

Empirical Analysis of ICT Constraints Affect the Performance of Small & Medium Enterprises in Pakistan

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Abstract: The purpose of this paper is to examine the Information and communication technology (ICT) challenges are being faced by the small and medium enterprises (SMEs) in the service sector of Pakistan. Quantitative research methodology is adopted by using the close ended questionnaire as a data collection tool. For the purpose of this study, nine challenges which are well documented in the literature being faced by the service industries in Pakistan are hypothesized. Out of these nine challenges, six are being accepted; however, three are rejected in the light of the responses received from the stakeholders. The accepted assumptions are unavailability, complexity of technology, limited speed of broadband, unskilled staff, frequent disconnection, and incomplete online payment process evaluated, those variables significantly influence to the performance & growth of SMEs in Pakistan. On the other hand, the results also indicate that affordability, lack of trust and cyber threats assumptions rejected. Since all these variables categorized in to three main factors i.e are ICT access, ICT infrastructure, and ICT securities. Additionally, the results indicate that these three factors are significant influenced on the performance of SMEs. Finally, findings of this study suggest that government need to empower ICT infrastructure on the basis of regional uniformity, and provide flexible policy regulations for creating strong bridge between SMEs and ICT, so that to minimize challenges and can contribute more in the development of country.

Keywords: ICT, SMEs, Challenges, Enterprises, Performance & Growth.

INTRODUCTION

After the rapid ICT revolution in the last two decades, ICT has become a bite of meal throughout the world. ICT revolution has created new amazing avenues and opportunities for individuals, groups of people, enterprises, corporations even small and medium scale business units as well as for them who are exist in less privileged areas. To retain the competitive capabilities of organizations, ICT become as appropriate tool to develop idea based society. This idea based society provides platform for business individuals to transform their ideas in to new business opportunities. This phenomenon gives birth to Entrepreneurs and entrepreneurs are the knowledge workers in the society. Such type of models have already been implemented in the developed countries and are being beneficial from entrepreneurship like pay off jobs, remunerative incentives and good quality life [27]. For the economic development, knowledge based society is a suitable environment for small and medium scale firms to adopt and can improve their business growth. To promote entrepreneurial activities in the country, SMEs need ICT as a supporting tool [28]. Since SMEs are much

flexible as compared to the large scale firms to adopt the dynamic environment for their rapid growth and also could make a bridge in between SMEs and ICT [29].

No doubt, in developing countries, entrepreneurship is an emerging concept which is heavily based on ICT, this could assist SMEs to enhance their business, promote their business activities and sustain their development finally contribute in the GDP of country. In addition to that SMEs in both developing and developed countries are also struggling to integrate entrepreneurial procedure in their firms, so that they can quick transform new ideas in to new business opportunities. SMEs are basic and small elements which play a critical role in the economic development of countries provide handsome opportunities of employment eliminate poverty ratio, contribute GDP. In case of Pakistan SMEs contributes about 40% of share in GDP, 25% share in exports and 78% share in employment. Since the independence of Pakistan up to 1990, government continued to facilitate business activities of only large scale firms, and ignored

the small scale business units [12]. After 1990, government realized the importance of SMEs and in 1998 formulates an authority namely SMEDA (Small and Medium Enterprises Development Authority) in order to facilitate and monitor the activities of SMEs in the country. Over the years, SMEDA actively participated in the development of SMEs and put valuable suggestions to government and get approved sanctions of various programs, schemes, projects etc for the growth of SMEs sector.

Recently, SMEs are become basic economic elements to overcome the economic challenges, provide drastic contribution in employment and accelerate business activities [19]. But in this digital knowledge society, SMEs needs to develop competitive ICT model that help them to sustain their growth, to shift from conventional methods to ICT based [25]. In-fact, in this digital era, the survival of SMEs depends on various ICT factors like infrastructure, workforce, securities, access etc. Although ICT become blood vessels to SMEs and SMEs are backbone of national economy. Therefore, those SMEs which are do not adopt timely ICT applications will be left behind and could not survive easily.

