UGSM-Monarch Business School
Doctoral Dissertation Proposal

The Impact of Working Capital Management On The Profitability Of Financial Listed Firms in Jordan

PROGRAM:	D. Phil in Finance
SUBMISSION DATE:	06-April-2016
CANDIDATE:	Mr. Alam Mahfouz, MAFB
PROPOSAL SUPERVISOR:	Dr. Jeffrey Henderson, D.Phil.

TABLE OF CONTENTS

1.0 INTRODUCTION

With the advent of globalization and advancements of technology it appears that competition in corporate markets continues to intensify. As a result of continually intensifying corporate competition effective decision making has become critical in determining the fate of a company. Cause and effect has to be considered by managers before taking any decision as even seemingly mundane decisions may have far reaching consequences. Thus, managers are taught to follow a systematic decision making approach since decisions taken in isolation can be the cause of crises that the company would eventually have to face in the near future. (Baskin, 2012) With regards to the myriad decisions that occur within the extended enterprise none are more important and problematic than financial decisions concerning working capital allocation.

Considering the different aspects of capital decisions, those regarding the capital structure of the company are the most important and vital, since the profitability and viability of the firm directly depends on such decisions (Abor, 2005). Thus, while considering capital structure decisions of a firm, management must take proper care and attention in order to safe-guard the profitability of the firm. In making capital structure decisions many factors such as inflation, recession and asset ratio, to name only a few, must be considered. (Myers, 2005). As indicated by Margaritis & Psillaki (2010) capital structure itself can be financed through three options:

- Debt
- Equity, or
- Both

The use of a higher portion of debt as compared to equity in the capital structure can be useful for a company as it represents a cheaper form of finance. However, using debt as the preferred option for the capital structure has its limitations because after a specific limit the firm's leverage may be affected negatively (Rauh & Sufi, 2010). Similarly, if the firm uses too much equity in the capital structure there are limitations namely in the form of a higher cost of capital and lower return on equity ratios. For instance, the crises that took place in 2008 showed exactly the extent to which high debt levels can impair not only a company but the financial system as a whole. This was observed primarily due to the international trade imbalances and lax lending standards. Both of these factors contributed to high levels of household debt resulting in real-estate bubbles in many developed countries. The subsequent melt-down of real estate values caused a revamping of housing policies and a re-examination of the regulation of non-depository financial institutions across the world, specifically in the US and in particular Jordan.

The real estate melt-down was a result of a large number of substandard loans with low or no down payments that required greater credit and less substantial equity. The loans often had hidden clauses that increased the initial interest rates after a certain period further complicating the ability of borrowers to service those loans into the future. The events and psychology that abounded before the real estate bubble provides an example and warning to corporations who may take advantage of very low equity requirements and unwittingly place themselves in a precarious position with respect to future debt service and cash flow requirements.

An appropriate capital structure is one that is arranged in a way as to meet all short-term obligations of the firm on time. There are several theories available that describe the capital structure of firms, such as working capital theory, communication and decision-making based theories. Despite the academic appeal of capital structure theory, financial management analysts have not yet been able to decide on the optimal mix of the capital structure of a firm. The most common thought put forward by the academic community is to have a capital structure, which is able to meet the short-term goals of the firm (Hogan & Hutson, 2005; Cumming, 2005). In doing so, a company's capital structure can comprise a combination of a variety of different securities, which in turn affect the underlying cost of capital of the firm and the resultant firm profitability (Romano, Tanewski, & Smyrnios, 2001). The contemplated research follows this line of thought and examines the impact of working capital management on the overall profitability of Jordanian enterprises by examining working capital structure, decision making and communication theories in a holistic approach. The nexus of these three domains of scholarship will provide a more robust analysis of the underlying aspects and characteristics of a potentially more useful working capital management framework.

2.0 THE RESEARCH QUESTION

Given the above discussion the main research question has been developed as follows:

Main Research Question:

> "What are the characteristics of a new conceptual model or framework that better explains the optimal mix of the capital structure with regards to firm profitability with respect to Jordanian listed firms?"

In order to further respond to the main research question and provide greater richness of information the following hypotheses have been developed to provide quantitative benchmarks and data points for further consideration within the larger qualitative analysis of the subject matter:

H_{O1}: There is no significant relationship between the profitability of Jordanian financial listed firms and their working capital management.

