

ABSTRACT

Telecommunication industry along the year 2011 until 2015 has the highest growth among the sectors in GDP of Indonesia. Characteristics of the telecommunications sector requires a fairly high investment value because this sector is very sensitive to the technology development, so that every corporation in this sector requires a very high capital capability.

The purpose of this research is to examine working capital management, sales growth, firm size and leverage affect the performance of telecommunication companies listed on Indonesia Stock Exchange in 2011 - 2015.

This research uses financial report data in telecommunication industry obtained from Indonesia Stock Exchange and company's official website from 2011 to 2015. The collecting method used is purposive sampling with data of five companies. Data used in this research is panel data, that is combination between cross section data and time series.

The results of the research indicates that the aggressiveness of working capital policy (WCIP and WCFP), growth, size and leverage together have an effect to corporation performance. The results also indicates aggressive working capital financial policies will result in more profits. This research also gives suggestion that telecommunication company can improve their performance by adopt the aggressive working capital financing policy, increasing their firm size and escalate their leverage.

Keywords : Working capital management, growth, size, leverage, company performance