

ABSTRACT

This research was conducted with the aim of examining empirically the impact of Working Capital Management (WCM) on the profitability of manufacturing companies listed on the Indonesian Stock Exchange in 2008-2017. The quantitative research method was carried out using moderated regression analysis from secondary data consisting of 604 samples of financial statement from 141 companies. Working Capital Management which consists of Cash Conversion Cycle (CCC), Average Collection Period (ACP), Inventory Turnover Period (ITO) and Average Payment Period (APP) as independent variables. Profitability in the form of Return on Assets (ROA) is used as the dependent variable and the Industrial Production Index (IPI) as a moderating variable. The regression analysis result show CCC and APP have a positive and significant effect on ROA, ACP and ITO have a negative and significant effect on ROA, while IPI cannot moderate the effect of CCC, ACP, ITO and APP on ROA. The result of this study support several previous studies and the researchers hope that the result of the research will be useful for the future research and can be used as input as one of the company's effort to increase its profitability.

Keywords : Working Capital Management (WCM), Profitability, ROA, CCC, ACP, ITO, APP, IPI