Analyzing the Interaction among Factors Hindering the Growth of SMEs: Evidence from Cutlery Sector of Pakistan

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Abstract
In developing countries SME sector greatly contributes to the economic growth and is considered as the backbone of the economy. But unfortunately, small and medium enterprises in Pakistan face gigantic challenges to chase the economic growth. Therefore, this study aims to consider different aspects that inhibit the growth of SMEs in the cutlery sector. By using interpretive structural modeling, the research will give a hierarchical structure and the reciprocal relationships among those factors which hinder the progress and development of the SMEs.
Keywords: factors, interpretive structural modeling, SMEs

In today's dynamic and competitive global situation, a feasible and vibrant SME sector is a fuel to the growth of developing economies. In Pakistan, SME sector greatly contributes to the economic growth. The significance role of this sector is demonstrated by following statistics. SMEDA (2007) report shows that most of the 90% firm are under the head of SMEs, manufacturing sector gives employment to 70.49% to non-agriculture labor, contributing 40% to annual GDP and almost 25% to exports. According to the report of Asian Development Bank, SMEs contribute 30% in value addition and 80% in employment.

But SMEs of some developing nations are facing a sequence of internal and external issues that have adversative effects on their progress (Khalid, Mufti, & Ahmad, 2016). SMEs own few customers, very small market share and less control to influence price (Akdoğan & Cingšz, 2012). Cutlery sector is also in one of that sector which is striving for its growth. After independence cutlery sector is going through disaster because large businesses are suited in Bombay, Delhi and Calcutta. So main markets were gone and financiers move to India. However diligent labor and craftsmen recover their repute through their hard work in a very short period of time (Velde, 2005).

The aim of this study is to consider different aspects that inhibit the growth of SMEs in the cutlery sector and to develop contextual relationships among these factors by representing the factors in a hierarchal model according to their driving and dependence power. Interpretive structural modeling (ISM) is a well-established methodology for identifying relationships among specific items, which define a problem or an issue. On the basis of experts' opinion contextual relationships among factors are established which further assist in

development of ISM model. The factors are identified from different sources, from extensive literature review and experts opinion (Table 1).

SME sector has played a significant role towards the development of Pakistan but still this sector has not remained under consideration as it deserves (Rohra, Junejo, & Kanasro, 2009). In Pakistan, most researches have been conducted on prospects of SMEs but little focus is given to find out the growth constraints of SMEs (Ahmad, Pirzada, & Khan, 2013).Therefore these facts provide an opportunity and gap to conduct a research identifying the factors hindering the growth of SMEs specifically in cutlery sector which is not yet tapped by any researcher in this way. During literature analysis and survey, following gaps are found in SMEs sector of Pakistan:

1- The literature survey discovers an enormous lack of studies exploring major factors hindering the growth of SMEs in Pakistani context.
2- Only few studies have explored the nature of factors, this dearth of investigation on factors to hindering growth is a severe obstacle to propose an effective policy for SMEs
3- Any comprehensive framework of several factors affecting growth and showing their mutual relationship could not be found with reference to Pakistan.

Hence, the main research question is "What are the major factors hindering the growth of SMEs in cutlery sector of Pakistan?" The most important objectives of this study are:

- To identify major factors hindering growth of SMEs;
- To develop pair wise contextual relationships among identified factors;
- To rank and classify factors according to their driving and dependence power;
- To represent factors in a hierarchical based ISM model.

Literature Review

Conventionally SMEs are defined as any enterprise or entity that is involved in a financial economic activity which particularly include partnerships, self-employed individuals, associations and family business of craft etc. But when we discuss about the definition of SMEs it is the subject of considerable debate, it is likely to be different from one country to another and from one province to another.

According to SME bank of Pakistan, "An enterprise having total assets of Rs.20 million is small enterprise and an enterprise with total assets of Rs.100 million is called medium enterprises" (Khattak, Arslan, & Umair, 2011).

