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THE MODERATING EFFECT OF EDUCATION LEVEL ON FAMILY BUSINESS SUCCESSION AND SMALL & MEDIUM ENTERPRISES PERFORMANCE IN KANO STATE

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Abstract
Small and Medium Enterprises (SMEs) play a crucial role in the economic development of any state. Effective succession planning is essential for sustaining business performance, and the educational qualifications of successors significantly influence business continuity, ease of transition, and overall success. However, in Kano State, many family-owned businesses struggle with poor succession planning, often leading to business decline or failure after generational transitions. This challenge is compounded by limited education, cultural norms, and economic instability. Despite the critical role of education in succession planning, empirical studies examining its moderating effect on the relationship between family business succession and SME performance in Kano State remain scarce. This study investigates the moderating effect of education level on family business succession and Small and Medium Enterprise Performance in Kano State. Adopting a cross-sectional survey design, data were collected from 411 respondents using a structured questionnaire. Descriptive statistics and regression analysis were employed to test the hypotheses. Findings revealed that Education level significantly moderate the relationship between family financial management & family business culture and SME performance in Kano State. However, Education level does not significantly moderate the relationship between family market innovation and SME performance in Kano State. The study concludes that education is vital for formalizing succession plans and ensuring business continuity and growth. It recommends amongst others that business owners encourage potential successors to pursue higher education or specialized training in business management to enhance leadership and decision-making skills.

Keywords: **Family, business, succession**, **education and SME performance**.

Introduction

Family businesses across the globe, Africa and Nigeria in particular are faced with the problems of poor succession planning, often leading to their decline or collapse after the founder's retirement or demise. And lack of interest in education despite the recognition of education as a key driver of business success. Level of education, on-the-job training, mentorship and willingness to learn have a strong impact on family-owned business succession in small and medium-scale enterprises (Okoh et al, 2022). Family businesses are crucial for global economic growth, particularly in developing countries like Nigeria, where they represent about 80% of registered enterprises and significantly contribute to the Gross Domestic Product [GDP] (Peterson & Anderson, 2023). In Kano State, the commercial hub of Northern Nigeria, family-owned SMEs are deeply rooted in historical trade and local culture. According to the Kano State Ministry of Commerce (2023), these businesses provide nearly 45% of the state's GDP and employ over 60% of its workforce, highlighting their importance in both the economic and social fabric of the region. However, family businesses face significant challenges related to leadership transitions. Research indicates that only 30% survive to the second generation and just 12% to the third (Ward, 2022). Additional barriers such as limited education, cultural norms, and economic instability further complicate succession planning (Ibrahim & Mohammed, 2023). Educational qualifications of both current leaders and successors greatly influence business continuity (Hassan & Abdul, 2023).

As technology and global competition evolve, the demand for formal education and modern business skills is increasing. Traditional apprenticeship models are under scrutiny, as evidence suggests that businesses led by university-educated successors have a 35% higher rate of technology adoption and market expansion (Yusuf et al., 2023). This blend of cultural values with contemporary practices necessitates that successors maintain their heritage while integrating modern management techniques. Furthermore, financial literacy is critical for successful succession. According to the Kano Chamber of Commerce, Industry, Mines, and Agriculture (KACCIMA, 2023), family firms led by successors with relevant academic backgrounds are 50% more likely to secure formal financing and maintain healthy financial ratios. Demographic changes in Kano, characterized by a younger, more educated population, challenge traditional leadership succession norms, as family members increasingly vie for leadership based on merit rather than age (Umar & Babangida, 2023). The complexity of modern regulations and corporate governance demands further formal education for effective business management. Research shows that educated successors demonstrate a 45% higher compliance rate with regulatory frameworks (Abdul & Mustapha, 2023). The potential impact of effective family business succession extends beyond individual enterprises; successful transitions could generate an estimated 25,000 new jobs annually and enhance the state's GDP by 15% over the next decade (KACCIMA, 2023).

