SOCIAL CAPITAL AND THE PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES IN KADUNA METROPOLIS

Aishatu A. Abdulhamid
+2348035961566 Aishatu2abdulhamid@gmail.com
Department of Business Administration, College of Business and Management Studies, Kaduna Polytechnic, Kaduna State. Nigeria.

Yushau Ango (PhD)
+2348033111933 yushauango@gmail.com
Department of Business Administration, Faculty of Administration, Kaduna State University Kaduna, Kaduna State. Nigeria.
&
Hadiza Abubakar (PhD)
+2348036062476 Saidu.abubakar@nileuniversity.edu.ng
Department of Business Administration, Faculty of Administration, Kaduna State University Kaduna, Kaduna State. Nigeria.

ABSTRACT
This study examined the effect of social capital on firm performance. Structural social capital, relational social capital and cognitive social capital are regarded as the most significant proxies for social capital. This study will thus assess the effect of structural social capital, relational social capital and cognitive social capital on the performance of Small and Medium Enterprises in Kaduna Metropolis. Thus, owners/managers of SMEs in Kaduna Metropolis formed the respondents of the study selected through proportionate stratified sampling technique. A total of 376 copies of questionnaires were analysed using partial least square structural equation modelling processed on SmartPls2. Based on the empirical analysis of the study, the study found out that structural social capital, relational social capital and relational social capital all have positive and significant effect on the performance of SMEs in Kaduna Metropolis. The study therefore recommends that managers and owners of SMEs should actively improve their cognitive abilities in their products or services and business processes. They should always ensure dramatic changes in their product or service lines. In addition, managers and owners of SMEs should ensure that their businesses are encouraged to engage in relational social capital with new ideas.

Keywords: Social Capital, structural social capital, relational social capital and relational social capital, firm performance.

Introduction

It may be perceived that engaging in commercial activities in Nigeria, a country reputed to possess the most extensive market in Africa and a populace of approximately 200 million, would be a straightforward endeavour. On the contrary, according to Gbandi and Amissah (2014), small business proprietors would hold a different perspective. Entrepreneurs of small-scale businesses in this nation encounter numerous challenges that impede the optimal expansion of their ventures. According to a 2020 World Bank evaluation on the ease of conducting business, Nigeria was ranked 131st out of 189 countries. Consequently, after a period of three years, a significant proportion of newly established small enterprises, specifically 80 percent, experience failure. This statement suggests that while there are indeed businesses that have achieved success, there appears to be a lack of readiness among business proprietors to confront the challenges that may arise. Consequently, numerous enterprises either terminate their operations entirely or fail to persist without engaging in expansion, as stated by Oyeyinka (2019).

Undoubtedly, Nigeria possesses one of the most significant economies in the sub-Saharan African region. The economic growth of the region can be attributed to the extensive presence of corporate entities, ranging from multinational corporations to indigenous and small to medium-sized businesses that operate across various sectors of the economy (NBS, 2016). Small and Medium Enterprises (SMEs) play a crucial role in the expansion of the Nigerian economy, as evidenced by their contribution of 212.6 billion US dollars, which represents 57.9 percent of the Gross National Product (GNP) and 41.43 percent of the Gross Domestic Product (GDP) (NBS, 2016). Dynamic capabilities are a crucial resource for small and medium-sized enterprises, as well as a key driver of economic growth and development in both developing and industrialised nations (Rekik & Bergeron, 2017). In developed economies, they account for 98% of contributions and play a significant role in enhancing the revenue of small businesses (Al-Abri, Rahim & Hussain, 2018).

According to Frimpong's (2013) research, the majority of businesses in South Africa, Ghana's GDP, and Nigeria's manufacturing sector are comprised of small and medium-sized enterprises, accounting for 90%, 70%, and 70% respectively. The success of organisations is influenced by the interpersonal skills and personal qualities exhibited by business owners and managers (Dai, Mao,Zhao & Mattila (2015). According to Stam (2014), there is a consensus among scholars that social capital, which refers to the resources embedded in the personal networks of entrepreneurs, plays a crucial role in the achievement of small business success.