The firm growth includes the entrepreneur and all other factors that have effect on growth. There are number of advantages if the firms grow even though the few firms go toward growth like job creation, healthy competition, expands resources and capability. In different

studies growth factor is taken in term of growing potential of the firm, why these firms are growing. But there factors are taken into account that what factors hinder the growth. Obstacles include both internal and external factors that restrict the potential of the firms to grow. If there is some issue in production pattern than it leads to the low productivity and poor quality (Drucker, 2014). SMEs have not enough resources to improve its production process and using the obsolete technology. As there is limited resources, SMEs have very little research and development environment (Afraz, Hussain, & Khan, 2014). Unavailability and shortage of trained labor is a great matter of concern for SMEs because it creates huge problems like low productivity, poor quality and high cost. However Government is not supportive to the SMEs, it gives more attention to larger firms. Therefore SMEs cannot get the benefits which are enjoyed by large firms.

Identification of Factors

Based on the extensive literature review and consensus of experts' opinion, eleven key factors are identified hindering growth of the SMEs (Table 1) which are as following:

1. Limited financial resources

SMEs have little access to finance and correspondingly mostly depend upon the informal sources to get funds. As per estimation, advances portfolio of financial institutions commonly belongs to the large organization and SMEs accommodate only 19% of this (Nkuah, Tanyeh, & Gaeten, 2013). In various studies limited financial resources is a prominent constraint that restricts SMEs to grow (Grimsholm & Poblete, 2009; Kaya & Alpkan, 2012).

2. Stiff competition

In today competitive world, it is difficult for SMEs to compete with larger organization and even with other SMEs (Bourletidis, 2013). In Pakistan there are no competition laws, manufactures are facing stiff competition and to attract buyer using destructive prices which negatively affect the whole industry (ANGELINI, 2005). Additionally, local competitors also exist in market with more power and ideas so it is very tough for SMEs to survive and grow in such stiff competition (Naicker, 2006; Okpara, 2011).

3. Use of obsolete technology

Technology advancement is a key component to get competitive advantage over local and international producers. But unfortunately, it is found that small and medium enterprises have not high-tech competencies, not allowing them to fully grab the benefits of new technologies. Lack of technological advancement hampers the development of SMEs (Trumbach, Payne, & Kongthon, 2006). In Pakistan many entrepreneurs are unable to enhance their businesses based on out-dated technology and old methods of production (HANEEF, 2010). Several studies reveal that most of the entrepreneurs

do not even know which technology is suitable for their business (Phillips & Sipahioglu, 2004; Siringoringo et al., 2009).

4. Power crisis

From some last couple of years Pakistani industries are facing the severe problems of energy shortage which hampers their growth (Bari, Cheema, & Haque, 2005). According to the survey, in 2002 about 39.3 percent firms ranked electricity shortfall as the most disturbing constraint, in 2007 that figure reached up to 79.6 percent (Manes, 2009). Large firms have the alternatives arrangements but power shortages make survival of SMEs difficult as affording the cost of alternative fuel can be devastating (Yang, 2011).

5. Inadequate education of SME owners and managers

Lack of proper education of SMEs owners-managers is a key factor to growth of smaller firms (Graves & Thomas, 2008;Smit & Watkins, 2012; Rogerson, 2008). Saini & Budhwar, (2008) highlighted that mostly SMEs not have proper system of formalized training and they also lack professionalism in management.

6. Little research and development

The growth of SMEs is limited due to little or no investment in research and development which results in low innovation and productivity. The approach of entrepreneurs toward R & D is conservative they prefer to relay on the internal finance rather than taking debt (Leonidou, 2004). Bringing incremental change in the products is the main focus of the mostly entrepreneurs but most of them do not spend too much on R&D, and just copy the products of others (Wang & Ahmed, 2004; Baregheh, Rowley & Sambrook, 2009).

7. Dearth of skill labor and human resource

Lack of skill and trained labour is one of the major reasons hampering the growth of SMEs. Workforce is unskilled due to low literacy rate and training opportunities in Pakistan (Hessels & Parker, 2013; Krasniqi, 2007). Dearth of skill labour slow down the process of the innovation (Yew Wong, 2005; Saini & Budhwar, 2008; Ding, 2010).

8. Lack of Government support and incentive

Unluckily, the entire world accepts the importance of SMEs but still their growth is restricted by the Government and monitoring policies (Olawale & Garwe, 2010; Siringoringo, Tintri, & Kowanda, 2009). Bad policies destroy the SMEs opportunities as it makes the process complicated and expensive. External factors which influence the growth of the firms are government policies, competition and economic instability (Siaw & Rani, 2012).

