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The Influence of Lead Underwriter Reputation and Pooling Allotment on Underpricing Before and After the Implementation of the e-IPO Policy

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Abstract:

The e-IPO method is to consider the allocation of the minimum number of shares to retail investors through a more transparent pooling rationing. The purpose of this study is to analyze the impact of lead underwriter reputation and pooling allotment on the implementation of the new policy of the Financial Services Authority (OJK) in the Indonesian Capital Market, namely the transition from conventional IPOs to e-IPOs. This research method is quantitative using secondary data. The population used is companies that have IPOs on the IDX from 2016 - 2023. The samples used in the study are (a) Companies that have IPOs, registered with the OJK and listed on the IDX. (b) Companies that have IPOs, registered with the OJK and listed on the IDX that have complete data for the period 2016 to 2023. (c) Complete MKBD Lead Underwriter data from Companies that have IPOs and (d) complete variable data required in this study are available. The findings of this study highlight several important points: lead underwriter reputation has a significant negative effect on underpricing, lead underwriter reputation, with MKBD as a proxy, has a significant negative effect on underpricing, IPO costs have no significant effect on underpricing, IPO value has no significant effect on underpricing, assets have a significant positive effect on underpricing, firm age has no significant effect on underpricing, percentage of shares offered has a significant positive effect on underpricing, and pooling rationing has a significant negative effect on underpricing, e-IPO policy has a significant negative effect on underpricing.

Keywords: *Reputation, Lead Underwriter, Pooling Allotment, Underpricing*

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1. Introduction

The Jakarta Stock Exchange continues to experience significant development and growth, both in terms of the number of listed companies, market capitalization, and securities trading transaction activity. This shows the increasingly important role of the capital market in Indonesia in supporting national economic development. In the 1977–1988 period, on the IDX there were only 24 companies that sold their shares to the public or IPO. For the capital market to develop more quickly, since the late 1980s the Government of the Republic of Indonesia released a deregulation package with the aim of encouraging an increase in the stock market, such as removing price limits, relaxing IPO provisions and procedures, allowing foreign investors to buy up to 49% shares of companies conducting an IPO, as well as taxation on interest income and other policies.

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Before January 2021, the Indonesia Stock Exchange (BEI) used the conventional or manual book building IPO method for companies looking to go public. On July 2, 2020, the Financial Services Authority (OJK) issued a new regulation on the e-IPO book building method through "Otoritas Jasa Keuangan Republik Indonesia (POJK No. 41/POJK.04/2020) Regarding the Implementation of Public Offering of Equity Securities, Debt Securities, and/or Sukuk Electronically which became effective six months after its enactment," or at the latest by January 2021. This regulation mandates that all companies going public must do so through e-IPO. The number of companies that have conducted an IPO since the implementation of the e-IPO regulation (January 2021 to December 2023) is 171.

One of the key issues addressed in "POJK No. 41/POJK.04/2020" is regarding share allocation. In the IPO process using the book building method, there are two types of share allocation: fixed allotment and pooling allotment. The fixed allotment is the allocation of shares for orders that are generally intended for institutional investors actively participating in the book building process. The pooling allotment, on the other hand, is the allocation of shares for orders that are centrally processed and mostly come from retail investors. The distribution of share orders through pooling allotment is done proportionally. Pooling allotment is a mechanism for allocating shares carried out by the underwriter where all share orders are first collected or pooled by the underwriter. Subsequently, the issuer and underwriter will determine the share allocation that each investor will receive proportionally according to the regulations.

The level of information asymmetry in a capital market is very high, leading to a significant level of underpricing. According to Ljungqvist, Alexander (2001), underpricing occurs when the offering price is lower than the closing price on the first day of trading.