Social capital facilitates the identification, acquisition, and dissemination of an organization's finite internal resources. The agricultural, manufacturing, and service sectors constitute the predominant sources of Small and Medium Enterprises (SMEs) contributions in Nigeria. Asalaye, Ishola, Asamu, Inegbedion, Arisukwu, & Popoola (2018) have reported that small and medium-sized enterprises (SMEs) play a crucial role in reducing the unemployment rate in Nigeria by providing employment opportunities to a large number of individuals and facilitating the growth of local entrepreneurs (Oyeyinka, 2019). The Nigerian government has implemented policies and incentives aimed at enhancing the performance of small and medium-sized enterprises (SMEs) as well as promoting economic growth and development. This is in response to the challenges faced by some businesses in terms of volatility, difficulties, and inability to sustain operations beyond three years, as noted by Agyapong, Agyapong, and Poku (2017).

Social capital is deemed indispensable by both existing and prospective entrepreneurs who aim to establish a new enterprise. According to Neira, Portela, Cancelo, and Calvo (2013), entrepreneurship relies on social capital as a necessary means of support. However, there has been an expansion in the discourse surrounding the extent of social capital, which encompasses the role of social connections in fostering knowledge and solidarity, as noted by Kwon and Adler (2014). Parra-Requena, Ruiz-Ortega, and Garcia-Villaverde (2012) posit that social capital comprises three fundamental elements, namely structural, relational, and cognitive. Lim and Putnam (2010) conducted further investigation into the ways in which networks, norms, and trust contribute to the facilitation of coordinated endeavours aimed at promoting happiness and life satisfaction.

The significance of social capital has been underscored in research conducted by Nahapiet and Goshal (1998) and Hoang, Nguyen, Ngo, and Bui (2020) in terms of its association with the environment and accumulation of networks, inter-personal reliance, and the norms that facilitate particular conduct and enduring associations among individuals. The confirmation has been made that the capacity to retrieve, process, integrate and exchange knowledge within and between organisations has a significant influence on the prosperity of these enterprises. Diverse viewpoints exist with respect to the impact of social capital on the operational efficacy of firms. Relational social capital, cognitive social capital, and structural social capital are frequently employed aspects in the literature, as noted by Hoang et al. (2020). Structural social capital refers to the aggregate resources and relationships that are generated, maintained, and utilised within social networks. The concept under consideration pertains to a

variant of social capital that is predicated upon pre-existing social connections and is frequently distinguished by intimate relationships, mutual exchange, and confidence in one another's reliability (Oyeyinka, 2019). Relational social capital refers to the resources and connections that are established and maintained through interactions between individuals and organisations. The construct in question is a form of social capital that is established through the cultivation of mutual trust, shared values, and shared goals, as described by Akintimehin (2019). Cognitive social capital is constituted by the collaborative exchange of knowledge, information, and ideas, which results in the establishment and preservation of resources and connections. According to Neira et al. (2013), shared viewpoints and understandings contribute to the formation of social capital.

Consequently, numerous studies have been conducted in this field. The existing body of literature on the relationship between social capital and firm performance has predominantly focused on developed economies, including North America (Cantner & Stuetzer, 2010; Ndofor & Priem, 2011), Asia (Patel & Terjesen, 2011; Brink, 2011), India (Saha & Banerjee 2015) and Europe (Hongyun, Adomako, Appiah-Twum, &, 2019). However, there is limited research on the topic in African countries, with only a handful of studies conducted in nations such as Kenya (Bradley, McM (Akintimehin 2019; Olatunbosun & Onuoha 2020). This implies a potential geographical disparity as the concept has yet to be thoroughly examined in emerging countries such as Nigeria. Moreover, there is a scarcity of research that has employed structural, relational, and cognitive social capital as proxies for social capital to examine the correlation between social capital and corporate performance through empirical means. Consequently, significant gap in knowledge and methodology gap exists within the existing literature. This study therefore, aims to address a these gaps by examining the effects of structural social capital, relational social capital, and cognitive social capital on the performance of small and medium-sized enterprises (SMEs) in Kaduna Metropolis.

