Oeconomia
Copernicana

Volume 13 Issue 3 September 2022

p-ISSN 2083-1277, e-ISSN 2353-1827
www.oeconomia.pl

ORIGINAL ARTICLE

Citation: Ključnikov, A., Civelek, M., Krajčík, V., Novák, P., & Červinka, M. (2022). Financial performance and bankruptcy concerns of SMEs in their export decision. *Oeconomia Copernicana, 13*(3), 867–890. doi: 10.24136/oc.2022.025

Contact to corresponding author: Vladimír Krajčík, krajcik@vso-praha.eu

Article history: Received: 25.01.2022; Accepted: 10.08.2022; Published online: 25.09.2022

Aleksandr Ključnikov
Pan-European University, Czechia
orcid.org/0000-0003-0350-2658

Mehmet Civelek
Pan-European University, Czechia
orcid.org/0000-0002-1247-5308

Vladimír Krajčík
Pan-European University, Czechia
orcid.org/0000-0003-2234-3939

Petr Novák
Tomas Bata Univesity in Zlín, Czechia
orcid.org/0000-0003-4701-5755

Michal Červinka
Pan-European University, Czechia
orcid.org/0000-0003-2226-4501

Financial performance and bankruptcy concerns of SMEs in their export decision

JEL Classification: *F18; L25; L26*

Keywords: *financial performance; bankruptcy; SMEs; export obstacles; Visegrad countries*

Abstract

Research background: Due to having lack of financial power and low amount of revenues, most of SMEs' major concerns are bankruptcy and low financial performance. Those issues are risky

situations for SMEs when making for their exporting activities. Therefore, depending on their performance and bankruptcy risk, they might more intensively perceive export barriers and this fact might determine their export decisions.
Purpose of the article: This paper examines whether financial performance and bankruptcy concerns of SMEs affect their perceptions of export obstacles or not.
Methods: This research performs random sampling method and directs an internet-mediated questionnaire to the selected respondents who are the executives of 408 Czech, Slovakian and Hungarian SMEs. To examine the influences of firm performance and bankruptcy on the perceptions of export impediments by SMEs, this paper employs Ordinal Logistic Regression Test.
Findings & value added: The results show that SMEs having less healthy financial conditions less intensively perceive cultural-linguistic export barriers in comparison with SMEs having better financial performance. Moreover, firm performance is not a predictor variable in the perceptions of export costs, legislative and tax-related barriers by SMEs. On the other hand, while SMEs having more bankruptcy concerns more intensively perceive tax-related and cultural-linguistic barriers, bankruptcy concerns of SMEs do not influence their perceptions of export costs and legislative differences. Although many studies have investigated the impacts of financial conditions of SMEs on their internationalization and exporting decisions, they are isolated with only a market or only with a financial issue. The limited extents of those studies cause a partial investigation of export and financial issues of SMEs and make readers having a narrow perspective in this specific area. By focusing on various export obstacles and financial issues that SMEs face in different markets, this research offers a detailed understanding of SMEs' perceptions regarding their financial conditions and export barriers, from a comprehensive perspective. In this regard, this is the research gap that this paper aims to fill.

Introduction

SMEs have place in the development of economies and in the increases of export volumes, but problems regarding their bankruptcy and financial performance are some of their main concerns in their survival. The reasons of their concerns might be related with having lack of financial resources (Civelek *et al*., 2020a; Metzker *et al*., 2021a) and facing with costs and various cultural, legislative and taxational issues. But SMEs can differently perceive export obstacles depending on their predictions for their financial performance and bankruptcy. This is because firms predicting better financial performance and less bankruptcy possibilities might be more optimistic and this fact might make them perceiving export obstacles less intensively. In this regard, this paper purposes to indicate if financial performance and bankruptcy predictions of SMEs have effects on their perceptions of export obstacles. In line with this selected aim, this paper employs random sampling method and create the research sample from Cribis database. Then, the researchers send the links of a questionnaire survey to the randomly selected respondents by e-mails. 408 Czech, Slovakian and Hungarian SMEs are investigated in consistent with the research aim. To investigate the specified relationship, the researchers run Ordinal Logistic Regression analyses.

External export obstacles are related with economic, legal and cultural factors such as export costs, different legal rules and cultural values of countries (Civelek *et al*., 2020a). Concerning export cost, it has been perceived as an export barrier by SMEs (Köksal & Kettaneh, 2011) because these firms have lower amount of profit to afford fixed and sunk costs regarding exporting (Pietrovito & Pozzolo, 2021). Moreover, operating in international markets requires SMEs to increase their production (Ključnikov *et al*., 2021). Since having larger production capacity creates more expenses for SMEs, they can also face higher production costs. Furthermore, Dvorský *et al.* (2021) state the fact that SMEs in Visegrad countries face with many changes regarding legislative conditions. Corresponding to tax related export barriers, tariffs and non-tariff implementations of various governments have been other external export obstacles for SMEs (Köksal & Kettaneh, 2011). On the other hand, Pavlák (2018) verify the fact that linguistic and cultural differences is another major export barrier for SMEs.

Comparing with larger enterprises, bankruptcy might be a more threatening issue for the survival of SMEs (Metzker *et al*., 2021b; Dvorský *et al*., 2021) and they can abstain from exporting since they might more intensively perceive export obstacles. Moreover, having issues with working capital and financial assets (Pereira-Moliner *et al.*, 2021) are also some crucial financial problems for SMEs to survive (Civelek *et al*., 2020b). Therefore, the perceptions of firm executives regarding firm resources carry vital importance for SMEs when making exporting decision (Bianchi *et al*., 2018). Thus, firms expecting bankruptcy issues in the long term and facing with financial performance problems might be less prone to perform exporting activities and might more intensively perceive the export obstacles (Bilan *et al*., 2017; Sinicakova & Gavurova, 2017).

Since those countries have similar historical and economic backgrounds (Kolková & Ključnikov, 2021), analysing the export, bankruptcy and performance perceptions of SMEs from these European countries might be noteworthy. On the other hand, since decisions can be taken by emotions (Sedliacikova *et al*., 2021; Gavurova *et al*., 2017) analysing the export obstacle, bankruptcy and performance predictions and perceptions of SMEs makes this paper to have a comprehensive perspective regarding export decisions. Focusing on these issues make this paper having insights on the examination of mostly faced exporting and financial issues by SMEs operating in various European markets. Although many studies have analyzed the exporting obstacles and financial issues in exporting separately, there is a lack of studies that emphasize the relative importance of financial obstacles on the perception of those export barriers. Moreover, the studies in the literature lack to create relationship between financial and export concerns of SMEs that belong to Resource-based and Institutional Based view. This research serves as an important guide for new studies that focuses on the self-evaluation of SMEs concerning their financial conditions and prospective export obstacles that those enterprises might encounter in various markets. Governments can also use the results of this study to identify the impacts of SMEs' financial conditions on their exporting decisions. By being aware of the current situations of SMEs, governments can give efficient and timely supports for those businesses. These facts enable this research to be unique in the related academic literature.

