertainty, regular causes SMEs to face genuine financial and in overall performance issues, which can indeed threaten the enterprise's survival. According to Obaseki (2015), one of the challenges that SMEs face is a lack of financial management and bookkeeping practices. Training must result in effective learning if it is to have a meaningful impact on financial performance. This is because ineffective training programs may be impeding positive financial performance growth. In light of the foregoing, this research study explore the effects of training on financial performance among SMEs in Kano. Its goal is to decide whether the seemingly epileptic financial performance of SMEs operating in Kano metropolis can be improved through effective training.

Need and importance of this study

The current study would be significant to the following areas. To the management of SMEs; it will show them what best combination of training requirement should be adopted for improved performance. Specifically, it will show what SMEs had to assess their trainings in terms of persons, tasks, knowledge, skill and abilities. Also, it will show SMEs management the type of training materials, delivery training approach, and the content to facilitate the training program. Furthermore, SME management would be guided on how to evaluate the training's effectiveness in terms of its strengths and weaknesses, as well as the achievability of its objectives and training criteria. All of these, if considered by SME management, would boost sales growth, return on investment, staff productivity, and after-tax net profitability.

In addition, SMEs management would be guided on how to evaluate the effective use of the training in terms of strength and weaknesses, achievability of objective and training criteria. All of these, if taken into consideration by the SMEs management, would improve their sales progress and growth, return on investment, employee productivity, and its net income after taxes. This study has only focused on SMEs that are currently operating in Kano metropolis. The current efforts by Central Bank of Nigeria (2021) to diversify the economy will create opportunities for people already in SMEs business to expand their production, particularly those products that were banned recently by the CBN. Therefore, to improve their sales growth, after-tax net income, employee productivity, and return on investment, this could be achieved through viable and proficient training of employees in order to cope with the new trend. The outcome of the study's results will be of exceptional importance to researchers and scientists. Its results may provide a theoretical basis for future experimental studies of the impact of training on financial performance. This research study can be a major source of motivation for other researchers to develop a practical approach to operational learning in financial performance.

Statement of the problem

This study investigates the impact of training on the financial performance of Kano SMEs metropolis. The reasons for the above were the poor performance of SMEs on proper bookkeeping, lack of profit, decreased employee efficiency and productivity, lack of loan repayment, low or absence of return on investment, decreasing sales growth etc. All of these were traced to inadequate training of employees. Similarly a few Research on the impact of training on financial performance carried out with varying outcomes. For examples, studies by American Bankers (2004;Jome,2011; Aragon, 2013; Blandy, 2001; Chetambe and Sakwa, 2013) in the sectors of banking, metal industry, firms, private security firms, print media industry, etc. in different locations such as the UK, Australia, Kenya, Spain, Canada, Switzerland, etc.

In view of the above, the empirical literature review revealed that most of these studies used different proxies for training such as training policy, training expenditure, training quality and quantity, training hours. Similarly, most of the previous studies proxied financial performance using return on asset, stock price, total sales revenue and return on capital

employed. In addition, the research studies on the impact of training on the financial performance of firms have increased, and the research focus has been limited to the financial performance of SMEs. There were exceptionally restricted literature writing towards the subject of the financial performance of SMEs as well. (Thys, Van, and Bauwhede,2014).

However, the current study intends to fill this gap by using different proxies for both training and financial performance. That is, training was measured using training needs evaluation, training content, and training assessment. Moreover, financial performance were measured by using sales growth, workers efficiency, employees productivity, net income, profit after tax, and return on investment. In the light of the above, this research study investigated the effect of training on the financial performance of Kano SMEs.

REVIEW OF LITERATURE

Conceptual framework

This research study conducts review of literature on training and general financial performance of the firms. It focuses on the concepts of financial performance, and its measurement, the measures of SME performance and productivity include training and development, SME training, training and other factors, enterprise resource-based view, and human capital theory. This section provides an overview of empirical research reviews and literature on research titles and topics.

Financial performance concept

The financial performance of the company is determined by its capacity to make profit or income. It is frequently utilized as a wide measure of business result, i.e. how well the company operates. It is also useful for comparing businesses in the same industry. There are a plethora of financial performance indicators to choose from financial performance on the other hand, is broadly classified into three categories, i.e. investor returns, accounting returns, and perceptual returns.