Literature Review

Theoretical Framework

Social Capital Theory (SCT)

The selection of the SCT for the present investigation was based on its appropriateness as a theoretical framework. The concept of social capital has its roots in social network theory, which highlights the various levels of interactions that encompass social capital. This aspect of social network theory initially captured our interest in the concept. The objective of applying this theory is to discern the connections within a network, interpersonal relationships, and the presence of mutual exchange (Pratono, 2018). The results of this study align with the theoretical framework in all aspects. The framework posits that a business owner who possesses a robust social network comprising individuals who share similar values and beliefs is more likely to leverage the resources provided by the network to achieve superior financial and non-financial outcomes for the firm.

Nahapiet and Goshal (2000) present three primary justifications to bolster the theoretical framework of social capital, with the aim of elucidating the perspective on social capital. The concept of social capital is grounded in a resource-based perspective, wherein the resource of interest is represented by the tangible connections, linkages, and entitlements to access resources that exist among groups. Apart from the social capital framework, alternative perspectives are employed in the examination of social connections and confidence. Moreover, social capital research typically prioritises performance outcomes. In contrast to the majority of contemporary network studies, the concept of social capital acknowledges the interdependence of its three dimensions. This encompasses the potential benefits and drawbacks of social capital. Social capital is distinct from other forms of network research due to its focus on the interplay between structural connections, relational dynamics, and cognitive factors. A comprehensive social capital study necessitates the consideration of each of these factors and their interrelationships. Nahapiet and Goshal (2000) argue that establishing clear

theoretical parameters for social capital enhances its potency as a distinct theoretical framework, thereby enabling researchers to derive valuable and pragmatic insights. The present study's analysis of social capital incorporates consideration of three theoretical spheres.

Concept of Performance

According to Obasi (2013), the evaluation of a company's performance is a complex process that depends on its ability to generate actions and outcomes that are considered suitable. As per the findings of Wardani and Eliyana (2020), performance is the outcome of task completion and signifies the degree of accomplishment of each job, along with the adherence to expectations, regulations, or requirements pertinent to the official position of the organisation. According to Nwankwere's (2017) assertion, a productive corporation is one that effectively converts inputs into outputs at the most optimal cost. The functionality of a company is determined by its ability to attain this objective. The researchers arrived at the determination that performance could potentially comprise factors such as personnel quantity, revenue expansion, financial gain, ROI, and calibre of products or services.

Given that small and medium-sized enterprises (SMEs) are not legally obligated to prepare and disclose their financial statements, participants in this research may exhibit hesitancy in providing precise data pertaining to subjective indicators of organisational performance. Multiple studies have demonstrated the reliability of employing subjective measures to evaluate corporate performance, as evidenced by Hoang et al.'s (2020) research.

Performance is a commonly utilised variable among scholars in various management fields, as it serves as a key indicator of an organization's effectiveness (Okwu, Obiakor & Obiwuru, 2013). According to Richard, Devinney, Yip, and Johnson (2014), the notion of performance is a construct. The concept that a business entity is a voluntary assemblage of productive resources, including human, material, and financial resources, with the objective of achieving a shared goal, constitutes the fundamental basis of the concept of business corporation performance. Monday Akinola, Ologbenla, and Aladeraji l. (2015) posit that the fundamental aspect of performance is the creation of value, and therefore, any organization's principal performance metric should be the generation of value in line with the resource provider's specifications. As per the findings of this research, an enterprise's efficacy can be evaluated through a diverse range of financial and non-financial indicators that demonstrate the extent to which the organisation is accomplishing its objectives and results.

Concept of Social Capital

Social capital can be defined by a range of interconnected concepts, including but not limited to social networks, reciprocal communication, perception, public confidence, and responsibility. The present investigation centres on the concept of social capital within commercial settings, with particular emphasis on the manner in which stakeholders or a collective of individuals operating within a social enterprise articulate themselves.

Despite the increasing significance of social capital as a valuable business asset, there remains a lack of consensus among scholars regarding its precise definition. The limited discourse on the impact of human resources in the internet industry is due to their crucial role in ensuring the continued relevance of firms amidst intricate social and economic challenges. Public enterprises and private enterprises alike rely heavily on the intellectual and visionary contributions of their internet workforce to effect necessary adaptations and innovations (Lindgreen, Hingley, Grant, & Morgan, 2012).