H_{O2}: There is no significant relationship between return on assets, return on owner's equity, market-to-book value to the efficiency of working capital management of Jordanian listed firms.

3.0 RESEARCH RELEVANCE

The contemplated research focuses on the management of working capital and its impact on the profitability of the listed companies in Jordan. This research adds to the existing literature and scholarship on the management of working capital with a specific focus on Jordanian listed firms. Working capital is considered the lifeblood of the enterprise and it is one of the most important functions of corporate management (Kaddumi & Ramadan, 2012). Every company, either profit oriented or not, irrespective of the nature and size of the business, requires sufficient working capital (Karaduman, Akbas, Caliskan, & Durer, 2011).

Working capital is important for maintaining survival, liquidity, profitability, and solvency of the business (Pedro & Martinez-Solano, 2007). The contemplated research will bring greater clarity to the above issues as they relate specifically to Jordanian listed companies. This domain of research within the specific geography of Jordan is considered to be understudied and therefore the research should help to bring needed focus and attention and should be widely anticipated by the professional financial and academic communities.

4.0 CONTRIBUTION TO EXISTING KNOWLEDGE

The contemplated research is aimed at determining the connection between working capital management and the profitability of listed companies in Jordan between 2005 through 2015. The credit crisis of 2008 had a major impact on the economies of the world and is considered a watershed event with respect to working capital management and its effect on firm profitability. It is found that liquidity has become and will remain less freely available and more expensive since this event. Further, credit risk has become a key differentiator in availability, pricing setting and financing conditions provided borrowers.

Improvement to the working capital structure is now paramount within enterprises as the cost of capital remains critical. It should be underscored that management must strive for efficiency with respect to working capital. An analysis of 3,774 companies worldwide suggests that no meaningful improvement has been made in the past regarding management of working capital (Kaplan & Norton, 2001). On the contrary, relative to revenue, inventory and receivables positions of the firms has increased by an average of 4.3 days of sales or 5% in value (Kaplan & Norton, 2001). This equates to an additional EUR 183.5 billion of liquidity trapped in the supply chain for all 3,774 companies under review (Roldugin, 2012). Resultantly, buyers have effectively added funding of EUR 55.4 billion, equivalent to average of 1.3 days worth of sales from their suppliers due to the takeover of the euro. (Jackson, 2010)

The contemplated research will analyse Jordanian listed companies with respect to the optimal mix of their working capital structure as it relates to profitability. This is presently considered an understudied area and will have positive benefit for both professionals and academics. Moreover, it may also prove to be an important source of information for government agencies with respect to financial policy, governance and regulation. Lastly, the contemplated research will provide a basis for further research and examination of the domain of working capital structure specifically within the Kingdom of Jordan for the benefit of future research.

5.0 THE RESEARCH METHODOLOGY

In responding to the main research question, the contemplated research will employ a mixed research method utilizing both a qualitative and quantitative approach in a triangulation fashion. There is no clear boundary between inductive and deductive research for describing and explaining a research issue. According to Burns & Grove (2005) each of the paradigms has strengths and weaknesses, a combination of qualitative and quantitative methods provides a better understanding of the research problem. Therefore, both financial data and qualitative interviews will be considered for better comprehension of the results. The scholarship also suggests that the mixed methods approach is increasingly being used in the field of management research. It is also the most popular and most frequently used method in Business Administration, which supports its use herein.

The quantitative analysis will focus upon the content analysis of industry documents in the form of annual reports and white papers and will address the hypotheses previously mentioned.

Figure 5.0
Methodological Triangulation

Source: UGSM-Monarch Business School

The qualitative analysis will employ a two-stage interview process that will complement the quantitative analysis by helping to uncover personally held beliefs and understandings of industry participants within Jordanian listed companies. These two approaches are further complemented by a thorough academic literature review that will uncover knowledge gaps as they pertain to optimal working capital structure models and frameworks. The above is graphically represented within Figure 5.0.

