

Entrepreneurial exit in manufacturing firms: The role of export performance, firm attributes, and founder characteristics

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ABSTRACT

Objective: The objective of the article is to identify the multi-level determinants that influence the exit route preferences of founders and partners in the Turkish manufacturing sector. Beyond a binary success-failure narrative, the study employed an integrated three-block framework to examine how international performance, organisational attributes, and individual human capital jointly shape strategic exit decisions.

Research Design & Methods: This study used a quantitative methodology, and I tested the hypotheses developed from the study's objectives using data from 210 individuals surveyed by questionnaire. The analysis comprised a t-test, correlation analysis, and hierarchical multiple linear regression run in Jamovi 2.3.28.

Findings: Export performance correlates significantly and positively with IPO preference, while education level is the strongest predictor of professionalised exit routes. Family business status and industry experience correlate strongly with family succession preference, which reflects the tension between financial value realisation and socio-emotional legacy.

Implications & Recommendations: The study underscores the need for exit literacy among entrepreneurs, stressing that exit planning should be proactive and integrated into the firm's growth phase. For policy-makers, the findings point to institutional frameworks that support transparent M&A markets preserving productive knowledge during ownership transitions.

Contribution & Value Added: This is the first quantitative study in the Turkish context to analyse entrepreneurial exit through a multivariate lens. Its novelty lies in identifying international market integration as a critical factor in professionalised exit strategies, thereby reframing the discourse from business closure as failure to exit as a strategic mechanism for value realisation.

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INTRODUCTION

Researchers have shown that individuals start and manage businesses for diverse reasons, including the wish to capitalise on opportunities, the pursuit of autonomy, the desire for self-actualisation, or a lack of alternative employment (Carter *et al.*, 2003; Shane & Venkataraman, 2000). Plausibly, individuals possess diverse motivations for exiting entrepreneurship (Wennberg *et al.*, 2010).

The literature addresses exit at both the firm and individual levels. Entrepreneurs can leave the companies they founded, while those companies keep operating. Conversely, firms may close while entrepreneurs continue through a new venture (Parastuty, 2018). DeTienne (2010) and Wennberg

et al. (2010) lay the theoretical foundations of entrepreneurial exit, distinguishing it from firm exit. According to DeTienne (2010), entrepreneurial exit means severing ownership ties and ceasing any management function within the company.

This issue is critical because the exit process starts with initial thoughts and intentions to leave the venture (DeTienne & Cardon, 2012). Furthermore, exit route preference refers to the entrepreneur's strategic inclination towards specific ways of leaving the venture (Sardeshmukh *et al.*, 2021). These range from founder exit to complete closure of the firm.

Understanding and adopting entrepreneurial exit is an essential element of the entrepreneurial process (DeTienne, 2010). Theory-oriented research is still needed on the methods entrepreneurs use to exit their ventures, the factors shaping exit route choice and its antecedents (DeTienne & Wennberg, 2013; Wennberg & DeTienne, 2014). Thus, an important gap remains in how entrepreneurs conceptualise their exits and what shapes their distinct route preferences.

The literature extensively investigates many factors that influence entrepreneurs' intentions to exit (Chirico *et al.*, 2020). However, surprisingly, the impact of a firm's exposure to international markets, and more precisely its export performance, on the founder's exit horizon remains overlooked. I address this gap by treating export performance as more than another control variable, by framing export activity as a structural catalyst for the firm's evolution. My study focused on exporting rather than other internationalisation modes because in the context of emerging-market manufacturing SMEs, exporting is the primary and often only viable means of international market engagement.

A central theoretical challenge lies in distinguishing its role as a marker of organisational maturity from its role as an active mechanism of change. From a selection mechanism perspective (Melitz, 2003; Wagner, 2007), only the most productive and institutionally robust firms successfully enter and sustain export markets. Taken alone, this would suggest that export performance merely reflects pre-existing firm quality, rather than an independent driver of strategic outcomes.