The remaining parts of this paper are structured in the following sequence: Section 1 declares the theoretical back ground of the research and expresses the hypotheses development. While Section 2 sheds light on the methodological approaches and research data, Section 3 presents the results of this research. The researchers discuss the main results and provide policy implications in Section 4. Moreover, the researchers summarize the key issues and limitations of this paper in the Conclusion section.

Literature review

Although there are various classifications regarding export barriers (Arteaga-Ortiz & Fernández-Ortiz, 2010), many researchers such as Narayanan (2015), Al-Hyari *et al*., 2012 and Silva *et al.* (2016) have recognized the categorization of Leonidou (2004) who defines those barriers into two different categories, namely, internal and external (Leonidou, 2004). Both internal and external export barriers have negative impacts on export performance of companies (Sinkovics *et al*., 2018; Al-Hyari *et al*., 2012; Adu-Gyamfi & Korneliussen, 2013). While internal barriers stem from firms' insufficient organizational resource and capabilities (Sinkovics *et al*., 2018; Al-Hyari *et al.*, 2012; Leonidou, 2004), external barriers are based on factors that firms cannot have impacts on and come from outside or surroundings of the companies (Leonidou, 2004; Forte & Salomé Moreira, 2018; Adu-Gyamfi & Korneliussen, 2013).

Moreover, Leonidou (2004) classifies internal export various into different categories while functional barriers are one of them. Firms having inefficiencies in exporting concerning their financial conditions, working capital, expenditures face with functional barriers of exporting. Arteaga-Ortiz and Fernández-Ortiz (2010) categorize this barrier as resource barriers because it is based on the limited financial resources that firms have. Since this paper considers financial performance and bankruptcy issues when analyzing financial conditions of SMEs, those factors belong to functional barriers that are under the category of internal export barriers as it is defined by Leonidou (2004).

On the other hand, both variables financial performance and bankruptcy that this paper analyzes regarding functional export barriers of firms are based on Resource-based view. This is because Resource-based view declares that firms having lack of financial resources face with problems regarding financial performance and bankruptcy (Westhead *et al*., 2004) and the existence of those issues depend on financial resources that companies have. Resource-based view also posits that firms' resources and capabilities are crucial in performance of enterprises (Haddoud *et al*., 2018), their competitiveness and their success in exporting processes (Lee *et al*., 2012; Westhead *et al*., 2001). For these reasons, this paper also investigates financial concerns of SMEs stemming from the existence of financial resources that is related to Resource-based view.

When it comes to external barriers, Leonidou (2004) also classifies it into the various categories. In this regard, environmental factors that stem from governmental barriers including entry restrictions, tax-related, customs, tariff, non-tariff barriers (Adu-Gyamfi & Korneliussen, 2013; Leonidou, 2004) and other regulatory frameworks, cultural-linguistic obstacles, export costs (Crick, 2004) are another crucial factor that create obstacles for SMEs (Hutchinson *et al.*, 2009). Since this paper considers export cost, legislative, tax-related and cultural-linguistic obstacles that belong to external export barriers, this paper focuses on the impacts of self-evaluation of internal barriers by SMEs on their perception of external export barriers.

On the other hand, Peng (2009) states the existence of two views when determining the success of companies around the world. While Institution Based View considers the formal and informal regulations that can affect performance of exporting businesses, Resource-Based View is related with firms' resources and capabilities that have influences on their export performance. Regulations, laws, tax-related factors, governments' implementations, cultural-linguistic differences that are external export obstacles, belong to Institution Based View since formal institutions such as governments, other state organizations and informal institutions such as different values, norms, and cultures create impediments when businesses exporting (Peng, 2009). In this regard, this paper also investigates the impacts of the perceptions of Resource Based factors by SMEs on their perceptions of Institution Based View factors.

Concerning the perception of financial performance and export obstacles by SMEs, the details will be provided in this paragraph also with the following two paragraphs. When SMEs commit more financial resources into exporting activities their perceptions of export barriers decreases (Ibeh, 2004). This is because firms having more resource commitments do more market research, look for more financing options, overcome bureaucracies with governments and can afford the cost of logistics and transportation (Adu-Gyamfi & Korneliussen, 2013). However, most of SMEs have limited resources, have lack of managerial and export experiences, and have high level of internal export barriers. Therefore, having less healthy financial conditions has been a major constraint for SMEs to do exporting activities, since it negatively influences their export decisions and probability to export (Rashid *et al*., 2021). Since export includes many expenses for SMEs, including sunk cost (Pascucci *et al*., 2021), fixed costs (Pietrovito & Pozzolo, 2021), and transport cost (Bianchi *et al*., 2018), firms having lower performance levels might perceive the export cost more intensively comparing to businesses having healthier financial conditions. For instance, by analyzing Brazilian firms, Da Silva and da Rocha (2001) express that external obstacles of exporting such as transportation and insurance costs are more intensively perceived by those firms. According to Lejárraga and Oberhofer (2015), fixed costs of exporting activities and the costs of setting new international trade relationships are also important barriers for French firms. Adu-Gyamfi and Korneliussen (2013) examine some SMEs from Ghana and observe the fact that when internal export barriers such as financial concerns of SMEs increases, their perceptions of export costs increase. Similarly, Pangarkar (2008) investigates SMEs in Singapore and confirms the fact that when SMEs negatively evaluate their performance, they more intensively perceive export costs including coordination and communication costs. Pascucci *et al*. (2021) examine 1,132 Italian SMEs and declare the fact that SMEs having better financial performance lower export barriers including sunk costs.

On the other hand, high tax burdens (Bianchi *et al*., 2018), such as tariff/non-tariff barriers imposed by foreign governments (Köksal & Kettaneh, 2011) and other legislative processes of international markets, can also create more costs for SMEs. In this case, SMEs with lower performance may face with more obstacles (Tsukanova, 2019) and this fact can cause SMEs to perceive those legislative and taxational issues more intensively than their better performed counterparts. In this regard, Pangarkar (2008) also professes the fact that when SMEs have negative perceptions regarding their financial performance, they also more intensively perceive legislative and tax-related obstacles since they operate in a particular market. Sinkovics *et al* (2018) also analyze SMEs from the UK and declare the fact that higher perceived internal external barriers such as lack of financial power cause firms having lower export performance, thus, more intensive perception of tax-related export obstacles.