9. No export oriented behavior of SME owners and managers

SMEs play an important and serious part in the enlargement of exports of any country. Behavior of the entrepreneurs toward export depends upon the factors and incentives of the exports. According to Hessels & Parker, (2013) SMEs face more challenges in exporting rather than big organization. The size of the firm also matters in the export oriented

behavior, which tends to show less interested behavior for exports (Ahmed, 1999; Leonidou, 2004; Skinner, 2005; Aid, 2007).

10. High production cost

Increasing cost of doing business affects the performance of SMEs. According to Bari et al. (2005) high cost of production, power crises, shortage of labour have compressed the performance of SMEs in different way. Shortage and uncertain electricity supplies slow down the work and increase the cost of product per unit, as a result product need more time to be complete (Bannock, Gamser, Juhlin, & McCann, 2002). Many SMEs do not survive and close their business due to irregularity of power supply and high production cost (HANEEF, 2010).

11. Risk aversion attitude of SMEs owners and managers

SMEs owners have risk aversion attitude and do not invest in the risky projects (Craig & Douglas, 1996). Entrepreneurs having risk aversion attitude are more conservative minded (Albaum, Albaum, & Duerr, 2008). The risk avoiding attitude of SMEs owners and managers due to the fear of external factor may affect their business growth (VAN NIEKERK, 2005; Singh, Pathak, & Naz, 2010).

Table 1. *Growth factors and their references as reported in the literature*

Factor No.	Factors	References	Description
1	Limited financial resources	(Grimsholm & Poblete, 2009; Nkuah, Tanyeh, & Gaeten, 2013;Kaya & Alpkan, 2012).	SMEs borrowing just restricted to short-term finance due to high cost and security concerns involved in long term loans. Most of the SMEs fail in the first five year of its start-up due to limited finance.
2	Stiff competition	(Hasan, 1998; Bourletidis, 2013; Naicker, 2006; Okpara, 2011; ANGELINI, 2005)	In Pakistan there are no competition laws, manufactures are facing stiff competition and to attract buyer using destructive prices which negatively affect the whole industry.
3	Use of obsolete technology	(Siringoringo et al., 2009; Phillips & Sipahioglu, 2004; Trumbach, Payne, & Kongthon, 2006; HANEEF, 2010; Drucker, 2014).	SMEs have low high-tech competences, use out-dated technology and old methods of production and owners do not know which technology is suitable for their business.
4	Power crisis	(Tambunan, 2009; Bari, Cheema, & Haque, 2005; Yang, 2011; Hussain et al.,	Power shortages make it difficult the survival of smaller firms because affording the cost of alternative fuel can be devastating.

		2012).	
5	Inadequate education of SMEs owners and managers	(Graves & Thomas, 2008; Smit & Watkins, 2012; Rogerson, 2008; Saini & Budhwar, 2008).	Mostly, SMEs not have proper system of formalized training and they also lack professionalism in the people of management.
6	Little research and development	(Wang & Ahmed, 2004; Baregheh, Rowley & Sambrook, 2009; Du Plessis, 2007; Leonidou, 2004).	The growth of SMEs is limited due to little or no investment in Research and Development. Most of the SMEs owners do not spend on R&D, just copying the product from overseas.
7	Dearth of skill labor and human resource	(Yew Wong, 2005; Saini & Budhwar, 2008;Hessels & Parker, 2013; Krasniqi, 2007; Ding, 2010).	Workforce is unskilled due to low literacy rate and lack of training opportunities in Pakistan. Dearth of skilled labor slow down the process of the innovation.
8	Lack of government support and incentive	(Siaw & Rani, 2012;Olawale & Garwe, 2010; Siringoringo, Tintri, & Kowanda, 2009)	Bad policies destroyed the SMEs opportunities as it makes the process complicated and expensive. Long process of administrative activities affect the profit margins and product image
9	No export oriented behavior of SMEs owner and managers	(Hessels & Parker, 2013; Ahmed, 1999; Leonidou, 2004; Skinner, 2005; Aid, 2007).	SMEs face more challenges in exporting rather than big organization. Entrepreneurs consider it more severe factor to regularly exporting products.
10	High production cost	(HANEEF, 2010; Bannock, Gamser, Juhlin, & McCann, 2002; Bari et al., 2005).	High cost of doing business badly affects the profit margin and it is very difficult for small businessmen to sustain in this situation because customers rapidly switch.
11	Risk aversion attitude of SMEs owners and managers	(Craig & Douglas, 1996; Albaum, Albaum, & Duerr, 2008; VAN NIEKERK, 2005; Singh, Pathak, & Naz, 2010).	The risk avoiding attitude of SMEs owners and managers due to the fear of external factor may affect their decision and does not allow an organization to grow.