However, the above interpretation ignores what happens after firms enter export markets. Substantial evidence on learning-by-exporting shows that international market engagement actively transforms firms beyond their pre-entry characteristics (De Loecker, 2013; Salomon & Shaver, 2005; Beleska-Spasova, 2014). Exposure to foreign buyers, regulators, and competitors imposes coercive and normative pressures (DiMaggio & Powell, 1983) that compel firms to adopt formalised governance structures, transparent financial reporting, and standardised operational processes that go beyond what pre-entry productivity can explain (Fernandes & Isgut, 2015; Greenaway & Kneller, 2007). Selection and learning are therefore not competing explanations but complementary processes: firms enter export markets because they are productive, and participation in those markets further transforms them.

The empirical pattern observed in this study further supports this interpretation. If export performance were purely a marker of pre-existing organisational quality, I would expect it to correlate broadly with all professionalised exit routes. The findings, however, tell a more specific story: export performance is associated with initial public offering (IPO) preference but not with financial sale. A marker logic alone struggles to explain this differentiation. It fits better with the argument that export engagement generates specific organisational characteristics, including greater public visibility, financial transparency, and compliance with international standards, which align more naturally with the institutional requirements of public market exits than with private financial transactions (Cumming, 2008; Poulsen & Stegemoller, 2008).

This article answers the call for further theoretical development on entrepreneurial exit (Wennberg & DeTienne, 2014) by examining how export performance, the human capital of founders, and firm-specific characteristics relate to preferences for five exit routes.

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Entrepreneurial exit is not merely a binary event in which the firm either succeeds or fails but rather an increasingly complex and strategic process (DeTienne, 2010; Wennberg & DeTienne, 2014). Entrepreneurs compare their firm's performance against personal reference points shaped by their experi-

ence, education, age, and other factors (Gimeno *et al.*, 1997; Pinkovetskaia *et al.*, 2020) when evaluating whether to persist or exit, and consistent with this perspective, Koladkiewicz *et al.* (2023) stress that exit is not a yes or no decision, but a continuum of exit options.

Methodologically, it is important to distinguish between entrepreneurial exit as an observed behaviour and exit-related cognitions such as intentions or preferences. While exit refers to the actual discontinuation of ownership and managerial involvement (DeTienne, 2010), exit intentions capture the conscious plan or desire to leave the venture (Sardeshmukh *et al.*, 2021). In contrast, this study focused on exit route preferences, which reflect the entrepreneur's evaluation of alternative exit strategies rather than a committed intention to exit. These preferences are conceptualised as indicators of strategic orientation and cognitive readiness towards different exit options.

The Strategic Logic of Exit Route Differences

Not all exit routes carry equivalent strategic implications, and understanding why founders may prefer one over another requires a clear theoretical distinction between them. Drawing on DeTienne (2010) and Wennberg *et al.* (2010), exit routes can be broadly organised along two dimensions. The first dimension concerns the degree of market intermediation: professionalised routes such as IPOs and financial sales involve external market actors, require formal valuation processes, and depend on the firm's institutional legibility – that is, its capacity to be evaluated by parties with no prior knowledge of the firm. The second dimension concerns the underlying objective of the exit: value-maximising routes prioritise financial value realisation, whereas legacy-preserving routes prioritise continuity, identity, and intergenerational transfer over financial return.

Initial public offerings and financial sales both occupy the professionalised quadrant but differ in important ways. An IPO requires compliance with public market regulations, audited financial statements, and a level of organisational transparency that goes beyond what most private transactions demand (Cumming, 2008). A financial sale involves negotiated due diligence and may tolerate a somewhat lower degree of formalisation. While also market-based, partner purchase typically involves parties who already possess inside knowledge of the firm, reducing the information asymmetry problem considerably. On the other hand, family transfer and liquidation operate outside market mechanisms entirely: the former prioritises relational and emotional considerations over financial optimisation (Gomez-Mejia *et al.*, 2007), while the latter represents the complete dissolution of firm value rather than its transfer.

This taxonomy allows the factors examined in this study to be linked to specific exit routes through distinct theoretical channels, rather than as uniform predictors of a generic exit preference. The hypotheses developed below follow this logic explicitly.

