

# Prioritising Variables of SMEs/Private Sector through Interpretive Structural Model (ISM)

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## Abstract

Small and Medium Enterprises (SMEs) make substantial contributions to national economies and are estimated to account for 80% of global economic growth. There is a universal recognition that SMEs are crucial facilitators of economic growth. Therefore, SMEs are considered to play a major role in the entire economy. Moreover, thriving economies in countries such as the US, Britain, Europe, Japan, etc., are vastly dependent on their well regulated, established, organised and monitored SMEs. In the UK, the Department of Trade and Industry (DTI) in 2004 estimated that of the 4.3 million business enterprises, 99.9% were small to medium sized (SMEs). At the start of 2004, SMEs accounted for more than half (58%) of all UK employment (small enterprises accounting for 46.8%; medium-sized enterprises accounting for 11.7%); and more than half (51.3%) of the UK's estimated business turnover of £2,400 billion (small enterprises accounting for 37%; medium-sized enterprises accounting for 14.3%). This paper focuses on prioritising the variables of SMEs as part of strategy setting. A previous study conducted by the Authors (Dawood and Alshawi, 2009) identifies 10 major variables of SMEs which include Government Role (Regulation and Legislation), Governing Body and Task Force, Financing SMEs, Outreach SMEs / Skills and Recruitments Shortage, Training, Politics, Free Market and Fair Competition, Entrepreneurs/Owners, e-Information Sources (IT) and Standardisation/ISO 2000. Interpretive Structural Model (ISM) has been adopted and used as a tool to prioritise these variables to assist decision makers in setting successful and sufficient strategies and policies and as a guide to emphasise the starting point. The research methodology consists of two parts; literature review which provides an understanding of ISM in terms of definition, stages, purposes, mechanism, how it functions, etc. The second will identify, classify and characterise SMEs variables. Finally, the ISM will be examined and tested using the identified SMEs variables. The findings will be stated in the concluding section.

**Keywords:** SMEs, SMEs variables, Interpretive Structural Model (ISM)

# 1. Introduction

Small and Medium Enterprises (SMEs) make substantial contributions to national economies and are estimated to account for 80% of global economic growth. There is a universal recognition that SMEs are crucial facilitators of economic growth. Therefore, SMEs are considered to play a major role in the entire economy. Moreover, thriving economies in countries such as the US, Britain, Europe, Japan, etc., are vastly dependent on their well regulated, established, organised and monitored SMEs. In the UK, the Department of Trade and Industry (DTI) in 2004 estimated that of the 4.3 million business enterprises, 99.9% were small to medium sized (SMEs).

At the start of 2004, SMEs accounted for more than half (58%) of all UK employment (small enterprises accounting for 46.8%; medium-sized enterprises accounting for 11.7%); and more than half (51.3%) of the UK's estimated business turnover of £2,400 billion (small enterprises accounting for 37%; medium-sized enterprises accounting for 14.3%).

The main objectives of this study are as follows:

1. to investigate methods available to identify and rank variables and criteria and then selecting one method (ISM) among others which is closer to the researchers expertise
2. to find out the interaction among identified variables and criteria using ISM, and
3. to discuss the managerial implications and decision-making process within using ISM.

This paper focuses on identifying, classifying and prioritising the major variables affecting the performance of the SMEs as part of strategy setting and implementing. The variables that have been identified are Government Role (Regulation and Legislations), Governing Body and Task Force, Financing SMEs, Outreach SMEs / Skills and Recruitments Shortage, Training, Politics, Free Market and Fair Competition, Entrepreneurs/Owners, e-Information Sources (IT) and Standardisation/ISO 2000. Interpretive Structural Model (ISM) has been adopted and used as a tool to prioritise these variables to assist decision makers in setting successful and sufficient strategies and policies and as a guide to emphasise the starting point. According to literature, ISM has been successfully implemented so far in a variety of industries/sectors including Energy Conservation in Indian, Cement Industry, Vendor Selection, Waste Management in India, Knowledge Management in Manufacturing, Productivity Improvement in Reverse Logistics, IT-enabled Supply Chain, Modelling the Agility of Supply Chain, Modelling the Logistics Outsourcing Relationship Variables and Housing Industry (Dawood and Alshawi, 2009). However, ISM has never been adopted for SMEs.