ISM Methodology and Model Development

Interpretive structural modeling (ISM) is a technique that brings orders in variables and facilitates related and distinct variables,

portrayed in the complex situation to develop a comprehensive model (Warfield, 1974; Sage, 1977). This methodology has been applied by various researchers from more than last twenty years and published in high impact factor international journals (Khalid et al., 2016). In Pakistan, first time Khalid et al. (2016) employed ISM to identify the collaboration factors among SMEs of auto parts manufacturing sector. A group of experts has been selected from academia and cutlery industry. In this research fifteen experts participated out of which six were from academia and nine from industries of cutlery sector. Selection of experts was based upon their experience, each expert selected had a minimum of ten years of experience in relevant field. Experts from academia have wide experience in research and conceptual knowledge where as experts belonging to industry have rich experience of practical field. Thus, the consensus of both types of experts is necessary to develop a valid model related to problem understudy. Warfield (1974) suggested that at least eight experts are necessary to develop a consensus for constructing ISM based model. In first brainstorming session, experts were invited and identified eleven key factors congruent with the literature and mutual consensus. Then in second brain storming session all the experts mutually developed the contextual relationships among identified factors. In last session, ISM based model was developed and finalized and all the discrepancies were removed.

The ISM methodology involves the following steps;

1. The identified factors related to hindering the growth of SMEs, are listed in table 1.
2. A structural self-interaction matrix (SSIM) is established to develop pair-wise contextual relationship among the factors
3. Based on SSIM, reachability matrix is than established by transforming the relation developed in SSIM into binary form "0" and "1". .
4. After the completion of step 3 final reachability matrix, level partition and conical matrix is developed.
5. The diagraph found from step 4 is than transformed into ISM model.
6. Finally, in the last step ISM model is verified by experts and modifications are made if necessary.

Structural Self-Interaction Matrix

After identifying the factors, contextual relationships among variables are developed by the consensus of the experts. Theses pair wise relationships are denoted by some symbols. These four symbols indicate the direction of relationship between two variables (i, j):

1. Symbol "V" denotes that factor "i" will help to achieve the factor "j."
2. Symbol "A" denotes that factor "j" will be alleviated by factor "i."
3. Symbol "X" denotes that both factors "i" and "j" are interrelated.

4. Symbol "O" denotes that there is no relation between two factors "i" and "j".

Reachability Matrix (Initial and Final)

Two steps are followed to developed reachability matrix. In first step contextual relationships are transformed into initial reachability by converting the relationships into binary digits "1" and "0".

Table 2. *Structural self-interaction matrix*

S. No.	Factors	11	10	9	8	7	6	5	4	3	2	1
1	Limited financial resources	V	O	V	A	V	V	O	V	V	V	-
2	Stiff competition	O	O	A	A	O	A	O	O	A	-	
3	Use of Obsolete technology	A	V	V	A	O	A	A	O	-		
4	Power crises	V	V	V	A	O	O	O	-			
5	Inadequate education of SMEs owner and managers	O	V	V	A	O	V	-				
6	Little research and development	V	V	X	A	A	-					
7	Dearth of skill labor and human resource	V	V	V	A	-						
8	Lack of Government support and incentive	V	V	V	-							
9	No export oriented behavior of SMEs owners and managers	X	O	-								
10	High production cost	A	-									
11	Risk aversion attitude of SMEs owners and managers	-										

Table 3. *Initial reachability matrix*

Sr. No.	Factors	1	2	3	4	5	6	7	8	9	10	11
1	Limited financial resources	1	1	1	1	0	1	1	0	1	0	1
2	Stiff competition	0	1	0	0	0	0	0	0	0	0	0
3	Use of Obsolete technology	0	1	1	0	0	0	0	0	1	1	0
4	Power crises	0	0	0	1	0	0	0	0	1	1	1
5	Inadequate education of SMEs owner and managers	0	0	1	0	1	1	0	0	1	1	0
6	Little research and development	0	1	1	0	0	1	0	0	1	1	1
7	Dearth of skill labor and human resource	0	0	0	0	0	1	1	0	1	1	1
8	Lack of Government support and incentive	1	1	1	1	1	1	1	1	1	1	1
9	No export oriented behavior of SMEs owners and managers	0	1	0	0	0	1	0	0	1	0	1
10	High production cost	0	0	0	0	0	0	0	0	0	1	0
11	Risk aversion attitude of SMEs owner and managers	0	0	1	0	0	0	0	0	1	1	1

