

ENTERPRISE INSOLVENCY AND THE EFFECTS ON THE LOCAL AND REGIONAL COMMUNITY – THE SOCIAL ECONOMY PERSPECTIVE

Justyna Franc-Dąbrowska
Warsaw University of Life Sciences – SGGW

Małgorzata Porada-Rochoń
University of Szczecin

Radosław Suwała
independent researcher

Abstract. In the article examines the issue enterprise insolvency and the effect it has on local and regional communities. Due to the first symptoms of insolvency, such as difficulty or an inability to settle liabilities when they come due, a model was adopted for the dependent variable level of commitments. The companies are divided into two groups – those, whose level of commitment was less than the median, and those, whose level was higher. It was found that companies with excessive level of commitments are more exposed to the risk of insolvency. The research enabled the identification of determinants for forming commitments. It is very important that the inability of just one company to meet its obligations can have significant consequences for the local market. While the phenomenon, as manifested in the insolvency transfer for the following entities may be a significant factor in negative circumstances affecting the wider community – the regional approach.

Key words: enterprise insolvency, local community

INTRODUCTION

The study seeks to determine the effects of insolvency for companies in the small and medium-sized enterprises SMEs sector. The study included the following stages: a survey of the relevant literature, the development of two panel models, the opportunities and the

Corresponding author: Justyna Franc-Dąbrowska, Warsaw University of Life Sciences – SGGW, Department of Economics and Organization of Enterprises, Division of Finances of Enterprises and Accountancy, Nowoursynowska 166, 02-787 Warszawa, Poland,
e-mail: justyna_franc_dabrowska@sggw.pl

© Copyright by Warsaw University of Life Sciences Press, Warsaw 2016

risks factors determining solvency problems of SMEs on the local and regional community. The article is the latest installment in a series of articles on private sector enterprise insolvency. Earlier stages of the research identified factors that enable the identification of the threat of insolvency in a group of companies. Continuing with the analysis, the present article develops two panel models for the test group of companies. One of the factors is the community affecting the company's current liabilities and their timely adjustment. The inability to pay for an obligation by its maturity date may result in a snowball effect, where problems with liquidity are shifted to many companies associated with the troubled entity and the companies continue to state their liquidity problems. This, in turn, can wreak havoc on the company's immediate environment, family and staff, as well as the entire larger environment not directly related to the unit. The greater the scale of the problems attending insolvency, the wider the problem will spread to the local and regional community. At the same time, a company's lack of financial problems coupled with the threat of insolvency might, on a positive note, help it forge a relationship of mutual support with contractors, one that would lead to the development of cooperating companies, and also improve its financial situation and that of its associates.

A key factor behind the increase or decrease in the risk of insolvency is current liabilities, in the models for the dependent variable is assumed to this category. In addition, the companies being researched are divided into two groups:

- Model 1 for enterprises: the level of current liabilities was below the median level of current liabilities for the whole sample;
- Model 2 for enterprises: the level of current liabilities was higher than the median level of current liabilities for the whole sample.

The distinction of the group of enterprises above and below the median value of current liabilities is considered reasonable. Therefore, those companies with lower levels of current obligations should have fewer problems settling them on time than companies with a higher level of commitments. In addition, credit traders running up debt to excessive levels a sign of a deteriorating financial situation and the attendant risk of insolvency.

LITERATURE REVIEW

The 2008–2009 global economic crisis highlighted the real financial problems of enterprises, particularly the problems of insolvency, which has since been the subject of hundreds of research studies i.a. Claessens et al. [2011], Chaston [2012], Porada-Rochoń [2013], Zeitun and Saleh [2015].

Short-term debt plays a crucial role in capital structure because it enables liquidity to be assessed. From both the entrepreneur's and the bank's point of view, short-term debt is a more preferable source of financing [Landier and Thesmar 2009]. It is also very interesting how companies' cash and profitability affect the use of credit lines [Lins et al. 2010, Campello et al. 2011].

