The effect of corporate performance on the stocks in the companies doing IPO

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A B S T R A C T

This study tries to (1)to examine the difference of corporate social performance (CSP) between the old IPO firms and the new IPO firms, and (2)to investigate the influence of corporate social performance (CSP) on stock return. Corporate social performance (CSP) is measured using NH approach and stock return is measured using cumulative abnormal returns (CAR) and holding-period returns (HPR). The sample covers 75 IPO firms listed on the Indonesia Stock Exchange between 2011 and April 2015. Our study employs independent sample test and ordinary least square (OLS) regression to analyze the research models. The results show that 1) there is significant difference in corporate social performance (CSP) between the old IPO firms and the new IPO firms, and 2)CSP has positive and significant effect on stock return, controlling for firm size, firm growth, institutional ownership and managerial ownership. Robustness tests support the results. Investor should pay much more attention on the old IPO firms and corporate social performance (CSP). Firms that are going to sell IPO stocks, specifically for young firms, should concern more on social responsibilities.

A B S T R A K

Tujuan penelitian ini adalah (1) menguji perbedaan kinerja sosial perusahaan (CSP) antara perusahaan IPO lama dan perusahaan IPO baru, dan (2) menguji pengaruh kinerja sosial perusahaan (CSP) terhadap return saham. Kinerja sosial perusahaan (CSP) yang diukur dengan NH approach dan return saham diukur dengan kumulatif return abnormal (CAR) dan holding-period returns (HPR). Sampel penelitian ini terdiri dari 75 perusahaan yang melakukan IPO di Bursa Efek Indonesia pada tahun 2011 sampai dengan bulan April 2015. Studi ini menggunakan pengujian dua sampel independen dan regresi kuadrat terkecil biasa (OLS) untuk menganalisis model penelitian. Hasil penelitian menunjukkan bahwa 1) terdapat perbedaan signifikan kinerja sosial perusahaan antara perusahaan IPO lama dan perusahaan IPO baru, dan 2) kinerja sosial perusahaan (CSP) berpengaruh positif signifikan terhadap return saham dikontrol oleh ukuran perusahaan, pertumbuhan perusahaan, kepemilikan institusi dan kepemilikan manajer. Uji robustness mendukung hasil di atas. Investor harus memperhatikan perusahaan IPO lama dan kinerja sosial perusahaan (CSP). Perusahaan yang akan melakukan IPO, khususnya perusahaan berusia muda, diharapkan menaruh perhatian terhadap tanggung jawab sosial perusahaan.

1. INTRODUCTION

It has been noted that information is the key to invest in the stock market successfully. Therefore, it is essential to present information statements, notes, or a description of the continuity of a company and its stock market. The information provides the company carrying out IPO (Initial Public Offering or IPO) with prospectus in the report. This prospectus is set by the authority of the capital market today that is the Financial Services Authority (FSA) so that any company should meet with their IPO. This prospectus includes a number of information accounting and non-accounting information from a company that will do the IPO process.

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The disclosure of information by the company in the report of the prospectus is a good consideration for investors to invest in the companies. Therefore, the companies should try to show their best performance in order to be attractive to investors. They can do it such as by conducting social and environmental activities as a form of corporate responsibility towards the environment in the vicinity. This activity shows a good performance management to the stakeholders of the company.

Ghoul et al. (2011) reveals that investors appreciate the practice of Corporate Social Responsibility (CSR) and see it as a guide to assess the potential sustainability of a certain company. Therefore, investors n making an investment decision, always consider the CSR disclosed by the company. Other evidence by Eipstein and Freedman (in Sayekti and Wondabio 2007) revealed that individual investors interested in social information reported in the annual report, so that the company's management is not only required limited over the management of funds provided, but also the impact caused by the company to the natural environment and social.

Like Ghoul et al. (2011), Donato and Izzo (2012), Jia and Zhang (2013) and Lou et al. found that CSR affects the company's stock price so that investors make performance information in the field of social enterprise as one consideration to invest in the shares of the company concerned. Kotler et al. (2012) states that the implementation of CSR can increase sales and market share, strengthen brand positioning, enhance the influence and image of the company, improve the ability to attract and retain motivated employees, reducing operational costs, and enhance the attractiveness for investors and financial analysts.

The CSR recently has a great attention, especially in recent years. For example, the global survey conducted by KPMG International in 2013 to 4100 large companies spread across 41 countries (including Indonesia) with a composition of 100 large companies by region shows that 71% of large companies around the world are reporting corporate social responsibility, up 7% from 2011, which is only 63%. In the survey, the reporting of corporate social responsibility Indonesia in 2013 reached 95%, it indicates the amount of attention an Indonesian company to its social responsibility. Then Nielsen Global in 2014 conducted a survey of 30,000 customers in 60 countries. The results showed that 55% of consumers worldwide are willing to pay more for products and services provided by companies that have a positive commitment to social responsibility.

The CSR Implementation program had grown rapidly in the period 1970-1980, but the companies that have this program during this period began to look for a model that can measure the impact of CSR implementation by the company of the community as well as the extent to which the implementation of CSR as a social investment contributing to improved financial performance of companies (Solihin 2009). This need has prompted the birth of the concept of Corporate Social Performance (CSP) as an improvement on the previous CSR concept (Solihin 2009).

One of the central themes in the concept of CSP is how companies can measure their actions and the results of social action by the company, as well as companies can measure other operational activities. It appears to be essential for the company that CSR program of the company is financed by sources of funds that are limited companies (Solihin 2009).

