RISK FINANCING TECHNIQUES

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Abstract. This research studies the evaluation of risk financing techniques. The management function is based on the modified model.Using the financial statements of 110 companies listed in Tehran Stock Exchange during the period of 2013 to 2017, and using multivariate linear regression analysis with SPSS19 software, the results of the research showed that there is a positive and significant relationship between different financing methods and risk.

Keywords: Risk, financing techniques, cash flow, investor.

1. Introduction. Expanding the scope of business units creates new financial needs that can be provided from internal and external resources. Internal resources include retained earnings and reserve. External resources include interest bearing debt and equity. The use of external resources in terms of the cost of capital and the amount of interest or its dividend yields benefits and risks and consequently affects returns and dividends and accounting profit. Financing of interest-bearing loans has several strengths as follows: First, interest on loans is an acceptable tax charge, which leads to a reduction in the effective cost of the loan, and in particular, if the rate of return from using these resources exceeds the cost of financing it. The holders of common stock, because the interest rate and the long-term debt principal are fixed, are not obliged to share the lenders with this additional profit and finally, because lenders do not have the right to vote, shareholders can apply more control over the company with less money. On the other hand, long-term debt has weaknesses as follows: First, long-term debt creates financial obligations on the one hand, and excessive reliance on it will increase the leverage and consequently lead to an increase in the probability of bankruptcy and non-payment of principal and interest on the loan. Especially for companies that are not in desirable situation in terms of financial position. Excessive use of long-term debt will heighten company liabilities and increase the risk of financial risk and bankruptcy of shareholders. And as a result of this situation, the demand for the company's stock in the stock exchange falls, which reduces stock prices and thus reduces stocks.

The composition of various financial resources of each company is called capital structure (Oxford Science and Finance Academy, 2005, Qalibaf Asl, 2005). In the study of corporate capital structure, it attempts to explain the composition of various financial resources used to finance the required activities and investments (Myers, 2001, Brunen et al., 2006). It can also be said that the purpose of determining the capital structure is to determine the composition of each company's financial resources in order to maximize shareholder wealth (Novo, 2002). Because, since the cost of capital of a company is considered as a function of its capital structure, choosing the optimal capital structure reduces the cost of capital and increases its market (Modarres and Abdullah Zadeh, 1999).

2. 1 Problem statement

2. 1. 1. Modigliani and Miller Theories

Modigliani and Miller (1958), criticizing traditional theory, proved that the cost of corporate capital does not depend on the degree of company leverage, and is constant at all levels. Also, in certain circumstances, the value of a company is the same regardless of financing through a loan or issuance of shares (Taghavi, 1988).

Modigliani and Miller argued that, firstly, the division of corporate capital structure between debt and equity or among other sources of financing does not matter, because it actually sells its real assets to the people with the release of financial assets, and it does not matter whether it sells its assets simultaneously through the sale of shares or divides them into smaller components and presents them to people (in various financial sources). In any case, the sum of the components should be equal to the total. For this reason, the value of the company depends on the profitability and commercial risk (Garvey et al., 2011).

Secondly, investors can replace personal leverage with company leverage, and thus, each capital structure is restored in the first place. If the two companies, in all respects, except for the capital structure, are alike, it should be double thei r value. Otherwise, there is the possibility of arbitrage. This practice will cause so much stock to be bought and sold by the company, which equals the value of both (Hashemi, 2004).

2. 2. Research hypotheses

2. 2. 1. Main hypothesis 1

There is a significant relationship between different financing methods and risk.

2. 2.1. 1. Sub-hypotheses

1: There is a significant relationship between operating cash flow and risk.

2: There is a significant relationship between sales growth and risk.

3: There is a significant relationship between retained earnings and risk.

4: There is a significant relationship between obtaining long-term granted facilities and risk.

2. 1. 2. Financing methods

The main purpose of choosing a combination of financial resources is to minimize the cost of capital and maximize the value of the company to investors. The company has several ways to finance, which, in terms of maturity, are divided into short-term and long-term financing.

2. 1. 2. 1. Short term financing

It is financing from sources that can be repaid to a maximum of one year or less. Short-term financing sources are divided into two categories, which include guaranteed and unguaranteed resources. Unguaranteed short-term financial resources mainly include trade credits (non-cash purchases of goods, pre-payments from customers, payment fees, bank loans, and commercial documents). Unguaranteed financial resources are mainly financed by banks and financial institutions and buyers of accounts receivable (Van Horn, 1989, p. 445).