5.1 Quantitative Data Analysis

The techniques that will be used for analyzing the quantitative data involve financial statement analysis. More specifically, ratio analysis will be performed to ascertain the impact of working capital management on the profitability of the listed companies in Jordan. The data collected through the primary and secondary sources will be used for analyzing the cash and bank balance to total assets as well as the inventory to current and total assets. The relationship of these variables will be analysed through correlation analysis of cash and bank balance to total assets, and the inventory to current and total assets along with regression analysis.

$$\mathbf{Y = \beta o + X_{1} + \varepsilon}$$

Profit = Constant + WCM + Random error

5.2 Qualitative Data Analysis

A two-stage qualitative analysis will be carried out using an interview process of industry participants. The qualitative research process will be focussed on two distinct sample groups within the Corporate (Meso) level, being: firm managers responsible for capital structure decisions and industry lenders. The purpose of the phenomenological approach is to identify phenomena and how they are perceived by the actors in a situation (Lester, 1999). It seeks essentially to describe rather than explain and to start from a perspective free from hypotheses or preconceptions (Husserl , 1970). With this in mind, group interviews will be conducted in a two stage process designed to uncover personally held beliefs and subtle understandings of the phenomenon unique to each group. Below a Level-of-Analysis diagram further illustrates who will and will not participate within the phenomenological aspect of the research.

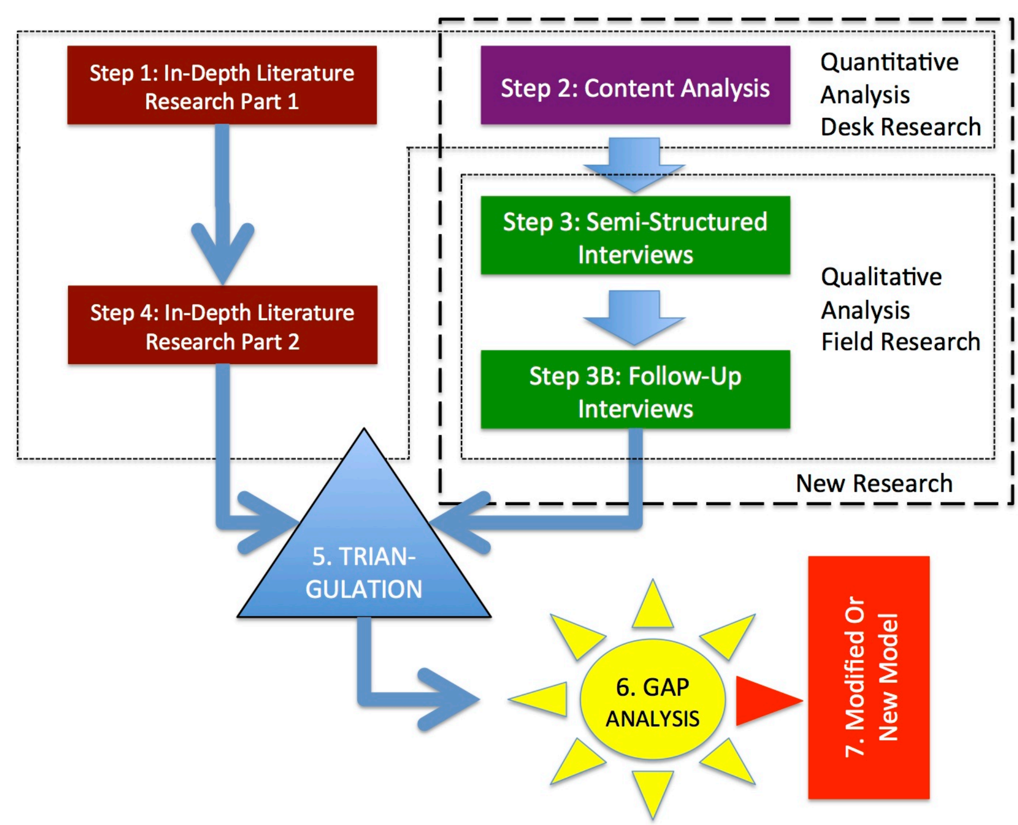
TABLE 5.2 Levels of Analysis & Partial Stakeholders Schema		
Level	Organizational Level	Unit Level
MACRO	Societal	Government, Media, Regulators, Universities
MESO	Corporate	Firm Managers, Lenders, Chamber of Commerce, Industry Groups
MICRO	Individual	Staff, Customers, Citizens
Source: UGSM-Monarch Business School Switzerland		

5.3 Research Process

Figure 5.3 illustrates the steps within the Monarch Standard Mixed Research Method that will be followed:

1. . **In-Depth Literature Review-Part 1:** In-depth review of the seminal authors within the study domains of Working Capital Structure, Managerial Decision Making and Managerial Communication theories will be the first step completed in order to provide a solid academic foundation to the research.