Cultural-linguistic differences can also be costly for SMEs, since the differences in norms and values of various countries might require SMEs to make changes in their products and services or in their marketing strategies. Although SMEs having better financial conditions might afford those expenses, SMEs having problems with financial issues more intensively perceive those export obstacles (Gavurova *et al*., 2020). In this regard, Westhead *et al.* (2001) examine some small firms in UK and reveal the positive association between the Resource-based variables, such as better financial conditions of firms and their less intensive perceptions of export obstacles including cultural differences. Pangarkar (2008) also states that when small firms have concerns regarding their internal constraints, such as their financial conditions, they become concerned about their abilities to overcome export obstacles. This researcher also declares that when performance of firms increases, they reduce their concerns regarding cultural differences. By examining 106 SMEs from the UK, Sinkovics *et al.* (2018) prove the negative association between the performance of SMEs and the more intensive perception of cultural, legislative, tax-related export barriers (Sinkovics *et al*., 2018). This negative association has also been confirmed by some other researchers, who analyze firms in the US and Nigerian markets, respectively (Silverman *et al*., 2006; Wilkinson & Brouthers, 2006). For these reasons, the following research hypotheses might be set:

H1a: *Performance of SMEs negatively affects the intensity in the perception of export costs (a), legislative differences (b), tax-related differences (c) and cultural-linguistic differences (d) by SMEs.*

Corresponding to the bankruptcy predictions and the perceptions of export obstacles by SMEs, the details will be presented in this paragraph with also the following two paragraphs. The perception of bankruptcy risk by SMEs is also highly crucial in exporting decision (Caggese & Cuñat, 2013) since it threatens their perceptions of export barriers (Sinkovics *et al*., 2018). García-Vega *et al.* (2012) also examine 23,674 UK firms and clarify the fact that firms' predictions regarding their survival also determines their export decisions. Pangarkar (2008) states that firms having resource disadvantages feel concerned about their bankruptcy, thus, they more intensively perceive export obstacles. Those firms are more concerned about their risk of failure, thus, they more intensively perceive export obstacles including the costs of exporting (Sleuwaegen & Onkelinx, 2014; Carr *et al*., 2010) and government regulations, documentations, tax-related issues, cross-cultural marketing activities as an obstacle (García-Vega *et al*., 2012).

Some exporting firm have also experienced decreases in their revenues, thus, their willingness to continue their exporting activities also become reduced since they are afraid of facing with bankruptcy issues (Le & Shaffer, 2017; Lukason & Laitinen, 2016). For instance, by investigating Korean firms, Kim (2016) remarks that when firms feel that they might face bankruptcy issues, they might more intensively perceive export obstacles and might be risk averse to implement exporting strategies and activities in their operations. Sleuwaegen and Onkelinx (2014) also analyze Belgian firms and declare the fact that SMEs having bankruptcy pressures more intensively perceive the cost of exports. Moreover, Lee *et al.* (2012) observe 1612 Korean SMEs and shed lights on the positive association between less intensive bankruptcy perceptions by SMEs and their less intensive perceptions of legislative, tax related and cultural export obstacles. Some other studies also confess this relationship (Evangelista, 2005; Mudambi & Zahra 2007). For these reasons other research hypotheses might be set as follows:

H2: *Bankruptcy risk of SMEs positively affects the intensity in their perception of export cost (a), legislative differences (b), tax-related differences (c) and cultural-linguistic differences (d) by SMEs.*

As already stated in the previous paragraphs, the amount of financial resources or assets and financial conditions that SMEs have, carry vital importance in their own bankruptcy and financial performance evaluation. Depending on their self-evaluation of bankruptcy and financial performance, SMEs can have different perceptions regarding those export barriers. Since this research focuses on this issue as a research aim, it aims to clarify and find out this issue by applying the methods that will be elucidated in the Data and Research methodology section.

Data and research methods

The goal of this paper is to analyze whether the performance and bankruptcy predictions of SMEs affect their perceptions of export barriers or not. To accomplish this target, this research uses random sampling method to create the research sample from Cribis database. The sample consists of SMEs that have been operating in the Czech Republic, Slovakia and Hungary. The research team has also created an on-line survey that is shared by e-mails to the randomly selected respondents. Finally, 176 SMEs from the Czech Republic, 123 SMEs from Slovakia and 109 SMEs from Hungary have fulfilled this internet-mediated questionnaire. The respondents are managers and owners of 408 SMEs. Moreover, 181 firms are categorized under the segment of microenterprises, while121 firms are small enterprises and 106 firms are medium-sized enterprises. 305 SMEs have been operating for more than ten years, while the length of doing business for other businesses is up to 10 years. Firms also operate in various industries, mostly in manufacturing, service and retaling.

On the other hand, the statements that are written in Table 1 have been directed to the survey respondents to measure their perceptions and predictions regarding the export impediments, performance and bankruptcy. The researchers have applied the Three Points Likert Scale as "1 — disagree", "2 — neutral", "3 — agree" to scale the replies of the survey participants for the statements that are shown in Table 1. Therefore, lower values that the respondents select in the questionnaire indicate the fact that SMEs more intensively perceive export barriers, have not healthy financial performance and expect bankruptcy in the long term vice versa. Since the dependent variables are scaled by three-point Likert scale and they all include ranked and categorical data, the research team employs Ordinal Logistic Regression Analyses with the logit function in SPSS Statistics. Logistic regression analyses have been used by many scholars when analysing bankruptcy problems (Lukason & Vissak, 2016), and barriers faced by SMEs when exporting (Köksal & Kettaneh, 2011).

Four logit Ordinal Logistic Regression models are created for this research as follows:

$$\text{Logit}\,(\text{P}(\text{Y} \leq \text{j})) = \beta_{j0} + \beta_{j1}\,\text{X}_1 + \beta_{12}\,\text{X}_2 \tag{1}$$

where:

Y	Ordinal outcome, dependent variable (Y_1: export cost for Model 1, Y_2: legistlative differences, Y_3: tax policy differences, Y_4: cultural-linguistic differences);
J	categories;
X_1	Independent variable (X_1:performance, same for all research models);
X_2	Independent variable (X_2: bankruptcy, same for all research models);
B_1	Regression coefficients;
β_0	Constant or intercept term;
P	predictor.

The sample profile is presented in Table 2. The volumes from Model Fitting, Goodness of Fit and Test of Parallel Lines are used to test the assumptions of Ordinal Logistic Regression. In this context, Table 3 shows the values from these examinations. According to the table, the volumes from -2 Log Likelihood and Chi Square indicate if there is a significant development in overal model fit. P values (Sig.) that are lower than 5% significance level demonstrate the improvements in the created research models. Since all p values are lower than 5% level of significance, it can be stated that the models fit with the data and indicate good model fit (Model 1 = , $\chi^2(4) = 13.778$, Sig, $p < 0.05$; Model 2 = $\chi^2(4) = 7.949$, Sig, $p < 0.05$; Model 3 = $\chi^2(4) = 18.968$, Sig, $p < 0.05$; Model 4 = $\chi^2(4) = 24.917$).

