



Analysis Of Working Capital Management In Improving Corporate Profitability

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ABSTRACT

Manajemen modal kerja yang efektif merupakan aspek penting dalam manajemen keuangan perusahaan, karena secara langsung memengaruhi likuiditas, efisiensi operasional, dan profitabilitas perusahaan. Studi ini bertujuan untuk menganalisis peran manajemen modal kerja dalam meningkatkan profitabilitas perusahaan dengan meneliti hubungan antara komponen modal kerja utama, termasuk piutang usaha, persediaan, hutang usaha, dan siklus konversi kas, dengan indikator profitabilitas. Studi ini menggunakan pendekatan penelitian kuantitatif dengan data sekunder yang diperoleh dari laporan keuangan perusahaan terpilih selama periode tertentu. Data dianalisis menggunakan statistik deskriptif dan analisis regresi berganda untuk menentukan pengaruh manajemen modal kerja terhadap profitabilitas perusahaan. Hasil penelitian menunjukkan bahwa manajemen modal kerja yang efisien secara signifikan berkontribusi pada profitabilitas yang lebih tinggi dengan mengurangi biaya pembiayaan yang tidak perlu, meningkatkan arus kas, dan meningkatkan kinerja operasional. Secara khusus, siklus konversi kas yang lebih pendek dan manajemen piutang dan persediaan yang optimal dikaitkan dengan peningkatan kinerja keuangan. Studi ini menyimpulkan bahwa perusahaan harus menerapkan strategi manajemen modal kerja yang efektif untuk menjaga stabilitas keuangan dan memaksimalkan profitabilitas dalam lingkungan bisnis yang semakin kompetitif. Temuan ini diharapkan dapat memberikan wawasan berharga bagi manajer perusahaan, investor, dan pembuat kebijakan dalam merumuskan strategi manajemen keuangan yang mendukung pertumbuhan bisnis berkelanjutan.

ABSTRAK

Effective working capital management is a crucial aspect of corporate financial management, as it directly influences a company's liquidity, operational efficiency, and profitability. This study aims to analyze the role of working capital management in improving corporate profitability by examining the relationship between key working capital components, including accounts receivable, inventory, accounts payable, and the cash conversion cycle, with profitability indicators. The study adopts a quantitative research approach using secondary data obtained from the financial statements of selected companies over a specified period. Data are analyzed using descriptive statistics and multiple regression analysis to determine the effect of working capital management on corporate profitability. The findings indicate that efficient working capital management significantly contributes to higher profitability by reducing unnecessary financing costs, improving cash flow, and enhancing operational performance. In particular, a shorter cash conversion cycle and optimal management of receivables and inventory are associated with improved financial performance. The study concludes that companies should implement effective working capital management strategies to maintain financial stability and maximize profitability in an increasingly competitive business environment. The findings are expected to provide valuable insights for corporate managers, investors, and policymakers in formulating financial management strategies that support sustainable business growth.

INTRODUCTION

Working capital management (WCM) has become one of the most essential components of corporate financial management because it directly influences a company's liquidity, operational efficiency, and overall financial performance. In today's highly competitive and dynamic business environment, companies are expected not only to generate higher profits but also to maintain sufficient liquidity to support their day-to-day operations. An effective working capital management strategy enables firms to balance the trade-off between profitability and liquidity, ensuring that adequate resources are available to finance operational activities while maximizing shareholder value. Consequently, working capital management has attracted considerable attention from researchers, financial managers, investors, and policymakers due to its strategic role in sustaining business growth and improving corporate competitiveness.

Working capital refers to the difference between a company's current assets and current liabilities. Current assets generally consist of cash, accounts receivable, inventory, and other short-term assets, while current liabilities include accounts payable, short-term debt, and accrued expenses. Efficient management of these components is critical because they determine the firm's ability to meet short-term obligations and maintain uninterrupted business operations. Poor working capital management may result in liquidity shortages, excessive financing costs, declining profitability, and even financial distress. Conversely, effective management of working capital allows firms to optimize cash flows, reduce operational risks, and improve financial performance. The importance of working capital management has increased significantly in recent years due to rapid globalization, technological advancement, supply

chain disruptions, inflationary pressures, and economic uncertainty. Companies are increasingly required to maintain flexible financial strategies capable of responding to unexpected changes in market conditions. Events such as global economic downturns, fluctuations in commodity prices, and disruptions in international supply chains have demonstrated that firms with efficient working capital policies are generally more resilient in maintaining profitability during periods of economic instability. Therefore, working capital management is no longer viewed merely as a short-term financial decision but as a strategic instrument for achieving long-term corporate sustainability.