Export Performance and Strategic Readiness

Financial returns usually count as the primary motivation for entrepreneurial exit (Bhawe *et al.*, 2017; Shepherd & DeTienne, 2005). Beyond purely financial metrics, export performance serves as a critical structural catalyst for organisational maturity. Before developing this argument, I address one concern: whether export performance functions as an active mechanism shaping exit preferences, or merely as a marker of firms that are already more developed and institutionally mature. I argue that while the selection mechanism perspective (Melitz, 2003; Wagner, 2007) rightly establishes that only the most productive firms sustain export markets, this does not reduce export performance to a passive indicator. The learning-by-exporting literature shows compellingly that international market engagement actively transforms firms after entry, generating organisational changes that go beyond pre-entry characteristics (De Loecker, 2013; Greenaway & Kneller, 2007; Fernandes & Isgut, 2015). Therefore, selection and learning are complementary rather than competing processes, and export performance gains its explanatory power over exit route preferences through this learning channel.

The literature establishes exporting as both a selection mechanism (Melitz, 2003; Wagner, 2007) and a source of learning-by-exporting (De Loecker, 2013; Salomon & Shaver, 2005; Silva *et al.*, 2012). Exposure to various partners and competitors in foreign markets confronts exporting companies with new norms, practices, and rigorous expectations (Cieslik *et al.*, 2015; Cicic *et al.*, 2002). Thus, international engagement drives organisational institutionalisation, encouraging manufacturing

firms to move from highly personalised, founder-centric entities to more standardised, professional organisations (Lu & Beamish, 2001; Zahra, 2003; Kostova *et al.*, 2008). This process also brings broader shifts in structural governance (Lu *et al.*, 2012).

This export-driven institutionalisation serves as the theoretical bridge to specific exit route preferences. In traditional manufacturing firms, reliance on the founder's tacit knowledge creates severe information asymmetry for external buyers, often steering the founder to informal family succession (DeTienne & Chirico, 2013). However, the standardised processes and transparent governance that high export performance requires significantly reduce this information asymmetry, and make the firm highly legible and attractive to external acquirers. Building on Cumming (2008) and Poulsen and Stegemoller (2008), I propose that this institutionalised readiness favours professionalised exit routes that prioritise financial value realisation, such as IPOs or structured financial sales.

- H1a:** A firm's export performance is significantly and positively associated with the preference for financial sale.
- H1b:** A firm's export performance is positively associated with the preference for an IPO.
- H1c:** A firm's export performance is negatively associated with the preference for transferring the firm to family members.

Firm Attributes and Structural Boundaries

Organisational characteristics define the structural boundaries of possible exit strategies (Van Teefelen & Uhlaner, 2013; Sanguineti *et al.*, 2022). While factors such as firm size and age capture accumulated resources and structural complexity – and are thus included as baseline controls in our empirical models – the primary explanatory variable in this block is the family nature of the firm.

Drawing on socio-emotional wealth (SEW) theory (Gomez-Mejia *et al.*, 2007), a firm's family status strongly shapes both emotional and financial exit thresholds, particularly in emerging markets such as Turkey. Firm reputation matters greatly to family firms, which seek to pass the firm to the next generation and preserve their socio-emotional wealth (Deephhouse & Jaskiewicz, 2013; Akhter *et al.*, 2016). Thus, selling the firm is not only a financial decision but also a severe break with family heritage (Miller *et al.*, 2016).

- H2a:** Family business status is positively associated with the preference for transferring the firm to family members.
- H2b:** Family business status is negatively associated with the preference for a financial sale.

Human Capital and Individual Vision

Grounded in human capital theory (Becker, 2009), founders' knowledge and skills closely shape their cognitive abilities and strategic decision-making quality (Leroy *et al.*, 2015). I include individual-level factors such as founder age and general industry experience strictly as control variables to account for baseline risk appetite and emotional attachment to the business (Kammerlander, 2016; Lau & Busenitz, 2001), our primary explanatory focus in this block is formal education and specific prior exit experience.

Formal education theoretically strengthens the founder's capacity to process complex information, access external finance, and set ambitious exit goals (Cooper *et al.*, 1994; DeTienne & Cardon, 2012; Koladkiewicz *et al.*, 2022). Drawing on the serial entrepreneurship literature, previous exit experience provides a specific strategic template. Unlike general industry experience, empirical evidence suggests that prior exit experience aligns with ventures created for personal wealth generation, thus aligning with preferences for value-maximising strategies like financial sales (Ucbasaran *et al.*, 2003; Davidsson & Wiklund, 2001).

