Identification of the Deterrent Factors in the Development of Small and Medium Businesses in Kermanshah

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ABSTRACT

In today's world of economy, the need for entrepreneurship is intensively felt. In fact, entrepreneurship along with small and medium-sized businesses is the engines of the economy. The aim of this descriptive-survey study was to determine the barriers to development in small and medium size businesses of Kermanshah. This nature of the study was qualitative-quantitative with inductive approach, where the qualitative section was conducted using content analysis method and quantitative section with survey method. The population consisted of the experts of small and medium-sized businesses, and sampling was purposive, where ultimately by reaching the theoretical saturation, 15 samples were examined; and in the quantitative part, questionnaires were given to 30 specialists. Deep and semi-structured interviews and questionnaires were used to collect the data needed. In the qualitative part of the study, validity and reliability were examined through proper sample selection and revision of the participants and experts. In the quantitative part, content validity and Cronbach's alpha were used for reliability and reliability, respectively, this was 0.72 for the barriers. After reviewing the interviews, they were coded, based on which 30 open and 5 axial codes were obtained. After that to prioritize the known factors, the extracted codes were given to the experts in the form of a questionnaire in Likert scale. Finally, the results of prioritization of factors based on frequency and Friedman test indicated that among the deterrent factors, organizational weakness and economic failure with 3.93 points and legal failure and functional weakness of the organizations in question with a score of 3.80 were the most important factors inhibiting the development of small and medium size businesses in Kermanshah.

Introduction

Today, the complex and fast developments of recent decades, along with increased population, the reduction of facilities and natural resources available, the emergence of social and economic needs of developing countries have made all institutions and authorities in charge to find a solution to fix this problem. As

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one of the main causes of a problem like that is unemployment, the solutions put forward to solve it globally are called entrepreneurship. From the viewpoint of many economic experts, entrepreneurship, especially in setting up small businesses, is the economic engine that plays a quite different role (Qahfarokhi and Mohebbi, 2015). Small and medium-sized businesses are considered as the ground for achieving development goals, including economic development, so that in economic theories, entrepreneurship activities are of great importance. One of the solutions in eradicating unemployment is small and medium businesses, which are the core of the movement of societies towards the competitive economy and economic development along competitive advantage (Christina et al., 2014). Among the unique functions of small and medium-sized businesses are creating employment, social solidarity, reducing poverty, fair distribution of wealth in the society, training specialist personnel, creating value added and increasing GDP can be mentioned (Mollashahi et al., 2015). Small and medium-sized businesses are also a primary source of job creation and economic growth that bring about diversification and development of the private sector in developing countries (Abdolrahman, 2012), but since the literature on small businesses is very diverse, different definitions have been provided for it in different countries.

These definitions have some differences due to age demographic, and cultural structures, degree of development, and the degree of economic and industrial development that governs each country, which are generally different in the criteria used for business (Derini, 2015). In general, this concept states that, according to the European Unions of Private Enterprises, apart from today, the complex and rapid transformations of recent decades, along with population growth, the reduction of natural resources and resources, and the emergence of existing social and economic needs of developing countries have made all institutions and authorities to find a solution to this problem. As one of the main causes of a problem like that is unemployment, the solutions put forward to solve it globally are called entrepreneurship. From the viewpoint of many economic experts, entrepreneurship, especially in setting up small businesses, is the economic engine that plays a quite different role (Qahfarokhi and Mohebbi, 2015). Small and medium-sized businesses are considered as the ground for achieving development goals, including economic development, so that in economic theories, entrepreneurship activities are of great importance. One of the solutions in eradicating unemployment is small and medium businesses, which are the core of the movement of societies towards the competitive economy and economic development along competitive advantage (Christina et al., 2014). Among the unique functions of small and medium-sized businesses are creating employment, social solidarity, reducing poverty, fair distribution of wealth in the society, training specialist personnel, creating value added and increasing GDP can be mentioned (Mollashahi et al., 2015). Small and medium-sized businesses are also a primary source of job creation and economic growth that bring about diversification and development of the private sector in developing countries (Abdolrahman, 2012). Examining the share of small and medium-sized businesses in employment, creating value added and GDP in the world shows that more than 95% of the employment created belongs to these types of businesses. For example, by the year 1998, in 21 OPEC member states, there were about 40 million small and medium-sized businesses accounting for between 30-60% of their GDP and more than 80% of employment (Haji and

