Alhamd Multidisciplinary Research Journal

ISSN 2789-5866

IMPACT OF FINANCIAL AND LEGAL CONSTRAINTS ON FIRM'S GROWTH AND SURVIVAL USING META ANALYSIS

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Paper ID:AMJR-01
Volume 3 Issue 1

Keywords:
Financial constraints, legal constraints, firm, growth, survival, profitability, inflation, interest rate

Abstract
In this study we have identified the main factors which measure the financial and legal constraints on a firm and to detect the impact of these constrains on a firm's growth and survival. The study organizes these facts about how these measures distress the economy and the firm's productivity using meta-analysis. This study found that financial and legal constraints affect firm management and weaken the economic system and firm market conditions. It is depicted that financial and legal constraints are not only the problem of large firms; there is considerable evidence that most small firm's productivity, survival, and profitability are also affected by certain constraints. Financial, legal, managerial, and technological complications restrict the firm to grow and survive in a competitive environment. It is resulted that inflation increases the firm production cost and decreases profitability while rising interest rate makes the firm less willing to invest in risky assets and borrow loans.

1. Introduction

The existence of financial and legal constraints affects the firm's ability to grow and survive in the market environment. Prosperity and growth of the firm put positive effects on the society. New horizons of the development are open for the business community as well. So a considerable effort put in this study on the various factors of financial and legal development that ease the firm obstacles. In this study we have also determine and represents the issue of government laws and taxes that affect the growth of the firm. We have also studied the previous researches and highlighted the effects of these constrains on the firm productivity, size, and age. After this study one can analyze how firm determine the financial and legal environment and can observe the obstacles in terms of growth and survival. Indeed, there is a wide relation between a firm's perception and firm's survival.

Limited literature exists, how a firm's growth is affected by financial and legal constraints, and how institutions of a country perform in this situation when financial and legal institutes affect firms of different size and age. Rajan (1996) described that there are greater benefits for those who belong to different business groups and firms. These studies compares with the prevalent assessment in the country of United States that relates to the capacity of outflow market observing by choice to interior capital markets that makes great extent sized firms incompetent (Poncet, 2010; Rajan,1996). Though, findings of firm's clusters in the developing economies are restricted to firms that select to belong to such groups, and the degree to which all these outcomes simplify for other firms and for other established surroundings are uncertain. While financial, policy instability that related to law and disorders have been identified as first order constraints, considerably distressing firm growth. It is also possible that the relations observed may also be due to reverse causality, with incompetent, slow developing firms blaming the environment for their enactment. But while reverse causality is potentially a concern, it does not explain why poorly performing firms would systematically complain most about financing, legal constraints and policy instability and not about the other obstacles. But there is our only concern on discussing and testing the firm's situations they faced in financial and legal constraints and ultimately affect firm's growth.

Previous studies demonstrate that low productivity firms remove easily from the market as compared to competitive firms. (Foster, 2008; Liu, 2017; He 2023). There are huge works undertaken on the factors that cause firm death. (e.g., Evans 1987; Storey and Wynarczyk 1996; Yasuda 2005). It is also found that those firms who encounter their funding restrictions with little equity interest payments and then great debt ranks are complex regarding the stock flow. (Bridges & Guariglia, 2008).

The World bank is very supportive in such cases of constraints and also sanctioned more than $10 billion for small and medium enterprises assistance programs and also sanctioned $1.5 billion in 2000 (World Bank Group Review of Small Business Activities (2002)).

A small quantity of research studies are presented determining accounting signs in accounting formulae for collecting and accumulating growth sustainability models (Bridges & Guariglia, 2008; Fotopoulos & Louri, 2000; Rajan & Zingales, 1996). Bloom et al. (2007) said that constraints of future growth, productivity, and survival obtain fluctuations in market conditions. This effect is considered stronger in recession when constraints of financial and legal expected stronger.