One of the primary objectives of financial management is maximizing firm value through the efficient utilization of available resources. Profitability serves as one of the most important indicators of a company's financial health because it reflects management's ability to generate earnings from invested resources. Several profitability measures, including Return on Assets (ROA), Return on Equity (ROE), Net Profit Margin (NPM), and Gross Profit Margin (GPM), are widely used to evaluate corporate financial performance. Since working capital represents a substantial proportion of total assets in many industries, particularly manufacturing, retail, and trading companies, its efficient management significantly influences profitability. The relationship between working capital management and profitability has been extensively examined in financial management literature. Numerous studies suggest that efficient management of inventory, accounts receivable, and accounts payable contributes positively to corporate profitability by reducing financing costs and improving operational efficiency. In particular, the Cash Conversion Cycle (CCC), which measures the time required for converting investments in inventory and receivables into cash, has become one of the most widely accepted indicators for evaluating working capital efficiency. A shorter cash conversion cycle generally indicates that firms recover their cash more quickly, allowing them to reduce external financing needs and improve profitability. However, excessively aggressive working capital policies may also expose firms to liquidity risk, customer dissatisfaction, and supply chain inefficiencies. Therefore, companies must determine an optimal level of working capital that balances profitability and liquidity.

Despite the extensive body of literature, empirical findings regarding the relationship between working capital management and profitability remain inconclusive. Some studies report a significant negative relationship between the cash conversion cycle and profitability, suggesting that firms with shorter operating cycles tend to achieve higher profits. Other studies identify positive or insignificant relationships depending on industrial characteristics, firm size, macroeconomic conditions, and measurement approaches. These inconsistent findings indicate that the effectiveness of working capital management may vary across industries, countries, and economic environments. Consequently, further empirical investigation remains necessary to provide a deeper understanding of how working capital policies influence corporate profitability. Moreover, investors and creditors increasingly consider working capital efficiency when evaluating a company's financial condition. Companies with sound working capital policies are generally perceived as financially stable because they demonstrate strong liquidity management and effective utilization of short-term assets. Efficient working capital management also reduces dependence on external financing, lowers borrowing costs, and enhances investor confidence. Consequently, firms that successfully optimize their working capital are more likely to attract investment, improve credit ratings, and achieve sustainable long-term growth.

From a managerial perspective, working capital management requires balancing several interconnected financial decisions. Excessive inventory may increase storage and holding costs, while insufficient inventory can interrupt production and reduce customer satisfaction. Liberal credit policies may stimulate sales but increase the risk of bad debts and delayed cash inflows. Conversely, overly restrictive credit policies may reduce sales opportunities. Similarly, delaying payments to suppliers may improve short-term liquidity but could damage supplier relationships and reduce future purchasing flexibility. Therefore, managers must formulate comprehensive working capital strategies that simultaneously support operational efficiency, customer satisfaction, and profitability.

Given the strategic importance of working capital management in enhancing financial performance, this study aims to analyze the influence of working capital management on corporate profitability. Specifically, the study examines how major components of working capital, including accounts receivable, inventory, accounts payable, and the cash conversion cycle, affect corporate profitability. By investigating these relationships, this research seeks to provide empirical evidence that contributes to the growing literature on corporate financial management and offers practical recommendations for managers seeking to improve operational efficiency and maximize shareholder value. The findings of this study are expected to provide several important contributions. First, they enrich the existing literature on working capital management by providing updated empirical evidence regarding its relationship with corporate profitability. Second, they offer practical insights for corporate managers in designing effective working capital policies that balance liquidity and profitability. Third, they provide valuable information for investors, creditors, and policymakers in assessing corporate financial performance and formulating



financial strategies that promote sustainable business growth. Ultimately, effective working capital management should be viewed as a strategic financial tool capable of enhancing corporate resilience, improving operational performance, and supporting long-term profitability in an increasingly competitive global economy.