The rules for transformation are as follow;

- If the relationship of cell (i, j) shows "V" symbol, then the cell (i, j) is converted into "1" and the cell (j, i) is converted into "0"

- If the relationship of cell (i, j) shows "A" symbol, than the cell (i, j) is converted into "0" and the cell (j, i) is converted into "1"
- If the relationship of cell (i, j) shows "X" symbol, than the cell (i, j) is converted into "1" and the cell (j, i) is converted into "1"
- If the relationship of cell (i, j) shows "O" symbol, than the cell (i, j) is converted into "0" and the cell (j, i) is converted into "0"

Table 4. *Final reachability matrix*

Sr. No.	Factors	1	2	3	4	5	6	7	8	9	10	11	Driving
1	Limited financial resources	1	1	1	1	0	1	1	0	1	1*	1	**9**
2	Stiff competition	0	1	0	0	0	0	0	0	0	0	0	**1**
3	Use of Obsolete technology	0	1	1	0	0	1*	0	0	1	1	1*	**6**
4	Power crises	0	1*	1*	1	0	1*	0	0	1	1	1	**7**
5	Inadequate education of SMEs owner and managers	0	1*	1	0	1	1	0	0	1	1	1*	**7**
6	Little research and development	0	1	1	0	0	1	0	0	1	1	1	**6**
7	Dearth of skill labor and human resource	0	1*	1*	0	0	1	1	0	1	1	1	**7**
8	Lack of Government support and incentive	1	1	1	1	1	1	1	1	1	1	1	**11**
9	No export oriented behavior of SMEs owners and managers	0	1	1*	0	0	1	0	0	1	1*	1	**6**
10	High production cost	0	0	0	0	0	0	0	0	0	1	0	**1**
11	Risk aversion attitude of SMEs owner	0	1*	1	0	0	1*	0	0	1	1	1	**6**
	Dependence	**2**	**10**	**9**	**3**	**2**	**9**	**3**	**1**	**9**	**10**	**9**	

By implementing these rules initial reachability is developed as displayed in Table 3. Final reachability matrix (Table 4) is developed after incorporating transitivity and inferring new values denoted as 1*. Transitivity is basic assumption of ISM technique which means if factor A is related to factor B and factor B is related to factor C, then factor A will also be necessarily related to factor C. Table 4 also depicts the dependence and driving power. Driving power of the single factor is the total number of factors which it helps to attain. On the other hand dependence power is the total number of factors which help to attain it.

Level Partition

Sets of antecedent and reachability of the factors are withdrawn from final reachability. (Sage, 1977). Reachability set entails all factors including itself which it may assist in achieving the others. Similar to that antecedent set entails all the factors including itself which all assist in achieving them. After ranking them in the model these are removed from the list of factor. "Stiff competition" (factor 2) and "High production cost" (factor 10) come at the first level so it is ranked at the top of the model (see table 5). Same process is continued until all the

factors achieve their level and ranked in the model. Iteration and level partition of all the variables are presented in Table 5 to Table 9.

Classification of Factors

Factors are divided into four categories: dependent, independent, autonomous and linkage according to their driving and dependence power. The driving power and dependence power diagram for factors is shown in Figure. 1. The first group contains "autonomous factors" which have weak dependence and driving power. Second group contains "dependent factors" representing the weak dependence but powerful driving force. Third group contains "linkages factors" showing great dependence and driving power. Forth group contains "independent factors" representing the high driving force and weak dependence.

