

ABSTRACT

This study aims to examine the effect of working capital management on profitability with firm size as a moderating variable in Indonesia companies listed on the Indonesia Stock Exchange for the period 2017-2021. Profitability is project by return on assets (ROA). The independent variables used in this study are working capital turnover (WCT) and cash conversion cycle (CCC) as representatives of working capital management. Long term debt are the control variables used in this study.

Purposive sampling was used to select 57 companies in Indonesia listed on the Indonesia Stock Exchange for the period between 2017-2021 as research samples. The method of analysis of this research is panel data regression with moderate regression analysis (MRA) which has previously passed the classical assumption test. Fixed effect was selected in the classical assumption test analysis.

The findings show that working capital tuover (WCT) has a positive and significant effect on profitability (ROA). Cash conversion cycle (CCC) has a negative and significant effect on profitability (ROA). The relationship between WCT and profitability (ROA) can be moderated by firm size and the relationship between CCC and profitability (ROA) can be moderated by firm size.

Keywords: *Return on Assets, Working Capital Management, Working Capital Turnover, Cash Conversion Cycle, Firm Size*

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