Pasbani, 2011). In Europe, there are more than 16 million companies, less than 1% percent of which form large companies and the rest are small and medium enterprises. Small and medium-sized enterprises are the backbone of the economy in Asia-Pacific region, with 90 percent of the companies having between 32 and 48 percent of employment, and between 60 and 80 percent of the GDP of the countries of this region are for small and medium-sized businesses. The performance of the US economy in recent years has largely been due to the creation of small and medium-sized businesses, accounting for 43 percent of the employment index (Alizadeh Marzanaki, 2010). These businesses form 99.8% of the total firms in Turkey, absorb 76.7% of the investment, but use only 5 percent bank credits (Karpak & Topcu, 2010). In Iran, according to a study conducted by the Institute for Trade Studies and Research in 2008, it was shown that although 99% of the businesses are small and medium-sized enterprises (SMEs), only 17% of the value added of the industry belongs to them (Nasheifar, 2012). Therefore, although some projects such as early-stage companies have been developed to develop and expand SMEs and create employment in recent years in Iran, the existence of legal defects and lack of their proper implementation have prevented the government from achieving its goals in this regard. In Kermanshah, 957 projects and 875 units are related to small industries and 44 are related to medium industries, that is, approximately 95% of Kermanshah industry is SMEs.

Therefore, given the fact that Kermanshah is one of the provinces with high unemployment, special focus on small industries in Kermanshah is of utmost importance (annual conference of Kermanshah economic activists, 2016). The study of SMEs and the factors affecting their development is very important because these enterprises reduce unemployment, increase competitiveness and focus of companies on the core activities and vertical segregation of companies, and the expansion of contracting relationships with suppliers (Bidokhi, 2011). Furthermore, these businesses are the cause of equilibrium in the market, which will increase the company's performance and profitability in long-term, and Kermanshah is considered as one of the major industrial cities in the west of the country, which in turn has a significant impact on the non-oil economy of the country. Kermanshah also has a strategic status geographic location. This province, due to having a long border with Iraq, has a good status in export, so that more than 50 percent of our country's total exports to Iraq is through the border of this province. Having two frontiers and several markets for exports and imports has created situations that the industrial units of the province can profit from to produce and sell, but unfortunately, this is not the status quo (IRNA report, 2016). Thus, according to the above, it is necessary to have a closer look at the failure factors of these businesses. In this regard, the present research attempts to answer the following question: what are the factors preventing the development of SMEs in Kermanshah?

Theoretical Literature

SMEs: The term SME stands for Small and Medium Enterprises, used to define business. In terms of size, these firms are between very large and very small firms, containing all three levels of micro, small and medium enterprises. Small and medium enterprises are also known as innovators and rivals in various economic sectors. SMEs are units that have employed more than 250 million workers worldwide. Although SMEs are similar in many countries in the world,