1.1. Economic background

We study various theories and conclude that theoretical and empirical literature approves that uncertain situations occur with decline in output, productivity, investment, occupation at different levels. Major influences in this way include studies from (Bloom, 2007; Caballero, 1999; Dixit 2012). There is less work made on a firm's growth and survival, there are many firms that operate with less investments that may not be equal to other firms that close completely due to uncertainty and financial and legal constraints. Financial and legal obstacles ascertain the different economic implications of the economy depending upon firm close or not and reasons behind it. Bloom (2007) shows how short-term uncertainty constraints may be related to a short term downturn. He said that constraints of future growth, productivity, and survival obtain fluctuations in market conditions. This effect is considered stronger in recession when constraints of financial and legal expected stronger. Ghosal (2000) emphasize the implication that financial and legal constraints have a negative effect on investment, productivity, size, growth and survival of the firm. Our paper is innovative because in which we determines the interrelation of firm growth and survival, financial and legal obstacles. It is also accepted that poorer creditworthiness firms are affected badly in their assets and liabilities as compared to good creditworthy firms. Large countries firms confirm that financing and lea obstacles are very much important and considerable constraints to growth. By investigating all these facts there is a possibility that unsuccessful firms blame institutional constraints for their bad performance, but there is many other factors that effects on firm’s growth and survival of the firm, Such as accounting data, auditing process etc. Cohen (1999) determined that rate of inflation was low at that time when this study is undertaken, but the cost of capital increasing expressively. There are also certain arguments and explanations of firm performance and selection of developing economies. Walsh (2001) shows that these firms that were trading with Western Europe pre-transition had a greater growth as compared to other firms that do not do so. One of the main issues that relate to firm growth and economic structure, that is the exploration of effects of predicted inflation. In this initial work, Dornbusch (1973) gave a detailed survey and meaningful discussion on this issue. In a recent study investigation, all these effects have been investigated in such different ways of balancing model figures Marquis (1994).

In this way we identified the certain instrumental phenomenon, from different perceptions under which variations in monetary policies affect the real sector of the economic sector. But also attain the estimation results on the measurable effects on such variations. All these kinds of studies, though, commence from implied assumptions in which the number of firms in the economic sector is fixed. As a result, policy intervening does not affect certain types of variables. Recently examine the theoretical work in detail ascertain the analysis of growth and survival for firms. Also, in evolution countries Firm’s continue to have soft budget limits, which affect the benefits of Managers and may have an effect on survival and growth (Dewatripont, 1995). Background of investment decisions Light (2001) just shows the significance of soft budget constraints in the context of investment models. That’s why we will make sure the facts about these financial and legal constraints matter in such a way of the firm's growth and survival.

Gilchrist (2013) ascertained how much macroeconomic insecurity effects not only investment decision but also impact on credit spreads and decline productivity through financial constraints. Significantly, this research study suggests a specific way by which uncertainty makes certain effects on firm growth and survival. Finally, Huynh (2010) shows observed indication on the factors of firm survival and growth. That shows the firms’ control problems for both financial and legal constraints and has a nonlinear effect on firms’ growth and survival. So, high leverage (low profitability) does not have a determined effect on economic activity, but the costs of leverage for firm growth impose recovery from recession. That thing presents the view point of contribution for our understanding of the business cycle (Hall 2010). We have reviewed the research questions related to that category and also discuss different empirical methods and studies that consider our ideas and suggestions in a valid and sound way. All of these connections should be very relevant during crises and constraints. Finally, we anticipate verifying our results when we use the similarity between public and nonpublic firms. Previous group is more expected financially and legally constrained by obtaining conclusions of different facts and figures. Therefore it may respond strongly to uncertainty compared to the last group of firms, especially during extreme economic events. Haddow (2013) claim that a high level of uncertainty factors that restrain UK recovery and adversely growth and survival of the firm.

Uncertainty problems have a significant impact on industrial production and GDP and somehow have a limited impact on employment. In this paper we also examine the role of such other economies' conditions that are affected from all these channels that are based on regularity and government policies constraints. We also find that firms reduce their formal operations with greater tax and other regulatory burden, and increase them with certain better quality systems. In this term of firm growth and survival, In terms of firm growth, we discover a gap directly influence of regulatory burden and administration quality on formal and informal Firm’s growth and survival.

It is described that if there is growth in formal firms then it will be negatively correlated by tax and financial constraints. But all these constraints are considered irrelevant for an informal firm’s growth and survival. Moreover, formal and informal firms differ according to their system, formal firm’s growth and survival can be maintained according to their better implementation program system, while if we talk about informal firm’s structure the growth will be constrained form the structure point of view i.e. crime, pointing out informal firm’s structure because there is inability for those firms for taking full advantage of the legal and judicial systems under it.

Finally, we determine that there is positive and significant relationship between firms and better rule of law because it improves firm’s growth and survival position. While achieving firm’s growth and survival that is the process of development and success because there is wide part is available in finance and economics. Recently, the relationship between firm’s growth, aggregation of investment, and economic development growth has been observed in the background of a wider and extensive business environment i.e. financial, regulatory environment from which firms operates and manage. Different studies have shown that insufficient execution of rights, financial and legal constraints, and burdensome rules and regulations have adverse effects on firm growth and investment. In contrast, high cost of business rules and regulations, weak tax system and administration programs, poor institutional structure, and weak other property rights are cited as major constraints to doing the business in many transition countries because of facing all these problems Ayyagari (2006). Furthermore, there is significant difference in the degree of informal activity across evolution countries that are influenced by differences in legal, regulatory, financing, and other obstacles faced by firms.