Measuring financial performance is one of the most difficult challenges facing businesses within the small business sector, especially if management is not trained in how to manage finance and how to measure performance, especially in terms of survival. There is a possibility. Organisations cannot make decisions without performance measures, which are the lifeblood of the organisation. Most small and medium firms fail because cash flows are not handled effectively (Dickey as quoted by Mbornyane, 2006).

According to Minai and Lucky (2011), small business performance is assessed from both monetary (financial) and non-monetary (non-financial) perspectives. According to certain research, financial performance measurements may be used to predict total business performance, other studies, on the other hand choose a subjective measure of performance. For example fell that subjective metrics can assist owners and managers in determining, Davood and Morteza (2012) define performance as the ability of a company to provide acceptable results and activities, while the amount of success or failure of an individual SME.

As a result, company performance is an important issue in business activities that require careful planning and commitment. According to Tirkman and McCormack (2009), performance measurements are for all business performance as they also serve as a benchmark for companies to identify levels of success or failure and achieve significant progress in the operation of the entire organization. It's serious.

Measurement of Financial Performance:

Several studies assessed financial performance using a wide variety of criteria. These indicators include profitability, total profit, return on assets (RoA), return on investment (RoI), return on equity (RoE), return on sales (RoS), revenue growth, market share, stock price, sales growth, and export growth, liquidity and operational efficiency. (Gimenez, 2000)

Most Small and medium companies are private companies, and their owners are not required by law to disclose financial information and are often eager to disclose it freely. Furthermore, because financial statements for small enterprises are frequently unaudited, they may be erroneous. In addition, small business owners and managers are more likely to rate their company's performance subjectively (Sapiena Smith, Gannon, 1998)

When objective measurements of performance are unavailable, as they frequently are in small and medium enterprises, Dess & Robinson (1984) claimed that subjective measures can be a viable replacement.

Finally, financial performance measurement can be one of the most challenging difficulties faced by businesses in the SME sector if management is not trained on how to handle finance and assess performance, especially in terms of survival. Without performance measurements, which are lifeblood of every small and medium businesses, it is impossible to make choices (Zairi as quoted by Mosalakae, 2007), the majority of the small business fail due to insufficient cash flow management (Dickey as quoted by Mbonnyane, 2006)

This study will use the following financial performance measures: return on investment, sales growth, after-tax net income growth rate, and employee productivity. As a result, small business owners and managers are expected to provide subjective assessment of their firms' performance.

Training Concept:

Employee training is a strategy for improving the performance of individuals, teams, and organizations. Employees strive to be important and competitive within the labor market at all times. This can only be done if they stay up to date on modern innovations, new technologies, find better approaches of doing business, and plan for upcoming challenges that the organization or an individual will face in the near future. All of this is possible with proper training.

Training is an important aspect of Human Resource Development and fastest growing section of personnel activities. Training, characterized as a nutritious calories and exercise program designed to improve the employees performance, cognitive and psychomotor abilities, helps

organisations in having a critical method of developing employees in order to increase productivity (Ezeani & Oladele, 2013)

Training Dimensions:

Training needs assessment: The process of forming an overall in general impression of a professional environment, inquire about short-term and long-term business strategies, skills, natural work environment, departmental work culture, performance capabilities, and employee qualifications., are alluded to as training needs assessment (TNA), These are moreover called as Training goals or terms of reference, and they must be seen once the training session has been completed. In any case, conducting a systematic TNA is an important to begin first step in design training sessions and can significantly impact the overall effectiveness of the training sessions which in turn affects employee performance (Wagonhurst, 2002)

Training Contents: The TNA results in the determination of training objectives, which at that point recognize or indicate the abilities and tasks to be trained. Because all approaches to training sessions are capable and aim to provide trainees with specific skills, knowledge, attitudes and task-related information, different training methods can be chosen to provide different training content. The importance of training considerations, expertise and job characteristics in deciding the most successful approaches to conducting training sessions, emphasized by Wexley & Latham (2002)

Training Evaluation: Choosing the evaluation criteria is a basic choice that must be prepared while assessing training session effectiveness (Humid, 1987) On the other hand, training evaluation is a difficult and difficult task or task. However, because this is ultimately an important activity, it is the most important activity in the progress of a training session, and organizations need to efficiently evaluate their training efforts. The essential goal of a training assessment is to show that the training conveys what you expected and to advance the course content for future use.