they still cannot be defined uniformly. The base for defining these units varies from country to country (Trade Research Institute, 2005), generally defined by employment, asset or combination of the two. Sometimes a country may offer several different definitions for SMEs. In other words, these firms have different definitions not only among different countries, but also in different sectors of the economy of a country. According to the definition of the World Bank, SMEs are companies whose number does not exceed 300, and the maximum annual revenue or turnover and their assets are $ 15 million. The International Monetary Fund and the American Development Bank considers SMEs as companies with maximum 100 employees and a maximum income or annual turnover of $ 3 million. Definition of different organizations is not the same for SMEs in Iran. Different organizations, in line with their work requirements, have a different division for firms in size (large, small and medium). Estiri and Moshiri have defined SMEs as independent companies whose number of employees does not exceed a certain amount. This is not fix in different countries and changes according to the characteristics of that particular country (Kazemi and Hosseini, 2015; Vasant, 2003; Edraki, 2008; Salavati Sarcheshmeh et al., 2008). SMEs account for more than 95% of world enterprises. As these units have grown significantly over the last few decades, they have become the first choice among developing and advanced countries. For economies willing to join the global scene, these types of firms can be a good option as they have experienced international markets and are able to compete with firms in other countries (Ganmaga et al., 2000). In addition, SMEs have other features making them the focus of economic activity. Therefore, full support in the economic, financial, legal and political fields reduces the exchange cost of these firms and undoubtedly improves the business climate in the country.

However, in the present study, based on the inquiry, the definition used for SMEs is manufacturing businesses with 1 to 9 workers and businesses with 10 to 149 workers are considered as small and medium enterprises. Here are some of the most important obstacles in Iran's businesses:
1. Market barriers, such as the existence of exclusive purchases, fluctuations in supply and demand, the purchase of raw materials on a scale that leads to rising prices, and so on
2. Financial barriers like, problems with providing bank guarantees, delays in receiving revenue from sales, increase in liquidity pressure on SMEs, and so on
3. Lack of access to a variety of information including: marketing information about domestic and foreign markets, information on the financial situation and technology of SMEs to help investors choose the right business for investment, technical And operational information on sources of supply of raw material for producers and buyers, and so on
4. Government policies, such as the inability to create an empowering environment for SMEs, administrative barriers to obtaining fees, lack of probation cases, and so on (Amid and Gamkhari, 2009)

Review of literature
Rezaei et al. (2011) conducted a study entitled identifying the barriers to entrepreneurship development in companies. This research was conducted to identify barriers to entrepreneurship development in service companies. The study was descriptive-survey. The population was service companies in Zanjan

and 170 people were selected by stratified method. Data collection was done by a questionnaire. The findings of the study indicated that five structural, environmental, psychological, skill and educational factors affect these companies.

In a study, which investigated the factors affecting the performance of small industries from the perspective of rural development experts, lack of capital, the fluctuation of the prices of raw materials for small units, weak management, the low level of education among the applicants for the establishment of small and medium business in the village, the lack of active and efficient industrial associations and disadvantages of rural small industries in the continuous presence of national marketing were the most important factors affecting the failure of Iranian small enterprises (Amin Aghayi, 2011).

Ali Mirzaii et al. (2011) conducted a study entitled "Barriers to Development of SMEs of Rural Entrepreneurs in Khuzestan. The study was applied regarding to identify the barriers to development of enterprises in palm industries in Khuzestan. The predominant research approach was quantitative based on survey. The population of the study consisted of 2 distinct groups, 41 owners of entrepreneur enterprises and 40 experts related to the affairs of these firms, which were counted according to a small number of cases. A researcher-made questionnaire was used to collect data. A number of experienced experts and entrepreneurs confirmed the content validity of the measurement tool and reliability was measured using Cronbach alpha coefficient. The findings showed that in the two groups, the experts had consensus over 17 variables out of the 35 - as barriers to the development of entrepreneurial firms. Based on the results of the factor analysis, agreed deterrents were classified into four factors: infrastructure, marketing, management, and policymaking, which explained 53.94% of the variance of all variables.

Soleimani et al. (2016) conducted a study on the factors driving and inhibiting the establishment of companies at the Center for the Development of Humanities in Ferdowsi University of Mashhad. This study was conducted with qualitative approach and was a case study. All science and technology companies based in Development Center of Ferdowsi University of Mashhad formed the population. A semi-structured interviews and document analysis were used to collect the required data. According to the results, the individual characteristics of entrepreneurs, human resources capacities, organizational support of the university, the appropriateness of the field of study, the innovative idea, the capabilities of the growth center, the internal dynamics, the purposefulness of the team, the experience of group work, and the legal protection were the most important leading factors. Furthermore, the deterrent factors for establishment of companies at the Center for the Development of Humanities in Ferdowsi University of Mashhad were unknown nature of humanities, the weakness of university support, the lack of adequate financial resources, the lack of an interdisciplinary view over humanities, the unsuccessful presence in the market and the weakness of legal protection.