Cox & Snell and Nagelkerke Statistics, representing Goodness of Fit are also presented in Table 3 under the column of Goodness of fit, since they are called Peudo R-square. Involving both independent variables, performance and bankruptcy into the research models clarifies 3.8%, 2.2%, 5.3%, and 7.4%, variabilities in the export cost, legislative differences, tax policy differences and cultural-linguistic differences, respectively (Nagelkerke volumes for Model-1 = 0.038; Model-2 = 0.022; Model-3 = 0.053; Model-4 = 0.074).

Test of Parallel Lines is an indicator of similarities in the slope coefficients of cutoffs. Since the paper uses three-points Likert Scale, there are two cutoffs indicating the values between the answers of disagree to neutral (1) and neutral to agree (2). The significance volumes that are higher from 5% significance level enable to validate the fullfillment of this assumption of Ordinal Logistic Regression Tests. Since the p values that are depicted under the column of "Sig." are higher than the selected level of significance, this research also fulfills this asssumption. For these reasons, this paper runs Ordinal Logistic Regression analyses in this research.

5% significance level is also used for hypotheses testing. Thus p values lower than this level of significance make this research support research hypotheses and fail to support null hypotheses that assume the nonexistence of negative and positive effects of performance and bankruptcy of SMEs on export obstalces' perceptions by SMEs, respectively.

Results

The algorithm that ordinal regression has, indicates the variations in two levels of the dependent variables and independent variables of all the created models. This algorithm also assesses continuous latent variables (Harrell, 2015). The reason why the dependent variables and the independent variables of the models have two levels is the fact that they are all measured by Three points Likert scale (1 — disagree, 2 — neutral, 3 — agree). Thus, there are two cut-offs in each variable. For instance, export cost = 1 or performance =1 show the cut-off value between the answers of disagree

(1) to neutral (2) while export cost = 2 and performance = 2 explain the cut-off value between the answers of neutral (2) to agree (3). In this regard, export cost = 2 or performance = 2 are cutpoints showing the differences from the answers of neutral to agree. These cases are all same for other research models and variables, which are presented in Table 4 and also in Table 5.

Table 4 illustrates the results from Ordinal Logistic Regression Analyses for Model-1 and Model 2. According to this table, the cut-offs for the performance and bankruptcy are not significant at 5% significance level for both models (Model 1: Performance = 1: 0.213, Performance = 2: 0.730, Bankruptcy = 1: 0.104, Bankruptcy = 2: 0.059; Model 2: Performance = 1 : 0.232, Performance = 2: 0.458, Bankruptcy = 1: 0.081, Bankruptcy = 2: 0.116). For these reasons, bankruptcy prediction and performance of SMEs do not affect their perceptions of export cost and legislative differences as export obstacles and this paper fails to support H1a,b and H2a,b hypotheses.

The results of Ordinal Logistic Regression Tests regarding 3rd, and 4th models are illustrated in Table 5. Although the cutoffs of performance are not significant in Model-3 (Performance = 1 : 0.234; Performance = 2: 0.414), they are significant at 5% level of significance in the 4th model (Performance = 1 : $0.003<0.05$; Performance = 2: $0.041<0.05$). Thus, while performance is not a significant predictor to determine the perception of SMEs regarding tax-related export impediments, it is a determinant factor in the cultural-linguistic barriers' perceptions by SMEs. Since the coefficients (estimate) of the levels of performance are negative in Model-4, it can be declared that when SMEs decrease their performance by one-unit, its ordered log odds of having less intensive perceptions regarding cultural-linguistic export barriers will increase by 0.385, and 0.226, respectively (performance = 1, performance = 2). For every one-unit decrease on performance, there is a predicted decrease in the log-odds of falling at a lower level of the dependent variable that indicates less intensive perception of SMEs regarding cultural export impediments. All those arguments make this paper to fail to support H3a and H4a hypotheses.

Concerning bankruptcy prediction by SMEs, they are significant at 5% significant levels in the both models, 3th and 4th model (Model 3: Bankruptcy = 1: $0.001<0.05$; Bankruptcy = 2: $0.018<0.05$; Model 4: Bankruptcy = 1: $0.016<0.05$; Bankruptcy = 2: $0.026<0.05$). Hence, bankruptcy is a significant predictor when determining the perceptions of SMEs regarding tax-related and cultural export impediments. SMEs that do not see the risk of bankruptcy for their operations within 5 years less intensively perceive both export barriers, tax-related differences and cultural-linguistic issues. This is because the coefficients (estimate column in the table) for the cutoffs of bankruptcy are all positive and having one-unit decrease in the bankruptcy risk perception causes decreases in ordered log odds of having more intensive perceptions by SMEs regarding tax-related and cultural export obstacles.

When SMEs decrease their bankruptcy concerns by one-unit, its ordered log odds of facing with less intesive tax-related export issues will increase by 0.984 and 0.546 for the cutoffs one and two, respectively, when other variables are constant in the 3th research model. Similarly, when SMEs decrease their bankruptcy concerns by one-unit, its ordered log odds of facing with less intesive cultural-linguistic barriers will increase by 0.581 and 0.562 for the cutoffs one and two, respectively, when other variables are constant in the 4th research model. Having these results enable this paper to support H3b and H4b hypotheses.

Discussion

Firm performance is not a determinant factor in the perceptions of export cost, legislative and tax-related barriers by SMEs. On the other hand, this paper substantiates that SMEs with less healthy financial power faced with more reduced cultural-linguistic export obstacles comparing to well-performed businesses. In this regard, this paper has similar results with the study of Adu-Gyamfi and Korneliussen (2013). This is because by analyzing SMEs in Ghana, Adu-Gyamfi and Korneliussen (2013) confirms the fact that SMEs having positive self-evaluation regarding their performance more intensively perceive export obstacles. On the other hand, the results of this paper regarding firm performance and cultural-linguistic differences contradict with the studies of Westhead *et al*. (2001), Lukason and Vissak (2016), Pascucci *et al.* (2021) and Bianchi *et al.* (2018) since these researchers prove the opposing results and support the positive influences of firm performance on less intensive perceptions of export barriers by SMEs and their exporting activities. For instance, Lukason and Vissak (2016) analyze some French SMEs and confirm the fact that SMEs having better financial performance face with reduced export processes including cultural differences. Moreover, by examining Chilean and Brazilian SMEs, Bianchi *et al*. (2018) substantiate the fact that SMEs having optimistic perceptions regarding their financial conditions are less likely to encounter external export barriers that are related with socio-cultural factor. Similarly, Westhead *et al.* (2001) investigate small firms in the UK and claim that firms having better financial conditions less intensively perceive cultural differences as an export obstacle. By observing Italian SMEs Pascucci *et al.*

(2021) also validate less intensive export cost perceptions of high performed SMEs. Since this paper also confirms the fact that firm performance does not determine the perception of export costs, legislative and tax-related export obstacles by SMEs, this result of this paper also contests to the findings of Pangarkar (2008) and Sinkovics *et al.* (2018). While Sinkovics *et al.* (2018) bear out the negative relationship between the performance of UK SMEs and the perception of legislative, tax-related export barriers, Pangarkar (2008) vindicates the less intensive perceptions of those obstacles by Singaporean SMEs that positively evalualuate their performance.