OBJECTIVES OF THE STUDY

- To study the effects of training towards the financial performance of SMEs in Kano Metropolis.
- To examine the impact of training needs assessment on the financial performance of SMEs in Kano Metropolis.
- To evaluate the impact of training content on the financial performance of SMEs in Kano metropolis
- To evaluate the impact of training assessments on the financial performance of SMEs in the Kano metropolitan area.

SCOPE OF THE RESEARCH STUDY

This study examines impact of training towards the performance of SMEs in Kano metropolis. It covers financial and nonfinancial performance. Subjective measurements were used to assess the financial performance of SMEs in the Kano metropolitan area. This study comprises selected SMEs in Kano metropolis and was conducted for a period of five months (September, 2021, to January, 2022). The reason for choosing Kano metropolis is that the state is the commercial and investment hub of North part of Nigeria, with a total living population of approximately 9.5 million based on the last 2016 censuses in Nigeria.

LIMITATIONS OF THE STUDY

Sample respondents were unable to accept the questionnaire and divulge information that would aid in the research was the study's major limitation. Furthermore, the study was only conducted in SMEs in Kano metropolis, whereas this can be done in other profitable organizations or even the banking sector. Similarly, the study relied solely on 149 responses. The study's sample can be varied and cross-checked with a larger sample. More research on a larger scale could be conducted in order to reach acceptable conclusions of this study across Nigeria's states. The financial performance of larger firms might be another topic of investigation. More research may be carried out to see if the findings of the study are similar across other industries.

RESEARCH METHODOLOGY

The following are the study's methodology and procedures: Survey research design, study populations, sampling methods and sample size, data collection methods and data collection tools, effectiveness and reliability, and data presentation methods and statistical tools used for data analysis.

RESEARCH DESIGN

Research design is traditionally viewed as a blueprint or arrangements indicating the procedures and methods for gathering data and analyzing data. The survey method of research design has been adopted this research study, and the data were analysed quantitatively. As a survey instrument, questionnaires were used. The level of training was investigated as an independent variable, while the financial performance of SMEs was investigated as a dependent variable. The study's findings and conclusions will be entirely dependent on the full utilization of the statistical data that will be collected.

Sampling method and sample size

The scientific approach was followed to calculate the sample size. It is a generalized scientific guideline for deciding sample size. Krejcie and Morgan (1970) developed the following formula equation to calculate the sample size.

$$S = \frac{X^2NP(1-P)}{d^2(N-1) + X^2P(1-P)}$$

S = required test size

X₂ = 1 degree of freedom chi-square table value at the specified confidence level (3.84)

N = Populace size

P = Population percentage (which is acceptable as 0.50 because it provides the maximum sample size)

d = the degree of accuracy expressed as ratio (0.50)

Therefore, the sample size for this study is 196 SMEs in the Kano metropolitan area. Adopting a simple random sample method, SMEs for this research study and the component of analysis comprises the owner/managers of the operational SMEs from the list of SMEs prepared by Kano state ministry of commerce, industries, cooperative and tourism (2021)

Methods of data collection

The data from this research was collected from the owners and managers of Kano's SMEs (SMEs). The primary data was collecting for this research through the questionnaire. The questionnaire was distributed to sample respondents to respond to questions on a 1-5 point Likert's scale about training and financial performance of the SMEs.

DATA ANALYSIS AND INTERPRETATION

Method of Data Analysis

With SPSS version 20, this study used tables with the mean and standard deviation to answer survey questions and inference statistics which is a simple linear regression, to test the hypothesis stated in the study. As a result, once the data was collected, descriptive statistics were used to analyze the variables and test the normality (skewness and kurtosis). The frequency and percentage were used to analyze response rates and demographic variables.