The paper discusses the adopted research methodology which consists of two parts; literature review which provides an understanding of ISM in terms of definition, stages, purposes, mechanism, how it functions, etc. The second will identify, classify and characterise SMEs variables. Finally, the ISM

will be examined and tested using the identified SMEs variables. Finally, the findings are presented in the concluding section.

It is important to bear in mind that there are models available that can be used to prioritise factors/variables for an industry. The reason behind selecting the ISM to prioritise the factors that affect the performance of SMEs is because it uses matrices closest to the Authors background and which have previously been implemented by the Authors in different industries. Moreover, the ISM deals with/prioritises the factors of an industry regardless of its nature, value or size; therefore there is no restriction/difference in implementing the ISM to prioritise the factors that affect the performance of Large Enterprises (LE) or SMEs.

## 2. Definition

Warfield (1973) defines Interpretive Structural Modelling (ISM) as a computer- assisted learning process that enables individuals or groups to develop a map of complex relationships among many elements involved in a complex situation. Duperrin and Godet (1973) suggest that ISM is primarily intended as a group learning process. The method is interpretive as the judgment of the group decides whether and how the variables are related. Ravi and Shankar (2004) believe that the methodology of ISM is an interactive learning process. It is a set of different and directly related variables affecting the system under consideration and is structured into a comprehensive systemic model. The benefit of ISM model is that it reveals the structure of a complex issue of a problem under study, in a carefully designed pattern employing contextual and logical interpretations, matrices, graphics tables, etc. The methodology of ISM can act as a tool for imposing order and direction on the complexity of relationships among elements of a system. Qureshi et al, (2007) argue that ISM is a method which enables handling the complexity of the system and resolves it into easily comprehensible form by working out the hierarchical arrangement of system variables. Thus, ISM is structured on the basis of relationships, and the overall structure is extracted from the complex set of variables. In other words, ISM is a modelling technique where the specific relationships and overall structure is represented in matrices, digraphs MICMAC model, etc.

## 3. ISM's scope

A variety of industries/sectors have applied the ISM model in order to identify variables and prioritise them to solve problems (Qureshi et al, 2007 and Dawood and Alshawi, 2009) (Table 1):

*Table 1: ISM Application (Qureshi et al, 2007; Dawood and Alshawi, 2009)*

No:	Contributors	Area in which ISM Has Been Applied
1.	Saxena and Vrat (1990)	Energy Conservation in Indian Cement Industry
2.	Mandal and Deshmukh (1994)	Vendor Selection

3.	Sharma et al. (1995)	Waste Management in India
4.	Singh et al. (2003)	Knowledge Management in Manufacturing
5.	Ravi et al. (2005)	Productivity Improvement in Reverse Logistics
6.	Jharkaria and Shankar (2005)	IT-enabled Supply Chain
7.	Agrawal et al. (2006)	Modelling the Agility of Supply Chain
8.	Qureshi et al. (2007)	Modelling the Logistics Outsourcing Relationship Variables
9.	Dawood and Alshawi (2009)	Prioritisation of Factors That Affect the Housing Industry: Interpretive Structural Model (ISM)

According to the Table 1, Saxena et al (1990) applied the ISM methodology to the case of Energy Conservation in the Indian Cement Industry and identified the key variables using direct as well as indirect interrelationships amongst the variables. Mandal and Deshmukh (1994) used the ISM methodology to analyse some of the important vendor selection criteria and have shown the interrelationships of criteria and their levels. These criteria have also been categorized depending on their driver power and dependence. Sharma et al (1995) have implied ISM methodology to develop a hierarchy of actions required to achieve the future objective of waste management in India and so on. Therefore, based on the variety of industries that have already applied the ISM to solve their problems; it is safe to say that the ISM can be applied in SMEs/Private Sector in order to prioritise variables and assist in strategy setting and therefore solve the problems related to their performance.

#### 4. ISM's structuring stages

The mechanism of the ISM is explained by different scholars and researchers. For the purpose of this paper one mechanism is presented. Mandal and Deshmukh (1994) propose a technical analysis system which can be followed to achieve the stages of an ISM. This technical analysis system is illustrated in the following five steps:

Step i: Self-structural Interaction Matrix (SSIM)

Step ii: Reachability Matrix

Step iii: Level Partition and Canonical Matrix

Step iv: Classification of Variables

Step v: Development of Digraph

The procedure of setting the ISM can simply be described as first; the process starts with the identification of variables, which are relevant to the problem or issue and then extends with a group

problem-solving technique. Later on a contextually relevant subordinate relation is identified. After resolving the variable set and the contextual relation, a structural self-interaction matrix (SSIM) is prepared based on pair-wise comparison of variables. The SSIM is transformed in to a reachability matrix which includes variable transitivity. Finally, the partitioning of the variables and an extraction of the structural model, called ISM, is derived.