Table 5. *Level iteration 1*

Factors	Reachability Set	Antecedent Set	Intersection Set	Level
1	1,2,3,4,6,7,9,10,11	1,8	1	
2	2	1,2,3,4,5,6,7,8,9,10,11	2	***I***
3	2,3,6,9,10,11	1,3,4,5,6,7,8,9,10,11	3,6,9,10,11	
4	2,3,4,6,9,10,11	1,4,8	4	
5	2,3,5,6,9,10,11	5,8	5	
6	2,3,6,9,10,11	1,3,4,5,6,7,8,9,11	3,6,9,11	
7	2,3,6,7,9,10,11	1,7,8	7	
8	1,2,3,4,5,6,7,8,9,10,11	8	8	
9	2,3,6,9,10,11	1,3,4,5,6,7,8,9,11	3,6,9,10,11	
10	10	1,3,4,5,6,7,8,9,10,11	10	***I***
11	2,3,6,9,10,11	1,3,4,5,6,7,8,9,11	3,6,9,11	

Table 6. *Level Iteration II*

Factors	Reachability Set	Antecedent Set	Intersection Set	Level
1	1,3,4,6,7,9,11	1,8	1	
3	3,6,9,11	1,3,4,5,6,7,8,9,11	3,6,9,11	***II***
4	3,4,6,9,11	1,4,8	4	
5	3,5,6,9,11	5,8	5	
6	3,6,9,11	1,3,4,5,6,7,8,9,11	3,6,9,11	***II***
7	3,6,7,9,11	1,7,8	7	
8	1,3,4,5,6,7,8,9,11	8	8	
9	3,6,9,11	1,3,4,5,6,7,8,9,11	3,6,9,11	***II***
11	3,6,9,11	1,3,4,5,6,7,8,9,11	3,6,9,11	***II***

Table 7. *Level Iteration III*

Factors	Reachability Set	Antecedent Set	Intersection Set	Level
1	1,4,7	1,8	1	
4	4	1,4,8	4	***III***
5	5	5,8	5	***III***
7	7	1,7,8	7	***III***

8	1,4,5,7,8	8	8

Table 8. *Level Iteration IV*

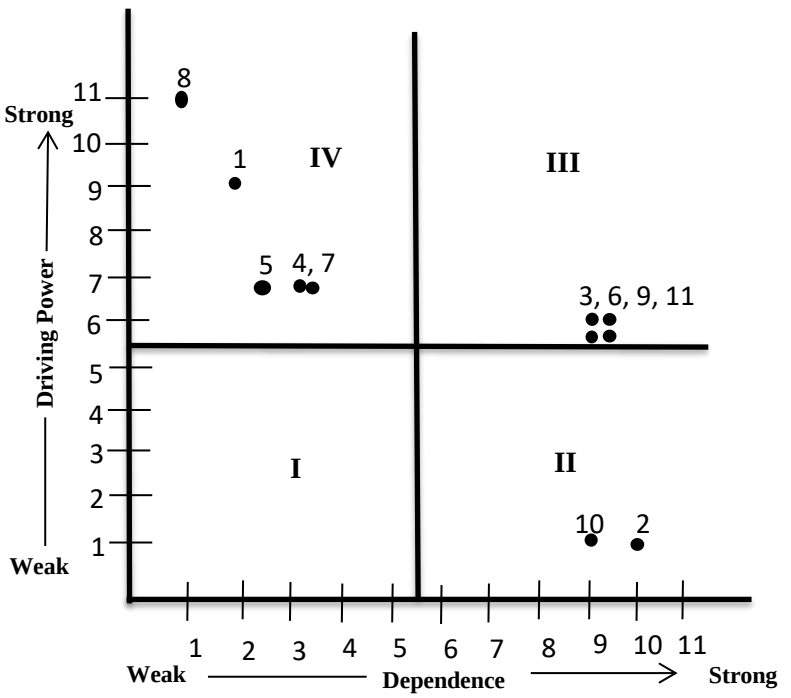
Factors	Reachability Set	Antecedent Set	Intersection Set	Level
1	1	1,8	1	***IV***
8	1,8	8	8	

Table 9. *Level Iteration V*

Factors	Reachability Set	Antecedent Set	Intersection Set	Level
8	8	8	8	***V***

Formation of ISM Model

After removing the transitivity as explained above in the ISM methodology final model is constructed as shown in Figure 2.The ISM model in this study portrays that "Government support and assistance" (factor 8) is very important factor which limit the growth of SMEs as it placed at the bottom of the model. On the other hand "stiff competition" (factor 2) and "High production cost" (factor 10) are driven by all other variables as they are placed at the top of the hierarchy.