Despite the increasing recognition of the significance of education in succession planning and business performance, a knowledge gap persists regarding how educational levels influence these relationships within Kano State's socio-economic context. This according to Okoh et al (2022), may not be unconnected to the poor performances of educational sectors in Nigeria and the lack of interest of managers/business owners of SMEs in acquiring formal education. Also lack of ability to understand that business education is a strong tool for business growth. Hence, there is need for additional empirical investigation in this area. Review of empirical studies indicate that a lot of prior studies focused on the mediating *impact* of the *small* and *medium enterprises* development agency, the intricacies of *family business* and *succession* planning based on conceptual consideration, and the adoption of conceptual review of extant literature and theories on investigation of effect of succession education on family-owned business succession in small and medium-scale enterprises in Nigeria. To the best of the researcher's knowledge, no author has carried out investigation on the subject matter of this study.

Additionally, several theories including the Human Capital Theory (HCT), Resource-Based View (RBV) Theory, Agency Theory and the Succession Planning Theory (SPT) have been adopted by many authors in the study of formal education. However, these theories did not clearly provided a strong framework for understanding how education levels influence family business succession and SMEs performance. Therefore, there is need for more empirical investigation to uncover the relationship between the moderating effect of education level in the relationship between family business succession and SMEs performance in Kano State. Addressing the research gap is vital for developing effective succession strategies that align traditional practices with modern business demands, which would ultimately, fosters sustainable growth and economic stability in the region. This gap in knowledge creates uncertainty regarding whether higher educational attainment enhances or weakens succession effectiveness and business sustainability.

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

Concept of SMEs Performance

SMEs performance is typically evaluated through indicators like profitability, market share, and growth rate (Yusuf & Adeola, 2019). They further posited that in family businesses, effective succession planning is directly linked to these performance outcomes. Research suggests that planned succession enhances stability and supports sustained growth, while poorly managed succession can lead to business decline (Akhidime, 2017; Zainol et al., 2018). In Kano, where SMEs contribute significantly to local employment, their performance is a crucial measure of economic health, particularly as they provide vital goods and services to the community (Tirdasari and Dhewanto, 2017). SME's performance refers to the effectiveness with which SME's achieve their business objectives. SME is typically evaluated through a multidimensional framework that encompasses both financial and non-financial metrics. Financial indicators include profitability ratios, revenue growth, return on investment, and market share, while non-financial measures focus on customer satisfaction, employee retention, innovation capacity, and market reputation (Anderson & Zhang, 2024).

Family Business Succession

Family business succession refers to the process by which leadership and control of a family-owned business are transferred from one generation to the next (Akhidime, 2017). In Nigeria, family businesses are often passed down through generations without formal succession planning, which frequently leads to conflicts and disruptions (Ugwu et al., 2016). In Kano State, succession processes are often informal, and successors are sometimes chosen based on family dynamics rather than managerial competence, which can hinder business performance (Obasi, 2020). Family business succession represents a critical process of transferring ownership, management, and leadership from one generation to another within family-owned enterprises. This transition process encompasses not only the transfer of tangible assets but also includes the transmission of tacit knowledge, social capital, and organizational values that are crucial for business continuity (Sharma & Irving, 2023)

The Moderating Role of Education Level

Education acts as a moderating factor in family business succession by equipping successors with analytical and problem-solving skills, which are essential for sustaining business performance during and after succession (Akhidime, 2017; Ugwu et al., 2016). Higher education levels correlate with better decision-making skills, adaptability, and innovation, all of which contribute to effective leadership in family-owned businesses (Zainol et al., 2018). The human capital theory posits that educational attainment enhances an individual's productivity, providing a strong theoretical basis for investigating education as a moderating factor in succession and performance outcomes (Becker, 1964). Education level has long been recognized as a vital component of human capital that can influence various business outcomes, particularly in family-owned enterprises where succession planning, preparation, execution, Government structure and continuity are often complex. In the context of family business succession, the educational attainment of successors can serve as a significant moderating factor, shaping the impact of succession on business performance. Education level can be measured using the following indicators: Non-formal education, primary, secondary and tertiary education.

Conceptual Framework

This framework depicted below is vital as it portrays the direction of the study. The moderating variable (MV) of this study is effect of education level, While the independent variable (IV) is the family business succession, dependent variable (DV) is SMEs performance. Figure 1 therefore illustrates that the relationship between family business succession and SMEs performance is moderated by education level. The figure proposes that it is the interaction between education level and family business succession that determines the profitability of SME's. In other words, Education level alone without the influence of family business succession cannot guarantee SMEs and sustainability.