Pakistan is a developing country and dense populated region facing bundles of hurdles like shortage of electricity, unstable political system, energy crises, insecure environment, and slow adoption of ICT. These factors generally affect to the development of country, declined economical ranking, and minimized FDI, resist business activities out of boundaries. In order to overcome these challenges, government needs to control the situation in an effective manner, control law & order situation, to enact flexible policies specifically for small and medium scale business units, which are very important entities in the country. In addition to that

create strong bridge in between ICT and SMEs, so that SMEs could yield more in the development of Pakistan. Definitely, SMEDA struggling for SMEs, but yet not give any regulatory recommendation to government for smart use of ICT in the sector. Therefore being a developing country Pakistan has number of ICT challenges are, which effect on the core economic elements inside the country like SMEs.

LITERATURE REVIEW ICT Status of Pakistan

The first IT policy for Pakistan was drafted in 1998 and government started investing on human resources development, infrastructure, and software & hardware industry development. In 2004, government formulated broadband policy which should have to revise in 2009, but unfortunately the same was not done. Later on in 2012, the national ICT policy designed that mainly focused on access, awareness, security of ICT which improved in ICT infrastructure and number of user increased. Penetration of broad band leaps from 3% to 15% during 2012 to date (MOIT). December, 2015 United Nations declared a report about ICT development Index, which defined the ICT development indexing of almost 166 countries in the world. This report presents Pakistan 143rd ranking amongst the nations who are developing their ICT sector. Furthermore, report also described that Pakistan decreased their ranking from 138th level in 2010 to 143rd in 2015. Information & Telecommunication Union ITU prepared such report on various indicators such as access to ICT, usage and skills etc. Additionally, it is also observed from ITU report 2015 that being a developing country Pakistan has an experienced an averaged improvement of 0.72 in their ICT Development Index value over the period of 2010-2015.

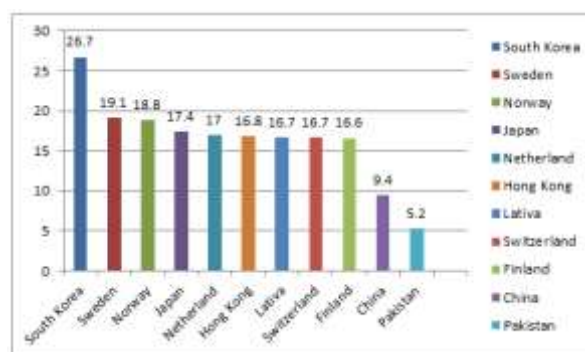


Fig-1: Average Broad Band Speed data of countries (Data Taken from ITU, 2015 report)

Figure 1, shows that, Pakistan has lowest average rate of broad band speed, moreover Pakistan is facing number of ICT challenges which directly effect on the economic development of the country. Since

economic development of Pakistan heavily relied up on the contribution of SMEs and in this digital divide SMEs needs strong relationship with ICT services.



Fig-2: ICT status of developed & developing countries

Fig. 2 presents ICT status, usage and capabilities of three countries, out of these one is developed, second is developing and third is least developing country. Although World Economic Forum measured ICT status of around all countries by various indicators just as regulatory environment, business & innovation environment, ICT infrastructure, affordability to buy latest technology, ICT skills, ICT usage in business & government organizations and impact results of economics & social. For figure 2, data has been taken from their latest report published in 2015-16, that shows Pakistan as less developing country having very limited ICT infrastructure and ICT usage; however, affordability to buy new technology is fairly good as compared other countries. Usage in business and government organizations is relatively applicable, because organizations are very keen to adopt new solutions for their business as they can improve their business processes and expand their business.

