

The Role of Initial Return to Market Value and Entrepreneur Ownership in Indonesia

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Abstract: Initial pricing is done through negotiations, the company sets the offering price to achieve success in its IPO process. The difference in the ratio between the opening and closing prices is an initial return that can provide capital gains for shareholders. The gap between informed and uninformed investors makes stock prices a measure of market value for investors. The specific purpose of this research was conducted to determine the effect of the proportion of share ownership by entrepreneur ownership on the market value of equity and on the initial return. In addition, to determine the direct effect of the initial rate of return on market equity. As well as the effect of Initial Return in mediating the relationship between entrepreneur ownership and market value of equity. This research method is quantitative, with purposive sampling technique. While the data collection method used is a survey. The object of this research consisted of 228 companies that did their first listing for the 2008-2017 period on the Indonesia Stock Exchange. This study uses a simple linear regression analysis by doing the correlation test, F test, and t-test. The results of this research describe that all regression relationships have p values which are below the significance level of 0.05. Meanwhile, the findings on the role of initial return as a mediating variable made the value of the coefficient B decrease from 1.103 to 0.095. Thus it can be concluded that all hypotheses are supported with a significant and positive influence. On the effect of initial return in the relationship between entrepreneur ownership and market value, it has a significant effect with a partially mediating role.

Key-words: Initial return, Entrepreneur Ownership, Equity Market Value Balance, Initial Public Offering, Stock Exchange, Share price

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1 Introduction

Companies that decide to go public must offer their first shares to the public, which is called an initial public offering (IPO) through the Indonesia Stock Exchange (IDX). However, not all companies can issue new shares (or bonds) in the capital market. The sale of the company's initial shares is carried out through a mechanism of participation to the public (going public) is an alternative to obtain new funding sources that improve the company's performance. Initial public offerings are an important source of corporate funding. When it first made its share offering to the capital market, the thing that was faced by the company that was going to go public was the determination of the share price in the primary market.

Agreement between the underwriter and The issuing market is determinis the share price on the primary market, (Jogiyanto, 2007) and (Rashid et al., 2016). To obtain maximum new funds, the issuer wants a high share price. The other side, as an underwriter, will try to reduce the initial share price,

to reduce the risk of failure in the fully committed contract. In the contract model between the issuer and the underwriter, there is a full commitment agreement where the underwriter will be responsible for repurchasing shares that are not sold out on the primary market, (Jogiyanto, 2007). Furthermore, in the secondary market, the rise and fall of share prices are highly dependent on market mechanisms. According to Rahim & Yong, (2010) it is a universal phenomenon that occurs during the initial public offering where the stock price increases on the closing side of the first day of the secondary market.

The initial price is set through negotiations with an underwriter. Companies set their offering prices, through various considerations to achieve success in their IPO process. The difference in interests between issuers and investors in obtaining profits from the opening and closing prices, investors want underpricing because they get capital gains, but not for issuers because they are not optimal in raising funds (Rahim & Yong, 2010). The phenomenon of a price increase is a positive signal that indicates that

the initial public offering company has a probability of future profits which can increase the market value of the new company.

In this study, the authors cannot be separated from several limitations, including the sample used is limited to companies that make an early listing for the 2008-2017 period on the Indonesia Stock Exchange. This limitation may produce some undesirable results in the research model.

1.1 Research Purposes

Determine the role of initial returns in the IPO process on the Indonesia Stock Exchange was this Study general objective . While for specific purposes, this study was designed do determine :

1. The influence of the proportion of share ownership by entrepreneur ownership on the market value of equity
2. The influence of the proportion of share ownership by entrepreneur ownership on initial returns
3. The effect of the initial return rate on the market value of equity
4. The effect of Initial Return in mediating the relationship between entrepreneur ownership and market value of equity

1.2 Practical Applicability

This study can be used by the investos and the potential investors as an input in using initial returns in the initial public offering process on the Indonesia Stock Exchange. For academics, this study results is expected to poviide input on issues related to the early role of March Value and entrepreneur ownership.

2 Literature Review

2.1 Information Asymmetry Theory

Ross, (1973) suggests the term Principal-agent problem, which occurs when asymmetric information is related to the agent's activities and information. The main problem is the existence of hidden action, then hidden information, in which hidden action leads to deviant behavior (moral hazard and hidden information that give rise to adverse selection behavior, according to Ross in Arifin, (2007). There is also a monopoly power information model of investor banker hypotheses Baron & Holmström, (1980). stated in this model that underwriters have better and better information about market conditions than issuers that have just entered the market. According to He-feng, (2013) ,

good investors will guarantee the period before the IPO and become a signal because their reputation provides a credible alternative signal for the value of the IPO.