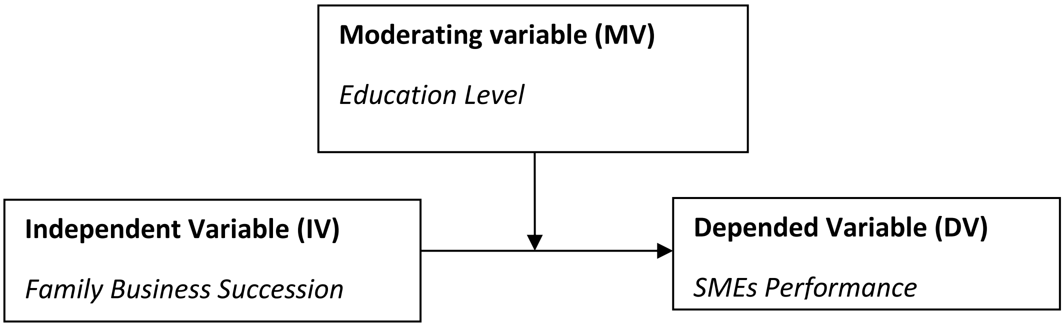

Figure 1: Conceptual Frame work of the study
Source: Adapted from Pitlenger (2024) and modified by the Researcher

Theoretical Framework

The study utilizes Human Capital Theory, as articulated by Schultz (1961) and expanded by Becker (1964), to explore how education levels influence family business succession and the performance of SMEs in Kano State. This theory underscores the value of individuals' skills, knowledge, and competencies acquired through education as critical resources that bolster sustainability, productivity and drive economic success. Specifically, in family-owned businesses, successors with formal education in business management can enhance the outcomes of succession processes by introducing modern management practices and innovative strategies. Consequently, educated successors are better equipped to navigate challenges, adapt to changing market conditions, and implement effective growth strategies that benefit overall business performance (Salami et al., 2022). Furthermore, the application of Human Capital Theory emphasizes education as an investment that yields significant returns in productivity and profitability. Well-educated successors are more likely to adopt data-driven strategies and advanced organizational skills, ultimately improving financial outcomes for family businesses and ensuring continuity in Kano's local economy. Given the competitive and evolving landscape of SMEs, education emerges as a strategic resource that not only strengthens the link between succession and performance but also facilitates smoother generational transitions, supporting sustained growth and success in an increasingly competitive market (Popoola, 2019). Deducing from the significance and relevancy of the human capital theory x-rayed, the following hypotheses are formulated and tested:

H_{01}: Education level does not significantly moderate the relationship between family financial management and SME performance in Kano State.

H_{02}: Education level does not significantly moderate the relationship between family market innovation and SME performance in Kano State.

H_{03}: Education level does not significantly moderate the relationship between family business culture and SME performance in Kano State.

Review of Empirical Studies

Emmanuel et al. (2022), studied *SMEs Succession Education and Family Business Succession: A Conceptual Review.* The research investigates the impact of succession education on family-owned business succession in Nigerian SMEs. Through a conceptual review, it finds that education level, on-the-job training, mentorship, and a willingness to learn significantly influence succession outcomes. The study underscores the necessity for family-owned SMEs to promote succession education among potential successors. Magasi (2016), in his study *Factors Influencing Business Succession Planning among SMEs in Tanzania,* examines factors affecting business succession planning in Tanzanian SMEs, including age, gender, education, business size, family involvement, and communication among family members. The research highlights the significant role of education in effective succession planning and business continuity.

On the other hand, Kiilu and Ntale (2017), researched on *Succession Strategies and Performance of African Family Businesses: An Empirical Investigation of Nairobi Central Business District of Kenya.* The study focused on the effects of succession strategies on the performance of African family businesses in Nairobi's Central Business District. It employs multiple regression analysis to examine how leadership strategies, ownership strategies, family values, and wealth transition strategies impact business performance. These studies collectively highlight the critical role of education in facilitating effective succession planning and enhancing the performance of family-owned SMEs in Africa.