Importance of SMEs in Pakistan

In Pakistan, the total number of small & medium scale business units are estimated around 3.2 million, along with the contribution to the national gross domestic product (GDP) evaluated around 40%. In addition to that total exports share of 30%, SMEs are wide spread in over all the Pakistan with a major portion existed in Punjab i.e(65.4%). The share of Balochistan in the country's SME sector happens to be the smallest (2.3%) while those of Sindh and Khyber-Pakhtunkhwa are 18% and 14.3%, respectively. Overall 99% of economic establishments are SMEs while the shares of SMEs in India, Malaysia and China are 80%, 90.2%, and 99% respectively. In terms of its contribution to the GDP, Pakistan's SME sector is ahead of India's (17%) and behind China's (60%) and Japan's (55%). However, in terms of total goods exported, Pakistan's SME sector has a share of 30%, which is less than those of India (40%), China (68%) and Japan (38%). In terms of non-farm employment, the share of Pakistan's SME sector is 80%, which is less than China's (82%) but higher than India's (35%). SMEDA chairman said that low technology base, lack of access to finance, lack of market information, limited skill development opportunities, regulatory hurdles and low value addition are the major impediments in the SME sector's growth in Pakistan [26].

ICT Challenges

There are two types of challenges, the first consist on the current existing hindrances created by the use of available technologies and second based on the situation required improvements. This study focused on the existing ICT problems in the present scenario of SMEs. Utilization of ICT among business of all size has become very broad and organizations are in dire need to adopt more flexible and appropriate technology, because ICT affect organizations and significantly impact on their growth, performance, expansion and capture market. Furthermore, ICT help enterprises to improve their efficiency, increase speed and reliability of business communication, building close relationship among all stake holders, empower their customers, almost ICT is to be considered best tool in each domain of organizations.

Despite these benefits, organizations whether these are small or in medium scale in nature are facing number of different ICT problems. To probe further about ICT challenges in the context of small and medium scale business units' relevant literature has been reviewed that helped to constitute the conceptual model of this study. ICT challenges are being faced by both developed and developing countries, but developing countries are affected more as compared to developed. Poor telecom infrastructure, unskilled staff, ineffective diffusion of ICT in to business process, high cost of ICT equipments and ICT regulations are hectic challenges for SMEs of Ghana [24]. In another study researcher identified the complexity of technology is more serious issue for SMEs, as these organizations have less skilled IT workforce [9]. Therefore, to overcome this kind of issues, the top level executives should be well aware and IT skilled personality is mandatory. Improper of government support, ICT weak securities, in-completed legal system, ICT risk are the resisting factors for SMEs [7]. Furthermore, inadequate transportation & delivery, limited diffusion of IT, lack of online payment process, limited banking support and uncertain taxation rules hinder the performance of SMEs [5]. Moreover literature revealed that cost, availability of ICT infrastructure, government support, cybercrimes, banking supports are determinant challenges in Nigerian SMEs. Although above factors reflected that there have been many studies have already been conducted on ICT problems in SMEs, but

in the case of Pakistan such type of study yet not been found. Therefore, this study attempts to add in literature by identifying ICT problems in SME sector of Pakistan.

Conceptual Model

ICT utilization and adoption in the organizations depend upon the type of firms, business nature, size of company, personnel interest of decision makers, environmental pressure, technological motivations etc. But the large corporations or enterprises are more eager to diffuse new informative & communication technologies, so that could compete in

global market, in addition to that these large scale firms are more stable to invest for latest & sophisticated ICT applications, while small and medium are slow adopters. It is also believed that emergence of new opportunities usually taken birth from small business firms and these small business firms are mostly remain affected by various challenges, where ICT challenges considered more critical and having influenced on their productivity. In order to probe further about ICT hindrances in the SMEs of Pakistan, this study is being conducted in the Service Sector of the country.