2.2 Valuation Theory

The theory of valuation was introduced in 1912 by Josef Kurschak, a mathematician from Hungary. Later developed by Joseph E. Stiglitz, Stephen A. Ross, Edward C. Prescott, and Robert C. Merton in the year 1970 in finance. In financial science, value is the value of the company which consist of shareholder value and funfamental value. Market value and firm value is base of firm value. While, the stock market is base of market value. Valuation is needed by investors in investing where the result of the valuation is a comparison value with market prices. Knowing the value of an asset and the factors that affect the value of an asset is a prerequisite for making business decisions.

The expectation to produce a high return of a security is not easy, whereas in the investment principle it is said that selling when the price of an asset is high and buying when the price of an asset is low. So to achieve that, investors strive to predict and get profit (return) stocks by utilizing various methods and techniques available. According to Wafi et al., (2015) and Hong & Wu, (2016) there is a fundamental approach and technical approach to action.

Thus it can be said that the proportion of share ownership by the old owner when IPO time and the planned utilization of the proceeds from the IPO funds for investment, is a signal for investors who see it as an opportunity to gain an increase in profits and the issuer wants a reasonable share price and does not harm the company. So in this study, the initial return is proposed as a mediator between the role of entrepreneur ownership and the value of the stock market in the initial public offering. Based on the description above, there is a harmonious relationship between the concept of the proportion of share ownership withheld by the old owner (ownership retention) and the initial return for investment.

2.3 Empirical Overview

Previous research has been conducted on the influence of the role of Initial Return to Market Value and Entrepreneurial Ownership. In general, the research is carried out by researchers from academia and has been published in several online journals. Several previous studies that were used as a reference and as a comparison with current research can be presented in table 1:

Tabel 1. Previous Research

Nama	Judul Penelitian	Alat Analisis	Hasil Penelitian	Perbedaan
Taolin, M. L & Babulu, N. L. (2020)	Margin Of Share as Mediating Variable The Effect of Entrepreneurial Ownership on Initial Stock Market Value	Path Analisis (SEM Partial Least Square)	Result of this study is first Ownership Entrepreneur to the market value is mediated by the margin of share. Entrepreneurship Ownership and Margin of Share have an effect on Market Value. Risk estimation has a negative effect and Market value affected positively by JCI. Certainty for inventors can be provide by margin value, os purchase decisions can be made. Margin value also affected the performance the performance of the initial share price.	The difference between previous research and research in this paper lies in the analysis tool. In addition, the difference is in the mediation variable, namely using the Margin of share (capital gain).
Dewi et al., (2018)	Initial Return on Initial Public Offering in Indonesian Capital Market	Uji One Sample T-Test and Multiple linear regression	This study conclude that the initial return that occurs in the IDX is significantly different by 5%. Multiple linear regression testing concludes that auditor reputation, underwriter reputation, TATO, ROE, DER, simultaneously affected on initial return in the IDX. Meanwhile, partially auditor reputation, underwriter reputation, TATO, affected significantly on initial return in the IDX, while ROE and DER have an effect but are not significant.	The difference between previous research and research in this paper lies in one of the analytical tools, namely the One Sample T-Test. In addition, the difference is that it does not use a mediating variable. Meanwhile, in previous study, the dependent variable is Initial Return.

2.4 Hypothesis

2.4.1 The Relationship Between the Proportion of Share Ownership (α) by Entrepreneur Ownership and the Market Value of Equity

According to Leland & Pyle, (1977) positive function of the proportion of the old owner share ownership who brought company to the listing is the meaning of the market value. The intuition behind this theory is that entrepreneurs are willing to hold a large proportion of ownership if they believe that the prospects for the company are good enough. Therefore, the hypothesis is that the proportion of share ownership by entrepreneurs is a signal that has a positive effect on the IPO value.

H1: The proportion of share ownership (α) by entrepreneur ownership has a positive effect on the market value of equity.