- H3a:** Founder or partners' education level is positively associated with the preference for a financial sale.
- H3b:** Founder or partners' education level is positively associated with the preference for an IPO.
- H3c:** Previous exit experience is positively associated with the preference for a financial sale.

H3d: Previous exit experience is positively associated with the preference for an IPO.

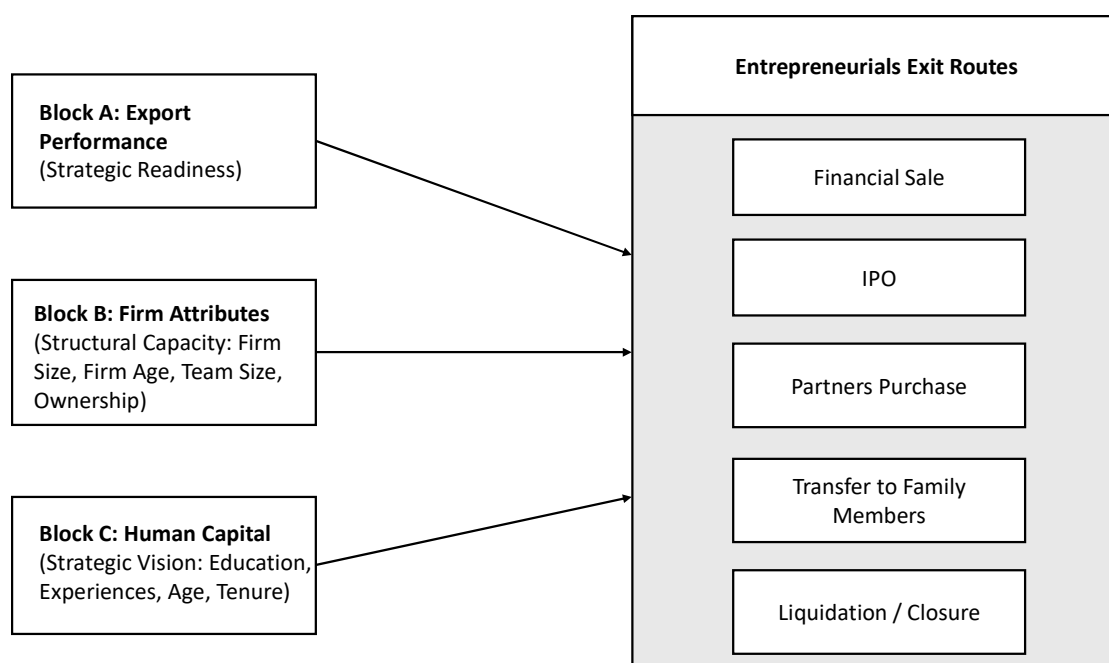


Figure 1. Research model

Source: own elaboration.

Figure 1 illustrates the proposed research framework. The model groups the primary explanatory variables into three thematic blocks: strategic readiness, socio-emotional boundaries, and strategic capacity. I include baseline factors such as firm age, firm size, and industry experience as control variables. Moreover, I treat export performance as an independent explanatory variable, not as a proxy for institutionalisation; I theorise the underlying mechanisms as unobserved intermediaries linking global market engagement to exit route preferences.

RESEARCH METHODOLOGY

Sampling Process and Participant Profile

This study used a cross-sectional design, drawing on primary data from the founders or partners of companies operating in the manufacturing sector in Türkiye. I collected the data with a structured questionnaire aimed at companies identified through records of chambers of industry and commerce. I administered the questionnaire electronically through an online survey platform. Analyses drew on 210 valid surveys.

For this study, I defined the ‘founders and partners’ (the central target group) by two criteria. Firstly, they have been involved in the founding of the firm and, secondly, they possess current strategic management control and ownership of the firm. Therefore, respondents are not just financial investors but the firm’s owners, who make and implement exit decisions. The sample includes entrepreneurs at different business life-cycle stages, spanning a broad range of strategic perspectives on future exit options. Table 1 presents the detailed demographic and firm-level characteristics of these respondents, together with the key descriptive statistics.