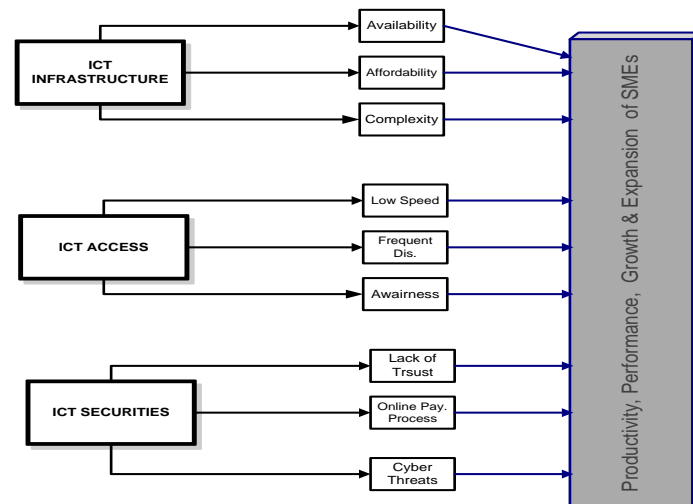


Fig-3: Conceptual Model of ICT Challenges Faced by SMEs. (Modified by Author)

Fig. 3, presented the conceptual model prepared for this study, basically this model expressed the casual relationship of dependent and independent variables. On the basis of relevant literature the model has been formulated. In this regard several studies have been reviewed of different developed and developing countries. For this study, ICT factors such as infrastructure, access and securities has been categorized in to nine sub factors. In the following section the independent factors has explained in detail.

ICT Infrastructure

ICT infrastructure refers as independent variable which has consisted on availability, affordability and complexity of technology. Availability of technology refers to high speed of networks, heavy duty databases, sophisticated applications and dynamic websites are the elements that can easily transforms from conventional system to an online business operation. Availability of sophisticated technology minimize the operational process of the firms, speed up the activities, provide frequent environment for data storing & retrieving and enhance the business boundaries. The relative advantage of technology raises the probability of that organization in terms of performance and growth. Then affordability of technology refers to purchasing power of the firms including software, hardware, networks, hire skilled work force for upgrading and maintaining the

technologies. Investing in ICT for SMEs might be perceived as additional capital investment and big challenge as SMEs have limited resources. High cost of acquisition and maintenance of ICT is a serious issue that had continued hampered adoption and implementation of ICT [11]. ICT infrastructure primarily depends upon good quality of electricity [2], which is a major serious issue in Pakistan since last decade. There are limited resources with SMEs to equip ICT infrastructure. Furthermore, the complexity of technology is also considered as a factor that influenced on SMEs. Usually upgrading, maintaining and using advanced technologies remain confusing and time consuming, therefore SMEs are avoiding to shift from manual to online oriented business, the above explanations lead to formulate the following hypothesis.

- H1. Availability of technology positively influence on the performance of SMEs.
- H2. Affordability of technology positively influence on the performance of SMEs.
- H3. Complexity of technology negatively influence on the performance of SMEs.

ICT Access

Access to ICT is still remaining major challenge specifically for those SMEs which exist in

rural areas of the countries. In this study, ICT access has been classified in to three main factors i.e are limited speed of broad band& data capacity, unskilled IT workforce and frequent disconnections from networks or ISPs. Limited speed and capacity of data usage affect the informal procedures of business. SMEs usually victimized by slow speed, frequent disconnections of net services and limited capacity of data usage. Presently in Pakistan there is not more than 6 MB/S average speed of broad band, however in developed countries reached up to 26 MB/s like in Korea and Singapore. Then the lack of awareness of IT staff also caused in SMEs, small scale firms usually have limited staff and resources to hire qualified individuals to operate the dynamic technologies for their firms. Since last decade Pakistan also improved their literacy rate along with IT literate ratio, but SMEs like to operate their business by traditional methods. SMEs are yet not able to invest for hi.fi training for their employees hence this create gap of awareness in ICT skilled staff. The third sub factor of access to ICT is high cost of networks. To establish the personal enterprise networks like VPN, intranet culture or extranet platform, SMEs need enough ICT investment which is not possible for them. However, the large enterprises are much better to get better ICT access in almost all domains. The above explanations again lead to formulate the following hypothesis.

H4. Limited Speed and capacity of BB negatively influence on the performance of SMEs.

H5. Lack of skilled IT work force negatively influence on the performance of SMEs.

