



## Applying the SPACE Model for Strategic Decision-Making in SMEs: An Empirical Analysis from Kosovo



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### ABSTRACT

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The research aims to see the weightiness of evaluation, the approach of internal and external analysis of the organization and the impact that this approach can influence on organizations, therefore the model of the SPACE and its importance in decision-making through managerial function in organizations in Kosovo. The study focuses in the way of analyzing the factors, of the SPACE model in national organizations, analyzing the type of concentration in the industry through the results achieved. This model derives internal and external analyzes of organizations by determining the format of the strategic decision-making method and their application in strategic orientations for organizations. The model tries to provide a basis for sustainable and long-term decision making, as the economy is developing day-by-day and managers are facing more uncertainty. The research used a series of methodologies starting by the conceptual framework of the model of SPACE, flowing through with AHP-MCDM approach to see the consistency and randomness indexes for providing the sustain decision making and contemporary practical guidance for managers. The study processed with 500 surveyed Small and Medium Enterprises (SMEs) in Kosovo. The results through this research turn out to be that organizations' applying the SPACE for decision-making can gain's strong orientation towards in industry, pertinently Strategic Position in industry (STPi) especially in aggressively position against competition. It is recommended that businesses follow such a path of practicing Strategic Management Tools and Techniques (SMTT) for a meaningful strategic decision-making and for better posturing.

## 1. INTRODUCTION

Decision-making can be defined as an extremely broad and complex notion that can be extent over a wide process from the solution offered between the created variants to a solution of the most profitevity option. Referring the study of Koontz Weihritch [1], they define decision-making as a process where the choice of direction, respectively a way of selecting between options among several variants offered. Managerial decision-making process is a complex duration interval attributed to the direction of many stages that should be derived as a summary of the nature of the change in the environment and the integration of the best variants that can fulfill the mission and the vision of the organization, respectively problem solving. Based on the studies done by Schermerhorn [2] emphasizes that decision-making is a broad process which implies the choice as the best action in the group or among many options.

Given that many definitions were discussed above, it can be said that decision-making is a process that implies a research and investigation of many possible options that the manager may have available to make them. It means that to make a decision is to be faced with a situation whose decision-maker “cuts” the situation between one option among the many options decided to solve the problem. Therefore, referring to

decision-making, we are dealing with a very complex and variability category that depends on the situations created, where no change represents the same consequences.

But, it can say that decision-making in a short or long interval which is created depends on the changes, and it will represent a selection of an option among several options that have been generated according to the created problem.

However, a complete and systematic outline is closely and deeply connected to a research-scientific base and crucially necessary to make analyzes so that we can make effective decisions in organizations. An organization's internal analysis skills must be adapted to the challenges and changes in the external environment in which they operate. Although other methods have certain advantages that rely on analysis from the internal view of the organization, some of them only see the environment as an unmanageable and non-controlling element and that we must always adapt to it. Regarding to this, it cannot be a separation between the environments, it functions as a composite union and a direct connection as a “symbiosis” [3].

### 1.1 SPACE model into decision-making

The model is designed to make a managerial practice and once it will help many different managerial levels to solve problems based on the logic of skill, abilities and

craftsmanship's details. Model will bring great support by setting the importance of each factor and the square in such a way that the weight remains uniformity in all dimensions, even though the strengths are not all the same, but this will give a very important effect remaining competitive in the industry [4] generating duel and competition against rivals.

Therefore, through the SPACE model, importance is not only given to one of the environments, focusing on the higher ones and lowering other, but it implies that the manager must evaluate both in an uninterrupted duality. This creates a big difference and makes distinguish from many models and techniques, because all the factors and variables have the same treatment and fully conscious attention is paid to logic and analysis for decision making.

Judged by the importance of each of the factors and the major and hierarchical importance of the SPACE model, it is worth highlighting their value obtained from the total ranking scale of the weight of the factors and variables for each one [5]. On the other hand, the profitability of organizations is that they see it as increasing the opportunities to benefit from these models and tools to manage strategically [6-9] which and they can also point out: the trial of tending to solve practical problems and challenges which are designed to face managers, will serve as a tool to help and support those who scans and analyze the environment, create a decision with the aim of creating a diversity and variety of perspectives, which can also generate a degree of flexibility towards tasks that are strategic and creating a facilitation of human connections between those who make strategies.

