

ABSTRACT

The growth in the number of companies in the transportation sub-sector continues to increase because they have promising business prospects driven by the large role of transportation in supporting daily activities. However, the performance of companies in the transportation sub-sector is considered unsatisfactory. Therefore, it is necessary to know the factors that can affect financial performance. The company's profitability is one of the benchmarks used to assess the company's performance.

This study aims to analyze funding decisions, company size, working capital turnover, corporate governance as proxied by the size of the board of directors and the size of the audit committee, and profitability. In addition, this study also analyzes the effect of funding decisions, company size, working capital turnover, size of the board of directors, and size of the audit committee on profitability in transportation sub-sector companies listed on the Indonesia Stock Exchange (IDX) in 2016-2020.

The population studied in this study are transportation sub-sector companies listed on the Indonesia Stock Exchange (IDX) in 2016-2020. The sample used is the result of purposive sampling and totals 90 samples from 18 companies with a research period of 5 years, then analyzed using panel data regression analysis techniques using Eviews 10 software and passes through several stages of testing.

The results showed that simultaneously funding decisions, firm size, working capital turnover, board of directors size, and audit committee size had an effect on profitability. Partially, funding decisions have a positive effect on profitability. Meanwhile, the size of the company, working capital turnover, the size of the board of directors, and the size of the audit committee have no effect on profitability.

For further research, it is recommended to use other variables that are expected to affect profitability and re-examine variables that do not support the research hypothesis, as well as increase the research period. Companies are expected to pay attention to funding decision policies that can affect profitability. Also, investors and creditors are advised to pay attention to the company's financial performance before making a decision.

Keywords: company size, corporate governance, fund decision, profitability, working capital turnover