H6. High cost of ICT service negatively influence on the performance of SMEs.

ICT Securities

In the ICT domain, security issued remains very complex and ambiguous in nature. Globally large firms are committed to manage risk associated with ICT assets and trying to reduce security incidents. But the SMEs could not do better as they have several problems to maintain ICT assets. In this study, security issued divided in to three sub factors i.e are lack of trust, improper online payment process, and cyber threats. Since the revolution of ICT and wide spread use of internet the so called “Cyber Crime” have increased in over all the world. Activities such as identity, theft, credit card frauds, phishing, intellectual property infringements become more and more popular which create lack of trust among the customer’s suppliers. Unfortunately, in jurisdiction realms of Pakistan, the role of law against cybercrime is still inadequate. Aforementioned problems are serious issues which impact up on proper online payment process. The reputed financial firms are mostly avoiding playing role as third party for online payment process for small and

medium scale firms. Organizations as well as individuals also remain in stress from hacking threats. Hacking affect firms in a variety of ways some universal, other specific to nature of reasons. Due to minimum available of security applications and expensive in nature SMEs could not afford to maintain the ICT securities. The given elaborations lead to propose following assumptions.

H7. Lack of trust negatively influence on the performance of SMEs.

H8. Improper Online Payment Process negatively influence on the performance of SMEs.

H9. Cyber threats negatively influence on the performance of SMEs.

METHODOLOGY

This research aims to investigate the ICT challenges faced by SMEs, for that quantitative paradigm has been employed. In the first phase, relevant studies of both developing and developed countries have been reviewed to dig out the current ICT challenges in SME’s domain those affect to the performance, growth and productivity of the organizations. This lead to design the questionnaire, later on the research instrument was pre-tested with thirty-five respondents sampled from the target population of this study. Targeted population for this study were Owners, Managers, Top Level executives and IT specialist staff of SMEs in the service sector of Pakistan, because those groups dealt with the use of ICT and decision making for adoption of technology. Close ended questionnaire has been distributed to the head of SMEs, Managers, through Online Monkey Survey service, via emails and couriers. This technique has been selected due to convenient, cheaper and fast method than others. The instrument designed for ICT hindrances those probably have impact on the performance of SMEs.

Sampling & Data Collection

Total 652 questionnaires were being distributed among the Owners and Managers of SMEs of Pakistan via emails and also posted on website of Online Survey Service. Out of that 164 emails were bounced back due to incorrect of email addresses and insufficient mail domains. In the first round only 91 respondents positively replied, out of that 06 responses were discarded due to incomplete data sets. While in 2nd round again questionnaire was being sent to remaining stakeholders via gentle reminder and further requested/contacted through phone calls and sms service, the total 178 responses collected. In the last round by final gentle reminder sent to participants, and becomes successful to collect 219 responses more, the following table shows the response rate of the participant.

Table-1: Summary of participant

| Response Ratio of Participant | |
|---------------------------------|--------|
| Total questionnaire distributed | 652 |
| Bounced back | 164 |
| Total questionnaire returned | 488 |
| Discarded questionnaire | 24 |
| Usable questionnaire | 464 |
| Net rate of response | 71.16% |

MEASUREMENTS AND ANALYSIS

Nine assumptions as ICT challenges have been constructed in this study consisting up on three main factors.: lack of ICT infrastructure which had measured by availability, affordability and complexity of technology, the second factor constructed as access to ICT, which had measured by speed, capacity and skilled IT workforce, and the third factor constructed as ICT securities which had measured by lack of trust, incomplete online payment process and cyber threats. Although all these perceived challenges have impact on the performance of SMEs. These constructs were measured with multiple items, using a five-point Likert-type scale with anchors ranging from 1 ('Not at all') to 5 ('very often'). All the assumptions were extracted from previously-validated scales. In order to analyze and validate the data, statistical measures have been

used to test the assumption as given in aforementioned section of this study. Due to quantitative in nature, this study involved on empirical investigation, this approach shall examine the relationship between dependent and independent variables.