This is a valuable and important point for policy-makers because managing incentives for concern is the important step prevailing from the point of view of increasing aggregate productivity. Our study on this topic provides the evidence for policy constraints that play a valuable and significant role not only to find out firm's valuation criteria but also the growth incentives under it. The regulatory burden, legal quality, and effectiveness are the most valuable factor in the country where growth is measured and managed according to certain reasons involving the formal sector. So, in which many different studies are found that involve the obstacles related to the informality determinants, under we find and support the studies for the accuracy and reliability of all these kinds of constraints i.e. financial and legal constraints. Furthermore, expressively we discover these results grasp for three alternative delegations for convention, in which includes percentage of sales, different bills of wages, and workforce that directly reports to tax for measures and controls.

In previous years extensive theoretical literature has occurred on the procedure of economic rearrangement in economic system development (Ayyagari, 2006). In this category of evolution, arrangement of funds is considered highly significant research. So, evolution on proposal to marketplace implicit, considerable rearrangement of funds since decreasing market of increasing that, and ancient sectors to novel sectors, from government firms to denationalized ones. However, it has recognized that this rearrangement and reformation development vary considerably across different developing markets (Haltiwanger, 2000). Little is known about what determines firm growth and market collection in transition countries. Many firms that took the transition were considered by over-manning levels, soft budget constraints, lack of invention, and the construction of low quality yields. Most of them restructuring does not have an option for that and survival in economic markets may not have been practicable as recommended by 8 (Walsh, 2001)**.** This paper is the first to examine the causes of firm survival and growth in a competitive environment, and in transition countries where the developing process is just a starting point and soft budget constraints frequently persist. According to Cowling (2003) interest is the premium that is received after a specified time period by lenders. Borrowers pay the cost of capital when they obtain the loan from others i.e. banks and other government and private agencies. Interest rate affects the whole business in three important ways; the first one is high interest rate greater than the total price customer pay that all use credit loans for products and services.

Consequently, the system of interest rate rises for the purpose of claiming yields is expected to decline. Next the second one is; mostly big business borrows funds to fund their day to day business dealings. Then executives essentially increase costs of the products to shield the price of undertaking the industries or receive less profit. The third important factor on interest rate is the growth of relevant business, after that many firms occasionally put into consideration new systems with recognition. Interest is one of the highest distress for managers; if the interest rate is prevailing low then it is considered that this is the most suitable and worthy time for the managers to avail business opportunities. If the interest rate is higher then, the manager will postpone the expansion of business and lower the cost of borrowing. In this way the cost of borrowing decreases because of high interest rates and it ultimately affects the firm's growth and survival position. Under this case of fluctuation of interest rate policies, there will be a change in such a way of demand and supply of loans, attaining funds separately. Demand decreases when there are a number of businesses that borrow the loans for the financial development process foremost for the purpose of increasing the interest rate. In which demand is the most considerable thing, because demand decreases when the firms finalize the growth and there is a broad decline in sales of goods and services at a huge level. There is a great discussion on the rules of the 1980s related to trade liberalization, from which revealed later many SMEs for wider competition with competitors that are organized and managed according to their rules and regulations.

Although, the tailors in Techiman whose works were made to stitch trousers in a large quantity, within a month they migrate from other place because there were no orders due to pending and late work its effects on trade liberalization, lack of global business knowledge, poor and lower quality products and practices, there were no product modification channels and slightly access to global market. There are also other constraints that restrict the development of SMEs , lack of security rights, restricted foreign know-how, approaches to land, efficiently and effectively set-up of services, high import system of rules and regulations although permitting and record keeping.

1.2. Problem statement

The existence of financial and legal constraints affects the firm's ability to grow and survive in the market environment. So, there is considerable effort put on to study the various factors of financial and legal development that ease the firm obstacles. Through meta-analysis, we study the previous research and maintain a focus on firm productivity, size, and age effects from these constraints.

Thus, in this regard that thing will be able to analyse how firms determine the financial and legal environment and observe obstacles from the point of view of growth and survival. And whether indeed, there is a wide relation between a firm's perception and firm’s survival. Our paper also determines and represents the issue of government laws and taxes that affect the growth of the firm. Second, literature has very limited data on when and how a firm's growth is affected by financial and legal constraints, and how institutions of a country perform in this situation when financial and legal institutes affect firms of different size and age. We all know that there are greater benefits for those who belong to different business groups and firms (Rajan, 1996) analysis of indication on Asian entrepreneurship).