2.4.2 The Relationship Between the Proportion of Share Ownership (α) by Entrepreneur Ownership and Initial Returns

According to Frith and Liao-Tan (1998) in Sehgal & Singh, (2008), the proportion of ownership by old owners or entrepreneurs is a good signal for investors. Likewise, when the share ownership of the old owner or entrepreneur Cirillo et al., (2015) at the time of the IPO, takes into account the proportion of shares that will be sold at the initial public offering. Concerning the hypothesis that the proportion of share ownership (α) by entrepreneurs has a positive effect on initial returns, it can be explained that the greater the stock ratio by entrepreneurs, it indicates that there are other information signals that entrepreneurs have. So that it can be predicted that

the amount of the proceeds to the IPO Investment in a company that conducts an initial public offering is a reflection of the issuer's objective of conducting an IPO.

H2: The proportion of share ownership (α) by entrepreneur ownership has a positive effect on Initial Return.

2.4.3 The level of Initial Return has a Positive Effect on the Market Value of Equity

Komenkul & Siriwattanakul, (2016) research utilizes the initial return measurement which is the difference between the closing price on the first day of trading and the initial selling price (offer price) divided by the initial sale price (offer price). In Taolin & Babulu, (2020) research results, the ratio of this calculation provides a return on capital (capital gain) to investors. The greater the capital gain obtained by shareholders, the impact on the appreciation of the equity market price will increase positively. When an increase in profit from the initial return in company performance will further increase investor confidence in the management and future of the company, shareholders will be more willing to buy new shares in the stock market. Therefore, the hypothesis is that the initial return rate has a positive effect on the market value of equity.

H3: The level of Initial Return has a positive effect on the market value of equity.

2.4.3 The Relationship Between the Proportion of Share Ownership (α) by Entrepreneur Ownership, Initial Return, and Equity Market Value

The results of research by Fan, (2007) found that company performance in the primary market and initial return has affected positively on share ownership by old owner. It can be said in this context, that the market value can be increased by the management and the old owner (interpreneurs) by his shares. Alanazi et al., (2011) stated that performance of IPO companies affected positively by the entrepreneurs ownership. On the other hand, when the IPO Proceeds, the investment from the sale of the initial shares is utilized maximally by the issuer to increase the market value of the initial shares. So it can be concluded that the Investment Margin which contains the Proceeds of the Investment IPO and the initial return mediates the relationship between entrepreneur ownership and the market value of the Initial Stock Market.

H4: Initial Return mediates the relationship between entrepreneur ownership and the market value of equity.

3 Methods

Quantitative secondary data is used in this study, namely data that represented by numbers indicating the value of the variable under study. Data of this study is obtained from:

1. Indonesian Capital Market Directory (ICMD) from 2009 to 2018.
2. IDX Data Base via the internet (www.idx.co.id)
3. Prospectus of listed companies that made initial public offerings in the 2009-2018 period. The company's annual report was selected as the sample in the 2009 to 2018 research years.

This study is time series and cross sectional (pooled data). Because, the data category is based on time sequence and time dimension.

According to Ferdinand, (2006), the combination of all elements in the form of people, things, or events who have similar characteristic that became the study center of attention because it is seen as the study universe is called population. This study population includes all companies that did initial registration on the Stock Exchange for 10 (ten) from 2009 to 2018.

The purpose of the sample selection is researcher may have understood that the information needed can be obtained from a certain target group who is able to provide the desired information. It is because the certain criteria that determined by researcher can be found on sample (Ferdinand, 2006). The sample criteria used in the study are as follows:

- 1) There are a total of 228 sample companies from 228 companies that did their first listing for the 2008-2017 period on the Indonesia Stock Exchange and were not delisted from 2008 to 2017,
- 2) Companies that regularly present and publish financial reports in succession from 2009 to 2017.

Companies that are always and consistently not included in the blacklist of the Indonesia Stock Exchange during the research period.

Data collection is done by taking secondary data available in the prospectus of issuers that conduct initial public offerings, financial reports, annual reports, and other types of reports issued by companies either through the IDX, Indonesian Capital Market Directory. (ICMD), Yahoo finance, Bloomberg, Capital Market Reference Center (PRPM), and statistics and through relevant publication media. The survey method is used to

collect data on the ownership structure and share price as well as market value and performance of the issuers in the form of prospectuses and financial reports.

The market value of the company is the dependent variable which is the total market value of the issued and paid-up shares, which is based on the closing price of the first day of listing on the IDX. The market value of the company (V) must be divided by the book value of the company's net assets (NK) because it must be adjusted to the firm size. The formula for measuring firm value is: Total shares x closing price on the first day of listing / book value of the company's net assets.