METHODOLOGY

This study adopts a cross-sectional survey design to evaluate the potential moderating effect of education level in the relationship between family business succession and SMEs performance. The cross-sectional approach is effective for capturing a snapshot of the relationships among variables at a single point in time (Creswell, 2014). A quantitative approach aligns with the study's objective of establishing measurable relationships and testing hypotheses. The target population for this study consists of registered family-owned SMEs located in Kano State, Nigeria. Kano, being a significant commercial center in Nigeria, hosts a wide range of 21,615 family-owned SMEs that contribute substantially to the local economy (KACCIMA, 2023). A sample of 393 was drawn from the 21,615 registered SMEs operating in Kano State using the Yamani (1967) formula, which is statistically adequate to provide reliable insights into the relationships been examined. However, to mitigate the problem associated with unreturned and invalid responses, we applied the recommendation of Isreal (1992) by adding 30% to the initial sample size, making a total of 511 questionnaires. In selecting the respondents for the study, the purposive sampling technique was used.

Data collection for this study was conducted primarily through structured questionnaire. This method was chosen because of its popularity, effectiveness and efficiency in allowing respondents to provide answers to questionnaire instruments at their convenience. The questionnaire was organized into two sections. The first section was designed to elicit information on demographic characteristics of the respondents while the second section was used to collect information on the moderating, dependent and the independent variables.

Multiple choice questions were used to elicit information on respondents' demographic features such as gender, Age, and the number of years in the family SMEs business. In addition, a 5-point Likert scale having the ratings of "Strongly Disagree" (1) and "Strongly Agree" (5) was used to ask respondents to evaluate the moderating effect of education level on family business succession and small & medium enterprises performance. A total of 511 structured questionnaires were administered as opposed to 391 recommended by the formula for sample size determination in order to deal with the cases of non-return and invalid cases (Olukorede, et al 2023). This procedure has been adopted by many authors including Olukotun et al, (2023). This study utilized both descriptive and inferential statistics in the analysis of data collected. Descriptive statistics in the form of frequency table and percentages was used to present demographic characteristics of respondents; while inferential statistics in the form of regressions was used to assess the moderating effect of education level on family business succession and small & medium enterprises performance in Kano State.

The dependent variable (SMEs performance measured SME growth) is regressed on the independent variables (Interactive effect of Financial Management Practices and Education Level, Interaction between Market Innovation and education level and Interaction between Family Business Culture and Education Level using multiple regression models specified thus:

$$SMEG + ß_0+ß_1FMP*EDL + ß_2MI*EDL + ß_3FBC*EDL+ \mu t \quad (1)$$

Where:

SMEG = SME's Growth
FMP *EDL = Interactive effect of Financial Management Practices and Education Level
MI*EDL = Interaction between Market Orientation and education level
FBC *EDL = Interaction between Family Business Culture and Education Level
$ß_1 – ß_3$ = Coefficients.
$ß_0$ = Intercept
µt = Error term.

Validity of the research instruments was done using content and face validity in line with Mamman et al. (2020), in Olukorede, et al (2023). Validity is required to ensure that the main data collection instrument i.e. the questionnaire is consistent with the construct associated with it. Validity was achieved through comprehensive review of literature, as well as engagement of experts from academic and professional world to guide in the selection of items included in the questionnaire schedule Olukorede, et al (2023). On the other hand, the popular and widely adopted method of Cronbach alpha was used in ascertaining the reliability of the research instruments. A Cronbach alpha not below 0.60 was adjudged as adequate by Hair et al. (2006), in Olukorede, et al (2023).

RESULT AND DISCUSSION

In total, 511 questionnaires were administered by the researcher and his assistants. 450 questionnaires were returned constituting 88% responses rate. This 88 per cent is higher than the minimum sample size of 393 recommended by the Yamane's formula for sample size determination. 411 were selected after screening and cleaning. Hence, the 411 valid responses are suitable for analysis and discussion. The analyses include descriptive statistics to summarize the data and regression analysis with moderation testing to examine how education level impacts the succession-performance relationship. Data presentation utilizes tables and figures to support clarity and interpretation.