Figure 5.3
Mixed Research Method



Source: UGSM-Monarch Business School

2. **Content Analysis:** An analysis based on data obtained from annual reports, white papers, supporting commercial documents and other commercial data sources will be examined.
3. **Two-Step Semi-Structured Interview Process:**

   Step 1. **Preliminary Interviews:** The development of preliminary interview questions will be informed by and synthesized from the review of the literature and content analysis. Stakeholders to be interviewed will be industry participants considered knowledgeable with respect to the research at hand. A minimum sample of thirty (30) unique participants will be interviewed. Interviews will be held in person at a location amenable to the subjects and are expected to be approximately thirty (30) minutes in length. Telephone interviews will be used in the case that physical interviewing is impossible due to resource or time constraints. Interviews will be tape recorded unless objected to by the participant in which case manual notes will be taken.

Step 2. **Follow-Up Interviews:** of a more specific and narrow view informed by the first round of interviews, content analysis and literature review will be concluded with a smaller sub-set of 15 respondents obtained from the first round sample. These interviews will seek to uncover deeply held personal beliefs and understandings on the research subject that will further uncover important aspects in responding to the research question.

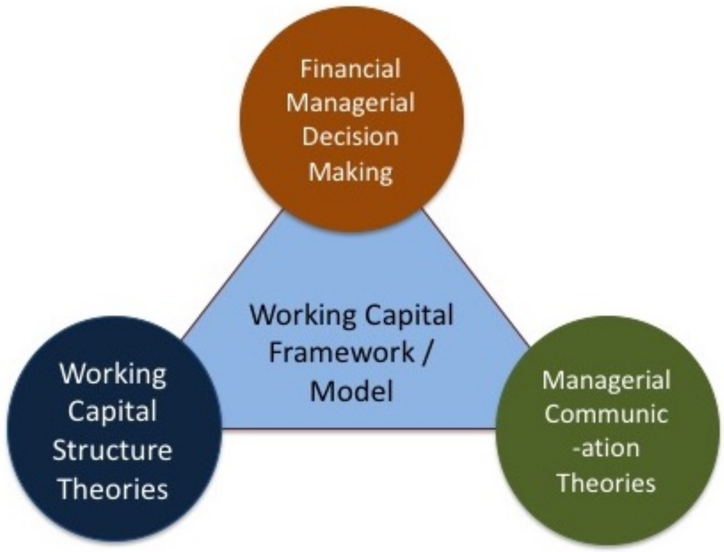
4. **Step 4-In-Depth Literature Review-Part 2:** A second more in-depth literature research review will be completed to further refine the scope and consideration of the existing knowledge within the academic field to add more expertise and specificity to the research analysis.

5. **Step 5 & 6 - Triangulation of the Data & Gap Analysis:** A triangulation of the data will be considered and analyzed in order to determine whether or not the existing academic knowledge is congruent with the practical application of the field on a commercial basis. The result of this analysis should dictate whether or not a “Knowledge Gap” exists between the academic (theoretical) and the practical (applied) domains.
6. **Step 7: Development of New Model:** Building on the Gap Analysis a thorough analysis of the existing frameworks within the academic domain will be made. This analysis will inform whether or not the existing frameworks sufficiently address the requirement for practical application within the industry and whether or not they may be further improved or modified.

6.0 THE LITERTURE REVIEW

The literature review section will bring together three distinct areas of scholarship in order to create a triangulation of the research domains. For the purpose of the contemplated research these domain include: Financial Management Decision Making, Working Capital Structure Theories, and Managerial Communication Theories. The nexus of these research domains underscores the belief that an efficient working capital framework or model must incorporate a robust managerial decision making apparatus and communication structure. The above is represented graphically within Figure 6.0.

Figure 6.0
Literature Triangulation



Source: UGSM-Monarch Business School

6.1 Working Capital Structure Theories

The management of working capital includes the relationship between an association's transient resources and its fleeting liabilities. The objective of management of working capital is to guarantee that a firm has the capacity to proceed with its operations and that it has adequate capacity to fulfil both developing fleeting obligations and upcoming operational costs (Muhammad, Jibril, & K/Wambai, 2015). The proper management of working capital has a drastic effect on the structure of the business and future decision-making process by the management of an organisation (Faulkender & Petersen, 2006).