Initial investment returns, in this case (Komenkul & Siriwattanukul, 2016) take advantage of the initial return measurement which is the difference between the initial selling price (offer price) divided by the initial selling price (offer price) and the closing price on the first day of trading This can be explained further by a formula:

$$IR_i = \frac{P_{i1} - P_{i0}}{P_{i0}}$$

In this case:

IR_i is the Initial return

P_{i1} is closing price on the first day

P_{i0} is an offer price

The proportion of the entrepreneur's shares after the IPO becomes a measure of ownership retention (Djerbi & Anis, 2015). The number of shares of entrepreneurs is measured by looking at the number of shares before the offering period minus the number of shares during the offering period then divided by the completion of the offering period, this method is carried out in research (Fan, 2007). Then the following formula can explain it: The formula for ownership held by the entrepreneur by, Li et al., (2005) and Chen et al., (2015): Number of shares held by old owners (pre IPO) / Total shares (post IPO).

4 Results and Discussions

4.1 Hypothesis Test Model I

Simple Linear Regression Analysis the Relationship Between Entrepreneur Ownership and Market Value. The written R value is a representation of the correlation test results. The correlation value of 0.323 is shown by the hypothesis test in model II below. The correlation value is classified as weak in relation to research variables. The value of R Square is written in this table obtained from the test results of the coefficient of determination. The view of Ghozali (2016) says that testing the coefficient of determination aims to measure the ability of the model to explain how influential the independent variables simultaneously on the dependent variable is indicated by the adjusted R value. dependent is very limited. In addition, if the number is close to 1 in the coefficient of determination, it means that the independent variables have the ability to provide all the information needed to predict the dependent variable. A value of 10.4% is obtained for the coefficient of determination. This means that the effect of 10.4% is given by the independent variable to variable Y. The remaining 89.6% is the influence of other variables.

Table 2. Correlation Test Table

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.323 ^a	.104	.090	.83257

a. Predictors: (Constant), Entrepreneur Ownership

Getting the significance level is obtained through the F test with its conditions. The way the conditions are obtained is if the Sig test is obtained <0.05. So that linearity is obtained in the regression model. In this research, the sig value in **Table 3** = 0.008. So this regression model can be said to be significant, this means that there is linearity in the regression model.

Table 3. Model Feasibility Test Results (Test F)

ANOVA ^b						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.160	1	5.160	7.445	.008 ^a
	Residual	44.363	64	.693		
	Total	49.523	65			

a. Predictors: (Constant), Entrepreneur Ownership

b. Dependent Variable: Nilai Pasar

In the Unstandardized Coefficients B column, the results of the variable coefficients and constant coefficients are written which are information for the

regression model in a T test. This regression model is described in the table below with the equation formula $Y = 1,831 + 1,103 X$ that is:

1. The constant value is 1.831, meaning that there is a unidirectional effect of the entrepreneurial ownership variables on the market value. This shows that if all the independent variables are 0 percent or have not changed, then the market value is 1.831.
2. The regression coefficient of the entrepreneur ownership variable is 1.103. This value shows the

meaning that the entrepreneur ownership variable has a direct effect on market value. This means that if the entrepreneur ownership variable increases by 1%, then the market value variable will increase by 1,103. However, assuming that the other variables are constant.

Table 4. Regression Coefficient Test Results (t-test)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.831	.133		13.772	.000
	Entrepreneur Ownership	1.103	.404	.323	2.728	.008

a. Dependent Variable: Nilai Pasar

4.2. Hypothesis Test Model II

Simple Linear Regression Analysis the Relationship Between Entrepreneur Ownership and Initial Return. The written R value is a representation of the correlation test results. The correlation value of 0.178 is shown by the hypothesis test in model II below. The correlation value is classified as weak in relation to research variables. The value of R Square is written in this table obtained from the test results of the coefficient of determination. The view of Ghozali (2016) says that testing the coefficient of determination aims to measure the ability of the model to explain how influential the independent variables simultaneously on the dependent variable is indicated by the adjusted R value. dependent is very limited. In addition, if the number is close to 1 in the coefficient of determination, it means that the independent variables have the ability to provide all the information needed to predict the dependent variable. A value of 3.2% is obtained for the

coefficient of determination. This means that the effect of 3.2% is given by the independent variable to variable Y. The remaining 96.8% is the influence of other variables.