Reliability Test

In order to ensure that the study scales have internal consistency, The Cronbach's Alpha scale was used to measure the reliability of the instrument. In establishing the reliability, a pilot study was carried out on 1/3 (450) of the sample size (0.33X450=150) who are owners, managers and employees of SMEs in Kano State in order to get their views as regards the topic under investigation. The response to each of the statement was on a 5 point likert scale. The result of the test is presented below:

Table 1: Reliability Test

Variable	Cronbach's Alpha	Number of items
Financial Management Practices	0.992	5
Market Innovation	0.987	5
Family Business Culture	0.992	5
Education Level	0.737	1
SMEs performance	0.914	5

Source: *Authors' Computation (2024) Using SPSS*

The entire construct as presented in table 1 falls within an acceptable range for a reliable research instrument of 0.70 which is the standard value as proposed by Nunnally, (1978). This implies that the constructs are within limit of acceptable degree of reliability and thus be used in this study. From Table 5 above 301 representing (73%) respondents were male, against 110 (27%) female respondents. This is not surprising given the cultural and religious beliefs of the study area for which the male gender are more disposed as compares to their female counterparts. This significant imbalance highlights a critical area for improvement in succession planning processes, indicating a need for strategies that promote inclusivity and consider both male and female successors in family-owned SMEs in Kano State.

Descriptive Analysis

This section deals with the descriptive analysis of the demographic characteristics of the respondents.

Table 2: Demographic Characteristics of the Respondents

Variable	Frequency	Percentages (%)
Gender		
Male	301	73
Female	110	27
Total	**411**	**100**
Age		
20 – 30	80	19
31 – 40	210	51
41 – 50	21	6
51 and above	100	24
Total	**411**	**100**
Years in Business		
Less than 5	50	12
6-10	171	42
11-15	70	17
16-20	80	19
21 and Above	40	10
Total	**411**	**100**

Source*: Field Survey, 2024*

The table equally revealed the Age bracket of the respondents that 80(19%) respondents were between the ages of 20-30, 210(51%) respondents were between the age of 31-40, while 21(6%) respondents were between the age of 41-50, 51years and above had 100(24) respondents. The age distribution further emphasizes that a majority of the participants, specifically 51%, fall within the 31 to 40 years age bracket. This suggests that a considerable portion of the leadership in these businesses is relatively young, potentially infusing fresh ideas and innovative approaches into future succession planning efforts. When examining the participants' business experience, the data reveals that a substantial share has extensive business exposure; 50(5%) have less than 5years experience, 171(42%) have between 5 to 10 years of experience, while 70(17%) have between 11 to 15 years of experience, 80(19%) have 16 to 20years experience, and 40(10%) have 21years and above in the field as of the time the researcher visited. This widespread experience among respondents is advantageous, as it suggests that many possess a wealth of insights into effective succession strategies and operational practices that can enhance business performance. The overall demographic profile dominated by males and featuring a diverse range of ages and experience levels, points to the importance of developing bespoke succession plans that leverage these varying perspectives. Such tailored approaches are essential for ensuring the sustainable growth of family-owned SMEs businesses while fostering an environment conducive to innovation and adaptive management.

Regression Analysis

As captured in the methodology, regression technique is used in the investigation of the moderating effect of education level on family business succession and SMEs in Kano State. Table 6 displays the regression results of the study showing the coefficients of the constant and variables, as well as the t-values and p-values among others.

Table 3: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.991[a]	.983	.982	.38572	.983	2249.499	3	407	.000