A lack of short-term debt can lead to solvency problems, financial distress or even bankruptcy. Opler and Titman [1994] argue that there is an inverse relation between a firm's financial leverage and its performance in periods of economic distress. The problem with having too high a level of debt, especially short-term debt, is that it is accompa-

nied by both direct and indirect costs, as well financial distress costs. On the other hand, Wruck [1990] pointed out that carrying debt for financial operations comes not only with costs but also potential benefits, one of which is the ability to restructure.

In spite of the potential benefits, however, it cannot be denied that a wide range of stakeholders suffer due to corporate insolvency. The main stakeholders affected by the 2008–2009 crisis (and who continue to be affected by corporate financial problems today) were employees. Of course, investors, customers [Jacob 2012] and households also suffered. After all, SMEs responded to the global crisis with mass redundancies and “short-term working” income compensation schemes, which together ate away at the financial condition of thousands of households.

Suppliers of financially distressed firms may also suffer negative liquidity shocks, which can affect all suppliers and customers alike. This is consistent with the findings of Boissay and Groppe and Reint [2012], who write that liquidity shocks are passed down the supply chain from defaulting customers to a firm’s suppliers, while firms with access to outside liquidity absorb these shocks with their “deep pockets” [Love and Zaidi 2010].

One of the tools to increase trust and the ethical treatment of stakeholders is corporate social responsibility (CSR), which has implications for the community in many ways. One is that it can reduce both the scale of insolvency and the risk of corporate insolvency occurring. Many organizations now have subsections on their websites detailing the specific CSR programmes they have in place. Davis [1993] defines CSR as the voluntary efforts by business to achieve a balance of economic goals and quality of life.

The substantial increase in CSR practices has recently fueled research on the relationship between CSR and financial performance. From a finance perspective, Jiao [2010] summarizes these views as having both a positive and a negative effect on corporate performance. One positive aspect is that CSR represents an investment in intangible assets, such as reputation and human capital, which help enhance firms’ competitiveness. On the other hand, CSR represents private benefits (e.g. respect, job security, public image) that managers extract at the expense of shareholders. Hammond and Slocum [1996] have concluded that CSR can improve a corporation’s reputation and lower its financial risk, rendering it less likely to go bankrupt than those which do not engage in CSR. Den Hond et al. [2014] insist that firms must pay close attention to their stakeholders and be consistent in sustaining their social performance, as well as political performance.

Perrin [2009] presents a new methodology which helps to assess employee perspectives on sustainable business practices (the SBP index). The methodology focuses particularly on improving the quality of life of workers, family members, local communities and society at large [Ismail 2009]. While communities benefit from these initiatives, there are also benefits to business, as enterprises build relationships and trust which may be helpful to them in gaining future support from communities for company development initiatives.

Alshammari [2015] found that firms expect to benefit from socially responsible initiatives and activities when they can be seen by a large number of constituents and stakeholders. The publicity of the firm’s activities can positively moderate the relationship between CSR activities and financial performance.

It is very likely that, thanks to the crisis, many companies now have a better understanding of the importance of social risks and their impact on reputation.

METHODS USED TO INVESTIGATE THE RELATIONSHIP BETWEEN CASH FLOW AND OTHER VARIABLES

The study seeks to determine the effects of insolvency for companies in the small and medium-sized enterprises SMEs sector. The study included the following stages: a survey of the relevant literature, the development of two panel models, the opportunities and the risks factors determining solvency problems of SMEs on the local and regional community. The article is the latest installment in a series of articles on private sector enterprise insolvency. Earlier stages of the research identified factors that enable the identification of the threat of insolvency in a group of companies. Continuing with the analysis, the present article develops two panel models for the test group of companies. One of the factors is the community affecting the company's current liabilities and their timely adjustment. The inability to pay for an obligation by its maturity date may result in a snowball effect, where problems with liquidity are shifted to many companies associated with the troubled entity and the companies continue to state their liquidity problems. This, in turn, can wreak havoc on the company's immediate environment, family and staff, as well as the entire larger environment not directly related to the unit. The greater the scale of the problems attending insolvency, the wider the problem will spread to the local and regional community. At the same time, a company's lack of financial problems coupled with the threat of insolvency might, on a positive note, help it forge a relationship of mutual support with contractors, one that would lead to the development of cooperating companies, and also improve its financial situation and that of its associates.