Overseeing working capital management incorporates overseeing money, inventories, accounts receivables, and accounts payable in a viable way (Tingbani, 2015). Thus, working capital is equivalent to: raw materials, work in process, completed merchandise inventories and accounts receivables less the accounts payable.

The main theme of working capital structure theories is to find the interaction between current assets and current liabilities. Working capital structure theories are mainly concerned with the problem that arises in attempting to manage some specific variables such as current assets, the current liabilities and the interrelationship which exists between them. The objective of these theories is to manage a firm's current assets and current liabilities in such a way that satisfactory levels of working capital are maintained (Karaduman, Akbas, Caliskan, & Durer, 2011).

The assignment of budgetary administration as far as working capital is concerned is to keep up adequate reserves while shielding the business against the likelihood of indebtedness. In this way, the term working capital alludes to the overabundance of the present resources over the present liabilities (Muhammad, Jibril, & K/Wambai, 2015). A business that deals with its working capital adequately can survive while meeting its regular operations, which thus provides long-term achievement (Chiou, Cheng, & Wu, 2006). The importance of working capital management can be identified from the fact that it identifies the specific set of operational actions, plans, and decisions which is to be taken by the management of the company. Some of the priorities of a coherent working capital strategy include:

1. Monitoring the level of current assets;
2. Establishing a ratio which is in compliance with the long and short term loans that are used to finance current assets;
3. Observing a maximum level of investment in various types of current assets, and;
4. Searching of explicit sources of credit maximization to the level and structure of current liabilities. (Fink, 2001, 54)

As the above shows, a coherent working capital structure is critical to the efficient operations of the firm and resultant profitability (Abor, 2005). Within an overall operational framework or model working capital structure theories are a critical aspect. Seminal authors within the field will be covered in an attempt to uncover gaps of knowledge or areas of interest that remain understudied or ignored by the present scholarship. Authors that will be covered include: Kaddumi, Ramadan, Samiloglu, Demirgunes, Muhammad, Sharma, Kumar, Banos-Caballero, Karaduman, Chatterjee, Silva, Gill, Nahum and Neil.

6.2 Financial Management Decision Making Theories

Large firms obtain financial resources relatively more easily compared with the small and medium size enterprises due to the difference in the decision capital structure and financial management. A poor decision about the financial management as well as the capital structure may lead to financial distress. For instance, in the crisis of 2008, it was found that most of the organisations took poor decisions concerning financing such as they focused on loans (Coombs & Holladay, 2002). This created distress in the industry in general. In addition, it can be said that both erroneous non-financial and financial decisions may place the enterprise in peril and cause bankruptcy (Chen & Chen, 2011).

Numerous studies have highlighted the importance of the decision-making process on the financial management of large firms across the world (Chen & Chen, 2011). Financial management decision-making theories have been developed to analyse alternative capital structures. The management of working capital is affected due to the significant and/or non-significant decision-making process that is made by management. Good decision-making with respect to working capital as well as financial management guarantee a business has adequate trade stream to meet its fleeting commitments and working costs (Chen & Chen, 2011).

Research reveals that financial management is positively related to the firm's asset structure consisting of decision-making strategies (Chen & Chen, 2011). Financial management decision-making can be identified from the approaches identified in the rules and regulations for operational activities of the firms, which must be determined by the policy makers of the organisations (Chen & Chen, 2011). Some of the major aspects associated with the concerned strategies are as follows:

1. Finding the true nature and strategy of the business;
2. Establishing a scenario in which the liquidity of the firm is measured in both short-term and long-term;
3. Observing the level of investment in the business;
4. Monitoring and timely decision-making focused on shortening the credit cycle, extending the cycles of production and sales and enhancing the A/R collection throughout the business year.

As it has been stated, coherent financial management decision making is a critical aspect that is essential to the effective operations of a firm to improve its revenues and profitability (Abor, 2005). Seminal authors within the field that will be covered include: Collier, Paul M, Rafuse, Maynard E, Santandreu-Mascarell, Cristina, Dolores Garzon, and Helena Knor.