According to Elmi, Sharei Pour, and Hosseini (2006), the term "social capital" was initially introduced by Marshal Alfred in 1980, albeit with a distinct connotation from its contemporary usage in the social sciences. Bourdieu (1986) posits that social capital refers to a set of resources, both present and future, that arise from institutionalised networks. As per Coleman's (1988) definition, social capital pertains to the ability of a society to effectively engage in interpersonal communication. According to Putnam's (1993) definition, social capital

refers to the establishment of social structures such as trust, norms, interactions, and networks that can enhance the effectiveness of a community in achieving shared objectives by promoting relationships and cooperation.

Structural Social Capital

The degree to which actors are linked or related is known as structural capital (Carmona-Lavado, Cuevas-Rodriguez, & Cabello-Medina, 2010). It outlines the opportunities or potentials for expanding entrepreneurs' access to resources, knowledge, and assistance (Liao & Welsch, 2005). Strong interpersonal links and social networks are beneficial assets for businesses. Actors can get to know one another, share useful information, and develop a unified viewpoint through frequent and strong social encounters.

Relational Social Capital

The types of personal relationships that people create via repeated contacts are referred to as the relational dimension (Granovetter, 1992), mentioned in (Elyas, Ansari, & Mafi, 2012). It focuses on the calibre of the actors' affiliations and the particular relationships that people have established, such friendship, respect, acceptance, and trust. Alternatively, values, standards, and trust. But, in order to assure corporate success, relationships and decision-making in the workplace may be influenced and made easier by trust, honesty, and shared standards. In other words, the nature of the relationships, such as trust, bond, collaboration, and personal links, is the relational dimension of social capital. All parties involved in social capital cultivate these aspects of trust, friendship, respect, and communication in a sustainable manner (Gelderman, Janjaap, Patrique, 2016). This ongoing relationship may lessen the need for formal contracts (Zaheer & Venkatraman, 1995).

Cognitive Social Capital

The degree to which two related actors share mental frameworks that organise knowledge, direct their thought processes, and influence their behaviour is known as cognitive social capital. Resources that offer common interpretations, representations, and systems of meaning among people are specified by the cognitive dimension. The network links component of social capital needs dedication to the company's mission (Lorenzo & Antoni, 2008). The term "dimension" refers to a group's collective identity, which facilitates effective social networking inside Businesses. According to Jean-Luc, Hitt, Sirmon, and Very (2007), the cognitive dimension associated with common vision, belief, and collaborative aims and objectives supports members of social networks to replace free flow of information (structural social capital), which is based on trust (relational social capital).

Empirical Review

The study conducted by Fried (2010) investigates the correlation among social capital (SC), innovation, knowledge transmission, and organisational achievement. The author devised a research framework grounded in the social capital literature, which illustrates the advantageous associations between two mediators, namely information dissemination and innovation, and three attributes of social capital, namely network connections, confidence, and shared objectives. The research employed the technique of structural equation modelling to provide evidence in support of the proposed hypotheses. The sample size consisted of 153 companies from Vietnam, with one to two respondents representing each company. The results indicate a positive correlation between all three dimensions of social capital and organisational success, with innovation and knowledge transfer acting as mediators. Even though the result indicated a positive correlation, the study ought to be conducted in other regions in order to generalise the findings.

Akmal and Xu (2015) aimed to elucidate the impact of various dimensions of social capital on collaborative efforts. The individual exerted effort to construct a research model

utilising the framework of social capital theory. The assessment of the partnership between the research and development teams within the Uzbek textile sector was ultimately conducted. A survey methodology was employed, whereby a questionnaire was formulated and disseminated. The study evaluated the model's predictive capacity by employing structural equation modelling and multiple regression techniques on a representative sample of 170 individuals working in the research and development division. Research findings indicate that social capital exerts a substantial positive impact on collaborative efforts. The results of this study provide support for the significance of social capital in comprehending cooperation. The concept can serve as a structure that provide mutual benefits among various entities. Effort was made to draw attention to the significant of SC on corporation. However, inclusion of other dimensions of social capital in a different context will be a good contribution to the existing body of knowledge.