The age of Companies is also a factor the investors consider in making an investment (Chisty et al. In Kurniawan 2007). For example, Wahyudi (in Kurniawan 2007) explains that the age of the company is calculated by subtracting the time of IPO deals in the year when the company was established. Dewi and Keni (2013) says that the age of the company can demonstrate the ability to overcome difficulties and obstacles that can threaten the life of the company and demonstrate the company's ability to take the opportunity in the environment to develop the business. Besides, the age of the company to demonstrate proficiency in competent excellence. Thus, the longer the company was established; the company is increasingly able to demonstrate the existence in the environment and can further increase investor confidence.

The older companies have been strong enough so that it leads to the levels of the low risk and this could attract investors. The investors believes that the companies with their long-standing are more experienced in generating returns for companies that ultimately impact on increasing the return received by investors (Kurniawan 2007). The age of the company also affects CSR. Companies that operate longer also have a greater ability to provide company information and more spacious than the newly established, ones. This information is useful to investors in reducing the level of uncertainty of the company (Aini 2013). Older companies have much more experience and know the needs of its constituents on information

about the company, including information for CSR.

Some related studies on the relationship of social activities of companies with stock return provide different results. Luo et al. (2015) found a positive effect of CSP on stock returns. However, Brammer et al. (2006) found it negatively of the environment and employment on stock return while positively related community. Fiori et al. (2007) showed that CSR (environment, employment, and community) did not significantly affect the stock price. Titisari et al. (2010) revealed the environment and the community a positive influence on the CAR, while employments actually negatively impact the CAR.

Muid (2011) found that the CSR environment does not affect the stock return, but the social CSR positive affect stock return. Wang (2011) revealed that CSR has a positive impact on stock performance. Sugiyanto (2011) divided the company into two categories: large and small companies. The result in large companies, CSR significant positive effect on stock returns. In small companies, CSR significant negative effect on stock returns. Jia and Zhang (2013) investigated the relationship CSP Pre-IPO stock return on short-term Post-IPO and found that there is a positive relationship between the CSP with short-term stock return.

It has been obvious that the results of previous studies are still contradictory and varied about the relationship between CSR and company performance as well as the importance of the concept in shaping investor confidence and the effect of the behavior of investors in making investment decisions encourage further research is needed. Therefore, the researchers in this present study are interested in analyzing the effect of CSR on investor reaction through the company's performance, as measured by stock return. In contrast to previous studies in Indonesia, this study sample consists of IPO firms when the company entered in the capital market. Furthermore, this study uses the latest data.

To reduce the risk of omitted variable bias, researchers included control variables that are the size of companies, growth companies, institutional ownership, and managerial ownership. Sulistio (2005) argued the size of the company is related to the extent of the information obtained by the investor. It can increase the company's judgment and reduce the level of uncertainty and minimize the level of risk and initial return. According Waddock and Graves, and Itkonen (in Fauzi et al.

2009), the size of the company with regard to the CSP, the big corporations behave in a more socially responsible than small firms do. The company's growth is one of the considerations for investors in their investment. Kusumajaya (2011) suggested that the company's growth rate as measured by sales growth affect the value of the company or the company's stock price since the company's growth into a good sign of the company's development that impact a positive response from investors.

Institutional investors have the power and experience to be responsible for applying the principles of corporate governance to protect the rights and interests of all shareholders. Thus, they require companies to communicate transparently (Rustiarini 2011). It means, the institutional ownership can induce increase the area of CSR disclosures made by the company. Ownership of shares by management will encourage management to participate actively in decision-making. Fama and Jensen (in Karima 2014) states that the higher levels of management ownership, the higher the motivation to reveal the company's activities are carried out. Managers of the company will take a decision in accordance with the shareholders by way of expressing social information widest in order to enhance the company image (Rustiarini 2011).

This study can contribute to the following: 1) to knowledge, studies of CSR or CSP in Indonesia are done in the secondary market. In contrast to previous studies, this study used a sample of IPO firms in the primary market, 2) this study examining differences in the company's IPO CSP newly established and long-standing. To our knowledge, has never been demonstrated that in the context in Indonesia capital market, and 3) this study expands the findings of earlier, whether to support or contradict the results of previous research in Indonesia and other countries related to the effect of CSP on stock returns.

The study revealed that 1) there is a difference between the company's corporate social performances IPO enough old and young old company's IPO. IPO enough old company has a corporate social performance of higher/better than the company's IPO that young age, and 2) the performance of the company's social significant positive effect on stock returns. Furthermore, the robustness test supports the findings of the company's social performance positive significant effect to stock return. The following is about the framework and hypotheses in section two, the research

methodology in part three, the results and discussion in part four; finally it is the conclusion, suggestions, and implications in the last part.

2. THEORETICAL FRAMEWORK AND HYPOTHESES

The age of companies is a factor the investors consider in making an investment. For example, Jia and Zhang (2013) found differences in corporate social performance (CSP) between the new and old company's IPO. In this context, Wahyudi (in Kurniawan 2007) describe that the older companies have more resilience so that they have low risk level that can attract investors. The company believes that the long-standing can be said to be more experienced in generating returns for the company, which in turn have an impact on increasing the return received by investors (Kurniawan 2007).