## 5. ISM adoption in SMEs

There is no indication or limitation found in literature on why the ISM should not be adopted and used in the SMEs/Private Sector; therefore, an attempt for this purpose will be made to apply the ISM in SMEs/Private Sector in the following section. The five steps identified in the previous section will be followed to adopt and implement ISM in the SMEs/Private Sector. This process at the end will help decision makers in the SMEs/Private Sector identify, classify and prioritise the industry variables and therefore setting sound strategies and policies.

Before starting the ISM process, it is important to first identify the major variables that significantly affect the performance of SMEs. A previous study, like never before, was conducted by Dawood and Alshawi (2009) and identified 10 variables which affect SMEs performance along with also introducing a (SME) Model to display the relations among SMEs variables. The final variables using SMEs the Model were then prioritized by the ISM. These variables are illustrated in Figure 1.

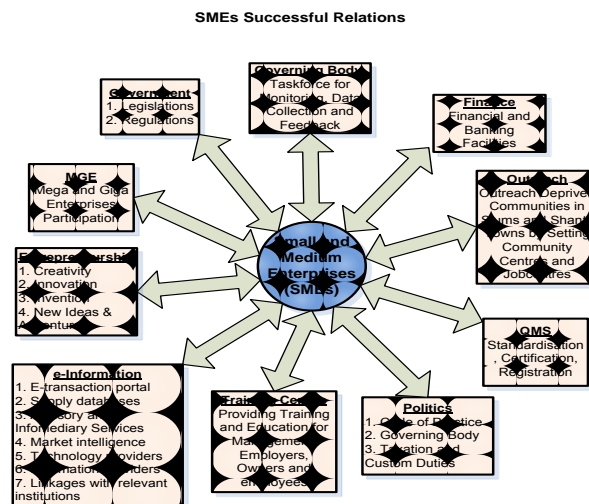


Figure 1: Variables Affecting SMEs (Dawood and Alshawi, 2009)

According to Figure 1, and for the purpose of this research; the most important variables were identified as 10 variables.

The (10) variables are listed as follows:

1. Government Role (Regulation & Legislations); to better regulate and control SMEs
2. Financing SMEs; to provide continuous financial source
3. Governing Body and Task Force; to audit, control and make sure everything is in order
4. Outreach SMEs / Skills and Recruitments Shortage; to provide skilled labour to remote areas
5. Training; to provide skills to employees of SMEs
6. Politics; intervene to restrict the dominance of giant outlets
7. Free Market and Fair Competition; provide better and fair chances for survival
8. Entrepreneurs/Owners; improve management and leadership
9. e-Information Sources (IT); to encourage using IT within the SMEs sector
10. Standardisation/ISO 2000; to elevate the standards of SMEs and then deliver better services and products to customers

Each variable was allocated a number (as in the list above) which represents the variable in the following stages namely, matrices, tables, digraphs and prioritising and analysing processes. Mandal and Deshmukh (1994) illustration of the ISM process and the five steps will be followed to perform the ISM in the SMEs/Private Sector:

**Step One: Self-structural Interaction Matrix (SSIM)**

Mandal and Deshmukh (1994) argue that the SSIM establishes a contextual relationship of “leads to” between criteria or variables in an industry. Four symbols are used for the type of the relation that exists between two sub-variables under consideration: V for the relation from i to j but not in both directions; A for the relation from j to i but not in both directions; X for both direction relations from i to j and j to i; and O if the relation between the variables does not appear valid.

These types of relationships are given English Characters such as V, A, X, and O. Each character indicates a type of relationship between two variables (in this case i&j). The four types of contextual and logical relationships between variables i&j are illustrated as follows:

V: Variable i will help achieve Variable j

A: Variable i will be achieved by Variable j

X: Variables i and j will help achieve each other

O: Variables i and j are unrelated.

According to the above types of contextual and logical relations, the SSIM Matrix for the 10 SMEs variables is illustrated in Table 2.