As mentioned above, although it affects the attempt of practical solutions to many problems and challenges that the manager can be faced and that can simultaneously bring the operate environment of the organization. This type of difference of the SPACE model is that it enables an analysis of very detailed of its factors and variables in an integrative manner. Competitiveness and risk push's organizations and totally the economy of making fast choices through different approaches in the dynamically changes, also in the uncertain industries.

The range of these solutions that are of a tactic and strategic nature which critically affects success or failure. The concept of decision making incorporates mechanism "*adaptation*". The dimension of long-term decision-making involves "*adapt process*" of intern capabilities to the extern surround by selecting one of the most precise and best variant to entire disponibility options. The analysis based on scientific supports the quantitative evaluation of different alternatives and provides the decision makers a logic certainty to select the ideal variant. The concept of the decision nature as mentioned above represents an interval band which is questioned by the identification of a stimulus which can occur from inside or even outside the organization which can be interpreted variably by the managers of the organizations different than those within it [10-12].

This includes several of steps in the methodological construction of actions that are initiated by analyzing the factors and variables of the SPACE model, respectively by categorizing them into its main factors such as competitive advantage, industry stability, financial strength and environmental stability. The factors and variables that are included in these four axes or quads are where organizations can identify their position with the aim of clarifying and précising their focus along the industry in which they operates.

Furthermore, from the analyzes that are even extracted through this model, it is attempted to clear-up a process and methodology that organizations can applying such models for personal needs by determining where they are quadratically aggressive, conservative, defensive and competitive. The relational interaction of the organization with their environment and mainly the external strategic analysis of the organization itself represent one of the most affected segments of importance, because they are related to the fact that the externative environment is one of the segments in which a series of factors such as uncertainty, risk, unknown or ambiguity are constantly attacking different bodies of organizations and which continuously creates "*emotionless link*" or "*insensitive rudeness*".

Contradictions, complexities, difficulties, challenges and much variabilities to find an interlinkage's that would directly affect the externative environment of the organization that would increase the performance of the organizations to create an "*organic*" link in such a way that the entire system could function as an indivisible "*mutualism*".

## 2. LITERATURE REVIEW

Definition of doing analysis in the strategic decision making dimension, is the precisely work of the top management level, which is often closely related to those consulted by the strategists. Many of the organizational analysts, although they may also be required to create analyzes of the strategic dimension's in order to identificate actions for the transformation of the organization, although they are likely to create working relationships to support that the activities undertaken are trust in strategic analysis and that many times they are beyond the scope of organizational analysis. It is crucial that the analysts of an organization be alert and aware of the many broad issues of the organization's momentum, how the organization's environment and its influence can affect people and their work practices. It can be clearly seen that the existence of a universal connection that the analysis of an organization definitely requires the application of a holistic approach.

Adopting a holistic approach would help to ensure that these differences are framed in the analysis of stuffs. The analysis of the organization emphasizes the improvement of the actions of the entire system of the organization. The researches have explained that their concentration on the internal strategic analysis of the organization is that the attitude along the management styles of the organizations, because most of them were considered a special aspect of the culture of the organization [13-15] perceived achieves [16, 17] and strategic long-term view [18-21].

It's worth to mention that the "*heuristicity*" of an organ or phenomenon is very important for research and that the definition of the concept of connection between the external and internal surroundment is an inextricable link. Bearing in mind that research from the pasts has found insufficient, not well-defined and certain focus of the internal segment, many times it was reported to have brought very harmful effects and sometimes lowering organizational performance results.

The identification of a problem represents a very important momentum in the decision-making process, which in addition to producing or manifesting changes in the organization, also implies the way of creating the mechanism for facing the changes.

This type of so-called decision-making mechanism represents a model, tool, method or even technique of how the methodology for solving the diagnosed problem will be built.

The conceptualization of this decision-making mechanism implies the form, framework and design, simulacra or structural scheme of building organizational decision-making. Once, it is used to synonymize and show a segment of the process crafted from identification to problem solving [22]. There are many great reasons that the executives of organizations have such attitudes when talking about the connections that exist and repeated citations to the environment, where the element that most attacks the organization is volatility. The contemporary economy is very characterized by frequency, fast and big changes in the surrounding environment of organizations.

Therefore, the decision-making process in our research means how to analyze the internal-and-external view of the organization based on the SPACE model, its factors and variables. Analyzing in this segment, a weight-balance between the intern-and-extern organizational environments [23] which managers can create a methodological approach of building steps on how to create an analysis focused from the inside, and adapted from the outside.