Model of the Study

This study used financial performance as dependent variables and training as independent variables. As indicated in the previous sections, this study used a multiple linear regression model to examine the level of influence of the independent variables (training) on the dependent variable (financial performance). The model looks like this: $Y_i = a + \beta_1 X_{i1} + \beta_2 X_{i2} + \beta_3 X_{i3} + e_i$

Y_i shows the dependent variable and X_i indicates the number of independent variables

Whereas Y_i = Financial Performance

X₁ = Training Needs Assessment

X₂ = Training Contents

X₃ = Training Evaluation

a = Constant value

β_i = the co-efficient of variable e_i = error term

Therefore, the regression equation will be: $FP = a + \beta_i TNA + \beta_i TC + \beta_i TE + e_i$,

Training

Training was assessed using three dimensional scale devised by Ohtuko, Chege, and Douglas (2013). Training needs assessment, training content, and training evaluation are three dimensions. The questionnaire contains a total of 21 items. There is a clear view of training needs assessment), there are different objectives for conducting training programs. There are various provisions of a platform to showcase technical skills and the contents of the training and methods employed are effective. The items were scored on a 5-point rating scale. On this scale, 5 means "Strongly agree" and 1 for "Strongly disagree".

Financial Performance

Financial performance was assessed using an instrument created by Khan, Asghar, and Zaheer (2014). Financial Performance included four items, all of which were confirmed valid and had an acceptable reliability co-efficient of greater than 0.8. Cronbach's alpha equals 0.828. Sample questions include, "The firm's sales growth rate increases annually," "The firm's return on investment improves annually," and "The firm's after-tax net income growth rate increases." A 5-point scale was used to measure this questionnaire. Likert type scales range from 5 to 1. In other words, strongly agree, disagree strongly

Correlation

The following table states that relationship between the financial performances (dependent variable) and training needs evaluation, training content and training assessment (Independent variables)

Table 1: Correlation on the Dimension of Financial Performance and Training

		Financial performance	Training needs	Training content	Training evaluation
	Financial performance	1.000	.607	.267	.681
Pearson	Training needs	.607	1.000	.597	.504
Correlation	Training content	.267	.597	1.000	.171
	Training evaluation	.681	.504	.171	1.000
	Financial performance	.	.000	.001	.000
Sig. (1-tailed)	Training needs	.000	.	.000	.000
	Training content	.001	.000	.	.019
	Training evaluation	.000	.000	.019	.
	Financial performance	149	149	149	149
N	Training needs	149	149	149	149
	Training content	149	149	149	149
	Training evaluation	149	149	149	149

Source: Field Survey (2022)

The correlation between the research variable are shown in the above table. As shown in the table, none of the correlation between the research variables are greater than .70. This means that multicollinearity is not a problem.

Regression Analysis

The correlation matrix in this research study does not show evidence of multicollinearity problems for an independent variable (see appendix). Listen, etc. (2010) added that Variance Expansion Factor (VIF) and Margin of Error Statistics are two important statistical methods for detecting multicollinearity. They say that VIF greater than 10 and tolerances less than 10 indicate concerns about multicollinearity.

Model

$$FP=f(TNA, TC, TE)$$

$$FP= a + \beta_1TNA + \beta_1TC + \beta_1TE + e_i,$$

Table 2: Model Summary of Financial Performance and Training of R value

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.747 ^a	.558	.549	3.24509	1.523

Source: SPSS version20 output

- a. Predictor variables (constant), training needs assessment, training content, training assessment
- b. Dependent variable: financial performance

The coefficient for the study is $R^2 = 0.55$ percent, as shown in the above table, this means that the independent variables under consideration (training needs assessment, training content, and training evaluation) explain 55% of the fluctuations in financial performance (dependent variable), and given the topic of this study, the value of the coefficient of determination is reasonable, which is in the social sciences. Furthermore, Durbin Watson is 1.523, which is in the range of 1.5-2.5 recommended by Norusis. (Year 1999).

Table 3: Analysis of Variance (ANOVA)

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	1928.698	3	642.899	61.051	.000 ^b
1	Residual	1526.939	145	10.531		
	Total	3455.638	148			

Source: Spss version 20m output

- a. Dependent Variable : Financial performance
- b. Predictor (constant), evaluation of training needs, training content, evaluation of training

The above anova table Indicates that the model as a whole is significant, taking into account sig, the value of the change in F ($F(3,145) = 65.051$, $p < 0.0005$). The significance level is 0.000, which indicates that the ANOVA of the study falls within the accepted criterion, which shows that the model is good and suitable for research study.