Survey Structure and Measurement Tools

The survey form had three main sections adapted from established studies. The first section covered firm-level characteristics and export readiness. As the primary explanatory variable for the firm’s socio-emotional structure, the study examined family business status (Justo & DeTienne, 2008; Deephouse & Jaskiewicz, 2013). Additionally, serving as the indicator of strategic readiness, Export Performance

was measured by the firm's export share and volume relative to its general performance over the last three years (Beleska-Spasova, 2014; Sanguineti *et al.*, 2022).

Table 1. Descriptive statistics

Category	Characteristic	n	%
Firm Size (Employees)	5-10 Employees	13	6.2
	10-20 Employees	45	21.4
	20-30 Employees	73	34.8
	30+ Employees	79	37.6
Firm Type	Family Business	105	50.0
	Non-Family Business	105	50.0
Export Mode	Direct Export	174	82.9
	Indirect Export	36	17.1
Founder Gender	Male	187	89.1
	Female	23	11.0
Founder Age	26-35	25	11.9
	36-45	88	41.9
	46-55	92	43.8
	56 and above	4	1.9
	Note: Under 25	1	0.5
Education Level	Primary/Middle School	6	2.9
	High School	51	24.3
	Bachelor's Degree	128	61.0
	Master's/PhD	25	11.9
Exit Experience	Has prior exit experience	88	41.9
	No prior exit experience	122	58.1
The idea of implementing an exit strategy	Yes	108	51.4
	No	102	48.6

Source: own study.

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The second section covered entrepreneurial human capital and experience. The founder's formal education level (Robinson & Sexton, 1994; Koladkiewicz *et al.*, 2022) and specific prior exit experience (DeTienne & Cardon, 2012) served as the core theoretical predictors of strategic capacity.

The third and final section measured exit route preferences. The dependent variables were operationalised through the following survey item: 'Please evaluate the likelihood of preferring each of the following exit routes.' Respondents rated five alternative exit routes – financial sale, IPO, partner purchase, family transfer, and liquidation/closure – independently on a five-point Likert scale ranging from 'would definitely not prefer' to 'would definitely prefer.' This approach treats each exit route as a separate attitudinal dimension rather than a forced ranking, which is consistent with the operationalisation adopted in prior research (DeTienne & Cardon, 2012; Koladkiewicz *et al.*, 2022).

Moreover, I clarified the role of an additional item included in the survey: 'Have you ever considered implementing an exit strategy? (Yes/No).' I did not use this item as a dependent variable. I included it solely to describe the sample and show how far exit planning is on the agenda of Turkish manufacturing founders. As shown in Table 1, 51.4% of respondents indicated that they had considered implementing an exit strategy, underscoring the relevance of exit planning within this sample.

Data Analysis Strategy

I analysed the data with a stepwise procedure along with independent-samples t-tests to examine group differences in exit route preferences and correlation analysis to identify initial relationships among continuous variables. I built two-step hierarchical regression models for each exit route, entering baseline structural controls in Step 1 and theoretical predictors in Step 2, thereby enabling assessment of incremental explanatory power (ΔR^2). Multicollinearity was controlled using Variance Inflation Factor (VIF) values (Hair *et al.*, 2010; O'Brien, 2007), and Harman's single factor test (Harman, 1976; Podsakoff *et al.*, 2003) was applied to mitigate the risk of Common Method Bias.

RESULTS AND DISCUSSION

To test the hypotheses, correlation analysis, t-tests and hierarchical multiple linear regression were applied using Jamovi 2.3.28.

Bivariate Analysis: Relationship and Differentiation Tests

Before proceeding to regression analysis, I performed correlation and t-test analyses to determine the raw relationships between variables and differences between groups.

Correlation Analysis Results

Findings from the correlation matrix presented in Table 2 indicate that company and entrepreneur's characteristics are significantly associated with exit route preferences.