a. Predictors: (Constant), FMP _EDL, MI_EDL, FBC_EDL

Source: *Researcher's Computation using SPSS Version, 20*

Table 3 above presents the model summary of the predictor variables (FMP _EDL, MI_EDL and FBC_EDL) regressed with the dependent variable (SMEG). The results of the computed statistics are explained in the subsequent paragraphs. The model reflects an R value of 0.991. This indicates that, there is a strong relationship between the dependent variable (SMEG) and independent variable (FMP_EDL, MI_EDL and FBC_EDL). Also the coefficient of determination otherwise known as the R^2 was estimated at 0.983. The R^2 measures the percentage of the total change in the dependent variable (SMEG) that can be explained by the independent variable (FMP_EDL, MI_EDL and FBC_EDL): Thus an R^2 value of 0.983 indicates that, the predictor variables (FMP_EDL, MI_EDL and FBC_EDL) account for 98.3% of the total variation in dependent variable (MP) while the remaining 1.7% (i.e. 100-98.3) of the variation could be explained by other variables not included in the study. The adjusted R^2 of 0.982 or 98.2% indicates that if the entire population is considered for this study, this result will deviate from it by only 0.1% (i.e. 98.3% – 98.2%). This result is therefore considered valid since the difference between the population and the result is negligible. The F-statistics is also estimated at 2249.499. This indicates that the predictor variable was as a whole contributing to the variation in the dependent variable and that there exist a statistically significant relationship at 0.000. This further implies that the overall equation is significant at 0.0% which is below the 5% generally acceptable level of significant in social sciences.

Table 4: Model Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.061	.079		.778	.438
	FMP _EDL	.495	.076	.539	6.526	.000
	MI_EDL	.072	.063	.073	1.136	.258
	FBC_EDL	.385	.060	.385	6.429	.000

a. Dependent Variable: SMEG

Source: *Researcher's Computation using SPSS Version, 20*

The regression result as presented in Table 4 to determine the relationship between the dependent variable SME growth (SMEG) and the independent variables Interactive effect of Financial Management Practices and Education Level (FMP*EDL), Interaction between Market Innovation and education level (MI*EDL) and Interaction between Family Business Culture and Education Level (FBC*EDL) shows that when the independent variables are not factors to be considered SMEG will be estimated at 0.061. This simply implies that when all variables are held constant, there will be an insignificant increase in (SMEG) by 6.1 units occasioned by factors not incorporated in the study. The estimated model shows a beta coefficient .539 in respect to Interactive effect of Financial Management Practices and Education Level (FMP*EDL). This indicates that FMP*EDL positively impacts on SMEG of selected SMEs in Kano. A unit change in FMP*EDL will lead to 53.9% improvement in SMEG of SME. This effect is significant (t = 6.526, p = 0.000). The result further reveals a positive relationship between Interaction between Market Innovation and education level (MI*EDL) and SMEG as the beta coefficient is estimated at 0.073. This indicates that a unit change in MI*EDL will lead to 7.3% improvement in SMEG of SMEs within Kano and vice versa. The relationship between MI*EDL and SMEG is however insignificant (t= 1.136, p = 0.258). More so, the model reveals a positive relationship between Interaction between Family Business Culture and Education Level (FBC*EDL) and SMEG as the beta coefficient is estimated at .385. Thus, a unit change in FBC*EDL will lead to a 38.5% improvement in the growth of SMEs. This relationship is also significant (i.e. t = 6.429, p = 0.0000).

Discussion of Findings

Education plays a crucial role in shaping business strategies, decision-making, and overall SME performance. In the context of family businesses, succession planning and sustainability largely depend on the ability of successors to integrate modern business practices with traditional business culture. The findings in Table 4 provide critical insights into how education level moderates the relationship between key business factors and SME performance in Kano State.

Interactive Effect of Financial Management Practices and Education Level on SMEs Performance

The study shows a strong and significant positive effect of financial management practices (FMP) when moderated by education level on SME performance, with a beta coefficient of 0.539 and a p-value of 0.000. This significance suggests that financial management practices, when combined with higher education levels, play a crucial role in fostering SME growth in Kano. The implication of this result is that SMEs managed by individuals with higher education levels are better equipped to apply effective financial management strategies, such as budgeting, financial planning, and investment decisions. These practices enhance profitability, reduce financial risks, and improve access to credit, ultimately driving SME growth. In family businesses, financial management is often handled informally, leading to inefficiencies. However, when successors have a higher level of education, they are better equipped to apply financial management techniques such as budgeting, financial forecasting, and investment planning. Educated successors are likely to introduce structured accounting systems, financial reporting standards, and risk management strategies, improving business transparency and sustainability. The significance of this relationship highlights that succession planning should prioritize education and training in financial management to ensure long-term SME success.