The reason for SMEs in this research having less healthy financial conditions less intensively perceive cultural-linguistic barriers might be related with their export orientation. The year of business activity (Tousek *et al.*, 2021) is also an important fact, because time increases the awareness (Ključnikov *et al.*, 2020a) of SMEs regarding the differences in various markets. As it is presented in Table 2, 74.76% of SMEs in the research sample have more than 10 years of business activity. Therefore, even if they have less powerful financial performance, their experience in various markets and their export orientation might have made them less concerned about cultural-linguistic export obstacles. This is because SMEs having higher export orientation are aware of various market conditions since they discover different markets (Peng & Shao, 2021).

Moreover, while the bankruptcy perceptions of SMEs do not determine their perceptions of export cost and legislative differences as export obstacles, SMEs having more concerns about bankrupcty issues more intensively perceive tax-related and cultural-linguistic differences as export obstacles. These results make this research have findings consistent with the studies by Kim (2016) and García-Vega *et al.* (2012) to some extent. For instance, (2016) confirms the positive impacts of bankruptcy risk on the more intensive perceptions of tax-related export barriers by Korean firms. Morever, García-Vega *et al.* (2012) analyze UK firms and emphasize the fact that firm having negative perceptions regarding their survival more intensively perceive tax-related and cultural export barriers. On the other hand, the result regarding the perception of bankruptcy, export cost and legislative differences by SMEs are not compatible with the results of Rashid *et al.* (2021). This is because by analyzing Pakistani manufacturing firms, these researchers declare that firms having less bankrupcty concerns less likely to perceive export costs. Similarly, by investigating Belgian firms, Sleuwaegen and Onkelinx (2014) corroborate the fact that firms having more bankruptcy concerns more intensively perceive the export costs.

According to Ključnikov *et al.* (2020b), people from individualistic societies are not reluctant to take risks. Since the firm executives in this research are from the Czech Republic, Slovakia and Hungary, these nations can be called as individualistic cultures (Hofstede, 2021). Thus, even SMEs' bankruptcy predictions are pessimistic, they might take risky export decisions and this fact might be an argument why bankruptcy is not a determinant factor in the perceptions of export obstacles by SMEs.

The results of this paper also shed light on the importance of the executives' perceptions of financial and export obstacles when making exporting decisions since firms' decisions to make export are mostly based on export and financial issues that executives perceive. In this regard, SMEs, entrepreneurs, firm executives, policy makers, chambers of commerces, other financing and governmental organizations, and scholars get benefit from the outcomes of this research. For instance, when reading this research, policy makers can become informed about SMEs' financial conditions from SMEs' executives' perspectives. In this context, when evaluating the financial conditions of SMEs, policy makers do not only focus on SMEs' financial statements, but also executives' points of views. Thus, policy makers can have closer contacts with SMEs' executives to reduce their concerns regarding financial conditions of SMEs and their exporting activities. Moreover, policy makers become aware of financial conditions of SMEs in detail. Thus, they can reduce inequalities in financing of enterprises by providing adequate export and tax incentives for them.

This paper also enables SMEs to find various solutions for their exporting operations. This is because SMEs reading this research become aware of how important the effects of perceptions of their financial conditions on their perceptions of export obstacles are. The awareness of these issues makes SMEs having more interactions with governments, and other firms. For instance, SMEs can also collaborate with other organizations such as chamber of commerce, thus, they can increase their lobby activities. By doing so, SMEs can expand their networks, and might reduce export costs, cultural and tax-related obstacles. By being a participant in such an organization, SMEs can benefit from new financial options that might reduce their bankruptcy concerns. On the other hand, chamber of commerces and other institutions can take sufficient steps to provide required assistance to those firms. Scholars can also develop educational courses for both businesses and students to develop their capability of overcoming those barriers and how to come with them. Furthermore, owners can notice the importance of having effective managers who have international networks.

Even many businesses perceive exporting activities as a costly process, there are some alternative ways for them to overcome the barriers of exporting. Innovative actions of SMEs also increase their probabilities to survive (Vu & Lim, 2013) and enable them to have more operations in international markets (Civelek *et al*., 2021). Since indirect export is less risky, SMEs that conduct export activities via intermediary firms are more likely to survive comparing with firms making direct exports. Moreover, governments can not only provide guaranteed loans for SMEs to afford the cost of exporting, but also implement some regulations to reduce the costs of exports for SMEs.

Conclusions

Exporting activities have vital importance for the economic development of businesses, as well as countries. However, financial performance and bankruptcy concerns of SMEs might limit them to take these actions. Thus, their low financial performance and high bankrupcty risk can make SMEs to more intensively perceive export obstacles such as costs, legislative, taxational and cultural-linguistic differences. In this regard, this research aims to find out whether financial performance and bankruptcy predictions by SMEs affect their perceptions regarding those export barriers.

In parallel with this purpose, this study applies random sampling method to select research sample from Cribis database. An internet-mediated questionnaire was also generated by the researchers and shared by e-mails to SMEs. Finally, 408 SMEs from the Czech Republic, Slovakia and Hungary filled in this on-line survey. Moreover, the effects of firm performance and bankrupcty on the export barriers perceptions of SMEs have been analyzed by Ordinal Logistic Regression Analyses in SPSS Statistical Programme.

The results show that while the performance and bankruptcy are determinant factor in the perceptions of cultural-linguistic barriers, those variables do not have impacts on the perceptions of export cost and legislative differences by SMEs. Although, firm performance does not determine taxational export barriers, firms having fewer bankruptcy concerns less intensively perceive tax-related export obstacles. The reasons of these results might be related with export orientation of SMEs, the lenght of doing business, and operating in indivudalistic societies. Financial and educational supports of policy makers are necessary for SMEs to cope with export impediments and to make efficient export decisions. In this regard, governments can create an online financing network for SMEs. Enterprises, banks, venture capitalist, business angels that are participants of such a network might receive tax incentives from the governments. Moreover, governments can stimulate financing organizations to provide low credit interest rates for SMEs that will start to make export. Thus, SMEs might get opportunities to reduce their export costs. Since most of SMEs lack financial opportunities, they also lack exporting activities and necessary knowledge regardin those operations. Therefore, even though they have executives who have long years of sectoral experience, it does not mean that those executives know the required information to export. In this regard, competencies of executives who having lack of export experince need to be improved. Thus, educational courses, workshops that increase exporting abilities of executives can be provided by state organizations. By having such opportunies, executives might become aware of financial opportunies, export subsidies, consulting activities, promotional supports, technical exporting standarts, legislation in variuous markets.