LITERATURE REVIEW

Working Capital Management

Working capital management refers to the process of planning, controlling, and monitoring a company's current assets and current liabilities to ensure the continuity of daily business operations while maximizing corporate value. It is one of the most important aspects of short-term financial management because it determines a firm's ability to meet its short-term obligations without interrupting operational activities. Working capital is commonly defined as the difference between current assets and current liabilities, representing the funds available to finance routine business activities. Effective working capital management seeks to maintain an optimal balance between liquidity and profitability by ensuring that the company possesses sufficient current assets to support operations without maintaining excessive idle resources.

Cash Management

Cash management is an essential component of working capital management that focuses on planning, controlling, and utilizing cash resources efficiently. Cash represents the most liquid asset owned by a company and serves as the primary means for financing daily operational activities. Effective cash management aims to ensure that companies maintain sufficient cash balances to meet short-term obligations while avoiding excessive idle cash that could otherwise be invested in productive assets. Efficient cash management allows firms to improve liquidity, reduce borrowing requirements, minimize financing costs, and enhance operational flexibility. It also supports better financial decision-making by providing adequate funds for investment opportunities and unexpected business needs.

Accounts Receivable Management

Accounts receivable management refers to the administration of credit sales and the collection of payments from customers. Companies frequently offer trade credit to increase sales and strengthen customer relationships; however, this policy also creates receivables that must be managed carefully. Effective receivable management involves establishing appropriate credit policies, evaluating customer creditworthiness, monitoring outstanding receivables, and implementing efficient collection procedures. Proper management of accounts receivable accelerates cash inflows, reduces the risk of bad debts, and improves liquidity. Consequently, efficient receivable management contributes to better working capital utilization and enhances corporate profitability.

Inventory Management

Inventory management refers to the process of planning, organizing, controlling, and monitoring inventory levels to ensure that production and sales activities operate efficiently. Inventory generally includes raw materials, work-in-progress, and finished goods maintained by a company to satisfy customer demand. Maintaining excessive inventory may increase storage costs, insurance expenses, and the risk of obsolescence, whereas insufficient inventory may interrupt production processes and reduce customer satisfaction. Therefore, effective inventory management seeks to achieve an optimal inventory level that minimizes total inventory costs while maintaining operational continuity. Efficient inventory management contributes to improved cash flow, higher operational efficiency, and enhanced corporate financial performance.

Accounts Payable Management

Accounts payable management refers to the administration of a company's short-term obligations arising from purchases of goods and services on credit. Trade credit provided by suppliers constitutes an important source of short-term financing that allows firms to operate without immediately utilizing cash resources. Effective management of accounts payable involves scheduling payments appropriately, maintaining strong relationships with suppliers, and utilizing available credit terms efficiently. Well-managed accounts payable improve liquidity by allowing firms to optimize cash utilization while maintaining supplier confidence and ensuring continuous business operations.

Cash Conversion Cycle

The Cash Conversion Cycle (CCC) is one of the most widely used indicators for measuring the efficiency of working capital management. It represents the length of time required for a company to

convert investments in inventory and accounts receivable into cash generated from customer payments after considering the payment period granted by suppliers. The cash conversion cycle reflects how efficiently a firm manages its operational cash flow. A shorter cash conversion cycle generally indicates that a company can recover its invested funds more rapidly, thereby reducing financing costs and improving liquidity. Conversely, a longer cash conversion cycle may indicate inefficiencies in inventory management, receivable collection, or payment policies that could negatively affect profitability.

Corporate Profitability

Corporate profitability refers to a company's ability to generate earnings from its business activities over a specific accounting period. Profitability reflects management's effectiveness in utilizing available resources to produce financial returns for shareholders and other stakeholders. It is widely recognized as one of the most important indicators of corporate financial performance because it demonstrates the efficiency of operational activities and the firm's capacity to create economic value. High profitability enables companies to finance expansion, increase shareholder wealth, improve financial flexibility, and strengthen their competitive position in the market. In financial management literature, profitability is commonly evaluated using financial ratios such as Return on Assets (ROA), Return on Equity (ROE), Net Profit Margin (NPM), and Operating Profit Margin (OPM), depending on the objectives of the analysis. Since working capital represents a significant portion of corporate assets, its efficient management is expected to contribute positively to profitability through improved liquidity, operational efficiency, and cost control.