Interaction effect of Market Innovation and Education Level on SME Performance

The beta coefficient for Interaction effect of Market Innovation stood at 0.073, indicating a weak positive relationship between market innovation (moderated by education) and SME performance. However, this relationship is statistically insignificant (t=1.136, p=0.258), meaning that while market innovation has some effect, education does not strongly enhance this impact in Kano State. The lack of significance may indicate that, while market innovation is important, its impact on SME growth in Kano is not strongly influenced by education levels. This could be due to several reasons, such as limited adoption of innovative market strategies, resistance to change among SME owners, or challenges in translating market innovation into tangible growth benefits. Additionally, external factors like market competition, regulatory constraints, and consumer behavior may play a more dominant role than education in determining the success of market innovation. Market innovation involves the introduction of new products, services, or business models. However, in many family businesses, traditional business models and customer loyalty often take precedence over innovation. The insignificant relationship suggests that despite higher education levels, successors may face resistance in implementing innovative market strategies, either due to family business traditions or external factors such as regulatory constraints and customer preferences. This finding also implies that while education is important, other factors like access to technology, competition, and industry regulations may play a larger role in determining the success of market innovation in family-owned SMEs.

Interaction effect of Family Business Culture and Education Level on SMEs Growth

The study also found that family business culture, when moderated by education level, has a strong and significant positive impact on SME performance, with a beta coefficient of 0.385 and a p-value of 0.0000. This means that a unit increase in interaction between Family Business Culture and Education Level leads to a 38.5% increase in SME performance. Family business culture involves inherited values, leadership styles, and decision-making processes passed down through generations. While these cultural elements contribute to business continuity, they can sometimes hinder the adoption of modern management practices. The findings suggest that education enhances the positive aspects of family business culture by equipping successors with the skills needed to integrate traditional business values with modern management approaches. Educated successors are likely to introduce professional governance structures, strategic planning, and performance evaluation metrics while still respecting the business's legacy. This result emphasizes that family business succession planning should incorporate formal education and leadership development programs to ensure a smooth transition and improved SME performance. This finding highlights the importance of family business culture in the SME sector, particularly when combined with higher education levels. In many family-owned businesses, traditions, values, and long-term vision are deeply embedded in operations. When these cultural elements are supplemented by formal education, it enhances business decision-making, strategic planning, and operational efficiency. Educated family business owners are likely to adopt modern business practices while maintaining the strengths of their traditional business culture, leading to sustainable growth.

Conclusion and Recommendation

This study underscores the moderating effect of education level on family business succession and small and medium enterprises performance in Kano State. The study highlights that education level significantly moderates the relationship between financial management practices, family business culture, and SME performance, but has a weaker influence on market innovation. This suggests that family businesses in Kano State should emphasize education and structured succession planning to enhance business sustainability. Additionally, while education is important, other external factors such as market conditions, government policies, and access to capital should be considered to improve overall SME performance. For long-term success, family business owners must invest in educating their successors, embrace structured financial management, and create an enabling environment for innovation, ensuring that SMEs continue to thrive across generations.

The study made the following recommendation

i. Formal education enhances financial literacy and business planning skills, leading to better financial decision-making and improved SME performance. Therefore, business owners should encourage successors to pursue financial management education to enhance business continuity.
ii. While education alone does not significantly drive market innovation, policies should focus on providing incentives for SMEs to adopt innovative strategies. Also, family businesses should balance traditional approaches with modern business trends by leveraging mentorship programs, technology adoption, and external partnerships.
iii. Family businesses with educated successors experience higher SME performance due to better strategic

planning and operational efficiency. Therefore, business succession plans should incorporate education and leadership training to enhance SME sustainability across generations.

Suggestion for future Research

Based on the findings of this study as x-rayed above and conclusion drowned, the study made the following recommendations:

1. Future research should explore longitudinal designs to examine the evolution of these relationships and include a more diverse participant pool to assess how gender influences succession planning, decision-making, and overall business performance.
2. It is also recommended to investigate the impact of various educational backgrounds on industrials goods.
3. The study also suggest further study to be carry out on specific skills and knowledge areas that contribute to effective leadership in family businesses.

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