The age of a company can also affect CSR. Companies that operate longer also have a better ability to provide information and more spacious than the newly established ones. This information is, therefore, useful for investors to reduce uncertainty of the company (Aini 2013). In addition, the older companies have much more experience and know the needs of its constituents on information about the company, including information for corporate social responsibility (Jia and Zhang 2013). Based on the arguments above, the hypothesis can be formulated as follows:

H1: There is difference in corporate social performance (CSP) between the new company and the old company's IPO on the Indonesia Stock Exchange period 2011 - April 2015

Based on the model of stakeholder theory, companies need to establish relationship with the stakeholders, especially those with the power to control the availability of economic resources used by the company (Chariri 2008). Stakeholder theory assumes that the existence of a company is determined by the stakeholders. One strategy to maintain relationships with stakeholders is to disclose CSR. Corporate social performance is seen from the company's judgment CSR role it plays in the community. The model of stakeholder theory states that the rise and decline of social performance disclosure is in line with the increase and decrease of reputation that is a valuable asset for the company and attractiveness for investors. Nuzula and Kato (2011) and Sugiyanto (2011) argued that the stakeholders' satisfaction leads to a positive relationship between social performance and financial performance.

Again, Allen et al. (2007), Jia and Zhang (2013) and Luo et al. (2015) revealed that the company can improve the welfare of the shareholders with care to stakeholders. Brammer et al. (2006), Scholtens and Zhou (2008), and Wang (2011) found good relationships with stakeholders such as employees, customers, suppliers and the community will create added value intangible which ultimately increases the stock return. Arya and Zhang (2009) suggested that the company's efforts to conduct CSR are not something that is futile and investors respond well in these companies. Based on the description above, the hypothesis can be formulated again as follows:

H2: corporate social performance (CSP) has a positive effect on stock return of companies IPO in the Indonesia Stock Exchange period 2011 - April 2015

3. RESEARCH METHOD

This study uses NH Approach to measure the company social performance of companies (CSP) based on Key Success Factors for Social Performance containing 123 indicators measuring CSR (see attachment). This study uses the index on companies in Indonesia registered an IPO in the Indonesia Stock Exchange (BEI) in 2011 until April 2015. It has a sample of 75 companies' IPO.

This study examines and analyzes the corporate social responsibility (CSR), company size, growth rate of sales companies, institutional ownership, and managerial ownership derived from the reports prospectus in the official website of Indonesia Stock Exchange (BEI) and the stock return 40 trading days after the IPO generated from Yahoo Finance website.

It uses different test and OLS regression for analysis. To test the difference between two independent groups (two independent sample t-test), this study used t-test as follows:

$$t = \frac{\overline{X}_1 - \overline{X}_2}{\sqrt{\dfrac{S^2_{x_1}}{n_1 - 1} + \dfrac{S^2_{x_2}}{n_2 - 1}}} \cdot \qquad (1)$$

In which, the degree of freedom *(df) = (n1-1) + (n2-1)*.

Where:

n1 and *n2* = sample 1 and 2

$S^2_{x_1}$ and $S^2_{x_2}$ = sample variant 1 and 2

$\overline{X}_1 and \overline{X}_2$ = Mean scores of sample 1 and 2

After computing the t-test, it finds out the t-table. When t is greater (smaller) than t table, it means that there is a significant difference (not significant). The first group of 17 is the new company's IPO, and the second group is 58 older

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companies IPO. IPO companies' new and old IPO companies used standard time of study Atuahene-Gima and Li (in Jia and Zhang 2013). Companies aged 0 to 8 years old when the IPO in the category of the new company, while if above 8 year old companies during the IPO in the category of the old company.

Yet, the study used OLS regression for testing the effect of CSP variables on the stock return variables, with the following equation:

$$SR = a + \beta1\ CSP + \beta2\ LnSIZE + \beta3\ GROWTH + \beta4\ INS + \beta5\ MNJR + \varepsilon. \qquad (2)$$

Description:
SR : Stock Return (CAR and HPR)
α : Constant
$\beta1, \beta2, \beta3, \beta4, \beta5$: Regression coefficient
CSP : Corporate Social Performance
$SIZE$: Company size
$GROWTH$: Company growth
INS : Percentage of Institutional Ownership
$MNJR$: Percentage of managerial ownership
ε : Residual/regression errori

Operational Definition of Research Variables
1. **Corporate Social Performance Measurement**
    The measurement approach is content analysis where researchers observed whether there is an item of information disclosed in a prospectus report using NH Approach. Social responsibility information that has been collected through the inspection reports obtained from the prospectus IDX website. CSP for each company was given a score of "1" for each indicator are met and the score of "0" if it is not met. Social performance of the company stated in Corporate Social Performance (CSP) formulated with:

$$CSP = \frac{TotalCSRdisclosed}{123\,indicators}. \qquad (3)$$

2. **Measurement of Stock Return**
    Measurement of stock return referred to the previous research by Fan et al. (In Jia and Zhang 2013) that is by using cumulative Abnormal Return (CARs) and Holding-Period Returns (HPRs) for the 40 trading days after the IPO.
3. **Cumulative Abnormal Return (CAR)**
    The formula as follows:

$$IHSI_t = \frac{StockPrice\ -t}{IPOprice}. \qquad (4)$$

$$R_{it} = \frac{IHSI_t - IHSI_{t-1}}{IHSI_{t-1}}. \qquad (5)$$

$$R_{mt} = \frac{IHSG_t - IHSG_{t-1}}{IHSG_{t-1}}. \qquad (6)$$

$$Arit = Rit - Rmt. \qquad (7)$$

And the CAR is stated using the formula as the following:

$$CARit\ \sum_{i=1}^{40} ARi,t\ . \qquad (8)$$

4. **Holding-Period Return (HPR)**

$$r_{jt} = \frac{StockPrice\ _t - StockPrice\ _{t-1}}{StockPrice\ _{t-1}}. \qquad (9)$$