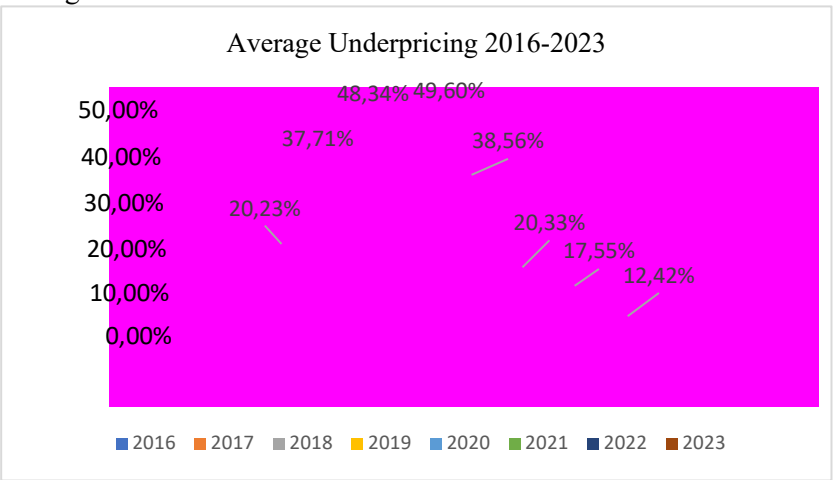

Figure 1. Average Underpricing
Source: Secondary data processed, 2024

Figure 1 shows empirical data indicating that the average underpricing of issuers who went public between 2016 and 2023 was 30.59%. This high level of underpricing in Indonesia contrasts with findings in countries with more advanced and efficient

capital markets. In Indonesia's capital market, it is common to observe a phenomenon where the stock price of an issuer increases significantly to the Upper Automatic Rejection Limit (ARA) on the first day of trading and even several days after the IPO. Indonesia is known for having a high level of underpricing compared to countries like the United States, where research by Ritter Cordell (2023) found an average underpricing of 19% between 1980 and 2022. The IPO prospectus data reveals that the concentration and distribution of shares for fixed allotment is relatively high, averaging 99%. One of the main reasons for such high underpricing is the uneven distribution or allocation of IPO shares to the public, which is concentrated among certain parties, causing a scarcity of sell orders on the stock exchange.

Based on the data, it shows the phenomenon of the gap that high underpricing in initial public offerings (IPOs) can actually indicate a less favorable situation. Excessive underpricing can be an indication of: (a) too low offering price: if underpricing is very high, it means that the offering price set by the company is too low and may indicate that the company's management is not competent in evaluating and setting a reasonable stock price. (b) Loss of fresh funds potential: excessive underpricing causes the company to miss the opportunity to raise larger fresh funds from the IPO. This means that the company cannot maximize the amount of funds that can be obtained from the IPO. (c) Negative signal to investors: very high underpricing can be perceived as a negative signal from the company's management to investors. This can raise doubts among investors about the management's ability to manage the company.

Several previous studies on underpricing in the capital market during IPOs have seen a number of theories proposed and used by researchers, including the principal-agent model (Baron, 1982), winner's curse theory (Rock, 1986), the signaling model (Allen & Faulhaber, 1989), and other theories, although the results have not provided consistent or convincing conclusions, with research gaps still existing. The summary of previous research gaps is as follows:

Table 1. Research Gap

Research Gap	Research result	Author
There are still differences in research findings regarding the impact of Underwriter Ranking/Reputation on underpricing	Underwriter Ranking has a negative impact on underpricing	1. Hu et al.(2021) 2. Hanafi (2021) 3. Bandi et al., (2020) 4. Katti & Phani (2015) 5. (Utamaningsih et al., 2013) 6. (Wang & Yung (2011) 7. Carter & Manaster (1990)
	Underwriter Reputation has a positive impact on Offer to Open Return	1. Bradley et al. (2009) 2. (Habib & Ljungqvist, (2001)
There are still differences in research findings regarding the impact of the number of IPOs on underpricing	IPO value has a negative impact on Offer to Open Return	1. Hanafi (2021) 2. Katti and Phani (2015) 3. Carter and Manaster (1990)
	IPO value has a positive impact on Offer to Open Return.	Utamaningsih et al. (2013)

Research Gap	Research result	Author
There are still differences in research findings regarding the impact of the number of shares offered on underpricing	Share Offered has a negative impact on underpricing	Carter & Manaster 1990)(
	Share Offered has a positive impact on underpricing	Hanafi (2021)
There are still differences in research findings regarding the impact of Ownership concentration/IPO Allocation	Ownership concentration/allocation has a negative impact on underpricing.	Arora & Singh (2023)
	Ownership concentration/allocation has a positive impact on underpricing	1. Utamaningsih et al., (2013) 2. (Field et al., 2003)

Source: various research journals

Based on several studies in table 1, it shows that there are differences in research results between researchers so that phenomena related to underpricing are still found.Therefore, it is necessary to carry out further research regarding the underpricing phenomenon, especially in Indonesia.Several studies show empirical evidence regarding factors that can influence underpricing such as Underwriter Reputation, IPO amount, IPO Percentage, Total Assets, IPO Allocations, Age of Company, Share Offered amount.