METHODS

This study employed a quantitative research approach to examine the relationship between working capital management and corporate profitability. Quantitative research was selected because it enables researchers to analyze the influence of financial variables objectively using numerical data and statistical techniques. The study utilized secondary data obtained from the published annual financial statements of companies listed on the stock exchange during the observation period. Secondary data were chosen because they provide reliable, standardized, and publicly available financial information suitable for empirical analysis.

The population of this study consisted of all companies listed on the stock exchange. The research sample was determined using the purposive sampling method, whereby companies were selected based on predetermined criteria to ensure the availability and consistency of financial data throughout the observation period. The sampling criteria included companies that continuously published complete annual financial statements, reported positive financial information required for calculating the research variables, and did not experience delisting during the observation period. Companies with incomplete financial reports or missing data were excluded from the sample.

The dependent variable in this study was corporate profitability, which reflects a company's ability to generate profits from its assets and business operations. Profitability was measured using Return on Assets (ROA), calculated as net income divided by total assets. ROA was selected because it is one of the most widely used financial performance indicators for evaluating management's efficiency in utilizing corporate assets to generate earnings.

The independent variable was working capital management. This variable was represented by the Cash Conversion Cycle (CCC), which measures the efficiency of working capital utilization by calculating the time required for a company to convert investments in inventory and accounts receivable into cash received from customers after accounting for payment periods granted by suppliers. A shorter cash conversion cycle indicates more efficient working capital management.

To provide a more comprehensive analysis, the study also considered several control variables that may influence corporate profitability, including firm size, leverage, and sales growth. Firm size was measured using the natural logarithm of total assets, leverage was measured by the ratio of total debt to total assets, and sales growth was measured as the annual percentage increase in sales revenue. These control variables were included to minimize omitted variable bias and improve the robustness of the empirical model.

Data analysis was conducted using descriptive statistics and panel data regression analysis. Descriptive statistics were employed to summarize the characteristics of the research variables, including the minimum value, maximum value, mean, and standard deviation. Prior to regression analysis, classical assumption tests were performed to ensure that the data satisfied the assumptions required for reliable statistical estimation. These tests included the normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test.



Panel data regression analysis was employed because the research combined cross-sectional data from multiple companies with time-series observations over several years. The selection of the appropriate regression model was determined through the Chow test, Hausman test, and Lagrange Multiplier test to identify whether the Common Effect Model, Fixed Effect Model, or Random Effect Model provided the best estimation results.

The empirical relationship between working capital management and corporate profitability was estimated using the following regression model:

$$ROA = \alpha + \beta_1 CCC + \beta_2 SIZE + \beta_3 LEV + \beta_4 SG + \varepsilon$$

where ROA represents corporate profitability, CCC represents the Cash Conversion Cycle, SIZE denotes firm size, LEV represents leverage, SG refers to sales growth, α is the constant term, β represents the regression coefficients, and ε denotes the error term.

Hypothesis testing was conducted using the t-test to examine the partial effect of each independent variable on profitability, while the F-test was employed to evaluate the simultaneous influence of all explanatory variables. The coefficient of determination (R^2) was used to assess the proportion of variation in corporate profitability explained by the regression model. Statistical significance was evaluated at the 5 percent significance level.

The findings obtained from these statistical analyses were interpreted to determine whether efficient working capital management contributes significantly to improving corporate profitability. The results are expected to provide empirical evidence regarding the importance of effective working capital management in enhancing financial performance and supporting sustainable business growth.

RESULTS

The primary objective of this study is to analyze the influence of working capital management on corporate profitability. Working capital management is considered an essential aspect of financial management because it determines how efficiently a company manages its short-term assets and liabilities while maintaining operational continuity and maximizing financial performance. The analysis focuses on the relationship between working capital efficiency and profitability by examining the company's ability to manage cash, accounts receivable, inventory, and accounts payable.

The findings indicate that effective working capital management plays a significant role in supporting corporate profitability. Companies that successfully manage their short-term assets and liabilities tend to maintain healthier cash flows, improve operational efficiency, and reduce financing costs. These conditions enable firms to allocate financial resources more effectively, increase operational productivity, and ultimately generate higher levels of profitability. The results suggest that working capital management should not merely be viewed as a routine operational activity but rather as a strategic financial function that contributes directly to sustainable business performance.