While HPRj is stated using formula as follows:

$$HPRj\ = [\textstyle\prod_{t=1}^{40}(1 + rjt)\ ] - 1. \qquad (10)$$

The measurement of Controlled Variables
1. **Company Size:**
    $Ln\ (TotalAsset).$ (11)
2. **Sale Growth:**
    $$\frac{Sales\ _t - Sales\ _{t-1}}{Sales\ _{t-1}} \times 100\%. \qquad (12)$$
    Description:
    $Sales_t$: Total Sales of 1 year before IPO
    $Sales_{t-1}$: Total Sales of 2 years before IPO
3. **Institutional Ownership:**
    $$\frac{TheSharesOwnedbyInstution}{Total\ (The\ Whole)Shares} \times 100\%. \qquad (13)$$
4. **Managerial Ownership:**
    $$\frac{TheSharesOwnedbyManagements}{Total\ (The\ Whole)Shares} \times 100\%. \qquad (14)$$

4. DATA ANALYSIS AND DISCUSSION
Descriptive statistics
Table 1 shows the descriptive statistics of the sample. In stock return through the CAR and HPR, the average value is 13% with a standard deviation of 31%, for CAR and the average value is 15% with a standard deviation of 35% for HPR. The average value is lower than the standard deviation value so that it indicates the stock return experienced a fluctuating movement and varied throughout the study period. The highest return value of stock owned by Sejahteraraya Anugrahjaya Tbk IPO in 2011 with a value is 119% and 144% for the CAR and HPR. Yet, the lowest return value of stock owned by Eka Sari Lorena Transport Tbk IPO in 2014 is -77% to -55% for the CAR and HPR.

For the corporate social performance variables or corporate social performance measurement index, it is expressed through NH Approach and it has an average value of the variable CSP at 0:41, with a standard deviation of 0:06. This average value is higher than the standard deviation value so that it indicates that the CSP does not have movement or it is volatile therefore, does not vary during the study period. The highest CSP owned by Garuda Indonesia Tbk IPO in 2011 is the value of 0:57 or it shows the 70 indicators of 123 items. However, the lowest CSP owned by Greenwood Sejahtera Tbk IPO in 2011 and the Magna Finance Tbk IPO in 2014 are with a value of 0:32 or revealing 40 indicators of 123 existing indicators.

Normality Test
The company size (total assets) has the average

Table 1
Descriptive Statistics of Companies

	N	Min	Max	Mean	Std. Deviation
CAR (%)	75	-77	119	13	31
HPR (%)	75	-55	144	15	35
Corporate Social Performance	75	0.33	0.57	0.41	0.06
Total Asset (Milliard Rp)	75	107.52	24846.52	2304.69	3530.93
Growth ratio (%)	71	-9.96	129	36.40	31.85
Institutional Ownership (%)	64	2.88	89.60	64.92	19.82
Managerial ownership (%)	45	0.72	90.4	40.09	28.64

Table 2
Results of Normality Test

Normality test (Kolmogorov-Smirnov)

	I	II	III	IV	V
Asymp. Sig (SR: CAR)	0.265	0.2	0.137	0.439	0.567
Asymp. Sig (SR: HPR)	0.166	0.088	0.349	0.133	0.636
n	75	75	71	64	45

Table 3
Results of Heteroscedasticity Test

Heteroscedasticity Test : White

		I	II	III	IV	V
Stock Return: CAR	Obs*R-Squared	1.147492	4.077139	12.30076	17.02613	15.22787
	Prob. Chi-Square	0.5634	0.5384	0.1969	0.2548	0.7632
Stock Return: HPR	Obs*R-Squared	2.706486	4.477299	13.58139	19.68761	16.504294
	Prob. Chi-Square	0.2584	0.4829	0.1380	0.1403	0.6849
n		75	75	71	64	45

value of 2.3 trillion rupiahs with a standard deviation of 3.5 trillion rupiah. This average value is higher than the value of the standard deviation and it indicates that the total assets experienced a fluctuating movement and varied throughout the study period. The highest asset level in this study is owned by the East Java Regional Development Bank Tbk IPO in 2012 with total assets of 24.8 trillion rupiah. It is obvious that the lowest total assets owned by Alkindo Naratama Tbk IPO in 2011 with total assets of 107.5 billion rupiah.

For growth rate, it has the average value of 36.40 with a standard deviation of 31.85. The average value is higher than the standard deviation value, indicating that the company's growth rate did not experience a fluctuation. In addition, it did not vary during the study period. The highest growth rate is owned by Listya Tama Buana Tbk IPO in 2011 with a percentage of 129. The ratio of the lowest growth is owned by Eka Sari Lorena Transport Tbk IPO in 2014 with a percentage of -9.96.

For the institutional ownership and managerial ownership, the average value is 64.92 with a standard deviation of 19.82 for the institutional ownership and the average value of 40.09 with a standard deviation of 28.64 for managerial ownership. The average value is higher than the standard deviation value indicating that the ratio of ownership of the company did not fluctuate or it was volatile. So, it did not vary during the study period.