Mahboubi (2016) conducted a study on barriers to the development of mushroom cultivation businesses. The study was conducted to identify the barriers to the development of edible fungal production businesses in Golestan. The research was a survey. The population of the study consisted of 120 business owners who were selected by stratified random sampling with proper appointment of 100 of them. Data collection tool was a questionnaire. The results showed that lack of

familiarity with appropriate advertising techniques, lack of liquidity and lack of adequate capital, lack of unity and organization of sponsor producers, high price of fuel, water, electricity, gas, lack of consulting engineering services, and unhealthy competition among producers are the most important barriers to mushroom production in this province.

Methodology

In terms of nature, this research is qualitative-quantitative (mixed) or a combination of exploratory sequencing. Mixed research is studying a single phenomenon with different methods and dimensions. Of the benefits of mixed research, enhancing the research process, strengthening the reliability, validity, and comprehensiveness of the study and compensating for the weaknesses of a method using the strengths of another method can be mentioned (Adib Hajbagheri et al., 2010). In qualitative-quantitative approach, on the one hand, qualitative methods can provide a deep insight into the perceptions and experiences of individuals in relation to the topic of research (Thomas et al., 2005), and on the other, during data analysis, quantitative data can facilitate the estimation of qualitative data generalizability. Therefore, due to the novelty of the study subject and the lack of information and resources in this regard, a qualitative- quantitative approach was used in this study for comprehensive understanding of the subject matter. For evaluating the validity and reliability of the qualitative section, the appropriate samples and the use of the collaborators approach were used. In the quantitative part, content validity was used and for reliability, Cronbach's alpha was used which was 0.72.

In the present study, both qualitative and quantitative methods are used to collect information and data. The research approach is from qualitative and quantitative and exploratory. Thus, by using the results of the qualitative section, one can plan the quantitative part (Adib Hajbagheri et al., 2010). At first, using the qualitative method, the purpose was examined, then, using qualitative analysis and content analysis, the data from the qualitative method were designed in a questionnaire format and given to experts and sample, so that the priority of each element identified in the qualitative section was detrmiend using SPSS 22 and Friedman test. Moreover, based on data collection (research design), this research is descriptive (non-experimental), and the main method used in this research is exploratory (Sarmad et al., 2008). In the field part, data collection was done using deep and semi-structured interviews. In the quantitative section, a questionnaire with Likert scale was used to prioritize factors derived from the qualitative section (interviews). The present study has two populations, including SME owners for qualitative study, and SME experts of Kermanshah to carry out the quantitative part. The sample in this study was the experts, professors and owners of SMEs, and the study of samples in the qualitative section continued until theoretical saturation, and theoretical saturation was achieved by studying 15 samples. In the quantitative part, a researcher-made questionnaire was given to of experts with sufficient experience and expertise in SMEs. Therefore, since the questionnaires were completed by experts, it was not necessary to have a large sample size for prioritizing the identified factors, and samples were 30 experts in the quantitative part.

According to the subject and the research objectives, the research method in the qualitative section was inductive content analysis; and in the quantitative

section, it is survey. In inductive content analysis, the researcher used Strauss and Corbin method. Finally, to prioritize the identified factors in the field of SME development in Kermanshah, after completing the coding steps, a questionnaire was developed using Likert criteria and categories and given to the same to determine the importance of each of the categories. Finally, using SPSS software and entering the data of the questionnaires, and by conducting the Friedman test, the priority and average importance of each category were determined by the experts of SME development.

