

The Relationship Between Working Capital Management and Corporate governance in the chemical, pharmaceutical, automotive and tooling industry in Tehran Stock Exchange

Abdolhossein Hasanpour*, Dr Shojatalab,

The foundation of financial management topics is capital, and it can be claimed that all business activities require capital. Therefore Working Capital management is a fundamental requirement of the organization's ability to adapt in a challenging economy, and its aim is to establish a critical balance between maintaining liquidity to support daily operations and maximizing short-term investment opportunities. Regarding the determinant role of corporate governance mechanisms in corporate affairs, the main purpose of this study is to examine the relationship of the Efficiency of Working Capital Management and Corporate governance in the chemical, pharmaceutical, automotive and tooling industry in Tehran Stock Exchange and the results of this research can be effective for financial managers, investors, financial advisers and companies in these securities markets. This study is a descriptive type research and the goal is application. Statistical population encompasses the companies listed in Tehran stock exchange in the period between 2011 and 2015. Financial data gathering for hypothesis test is performed using audited statements of companies in 2011-2015 period available in RahavardNovin software. Then, hypotheses are analyzed using proper statistical tests by Eviews software. In order to examine the efficiency of Working Capital Management, the three variables are used: the average period of payment, the cash conversion cycle and cash holdings. Findings indicate that there is a significant difference between the relationship of corporate governance mechanisms (board size, independence of the board, ownership concentration and institutional stakeholders), and the efficiency of

working capital management in the pharmaceutical and chemical industries and in the automotive and tooling industries.

Keywords : Keywords: Corporate Governance, Working Capital Management, the average period of payment, the cash conversion cycle and cash holdings.

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