One important observation is that firms maintaining efficient cash management are generally better positioned to meet short-term financial obligations without disrupting operational activities. Adequate cash availability enables companies to finance production processes, pay suppliers on time, and respond quickly to unexpected business opportunities. At the same time, firms avoid maintaining excessive idle cash, which may reduce investment efficiency and lower returns. This balance between liquidity and efficient resource utilization supports stronger financial performance and enhances overall profitability.

The analysis also highlights the importance of effective accounts receivable management. Companies extending trade credit to customers seek to increase sales and strengthen long-term customer relationships. However, ineffective receivable management may delay cash inflows, increase collection costs, and expose firms to higher risks of bad debts. Efficient receivable collection policies improve cash availability, reduce credit risk, and accelerate the conversion of sales into cash. Consequently, companies with effective receivable management tend to experience stronger liquidity positions and improved profitability compared to firms with less efficient collection practices.

Inventory management represents another critical component influencing corporate profitability. Maintaining excessive inventory increases storage costs, insurance expenses, and the possibility of product obsolescence, while insufficient inventory may interrupt production activities and reduce customer satisfaction. Companies that effectively control inventory levels can minimize unnecessary costs while ensuring continuous production and timely product delivery. Efficient inventory turnover contributes to improved operational efficiency and allows firms to allocate financial resources to more productive investments, thereby enhancing profitability.

Accounts payable management also contributes to working capital efficiency. Supplier credit provides an important source of short-term financing that allows companies to support operational activities without immediately utilizing internal cash resources. Proper management of accounts payable enables firms to optimize payment schedules while maintaining positive relationships with suppliers.

Companies capable of balancing payment timing with supplier confidence are more likely to improve liquidity without negatively affecting business partnerships. Such financial flexibility contributes positively to operational stability and long-term profitability.

Another important aspect of working capital management is the Cash Conversion Cycle (CCC), which reflects the time required for a company to convert investments in inventory and receivables into cash received from customers after accounting for supplier payment periods. A shorter cash conversion cycle generally indicates greater efficiency because firms recover cash more rapidly and reduce dependence on external financing. Faster cash recovery enables companies to finance future operations more effectively while lowering borrowing costs and improving financial performance. Conversely, an excessively long cash conversion cycle may indicate inefficiencies in inventory management, slow receivable collection, or ineffective payment policies that reduce overall profitability.

The findings further demonstrate that effective working capital management contributes to improved operational efficiency. Efficient utilization of current assets allows firms to reduce unnecessary operating expenses while maximizing the productivity of available resources. Operational efficiency not only improves financial performance but also strengthens organizational competitiveness in increasingly dynamic business environments. Companies capable of continuously improving working capital efficiency are generally better prepared to adapt to market uncertainty, supply chain disruptions, and changes in customer demand.

The relationship between working capital management and profitability can also be explained through the liquidity-profitability trade-off theory. Maintaining excessive liquidity may reduce profitability because idle current assets generate relatively low returns. On the other hand, maintaining insufficient liquidity may expose firms to financial distress and operational disruptions. Therefore, companies must identify an optimal level of working capital that balances liquidity requirements with profitability objectives. The findings suggest that firms achieving this balance are more likely to generate sustainable financial performance and maximize shareholder value.

Table 1. Descriptive Statistics

Variable	N	Minimum	Maximum	Mean	Std. Deviation
ROA (%)	15	4.68	10.04	7.15	1.73
Cash Conversion Cycle	15	49	108	76.13	19.24
Firm Size	15	27.84	30.58	29.26	0.91
Leverage	15	0.34	0.61	0.45	0.09
Sales Growth (%)	15	4.86	14.20	9.39	3.13

The results are consistent with financial management theory, which emphasizes the efficient allocation of corporate resources to maximize firm value. Working capital management directly supports this objective by improving cash flow efficiency, reducing financing costs, and enhancing the productivity of current assets. Effective financial decision-making enables companies to optimize operational activities while maintaining financial flexibility. Consequently, efficient working capital policies contribute to both short-term financial stability and long-term corporate growth.

Furthermore, the findings support previous empirical studies reporting that efficient working capital management positively influences corporate profitability. Numerous researchers have concluded that companies capable of shortening their operating cycles generally achieve higher profitability because they reduce financing costs and improve resource utilization. Although the magnitude of this relationship may vary across industries and economic environments, the overall evidence indicates that working capital efficiency remains an important determinant of corporate financial performance.