These studies compares with the prevalent assessment in the country of United States that relates to the capacity of outflow market observing by choice to interior capital markets that makes great extent sized firms incompetent (Poncet, 2010). Though, findings of firm's clusters in the developing economies are restricted to firms that select to belong to such groups, and the degree to which all these outcomes simplify for other firms and for other established surroundings are uncertain. While financial, policy instability that related to law and disorders have been identified as first order constraints, considerably distressing firm growth, it is also possible that the relations observed may also be due to reverse causality, with incompetent, slow developing firms blaming the environment for their enactment. But while reverse causality is potentially a concern, it does not explain why poorly performing firms would systematically complain most about financing, legal constraints and policy instability and not about the other obstacles. But there is our only concern on discussing and testing the firm's situations they faced in financial and legal constraints and ultimately affect firm's growth.

1.3. Objectives

- Research is conducted to cope with such obstacles. This study demonstrates how and why financial and legal constraints affect a firm's growth and leads to failure in the competitive environment of the economy.
- To examine the legal constraints and distinguishing the problems many firms face in fully observing taxes and rules and regulations.
- To examine the financial constraints and distinctive the obstacles many firms face in fully discerning with inflation and rising interest rates.
- Assessment of the previous studies between FC, LC and the moderating effect of financial performance.

1.4. Research questions

- Does financial and legal constraints affect a firm's growth and survival in a competitive environment?
- How does financial performance play a moderating role between dependent and independent variables?
- How do inflation and high interest rates play a constrain in a firm's survival and growth?

● Are there only large firms affected by these constraints or also small firms?

● Do previous studies help us to collect data on financial and legal constraints?

1.4. Hypothesis

i. . Financial constraints have a negative impact on a firm's growth and survival.

ii. Legal constraints have a negative impact on a firm's growth and survival.

iii. Financial performance has a positive impact on a firm's growth and survival.

iv. Financial constraints have a negative impact on a firm's performance.

v. Legal constraints have a negative impact on a firm's performance.

vi. Inflation has a negative effect on firm’s growth and survival.

vii. High interest rates have a negative effect on firm’s growth and survival.

viii. Inflation and high interest rates have a negative effect on firm’s performance.

1.5. Significance of the Study

The meta-analysis approach is used and after examining appropriate studies to prove the fact behind a firm's growth and survival. Determining the factors that make hurdles in a firm's growth and survival, it will be helpful and practicable for policymakers to obtain the reason for financial and legal constraints and also suggest the firms, how they can be secured from all of these constraints.

2. Brief Literature Review

The extent of financial constraints directly affect the firm to grow and exit from the market, although there are a lot of studies present on this subject that relate to finance and growth of firms in literature (Levine, 2003). Beck (2005) stated that that the financial developments managed the firm's problems and helped the firms to develop in the market. Bloom (2007) suggested that how the short-term uncertainty is associated with a short-term downturn. Firms should have to become energetic again once uncertainty moderates. Visibly, if businesses were more likely to fail, this would had an impact on an economy's ability to recover and prosper. When someone, accepted the possibility of companies closing, the irreversibility channel of indecision could become greater.