Universities can also implement some courses such as export management, custom regulations and practice to stimulate entrepreneurial abilities of universities. Universities can also collaborate with businesses to enable field trips for students. Firms can also have alliances with other companies to reduce the export barriers and bankruptcy concerns. For instance, when entering the US market small firms from some European countries can have a partner from the US, thus, they might benefit from the knowledge of the partner US firm regarding its local market and reduce the issues regarding the liability of newness in this specific market. Alliances might enable greater financial access opportunities and R&D activities that stimulate innovative abilities of SMEs and reduce their probabilities to be bankrupt.

As already stated, the examination of the perceptions of SMEs regarding their financial and export conditions provide clear understanding for prospective readers. This paper is also crucial because it focuses on the impacts of financial issues on exporting issues that are based on internal and external obstacles of firms when doing export. Since the existing studies also fail to find out the influences of entrepreneurs' self-evaluation of their firms' financial conditions on the perceptions of export obstacles, this paper also differs from them. The examination of those affects and creations of those relationship among the variables that are belong to various categories of export obstacles and different views (Resource-Based and Institution-Based views) make a value addition to the literature.

Although this paper highlights the impacts of firms' performance and bankruptcy evaluations on the perceptions of export obstacles by SMEs in detail, these evaluations of SMEs are not based on any performance indicators in financial statements. The reason for that is difficulty in collecting such information. As already mentioned, the performance and bankruptcy predictions are based on firms own evaluations. For these reasons, further studies can evaluate the bankrupcty risk and financial performance by focusing on financial indicators of financial statements. On the other hand, even the researchers analyze SMEs from three various Visegrad countries, more SMEs can be included into the analyses of further studies to have more extensive research sample.

References

Adu-Gyamfi, N., & Korneliussen, T. (2013). Antecedents of export performance: the case of an emerging market. *International Journal of Emerging Markets. 8*(4), 354–372. doi: 10.1108/IJoEM-Jun-2011-0056.

Al-Hyari, K., Al-Weshah, G., & Alnsour, M. (2012). Barriers to internationalisation in SMEs: evidence from Jordan. *Marketing Intelligence & Planning, 30*(2), 188–211. doi: 10.1108/02634501211211975.

Arteaga-Ortiz, J., & Fernández-Ortiz, R. (2010). Why don't we use the same export barrier measurement scale? An empirical analysis in small and medium-sized enterprises. *Journal of Small Business Management*, *48*(3), 395–420. doi: 10.1111/j.1540-627X.2010.00300.x.

Bianchi, C., Carneiro, J., & Wickramasekera, R. (2018). Internationalisation commitment of emerging market firms. *Journal of Small Business and Enterprise Development*, *25*(3), 1462–6004. doi: 10.1108/JSBED-07-2017-0221.

Bilan, Y., Gavurova, B., Stanislaw, G., & Tkacova, A. (2017). The composite coincident indicator (CCI) for business cycles. *Acta Polytechnica Hungarica, 14*(7), 71–90. doi: 10.12700/aph.14.7.2017.7.5.

Caggese, A., & Cuñat, V. (2013). Financing constraints, firm dynamics, export decisions, and aggregate productivity. *Review of Economic Dynamics*, *16*(1), 177–193. doi: 10.1016/j.red.2012.10.004.

Carr, J. C., Haggard, K. S., Hmieleski, K. M., & Zahra, S. A. (2010). A study of the moderating effects of firm age at internationalization on firm survival and short-term growth. *Strategic Entrepreneurship Journal*, *4*(2), 183–192. doi: 10.1002/sej.90.

Civelek, M., Gajdka, K., Světlík, J., & Vavrečka, V. (2020a). Differences in the usage of online marketing and social media tools: evidence from Czech, Slovakian and Hungarian SMEs. *Equilibrium. Quarterly Journal of Economics and Economic Policy, 15*(3), 537–563. doi: 10.24136/eq.2020.024.

Civelek, M., Ključnikov, A., Vavrečka, V., & Gajdka, K. (2020b). The usage of technology enabled marketing tools by SMEs and their bankruptcy concerns: evidence from Visegrad countries. *Acta Montanistica Slovaca, 25*(3), 263–273. doi: 10.46544/AMS.v25i3.01.

Civelek, M., Ključnikov, A., Fialova, V., Folvarčná, A., & Stoch, M. (2021). How innovativeness of family-owned SMEs differ depending on their characteristics? *Equilibrium. Quarterly Journal of Economics and Economic Polic*y, *16*(2), 413–428. doi: 10.24136/eq.2021 .015.

Crick, D. (2004). UK SMEs' decision to discontinue exporting: an exploratory investigation into practices within the clothing industry. *Journal of Business Venturing, 19*(4), 561–587. doi: 10.1016/S0883-9026(03)00032-6.

Da Silva, P. A., & da Rocha, A. (2001). Perception of export barriers to Mercosur by Brazilian firms. *International Marketing Review, 18*(6), 589–611. doi: 10.11 08/EUM0000000006296.

Dvorský, J., Čepel, M., Kotásková, A., & Bugánová, K. (2021). Differences in business risk effects on the future of SMEs due to Covid-19 pandemic. *International Journal of Entrepreneurial Knowledge*, *9*(2), 14–31. doi: 10.3733 5/ijek.v9i2.144.

Evangelista, F. (2005). Qualitative insights into the international new venture creation process. *Journal of International Entrepreneurship*, *3*(3), 179–198. doi: 10.1007/s10843-005-4204.

Forte, R., & Salomé Moreira, A. (2018). Financial constraints and small and medium-sized firms' export propensity: evidence from Portuguese manufacturing firms. *International Journal of the Economics of Business, 25*(2), 223–241. doi: 10.1080/13571516.2018.1437011.

García-Vega, M., Guariglia, A., & Spaliara, M.E. (2012). Volatility, financial constraints, and trade. *International Review of Economics and Finance, 21*(1), 57–76. doi: 10.1016/j.iref.2011.05.003.

Gavurova, B., Janke, F., Packova, M., & Pridavok, M. (2017). Analysis of impact of using the trend variables on bankruptcy prediction models performance. *Ekonomicky casopis*, *65*(4), 370–383.

Gavurova, B., Ivankova, V., Rigelsky, M., & Privarova, M. (2020). Relations between tourism spending and global competitiveness: an empirical study in developed OECD countries. *Journal of Tourism and Services*, *11*(21), 38–54. doi: 10.29036/jots.v11i21.175.

Haddoud, M. Y., Onjewu, A.-K., Jones, P., & Newbery, R. (2018). Investigating the moderating role of export promotion programmes. *Critical Perspectives on International Business, 14*(2/3), 282–308. doi: 10.1108/cpoib-11-2016-0059.

Harrell, F. E. (2015). *Regression modeling strategies: with applications to linear models, logistic and ordinal regression, and survival analysis*. New York: Springer.

Hofstede (2021). Hofstede insight, country comparison. Retrieved from https://www.hofstede-insights.com/country-comparison/czech-republic,hungary ,slovakia/ (13.01.2022).