In addition, in order to investigate the validity and reliability of the present study, the common practice in qualitative research was used which is selecting the appropriate samples, which a basic step in the validity and reliability of the data in qualitative research. In this research, we tried to choose those people as examples that had the most comprehensive coverage over the subject.

Review by participants and experts:
For this purpose, some parts of the text of the interviews, along with the codes and classes obtained were given to the participants and experts to verify the correctness or modification of the data and codes extracted.

In the quantitative section, content validity method was used to investigate the validity of the research tool. The questionnaires were given to a number of university professors and relevant experts, and by getting their views and opinions; we attempted to correct and resolve the ambiguity of the questions of the questionnaire and to verify their validity.
The reliability of the questionnaire is one of the technical characteristics of the measuring instrument. The concept mentioned means to what extent the measuring instrument would achieve the same results under the same conditions. One of the most commonly used indicators for confirmation of reliability is Cronbach's alpha, whose formula is as follows:

$$R = \frac{K}{K-1}[1 - \frac{\sum Si^2}{S^2}]$$

In this formula, K is the number of questions, S^2 is the total variance of the test and S_i is the variance of each subtest. The closer the value of Cronbach's alpha index to one is, the more the degree of homogeneity among the questions is.
In this research, after verifying the validity of the questionnaires and making corrections, Cronbach's alpha was evaluated to confirm their reliability. The alpha of the questionnaire for deterrent factors was 0.72.

Findings
For better match of the data obtained, the encoded data in each category of the inhibitory factors were compared by integrating the same items (axial coding) and some classes with new concepts were created. Moreover, by examining the interviews and the frequency of each of the concepts, frequency and percentage of each class were calculated.
Based on an analysis of the data collected, the deterrent factors that hampered the development of SMEs were 31 items that were referred to as open coding. Then these 31 items were classified in 5 main sub-themes including "The lack of necessary support and inefficient governmental and organizational support" with 5 open codes, "legal and operational failure of relevant organizations" with

9 open codes, "skill and technical weakness" with 4 open codes, "organizational weaknesses and economic failure" with 5 open codes, and finally "production, distribution and sale cycle problems" with 8 open source codes. The reason for this classification was the conceptual relationship of open codes to each other. Regarding these factors, one can say that the open codes "lack of proper support of the government and organizations for manufacturing activities" in the sub-domain of "lack of necessary support and ineffective support government and organizations" have the highest priority. Moreover, open codes "administrative bureaucracy," "lack of coordination between organizations" and "lack of regulatory organizations and appropriate program for importing products," in sub-domain of "legal and operational failure of relevant organizations" and open codes "carrying out some activities whose knowledge is not available in Iran have the highest priority. In line with these, the following had the highest priority "there is no infrastructure necessary for the implementation of imported knowledge" in the sub-domain of "skill and technical weakness," in the open code "extending the time of granting facilities by the banks" in the subdomain "organizational performance weaknesses and economic failure" and the open code "difficult access to raw materials" in sub-domain "production, distribution and sale cycle problems" . Open code "non-payment of state subsidies to activities" in sub-domain "the lack of necessary support and ineffective governmental and organizational support," the open code "the existence of unfair taxes" and "deficiencies in Iranian labor laws" in the sub-domain "legal and operational failure of relevant organizations" have the lowest priority. Furthermore, the open code "lack of knowledge in resource consumption" in sub-domain "weakness of knowledge and skills," open code "limited opportunity in repayment of the loans," "no fixed price for products" and "lack of sufficient income" in sub-domain "poor performance of organizations and economic failure" and the open code "stagnant market of sale" in sub-domain "problems of production cycle, distribution and sale" have the lowest priority [Table 1].