Table 5. Correlation Test Table

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.178 ^a	.032	.016	.40836

a. Predictors: (Constant), Entrepreneur Ownership

Getting the significance level is obtained through the F test with its conditions. The way the conditions are obtained is if the Sig test is obtained <0.05. So that linearity is obtained in the regression model. In this research, the sig value in **Table 6** = 0.015. So this regression model can be said to be significant, this means that there is linearity in the regression model.

Table 6. Model Feasibility Test Results (Test F)

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.348	1	.348	2.086	.015 ^a
	Residual	10.673	64	.167		
	Total	11.021	65			

a. Predictors: (Constant), Entrepreneur Ownership

b. Dependent Variable: Initial Return

In the Unstandardized Coefficients B column, the results of the variable coefficients and constant coefficients are written which are information for the regression model in a T test. This regression model is

described in the table below with the equation formula $Y = 0,137 + 0,286 X$ that is:

1. The constant value is 0,137, meaning that there is a unidirectional effect of the entrepreneurial ownership variables on the initial return. This

shows that if all the independent variables are 0 percent or have not changed, then the initial return is 0,137.

2. The regression coefficient of the entrepreneur ownership variable is 0.286. This value shows the meaning that the entrepreneur ownership variable

has a direct effect on initial return. This means that if the entrepreneur ownership variable increases by 1%, then the initial return variable will increase by 0.286. However, assuming that the other variables are constant.

Table 7. Regression Coefficient Test Results (t-test)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.137	.065		2.103	.039
	Entrepreneur Ownership	.286	.198	.178	1.444	.015

a. Dependent Variable: Initial Return

4.3 Hypothesis Test Model III

Simple Linear Regression Analysis the Relationship Between Initial Return and Market Value. The written R value is a representation of the correlation test results. The correlation value of 0.295 is shown by the hypothesis test in model II below. The correlation value is classified as weak in relation to research variables. The value of R Square is written in this table obtained from the test results of the coefficient of determination. The view of Ghazali (2016) says that testing the coefficient of determination aims to measure the ability of the model to explain how influential the independent variables simultaneously on the dependent variable is indicated by the adjusted R value. dependent is very limited. In addition, if the number is close to 1 in the coefficient of determination, it means that the independent variables have the ability to provide all the information needed to predict the dependent variable. A value of 0.87% is obtained for the

coefficient of determination. This means that the effect of 0.87% is given by the independent variable to variable Y. The remaining 91.3% is the influence of other variables.

Table 8. Correlation Test Table

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.295 ^a	.087	.072	.84064

a. Predictors: (Constant), Initial Return

Getting the significance level is obtained through the F test with its conditions. The way the conditions are obtained is if the Sig test is obtained <0.05. So that linearity is obtained in the regression model. In this research, the sig value in **Table 9** = 0.016. So this regression model can be said to be significant, this means that there is linearity in the regression model.

Table 9. Model Feasibility Test (Test F)

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.296	1	4.296	6.079	.016 ^a
	Residual	45.227	64	.707		
	Total	49.523	65			

a. Predictors: (Constant), Initial Return

b. Dependent Variable: Nilai Pasar

In the Unstandardized Coefficients B column, the results of the variable coefficients and constant coefficients are written which are information for the regression model in a T test. This regression model is described in the table below with the equation formula $Y = 1.552 + 0.624 X$ that is:

1. The constant value is 1.552, meaning that there is a unidirectional effect of the initial return variables on the market value. This shows that if

all the independent variables are 0 percent or have not changed, then the market value is 1.552.

2. The regression coefficient of the initial return variable is 0.624. This value shows the meaning that the initial return variable has a direct effect on market value. This means that if the initial return variable increases by 1%, then the market

value variable will increase by 0.624. However, assuming that the other variables are constant.
 Table 10. Regression Coefficient Test Results (t-test)

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.552	.105		14.736	.000
	Initial Return	.624	.253	.295	2.466	.016

a. Dependent Variable: Nilai Pasar

4.4 Hypothesis Test Model IV

Simple Linear Regression Analysis the Role of Initial Return Mediation on the relationship between Entrepreneur Ownership and Market Value. The written R value is a representation of the correlation test results. The correlation value of 0.403 is shown by the hypothesis test in model II below. The correlation value is classified as weak in relation to research variables. The value of R Square is written in this table obtained from the test results of the coefficient of determination. The view of Ghozali (2016) says that testing the coefficient of determination aims to measure the ability of the

model to explain how influential the independent variables simultaneously on the dependent variable is indicated by the adjusted R value. dependent is very limited. In addition, if the number is close to 1 in the coefficient of determination, it means that the independent variables have the ability to provide all the information needed to predict the dependent variable. A value of 16.2% is obtained for the coefficient of determination. This is significant, namely the effect of 16.2% given by the mediating variable (M) to variables X and Y. The remaining 96.8% is the influence of other variables.