So, temporary closed firms business bearded a great loss just because of inappropriate economic conditions. Beck (2007) concluded that excess external finance was important for a firm to compete in a competitive environment and guided to improve the market selection and the existence of financial constraints played a substantial role in firm decision, growth and survival. Hovakimian (2009) presented a two phase tactic of assessing firm financial constraints. In first step, he estimated the investment equation, and in second step, he assessed the error term of regression which positively correlate with cash flow investment sensitivity. The Legal enforcement followed the rule of law, and government obligation requirements. This paper addressed the effect of firm-level data through previous researches that affected the firm growth. Firm's growth and survival positions regulated according to government recommendations, but irregularity destroyed the whole system of regulations and marked the firms to face irregularity and systematic problems. Firm's survival position went down when there was regularity and tax burden involved. Firms decreased their operations because of regularity issues and laws and orders, policies and taxes issues. Firms enhanced the better condition of the environment through enforcement excellence. In the sense of a firm's growth, he examined the suitable and distinctive impact of legal issues and implementation excellence on both of the formal and informal firm's growth and survival. Huynh (2010) provided empirical evidence on firm existence and growth, in this perspective firm size could be one important element. Firm size combined the relationship of a firm's age and productivity that had the ultimate effect on a firm's profitability. Evidence showed that the impact of firm had significant indeed; it could be highly leveraged and had not a sustainable impact on economic activity. Ferrando (2011) studied how financial constraints disturb the amount of extra credit the firm obtained and it's ultimately influence on firm effectiveness. Anderson (2013) believed that the younger firms created their establishing and processes routine in a more flexible and reactive way. Recent academic research studies based on registered data and theories recognized that a firm's age rather than its size is the key factor of net job formation, Law (2014). Görg (2014) suggested that the firm's growth was the main factor of any business; uncertainty pushed down the process of the business conditions. They assessed the role of firm uncertainty and firm's failure; they mainly focused on the certain types of risk that ultimately impact on firm survival. From the results of different firms' analysis, they indicated that the firms faced the financial crises widely, if there were uncertainty available. Uncertainty suggested the chances of growth failure, firms with less obliged and more profitable had less probable to fail. Larger and older types of firms had less risky as compared to younger and smaller firms. Peric (2016) taken a large sample of survived firm during the economic recession 2008-2013. He concluded that company size and turnover growth are positively related. McGuinnes (2018) examined the survival of small and medium size enterprises (SMEs) on financial credits. They took a large sample of size 202696 SMEs from thirteen European countries over the period 2003-2012. The concluded that trade credit had very positive effect on firm survival. Alabi (2019) studied the impact of government policies on financial growth of small and large enterprises of six states of Nigeria. It was concluded that government policies and business growth had significant relationship in SMEs enterprises. Baumöhl (2020) analyzed the firm survival determination in four Eurpion states i.e. the Poland, Czech Republic, Slovakia and Hungry using Cox proportional hazard technique on firm level data collected for the period of 2006-2016. It was concluded that the survival of firm largely depends on the economic sense, association with legal form, cooperate governance and ownership structure. Ferrucci (2021) studied the effect of reliving financial constrains for the progress and survival of Italian firms. Balance sheets data and information of Italian central guarantee fund of SMEs were evaluated and it was resulted that reliving financial constraints and access of funds helped in survival and growth of firms. Giannatale (2022) analyzed the survival and growth of small firms having financial credit constrains. It was observed that a number of factors such as wealth and saving capacity, presence of information in financial system, business owners, informality, behavior biases, business decisions and gender have significant effects in firms survival and growth. The SMEs of Vietnam was analyzed by Hai (2023) during the worldwide economic crises, seeing financial performance, accounting and bank credit. This study concluded that financial crisis impact significantly on the survival of SMEs and had varying survival rates.

3. Data and Methodology

3.1 Data Collection

For the purpose of data collection, original research papers or articles are obtained based on influence of financial and legal restrictions on firm's growth and survival. For that purpose, specific journals are selected for the relevant articles by using keyword relates to our topic i.e. financial constraints inflation, and high interest rate, legal constraints, govt. policies, rule and regulation, law implication, Firm's growth and firm's survival. We have included 72 articles in this study to analyze the impact of considered variables in the growth of firms.

Through arranged measures, 45 financial and legal constraints are included and survival analysis is conducted after a screening process. For the purpose of exploration of legal and financial environment constraints on firm's growth and survival we build a sample using different types of information from previous researches includes studies from 1990s to 2021. Our study contains on micro and macro level of information that evaluate comprehensive data on our topic.

3.2. Methodology

Meta-analysis is a geometric inquiry in which it is defines the valuable studies and combines them for scientific analysis. Meta-analysis is performed when there is multiple studies are entitled to same point of view. It is an approach of already published studies in relevant field. Meta-analysis can sum all results of various studies related to our topics that will produce weighted average outcomes that relates to reliability and validity more accurately with larger population.

Prevailing means and methods of meta-analysis create a weighted average form all these analysis given below under individual studies on every variable and dimension. Following techniques are used in our analysis

3.2.1. Forest Plot

A forest plot, the second name is blobbogram, is a graphical presentation in which results are examined and estimated from various scientific studies that is entitled to addressed same question. After that studies are summarized that gives the suggestions of the amount of study heterogeneity in numerical form, and also shows the overall effect estimated for that study. One can study Fagerland (2015) for further details.

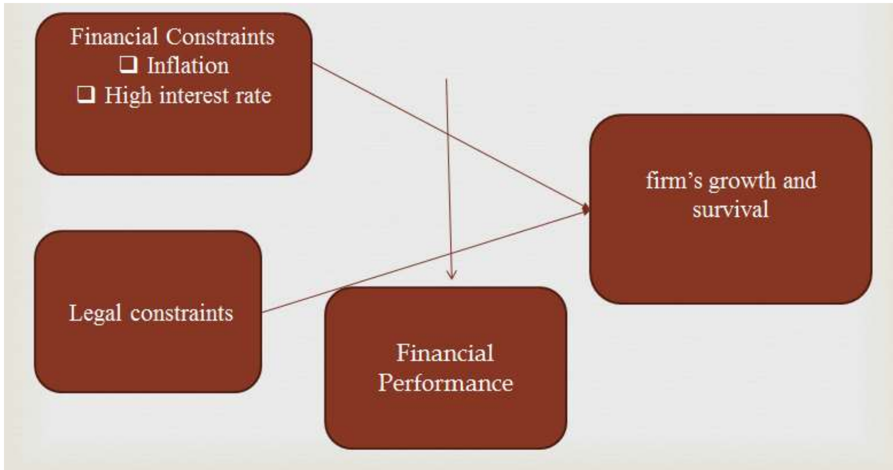
The overall meta-analyses measure of consequence is frequently signified on the plot as a defined vertical line. This meta-analyses measure of effect is usually plotted as a diamond, the sideways points of which specify confidence intervals for this estimation.