A key factor behind the increase or decrease in the risk of insolvency is current liabilities, in the models for the dependent variable is assumed to this category. In addition, the companies being researched are divided into two groups:

- Model 1 for enterprises: the level of current liabilities was below the median level of current liabilities for the whole sample;
- Model 2 for enterprises: the level of current liabilities was higher than the median level of current liabilities for the whole sample.

The distinction of the group of enterprises above and below the median value of current liabilities is considered reasonable. Therefore, those companies with lower levels of current obligations should have fewer problems settling them on time than companies with a higher level of commitments. In addition, credit traders running up debt to excessive levels a sign of a deteriorating financial situation and the attendant risk of insolvency.

METHODOLOGY

The panel-data are a collection of observations from the analysis information for a particular phenomenon of the individual in subsequent periods. Each unit in a set is observed with a specific frequency (months or years, for example). The size of the panel is defined in terms of the number of units participating in the survey (N) and the number of periods in each of these units was the test (T).

Therefore, the variables in the panel-data set have a double notation, e.g. y_{it} ($i = 1, N$; $t = 1, T$) [Gruszczyński et al. 2010]. The research material is balanced and structured as a panel about microdata on financial-economic considerations. The micropanel includes aggregate information on an annual basis for the years 2007–2011 for 215 SMEs, giving a total of 1,075. The analysis of cross-sectional data uses a linear regression model for panel data with random effects.

The static linear model for panel data in the form of a one-way model can be expressed by the formula [Gruszczyński et al. 2010]:

$$y_{it} = \alpha_i + \mathbf{x}_{it}^T \boldsymbol{\beta} + \varepsilon_{it} \quad (1)$$

where: y_{it} – dependent variable;
 α_i – individual effect for each tested entity;
 \mathbf{x}_{it}^T – dependent variable vector;
 $\boldsymbol{\beta}$ – vector of parameters in the model;
 ε_{it} – random component in the model.

The individual effect includes fixed-time information about each unit that affects the dependent variable y_{it} . However, due to the fact that they are difficult to measure or describe in the form of a numeric variable in nature, they are not included among the explanatory variables \mathbf{x}_{it} [Gruszczyński et al. 2010].

Two types of estimation are applied: fixed effects and random effects [Verbeek 2004]. The simple model with random effects can be derived using this formula [Verbeek 2004]:

$$y_{it} = \mu + \alpha_i + \mathbf{x}_{it}^T \boldsymbol{\beta} + \varepsilon_{it} \quad (2)$$

where: y_{it} – dependent variable;
 μ – free term in the model;
 α_i – individual effect of each tested entity;
 \mathbf{x}_{it}^T – dependent variables' vector;
 $\boldsymbol{\beta}$ – vector of the structural parameters of the model;
 ε_{it} – random component.

The effects in Model 2 are random, so there is no need to estimate any additional parameters.

A model of the form of equation (2) can be presented as [Gruszczyński et al. 2010]:

$$y_{it} = \mu + \mathbf{x}_{it}^T \boldsymbol{\beta} + v_{it}$$

$$v_{it} = \alpha_i + \varepsilon_{it}$$

$$\text{for } i = \overline{1, N}, t = \overline{1, T}$$

where: v_{it} – the sum of the random individual effects (α_i) and white noise (ε_{it}).

In the random effects models, it is assumed that $\varepsilon_{it} \sim IID(0; \sigma_\varepsilon^2)$ and close exogenic issue dependent variables are $E(\mathbf{x}_{it} \cdot \varepsilon_{is}) = 0$, for each $i = \overline{1, N}$ and $t, s = \overline{1, T}$ and [Gruszczyński et al. 2010]:

- for each unit the distribution of individual effects meets $\alpha_i \sim IID(0; \sigma_\alpha^2)$;
- the independence of individual effects α_i of independent variables x_{jt} in the model for any $i, j = \overline{1, N}$ and $t = \overline{1, T}$ in order to avoid endogenous problems;
- the independence of individual effects α_i from the random component of the model ε_{it} for all units i and in all periods t ; that is, $E(\varepsilon_{it} \cdot \alpha_j) = 0$ for each $i, j = \overline{1, N}$ and $t = \overline{1, T}$.