A particular decision-maker can see the decision-making process as a rationalized, logically and completely systematized process, and unlike many others who see decision-making as a comfortable, freely and relatively not well-systematized process [24]. Usually, the decision maker selects one of the most complete variants that can be related to the expertise, intuitiveness and self-judgment on the part of the manager. Therefore, this corpus of combinations can position in a very qualitative and subjective decision maker. Differences also exist among those who are focused especially on decision-making in risky environment conditions [25, 26]. This can mean that when we are in different types of uncertainty conditions, but there is tendency to measure or evaluate by probabilistic data.

Organizations constantly change in the course of their proactivity towards the management of their environment or surroundment, even though their performance will always be under its influence, and also the environment as it goes and grows in uncertainty [27]. To take care and maintaining performance against such decisions that are complex, the reflexes of the organization can derive to increase the ability, competence, skills and craftsmanship which are a wide view increased against the potential to adapt externally, to make plans and increasing the degree of flexibility to cope with uncertain situations [28]. When such situations overtake managers, they initiate to build scenarios to produce and design a multitude of situations and conditions with possible future occurrence probabilities to approach and understand well the possible outcomes that may occur and, also are related to alternative directions for to act [29].

In conditions of freedom, decision making is characterized by the fact that the manager's most of the times are aware by possible alternatives that can lead to the solution of the problem. In fact, when the decision making is based on the disponibility information, he can assess the likelihood of each of the possible alternatives.

Therefore, decision-making characterized under conditions of risk represents a decision-making under conditions in which the results do not represent complete certainty. Decision making results in a consideration as the selection, for some established bases or selection criteria, of a variant through

groups of variants. Decision in the organization should have a special significance, to be considered of many criteria and analyzes rather than a solely criterion. It can create a basis for evaluating the different criteria and evaluating the variants considering each of criterion, further, the accumulation of the results to obtain relative calibration of the variants related to the change presented. It presents a continuum of higher multi-criteria cognitive process.

The problems in AHP can be studied according to the general categorization of research issues, which manages a high cognitive process within the inclusion of a several adequate interlinked criteria from the Multi-Criteria Decision-Making (MCDM) spectrum, separated into the most acceptance segment of highly sum-objective and higher a lot of attributes cognitive process since the selection is continuous, MCDM-AHP is applied as a computing calculation issue with different objective functions. Of course, another issue addressed is the calculation of weights with certain relative importance according to standards and, in particular, of the system of differential classification of linguistics 1 to 9 scale in AHP [30, 31].

### 3. MATERIALS AND METHODS

The research was conducted in Kosovo, and it uses a very wide and strong sample survey [32-34] which includes 500 representative respondent organizations of different categories that are mainly small and medium level (SMEs) according to the standard of employment determination by the European Union. The survey was elongated to the entire territory of the state and there were no regional or even local restrictions. So, the sample was diversified as possible during data gathering. Furthermore, the objective of the research was to bring a collection and range of data that would serve the researcher to derive a clear construction of the research topic. The sample is clearly organized with precise research questions based on the factors of the SPACE model into decision-making, which generates a large number of questions from its dimensions and factors.

Further, the survey is organized to collect data that is a qualitative format (problem solving strategy), because during this implementation the research design was used for structured interviews for the presentation of questions and where the representatives of the organizations or managers (CEOs) were familiar with the objectives and the topic of the research.

The accumulation of data has used the conversation system (face-to-face) to generate as much information as possible so that the researcher can create a larger corpus of data and analysis. Although the research method was qualitative, the researcher has created a design of the combination that, through interviews, brings out as many quantities and quantifications of numbers as possible to elaborate and interpret them.

Therefore, starting from this point, all the data collected from the dimensions and factors of the SPACE model will be used further in the analyzes to see how the application of the model will be, what's results, what effects they will bring to organizations. The research further proceeded with the organization of the data in the quantitative data set where their collection was done and the general results were obtained through the quadrate factors of the SPACE model.

Through this research, the average values of each factor of the model have been highlighted and the sums of the axes and have been extracted in the averages. Then the results were derived with the graphical preview of the model and here once were made the practical orientations which were the general situations of the organizations focused in the industry.

Furthermore, through these results, the directions that must be taken to operate and decisions for a strategic and sustainable performance were made. The research initially through the factors of the model brought to the surface the posture of the organizations and the orientation that they should follow in the future through the directional (engine vector) options or variants.

