

ABSTRACT

This study aims to analyze the effect of corporate governance and working capital management on corporate profitability in Indonesia. Corporate governance practices and working capital management are important elements to achieve better company performance or profitability. In this study, corporate governance is proxied by board size, independent commissioners, and frequency of board meetings. Working capital management is proxied by the cash conversion cycle. Company profitability is proxied by return on assets (ROA). This study also uses leverage and sales growth as control variables.

The population in this study used manufacturing companies in the basic material, consumer cyclicals, consumer non-cyclicals, and industrials sectors listed on the Indonesia Stock Exchange (IDX) from 2018 to 2022. The method used to determine the research sample is purposive sampling method, so that 84 companies are obtained as research samples. This study uses the panel data regression analysis method which is processed into the SPSS version 25 software.

The findings of analysis on this study shows that board size has a positive and significant effect on ROA, independent commissioner has a positive and significant effect on ROA, the frequency of board meetings has a negative and insignificant effect on ROA, and the cash conversion cycle has a negative and significant effect on ROA.

Keywords: *Corporate Governance, Working Capital Management, Corporate Profitability, Agency Theory, Manufacturing Companies.*