To meet the assumptions of causes compliance and unbiasedness of least squares method (LSM) estimator used in Model 2. It is not effective [Gruszczyński et al. 2010].

The matrix inverse of matrix Ω – the sum of the random individual effects (α_i) and white noise (ε_{it}) – is the matrix Ω^{-1} given by formula:

$$\Omega^{-1} = \begin{bmatrix} \omega^{-1} & \dots & 0 \\ \vdots & \ddots & \vdots \\ 0 & \dots & \omega^{-1} \end{bmatrix} \quad (3)$$

The matrix inverse to the variance–covariance matrix Ω^{-1} can be presented in this form [Gruszczyński et al. 2010]:

$$\Omega^{-1} = \frac{1}{\sigma_\varepsilon^2} [I_T + \frac{1}{T} \mathbf{u}^{-1} (\psi - 1)] \quad (4)$$

where:

$$\psi = \frac{\sigma_\varepsilon^2}{\sigma_\varepsilon^2 + T \cdot \sigma_\alpha^2} \quad (5)$$

After inserting equation (4) into the formula for the UMNK Estimator and determining that \bar{y} is the average of the dependent variable for all units in all available periods, and the \bar{x} is the medium-sized independent variable for all units in all available periods, an estimate is obtained:

$$\hat{\beta}_{RE} = \left(\sum_{i=1}^N \sum_{t=1}^T (x_{it} - \bar{x}_i)(x_{it} - \bar{x}_i)^T + \psi T \sum_{i=1}^N (x_i - \bar{x})(x_i - \bar{x})^{-T} \right)^{-1} \times \left(\sum_{i=1}^N \sum_{t=1}^T (x_{it} - \bar{x}_i)(y_{it} - y_i)^T + \psi T \sum_{i=1}^N (x_i - \bar{x})(y_i - y)^T \right) \quad (6)$$

with the variance–covariance matrix given by the formula:

$$V\{\hat{\beta}_{RE}\} = \sigma_\varepsilon^2 \left(\sum_{i=1}^N \sum_{t=1}^T (x_{it} - \bar{x}_i)(x_{it} - \bar{x}_i)^T + \psi T \sum_{i=1}^N (x_i - \bar{x})(x_i - \bar{x})^T \right)^{-1} \quad (7)$$

After the appointment of the estimates σ_ε^2 and σ_α^2 and placing them into formula (6), an estimate of the OUMNK (feasible GLS) is determined; this is called the random effects estimator.

An estimate of the σ_α^2 of the first previous estimate of an additional model using the so-called intergroup estimator [Gruszczyński et al. 2010].

Table 1 shows the results of model tests for the companies investigated. This group's level of creditors was below the median and therefore they should be at less of a risk of insolvency and thus constitute a group of companies with less risk of a negative impact on the local and regional community.

Table 1. Determinants forming creditors in SME below median creditors

Coefficients	Estimate	SE	t-value	Pr(> t)	Significance
Effects:					
	var	SD	share		
idiosyncratic:	3 163.34	56.24	0.431		
individual:	4 172.35	64.59	0.569		
theta:	0.6371				
Residuals:					
	Min.	1st Q	Median	3rd Q	Max.
	-285.000	-15.100	-0.388	14.200	840.000
(Intercept)			11.200964	15.43022053	0.7259 0.4680525
lag(DebtorstheEUR, 0)			0.29063819	0.09409504	3.0888 0.0020618 ^b
lag(CurrentliabilitiestheEUR, 0)			0.20209143	0.05253347	3.8469 0.0001267 ^c
lag(OperatingPLEBITheEUR, 0)			-0.1196472	0.05618501	-2.1295 0.0334393 ^a
lag(ROA, 0)			0.31314657	0.16540927	1.8932 0.0586064 [.]
lag(ROE, 0)			0.00353844	0.00063067	5.6106 2.57E-08 ^c
lag(ShareholdersFounds_to _Totalassets, 0)			-0.37959338	0.12562335	-3.0217 0.0025737 ^b
Model parameters					
TSS: 6 603 300					
RSS: 3 520 200					
R ² : 0.4669					
Adj. R ² : 0.46386					
F-statistic: 155.895 on 6 and 1068 DF, p-value: <2.22e-16					

^a0.05; ^b0.01; ^c0.001; · - 0.1; empty cell - 1.

