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The Performance Determinants of Re-Startup and the Credit-Problem

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Abstract: This study examines the effects of failure experience, re-startup's motivation, government support and business education on the re-startup's firm-performance under the condition of credit-problem. We employed 685 re-startups received the government fund for 2010~2014 year and surveyed for 25 days. From the 685 re-startups, we used 384 re-startups for statistical analysis after data cleaning.

As a result of the general analysis which did not divide into two groups by credit-problem, we found that the failure experience had no significant effect on the performance, while re-startup's motivation, government support and business education had a significant effect on the re-startup's firm-performance.

However, when we divided two groups according to debt and credit issue, we found that the first group which had no credit-problem, the re-startup's motivation and the failure experience had a significant influence on the performance, while government support and business education had no a significant effect on that. On the other hand, the second group which still had the credit-problem, we found that the re-startup's motivation and the failure experience had no significant effect on the performance, but the government support business and business education for re-startup had a significant effect on that.

In conclusion, we can figure out that the important factor affecting the firm-performance of re-startup is credit issue. The results suggest that it is necessary to research or develop the differentiated policies for a re-startup depending on the condition of credit-problem and also, provide the necessity to consider the concept of obsolescence before starting a re-startup again after failure. This paper studies with unique topics that were not much covered in the previous research as well as provides specific and valuable information about re-startups which has not been known well.

Keywords: Entrepreneurship, Startup, Failure Experience, Re-startup, Firm Performance