RESULTS

To examine, the casual relationship between dependent variable and independent variables, multiple regression technique has applied. In the early phase of regression, normality has also been measured concerning about data outliers which confirm the data is suitable for regression analysis. Moreover, the reliability of the data has also been calculated through Cronbach alpha and found entire data set is reliable for regression purpose. The following tables present multiple regressions out puts.

Table-2: Reliability Statistics

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .867 | 9 |

Table-3: Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .690 ^a | .476 | .442 | .68388 |

a. Predictors: (Constant), Cyber threats, Lack of Infrastructure, Lack of trust, High Cost, Limited Speed, Complexity, In-complete Online Payment Process, Unskilled Staff, Frequent Disconnection

Table-4: ANOVAa

| | Model | Sum of Squares | df | Mean Square | F | Sig. |
|---|------------|----------------|-----|-------------|--------|-------------------|
| 1 | Regression | 57.880 | 9 | 6.431 | 13.751 | .000 ^p |
| | Residual | 63.606 | 136 | .468 | | |
| | Total | 121.486 | 145 | | | |

Table-5: Coefficientsa

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|------------------------|-----------------------------|------------|---------------------------|--------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 5.224 | .488 | | 10.714 | .000 |
| | Lack of Infrastructure | -.530 | .165 | -.343 | -3.223 | .002 |
| | High Cost | .014 | .120 | .011 | .119 | .905 |
| | Complexity | .720 | .147 | .592 | 4.885 | .000 |
| | Limited Speed | .447 | .177 | .396 | 2.526 | .013 |
| | Unskilled Staff | -.488 | .178 | -.445 | -2.737 | .007 |
| | Disconnection | -1.191 | .200 | -1.088 | -5.966 | .000 |
| | Lack of trust | .198 | .158 | .174 | 1.252 | .213 |
| | Online Payment Process | .308 | .151 | .299 | 2.041 | .043 |
| | Cyber threats | .076 | .155 | .062 | .494 | .622 |

a. Dependent Variable: SME's Performance

Table 3, explain the model of entire summary in between dependent and independent variables, the adjusted R square value of regression model is .442, which means that in this model 44.2% of variances on the performance of SMEs are explained by the independent variables collectively and the significance value of the regression is .00 (see in table 3) which indicates that independent variables involved in this model collectively have significant correlation with the dependent variable i.e Performance of SMEs. Table 5, presents that lack of Infrastructure, frequent disconnection and unskilled IT staff are negatively correlated however the remaining all independent variables are positively correlated to the performance of SMEs. Furthermore, among these factors, six of them have significant value below 0.05, which are lack of ICT infrastructure, complexity of technology, limited speed and capacity of data, unskilled IT staff, frequent disconnections of networks and online payment process, while the remaining factors have greater value than 0.05, those reflects non-significant. This reflects that, total nine factors were proposed as ICT challenges which influenced on the performance of SMEs of Pakistan in this study, only six elements: lack of ICT infrastructure, complexity of technology, limited speed and capacity of data, unskilled IT staff, frequent disconnections of networks and online payment process significantly influence on the performance, growth of SMEs inside Pakistan. Therefore, in this study H1, H3, H4, H5, H6, H8 are fully supported.

DISCUSSIONS

For this study, nine variables grouped in to three main sections: ICT Infrastructure, ICT access and ICT securities are identified as challenges that influence the performance of SMEs in Pakistan. There are three variables identified in ICT infrastructure domain in this study that have impact on the performance of SMEs in Pakistan, these are availability, affordability and complexity of technology. It has been found that non availability of latest technology and complex nature of technology are the hindrances in the ICT infrastructure domain. These two variables are significant correlated on the performance of SMEs, hence H1 & H3 hypothesis are supported. These findings are consistent with previous studies, [8,10,16,19,24]. Cost of ICT infrastructure is also positively correlated but the statistical value indicates that is not significant in this study, therefore H2 is not supported. One reason for this result might be that SMEDA is now become active to launch new financial schemes for SMEs in Pakistan, recently PM Youth Business loan scheme, PSDP program launched for the SMEs in Pakistan to promote the entrepreneurial activities in the country, and also SMEs could improve their purchasing power. Another explanation for this finding is that price of hardware, software and communications rates are not too much expensive, and hence overall firms are now able to buy the new technology in the country. But availability and complexity of technology in the context of SMEs are