Source: Own research.

It was found that the variables most strongly associated with the dependent variable of positive interdependence include debtors, current liabilities, ROA and ROE. Among the negative variables related to debt level of creditors identified operating EBIT and shareholders funds total assets (SFTA). The use of these variables is justified both in the subject literature and by practice. In enterprises where working capital is managed well, there is a direct relationship between statistical creditors, debtors, and current liabilities. A positive result of the use of the creditors for the test group of companies also provides a positive correlation with the profitability indicators ROA and ROE. Keeping creditors below the median for the entire sample in the Model 1 entities has been observed to have a positive effect on the their financial situation.

There is, therefore, evidence to confirm the principle that SMEs should keep a reasonable level of creditors, which will not result in excessive financial burden and will not prevent them from settling their liabilities on schedule. As a result, the entrepreneur, his family and colleagues may feel satisfied with the work and remain assured that the undertaking will persevere. In turbulent times, ensuring the company's continued existence and development is of paramount importance.

A sense of security is also essential for the entities that cooperate with the company as they In turbulent times, ensuring the company's continued existence and development is of paramount importance.

Table 2 shows a similar calculation for the group of companies with a level of creditors above the median. This group of SMEs is clearly riskier as far as financial deterioration and insolvency are concerned. At the same time, some of the entrepreneurs who take financial risk and use trade credits on a large scale will obtain very good results, though the financial risk they take will be pronounced and burdensome.

Table 2. Determinants of creditors of SME above median creditors

Coefficients	Estimate	SE	t-value	Pr(> t)	Significance
Effects:					
	var	SD	share		
idiosyncratic:	35 557.6	188.6	0.363		
individual:	62 288.3	249.6	0.637		
theta:	0.6466				
Residuals:					
Min.	1st Q	Median	3rd Q	Max.	
-1 320.0	-64.2	-5.8	49.7	1 490.0	
(Intercept)	50.654107	72.5846531	0.6979	0.4854536	
lag(CapitalthEUR, 0)	-0.1503605	0.0596574	-2.5204	0.0119038	a
lag(CurrentliabilitiesthEUR, 0)	0.360397	0.0650924	5.5367	4.11E-08	c
lag(EBITDAMargin, 1)	-6.9748132	2.5774174	-2.7061	0.0069434	b
lag(ReceivabletoTotalassets, 0)	2.8467134	0.7702928	3.6956	0.0002334	c
lag(OperatingrevenueTurnoverth EUR, 0)	0.0290849	0.0095496	3.0457	0.002393	b
lag(ROS, 1)	3.4735212	1.7720267	1.9602	0.0502984	.
lag(assetturnoverratio, 0)	-0.2315867	0.1002343	-2.3105	0.0211011	a
Model parameters					
TSS: 76 563 000					
RSS: 30 496 000					
R ² : 0.60169					
Adj. R ² : 0.59539					
F-statistic: 160.691 on 8 and 851 DF, p-value <2.22e-16					

^a0.05; ^b0.01; ^c0.001; · - 0.1; empty cell - 1.

Source: Own research.