2. 1. 2. 2. Medium term financing

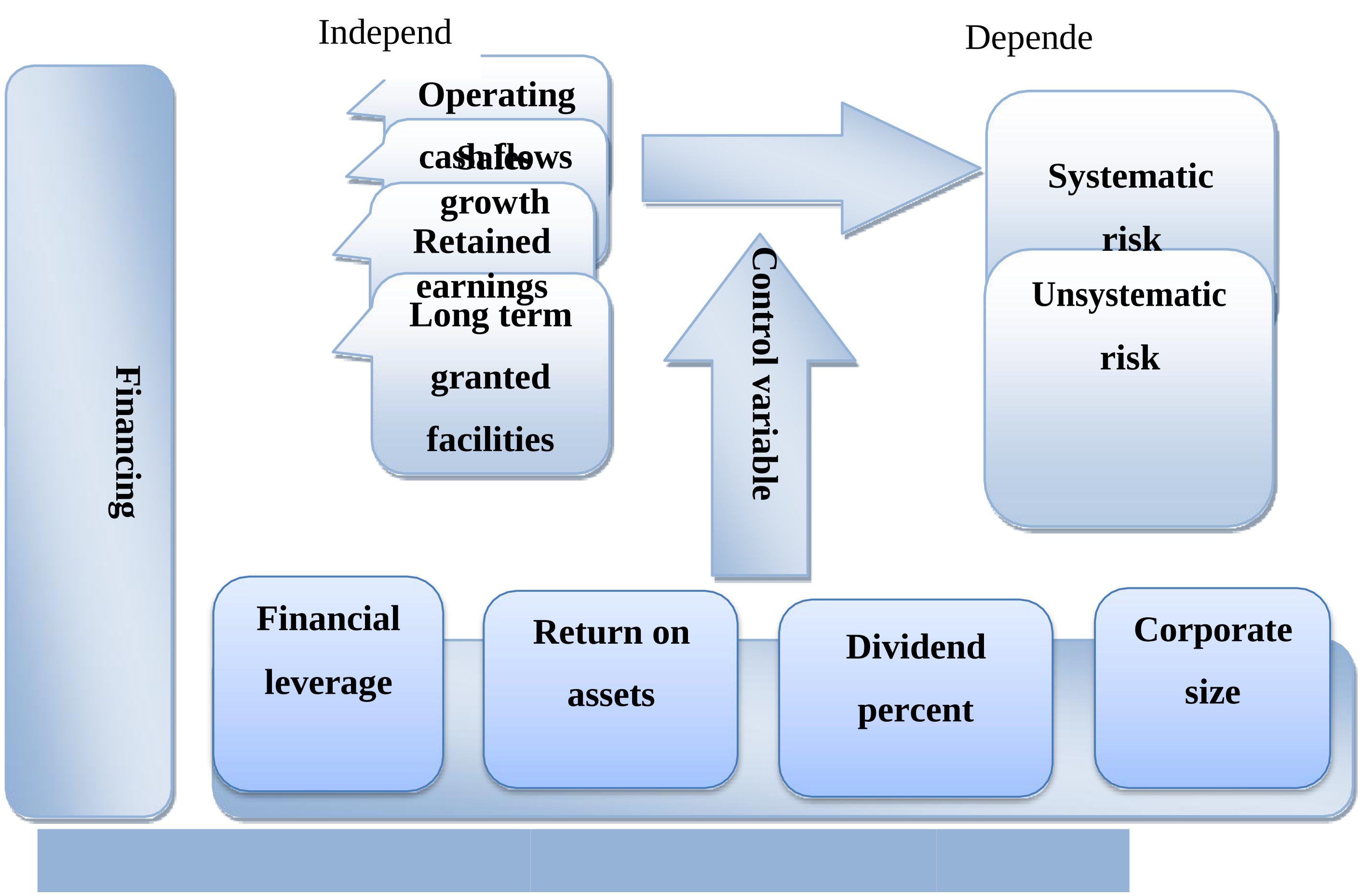
It is funded by resources that last for more than one year and less than seven years. Debts with a maturity of less than 5 or 10 years are considered to be medium-term debts. Medium-term debt includes cases such as credits for term loan and lease contracts (Shabahang, 1996, p. 239).

2. 1. 2. 3. Long-term financing. Long-term financing is mainly used for long-term investments, such as the purchase of new assets, the construction of factories, or the modernization of existing facilities. Long-term financing sources include long-term borrowings (long-term debt), common shares and preferred shares (Shabahang, 1996, p. 216).

2. 1. 2. 4. Financing through debt capital. Debt capital mainly consists of mortgage loans, bank facilities, bonds and other long-term debt secured and granted by banks and financing institutions and other natural persons. In sum, financing through borrowing offers benefits to the company. Including that interest on loans is an acceptable tax charge, resulting in tax savings. On the other hand, financing by doing so does not reduce the shareholder's control of the company and in the inflationary period, its repayment will be cheaper. Debt financing, in spite of the benefits mentioned above, has some disadvantages. The guarantee of payment of the debt and the necessity of repayment of its principal on maturity and financial constraints that impose the terms of the borrowings on the company, are among these. Also, excessive use of debt increases the risk of capital structure and, as a result, the cost of company capital (Abdullah Zadeh and Modarres, 1994, p. 196).

3. 1. Research method. This research, based on target classification, is of a type of applied research and in terms of method and nature, is of a kind of correlational research. In this research, the goal is to determine the relationship between variables. For this purpose, a suitable index is selected in terms of the scale of variable measurement (Khaki, 2009). The scale of the measurement is relative. The relative scale provides the highest and most accurate measurement level. This scale, in addition to possessing all the properties of other scales, also has absolute zero.