Hutchinson, K., Fleck, E., & Lloyd-Reason, L. (2009). An investigation into the initial barriers to internationalization: evidence from small UK retailers. *Journal of Small Business and Enterprise Development, 16*(4), 544–568 doi: 10.1108/14626000911000910.

Ibeh, K. I. (2004). Furthering export participation in less performing developing countries: the effects of entrepreneurial orientation and managerial capacity factors. *International Journal of Social Economics, 3*(1/2), 94–110. doi: 10.1108/03068290410515448.

Kim, H. S. (2016). Differential impact of uncertainty on exporting decision in risk-averse and risk-taking firms. *Seoul Journal of Economics*, *29*(3), 379–409.

Ključnikov, A., Civelek, M., Vozňáková, I., & Krajčík, V. (2020a). Can discounts expand local and digital currency awareness of individuals depending on their characteristics? *Oeconomia Copernicana*, *11*(2), 239–266. doi: 10.24136/oc.2020.010.

Ključnikov, A., Civelek, M., Polách, J., Mikoláš, Z., & Banot, M. (2020b). How do security and benefits instill trustworthiness of a digital local currency? *Oeconomia Copernicana*, *11(*3), 433–465. doi: 10.24136/oc.2020.018.

Ključnikov, A., Civelek, M., Fialova, V., & Folvarčná, A. (2021). Organizational, local, and global innovativeness of family-owned SMEs depending on firm-individual level characteristics: evidence from the Czech Republic. *Equilibrium. Quarterly Journal of Economics and Economic Policy*, *16*(1), 169–184. doi: 10.24136/eq.2021.006.

Kolková, A., & Ključnikov, A. (2021). Demand forecasting: an alternative approach based on technical indicator Pbands. *Oeconomia Copernicana*, *12*(4), 863–894. doi: 10.24136/oc.2021.028.

Köksal, M. H., & Kettaneh, T. (2011). Export problems experienced by high-and low-performing manufacturing companies. *Journal of Marketing and Logistics*, *23*(1), 108–126. doi: 10.1108/13555851111100021.

Le, T. D., & Shaffer, P. (2017). Assessing the efficiency costs of Vietnam's ‘missing’small and medium sized enterprises. *Asia & the Pacific Policy Studies*, *4*(1), 50–69. doi: 10.1002/app5.165.

Lee, H., Kelley, D., Lee, J., & Lee, S. (2012). SME Survival: the impact of internationalization, technology resources, and alliances. *Journal of Small Business Management, 50*(1), 1–19, doi: 10.1111/j.1540-627X.2011.00341.x.

Lejárraga, I., & Oberhofer, H. (2015). Performance of small-and medium-sized enterprises in services trade: evidence from French firms. *Small Business Economics, 45*(3), 673–702. doi: 10.1007/s11187-015-9647-z.

Leonidou, L. C. (2004). An analysis of the barriers hindering small business export development. *Journal of Small Business Management*, *42*(3), 279–302. doi: 10.1111/j.1540-627X.2004.00112.x.

Lukason, O. X, & Laitinen, E. K. (2016). Failure processes of old manufacturing firms in different European countries. *Investment Management and Financial Innovations, 13*(2), 310–321. doi: 10.21511/imfi.13(2-2).2016.06.

Metzker, Z., Marousek, J., Hlawiczka, R., Belas, J. Jr., & Khan, K. A. (2021a). The perception of the market and operational area of business by service sector and tourism companies in terms of csr implementation. *Journal of Tourism and Services, 23*(12), 217–236. doi: 10.29036/jots.v12i23.328.

Metzker, Z., Marousek, J., Zvarikova, K., Hlawiczka, R. (2021b). The perception of SMEs bankruptcy concerning CSR implementation. *International Journal of Entrepreneurial Knowledge*, *9*(2), 85–95. doi: 10.37335/ijek.v9i2.133.

Mudambi, R., & Zahra, S. A. (2007). The survival of international new ventures. *Journal of International Business Studies*, 38, 333–352. doi: 10.29123/12i23.426.

Narayanan, V. (2015). Export barriers for small and medium-sized enterprises: a literature review based on Leonidou's Model. *Entrepreneurial Business and Economics Review*, *3*(2), 105–123. doi: 10.15678/EBER.2015.030208.

Pangarkar, N. (2008). Internationalization and performance of small-and medium-sized enterprises. *Journal of World Business*, *43*(4), 475–485. doi: 10.1016/j.jwb.2007.11.009.

Pascucci, F., Domenichelli, O., Peruffo, E., & Gregori, G. L. (2021). Family ownership and the export performance of SMEs: the moderating role of financial constraints and flexibility. *Journal of Small Business and Enterprise Development*, *29*(4), 602–626. doi:10.1108/JSBED-03-2021-0113.

Pavlák, M. (2018). Barriers to the internationalization of Czech SMEs. *European Research Studies Journal*, *21*(2), 453–462.

Peng, M. (2009). *Global business*. Mason: South-Western Cengage Learning.

Peng, M., Y.-P., & Shao, L. (2021). How do the determinants of new product development matter in the international context? *Journal of Competitiveness*, *13*(3), 129–146. doi: 10.7441/joc.2021.03.08.

Pereira-Moliner, J., López-Gamero, M. D., Font, X., Molina-Azorín, J. F., Tarí, J. J., & Pertusa-Ortega, E. M. (2021). Sustainability, competitive advantages and performance in the hotel industry. *Journal of Tourism and Services, 23*(12), doi: 10.29036/jots.v12i23.282.

Pietrovito, F., & Pozzolo, A. F. (2021). Credit constraints and exports of SMEs in emerging and developing countries. *Small Business Economics*, *56*, 311–332. doi: 10.1007/s11187-019-00225-x.

Rashid, A., Hassan, M. K., & Karamat, H. (2021). Firm size and the interlinkages between sales volatility, exports, and financial stability of Pakistani manufacturing firms. *Eurasian Business Review*, *11*, 111–134. doi:10.1007/s40821-020-00162-w.

Sedliacikova, M., Moresova, M., Alac, P., & Drabek, J. (2021). How do behavioral aspects affect the financial decisions of managers and the competitiveness of enterprises? *Journal of Competitiveness*, *13*(2), 99–116. doi: 10.7441/joc.2021.02.06.

Silva, J. R., Franco, M., & Magrinho, A. (2016). Empirical investigation of the effects of industry type and firm size on export barriers. *Journal of Business Economics and Management, 17*(6), 1052–1065. doi: 10.3846/16111699.2016.1143874.

Silverman, M., Sengupta, S., & Castaldi, R. M. (2004). Improving export performance; the case of the U.S. Wine industry. *Journal of Global Marketing*, *17*(1), 45–65. doi: 10.1300/J042v17n01_04.

Sinicakova, M., & Gavurova, B. (2017). Single monetary policy versus macroeconomic fundamentals in Slovakia. *Ekonomicky casopis, 65*(2), 158–172.