Table 4: Correlation Coefficients (Test between Training and Financial Performance)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations		
	BANOVA	Std. Error	Beta			Zero-order	Partial	Part
(Constant)	-5.166	1.334		3.872	.000			
Training Needs 1 Assessment	.356	.074	.387	4.839	.000	.607	.373	.267
Training Content	.042	.061	.048	.691	.490	.267	.057	.038
Training Evaluation	.404	.053	.494	7.592	.000	.681	.533	.419

Source: Spss version 20m output

- a. Dependent Variable : Financial performance
- b. Predictor (constant), evaluation of training needs, training content, evaluation of training

The above table shows how each independent variable (training needs assessment, training content and training assessment) predicts the dependent variable (financial performance). According to the table, training needs assessment and training evaluation are both statistically significant with p values of .000. Training needs assessment contributes 38.7 percent (Beta = .387), while training evaluation contributes 49.4 percent (Beta = .494). This means that training evaluation and training needs assessment have made a significant and unique contribution to explaining financial performance. With a p value of =.490, training content was found to be insignificant, explaining only 4.8 percent of the variation in financial performance (Beta = .048).

Test of Hypothesis

The chisquare-test analysis rejected Null hypothesis (1) stating that there is no significant relationship between assessment of training needs and financial performance, with a p value of 0.000 and a beta of 0.387 based on a previous study. It is assumed that the evaluation of the content of training is not significant for predicting the financial performance of SMEs in the Kano metropolitan area.

Statistical analysis also confirmed the null hypothesis (2), which asserts that there is no significant association between training content and financial performance, p-value = 0.490, beta = 0.048. This shows that the training content is not significant in predicting the financial performance of SMEs in the Kano Metropolis.

Finally, Null hypothesis (3) was rejected with p value = 0.000 and beta coefficient = 0.494. Stating that there is no statistically significant relationship between evaluation and financial performance. This suggests that training evaluation is important in forecasting the financial performance of SMEs in Kano metropolis.

RESULT AND DISCUSSION

This section summarizes the study's findings. Training needs assessment and training evaluation are significant in forecasting the financial performance of SMEs in Kano metropolis, but training content is not relevant in predicting the financial performance of SMEs in Kano metropolis, according to the findings. The findings showed that assessing training needs is important in predicting the financial performance of SMEs in Kano metropolis. This implies that when conducting training programs at SMEs in Kano metropolis, owners/managers ensures that employee engagement can be maintained by clearly stating the purpose of the training and identifying the goals and objectives of the training.

In addition, the SMEs assess the success of training requires the knowledge, skills and attitudes that employees expect. These variables contributed significantly to the improvement of SMEs' financial performance in Kano metropolis. According to the data, the content of the training has nothing to do with the operation of SMEs in the Kano metropolitan area. This refers to the ability of the SMEs owner/manager to improve training content by updating employees' existing skills and acquiring new technologies. Comprehensive new hire training programs have not been evaluated. These considerations could explain why the substance of training has no visible impact on forecasting SMEs financial performance in Kano metropolis. Similarly, the findings revealed that evaluating training is important in forecasting the financial performance of SMEs in Kano metropolis. This indicates that in Kano metropolis' SMEs, owners/managers ensure that training evaluation and methods are very effective, that the method of performance appraisal is effective and efficient and that the mode of "knowledge transfer" (such as role-playing, teaching machines, use of pamphlets, books, slides, charts, etc.) during training is inappropriate.

At the 0.05 level of significance, the three study hypotheses were evaluated and rejected. The study concluded that assessing training needs and the assessment training had a significant impact on the performance of SMEs in Kano City. Training topics had no apparent effect on the performance of Kano city SMEs. Owners/managers should keep the significant variables according to the research study (training needs assessment and training evaluation). In order to improve the financial performance of SMEs in Kano metropolis special emphasis should be paid to training content. According to the second hypothesis there is no significant relationship between training content and financial performance for Kano Metropolitan SMEs. This outcome could also be attributed to a failure to update employees' existing skills and acquire new technologies to improve training content. There is no platform for showcasing technical skills. There has been no evaluation of comprehensive new hiring training programs, as well as updated organizational procedures and policies. In addition, there is a lack of proper planning and goal setting. They do not use the information collected adequately to support and assist top level/senior management. All of these variables can explain why the training content does not significantly affect the forecast of Kano's SMEs financial performance. Owners/managers need match the content of training to the

organizational outcomes that are being measured. This has the potential to help SMEs improve their financial performance

Finally, the third hypothesis revealed that training evaluation is significant in the reasons for predicting the financial performance of SMEs are as follows: Training content and methods by SMEs are very effective, the method of performance appraisal is effective and efficient (appropriate), and the mode of "knowledge transfer" during the training program is appropriate. SMEs must also identify employees' strengths and weaknesses in order to ensure effective and efficient training evaluation. These factors contributed significantly to the improved financial performance of SMEs in Kano metropolis.