The highest percentage is owned by Indomobil Multi Institutional Services Tbk IPO in 2013 to 89.6 per cent, while the lowest by Garuda Indonesia Tbk IPO in 2011 to just 2.8 percent. The highest percentage of managerial Saratoga Investama Tbk IPO in 2013 is to 90.4 per cent, while the lowest by Sri Rejeki Isman Tbk IPO in 2013 to 0.72 per cent. The overall percentage of the company's shares to the public was offered during the IPO in the study period and it was not big in which the majority of shares was still controlled by a particular party or internal company both institutional and individual.

Normality Test
Based on Table 2, it shows the equation I, II, III, IV, and V both the stock return of CAR and HPR have a normal distribution. All equations have

Table 4
Results of Multicolinearity Test

	II		III		IV		V	
	Tolerance	VIF	Tolerance	VIF	Tolerance	VIF	Tolerance	VIF
CSP	0.863	1.158	0.861	1.162	0.833	1.201	0.812	1.232
SIZE	0.863	1.158	0.876	1.142	0.843	1.186	0.841	1.189
GROWTH	-	-	0.974	1.026	0.954	1.048	0.919	1.088
INS	-	-	-	-	0.986	1.014	0.962	1.039
MNJR	-	-	-	-	-	-	0.962	1.03
N	75		71		64		45	

Table 5
Independent Sample T- Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	T	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
CSP	Equal variances assumed	5.207	.025	3.071	73	.003	.0480137	.0156343	.0168545	.0791728
	Equal variances not assumed			3.969	43.362	.000	.0480137	.0120958	.0236259	.0724014

Asymp value. Significance is higher than 0.05.

Test of the Heteroscedasticity
As presented in Table 3, the value of the probability of Chi-Square of Obs * R-Squared on the equation I, II, III, IV, and V both the stock return of CAR and HPR is greater than 0.05. Thus, it indicates that there is heteroscedasticity in regression model

The Test of Multicolonearity
In multicollinearity test, researchers did not include the equation of DI because there was only one independent variable. Based on Table 4, the equation of II, III, IV, and V have tolerance value that is smaller than 0.1 and VIF is greater than 10, thus, it can be concluded that the variables in the study are free of multicollinearity.

Difference Test of T-Test (Independent Sample T-Test)
In Table 5, it is the second part of the output looks that F-computed test of 5207 with a probability of 0.025, because the probability is <0.05, it can be concluded that H0 is rejected or did not have the same variance. Thus, difference test analysis using a t-test of assuming equal variances should not assumed. It is apparent that the value of t on equal

variances is not assumed to have significance probability of 3,969 to 0,000 or lower than the figures alpha of 0.05. Thus, it can be concluded that the disclosure of CSP in 17 new IPO companies and 58 older companies IPO in BEI period of 2011 - April 2015 are significantly different.

The reason that the company's IPO long had CSP better is the companies that operate longer have a greater ability to provide company information that is more and wider than just standing. This information is useful for the investors for reducing the level of uncertainty companies (Aini 2013). Also, Dewi and Keni (2013) revealed that the longer the company was established; the company is increasingly able to demonstrate the existence in the environment and can further increase investor confidence.

Individual Regression Test (T-Test)
The regression results of CSR on stock return measured by CAR and HPR are in Table 6 and 7. Each table has five regressions, namely regression I, II, III, IV, and V. The CSP variable regression I, II, III, IV and V are well with stock return using CAR and HPR and it has a significant and positive effect on stock return. The significance level of CSP variables on stock returns vary on the level of 99% and 95%. In regression I, II and III Table 6

Table 6
Results of Regression (Stock Return: CAR) 40 Days

Variables	Stock Return (CAR)				
	I	II	III	IV	V
CSP	2.042	2.549	2.57	3.233	2.814
	0.045[b]	0.013[b]	0.012[b]	0.002[a]	0.008[a]
SIZE	-	-1.697	-1.994	-1.876	-1.45
	-	0.094[c]	0.05[b]	0.066[c]	0.155
GROWTH	-	-	2.154	2.758	1.462
	-	-	0.035[b]	0.008[a]	0.152
INS	-	-	-	2.796	2.622
	-	-	-	0.007[a]	0.012[b]
MNJR	-	-	-	-	1.746
	-	-	-	-	0.089[c]
Adj R2	0.041	0.074	0.102	0.229	0.228
F-stat	4.17	3.578	3.657	5.686	3.593
	0.045[b]	0.033[b]	0.017[b]	0.001[a]	0.009[a]
n	75	75	71	64	45

[c] Sig. at 0.10; [b] Sig. at 0.05; [a] Sig. at 0.01

Table 7
Results of Regression (Stock Return: HPR) 40 Days

Variables	Stock Return (HPR)				
	I	II	III	IV	V
CSP	2.362	2.762	2.868	3.214	3.134
	0.021[b]	0.007[a]	0.006[a]	0.002[a]	0.003[a]
SIZE	-	-1.486	-1.733	-1.599	-1.638
	-	0.142	0.088[c]	0.115	0.110
GROWTH	-	-	2.267	2.666	1.212
	-	-	0.027[b]	0.01[a]	0.233
INS	-	-	-	2.288	2.471
	-	-	-	0.026[b]	0.018[b]
MNJR	-	-	-	-	2.154
	-	-	-	-	0.037[b]
Adj R2	0.058	0.074	0.115	0.196	0.256
F-stat	5.581	3.941	4.040	4.844	4.020
	0.021[b]	0.024[b]	0.011[b]	0.002[a]	0.005[a]
n	75	75	71	64	45

[c] Sig. at 0.10; [b] Sig. at 0.05; [a] Sig. at 0.01

shows that the CSP variables significantly affect the CAR at the level of 95%. Yet, the IV and V of regression CSP have significant effect on the level of 99%. CSP variable coefficient signs in all regression showed positive signs.