Table 2. Correlation matrix for variables and exit routes

Variables	Financial Sale	IPO	PartnersPurchase	Transfer to Family Members	Liquidation / Closing
Control Variables					
Firm Size	0.126	0.376***	0.013	-0.238***	0.240***
Firm Age	-0.040	0.153*	0.070	-0.022	0.088
Industry Experience	-0.196**	-0.182**	0.054	0.243***	0.042
Main Predictors					
Export Performance	0.230***	0.442***	-0.065	-0.136*	0.218**
Education Level	0.478***	0.562***	-0.134	-0.439***	0.209**

Source: own study in Jamovi.

High export performance is significantly and positively correlated with professionalised routes, specifically financial sale ($p = 0.230$) and IPO ($p = 0.442$), while showing a negative correlation with transfer to family members ($p = -0.136$). Higher education levels of the founder show a strong positive correlation with the preference for financial sale ($p = 0.478$) and IPO ($p = 0.562$). Firm size shows a significant positive correlation with IPO preference ($p = 0.376$) while extensive industry experience correlates positively with family transfer ($p = 0.243$) and negatively with market-based sales channels.

Differentiation Analysis

The results of the independent samples t-test presented in Table 3 reveal how entrepreneurs past experiences and the firm's ownership structure differentiate their exit preferences.

Table 3. Independent samples t-test results for group differences in exit routes

Variables	Financial Sale	IPO	Partners Purchase	Transfer to Family Members	Liquidation / Closing
Family Firm (Yes/No)	-2.25*	0.00	1.14	3.63***	-1.35
Exit Experience (Yes/No)	-3.90***	-2.39**	1.33	4.18***	-4.71***

Note: Values represent t-statistics. * $p < .05$, ** $p < .01$, *** $p < .001$.

Source: own study in Jamovi.

Family firms report a significantly higher preference for family transfer ($t = 3.63$, $p < 0.001$) and a lower inclination towards financial sales ($t = -2.25$, $p < 0.05$), consistent with SEW theory. Founders with prior exit experience show a stronger preference for financial sales ($t = -3.90$, $p < 0.001$) and IPOs ($t = -2.39$, $p < 0.01$).

Multivariate Analysis: Regression Results

Structural control variables (firm size, firm age, and industry experience) were entered in Step 1 to establish a baseline. In Step 2, the main predictors representing the three theoretical blocks were entered simultaneously to evaluate their joint effect on exit route preferences, as shown in Table 4.

Table 4. Results of hierarchical multiple linear regression analysis on entrepreneurial exit routes

Variables	Financial Sale (Step 1)	Financial Sale (Step 2)	IPO (Step 1)	IPO (Step 2)	Partners Purchase (Step 1)	Partners Purchase (Step 2)	Transfer to Family Members (Step 1)	Transfer to Family Members (Step 2)	Liquidation / Closing (Step 1)	Liquidation / Closing (Step 2)
Step 1: Structural Control Variables										
Firm Size (Employees)	0.132 [†]	-0.041	0.349** [*]	0.177**	-0.043	-0.002	-0.283***	-0.219**	0.239**	0.169*
Firm Age	-0.091	-0.037	0.023	0.052	0.077	0.063	0.075	-0.024	-0.012	0.039
Industry Experience	0.018	-0.010	-0.053	-0.058	0.150*	0.103	0.182	0.222***	0.154*	0.134 [†]
Step 2: Theoretical Block Predictors										
I. Export Performance and Strategic Readiness										
Export Performance	–	0.083	–	0.120 [†]	–	-0.052	–	0.064	–	0.134 [†]
II. Firm Attributes and Structural Boundaries										
Family Business (Yes=1)	–	-0.153*	–	-0.057	–	0.069	–	0.249***	–	0.073
III. Human Capital and Individual Vision										
Education Level	–	0.433***	–	0.461***	–	-0.020	–	-0.279***	–	0.233**
Prior Exit Experience (Yes=1)	–	0.219***	–	0.085	–	-0.096	–	-0.236***	–	0.256***
Model Fit and Incremental Power										
R ² (Step 1)	0.039	–	0.173	–	0.015	–	0.146	–	0.062	–
R ² (Step 2 – Full Model)	–	0.289	–	0.385	–	0.032	–	0.339	–	0.191
ΔR ² (R-Square Change)	–	0.251***	–	0.212***	–	0.017	–	0.194***	–	0.129***

Note: Standardised coefficients (β) are reported for the full model (Step 2). Statistical significance levels: (†) $p < 0.10$ (marginally significant); * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$.