Table 1: Wide classes of axial encoding of deterrent factors

Open codes of deterrent factors	Total frequency	Percentage of total frequency	Extended class
Lack of support from associations and cooperatives	8	0.22	Lack of support by government and organizations and inefficient support
Lack of proper government and organizations support from manufacturing activities	9	0.25	
Hindering by some organizations, such as the Department of Labor and Insurance	6	0.17	
Failure of the authorities to address problems of production sphere	7	0.20	

Non-payment of government subsidies to activities	5	0.14	
Administrative bureaucracy	4	0.18	Legal and operational failure of relevant organizations
The existence of unfair taxes	1	0.04	
Instability of laws in Iran	2	0.09	
Failure to consider standard for products	2	0.09	
Lack of crisis management at the time of disasters and accidents	2	0.09	
Lack of coordination between organizations	4	0.18	
Absence of controlling organizations	4	0.18	
No monitoring and program suitable for importing the products	2	0.09	
Theoretical knowledge of people	3	0.25	Technical and skill weaknesses
Lack of knowledge in consuming resources	1	0.08	
Conducting some activities without their knowledge in the country	4	0.30	
Infrastructure necessary for the implementation of imported knowledge is not available	4	0.30	
Limited opportunity to repay the loan	2	0.09	Organizational weaknesses and economic failure
Non-determination of specific price specification for products	2	0.09	
Lack of sufficient income in business	2	0.09	
Prolonged granting of banks' loans	9	0.42	
High interest on bank loans	6	0.28	
Problems in access to raw materials	7	0.31	Problems of production, distribution and sales cycle
Losing the sales market due to the changing taste of customers	3	0.13	
The abandonment of	2	0.09	

manufacturing work due to age and reduced physical activity and familial problems			
Market volatility during sales	2	0.09	
The stagnation of the product market	1	0.04	
Unhealthy competition	3	0.13	
Low partnership between manufacturers	4	0.18	
Early retirement of skilled and experienced workers	2	0.09	

Here, a table with a summary of the axial and open codes with the highest and the lowest priority is presented **[Table 2]**.

Table 2: The summary of the axial and open codes of deterrent factors

Sub-domains	The highest priority	The lowest priority
Lack of support by government and organizations and inefficient support	Failure of the authorities to address problems of production sphere	Non-payment of government subsidies to activities
Legal and operational failure of relevant organizations	Administrative bureaucracy	Unfair taxes
Technical and skill weaknesses	Infrastructure necessary for the implementation of imported knowledge is not available	Lack of knowledge in consuming resources
Organizational weaknesses and economic failure	Prolonged granting of banks' loans	Limited opportunity to repay the loan
Problems of production, distribution and sales cycle	Problems in access to raw materials	The stagnation of the sales

Prioritizing the deterrents to SME development based on Friedman test

As previously mentioned, after interviews, based on content analysis and open coding, each of the deterrent and deriving factors for the development of SMEs in Kermanshah was determined as an initial (open) code. Then each of these codes was categorized according to their similarities in groups called extended categories (axial code). In order to prioritize and determine the significance of each of the factors, the results of the previous step were presented to experts and entrepreneurs in the field of business and entrepreneurship in the form of a questionnaire with 5 categories in Likert spectrum. To determine the

significance of each of the factors, the information obtained from the questionnaires was entered into SPSS software to determine the priority of each of the factors using Friedman test. Friedman test is a nonparametric test, equivalent to the analysis of variance with repeated measures (in-group), used to compare the mean of rankings among k variables (groups). Using this test, the means of importance of the variables (here, the deterrent factors) are compared and examined, and if the difference in the scores of the variables (factors) is significant, which variable has the highest score and which one lowest. In Friedman test, H0 is based on the equal mean of rankings among the groups. The rejection of the zero assumption means that at least two groups have a significant difference among the groups. Therefore, if H0 is rejected, one can understand the difference in the importance of the variables (factors), and the variable with the highest score will have the highest priority among the variables (factors).

The mean of ranking (rating) of the open codes for the deterrent factors to development of SMEs in Kermanshah is based on the Friedman test. According to the output of software, one can see Chi square statistic with 56 degrees of freedom and the significant level of the test P-Value with zero value, which indicates that H0 (no significant difference between the variables tested or open codes) is rejected. Therefore, according to the aforementioned, each open source is uneven in importance for experts. Based on average scores, unhealthy competition with a score of 40.05, prolongation of the time of granting facilities by banks with a score of 36.62, and the hindering by some organizations, such as the insurance and employment office with a score of 36.05 are the most important factors. These factors are the prior ones in deterring the development of business in this region [Table 3].