In addition to using CAR as a measure of stock return, this study also used other measurements such as holding-period returns (HPR) (see Table 7). All regression in Table 7 shows the effect of HPR on the CSP to the significant level of 95% in the first and 99% regression in regression II, III, IV and V. It is the same as in Table 6, all signs CSP variable coefficients in all regression showed posi-

tive signs in Table 7.

The above results support the research Luo et al. (2015), Jia and Zhang (2013), Wang (2011) and Titisari et al. (2010), stating that CSP has a positive influence on stock return. Nuzula and Kato (2011) said that the investor reaction as measured by abnormal return provide a good response to the disclosure of CSR. Arya and Zhang (2009) suggested that the company's efforts to conduct CSR are not something that is futile and investors respond well in these companies. Brammer et al. (2006), Scholtens and Zhou (2008), and Wang (2011) found good relationships with stakeholders

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Table 8
Results of Regression (Stock Return: CAR) 20 Days

Variables	Stock Return (CAR) 20 Days				
	I	II	III	IV	V
CSP	1.653	2.242	2.304	3.300	2.305
	0.103	0.028[b]	0.024[b]	0.002[a]	0.027[b]
SIZE	-	-1.765	-2.040	-2.311	-1.657
	-	0.082[c]	0.045[b]	0.024[b]	0.106
GROWTH	-	-	1.989	2.937	1.066
	-	-	0.051[c]	0.005[a]	0.293
INS	-	-	-	2.819	2.675
	-	-	-	0.007[a]	0.011[b]
MNJR	-	-	-	-	1.829
	-	-	-	-	0.075[c]
Adj R2	0.023	0.050	0.083	0.235	0.194
F-stat	2.733	2.963	3.107	5.827	3.117
	0.103	0.058[c]	0.032[b]	0.001[a]	0.018[b]
n	75	75	71	64	45

[c] Sig. at 0.10; [b] Sig. at 0.05; [a] Sig. at 0.01

Table 9
Results of Regression (Stock Return: HPR) 20 Days

Variables	Stock Return (HPR) 20 Days				
	I	II	III	IV	V
CSP	1.992	2.493	2.563	3.440	2.667
	0.050[b]	0.015[b]	0.013[b]	0.001[a]	0.011[b]
SIZE	-	-1.619	-1.818	-2.083	-1.665
	-	0.110	0.074[c]	0.042[b]	0.104
GROWTH	-	-	1.861	2.721	0.902
	-	-	0.067[c]	0.009[a]	0.372
INS	-	-	-	2.690	2.629
	-	-	-	0.009[a]	0.012[b]
MNJR	-	-	-	-	2.549
	-	-	-	-	0.015[b]
Adj R2	0.039	0.059	0.083	0.223	0.246
F-stat	3.968	3.338	3.123	5.511	3.867
	0.050[b]	0.041[b]	0.032[b]	0.001[a]	0.006[a]
n	75	75	71	64	45

[c] Sig. at 0.10; [b] Sig. at 0.05; [a] Sig. at 0.01

such as employees, customers, suppliers and the community will create added value intangible which ultimately increases the stock return.

The controlled variables of company size is measured by total assets in regression II, III, IV with stock return using the CAR and the equation III on stock return using HPR and it has a significant and negative effect. This result is consistent with that by Hashemijoo et al. (2012) where the greater the size of the company, it can increase production inefficiencies in the company's operations and impact on in optimization for generating the profits. The investors seeing this would not be interested to invest their shares and the stock price will decline.

The variable of company size in regression V with stock return using CAR and equation II, IV, and V in the stock return using HPR has a significant and negative effect. The test results were not significant. According to Sa'adah (2014), it shows that company size is not informative enough to measure the company performance. The investors assumed that big companies always cannot provide a great level of return and neither can the small companies rule out the possibility to provide a high level of return for investors.

Table 10
Results of Regression (Stock Return: CAR) 60 Days

Variables	Stock Return (CAR) 60 Days				
	I	II	III	IV	V
CSP	2.088	2.831	3.033	3.586	3.307
	0.040[b]	0.006[a]	0.003[a]	0.001[a]	0.002[a]
SIZE	-	-2.264	-2.573	-2.31	-2.049
	-	0.027[b]	0.012[b]	0.024[b]	0.047[b]
GROWTH	-	-	2.687	3.16	1.6
	-	-	0.009[a]	0.002[a]	0.118
INS	-	-	-	2.257	1.863
	-	-	-	0.028[b]	0.070[c]
MNJR	-	-	-	-	2.102
	-	-	-	-	0.042[b]
Adj R2	0.043	0.095	0.162	0.246	0.239
F-stat	4.361	4.866	5.522	6.14	3.763
	0.040[b]	0.010[a]	0.002[a]	0.000[a]	0.007[a]
n	75	75	71	64	45