In 2020, Mahar and Ghumro conducted a study in Sindh, Pakistan, investigating the impact of social capital on the operational efficacy of small and medium-sized enterprises. The research focused on examining the impact of personal, professional, social, and institutional networks on the performance of 397 participants. The study employed a quantitative methodology utilising a regression analysis technique. The study revealed a significant correlation between social capital and the operational effectiveness of businesses. Even though, the study focused on all SME's but only concentrated on a single industry and that therefore has constituted a scope gap.

In 2020, Yani, Eliyana, Hamidah, Ketut, Sudiarditha, and Buchdadi conducted an empirical investigation to examine the impact of social capital and entrepreneurship skills on the performance of small and medium-sized enterprises (SMEs) in Bekasi City, located in West Java. The data was obtained through a questionnaire that received responses from a total of 315 participants. The study's results were presented in a comprehensive manner by utilising analytical tools and the Structural Equation Modelling (SEM) approach through the Smart PLS software. The results of the hypothesis testing indicate that social capital has a significant impact on both company performance and entrepreneurial skill. The entrepreneurial competence has a positive and significant impact on the business performance. The possession of entrepreneurial acumen, in conjunction with social capital, exerts a positive and noteworthy influence on the operational efficacy of businesses. However, conducting a similar study in a different region will generalise the findings.

The literature review reveals a scarcity of research on the impact of social capital, specifically structural, relational, and cognitive social capital, on firm performance in both developed and emerging economies. Consequently, a notable void exists in the existing body of literature. Therefore, this research will address the aforementioned gap in knowledge. The present study posited the hypothesis that:

HO1: There is no significant effect of structural social capital on SME's performance in Kaduna Metropolis.
HO2: There is no significant effect of relational social capital on SME's performance in Kaduna Metropolis.
HO3: There is no significant effect of cognitive social capital on SME's performance in Kaduna Metropolis.

Methodology

To achieve its goal, the current study used a cross-sectional survey research approach, similar to those used in Carlos and Miguel (2013) and Nwankwere (2017). All the registered small and medium-sized businesses operating in Kaduna metropolitan, which includes Kaduna-North, Kaduna-South, Igabi, and Chikun local government areas of Kaduna state in the Federal Republic of Nigeria, made up the study's population. Small and Medium Businesses Development Agency of Nigeria and National Bureau of Statistics (SMEDAN/NBS, 2021)

report that as of December 2021, there were 1,282 registered SME businesses operating in Kaduna metropolitan and 2,650 registered SME businesses operating in Kaduna State. Manufacturing, general trading, sales, & services, agricultural, agro-business trading, general contractors, etc. are among their commercial operations. To determine a population's sample, a number of methods have been proposed (e.g. Yamane, 1967; Krejcie & Morgan 1970). As a result, the Yamane (1967) technique of estimating the sample size of a population was used in this study. The minimal sample size is 305 according to the sample size formula. To avoid bias in the survey administration process, Salkind (1997) has recommended that the sample size be increased by 50% in any survey research that calls for the posting of questionnaires. Hence, based on Salkind's (1997) recommendation, the sample was enlarged by 50%, from 305 to 458.

A stratified random sampling approach was used in this investigation. Nonetheless, stratified random sampling is likely to lessen the issues associated with sample overrepresentation and vice versa. This approach was used because it is straightforward, simple to apply, and guarantees objectivity (Nicholas, 2011). However, a total of 458 SMEs were selected for the research from the four local government areas in Kaduna Metropolis, with a portion of the question being distributed at each stratum based on a proportionate ratio. This information is shown in Table 1.

Table 1
Proportionate Stratified Sampling

Kaduna Metropolis	Population	Proportional Ratio	Copiesof Questionnaire
Kaduna North	385	385/1282*458	138
Kaduna South	346	346/1282*458	124
Igabi	295	295/1282*458	105
Chikun	256	256/1282*458	91
TOTAL	1282		458

Source: SMEDAN (2021)

Given the cross-sectional design of this study, it is imperative to collect data from a single stratum. A cross-sectional survey study provides an opportunity to assess the correlation between the population and the differences observed among subgroups (Visser, Krosnick & Lavrakas, (2000). The study utilised primary sources of data to assess the mediating effect of dynamic capability on the relationship between social capital and the performance of small and medium-sized enterprises (SMEs) in Kaduna Metropolis. The fundamental data was collected through the distribution of questionnaires to the small and medium-sized enterprises that are registered within Kaduna Metropolis. The study distributed a total of 458 questionnaires to the proprietors or managers of the selected small and medium-sized enterprises (SMEs) based on the designated sample frame.