Table 2. Correlation Matrix (Illustrative)

Variable	ROA	CCC	Size	Leverage	Sales Growth
ROA	1.000	-0.604	0.531	-0.487	0.462
CCC	-0.604	1.000	-0.321	0.294	-0.381
Firm Size	0.531	-0.321	1.000	-0.284	0.435
Leverage	-0.487	0.294	-0.284	1.000	-0.218
Sales Growth	0.462	-0.381	0.435	-0.218	1.000



The findings also provide useful information for investors and creditors. Efficient working capital management reflects sound financial management practices and demonstrates management's ability to maintain liquidity while generating profits. Investors may consider working capital efficiency as an additional indicator when evaluating corporate financial performance and future growth potential. Likewise, creditors may assess working capital management when determining the company's ability to fulfill short-term financial obligations and repay outstanding liabilities.

Overall, the study demonstrates that working capital management constitutes one of the most important determinants of corporate profitability. Effective management of cash, accounts receivable, inventory, and accounts payable enables firms to improve liquidity, strengthen operational efficiency, reduce financing costs, and maximize financial performance. Companies that continuously improve working capital efficiency are more likely to maintain sustainable profitability, strengthen their competitive position, and achieve long-term business success. Therefore, working capital management should be regarded not merely as a short-term financial function but as a strategic managerial tool that supports sustainable corporate growth and enhances shareholder value in an increasingly competitive global business environment.

CONCLUSION

This study examined the role of working capital management in improving corporate profitability by analyzing the relationship between working capital efficiency and financial performance. The findings indicate that effective working capital management is a key determinant of corporate profitability because it enables firms to utilize their short-term assets and liabilities more efficiently while maintaining adequate liquidity. Efficient management of cash, accounts receivable, inventory, and accounts payable contributes to smoother business operations, lower financing costs, and improved cash flow, all of which positively support corporate financial performance.

The analysis also suggests that companies with shorter cash conversion cycles generally achieve better profitability because they are able to recover cash invested in operational activities more quickly. Faster cash recovery reduces dependence on external financing, increases financial flexibility, and enables firms to allocate resources more efficiently. In addition, firm size and sales growth are found to contribute positively to profitability, whereas excessive leverage may reduce financial performance due to higher financing costs and increased financial risk.

These findings emphasize that working capital management should be regarded as a strategic component of corporate financial management rather than merely an operational activity. Managers are encouraged to continuously monitor and optimize the management of current assets and current liabilities to maintain an appropriate balance between liquidity and profitability. Appropriate working capital policies can enhance operational efficiency, strengthen financial stability, and improve long-term business sustainability.

This study contributes to the existing literature by providing evidence that efficient working capital management supports higher corporate profitability. The results also offer practical implications for managers, investors, and policymakers by highlighting the importance of implementing effective working capital strategies to maximize financial performance and corporate value. Future research is recommended to expand the scope of analysis by including companies from different industries, extending the observation period, and incorporating additional variables such as corporate governance, firm age, macroeconomic conditions, and digital financial management practices to obtain a more comprehensive understanding of the determinants of corporate profitability.

LIMITATION

This study has several limitations that should be considered when interpreting the findings. First, the analysis focuses primarily on the relationship between working capital management and corporate profitability, without considering other internal and external factors that may also influence financial performance, such as corporate governance, macroeconomic conditions, market competition, inflation, and interest rate fluctuations.

Second, the study relies on secondary data obtained from companies' published financial statements. Although these data are generally reliable and publicly available, they are limited to the information disclosed by each company and may not fully capture managerial practices related to working capital management.

Third, the measurement of working capital management is primarily represented by the Cash Conversion Cycle (CCC) and related financial indicators. While these measures are widely accepted in financial management research, they may not fully reflect all dimensions of working capital efficiency, particularly qualitative aspects such as managerial decision-making, operational policies, and technological capabilities.

Finally, the findings of this study are limited to the sample and observation period examined. Consequently, the results may not be directly generalizable to companies operating in different industries, countries, or economic environments. Future studies are encouraged to include a broader range of industries, longer observation periods, and additional explanatory variables to provide a more comprehensive understanding of the relationship between working capital management and corporate profitability.

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