Further, the avg-values of respondent responses were also placed in the AHP-MCDM software codified, to test their relevance, their weightiness and their total sum to reveal the ranking of the factors as the most important priorities. Then the research incorporated in the analysis these priorities to see more closely the certain and precisizing the importance and weight of each factor of the model. Through AHP, the model was subjected to several of matrix and logical analyses, identifying which were the factors that played the greatest weightiness role during decision-making. Furthermore, this analysis, the researcher diagnoses what are the highest factorial priorities of managers' day-to-day coping.

#### 4. RESULTS AND DISCUSSIONS

##### 4.1 Results and discussions from SPACE conceptual model

The core focus of all this research will be based and placed on the distribution of the points obtained from the responses, and this is the situation where we see the focus on how the attitudes and evaluations of the managers or leaders of the organizations are positioned. Because, all the strengths and opportunities shown here for a business strategy are derived from the survey data received by the representative (general manager) of various organizations throughout the territory of Kosovo.

Therefore, the entire information is based on the survey data, the results are presented below, which have really shown a compactness and possible connection for strategic decision-making application in the future that organizations will decide and as an orientation to their strategic longevity and sustainable leadership. The table will be completed with elements that test the operations of the case studies. However, this following table expresses a set of values that will follow with the graph which will reveal the total and very clearness view of the orientation and direction that managers must practice in order to obtain an accurate analysis and make certain decisions based on meaningful values and numbers.

The graph will reflect the precise strategic position of the organizations, thus influencing the accuracy of their positioning along the Kosovar market and at the same time revealing the intensity of "cerebral (brain) competitiveness" that the organizations do as a match between each other or "mental war" and "increment of logic" of managers that derives from industry-wide challenge rivalry.

For all the values that are presented in Table 1, they demonstrate the real status of the analysis and evaluation of the organizations, and they show that the organizations are identified in which they show their strategic concentration.

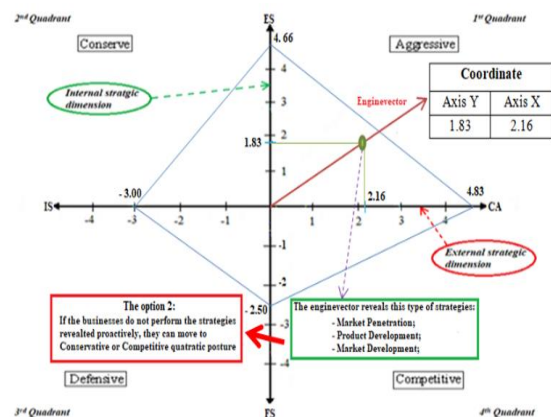
**Table 1.** Values of variables in SPACE model quadrate's

		<i>Internal Strategic Dimension</i>		<i>External Strategic Dimension</i>	
<b>Axis X</b>		<b>Financial Strength (FS)</b>		<b>Environment Stability (ES)</b>	
		(-6 worst, -1 good)		(+1 worst, +6 good)	
	-2	Market share	+4	Possibility growth	
	-3	Product quality	+5	Productivity	
	-4	Loyalty consumer	+6	Financial stability	
	-2	Product classify	+5	Entry barriers	
	-2	Knowledge & Skills	+4	Consumer strength	
		Furniture check	+4	Substitute	
		Average: -2.50		Average: +4.66	
		<b>Axis result X= 2.16</b>			
<b>Axis Y</b>		<b>Competitive Advantage (CA)</b>		<b>Industry Stability (IS)</b>	
		(+1 worst, +6 good)		(-6 worst, -1 good)	
	+3	Return of sales	-3	Policy issues	
	+4	Return of investments	-6	Interest rate	
	+6	Cash flow	-4	Technology	
	+5	Working capital	-1	Environmental issues	
	+5	Leverage	-2	Price elasticity	
		Liquidity	-2	Competitive rivalry	
		Average: +4.83		Average: -3.00	
		<b>Axis result Y= 1.83</b>			

Furthermore, these weightings made from the analyzes show the intern and extern analysis of the organization codified in values and that once express a recommendation for strategic decisions and the strategic leadership that should be followed practically through the steps for their own future.