The interpretations of forest plot are below:

3.2.2. Effect Size

Effect size is considered the simple way of measuring the different between two variables and groups. It is a measure which signifies the findings of an individual study in a meta-analysis approach. In which meaningful data is extracted for the purpose of performing meta-analysis that would be common in all such type of studies (effect size).

Figure 3.1: Theoretical Framework



3. 2.3. Model

While selection of correct and relevant model i.e. fixed effect or random effect or random effect is necessary for better analysis. Fixed effect model determine the no heterogeneity in effect sizes of individual studies while the random effect model follow the assumption that there is heterogeneity in studies.

3.2.4. Moderator Analysis

The effect of moderator i.e. the financial performance is analyzed on firm growth and survival.

4. Result and Discussion

This session involves the meta-analysis on real data with firm's growth and survival studies. Data for simulation is generated by using Gibbs Sampling through R software. Two simulated data sets are generated by using Gibbs sampling. The Meta-analysis on these studies is necessary to perform in order to get a sense of results that are expected the firms through impact of financial and legal constraints effect on firm's growth and survival studies.

4.1 Simulation Study of Correlation Data

We have simulated data of firm's growth and survival studies which report financial and legal constraints. The studies with negative correlation show decreased connectivity while studies with positive correlation show increased connectivity between all these dependent and independent variables as compared with standard correlations in firm's growth. The Forest plot and the summary table of the simulated data are shown in figure 4.1 and Table 4.1 respectively

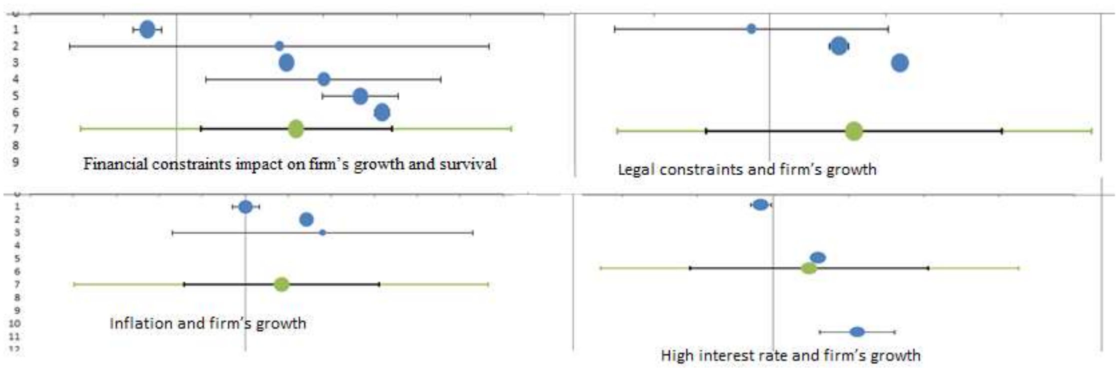


Figure 4.1: Forest Plot of Simulated Correlational Data

Statistic	Financial Constraints	Legal Constraints	Inflation	High Interest Rate
Correlation	0.33	0.36	0.08	0.24
No of study (K)	6	3	3	3
Confidence interval	(0.07, 0.59)	(-0.28, 1.0)	(-0.14, 0.31)	(-0.55,1.03)
Fail and free classic test	129255	1600	187	123
Egger test	1.73	-6.10	-3.44	-2.03
p-value	**0.01**	**0.014**	**0.01**	**0.012**

Table 4.1: Summary Computations of Simulated Correlational Data

This plot displays the study of relationship between financial and legal constraints and firm's growth and survival. Interpreting the forest plot (Fig. 4.1), it is clear that most of the studies on positive with their specified confidence intervals are significant. the study whose confidence interval line overlaps with zero are insignificant, resulting in unreliable results of studies. Summary line shows that within 95% confidence interval the combined effect size in forest plot includes zero. Construing with the help of numerical computations in Table 4.1, we can approximately say that combined overall correlation from all studies is 0.33 with a 95% confidence interval of 0.07 to 0.59. The line expresses the summary line on 95% confidence interval for financial contains and joint effect size shows in forest plot does not includes zero i.e. this means that the meta-analysis effect is statistically significant and overall result has positive and significant impact on financial constraints. The corresponding P value and Z value i.e. less than 0.05 also indicate significance of meta-analysis. Interpreting with the help of numerical computation in table we can say that combined overall correlation from all studies is 0.33 with a 95% of confidence interval that is 0.07, 0.59. If Z value is above from 1.96 then the result is significant and positive.