Table 2: SSIM Matrix

Attribute	10. Standardisation	9	8	7	6	5	4	3	2
1. Regulation and Legislations	V	V	V	V	V	V	V	V	V
2. Finance & Banking	A	A	A	A	A	A	A	A	
3. Task Force	V	V	V	O	V	V	V		
4. Outreach SMEs	O	O	O	O	O	V			
5. Training	X	X	O	O	O				
6. Politics	O	O	V	V					
7. Free Market	O	X	X						
8. Entrepreneurship	A	A							
9. e-Information Sources	X								

### Step Two: Reachability Matrix

Next, according to Mandal and Deshmukh (1994) the SSIM is converted into a binary matrix, called the Initial Reachability Matrix (IRM) by substituting X, A, V, and O by 1 and 0. For example, if criteria i leads to criteria j and criteria j leads to criteria k then criteria i must lead to criteria k. The process of bridging these gaps is known as transitivity check. The various possibilities are summarized in Table 3.

Table 3: Contextual Relations (Mandal and Deshmukh, 1994)

Entry in SSIM ( $i, j$ )	V	A	X	O
Entry in Reachability Matrix ( $i, j$ )	1	0	1	0
Entry in Reachability Matrix ( $j, i$ )	0	1	1	0

The binary replacement orders for the bi-relationships (V, A, X, O) are explained as follows:

1. If ( $i, j$ ) entry in the SSIM is V, then ( $i, j$ ) entry in the reachability matrix becomes 1 and the ( $j, i$ ) entry becomes 0.
2. If ( $i, j$ ) entry in the SSIM is A, then ( $i, j$ ) entry in the reachability matrix becomes 0 and ( $j, i$ ) entry becomes 1.

3. If  $(i, j)$  entry in the SSIM is X, then both  $(i, j)$  and  $(j, i)$  entries in the reachability matrix become 1.
4. If  $(i, j)$  entry in the SSIM is O, then both  $(i, j)$  and  $(j, i)$  entries in the reachability matrix become 0.

Thus, the SSIM is used to produce the Reachability Matrix for the SMEs/Private Sector variables which can be implemented by replacing the letters (V, A, X and O) by the respective values they are given in Table 3. The Reachability Matrix then becomes the matrix as shown in Table 4.

*Table 4: Reachability Matrix of SMEs Variables*

Attribute	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
1.	1	1	1	1	1	1	1	1	1	1
2.	0	1	0	0	0	0	0	0	0	0
3.	0	1	1	0	1	1	0	1	1	1
4.	0	1	0	1	1	0	0	0	0	0
5.	0	1	0	0	1	0	0	0	1	1
6.	0	1	0	0	0	1	1	1	0	0
7.	0	1	0	0	0	0	1	1	1	0
8.	0	1	0	0	0	0	1	1	0	0
9.	0	1	0	0	1	0	1	1	1	1
10.	0	1	0	0	1	0	0	1	1	1

The Matrix in Table 4 shows the ‘Initial Reachability Matrix’ and the Matrix in Table 5 shows the ‘Final Reachability Matrix’. In the Final Reachability Matrix, the driving power and dependency of each variable are also stated. The driving power of a variable is the total number of variables which it may help achieve (including itself) e.g.; Variable 1 (Regulation and Legislations) is the driving power for all variables; this means that without Regulation and Legislation there is nothing can be achieved on the ground in terms of setting strategies and policies for SMEs. The dependency of a variable is the total number of variables that may help facilitate achieving, e.g.; Variable 2 (Finance) is the variable which facilitate achieving other variables such as allocate funds for training, financial loans, subsidies, etc.

*Table 5: Final Reachability Matrix of SMEs Variables*

Attribute	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	Driving Power
1.	1	1	1	1	1	1	1	1	1	1	10
2.	0	1	0	0	0	0	0	0	0	0	1
3.	0	1	1	0	1	1	0	1	1	1	7
4.	0	1	0	1	1	0	0	0	0	0	3
5.	0	1	0	0	1	0	0	0	1	1	4
6.	0	1	0	0	0	1	1	1	0	0	4
7.	0	1	0	0	0	0	1	1	1	0	4
8.	0	1	0	0	0	0	0	1	0	0	3
9.	0	1	0	0	1	0	1	1	1	1	6
10.	0	1	0	0	1	0	0	1	1	1	5