The values represented by the data collection are qualitatively and they express the concentration of the dimensions in the framework of the SPACE model and correctly show the information that is determined through the graphical representation that explicitly shows the concentration dimension and the precise concentration in which they participate and located with focus organizations. Noting that, depending on the variables that are weighted, organizations have the possibility of diagnosing and identifying their strengths and weaknesses, both from the internal and external dimensions.

In addition, organizations in this stage can determine which dimension they are better and more powerful by taking a closer look at which dimension they calibrate and which should be given the greatest importance in order to raise its resources in order to gain organizational balancing.



**Figure 1.** SPACE model orientation view-posture

The findings from this research turn out to be very promising, which can also prove and clarify that such a model of evaluating and analyzing the strategic position of organizations can bring very powerful and offensive [35, 36] results for managers and leaders of businesses. Therefore, it has been undertaken to look more closely at how the model can create calibration and differentialism in the segment of competitiveness and rivalry [37] by making effective decisions.

Based on many researches done in this field by authors who have applied models for effective and successful decision-making, the SPACE model brings a clear overview of the steps on how we can build a high scale of certain steps for decisions. Furthermore, the model as part of SMTT is very integrative and from the research it turns out to be very effective and adaptive which can refer to the term of capability, ability and flexibility for a genuine and meaningful positioning in the framework, respectively the financial terms [38] such as: market share, financial stability, productivity, cash flow and liquidity, etc.

Based on the purpose of the model to create a clear approach for managers, it turns out that the skills and competencies based on internal-view of the organization can create an opportunity to give full effectiveness and for organizations to own a market share where the quality of decisions to create such a concentration of strong competition in the industry [39]. Related to the fact of the connection between the SPACE model and the specifics of businesses in the country, there appears to be a very good correlation both from the aspects of the application, as well as the result that the model can craft.

And, we can also conclude that the model has generated very effective and very distinctive results from the practices and techniques applied previously by managers for a long-term decision-making and a strategic posturment [40]. The graph shows the values achieved by the pattern, which reveals a crystal picture of the performavity in terms of actual and aspired through the SPACE model. Values reached from Figure 1, we can say and also determine that the organizations turn out to be positioned in the aggressive frame or in the first quadrate of the model, well-known STPi-1 (STPi-I<sup>quad</sup>) as the most powerful dimension in SPACE model, with the coordinate values of  $x=2.16$  and also  $y=1.83$  so that through this concentration and posture.

Organizations are suggested to follow an unfolding path to try to expand the market, to attack new markets, to develop new products, to build different strategies in integration (vertical, horizontal, conglomerate, etc.) to diversify products and services, or types of mixed strategies with focus of aggressivity [41]. This is as a result of the fact that the country is very identified as possible to create a very large space of doing business.

Although the specifics of the market shows that these applicable strategies are the product of new organizations created recently as a result of technology, new human competences and various electronic processes. Consider that the opportunity to penetrate and expand is very large, because the market has enough demand to compete and to identify new needs.

Therefore, organizations are in such an excellent position such as aggressivism situation [42] to operate in the industry, hence there is good stability of the market, stable environment, easy and very supportive policies for start-up businesses and also support from the government segment for economic

development. And from this, we can see that the perspective remains open for manufacturing, commercial and service organizations to be able to implant this model in their close future as a daily and routine work of managers and the profitevity they can create from utilizing the model.

If the organizations do not take the steps that are recommended according to the disclosure of strategic decision alternatives and long-term orientation to build a sustainable directioning they can move to "Option 2" (see Figure 1), which may also represent a deviation from the position of the current concentration of aggressiveness to the left side which is Conservatism quad STPi-2 (STPi-II<sup>quad</sup>) or on the right side which is Competitive quad STPi-4 (STPi-IV<sup>quad</sup>). If we take in considering the quad IV or the Competitive focus as a basis, it concretely does not represent a much-weakened position of the organization, even though it is ranked lower than aggressiveness, where the leadership of organizations is seen as substantially more differentiated.

The IV<sup>th</sup> quad or STPi-IV (STPi-IV<sup>quad</sup>) means that we should hold and think more about increasing our resources or mobilizing to compete in a stage with more organizations in such a way that this stage, as mentioned above, represents an invisible war between organizations or even a competition developed in a psychic-dynamic and mental conception, in order to achieve a distinctness from the same group of organizations. If we refer to STPi-2 (STPi-II<sup>quad</sup>) that specifically organizations can move towards Conservatism, key points and important momentum where they should stop to think about the definability of defense or the creation of a mechanism for their defensiveness in the way that they are in a vicious circle which does not guarantee much high certainty. The tendency to re-track from competition or even the fight for the market proves an avoidance that organizations should not think too much about their convenience and comfort zone.