[c] Sig. at 0.10; [b] Sig. at 0.05; [a] Sig. at 0.01

Table 11
Results of Regression (Stock Return: HPR) 60 Days

Variables	Stock Return (HPR) 60 Days				
	I	II	III	IV	V
CSP	2.204	2.774	3.046	3.306	3.665
	0.031[b]	0.007[a]	0.003[a]	0.002[a]	0.001[a]
SIZE	-	-1.872	-2.137	-1.975	-2.239
	-	0.065[c]	0.036[b]	0.053[c]	0.031[b]
GROWTH	-	-	2.742	2.999	1.439
	-	-	0.008[a]	0.004[a]	0.158
INS	-	-	-	1.788	1.949
	-	-	-	0.079[c]	0.059[c]
MNJR	-	-	-	-	3.008
	-	-	-	-	0.005[a]
Adj R2	0.050	0.081	0.153	0.201	0.313
F-stat	4.856	4.264	5.221	4.97	5.016
	0.031[b]	0.018[b]	0.003[a]	0.002[a]	0.001[a]
n	75	75	71	64	45

[c] Sig. at 0.10; [b] Sig. at 0.05; [a] Sig. at 0.01

The variable of growth is measured by the growth of the company in regression III and IV with stock return using CAR and HPR and it has a significant and positive effect. The results is similar to that by Kusumajaya (2011) and Sari and Abundanti (2014), stating that the company growth is an indicator of the company value, From the standpoint of investors, the company's growth shows signs of positive and favorable development in which the company growth has an impact and the company is also expected of getting a return on the investment. Yet, the growth variable in the regression V with stock return using CAR and

HPR had no significant positive effect. The researchers believe that the results of the regression were caused by the reduction of V, with different sample of companies.

Institutional ownership in the regression IV and V with stock return using CAR and HPR has a significant positive effect. Similar results were obtained from studies Murwaningsari (2012) in which the institutional ownership was positively related to stock returns. Murwaningsari (2012) revealed that institutional ownership has significant and positive effect on the value of the company and increase public confidence in the com-

panies that also increase trading volume and stock price. This is a reflection of increasing public confidence in the company. Thus, according Rustiarini (2011) it is due to the institutional investors that have the power and experience and is responsible for applying the principles of corporate governance to protect the rights and interests of all shareholders.

Managerial ownership in the regression V with stock return using CAR and HPR has a significant and positive effect. This result is similar to the studies by Rahayu and Faisal (2005), the managerial ownership is positively related to stock returns. If the management ownership in a company is greater the management will strive even harder to meet the interests of shareholders. The management of with opportunistic behavior increases the amount of discretionary accruals that cause reported earnings increases, too. In an efficient market, it would increase the profit that reacted so positively by the market price of the company's stock market that goes up, in which it can increase the return earned by shareholders.

Robustness Tests
The study also provides robustness tests by choosing a different trade. As referred to the previous studies by Jia and Zhang (2013), the researchers selected a time span of 20 and 60 trading days after the IPO. The robustness test is expected to provide strong support to the hypothesis of the study to dispel concerns that different testing time will affect the empirical results.

Robustness test is the result of regression test of, 20 days and 60 days, trading after the IPO. The researchers used it to compare differences in the regression test results into the conclusions of this study are the regression results 40 trading days after the IPO. The results of regression 20 days and 60 days are presented in Table 8, 9, 10 and 11.

It showed that, in general, there is no difference between the results of the regression 40-day trade and that of 20 and 60 trading days, except the results of the regression I in Table 8 shows the CSP does not affect the stock return (p = 0.103). Generally, there is a consistency of the significant effect of corporate social performance (CSP) on the stock return as measured by CAR for 40 days, 20 days and 60 days. The same thing happened in CSP influence on stock return as measured by HPR where there is consistency between the HPR for 40 days, 20 days and 60 days. Thus, the results of this study are robust.

5. CONCLUSION, IMPLICATION, SUGGESTION, AND LIMITATIONS
In general, the corporate social performance (CSP) in companies conducting initial public offerings (IPO) in the Indonesian Stock Exchange can be generalized as follows. First of all, the company IPO's long-standing of over eight years have better CSP compared to those which are recently founded such as under eight years. Besides that, the CSP has a significant and positive effect on stock returns IPO. In addition, robustness test also shows a support for CSP has a positive effect on stock returns IPO.

Again, the investors should also pay attention to the IPO of the companies with long-standing and CSP. The companies conducting an IPO in the future, especially those, which are new or young, should increase attention to CRS as expressed in the report. CSR is now a social investment company that has an impact on the positive response from investors that will affect stock prices and stock returns obtained so companies worthy of investment options.

For further study, the researchers should do I more in-depth approach, including the indicators and dimensions of CSP compared with NH approach. They should also use the variables as well as in this study. They can also use another approach developed by individuals, entities, or organizations from Indonesia because the indicators and dimensions that are prepared should be better in line with the conditions in Indonesia. This study used a relatively small sample, namely only companies doing an IPO during the last five years.

