

ABSTRACT

Financial performance is a description of the company's achievement in managing finances which refers to the company's published financial statements. Financial performance can be said to be good when the company can manage it well in accordance with the company's goals. The company's profit is one of the benchmarks in the success of a company. In this study to measure financial performance using ratios, the authors use Return On Assets (ROA).

The purpose of this research the effect of working capital management using the calculation of the Cash Conversion Cycle (CCC), Ownership Structure consisting of Managerial Ownership, Institutional Ownership and Agency Cost (Agency Cost) on Financial Performance as measured by Return On Assets (ROA) in the mining sector companies listed on the Indonesia Stock Exchange (IDX) in 2016-2020.

This research is a quantitative research using secondary data. The population used is the mining sector companies listed on the Indonesia Stock Exchange (IDX) in 2016-2020. The sample selection technique used purposive sampling and 17 companies of the mining sector were obtained within 5 years to obtained 85 samples that were observed. The test in this research is descriptive statistic test and panel data regression analysis using Eviews 10 software.

The results of this study indicate that simultaneously working capital management, managerial ownership, institutional ownership and agency costs influence financial performance. The results of the study partially show that working capital management has a positive effect on financial performance. Meanwhile, managerial ownership, institutional ownership and agency costs have no effect on the financial performance of mining sector companies listed on the Indonesia Stock Exchange (IDX) in 2016-2020.

Based on the results of this study, companies and investors need to pay attention to the timeframe in managing working capital to be used as capital again in carrying out sales so that the company's capital is getting bigger and the company gets the expected profit. This can minimize the risk that will be borne by the investors who invest their capital.

Keywords: Agency Cost, Financial Performance, Institutional Ownership, Managerial Ownership, Working Capital Management.