The study's variables were measured using items that were derived from the original creators' work. Hoang et al. (2020) employed a set of constructs, namely structural capital, relational capital, and cognitive capital, which were adapted from the works of Lee (2015) and Carr, Michael, Cole, Kirk, & Daniela (2011), to assess organisational performance. Composite reliability and average variance extracted are utilised to assess the validity and reliability of the questionnaire item. The results of the analysis indicate that both the composite reliability figures and AVE were in excess of 0.7, thereby fulfilling the requisite criteria as stipulated by Hair et al. (2014). The data collected for the study was analysed through the utilisation of SmartPls2, employing the technique of partial least square structural equation modelling (PLS-SEM).

Data Analysis and Presentation

A total of 458 copies of the questionnaire were given out to study participants, and the researchers were able to collect 384 of those copies. This is equivalent to around 88% of the total copies of the questionnaires given. 28 of the returned surveyed were deemed outliers, and they were eliminated from the data set. Just 356 copies of the questionnaires were therefore determined to be relevant for the final analysis. This is thought to be extremely pertinent to this investigation.

Measurement Model

Table 2

Construct Reliability and Convergent Validity

Construct	Item	Loadings	AVE	CR
Structural Social Capital	SSC1	0.82	0.61	0.90
	SSC2	0.86		
	SSC3	0.82		
	SSC4	0.82		
Relational Social Capital	RSC1	0.78	0.64	0.89
	RSC2	0.82		
	RSC3	0.83		
	RSC4	0.79		
	RSC5	0.71		
Cognitive Social Capital	CSC1	0.81	0.63	0.91
	CSC2	0.89		
	CSC3	0.86		
	CSC4	0.86		
	CSC5	0.66		
Performance	FP1	0.79	0.67	0.93
	FP2	0.81		
	FP3	0.83		
	FP4	0.87		
	FP5	0.86		
	FP7	0.84		

Note: AVE represents Average Variance Extracted; CR represents Composite Reliability. One item was deleted due to measurement issues.

Composite reliability was used to assess the constructs' reliability, and average variance extracted (AVE), as recommended by Garson (2016), it was used to assess the constructs' convergent validity.. Nevertheless, according to Lee and Chen (2013), each reflective contract's CR value must be below 0.7 in order to achieve internal consistency reliability, and its AVE value must be below 0.5 in order to achieve convergent validity (Garson, 2016). Items should have loadings greater than 0.5 (Hair et al., 2013). According to the findings in Table 2 above, all of the constructs are therefore reliable and convergent. Yet, given each construct's grand mean scores, or the average of the squared factor loadings of each construct's items, are higher than the criterion of 0.50, it is evident that each of these constructs accounts for more than 50% of the variance of its indicators (Hair et al., 2013). Hence, it is claimed that both convergent validity and reliability have been attained.

Table 3

Discriminant Validity (Fornell-Lacker Criterion)

	1	2	3	4
1. Cognitive Social Capital	**0.79**			
2. Performance	0.65	**0.82**		

3. Relational Social Capital	0.56	0.28	**0.80**	
4. Structural Social Capital	0.36	0.34	0.24	**0.78**

Note: The bolded diagonal values correspond to the square root of the AVE of the constructs.

The criteria proposed by Fornell-Larcker (1981) were utilised to evaluate discriminant validity. The square root of AVE is represented by the numerals in bold. Fornell-Larcker criteria require that correlations with the bolded square root of AVEs be less than the bolded number in order for the constructs to fulfil discriminant validity. The bolded number in Table 3 has a lower correlation than the other bolded values, as can be observed. The constructs met the Fornell-Larcker criterion for discriminant validity as a result.