Table 3: Prioritization of open codes of deterrent factors

Row	Deterrent factors	Mean	Prioritizing
1	Lack of support from associations and cooperatives	25.95	20
2	Non definite price for products	24.33	22
3	Failure to consider standard for products	29.70	13
4	Insufficient income in short term	32.62	8
5	Administrative bureaucracy	26.27	18
6	The existence of unfair taxes	31.23	10
7	Hindering by some organizations, such as the Department of Labor and Insurance	36.05	3
8	Non-granting government	32.35	9

	subsidies to entrepreneurial activities		
9	Early retirement of skilled and experienced workers	18.87	26
10	Theoretical knowledge of people	35.92	4
11	Instability of laws in Iran	29.30	12
12	Lack of knowledge in consuming resources	28.32	14
13	Low partnership between manufacturers	29.85	11
14	Conducting some activities without their knowledge in the country	15.75	30
15	Infrastructure necessary for the implementation of imported knowledge is not available	30.37	12
16	Lack of proper coordination among organizations	26.13	19
17	Problems in access to raw materials	25.28	20
18	Prolonged granting of banks' loans	36.62	2
19	The stagnation of the product market	34.53	6
20	Unhealthy competition	40.05	1
21	Losing the sales market due to the changing taste of customers	18.20	27
22	The abandonment of manufacturing work due to age and reduced physical activity and familial problems	17.73	28
23	Great fluctuation during sales	19.47	25
24	Lack of crisis	26.23	17

	management at the time of disasters and accidents		
25	The absence of controlling organizations to monitor the production chain	17.58	29
26	Failure to handle the problems of the manufacturing sector	20.02	24
27	Lack of proper government and organizations support from manufacturing activities	26.60	16
28	Limited opportunity to repay the loan	32.88	7
29	No suitable monitoring and program for importing the products	34.55	5
30	High interest on bank loans	24.33	23

The mean of ranking (rating) of the axial codes (extended classes) based on the Friedman test, as well as the minimum and maximum scores of the codes are given. Regarding the output of the software in **[Table 4]**, one can see that Chi square statistic with 9 degrees of freedom, as well as the significance level P-value test zero, indicating the rejection of H0 (no significant difference between the variables tested or the axial code). Therefore, according to the aforementioned issues, each of the axial codes is unequal in importance according to the experts. According to **[Table 5]** and mean scores, the deterrent factors organizational weakness and economic failure with 3.93 scores and legal failure and functional weakness of relevant organizations with 3.40 points are the most important factors preventing the development of SMEs in Kermanshah, which is seen in the table below.

Table 4: Friedman test of axial code

Frequency	30
Chi-square	239.129
Degrees of freedom	9
Significance level	0.000

Table 5: Prioritization of extended classes of deterrent and driving factors for business development

Items related to the extended classes	Code of the extended classes	Means score	Prioritization
Lack of support by government and organizations and inefficient support	C1	3.10	3
Legal and operational failure of relevant organizations	C2	4.70	2
Technical and skill weaknesses	C3	2.85	4
Organizational weaknesses and economic failure	C4	6.85	1
Problems of production, distribution and sales cycle	C5	1.90	5