IPO underpricing refers to the practice where the initial offering price of a company's shares is lower than the market price after the IPO. Many studies have identified various factors that influence underpricing, including market conditions, firm characteristics, and underwriter reputation. Despite numerous studies, there is still a gap in understanding the effect of lead underwriter reputation on the level of underpricing across markets, especially in emerging markets. Further research is needed to explore how underwriter reputation may vary across regional and economic contexts.

The novelty of this research is by referring to existing literature, research that focuses on the reputation of lead underwriters is still very limited and research that focuses on the effect of pooling allotments due to changes in IPO policy on underpricing has never been carried out. This research aims to provide empirical evidence regarding the relationship between lead underwriter reputation and pooling allotment on underpricing in the IPO context in Indonesia in relation to the implementation of e-IPO policies. Therefore, this research is very relevant to test the effectiveness of the implementation of the policy "POJK Number 41 /POJK.04/2020 and Number 15 /SEOJK.04/2020" compared to before the implementation of POJK e-IPO in the Indonesian capital market. Based on the above background, the purpose of this study is to analyze the impact of lead underwriter reputation and pooling allotment on the implementation of the new policy of the Financial Services Authority (OJK) in the Indonesian Capital Market, namely the transition from conventional IPOs to e-IPOs.

Based on the background and problem statement above, the questions that need to be answered in this study are:

1. How is underpricing influenced by the Reputation of the Lead Underwriter?
2. How is underpricing influenced by Adjusted Net Working Capital (ANWC)?
3. How is underpricing influenced by Underwriting Costs/Management fees?
4. How is underpricing influenced by the Value of IPOs?
5. How is underpricing influenced by Total Assets?
6. How is underpricing influenced by Company Age?
7. How is underpricing influenced by the Percentage of shares offered/Share Offer?
8. How is underpricing influenced by Centralized Stock Allocation/Pooling Share Allotment?
9. How is underpricing influenced by changes in IPO policy?

3. Theoretical Background

Signaling Theory

According to Spence (1973), signaling theory is essentially related to reducing information asymmetry between two parties. Signaling theory is useful in depicting behavior when two parties (individuals, organizations, or the public) have access to different information (Ghozali, 2020). Signals or information received by individuals, organizations, investors, or the public can be responded to as either good news or bad news signals. Investor responses to good news or bad news signals will affect market conditions. This serves as one way investors mitigate potential risks that may arise, allowing them to reduce risks that could harm their investments. During an IPO, prospective investors, especially retail investors, do not have enough information to differentiate the quality of the company going public. Therefore, issuers and lead underwriters send signals to investors through the market. Some good news signals sent to investors or the public include underpricing, lead underwriter reputation, issuer assets, issuer age, ANWC, and offered shares which the issuer uses to provide insights into the issuer's quality during the IPO.

The Influence of Lead Underwriter Reputation on Underpricing.

Signaling theory supports that a good reputation of the lead underwriter can influence underpricing during an IPO by sending a positive signal to investors about the quality and prospects of the company offering shares. Research by Hu et al. (2021), Hanafi (2021), Bandi et al. (2020), Katti and Phani (2015), Utamaningsih et al. (2013), Wang and Yung (2011), as well as Caster and Manaster (1990), indicates that the reputation of the lead underwriter has a negative impact on underpricing.

H1: The reputation of the Lead Underwriter has a negative impact on Underpricing.

The Influence of Adjusted Net Working Capital (ANWC) on Underpricing

The lead underwriter's working capital, in the Indonesian context of Adjusted Net Working Capital (NAWC), can play an important role in reducing the level of underpricing at the time of the IPO. The issuer or company needs to choose an underwriter who has sufficient capital and a good reputation to help optimize IPO results. Thus, signaling theory supports that the size of the lead underwriter's working

capital can influence the level of underpricing at the time of the IPO by providing a signal to investors about the lead underwriter's ability to bear the risks of the IPO. Carter and Manaster (1990) concluded that there is a significant negative influence of underwriter capital on underpricing.
H2: NAWC has a negative effect on underpricing.

The Influence of IPO Costs on Underpricing.
Direct costs related to an IPO include underwriting fees, management fees, selling fees, capital market professional fees (legal consultants, public accountants, notaries), Securities Administration Bureau, listing fees on the Indonesia Stock Exchange, Central Securities Custodian fees, marketing costs, and others. The largest cost in an IPO is the underwriting fees, which cover underwriting fees, management fees, and selling fees received by the lead underwriter.