4.2. Heterogeneity

Results forest plots are quite misleading as some studies have shown positive statistically significant correlation. Others showed statistically significant negative correlation between financial and legal constraints. The meta-analysis is focused on conclusions by generating a combine effect, sometimes it may mislead because of heterogeneity among studies. To get a more expressive outcome there may be a need to explore this data in terms of heterogeneity. The heterogeneity Cochran's Q statistic is calculated in the sense of weighted sum square difference among individual study effect model and pooled effect model among related studies under it. The Q statistic is determined as chi-square statistic model while the K is number of studies includes under such kind of studies. For this purpose we check the heterogeneity statistic in Table 4.2.

Statistic	Financial Constraints	Legal Constraints	Inflation	High Interest Rate
Q	963.97	131.17	68.49	99.30
I^2	99.47%	98.48%	97.08%	97.99
p-value	**0.00**	**0.00**	**0.00**	**0.00**

Table 4.2: Heterogeneity Computations of Simulated Correlational Data

The statistics calculated in Table 4.2, indicate the presence of heterogeneity in selected financial and legal constraints on firm's growth and survival. Now we detect I^2 to measure the degree of heterogeneity in study. Highly I^2 is 100% that is a greatly proportional and recommends that studies included in meta-analysis are heterogeneous. The Pouwels (2016) recommended I^2 as key indicator of heterogeneity. As the proportion of heterogeneity is very large i.e. 75.94% it is not appropriate to relay on results through combine effect it is necessary to focus on the dispersion of true effect sizes and separating them in the subgrouping.

4.3. The Mediator Analysis

In this session we have discussed the Moderating variable i.e. financial performance effect on forms growth and survival. The results are discussed in Table 4.3 to Table 4.5.

SR.no	RELATIONSHIP	K	B	SE	LL	UL	P-VALUE	Z-VALUE
1	Financial constraints and firm's growth	2	0.01	0.0013	0.00	0.01	0.000	5.39
2	Legal constraints and firm's growth	2	-0.02	0.0015	-0.04	0.00	0.000	-11.27
3	Inflation and firm's growth	2	-0.22	0.0264	-0.55	0.12	0.000	-8.27
4	Inflation and firm's productivity		0.01	0.0001	0.00	0.01	0.000	78.28

Table 4.3: Moderator Analysis for Firm Size Result Sheet

Demographic factors include both firm's size and GDP and effects on firm's growth and survival. Although, there is financial and legal constraints relates to firm growth according to their size, age and productivity that are maintained and managed under meta-analysis.

Relationships	K	B	SE	LL	UL	P.V	Z.V
Financial performance and firm's growth and survival	10	-0.09	0.0010	-0.09	-0.09	0.000	-87.52

Table 4.5: Financial performance and firm's growth and survival:

In this meta-analysis approach, first of all partial correlations and t values are extracted which represent the functional connectivity or most activated financial and legal constrains effect in firm's growth and survival as a moderator of financial performance. Now, moderator variable of our study that is financial performance, we run regression analysis on our data that we collected from previous finding. It affects the relationship between growth and survival of firms. For conducting analysis of financial performance we extract the values of mean from the studies, 10 studies gives the accurate mean value for analysis appropriation results. Moderator analysis is analyzed to evaluate the value and also figure out the values of financial and legal constraints. If you have small size of studies for conducting meta-analysis then the results will not shows the accurate result and there will be the biasses and inaccuracy. Small studies are not able to conduct data on a large scale; you should at least 2 or 3 studies extract for evaluation. So, this moderator analysis points out from an idea about the presentation of financial performance towards firm's growth and survival position. The scatter plot between effect sizes (partial correlations) and moderator (financial performance).

The regression line from moderator analysis is:

$$correlation = -0.09$$

With a lower and upper limit of [-0.09 to -0.09]

Moderating variable i.e. financial performance includes firm's size and GDP includes and effects on firm's growth and survival. While, there is financial and legal constraints relates to firm growth according to their size, age and productivity. After all, moderator of our study also relates to firm's size, age, profitability and growth of firm. There are maximum 10 studies are found in previous articles for conducting analysis on such factors and we get at least 10 studies on all dimensions. K shows the no of studies involved in this table, after that B, SE, LL, UL, P-VALUE and Z-VALUE shows the data of our study that is extracted from different previous studies related to our topic. All these studies involve the mean value and determine the firm's size.