SUGGESTIONS

The study proposes that greater efforts be made to provide effective and efficient training material for SMEs in Kano metropolitan, based on the findings. The following suggestions were given in particular:

First, the training objectives should be clear for conducting training programs and that training objectives help employees focus, which were the most significant factors. Employees' negative attitudes toward training programs would be reduced if the objectives were clear. Before sending trainees list, the training objectives should be thoroughly explained to them. This will allow the trainees to mentally prepare and properly commit to achieving the training objectives. The objectives should reflect the employees' deficiencies and should be discussed in advance with the concerned employees.

Second, among the training content items, As the role model is the most importance, there are platform provisions for demonstrating technical skills by guiding others within the organization. However, in order to ensure financial performance improvement, proprietors/managers must update employees' existing skills and acquire new technologies. Owners/managers should use the data gathered to support and assist top management. Planning and goal setting must be done correctly and efficiently. As a result, training content should be designed in such a way that it is relevant to employees' job functions in order to improve financial performance.

Finally, among the items on training evaluation, the training content and methods used are very effective. As a result, this study recommends that the criteria used to assess trainees' performance, skills, and attitudes be designed in an efficient and appropriate manner. The interference from the external environment on performance should be addressed by maintaining a flexible corporate strategy, developing their staff through training and re-training, improving their financial base, and being proactive. The training program should be designed with specific goals in mind. This will help improve the financial performance of small and medium-sized businesses in the Kano metropolitan area.

CONCLUSION

It is concluded that SMEs assess the success of training needs from company's point of view the knowledge, skills and attitudes of employees. These elements are important in helping SMEs in Kano metropolis improve their financial performance. Similarly, the content of training had no bearing on forecasting the financial performance of SMEs in Kano. This incapacity of owners or managers to upgrade employees' existing skills and acquire new technologies to improve training material are the reasons. All of the above factors contributed to SMEs in Kano metropolis improving their financial performance. Finally, training evaluation was found to be useful in forecasting the financial performance of SMEs in Kano. This is because in Kano metropolis SMEs, owners/managers ensure that training evaluation and techniques are very effective, the method of performance appraisal is effective and efficient, and the mode of "knowledge transfer" is effective and efficient such as role-playing, teaching machines, use of pamphlets, books, slide projectors, charts etc. during training program is appropriate. This made a huge difference to the financial performance of Kano's SMEs.

Data Availability Statement

- * There is no conflict of interest among the authors
- * There is no funding for the study
- * The data can be found in the manuscript

References

1. Arthur WJ., Bennett WJ., Edens P., & Bell S.T (2033), Effectiveness of training in organisations: A meta-analysis of design an evaluation features, *Journal of Applied Psychology*, 88 (2), 218-234.
2. American Bankers Association (2004), Investing in training and development: dollars and sense, American Bankers association, Washington, DC.
3. Aragon G., Isabel B., &Requel S.V., (2013), Does training managers pay off? *The international Journal of Human Resource Management*, 24 (8), 111-120.
4. Aragon-Sanchez, A, Barba-Aragon I., &Sanz-Valle R, (2003) Effects of Training on Business results, *International Journal of Human Resource Management* 14 (6), 956-980.
5. Blandy R., et.al. (2001) Does training pay? Evidence from Australian enterprises, Chapter3 in Anrew Smith, et, al Return on Investment in training, Natural central for Vocational Education Research Ltd, 23 (4), 45-61.
6. Codija, M, (2010) Definition of a statement of financial performance, retrieved April 12 2016,http://www.ehow.com/about_6627481_definition-statement-financial_performance.html
7. Cochran P.L., & Wood, R.A. (1984), Corporate Social Responsibility and Financial performance, *Academy of Management Journal*, 27 (1), 42-56.
8. Chochrd Y., & Eric D., (2011), Variable influencing the return on investment in management training programs: a utility aanalysis of 10 SWISS cases, *International Journal of Training and Development*, 15 (3), 1-15.
9. Xhetambe H.N. & Sakwa, M. (2013), Effects of financial training on financial performance of schools in Kenya: a survey of administrators of secondary schools in trans-nzoia county, *International Journal of Academic Research in Business and Social Sciences*, 15 (3), 131-151.