Companies aim for a high stock price to cover the optimal costs of the IPO, while the lead underwriter seeks an underpriced offering to reduce risks. However, to maintain their reputation, the lead underwriter will set a price closer to its market value. Consequently, IPO costs can affect underpricing due to a conflict of interest between the company and the lead underwriter. Habib & Ljungqvist (2000) found that IPO costs have a significant negative impact on underpricing.
H3: IPO costs have a negative impact on Underpricing.

The Influence of IPO Value on Underpricing.
The number of IPO results can influence the level of underpricing during IPO through its impact on investors' perception of the company's business prospects and valuation. Signaling theory supports that the size of the IPO value can affect the level of underpricing because the IPO value can signal to investors about the company's business prospects and valuation. Hanafi's research (2021) shows that the IPO value has a negative impact on the offer to closing return, and Michaely and Shaw's research (1994) indicates that the IPO value has a negative impact on the lead underwriter's reputation.
H4: IPO value has a negative impact on Underpricing.

The Influence of Total Assets on Underpricing..
One measure of a company is depicted by the amount of assets or wealth it possesses. The total assets of a company can serve as a signal to investors regarding the company's future business prospects. Signaling theory supports the idea that the size of a company's assets can influence underpricing because these assets can act as a signal to investors about the business prospects and valuation of the company. Hanafi (2021) concluded that Total Assets have a negative impact on the offer to open return.
H5: Total Assets have a negative impact on Underpricing.

The Influence of Company Age on Underpricing
Company age refers to how long a company has been operating since its establishment. Companies that have been operating for a long time may have a more established reputation, proven performance history, and a strong network. Signaling theory supports that company age can influence underpricing because it can serve as

a signal to investors regarding the company's going concern. Katti & Phani (2015), Bradley et. all. (2009), Habib & Ljungqvist (2000), and Carter and Manaster (1990) show that age has a negative impact on underpricing and Raw Return.
H6: Company age has a negative impact on Underpricing.

The Influence of Percentage of Shares Offered on Underpricing.
The percentage of shares offered by a company to investors represents how much of the company's shares will be owned by the public. If the percentage of shares offered by the company is relatively low, it means only a small portion of the total shares of the company is offered to the public, which can result in investors competing to acquire limited shares. Signaling theory supports that the percentage of shares offered can influence underpricing because the percentage of shares offered can be a signal to investors about the future profitability, valuation, and high dividends of the company. Hanafi (2021) concludes that the Percentage of shares offered/Share Offer has a negative impact on the offer to open return.
H7: Share Offer has a negative impact on Underpricing.

The Influence of Pooling Allotment on Underpricing.
The use of pooling allotment in e-IPO can enhance efficiency, transparency, and accessibility for retail investors in the initial public offering process. Setting a minimum limit of share allocation to retail investors through pooling allotment in e-IPO allows investors to access or receive a more considerable and fairer share allocation compared to conventional IPOs, thereby increasing retail investor participation. The theory of information asymmetry supports that pooling allotment can influence underpricing by providing equal access to information for all investors. With the e-IPO policy establishing a higher minimum share allocation to retail investors, this study formulates that pooling allotment has a negative impact on underpricing.
H8: Pooling Allotment has a negative effect on Underpricing.

The Influence of e-IPO policy implementation on Underpricing
Pooling allotment in e-IPO can enhance efficiency, transparency of information, and accessibility for retail investors in the initial public offering process. Setting minimum limits on stock allocation, transparency of information, and accessibility available to retail investors through pooling allotment in e-IPO allow investors to gain more access or allocation of shares compared to conventional IPOs, thus increasing retail investor participation in IPOs. Information asymmetry theory supports that e-IPO policy implementation can affect underpricing.
H8: Pooling Allotment has a negative impact on Underpricing

Framework
Referring to the theories and research put forth by several experts, the research framework is outlined as follows:

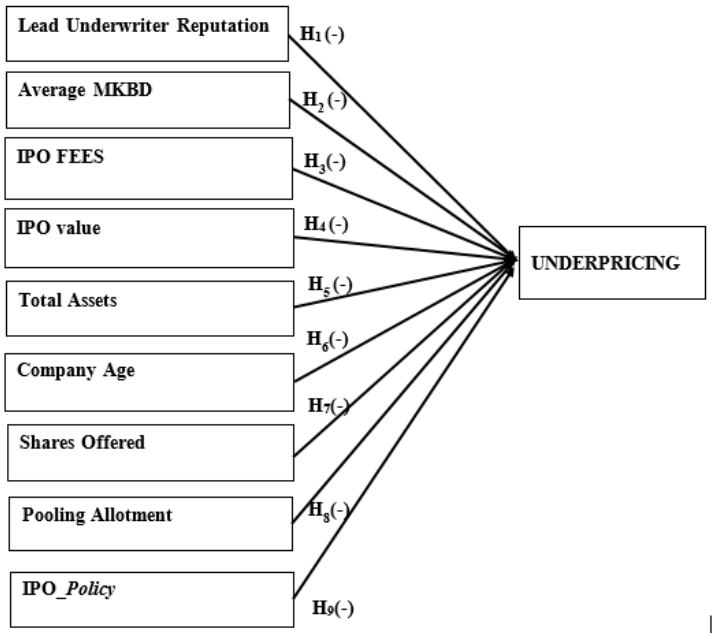

Figure 2. Framework of Thought

2. Methodology

Research design

In this research, the method used is a quantitative method by explaining the relationship between variables through existing literature by testing hypotheses. The data in this research is unstructured cross-sectional and the data was taken over a certain period.

Data Types and Sources

The data used in this research is quantitative data obtained including:

1. Internal database and official OJK website "www.ojk.go.id". The data obtained includes the name of the issuer, the name of the securities company, ANWC Lead underwriter, and the closing price of the first day of trading.
2. OJK official website "www.idx.co.id". The data used includes the name of the issuer, prospectus, IPO date, closing price on the first day of trading for the 2016-2023 period and the IDX Annual Report for the 2016-2023 period.
3. Data obtained from the prospectus include the name of the lead underwriter, share allocation, IPO costs including management fees, IPO value, offering price, number of IPO shares, percentage of IPO shares, total assets and company age.
4. Data obtained from Bloomberg is stock price data on the first trading day for the period 2016 to 2023.

Population

In this research, the population used is companies that IPO on the IDX from 2016 - 2023.

Sample

Purposive sampling or selecting samples from the population based on predetermined criteria or assessments related to the research topic, is the sampling strategy used in this research. The sample parameters used in this research are:

1. Companies that have an IPO are registered with the OJK and listed on the IDX.
2. Companies that have an IPO are registered with the OJK and listed on the IDX which has complete data for the period 2016 to 2023.
3. ANWC Lead Underwriter data from companies with complete IPOs.
4. The variable data required in this research is completely available.

Operational definition

The operational definition of research is explained below.

Table 2. Operational Definition of Variables

Variable	Symbol	Measurement
Underpricing	Underpricing	Closing price on the first day of trading subtracted by the offering price divided by the offering price. $Underpricing = \frac{Closing\ Price - IPO\ Price}{IPO\ Price} x\ 100\%$
Lead Underwriter Reputation	Reputation	Sum of guarantees provided by the Lead Underwriter in each year from 2016 to 2023. The Lead Underwriter is ranked from 0 to 9 based on the range of guarantee amounts, with 9 being the most reputable (providing the most guarantees) and 0 being the least reputable (providing the fewest guarantees)..
Adjusted Net Working Capital	Average_ANWC	The total ANWC owned by the lead underwriter throughout each year in the observation period, from 2016 to 2023, is then divided by the number of trading days in each observation year to obtain the average ANWC (Average_ANWC) for each observation year. The Lead Underwriter is ranked from 0 to 9 based on the range of average ANWC values for each year, with 9 being the most reputable (having the highest average ANWC) and 0 being the least reputable (having the lowest average ANWC).
IPO_Cost	Ln _IPO_Cost	IPO Cost = (%) certain amount determined by the Issuer in the prospectus x IPO value (in rupiah)
IPO value	Ln IPO Amount	Ln of the IPO value in Rupiah
Total Assets	Ln Asset	Ln total assets in the latest financial statements audited by a Public Accountant before IPO (in Indonesian Rupiah)
Company Age	Age	Measured from the company's establishment based on the articles of incorporation until the company goes public on an annual basis
Percentage of Shares Offered	Share Offered	$\%\ Share\ offered = \frac{Total\ Shares\ offered}{Total\ Shares\ fully\ paid\ up} x\ 100\%$
Pooling Allotment	Pooling_Allotment	% pooling allotment
IPO Policy (Dummy Variable)	IPO_Policy	The number 0 depicts conventional IPO policy, and the number 1 depicts e-IPO policy.

Method for Data Collection

1. Documentation
   It is done through examining files as well as documenting written data related to the research.
2. Literature Study Method
   Used through books and other reading sources as well as understanding literature with discussions that are relevant and in accordance with research.