Source: own study in Jamovi.

The results strongly justify hierarchical specification. The inclusion of theoretical blocks in Step 2 yielded a highly significant increase in explanatory power (ΔR^2) for Financial Sale ($\Delta R^2 = 0.251$, $p < 0.001$), IPO ($\Delta R^2 = 0.212$, $p < 0.001$), Transfer to Family Members ($\Delta R^2 = 0.194$, $p < 0.001$), and Liquidation ($\Delta R^2 = 0.129$, $p < 0.001$). This shows that my core predictors collectively serve as robust indicators of exit route preferences beyond basic structural controls.

Regarding the specific hypotheses:

- **Export Performance:** Export performance exhibited a marginally significant positive association with the preference for an IPO ($\beta = 0.120$, $p < 0.10$), providing support for H1b. H1a and H1c are not

supported. The model also revealed a marginally positive association with liquidation ($\beta = 0.134$, $p < 0.10$), suggesting a polarisation dynamic among exporting firms.

- **Firm Attributes:** Family business status is significantly and positively associated with the preference for Transfer to Family Members ($\beta = 0.249$, $p < 0.001$), fully supporting H2a, while exhibiting a significant negative association with market-based Financial Sales ($\beta = -0.153$, $p < 0.05$), fully supporting H2b.
- **Human Capital:** Education level shows highly significant positive associations for both Financial Sale ($\beta = 0.433$, $p < 0.001$) and IPO ($\beta = 0.461$, $p < 0.001$), supporting H3a and H3b. Prior exit experience is a significant positive indicator for Financial Sale ($\beta = 0.219$, $p < 0.001$), supporting H3c. Both education ($\beta = -0.279$, $p < 0.001$) and prior exit experience ($\beta = -0.236$, $p < 0.001$) are significantly negatively associated with family succession preference. The hierarchical structure of the analysis allows for an assessment of how the inclusion of theoretical predictors changes the effects of the baseline structural controls across the two steps. In Step 1, firm size shows a marginally significant positive association with the preference for financial sale ($\beta = 0.132$, $p < 0.10$) and a significant positive association with IPO preference ($\beta = 0.349$, $p < 0.001$), while being significantly and negatively associated with family transfer ($\beta = -0.283$, $p < 0.001$) and positively associated with liquidation ($\beta = 0.239$, $p < 0.01$). Upon the inclusion of the theoretical predictors in Step 2, the association between firm size and financial sale becomes non-significant ($\beta = -0.041$), while its association with IPO preference weakens but remains significant ($\beta = 0.177$, $p < 0.01$). This pattern suggests that the initial association between firm size and financial sale is largely explained by the human capital characteristics of founders in larger firms, particularly education level and prior exit experience, rather than by firm size itself.

Similarly, industry experience shows a significant positive association with partner purchase ($\beta = 0.150$, $p < 0.05$), family transfer ($\beta = 0.182$, $p < 0.01$), and liquidation ($\beta = 0.154$, $p < 0.05$) in Step 1. These associations remain largely stable in Step 2, indicating that industry experience retains its explanatory power even after accounting for the theoretical predictors. This stability suggests that the relationship between industry experience and traditional exit routes reflects a relatively independent mechanism, likely associated with deeper emotional identification with the venture over time, rather than being an artifact of other founder or firm characteristics.

DISCUSSION

This study investigated how international performance, firm-level characteristics, and individual human capital are jointly associated with exit route preferences among Turkish manufacturing founders. The findings extend the existing exit literature empirically within the specific context of an emerging market.

The results suggest that high export performance is positively associated with founders' preferences for IPOs, which agrees with the premise that exposure to global markets is associated with normative isomorphism and the adoption of more formalised governance structures (Cumming, 2008; Beleska-Spasova, 2014). Importantly, this association is specific to IPO preference and does not extend to financial sale, which is consistent with the theoretical argument that export-driven institutionalisation generates particular organisational characteristics, namely greater public visibility and financial transparency, that align more naturally with the requirements of public market exits than with private transactions. This differentiated pattern is also difficult to reconcile with a pure marker interpretation, lending further support to the view that export performance operates as an active mechanism rather than merely reflecting pre-existing firm quality.