In enterprises in which the level of creditors was higher than the median for the entire sample, the situation was somewhat different. Attention is drawn by negative determinants related to the dependent variable, including capital, the EBITDA margin and the asset turnover ratio. In this case, the issue of financial security (defined as the golden rule of financing) requires special attention, as the reduction of capital levels will deplete resources for the financing of the fixed assets, and this in turn can result in a greater likelihood of credit conditions deteriorating. The additional financial burden of carrying high levels of debt may result in an increased risk of insolvency. Such conjecture may be considered confirmed, since the negative variable associated with the dependent variable is the EBITDA margin, which provides information about the company's financial results, particularly the results of operations. Another variable that requires comment is the asset turnover ratio, which can simplify the investment process and, for companies with a deteriorating financial position, indicate difficulties. Not without reason, unfinished investment processes are another factor that suggests a company may be having financial difficulties. The inability to invest reduces the company's ability to develop and compete effectively in the market, which in turn could deepen its financial problems and lead to insolvency. The negative effects of the entrepreneur, his family, employees and cooperating companies (both suppliers and customers) have been earlier presented.

The M1 and M2 models are based on total data on small and medium-sized enterprises. A better solution would be to separate the models in both treatment groups of entities, precisely because of the differences in their size. Such a combination was made consciously, because previous studies have suggested that part of the determinants concerning the risk of insolvency is the same for small and medium-sized enterprises. To recognize the differences among these two groups, the analysis was carried out in separate studies. An additional element that should be noted is that the inability to determine a number of factors and in these studies one dependent variable has been considered. This assumption has also been taken deliberately, as specific determinants to the main factor have been looked for (that is, e.g., explanatory variables characterizing the level of creditors) and the other variables are subject to thorough analysis in subsequent stages of the study.

CONCLUSIONS

Studies show that in SMEs diversified from the point of view of the level of the creditors, various factors affecting the increase in the risk of insolvency can be highlighted. It was found that keeping creditors below the median enables the company to improve its financial situation. It can therefore be concluded that in SMEs, it is good to keep a reasonable level of debt, which will not burden the undertaking with additional costs or growth. As a result, both the entrepreneur, his family and colleagues can feel satisfied with the work and remain assured that the undertaking will not fold. Such a positive approach to the business and financial benefits arising from its conduct are also important for entrepreneurs. They can in fact expect to receive timely entitlements and plan to adjust their obligations. In this context, companies interact with each other. At the same time, a group of companies with a level of creditors above the median of the identified determinants of negatively associated with the dependent variable which should remain under special

control of the entrepreneurs, as of they can contribute to the further deterioration of the financial situation of the entity, and thus bring negative consequences for entrepreneur, employees and both near and far.

ACKNOWLEDGEMENT

This research is a part of the project financed by the National Science Centre granted on the basis of decision DEC-2011/03/B/HS4/05503.

REFERENCES

- Alshammari, Z. (2015). Corporate Social Responsibility and Firm Performance: The Moderating Role of Reputation and Institutional Investors. *International Journal of Business and Management*, 10, 6, 1833–8119.
- Boissay, Frédéric and Gropp, Reint (2012). Payment Defaults and Interfirm Liquidity Provision. Forthcoming in the *Review of Finance*. Retrieved from <http://dx.doi.org/10.2139/ssrn.966281>.
- Campello, M., Giambona, E., Graham, J.R., Harvey, C.R. (2016). Management and Corporate Investment During a Financial Crisis. Retrieved from <http://ssrn.com/abstract=1444009> (accessed 10.01.2016).
- Chaston, I. (2012). Recession and Family Firm Performance: An Assessment of Small U.K. Family Owned Hotels. *Journal of CENTRUM Cathedra*, 5 (1), 60–69.
- Claessens, S., Djankov, S., Xu, L.C. (2011). Corporate Performance in the East Asian Financial Crisis. *World Bank Research Observer*, 15, 23–46.
- Davis, P. (1973). How organizations can survive redundancy. *Personnel Management*, 22, 38–41.
- Gruszczyński, M. (Ed.), (2010). *Mikroekonometria. Modele i metody analizy danych indywidualnych*. Wydawnictwo Wolters Kluwers (in Polish).
- Hammond, S.A., Slocum, J.W. (1996). The impact of prior firm financial performance on subsequent corporate reputation. *Journal of Business Ethics*, 15 (2), 159–165.
- Hond den, F., Rehbein, K.A., Bakker de, F.G.A., Kooijmans-van Lankveld, H. (2014). Playing on Two Chessboards: Reputation Effects between Corporate Social Responsibility (CSR) and Corporate Political Activity (CPA). *Journal of Management Studies*, 51, 790–813.
- Ismail, M. (2009). Corporate social responsibility and its role in community development: an international perspective. *The Journal of International Social Research*, 2, 9, 199–209.
- Jacob, Ch.K. (2012). The Impact of Financial Crisis on Corporate Social Responsibility and Its Implications for Reputation Risk of Management and Sustainability. *Journal of Management and Sustainability*, 2, 2.
- Jiao, Y. (2010). Stakeholder welfare and firm value. *Journal of Banking and Finance*, 34, 2549–2561.
- Landier, A., Thesmar, D. (2009). Financial Contracting with Optimistic Entrepreneurs. *The Review of Financial Studies*, 22, 1, 117–150.
- Lins, K., Servaes, H., Tufano, P. (2010). What Drives Corporate Liquidity? An International Survey of Cash Holdings and Lines of Credit. *Journal of Financial Economics*, 98, 160–176.
- Love, I., Zaidi, R. (2010). Trade Credit, Bank Credit and Financial Crisis. *International Review of Finance*, 10, 125–147.
- Opler, T.C., Titman, S. (1994). Financial Distress and Corporate Performance. *The Journal of Finance*, 49, 1015–1040. doi:10.1111/j.1540-6261.1994.tb00086.x.
- Perrin, T. (2016). Corporate Social Responsibility: It's No Longer an Option. Retrieved from <http://www.towersperrin.com/tp/showdctmdoc.jsp> (accessed 15.01.2016).