10. Dess, G.G., & Robinson R.B., (1984), Measuring organisational performance in the absence of objective measures: The case of the privately Held firm and conglomerate Business unit, *Strategic Management Journal*, 5 (3), 265-273.
11. Easterby-Smith, M. (1986), 'Training course evaluation from an end to a means,' *Personnel Management*, pp. 25 – 27.
12. Ezeani N.E. & Oladele R., (2013), 'Implications of Training and Development Programmes on Accountants Productivity in Selected Business Organizations in Onitsha, Anambra State, Nigeria', *International Journal of Asian Social Science*, 3(1) pp. 266-281.
13. Goldstein I.L., (1993), 'Training in organizations: Needs assessment, development and evaluation,' Pacific Grove, CA: Brooks Cole, 3rd Edition.
14. Ittner C.D., & Lacker D.F., (2003), 'Coming up short on non-financial measurement', *Harvard Business performance Review*. Retrieved April 12, 2016 from www.hbr.org
15. Ivancevich J. M. (2010), 'Human Resource Management' 8th ed. Boston: Irwin McGraw-Hill.
16. Jones D., et.al. (2011), 'The effects of general and firm-specific training on wages and performance: evidence from banking', *Oxford Economic Papers* 64(1), 151–175.
17. Jindrichovska I., (2013), 'Financial Management in SMEs', *European Research Studies Journal*, 16 (Special Issue on SMEs): 79-96.
18. Kaya S., & Alpkın L., (2012), 'Problems and Solution Proposals for SMEs in Turkey', *EMAJ: Emerging Markets Journal*, 2(2): 178-196
19. Krejcie R.V., & Morgan D.V., (1970), 'Determining Sample Size for Research Activities', *Educational and Psychological Measurement*, New Jersey: Brooks Publishers.
20. Kano State Investors' Handbook, (2013), Published by the Ministry of Commerce, Industry, Cooperatives & Tourism. Kano State Nigeria in collaboration with (GEMS3), Growth and Employment in States.
21. Minai M.S., & Lucky E.O.I., (2011), 'The moderating effect of location on small firm performance: Empirical Evidence', *International Journal of Business and Management*, 2011, 6 (10), 178-192.
22. Mboniyane B.L., (2006), 'An exploration of factors that lead to failure of small businesses in the Kagiso Township', M. Tech. Business Administration thesis, University of South Africa, Pretoria.
23. Mosalaka I.G.B., (2007), 'Financial performance measurement of South Africa's top companies: an exploratory investigation', Doctor of Commerce thesis, University of South Africa, Pretoria.
24. Murphy G.B., Trailer J.W., & Hill R.C., (1996), 'Measuring performance in entrepreneurship research', *Journal of Business Research*, Vol. 36(1), pp.15-23.
25. Niazi A. S., (2011), 'Training and development strategy and Its Role in Organizational Performance', *Journal of Public Administration and Governance*, 2(1), 2161–7104(1991).
26. Obaseki F., (2015), 'Small and medium enterprises', *Financial Inclusion and Financial Markets. 21st Nigerian Economic Summit (NES#21), 'Tough choices: Achieving competitiveness, Inclusive Growth and Sustainability'*, Transcorp Hilton, Abuja, 13th – 15th October 2015.
27. Orlitzky M., Schmidt F. L., & Rynes S. L. (2003), 'Corporate social and financial performance: A meta-analysis', *Organization Studies*, 24(3), 403.
28. Thomas Anisya S., & Ramaswamy K., (1996), 'Matching managers to strategy: Further Tests of the Miles and Snow Typology', *British Journal of Management*, 7, 247-261.
29. Trkman P., & McCormack K., (2009), 'Supply chain risk in turbulent environment – A conceptual model for managing supply chain network risk.', *International Journal of Production Economics*, 119(2), 247-258.
30. Wagonhurst C., (2002), 'Developing effective training programmes,' *Journal of Research Administration*, Vol. 33, No. 2, pp.77 – 81.
31. Wexley K., & Latham G., (2002), 'Developing and training human resources in organization,' Upper Saddle River, NJ: Prentice Hall 3rd Edition.