5. Concluding Remarks

In this paper we examine that how financial and legal constraints effect their firm's growth and survival in a competitive environment. By making meta-analysis we inspect all of these obstacles of different firms that reported in various previous articles and also test the further studies that significantly correlated with firm's growth and survival. All of these studies help us to observe and focus on firm's growth, firm's size, firm's productivity, and firm's age. So it has a good exposure of small and medium enterprises in different countries. Our mainly focus depends on firm's constraints that highly depends on level of development of financial and legal system. We are also interested in examination of firm's growth and survival position in different firms of countries. Our results shows us that underdevelopment in financial and legal system constrained the firm's growth and survival. Although the small sized firms are adversely affected from all of these constraints. We also examine, firms that operated in underdeveloped system of financial and legal highly constrained from all of these obstacles. We also see that if there is a marginal development in financial and legal development helps the firms to survive in strict environment. Our result shows significant effect on obstacles of firm survival as well as growth. Our findings are more affected for policy maker; they should take into account the responses of firms for uncertain situation widely and in a comprehensive way. Monetary policies in case of long period of less interest rate mentioned in a possible condition that entitles in factors funding in great recession of 2008-2009.

Deliberating about likely theoretic foundations of such a view, this paper grows a dynamic corporate financing model with the obvious objective of investigative the influence of shifts in the risk free interest rate on corporate leverage and credit risk. These two constraints: financial constraints and legal constraints effects firm's growth and survival rate adversely. Not all the obstacles effects firm's growth on an equal level there are different levels of importance of obstacles that effect firm's growth on different rates. If we look at the financial constraints we ascertain that there are many difficulties in dealing with such as bank documentations, bureaucracies' problems, access issues and interest rate problems. In legal constraints such as government rules and regulations, court's work and taxation problem effect firm's survival level. However, our methodology allows us to inspect all of these constraints and distinguish between firm's growths. After study different articles we find out the important findings of researchers that are: intuitive descriptors of well-organized legal system are related to summary obstacles not related to firm's growth and survival. This finding of previous researcher suggests that legal system affect the firm's performance is not yet well understood.

We analyze the terms for previous relevant data collection models maintained for assurance of accurate result without biasses. Forest plot, publication analysis and moderator and demographic studies help to obtain the values that facilitate us to understand different valuable factors. We get the point that if the firm has the ability to survive in a competitive environment the performance of growth will be superior and valuable accordingly. Because if we arrive on the point of international trade the firms bear more competitive pressure and they are most likely fail in such condition. We discover the suggestion that is reliable with calculations for market intermediaries and economies. Our major conclusions can be précised as follows. Firm growth is negatively relates to firm size, age and profitability situation. Opposing, Firm survival is positively related to size. Furthermore, private and foreign firms have advanced growth rate in such ways. It has been recommended that is the main factor of firm growth in evolution countries regarding trade orientation firms. We therefore use a firm level delegation for the purpose of trade amount of a firm and discover that developed the trade strength, then greater the growth rate of the firm on average. There are some issues that are remaining for future research and policy makers, it will be expect from future researchers to obtain more better and comprehensive information on firm's growth and survival. It will become more considerable for firm age; profitability and growth also test the life cycle theory of growth in detail under such circumstances. However, growth is negatively relates to the age of firm. Likely connection among size and age can also be tested for other European countries.

It will be successful in implementation while comparing the private and government firms' variations under corporate governance (i.e. changes in ownership) might not have an instant consequence on firm performance because in which no motivational and supporting system, and this inadequacy shows the defective budget system. Future researcher could find more data on inadequate environment of financial and legal obstacles and helps the government to find better assistance in this regards. The result determine the interdependence among the small and medium enterprises profitability and interest rate, size of different kinds of businesses and bank loan is the dominant factor. There is a positive relationship among profitability and interest rates although in the capital structure, but there is a negative relationship with the size of businesses. In which high profitability is considered, because high interest rates with greater loans but there is low growth in size of business remain significant. While, Bank and the SMEs they both need each other and play a very much important and significant role in the development of the economy. Furthermore, their level of growth and survival is frequently hindered by the restricted access to finance between other factors under it.

Our result express that there is mostly significant relationship among SMEs, EBIT, credit loan by bank, and also involved size of business. Earnings before interest and tax associate with high interest rate and maximum loan but its opposite effect on firm's growth and also on firm' size. The problem faced by SMEs frequently in retrieving the resources of funds that are: decrease in security of assets, limited knowledge of loan providers plays role as a respondent of business, restrict level of entitlement, limited knowledge for loan measure policy, complexities faced in searching out finance, high level of interest rate on advance and management administration. These really bound SMEs' facility to access funds for their actions. Finally this paper provides the facilitation to firms to avoid financial and legal constraints and make economy better in the sense of firm's growth and survival.

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