Because, Conservatism is synonymous with self-closetment, the inability to keep up with changes in the industry's environment, emotional distance from consumer perceptions and weak competence in observing changes in technology. What is proposed to managers from this model is not only "Options" mentioned above, but following the path of implementing the model step-by-step, so that managers have a clear implant and clearly predict the result where they want to go.

## 4.2 Derivation of results and discussions through AHP-MCDM

In the following Table 2, the dimensions of the SPACE model (ES, CA, IS and FS) are positioned, specifically its key factors in a comparisons pairwise enabled and carried out through MCDM-AHP to see more closely what the logical derivation of the analyzes and assessments. Here, a dependency test will be carried out between all the factors or dimensions of the model to compare and analyze how the rankings and weights are between them through one-to-one tests.

The values positioned in the table are calculated and taken as average responses from the survey samples of 500 SMEs in Kosovo, which express the weight and influence of each of them during decision-making. Hence, it is worth mentioning that the rankings are determined according to Saaty's scale and through it, and it is clearly seen which variable had the highest effect and role during decision-making.



**Table 2.** Pairwise comparisons of SPACE model-Comparisons Pairwise

Item Number	Item Number	1	2	3	4
	Item's Description	Industry Stability	Competitive Advantages	Financial Strength	Environmental Stability
1	Industry Stability	1.00	0.20	0.14	0.11
2	Competitive Advantages	5.00	1.00	2.00	1.00
3	Financial Strength	7.00	0.50	1.00	0.50
4	Environmental Stability	9.00	1.00	2.00	1.00

The following Table 3 enables to see even more clearly and precisely the path that managers should choose in order to be able to identify and correct the weight of each of the priorities according to the matrix standardized. Here we have a scaling and creation of a logical flow of evaluation of all the factors of the SPACE model from the calculated data.

The creation of the difference in priorities represents an important situation where the managers see more closely the separation of the weight and importance of each of the factors and where we can generate a conclusion as to which of them had a superior and very affecting impact on the day-to-day work of the managers.

According to the calculation from Table 3, this stage of the matrix standardized of each variable of the model, the research has issued the ranking as follows: Industry Stability 4.7% (or IS-4.7%) Competitive Advantage 34.2% (or CA-34.2%) Financial Strength 22.2% (or FS-22.2%) and Environmental Stability 38.8% (or ES-38.8%). Therefore, we can emphasize that through the MCDM-AHP method of the standardized matrix, the research has led to the identification of important priorities: Environmental Stability (38.8%) and Competitive

Advantages (34.2%).

From this we can say that the managers most of their daily work comes across various environmental factors and its stability, whether as a political, legal, economic, social factors etc. And also, from the Competitive Advantage, it turns out that the organizations are positioned aggressivism, because in addition to the specifics of the new market that has been mentioned above, they are trying to identify the market for new extensions and a better placement position.

As we can further reveal from the following table where the tests were done in the last stage such as the Consistency Index (CI) and the Consistency Randomness (CR) which exceeds the state of the following calculations of the factors of each one specifically divided into the total sum and the weight of each's. Therefore, it is very important to look at the calculations and results from Table 4, it turns out that Environmental Stability or ES is evaluated with the sum of 1.60 of the consistency index and also of its weight from sum/weight 4.13, while Competitive Advantages or CA is listed as the second with a total consistency index of 1.41 and that of sum/weight 4.12.

**Table 3.** Matrix standardized of SPACE model- Matrix Standardized

Item's Description	Industry Stability	Competitive Advantages	Financial Strength	Environmental Stability	Weight
1 Industry Stability	0.05	0.07	0.03	0.04	4.7%
2 Competitive Advantages	0.23	0.37	0.39	0.38	34.2%
3 Financial Strength	0.32	0.19	0.19	0.19	22.2%
4 Environmental Stability	0.41	0.37	0.39	0.38	38.8%

**Table 4.** Consistency index and consistency random analysis in SPACE model- Consistency Index and Consistency Randomness

Item's Description	Industry Stability	Competitive Advantages	Financial Strength	Environmental Stability	SUM	SUM/ Weight
1 Industry Stability	0.05	0.07	0.03	0.04	0.19	4.02
2 Competitive Advantages	0.24	0.34	0.44	0.39	1.41	4.12
3 Financial Strength	0.33	0.17	0.22	0.19	0.92	4.10
4 Environmental Stability	0.43	0.34	0.44	0.39	1.60	4.13