<b>Dependency</b>	<b>1</b>	<b>10</b>	<b>2</b>	<b>2</b>	<b>7</b>	<b>3</b>	<b>5</b>	<b>7</b>	<b>6</b>	<b>5</b>	
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**Step Three: Level Partition and Canonical Matrix**

Mandal and Deshmukh (1994) state that different criteria have to be classified into four sectors, namely autonomous, dependent, linkage, and driver/independent, based on their driver power and dependence. Quadrant-wise characteristics of these sectors are given in Table 6 (Iteration Table, Conical Matrix). Tables 6 and 7 in Mandal and Deshmukh (1994) can be used as an example to guide setting the MICMAC Matrix in Step 4 and The Digraph in Step 5 for the SMEs/Private Sector.

*Table 6: Quadrant-wise characteristics (Mandal and Deshmukh, 1994)*

<b>Quadrant</b>	<b>First</b>	<b>Second</b>	<b>Third</b>	<b>Fourth</b>
Nature of Variables	Autonomous	Dependant Variables	Linkage	Driver Variables
Characteristics	Weak Power and Driver Powers Dependant and Weak Driver Powers	Weak Driver Power and Strong Dependence	Strong Power and Dependence Driver Strong Power Unstable Variables	Strong Power and Weak Dependence Power

*Table 7: Interaction Table for the Variables*

<b>Attribute/Variables</b>	<b>Reachability Set</b>	<b>Antecedent Set</b>	<b>Intersection Set</b>
<b>1. Regulation and Legislations</b>	1,2,3,4,5,6,7,8,9,10	1	0
<b>2. Finance &amp; Banking</b>	2	1,2,3,4,5,6,7,8,9,10	0
<b>3. Task Force</b>	2,3,5,6,8,9,10	1,3	0
<b>4. Outreach SMEs</b>	2,4,5	1,4	0
<b>5. Training</b>	2,5,9,10	1, 3,4,5,9,10	2
<b>6. Politics</b>	2,6,7,8	1,3,6	0
<b>7. Free Market</b>	2,7,8,9	1,6,7,8,9	2
<b>8. Entrepreneurship</b>	2,7,8	1,3,6,7,8,9,10	1
<b>9. e-Information Sources</b>	2,5,7,8,9,10	1,3,5,9,10	2
<b>10. Standardisation</b>	2,5,8,9,10	1,3,5,9,10	2

**Step Four: Classification of Variables/MICMAC Matrix**

Mandal and Deshmukh (1994) believe that the objective of the MICMAC analysis is to analyze the driving power and the dependence of the variables.

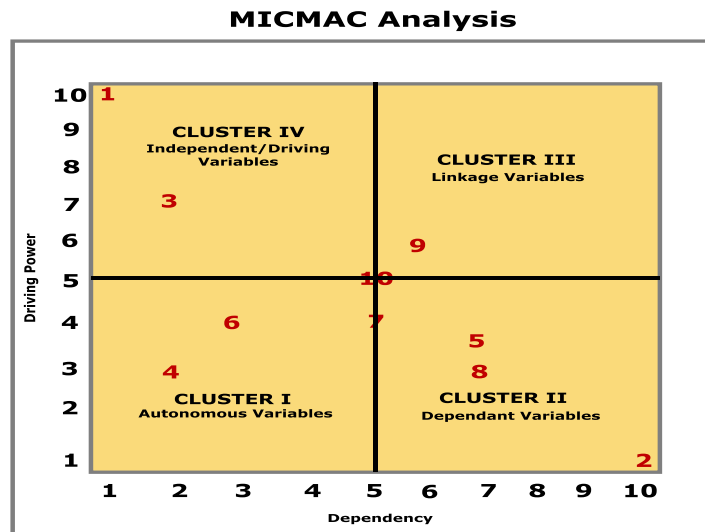


Figure 2: MICMAC Matrix

The MICMAC Matrix (Figure 2) reveals the classification and status of a variable. It also indicates each role of a variable and how it reacts as a deriving power and dependency. It is important to redisplay the variables below in order to identify them properly (not only by their numbers) and the role they play in setting strategies and policies of the SMEs/Private Sector.