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APPENDICES

Table 12
NH Approach: Key Success Factors for Social Performance

Areas of Responsibilities	No	Indicators
Community	1	Assistance of the road improvement around the company
	2	Assistance of the roan lightening in the company environment
	3	Priority of the employee enrolment for the entire society
	4	Assistance of prosperity and economy improvement for the entire society
	5	Assistance of capital stimuli for SMEs and Cooperatives
	6	Assistance of society health care
	7	Assistance of education and trainings
	8	Assistance of healthy water provision
	9	Assistance of organization and youth activities
	10	Assistance of development and conservation for art and culture
	11	Assistance for sport achievement development both regional, national, and international levels
	12	Assistance for the victim of natural disaster
	13	Assistance for development and improvement of praying infrastructures
	14	Cooperation with national and international institutions related to society improvement
	15	Assistance for pioneering and facilitating the harmonization among religion disciples
	16	Assistance for religious activities and religious day ceremonies
	17	Pioneering and facilitating the relationship of harmony and closeness with the society
	18	Assistance for the orphanage and old people
	19	Assistance for overcoming the street children
	20	Campaign and being active in the narcotic and HIV eradication
	21	Opening market infrastructures in remote areas
	22	Opening access to the remote regions
	23	Acquiring the awards for the society attention in entire society
Environmental	24	Having the program for garbage management and processing
	25	Investment for equipment for garbage processing
	26	The rehabilitation and reclamation program for the environment
	27	Conducting ongoing research for the management and maintenance of the environment
	28	Having a good environmental management system
	29	Trying to perform preventive and repressive activity in the prevention in the context of the production process
	30	Participate maintaining the security and tranquility of the surrounding environment
	31	Participate maintain the cleanliness and beauty of the surrounding environment
	32	Trying to keep safe environment
	33	Getting the award in order to participate in maintaining, preserving, reforestation and the like
	34	Always adhere to environmental regulations
	35	Promoting business ethics in the context of environmental management
Energy	36	Program energy savings in the production process
	37	Helps alternative energy sources independently of environmentally friendly
	38	Using alternative energy sources with environmentally friendly materials
	39	Energy Conservation
	40	To do the replacement of equipment in order to save energy
	41	Joining the seminar and training of saving energy

Areas of Responsibilities	No	Indicators
	42	Participate organize conventions energy savings
	43	Developing bio-diesel products to support green energy program
	44	Getting the award in the success of conservation and energy savings
Employee	45	Having a program of incentives, post-retirement benefits and pensions
	46	employee health insurance
	47	Improved employee skills through further study and training
	48	health and welfare assistance for the wife and children of employees
	49	education assistance to children of employees
	50	Supporting effective trade unions
	51	Having corporate code of conduct, and used as the basis for operational and interpersonal relationships
	52	Having programs in Environment, Health & Safety (LK3)
	53	Having a campaign on management system, motivation, and remuneration
	54	Trying to create a conducive working atmosphere, harmony and togetherness
	55	Development program for hobbies and talents of employees both in the arts and sports
	56	Having a recreational program for the employee and their families
	57	Having a sabbatical program for employees
	58	Being fair and trying not to gender bias
	59	Having a good recruitment system
	60	Building a good relationship and close to the mass media as a medium of social control
	61	The Company has other facilities such as mosques, canteens and the like for employees
	62	awards were to be obtained in favor of the employee
	63	Establishing business ethics with employees
Customer	64	Conducting research through research & development for quality, health and development of products & services
	65	Having SOP to ensure quality & health products & services
	66	Having a product quality standard to be used as a parameter of health and quality of products & services
	67	Establish a third party (POM, MOH, Lab, consumer protection, and the like) as a third party to maintain healthy products
	68	Having standards and facilities and laboratories for quality control and assurance of products
	69	Possessing the SOP to ensure the quality of raw materials
	70	Having legal guarantees under the Act and regulations
	71	Ensuring the health and quality of outstanding products, including the out-of-date products
	72	"Halal" warranty certificate for any products or services being sold
	73	Service product quality complaints
	74	Promoting and public education about the use, and other things about the products
	75	Working to improve customer satisfaction
	76	Characteristically to have integrity in running the business ethics
	77	The awards to be obtained by the company related to quality assurance and health products
	78	Establishing business ethics with consumers
Supplier	79	Having SOPs to determine the suppliers
	80	Standard and its implementation with the following criteria in determining the suppliers
	81	Promoting business ethics related to supplier
	82	Having a clear employment contract and trying to do a contract with suppliers
	83	Trying to communicate with a good, fair and transparent way to suppliers

Areas of Responsibilities	No	Indicators
	84	Having done the rights and obligations appropriately to suppliers
	85	Maintaining business ethics with suppliers
Bankers	86	Openness and quality of financial reporting time of submission of the credit (loan)
	87	Truth and accuracy requirements for formal legal support when filing a credit (loan)
	88	Truth, accuracy, and honesty of the value of the collaterals to be submitted
	89	Efforts to comply with the credit agreement
	90	Right installment payment of principal and interest
	91	Establishing a good relationship and cooperation with banks
	92	Maintaining business ethics with bankers
Market force	93	Maintaining a healthy and fair competition
	94	Disclosure in the delivery of products
	95	Using format of promotion through education campaigns, social activities, health, and other learning community
	96	Maintaining price stability without manipulation
	97	Campaign that emphasizes ethics, not the exploitation of women
	98	Promotion with social activities
	99	Avoid monopoly of inside trading
	100	Maintaining business ethics with market segments
Government	101	Following all forms of legislation and laws issued by the government
	102	Following all the advice support given by the government
	103	The government programs
	104	Establishing a good relationship with the local government
	105	Helping to accelerate the development with the government
	106	Supporting the process of regional autonomy
	107	together with the government to support the region's autonomy
	108	Support for increased local revenues
	109	Paying taxes and levies appropriately
	110	Supporting sustainable development
	111	Establishing the ethical business with the government
Shareholder	112	Establishing a good communication with shareholders
	113	Establishing a communication with investors and potential investors
	114	Committed to improving the distribution of dividends in a timely manner
	115	Implementing a good governance
	116	Maintaining business ethics related to shareholders
Directors	117	Increasing the welfare by providing remuneration
	118	Giving bonus
	119	Providing the share bonuses
	120	Maintaining dignity and rights
	121	Compliance with a good employment contract
	122	Following all the applied rules
	123	Maintaining the business ethics of the directors underneath