Table 1. Correlation Test Table

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.403 ^a	.162	.136	.81148

a. Predictors: (Constant), Entrepreneur Ownership, Initial Return

Getting the significance level is obtained through the F test with its conditions. The way the conditions are obtained is if the Sig test is obtained <0.05. So that linearity is obtained in the regression model. In

this research, the sig value in **Table 12** = 0.004. So this regression model can be said to be significant, this means that there is linearity in the regression model.

Table 2. Model Feasibility Test Results (Test F)

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.037	2	4.018	6.102	.004 ^a
	Residual	41.486	63	.659		
	Total	49.523	65			

a. Predictors: (Constant), Entrepreneur Ownership, Initial Return

b. Dependent Variable: Nilai Pasar

In the Unstandardized Coefficients B column, the results of the variable coefficients and constant coefficients are written which are information for the regression model in a T test. This regression model is described in the table below with the equation formula $Y = 1.760 + 0.095 X + 0.519 M$ that is:

1. The constant value is 1.760, meaning that there is a unidirectional effect of the entrepreneurial ownership and initial return variables on the market value. This shows that if all the independent variables are 0 percent or have not changed, then the market value is 1.760.

2. The regression coefficient of the entrepreneur ownership variabel (X) is 0.095. This value shows the meaning that the entrepreneur ownership variable has a direct effect on market value. This means that if the entrepreneur ownership variable increases by 1%, then the market value variable will increase by 0.095. However, assuming that the other variables are constant.
3. The regression coefficient of the initial return variabel (M) is 0.519. This value shows the meaning that the initial return variable mediates the effect of Entrepreneur Ownership on the market value. This means that if the initial return variable increases by 1%, then the market value variable will increase by 0.519. However, assuming that the other variables are constant.

Table 3. Regression Coefficient Test Results (t-test)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.760	.134		13.135	.000
	Initial Return	.519	.248	.245	2.090	.041
	Entrepreneur Ownership	.095	.400	.028	2.384	.020

a. Dependent Variable: Nilai Pasar

5 Discussion

On the basis of managing the result data through SPSS, the Interpretation of the Analysis Results is obtained which is shown in the table below:

Table 14. Linear Regression Test Results

Regression relationship	Explanatory variable	The coefficient of determination	Regression model significance test			Regression coefficient significance test	
			F	P	B	t	p
Entrepreneurship ownership and market value	Entrepreneur ownership	0,104	7,445	0,008*	1,103	2,728	0,008*
Entrepreneur ownership and Initial return	Entrepreneur ownership	0,032	2,086	0,015*	0,286	1,444	0,015*
Initial return and Market value	Initial return	0,087	6,074	0,016*	0,624	2,466	0,016*
The mediating role of Initial returns on the relationship between entrepreneurship and market value	Entrepreneur ownership	0,136	6,102	0,004*	0,095	2,384	0,020*
	Market value				0,519	2,090	0,041*

Information: *= significant at the level of significance 0,05

Table 5.1 explains that the relationship between entrepreneurship ownership and market value is positive and significant ($B = 1.103$; $p = 0.08$ *). Then hypothesis one is supported. The relationship between entrepreneur ownership and initial returns is positive and significant ($B = 0.286$; $p = 0.015$ *). Then hypothesis two is supported. The mediating role of initial returns in the relationship between entrepreneurial ownership and market value requires that the three pathways in the model above are all significant. If in multiple regression the effect of entrepreneurial ownership and initial returns on market value: If entrepreneurial ownership becomes insignificant, then the initial return is full mediation. If entrepreneurial ownership remains significant, but the coefficient B decreases, then the initial return is partially mediated.

6 Conclusions

On the basis of the elaboration of the results and discussion, so that the conclusions that can be drawn are:

1. All relationships between constructs in the model are significant (conditions for mediation)
2. After the initial return is included in multiple regression, the effect of entrepreneurship ownership remains significant, but the B coefficient decreases (from 1.103 to 0.095). So, it can be concluded that the initial return partially mediates the relationship between entrepreneurship ownership and market value. Then hypothesis three is supported.

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