6.3 Managerial Communication Theories

Executing a successful working capital management framework through appropriate managerial communication strategy is an important aspect for organisations to enhance their profit in the form of adopting optimal capital structure (Grunig & Dozier, 2003). The two principle parts of these theories and working capital administration are proportional examination and administration of individual segments of working capital. The effect of incapable working capital administration and ineffective communication theories can be perplexing and weakening for a business. Organisations with optimal capital structure, good decision making aparatus and efficient managerial communication not just create more money for their organisations, they have more adaptability to exploit opportunities as they emerge and are less reliant on outside financing.

Communication is one of the most significant aspects in a business (Luthans, 2002). Effective communication is a requirement for implementing organisational strategies and managing day-to-day activities through the workforce. Managerial communication accounts for more than three fourths of a manager's time spent with others such as employees and associated individuals for exchanging information. It can be argued that proper management of working capital is highly dependent on the communication of managers with subordinates and employees. Before making decisions effective communication is important and a critical factor in identifying the optimal capital structure and needs of all internal stakeholders of a business. As working capital structure and managerial decision making are directly associated with capital, inventories, accounts receivables, and accounts payable one can argue that managerial communication is the glue that binds them together (Tingbani, 2015). Theories of managerial communication are considered one of the more important relative contributions to the development of business in the world and the effectiveness of managers. In other words, good communicators are more likely to be considered as effective managers and vice versa. Managerial communication is a central activity in most organisational activities and therefore critical to good working capital management.

Managerial communication theories help in recognising the major problems that might be a cause of workforce conflicts in an organisation. Aspects or views of managerial communication include:

1. **Mechanistic –** is simply the transmission of information that finds the causes of a success or failure of a business;
2. **Psychological –** receivers and senders interact with each other and share the feelings and/or information about business;
3. **Social -** is directly dependent on the content of the speech;
4. **Systemic -** is a way of interaction with the organisations' workforce based on the productivity and capability of individuals.

Research in this area suggests that the crises observed in 2008 could have been mitigated if managers of the many organizations affected had employed more effective management communication strategies. (Coombs & Holladay, 2002). Expanding on this approach seminal authors within the field will be covered and include: Neves, Pedro, Eisenberger and Robert.

Overall, it can be underscored that in order to have effective working capital management framework it is important to focus on the nexus of working capital structure theory, managerial decision-making theory and managerial communication theory. Otherwise said, erroneous financial decision-making and poor communication can ruin even the best designed working capital structure. Therefore, a structured analysis of these three theoretical pillars in combination is required in order to bring sufficient attention to the underlying forces that determine an optimal framework for improved working capital management.

7.0 THE RESEARCH PLAN

The research is to be complete over 36 months. Interviews for each group will take place over a 5 month period from September 2016 to January 2017 after which time the data will be analysed and the manuscript will be perfected. Each face to face or telephone interview should last a maximum of 30 minutes at a location and time that is amenable to participants. Interviews will be conducted throughout the Kingdom of Jordan.

8.0 THE RESEARCH TIMELINE

The contemplated research is expected to conclude over a 36 month period between January 2015 and January 2018. The Gantt chart provided in Table 8.0 illustrates the duration of each task anticipated within the research process. Although every effort has been made to anticipate the steps within the research variation in the plan may be encountered due to variables beyond the control of researcher. Variables that may have a significant effect on the research timeline which lay beyond the control of the researcher are accessibility and available time periods for sample participants which may result in a modification of travel schedules and prolongation of the field research stages.

TABLE 8.0
Research Timeline

	Year 1				Year 2				Year 3			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Pre-Literature Review	■	■										
Literature Review Part 1			■	■	■	■						
Research Plan		■										
Chapter 1			■									
Chapter 2 & 3				■	■	■						
Content Analysis				■	■							
	Offical Submission of Chapters 1, 2, 3 and Slide Presentation To Obtain Authorization To Continue On To Field Research											
Interviews Part 1							■					
Literature Review Part 2							■	■	■	■		
Interviews Part 2										■		
Data Analysis									■	■		
Chapter 4, 5, 6									■	■		
Manuscript Perfecting									■	■	■	
Submission												■

Source: UGSM-Monarch Business School Switzerland

9.0 RESEARCH BUDGET

The total cost of the research is estimated to be USD 7,250. This amount will be privately funded. UGSM-Monarch Business School Switzerland has not been requested for any financial assistance towards supervisory costs or any other cost. The budget is presently fully funded and research may begin immediately. The breakdown of the budget is shown in Table 9.0.