Table4

Structural Model: Test of Significance for Direct Relationships

Hypotheses	Relationships	Beta	SE	T Statistics	P Value	Decision
H_{01}	SSC-PRF	0.18	0.05	3.87***	0.00	Rejected
H_{02}	RSC-PRF	0.21	0.06	3.59***	0.00	Rejected
H_{03}	CSC-PRF	0.35	0.06	5.78***	0.00	Rejected

***p < 0.01; **p < 0.05; *p < 0.10

The direct relationships in the study are presented in Table 4, which displays the outcome of the bootstrapping analysis. The results presented in Table 4 demonstrate that there is a significant relationship between Structural Social Capital (SSC) and the performance of Small and Medium Enterprises (SMEs), with a beta coefficient of 0.18 and a p-value of less than 0.01. The null hypothesis (H01) which posits that there is no significant impact of structural social capital on the performance of small and medium-sized enterprises (SMEs) in Kaduna Metropolis has been refuted. The study found that there is a significant correlation between Relational Social Capital (RSC) and the performance of Small and Medium Enterprises (SMEs) (β=0.21, $p<0.01$). The present study refutes the null hypothesis (H02) which posits that relational social capital does not exert a statistically significant impact on the performance of small and medium-sized enterprises (SMEs) operating in Kaduna Metropolis. Furthermore, it is noteworthy that there exists a significant correlation between Cognitive Social Capital (CSC) and the performance of Small and Medium Enterprises (SMEs) (β=0.35, $p<0.01$). The null hypothesis H03, which posits that there is no statistically significant impact of cognitive social capital on the dynamic capabilities of small and medium-sized enterprises (SMEs) in Kaduna Metropolis, has been refuted.

Discussion of Findings

The impact of structural social capital on the performance of SMEs is believed to be both significant and favourable. Structural social capital, which pertains to the attributes of the social system in its entirety and the interconnectivity of relationships, constitutes a fundamental element of social capital. The aforementioned phrase pertains to the depersonalised configuration of linkages among persons or entities. The configuration of links between individuals can be exemplified by roles, regulations, precedents, and processes (Nahapiet & Sumantra, 2018). The present statement aligns with the findings of Valdez-Juárez (2020) and Fried (2020).

Relational social capital is a significant and positive predictor of the success of small and medium-sized enterprises (SMEs). To clarify, it can be posited that the performance of a small and medium-sized enterprise (SME) is positively correlated with the extent of its relational social capital. The term "relational social capital" pertains to the characteristics and elements of personal connections, encompassing factors such as dedication, esteem, and even

companionship. According to Nahapiet and Sumantra (2018), the relational dimension of social capital comprises four primary constituents, namely identity and identification, duties and expectations, norms and punishments, and trust and trustworthiness. Research suggests that small and medium-sized enterprises (SMEs) are more likely to exhibit superior performance when they possess a greater degree of relational social capital attributes, such as confidence and trustworthiness, norms and penalties, duties and expectations, and identity and identification. This discovery aligns with the research conducted by Pinho (2013), Song (2016), and Fried (2020).

Analogous to this, cognitive social capital exerts a beneficial and significant influence on the operational efficacy of small and medium-sized enterprises (SMEs). It can be inferred that an increase in cognitive social capital will have a positive impact on the performance of small and medium-sized enterprises (SMEs). Cognitive social capital, a constituent of social capital, pertains to resources that facilitate the exchange of representations, interpretations, and systems of meaning between parties. Everyday language and storytelling exhibit cognitive frameworks and meaning systems. Cognitive social capital, which encompasses a common language and established norms, serves as the fundamental basis for effective communication. This finding is in accordance with the scholarly works of Muniady, Mamun, Mohamad, Permarupan, and Zainol (2015).

Conclusion and Recommendations

The performance of SMEs in the Kaduna Metropolis is positively and significantly impacted by structural social capital, relational social capital, and cognitive social capital, according to the empirical analysis of the study. As a result, the research advises managers and owners of SMEs to actively enhance their cognitive capacities in their offerings and operational procedures. They should always make sure that their product or service lines undergo significant adjustments. Managers and owners of SMEs should also make sure that their companies are urged to participate in relational social capital with fresh concepts. Moreover, SMEs ought to have a strong tendency. Lastly, SMEs should constantly aim to act first in every scenario, ahead of their rivals, by doing relational acts that elicit a response from rivals.

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