An unhypothesised finding emerged regarding liquidation: export performance shows a marginally positive association with liquidation preference, possibly reflecting a polarisation dynamic where founders of exporting firms face a more polarised set of strategic options. This interpretation is speculative given the cross-sectional nature of the data (DeTienne & Cardon, 2012).

Larger firms lean more towards IPO preference and less towards family succession, consistent with a resource-based interpretation (Beckman *et al.*, 2007; Aldrich & Kim, 2007). The initial association between firm size and financial sale becomes non-significant in Step 2, which the human capital of founders in larger firms largely explains.

The most pronounced structural differentiation is associated with family business status. The findings fit the SEW theory: family owners place significant value on legacy and emotional attachment to the firm. Family business status is strongly and positively associated with a preference for transferring the business to family members, while showing a significant negative association with market-based financial sales (Deephouse & Jaskiewicz, 2013; Miller *et al.*, 2016). This pattern suggests that, in the Turkish manufacturing context, cultural and relational considerations remain closely intertwined with exit decision-making, while purely financial motivations account only partly for exit route preferences of family firm founders. This finding is particularly relevant given the predominance of family businesses in the Turkish manufacturing sector, where informal governance structures and intergenerational continuity remain central to firm identity.

The founder's personal attributes – particularly formal education and prior exit experience – show the strongest and most consistent associations with professionalised exit preferences. Higher education correlates positively with both financial sale and IPO preferences, suggesting it builds the analytical capacity and financial literacy needed to evaluate complex ownership transitions (Koladkiewicz *et al.*, 2022). Prior exit experience similarly shows a strong positive association with financial sale preference, which is consistent with the argument that serial entrepreneurs develop a strategic template oriented towards value-maximising exit routes (Ucbasaran *et al.*, 2003). However, these findings warrant some caution as the observed relationships may partly reflect the specific sample. Turkish exporting SMEs that participated in this study tend to be relatively well-educated and experienced, and the strength of the human capital effects may therefore not be directly generalisable to broader entrepreneurial populations.

Industry experience shows stable associations with family transfer and liquidation preferences across both regression steps, suggesting an independent relationship likely linked to deeper emotional identification with the venture over time.

CONCLUSIONS

Focusing on the Turkish manufacturing sector, this study treated exit as a strategic value-realisation process rather than a binary success-failure outcome. The findings suggest that exit route preferences track venture maturity, structural characteristics, and founder human capital.

The central contribution integrates international performance into the entrepreneurial exit discussion within an emerging-market context. Export performance is positively associated with IPO preference and marginally with liquidation, suggesting a dynamic polarisation among exporting firms. Cultural and relational considerations continue to shape exit preferences strongly in the Turkish context, highlighting the role of socio-emotional wealth. The study offers a context-dependent perspective that complements largely Western exit models.

For entrepreneurs, the findings suggest that exit planning works best as a long-term strategy rather than a late-stage reaction. Founders who aim for professionalised exit routes may benefit from building international exposure and investing in human capital throughout their ventures' growth phase, as these factors show the strongest associations with market-based exit preferences in this study. Therefore, exit should be considered an integral part of the entrepreneurial journey from an early stage.

For policymakers, the findings highlight the value of building exit literacy within broader entrepreneurship support, including strengthening transparent M&A markets and incorporating exit strategy content into entrepreneurship education. Several limitations should be acknowledged. The cross-sectional design and convenience sample rule out causal claims, and the Turkish manufacturing focus limits generalisability. Future research could use longitudinal designs or qualitative approaches to examine how preferences evolve and translate into realised exits and could use psychological scales to more directly test the cognitive mechanisms proposed in this study.

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Use of Artificial Intelligence

During the preparation of this work, the author used DeepL solely to improve the language and readability of the manuscript. After using this tool, the author reviewed and edited the content as needed and takes full responsibility for the content of the publication.

Conflict of Interest

The author declares that the research was conducted in the absence of any commercial or financial relationships that could be construed as a potential conflict of interest.

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