TABLE 9.0 Research Budget	
Item	**In US$**
Questionnaire Production	700
Computer equipment & Software	2,000
Interview and questionnaire administration	2,000
Travel and accommodation	1,000
Thesis proofreading	500
Final Thesis production and binding	750
Miscellaneous cost	1,000
TOTAL	**7,250**

10.0 RESEARCH PROPOSAL APPROVAL

The contemplated research proposed herein has been approved by the University and the student may commence the research immediately. The student is not to deviate from the proposed research unless expressly confirmed by both the Supervisor and the University in written form.

____

Approved by the University
On 06-April-2016 in Zug-Switzerland
By: Dr. Jeffrey Henderson, D.Phil.

UGSM - MONARCH BUSINESS SCHOOL
SWITZERLAND

BIBLIOGRAPHY

1. Abor, J. (2005). The effect of capital structure on profitability: an empirical analysis of listed firms in Ghana. *The journal of risk finance , 6* (5), 438-445.
2. Anand, M. (2001). Working capital performance of corporate India: an empirical survey. *Management and Accounting research 4(4)* , 35-65.
3. Baskin, K. (2012). *Corporate Dna.* Routledge.
4. Berryman, J. (1983). Small business failure and survey of the literature. *International Small Business Journal 1(4)* , 47-59.
5. Bhattacharya, H. .. (2001). *Working capital management: Strategies and techniques.* Prentice Hall Publisher.
6. Brashers, D. E. (2001). Communication and uncertainty management. *Journal of communication 51(3)* , 477-497.
7. Burns, N., & Grove, S. K. (2005). Selecting a quantitative research design. *Burns N, Grove SK (eds), The Practice of Nursing Research: Conduct, Critique, and Utilizatio* , 231-272.
8. Chatterjee, S. (2010). *The impact of working capital management on the profitability of the listed companies in the London stock exchang*. Retrieved February 11th, 2016, from http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1587249
9. Chen, L., & Chen, S.-Y. (2011). How the pecking-order theory explain capital structure. *Journal of International Management Studies 6(3)* , 92-100.
10. Chiou, J.-R., Cheng, L., & Wu, H.-W. (2006). The determinants of working capital management. *Journal of American Academy of Business 10(1)* , 149-155.
11. Collier, P. M. (2015). *Accounting for managers: Interpreting accounting information for decision making.* John Wiley & Sons.
12. Conceptual Framework of Working Capital Management . (2010). *CONCEPTUAL FRAMEWORK OF WORKING CAPITAL MANAGEMENT*. Retrieved February 29th, 2016, from shodhganga: http://shodhganga.inflibnet.ac.in/bitstream/10603/43980/8/08_chapter%201.pdf

13. Coombs, W. T., & Holladay, S. J. (2002). Helping crisis managers protect reputational assets initial tests of the Situational Crisis Communication Theory. *Management Communication Quarterly 16(2)* , 165-186.
14. Cristina, S.-M., Garzon, D., & Knorr, H. (2013). Entrepreneurial and innovative competences, are they the same? *Management Decision 51(5)* , 1084-1095.
15. Cumming, D. J. (2005). Capital structure in venture finance. *Journal of Corporate Finance 11(3)* , 550-585.
16. Faulkender, M., & Petersen, M. A. (2006). Does the source of capital affect capital structure? *Review of financial studies 19(1)* , 45-79.
17. Forte Consultancy Group. (2012). *Cost Cutting Practices For the Financial Services Industry.* Forte Consultancy Group.
18. Griffin, E. A., & McClish, G. A. (2011). *A first look at communication theory.* Boston: McGraw-Hil.
19. Grunig, J. E. (2013). *Excellence in public relations and communication management.* Routledge.
20. Grunig, J. E., & Dozier, D. M. (2003). *Excellent public relations and effective organizations: A study of communication management in three countries.* Routledge.
21. Harris, A. (2005). Working capital management: difficult, but rewarding. *Financial Executive 21(4)* , 52-54.
22. Hogan, T., & Hutson, E. (2005). Capital structure in new technology-based firms: Evidence from the Irish software sector. *Global Finance Journal 15(3)* , 369-387.
23. Husserl , E. (1970). Logical Investigations. *Humanities Press, New York* , Translation Carr D.
24. Jackson, J. K. (2010). *Financial Crisis: Impact on and Response by the European Union.* Diane Publishing.
25. Kaddumi, T. A., & Ramadan, I. Z. (2012). Profitability and Working Capital Management: The Jordanian Case. *International Journal of Economics and Finance , 4* (4).
26. Kaplan, R. S., & Norton, D. P. (2001). *The strategy-focused organization: How balanced scorecard companies thrive in the new business environment.* Harvard Business Press.