still found as challenges in this study. Limited speed of broad band, capacity of data usage, skilled IT staff are classified as problems being faced by SMEs which effect on the performance of enterprises. Since based on regressive analysis, it is found that H4, H5, & H6 are supported. The H4 prefers to limited speed of broad band that hinder the growth and expansion of business, these variables heavily affect the SMEs which are existing in rural areas of country. The operators in the country still are unable to overcome the slow spread of optical fiber network. Slow broad band also caused frequent disconnection from the network, and operators kept restriction on the data usage also, that hinder on small scale firms. However larger organizations specifically which are in urban areas of country are safe from those kind of challenges. The result of this study also indicates that access to ICT is one of the major challenges for SMEs in Pakistan. These findings are consistent with previous studies [6,14,15,17,21]. Lack of trust, improper online payment process and cyber threats are classified as ICT securities challenges in this study, and these variables are identified as the factors that influence the performance of SMEs of Pakistan. However, based on the linear regression findings, H8 assumption is supported i.e relevant to unavailable of online payment process. While H7 & H8 are not supported those are based on lack of trust and online payment process. A possible explanation is that unavailability of latest technology in the country affects the online payment process. Another explanation may be financial support to SMEs is very low, and also no third party is willing to be a part of payment process for SMEs hence hinders SMEs performance. Additionally, H9 is supported in this study that is about cyber threats influence on the performance of SMEs, however large firms are committed to manage risk associated with ICT assets and trying to reduce security incidents. Activities such as identity, theft, credit card frauds, phishing, intellectual property infringements become more and more popular which create situation of cyber-crime. These findings are consistent with previous studies [13,17,19,20,23,25,30].

CONCLUSIONS

SMEs in developing countries are being faced several ICT challenges. The results of this study generated some implications to overcome the ICT constraints faced by SMEs in Pakistan, these may be more serious and effect on the performance of SMEs. Therefore, SMEs could not sustain their existence and victimized of failure. From previous studies and literature indicates that in Pakistan, there is no specific policy given for small and medium scale business units, not any regulations given in ICT perspective, only the prudential regulations given in 2013 by SBP, to cater the finical issues. Except the last decade, SMEs continuously ignored, while government only paid attention to large scale firms of the country. On the basis of results of this study, it can be observing that performance of SMEs in Pakistan is affected by various

ICT factors which are unavailability, complexity of latest technology, limited speed & data usage of broadband, unskilled staff, frequent disconnection, and incomplete online payment process. Since these variables mainly categorized in to three main factors these are ICT access, ICT infrastructure, and ICT securities. Moreover, the results indicate that these three factors access, infrastructure and securities of ICT are significant influenced on the performance of SMEs. In the light of above findings, this study recommends to government of Pakistan that to empower ICT infrastructure on the basis of regional uniformity, and provide flexible policy regulations for creating strong bridge between SMEs and ICT, furthermore, the Cybercrime Bill 2015 is also under review in the Parliament that must be legalized as soon as possible. In addition to that SMEs needs to adopt more advanced and flexible technology according to their business nature and take help from new emerging apps of ICT to shift from conventional methods to an online business. Finally, government needs to rethink about Strategic investments in modern and high speed national broadband infrastructure; create high impact automation initiatives in the public sector to enhance economic competitiveness and improving governance and efficient service delivery to SMEs. All the stakeholder including public organization and authorities belongs to SMEs activities should be well familiar about smooth utilization of ICT in their firms. These steps will help in accelerating the growth of economy, increase in investments and help in improving domestic e-commerce activities by facilitating online payments.

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