3. 2. Research conceptual model



		Coefficient	Standard deviation	t-statistic	p-value	The type of relationship
Main hypothesis 1	, = 0 + 1 , + 2 , + 3 , + 4 , + 5 , + 6 , + 7 , + 8 , + £ ,					
Sub-hypothesis 1	SR & CFO	2.66490	0.591376	4.50868	0.0000	Significant and positive
Model 1	, = 0 + 1 , + + 2 , + 3 , + 4 , + 5 , + £ ,					
Sub-hypothesis 2	SR & SGR	2. 0741	1.68864	1.48854	0.000	Positive and significant
Model 2	, = 0 + 1 , + + 2 , + 3 , + 4 , + 5 , + £ ,					
Sub-hypothesis 3	&	2.5692	0.52601	2.1532	0.0645	Positive and insignificant
Model 3	, = 0 + 1 , + 2 , + 3 , + 4 , + 5 , + £ ,					
Sub-hypothesis	& LE	-1.924	1.543	-1.40845	0.0861	Negative and insignificant
Model 4	, = 0 + 1 , + 2 , + 3 , + 4 , + 5 , + £ ,					

4. 1. The summary of research results

Table (4-35): The summary of research results

Conclusion. Since long ago, investors and financial managers have been looking for financing methods that have had the highest and maximum returns and profits for them, and so far a lot of theories have been put forward to achieve this goal. The important thing is that obtaining a certain amount of return against risk taking is proportional to that risk. In this research, risk as a dependent variable and financing methods as independent variables and company size, dividend, financial leverage and asset returns as a control variable were raised.

As presented in this study, the relationship between dependent variable and independent variables was investigated between 2013 and 2017.

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EXAMINING THE EFFECT OF TARGETED ORGANIZATIONAL FORGETTING ON JOB PERFORMANCE IN ARVAND PETROCHEMICAL COMPANY

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Abstract. The purpose of this study is to investigate the effect of targeted organizational forgetting on job performance in Arvand Petrochemical Company. The current research, in terms of purpose, is in the applied research group and, in terms of research type, is in the category of descriptive-causal research. Considering the data collection tools, which their aim is to describe the conditions or the phenomenon examined, this research is of a descriptive study type and since data collection in this study is supported by library studies and a questionnaire, it can be put into the field research group. The reliability of the questionnaire and its dimensions in this research was estimated using SPSS software and Cronbach's alpha. According to the result, which is above the minimum of 0.7, the reliability of the questionnaire was confirmed. The questionnaire consisted of three sections related to the considered variables and was ranked by Likert scale and the statistical population was measured. The coefficient between the variable of targeted organizational forgetting and the job performance is equal to 0.590 and the corresponding t value is 9.649>1.96, so according to the t test, with a critical value of 0.05 at 95% confidence level, the null hypothesis can be rejected. As a result, with a 95% confidence, it can be said that targeted organizational forgetting has a significant effect on job performance. The results of the analysis of the first hypothesis of the research showed that "targeted organizational forgetting has a significant effect on job performance in Arvand Petrochemical Company". The coefficient between the targeted organizational forgetting and organizational learning equals 0.766 and the corresponding t value is 9.775>1.96, which according to t test with a critical value of 0.05 at a 95% confidence level, the null hypothesis can be rejected. As a result, with a 95% confidence, it can be said that targeted organizational forgetting has a significant effect on organizational learning.

Key words: targeted organizational forgetting, organizational learning, job performance, knowledge management

Introduction. Since Headberg (2010), more than two decades ago, published his article "How Organizations Learn and Forget", research on organizational learning and learning organizations has expanded. Nowadays, knowledge management issues have been considered by research centers as one of the most important research priorities; however, managers' willingness to use knowledge management at their organization level has increased. Hence, the development and use of valuable resources, which can guarantee the survival of organizations in today's competitive world, is a very important issue. This development process can be named learning. The effective role of knowledge in the life cycle of an organization has led us to ignore this fact that "organizations should not only seek to learn, but also have to forget some of the things." (De Holan & Philips, 2014).

One of the issues related to information, is how to get it and keep it, and forget it in a conscious and unconscious way. For two reasons, dealing with organizational forgetting is vital. The first is that the loss of the unconscious knowledge imposes a lot of costs on them. Secondly, organizational learning is related to the organizational forgetting process, and organizations that want to transform must not only be familiar with new knowledge capabilities, but also must forget about old knowledge. On the one hand, from a psychological point of view, Campbell describes job performance as a variable level of individual performance. Campbell describes the dimensions of job performance as follows: performance versus output, relevance to organizational goals, and multi-dimensionality. Job performance embodies the scope of organizational behavior that is related to the job of individuals and is in line with the goals of the organization. Definition of job performance mainly emphasizes behavior in comparison with results. In a comprehensive definition, job performance involves behavior and results. This definition of organizational performance points to the fact that in job performance, both inputs (behavior) and outcomes (results) must be considered.