27. Karaduman, H., Akbas, H., Caliskan, A., & Durer, S. (2011). The Relationship between Working Capital Management and Profitability: Evidence from an Emerging Market. . *International Research Journal of Finance and Economics, 62* , 29. Karaduman, H.A., Akbas, H.E., Caliskan, A.O. & Durer, S. (2011). The Relationship between Working Capital Management and Profitability: Evidence from an Emerging Market. International Research Journal of Finance and Economics, 62(2011), pp. 61-67.
28. Lazaridis, I., & Tryfonidis, D. (2006). Relationship between working capital management and profitability of listed companies in the Athens stock exchange. *Journal of financial management and analysis 19(1)* .
29. Lester, S. (1999). An introduction to Phenomenological Research. *Taunton UK* .
30. Livingstone, J. L., & Grossman, T. (2009). *The portable MBA in finance and accounting.* 2001.
31. Luthans, F. (2002). The need for and meaning of positive organizational behavior. *Journal of organizational behavior 23(6)* , 695-706.
32. Margaritis, D., & Psillaki, M. (2010). Capital structure, equity ownership and firm performance. *Journal of Banking & Finance , 34* (3), 621-632.
33. Mathuva, D. (2009). The influence of working capital management components on corporate profitability: a survey on Kenyan listed firms. *Research Journal of Business Management 3(1)* , 1-11.
34. Muhammad, S., Jibril, R. S., & K/Wambai, U. S. (2015). The Effect of Working Capital Management on Corporate Profitability: Evidence from Nigerian Food Product Firms. *Applied Finance and Accounting , 1* (2).
35. Myers, S. C. (2005). *Capital Structure: Some Legal and Policy Issues.*
36. Neves, P., & Eisenberger, R. (2012). Management communication and employee performance: The contribution of perceived organizational support. *Human Performance 25(5)* , 452-464.
37. Pedro, J. G.-T., & Martinez-Solano, P. (2007). Effects of working capital management on SME profitability. *International Journal of managerial finance 3(2)* , 164-177.
38. Rafuse, M. E. (1996). Working capital management: an urgent need to refocus. *Management Decision 34(2)* , 59-63.
39. Rauh, J. D., & Sufi, A. (2010). Capital structure and debt structure. *Review of Financial Studies 23(12)* , 4242-4280.

40. Roldugin, V. (2012). Risks of Events in Banking Sector. 61-71.
41. Romano, C. A., Tanewski, G. A., & Smyrnios, K. X. (2001). Capital structure decision making: A model for family business. *Journal of business venturing 16(3)* , 285-310.
42. Samiloglu, F., & Demirgunes., K. (2008). The effect of working capital management on firm profitability: Evidence from Turkey. *The International Journal of Applied Economics and Finance 2(1)* , 44-50.
43. Sharma, A. K., & Kumar, S. (2011). Effect of working capital management on firm profitability empirical evidence from India. *Global Business Review 12(1)* , 159-173.
44. Silva, S. M. (2012). *Effects of working capital management on the profitability of portuguese manufacturing firms*. Retrieved February 11th, 2016, from http://www.bacen.gov.br/pec/wps/ingl/wps290.pdf
45. Tashakkori, A., & Teddlie, C. (2010). *Sage handbook of mixed methods in social & behavioral research.* Sage.
46. Tingbani, I. (2015). *Working capital management and profitability of UK firms: a contingency theory approach.* Bournemouth University.
47. Uyar, A. (2009). The relationship of cash conversion cycle with firm size and profitability: an empirical investigation in Turkey. *International Research Journal of Finance and Economics 24(2)* , 186-193.
48.