Note: Cluster I → autonomous factor; Cluster II → dependent factor;
Cluster III → linkage factor; Cluster IV → independent factor

Figure 1. Driving power and dependence diagram

Discussion and Conclusion

Level of factors is extremely important for mitigating the effect of these factors on growth. Factors which show high dependence power are "stiff competition" and "High production cost" (factor 10) that negatively affect the outcome. These variables are ranked at the top of the hierarchical model (Figure 2), requiring the huge attention of the managers to control them. Furthermore the linkages variables include the "use of obsolete technology" (factor 3), "little research and development" (factor 6), "no export oriented behavior of SME owners and managers" (factor 9) and "risk aversion attitude of SME owners" (factor 10) having great dependence and driving force. They propagate through lower variables in the hierarchy and in return influence the above factors. Linkage variables are unstable; any action performed on them would affect all the other including them too. Finally, Figure 2 designates independent factors like "Lack of government support and assistance" and "Limited financial resources" are placed at the base of the hierarchal model depicting the lowest dependence power. Independent factors have power to affect all other factors so management needs to manage these tricky factors carefully and give high priority to these variables. Khalid et al. (2016) and Chaudhry et al. (2017) also presented the results of the study in the same manner as in this research.

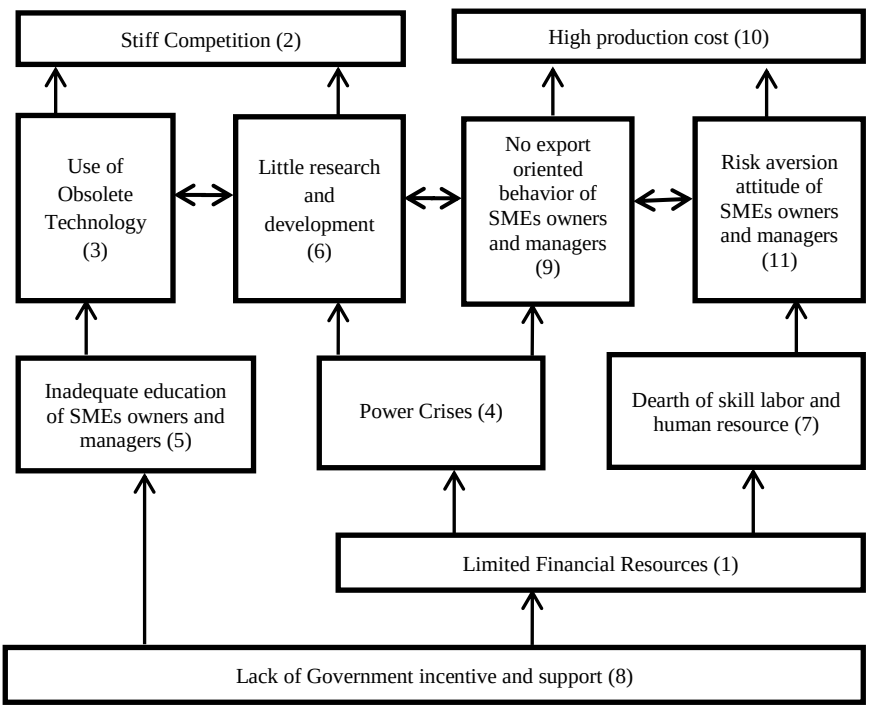


Figure 2. ISM-based model of SMEs growth factors

Research Implications

It is essential to understand the nature of factors hindering the growth of SMEs. Present study investigated eleven key factors to growth which are rarely identified by any other study. Further this research has also analyzed the mutual interaction of identified factors, which clarifies the hidden relationships among the factors affecting growth. This study indicates that there is dire need to control, overcome and understand these factors for effective growth of SMEs. This research provides a critical insight about the hindrances of growth and can be an eye opener for policy makers and owners-managers of SMEs. For further strategic orientation of SMEs to solve the issue of growth hindrances, the studies of Ahmad, Pirzada, & Khan (2013) and Khan (2018) can be very helpful.

Future Research Directions

An effort is made by this research to recognize the violating factors hampering the growth of SMEs in Pakistan. This study gives its contribution to the development of model of all those factors hampering the growth of SMEs in Pakistan. It is suggested for future research to identify the factors in other sectors of SMEs or to compare the factors of one sector with another. In this study, the model developed is not statistically tested. Researchers can also test this model by using different statistical approaches like "Structural Equation Modeling" (SEM) approach to validate the ISM model.

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