As it is illustrated in the MICMAC Matrix, the analysing process will be in four stages as follows:

1. Cluster I: Autonomous Variables
2. Cluster II: Dependant Variables
3. Cluster III: Linkage Variables
4. Cluster IV: Independent/Driving Variables

In the following; the Analysing process of the MICMAC Matrix will start in a reverse order (Cluster IV, Cluster III, Cluster II and Cluster I) as the process will give a chance to first explain what driving power and dependency mean.

### 1. Cluster IV: Independent/Driving Variables

In Cluster IV, variables 1. Regulation and Legislations and 3. Task Force fall in this category and are independent from the rest of variables. These variables are the driving power of the SMEs/Private Sector, especially variable 1). Regulation and Legislations which is the most driving force. Moreover, Regulation and Legislations must be given first priority among the variables. This means that decision makers in the SMEs/Private Sector must consider Regulation and Legislations as their first priority and as a driving force towards achieving the target set by strategies and policies. Thus, a government must be prepared to introduce new Regulation and Legislations (along with the existing ones) in order to move forward in improving SMEs' performance. In other words, without the introduction of new Regulation and Legislations, all planning, strategies and policies are dead and a waste of time, cost and effort and thereby it will be impossible to put the SMEs (as a major participant within the

economy) plans into a place and to move forward a single step in implementing strategies and policies without the required regulation and legislations. Finally, solving the SMEs/Private Sector crisis in a country requires a fully committed and prepared government and decision makers to provide the right regulation and legislations in order to be able to implement strategies and policies and therefore solve the SMEs/Private Sector crisis.

## **2. Cluster III: Linkage Variables**

There are two variables fall into Cluster III, namely 9. e-Information Sources and 10. Standardisation. The variables that fall into this cluster are classified as deriving power while other variables depend upon them, however, this might not quite apply to variable 10. Standardisation, because it is located right in the centre of the MICMAC Matrix, therefore standardisation could fall in any other cluster. Since the introduction of IT first and then ICT, businesses and therefore SMEs have significantly moved forward, improved their performance and communication and contribute more into the economy. It is apparent in the last 50 years how much computers and therefore ICT have improved human lives in every single aspect.

## **3. Cluster II: Dependant Variables**

The variables that fall into this area are known for other variables being dependent on them. These variables are 2. Finance, 5. Training, 7. Free Market, and 8. Entrepreneurship. 7. Free Market falls right on the dividing line between Clusters I & II and therefore the variable in this case might not be considered as strongly dependent, whereas 2. Finance, 5. Training, and 8. Entrepreneurship are the stronger ones. It has to be mentioned that 2. Finance is the strongest dependent variable which means that all other variables are totally dependent on Finance. Logically, without finance embarking on anything is almost impossible. Decision-makers have to realise the importance of this and have to find means for generating enough funds for the SMEs/Private Sector in order to implement the strategies and policies smoothly and without any delay. Therefore, the SMEs/Private Sector problems will be solved in time, efficiently and effectively.

## **4. Cluster I: Autonomous Variables**

The final cluster is Cluster I and those variables that fall into this cluster are weak and dependant on other variables which have significant driving power and dependency. The variables in this area are identified as 4. Outreach SMEs 6. Politics, and possibly 7. Free Market, and 10. Standardisation. As these variables have no power and are dependent on others, they are therefore not considered important; however, they should not be ignored when setting strategies and policies. Finally, according to the MICMAC Matrix, the SMEs/Private Sector variables are classified under three prioritising groups depending on their score and location in the MICMAC Matrix. The following section will clarify the prioritising process.

**Step Five:** Development of Digraph

Mandal and Deshmukh (1994) claim that from the Reachability Matrix the structural model can be structured by means of vertices or nodes and lines of edges known as a directed graph or digraph. The digraph displays the priority and level of importance of a variable. The digraph has three priority levels (high, medium and low). Then, the element descriptions are written in the digraph which is then called the ISM. According to the MICMAC Matrix (Figure 2), the following Digraph illustrates the priority groups and their urgency and degree.