Sinkovics, R. R., Kurt, Y., & Sinkovics, N. (2018). The effect of matching on perceived export barriers and performance in an era of globalization discontents: Empirical evidence from UK SMEs. *International Business Review, 27*(5), 1065–1079. doi: 10.1016/j.ibusrev.2018.03.007.

Sleuwaegen, L., & Onkelinx, J. (2014). International commitment, post-entry growth and survival of international new ventures. *Journal of Business Venturing, 29*(1), 106–120. doi: 10.1016/j.jbusvent.2013.01.001.

Tousek, Z., Hinke, J., Malinska, B., & Prokop, M. (2021). The performance determinants of trading companies. *Journal of Competitiveness, 13*(2), 152–170. doi: 10.7441/ joc.2021.02.09.

Tsukanova, T. (2019). Home country institutions and export behaviour of SMEs from transition economies. *European Journal of International Management, 13*(6), 811–842.

Vu, H., & Lim, S. (2013). Exports and firm survival: the first evidence from Vietnam private manufacturing SMEs. *Economics Bulletin*, *33*(2), 1259–1268.

Westhead, P., Wright, M., & Ucbasaran, D. (2001). The internationalization of new and small firms: a resource-based view. *Journal of Business Venturing*, *16*(4), 333–358. doi: 10.1016/S0883-9026(99)00063-4.

Westhead, P., Wright, M., & Ucbasaran, D. (2004). Internationalization of private firms: environmental turbulence and organizational strategies and resources. *Entrepreneurship & Regional Development, 16*(6), 501–522. doi: 10.1080/089 8562042000231929.

Wilkinson, T., & Brouthers, L. E. (2006). Trade promotion and SME export performance. *International Business Review*, *15*(3), 233–252. doi: 10.1016/j.ibus rev.2006.03.001.

Acknowledgments

The paper is an output of the project NFP313010BWN6 „The implementation framework and business model of the Internet of Things, Industry 4.0 and smart transport“.

Annex

Table 1. Measurements in the questionnaire

Export barriers	Measurements
Export cost	"Higher export costs are no obstacle to the export of our products"
Legislative differences	"Legislative differences are not an obstacle to the export of our products"
Tax policy differences	"The differences in tax policy are not an obstacle to the export of our products"
Linguistic-cultural differences	"Linguistic and cultural differences are not an obstacle to the export of our products"
Performance	"I evaluate the financial performance of our (my) company positively"
Bankruptcy	"There is no risk of bankruptcy for our (my) company within 5 years"

Table 2. Sample Profile

Items	Categories	*n*	Share
Country	Czechia	176	43.14%
	Slovakia	123	30.15%
	Hungary	109	26.71%
	Total	**408**	**100%**
Firm size	Micro	181	44.36%
	small	121	29.66%
	medium	106	25.98%
	Total	**408**	**100%**
Firm age	up to 5years	50	12.25%
	6 to 10 years	53	12.99%
	more than 10 years	305	74.76%
	Total	**408**	**100%**
Firm sector	manufacturing	140	34.31%
	retailing	67	16.42%
	service	103	25.25%
	others	98	24.02%
	Total	**408**	**100%**

Table 3. Model fitting, Pseudo R-square, Test of parallel lines

Assumptions	**Model fitting**				**Goodness of fit Pseudo R-square**		**Test of parallel lines**			
Models	**-2 Log likelihood**	**Chi-Square**	**df**	**Sig.**	**Cox & Snell**	**Nagelkerke**	**-2 Log likelihood**	**Chi-Square**	**df**	**Sig.**
Model 1	79.904	13.778	4	*0.008*	0.033	0.038	71.254	2.650	4	0.618
Model 2	88.069	7.949	4	*0.043*	0.019	0.022	76.936	11.134	4	0.125
Model 3	93.657	18.968	4	*0.001*	0.045	0.053	83.214	10.444	4	0.134
Model 4	84.514	24.917	4	*0.000*	0.059	0.074	69.950	14.564	4	0.056

Note: Sig.: significance.

Table 4. The results regarding 1st and 2nd research models

Variable	**Estimate**	**S.E.**	**Wald**	**df**	**Sig.**	**95% CI [Lower Upper]**
MODEL-1						
Export cost = 1	-0.008	0.327	0.001	1	*0.980*	[-0.650 0.633]
Export cost = 2	1.139	0.333	11.725	1	*0.001*	[0.487 1.791]
Performance = 1	-0.399	0.320	1.549	1	*0.213*	[-1.026 0.229]
Performance = 2	0.121	0.351	0.119	1	*0.730*	[-0.566 0.809]
Bankruptcy = 1	0.468	0.288	2.636	1	*0.104*	[-0.097 1.033]
Bankruptcy = 2	0.423	0.224	3.569	1	*0.059*	[-0.016 0.862]
MODEL-2						
Legislative = 1	-0.005	0.329	0.000	1	*0.988*	[-0.649 0.639]
Legislative = 2	0.959	0.332	8.329	1	*0.004*	[0.308 1.610]
Performance = 1	-0.384	0.321	1.427	1	*0.232*	[-1.013 0.349]
Performance = 2	-0.263	0.354	0.552	1	*0.458*	[-0.957 0.431]
Bankruptcy = 1	0.505	0.289	3.050	1	*0.081*	[-0.062 1.072]
Bankruptcy = 2	0.355	0.226	2.467	1	*0.116*	[-0.088 0.797]

Note: S.E.: Standard Error, df: Degree of freedom, CI: Confidence intervals.

Table 5. The results regarding 3rd, and 4th research models

Variable	Estimate	S.E.	Wald	df	Sig.	95% CI [Lower Upper]
MODEL-3						
Tax-related = 1	0.277	0.332	0.699	1	*0.403*	[-0.373 0.928]
Tax-related = 2	1.353	0.339	15.943	1	*0.000*	[0.689 2.017]
Performance = 1	-0.385	0.324	1.419	1	*0.234*	[-1.020 0.249]
Performance = 2	-0.226	0.357	0.401	1	*0.414*	[-0.927 0.474]
Bankruptcy = 1	0.984	0.291	11.441	1	*0.001*	[0.414 1.555]
Bankruptcy = 2	0.546	0.230	5.622	1	*0.018*	[0.095 0.997]
MODEL-4						
Cultural = 1	0.383	0.344	1.235	1	*0.266*	[-0.292 1.058]
Cultural = 2	1.605	0.356	20.282	1	*0.000*	[0.906 2.303]
Performance = 1	-0.985	0.336	8.565	1	*0.003*	[-1.644 -0.325]
Performance = 2	-0.344	0.365	0.887	1	*0.041*	[-1.059 -0.371]
Bankruptcy = 1	0.581	0.318	3.342	1	*0.016*	[0.042 1.204]
Bankruptcy = 2	0.562	0.252	4.973	1	*0.026*	[0.068 1.056]

Note: S.E.: Standard Error, df: Degree of freedom, CI: Confidence intervals.