Based on these steps explained above through the table of the logical calculation of the consistency index and the random consistency, we can also bring the calculation from the evidence according to the formula and equation for the construction rate of AHP-MCDM, where we can find that the square and the positioning on this basis of analyzes and

evaluations for decision-making, it expresses the value of randomness and the randomness index as follows, where the value of  $R$  or  $R_{value}=0.038$  otherwise (.038), which states that the value of  $R$  cannot exceed the limit of 0.1 as the maximum value of chance and degree of reliability of the decision to be taken. This means that if the value exceeds 0.1, it does not

represent a certain and sustainable decision-making.

Therefore, in the case of our research, the value of **R** does not exceed the limit of confidence and certainty, it is on the limits of consistency, and managers with full freedom can consider it as a possible step in their future to act.

$$\begin{aligned}
 CI &= 0.034 \\
 Const. &= 0.09 \\
 CR &= \frac{CI}{const.} = \frac{0.034}{0.09} = 0.04 \\
 CRvalue &= CR + CI = 0.04 + 0.034 = 0.038 \\
 \mathbf{CRvalue} &= \mathbf{0.038}
 \end{aligned}$$

## 5. CONCLUSIONS

The usage of the SPACE model for organizations will bring a great support and help to look at the analysis of both its environments, thus identifying the strong points and those for improvement and to build an effective decision. This will bring a better position for their concentration in the industry. What can be said, is that the research has brought out a series of analyzes which are also the core competence of the analysis to distinguish a way to make a sustainable decision or decisions.

The factors identified as the focus of managers to make decisions has brought an innovation in the way that decisions should be made, because in the past most of the time managers have made decisions without any significant analysis, especially in a rationally and objective based in sense of numbers. Therefore, we can also conclude that through the analysis steps offered by the SPACE model, organizations are offered a clear guide for the use of factors and variables on how to move towards sustainability and differentiating positioning in the industry. Calculated from this point of view, it turns out that the strategies that organizations should pay attention to are the intensive ones to apply, always referring to the specific conditions discussed above in the Kosovo's operating environment.

Looking at the analysis of the variables that clearly influenced and turned out to have a significant effect when making decisions, it is worth noting such as the share through markets or position in the market, then there was the quality that was inevitably present where the organizations devote high importance of their goods towards an increase in consumer credibility and loyalty.

Then, an important role during the analysis is played by the return on investments, liquidity, the growth of the organization or opportunities to grow organizationally. These variables are directly related to the participation and activity of the existing in markets. Furthermore, these show the possibilities of how organizations are oriented to expand or grow in the industry, mainly in new markets.

Furthermore, price elasticity and variable demand, which are the other two variables that can show another important weight that can be related to the clear impact they can have on competitive pressure between organizations. In order to bring forward an important post-analysis basis and to serve the managers enough to make certain decisions, it is the analysis made by AHP-MCDM method, where first one-to-one tests were done to see the correlative links, matrix standardizations and in the end to identify the most important priorities for making decisions.

Regarding to this methodological derivations, the results appear to be focused on the 1<sup>st</sup> quad or STPi-1 (STPi-1<sup>quad</sup>), which is aggressiveness posture. Trying to see more clearly, the gap is between the axes or dimensions of Environmental Stability (ES-38.8%) together with Competitive Advantages (CA-34.2%) which leads to a greater focus on the external environment of the organizations, taking into account the changes and challenges of technology see Figure 1. Respectively, we have the calculation of the consistency index (CI) is in the acceptability scale and which confirms that the decision-making can be taken with complete certainty from the consistency randomness (CR), where the CR is 0.038 or .038, and it is below the scale of rejection norm, 0.038 < 0.1 as the upper limit of acceptance.

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## NOMENCLATURE

EFE	External Factor Evaluation
IFE	Internal Factor Evaluation
ES	Environmental Stability
IS	Industry Stability
CA	Competitive Advantages
FS	Financial Stability
AHP	Analytical Hierarchy Process
MCDM	Multi-Criteria Decision Making
SPACE	Strategic Position and Action Evaluation
CI	Consistency Index
CR	Consistency Randomness
STPi	Strategic Position in Industry
SMTT	Strategic Management Tools and Techniques