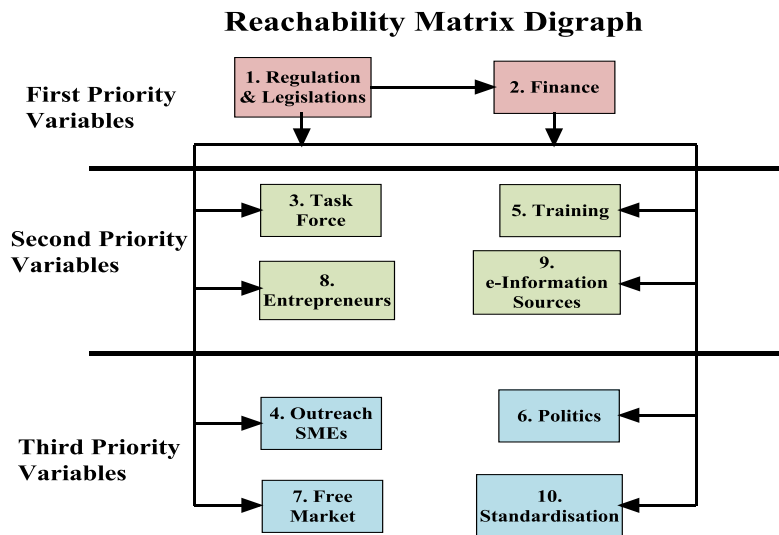


Figure 3: Reachability Matrix Digraph for SMEs

The (10) variables are classified and grouped according to their score/priority as follows:

### 1. First/High Priority Group

The variables in this group include Regulation and Legislations and Finance. These variables have top priority and considered very urgent among others. Decision makers must negotiate them first before they start planning and setting strategies and policies.

### 2. Second/Medium Priority Group

The variables in this group include Task Force, Training, Entrepreneurship and e-Information Sources. These variables are important but less so than those in the First Priority Group although more important the Third Priority Group

### 3. Third/Low Priority Group

The variables included in this group are Outreach SMEs, Politics, Free Market, Standardisation

These are the lowest ranking group in terms of priority, ranking, driving power and dependency. This means that decision makers should consider them with lesser attention when planning strategies and policies the SMEs/Private Sector.

In summary, while planning strategies and policies for SMEs/Private Sector, governments and decision makers must be prepared first to issue the required Regulations and Legislations in order to be able to move forward. These Regulation and Legislations facilitates all other variables in terms of availability, acquiring them, improving performance, and developing a sector within the SMEs/Private Sector. Moreover, it is important for governments and decision makers to provide a good estimated finance in order to set up a realistic strategies and policies for SMEs. All other variables depend on finance and the lack of finance could undermine implementing the SMEs/Private Sector strategies and policies. Thus, Regulation and Legislations and Finance are the starting point and are the top priorities for planning strategies and policies.

The second ranking group of variables is Task Force, Training, Entrepreneurship and e-Information Sources. These variables are also important and affect other variables; however, they are not as important as the first priority variables. They could be both as a driving power along with being dependent upon.

Finally, the last group of variables is Outreach SMEs, Politics, Free Market and Standardisation. These variables are weak and are completely reliant on other variables in terms of driving power and dependency. They can only achieved by the availability of others. Government and decision makers should pay lesser attention to these variables because they are not the major players in strategy and policy planning and setting.

## **6. Conclusion**

The findings of this research reveal that ISM is an effective tool that can be used to prioritise variables and assists decision makers setting successful and sound strategies and policies. The attempt of adopting the ISM in SMEs/Private Sector, like other industries mentioned in literature, has also proven successful and the ISM could be significantly affective in building and improving the performance of the SMEs/Private Sector. It is recommended that ISM could be adopted in all industries to help and assist in setting their strategies and policies. Moreover, it is also important to acknowledge the SMEs Model produced in a previous study conducted by Dawood and Alshawi (2009). The SMEs Model assists significantly in identifying and classifying important variable in SMEs/Private Sector. Therefore, ISM and SMEs Model are both important in assisting decision makers setting successful strategies and policies. The final outcome/result will be significant and would clarify all the ambiguity surrounding the planning process by ranking, prioritising, defining, determining, etc, all variables.

Finally, ISM and the SMEs Model use statistical, mathematical, and simple methods in identifying, ranking and prioritising variables and their relations. This might scare inexperienced users off; however, ISM and SMEs Models are not highly sophisticated mathematical computerised programmes. The mechanisms of ISM and SMEs Models are based on logical and contextual interpretation of the relations among the SMEs/Private Sector variables, therefore users of ISM and SMEs Models need to have some kind of experience in order to be more sufficient using the two models (ISM and SMEs Models) and to get the right result which will be used in setting strategies and

policies. Thus, ISM and SMEs Models users need a little of practice and patience before they become familiar on how to use them.

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