- Porada-Rochoń, M. (2013). Modele decyzji finansowych msp w wybranych krajach Europy Środkowo-Wschodnie w warunkach zaburzeń finansowych. Polskie Towarzystwo Ekonomiczne, Szczecin (in Polish).
- Wruck, K. (1990). Financial distress, Reorganization and Organizational efficiency. *Journal of Financial Economics*, 27, 419–444.
- Verbeek, M. (2004). *A Guide to Modern Econometrics*. II edn. Wiley, Hoboken, NJ.
- Zeitun, R., Saleh, A.S. (2015). Dynamic performance, financial leverage and financial crisis: evidence from GCC countries. *EuroMed Journal of Business*, 10, 2, 147–162.

NIWYPŁACALNOŚĆ PRZEDSIĘBIORSTW A SKUTKI DLA SPOŁECZNOŚCI LOKALNEJ I REGIONALNEJ – PERSPEKTYWA EKONOMII SPOŁECZNEJ

Streszczenie. W artykule podjęto problematykę skutków niewypłacalności przedsiębiorstw dla społeczności lokalnej i regionalnej. Ponieważ pierwszym z symptomów niewypłacalności są problemy z terminowym regulowaniem zobowiązań, w analizach modelowych przyjęto za zmienną objaśnianą poziom zobowiązań bieżących. Przedsiębiorstwa podzielono na dwie grupy: te, których poziom zobowiązań był niższy od mediany, i te, których poziom był wyższy. Stwierdzono bowiem, że przedsiębiorstwa o nadmiernym poziomie zobowiązań bardziej narażone są na ryzyko niewypłacalności. Ważnym wynikiem badania są determinanty kształtujące poziom zobowiązań bieżących. Jest to o tyle istotne, że niewypłacalność tylko jednego przedsiębiorstwa może mieć znaczne konsekwencje dla lokalnego rynku. Zjawisko kuli śniegowej, objawiające się przeniesieniem niewypłacalności na kolejne podmioty, może być natomiast znaczącym czynnikiem negatywnie oddziałującym szerzej – na społeczność w ujęciu regionalnym.

Słowa kluczowe: niewypłacalność przedsiębiorstw, lokalna społeczność

Accepted for print: 25.04.2016

For citation: Franc-Dąbrowska J., Porada-Rochoń M., Suwała R. (2016). Enterprise insolvency and the effects on the local and regional community – the social economy perspective. *Acta Sci. Pol., Oeconomia*, 15 (2), 37–47.