Conclusion

Today, in many countries, SMEs are playing a role in various social aspects, industrial production, and service provision; and in many countries, these are the main suppliers of new employment, the cradle of innovation, and the leading advancement in technology. On the other hand, with significant export, these enterprises play a significant role in the development of the economy of the countries with significant exports, so that today almost all countries try to develop these enterprises in their industrial structure. Existence of environmental challenges and changes in management processes have also highlighted the role of these institutions and institutionalized the policy of making small, outsourcing activities, restructuring, reengineering, and in particular the promotion of entrepreneurship in the field of globalization, accelerating the establishment of SMEs (Svetlicic et al., 2007). Given the current situation of Iran and the lack of incentive to invest in large industries by the private sector, on the one hand, and plans to reduce state ownership of economic affairs, on the other, it seems that helping the survival of SMEs and paving the path for launching new units by potential entrepreneurs are of the effective ways to mobilize productive activities, to meet the needs of society, to become more involved in global markets, and to reduce the problems caused by the unemployment in Iran (Shayeqi, 2007). Despite the above advantages and the government's assistance to these industries, SME units face many problems in playing their expected role in the country's economy, competing with similar industries abroad and large domestic industries, as well as the acquisition of competitive advantage needing serious presence in global markets. In spite of great presence of SMEs in the industrial structure (about 95%), these units face problems and small enterprises of Iranian have not had a comparative advantage over large firms in industrial development and economy of the country. Moreover, the marketing power of these firms for selling their products

is relatively weak due to insufficient knowledge of market needs in all parts of the country as well as overseas markets, so these companies face the problem of lack of demand for their products, which is effective in reducing sales and profits (Fattah, 2007). Considering the mentioned points and the importance of SMEs in the economic and social development of a country, it was deemed necessary to examine the deterrent factors of these businesses, and, given the results; some strategies were presented for the development of these activities. Therefore, by recognizing these factors and providing appropriate strategies for the development of these activities, one can take a great step in offering proper solutions towards the progress of the study area.

In response to the question of what the deterrent factors of the development of SMEs in Kermanshah are and what factors have a higher priority, after reviewing the interviews and extracting the exact codes, we carried out the coding and categorizing these codes into classes that share the same concept. The components of these factors were classified into five groups, and subsequently, the factors of SMEs and subgroups of each factor were presented. These factors included lack of necessary support and ineffective government and organizations support (with 5 subgroups), legal and functional deficiencies of relevant organizations (with 9 subgroups), skill and technical weaknesses (with 4 subgroups), organizational functional weaknesses and economic failure (with 5 subgroups), and production, distribution and sales cycle problems (with 8 subgroups).

Primary prioritization was done according to the texts of the interviews, and by counting the number of axes and sub-dimensions obtained, the primary weighing took place. The final prioritization was also done using Friedman test. To determine the importance of opportunities and compare the significance of variables, in the form of a questionnaire, the variables were given to 30 experts for weighting and determining the final priority, whose information from Friedman test were entered SPSS 22, which was described in detail in the fourth chapter. The results of this test on open codes rejected H0, meaning that according to experts, open codes are unequal in importance. In the prioritization that was conducted based in the interview texts, open codes of inadequate support by government and organizations, administrative bureaucracy, lack of infrastructure necessary for the implementation of imported knowledge, the prolongation of the time of granting loans, difficult access to raw materials had the high priority in deterrent factors. Moreover, the open codes of non-payment of government subsidies to activities, open codes of unfair taxes, lack of knowledge of resource use, limited opportunity in repaying loans, and the stagnation of the market had the lowest priority for business owners and professionals. In the next stage, where prioritization was done based on the Friedman test, the mean scores showed that based on average scores, unhealthy competition with a score of 40.05, prolongation of the time of granting facilities by banks with a score of 36.62, and the hindering by some organizations, such as the insurance and employment office with a score of 36.05 are the most important factors, indicating the great importance of these factors in deterring SME development. In interviews with entrepreneurs, they stated that banks provide facilities too late and with hindering rules and regulations, organizations stop their development of activities. According to entrepreneurs, these reasons are indicative of great importance of these barriers that can play a significant role in the lack of development of these activities. This section of the

results was consistent with the results of Soleimani et al. (2016), Khoshnudifar et al. (2010), Mahboobi (2016), Amin Bidokhti and Zargar (2011), Rezaei et al. (2011), and Amin Aghaei (2008).

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