Data Analysis Methods

Based on the data obtained was analyzed using statistical methods including descriptive data analysis, correlation tests, classical assumption tests, and regression calculations. The instrument or application used to analyze all the data obtained is the Eviews program. A detailed analysis of each stage is as follows:

3. Empirical Findings/Result

Determination Coefficient Test (Adjusted R2)

The results of the coefficient of determination test using eviews are presented in the table below:

Table 3. Determination Coefficient Test

R-Squared	Adjusted R-squared	SE of Regression
0.650	0.638	15,237

Source: Secondary data processed, 2024

Based on the results of calculations using eviews, it is known that the variables Lead Underwriter Reputation, Average ANWC, Ln IPO_Cost, Ln IPO Amount, Ln Asset, Age, Share Offered, Pooling_Allotment and IPO_ Policy together has an influence on Underpricing of 0.650 or 65% and the rest is influenced by other factors not studied.

Simultaneous Significance Test (F Statistical Test)

The results of the simultaneous coefficient test using eviews are presented in the table below:

Table 4. Simultaneous Test

F count	F table	p-value
53,678	1,916	0,000

Based on the calculation results, it is known that the calculated F value is 53.67 with prob. 0,000. It was concluded that there was an influence of Reputation, Average ANWC, Ln IPO_Cost, Ln IPO Amount, Ln Asset, Age, Share Offered, Pooling Allotment and IPO Policy together (simultaneously) on Underpricing.

Individual Parameter Significance Test (t Statistical Test)

The test results are presented in the table below:

Table 5. Partial Test

Variable	Coefficient	Std. Error	t count	p-value	Conclusion
Constant	81,199	26,423	3,073	-	-

Reputation	-4,403	0.442	-9,962	0.0000***	Accepted
Average_ANWC	-0.811	0.411	-1,975	0.0493**	Accepted
Ln_ IPO Cost	-1,342	1,648	-0.814	0.4162	Rejected
Ln_ IPO Amount	-2,457	1,597	-1,538	0.1252	Rejected
Ln_Asset	2,429	1,010	2,405	0.0169**	Rejected
Age	-0.093	0.082	-1,131	0.2589	Rejected
Share Offered	0.373	0.130	2,865	0.0045***	Rejected
Pooling Allotments	-0.394	0.071	-5,515	0.0000***	Accepted
IPO_Policy	-6,627	2,724	-2,433	0.0156**	Accepted

Source: Secondary data processed, 2024

Explanation: Underpricing = percentage return on closing price compared to IPO offering price; Lead Underwriter Reputation = Reputation Rating 0-9 based on Underwriting Value; Average_ANWC = Reputation Rank 0-9 based on average ANWC; Ln of IPO Cost: Ln Total IPO Cost in Rupiah; Ln of IPO Amount: Ln IPO Amount in Rupiah; Ln of Total Assets: Ln Total Company Assets in the Prospectus; Age: The age of the company at the time of IPO; Share Offered: Percentage of shares offered at IPO; Pooling Allotment: Percentage of shares available to retail investors at the time of IPO; IPO_Policy: Conventional IPO dummy = 0, e-IPO = 1; The sign * indicates the level of significance, with *: 10%, **: 5%, and *** : 1%,

Based on the results of the partial test with a significance level of 5%, it can be concluded that the independent variables that have a negative effect on Underpricing include Reputation, Average_ANWC, Pooling Allotment, and IPO_ Policy. Meanwhile, the independent variables that have a positive effect on Underpricing include Ln_Asset and Share Offered. Meanwhile, the independent variables that have no effect on underpricing include Ln_ IPO Cost, Ln_ IPO Amount, and Age.

5. Discussion

The Influence of Lead Underwriter Reputation on Underpricing.

The results of the t test for the independent variable Reputation show that the regression coefficient for the reputation variable is -4.403, and the calculated t is -9.962 with a critical value from the t table of -1.969 and a p-value of 0.000. Because the calculated t value is smaller than the critical value from the t table and the p-value is less than 0.05, this means that the reputation variable has a significant influence on underpricing, so the alternative hypothesis (H1) is accepted.

The results of this research succeeded in proving this hypothesis. The results of this study support the findings of Caster and Manaster (1990), Katti and Phani (2015), Widarjo & Trinugroho (2020),Hanafi (2021). Hu et al (2021).The condition of information asymmetry in the Indonesian capital market is still relatively large, which has an impact on the high average IPO underpricing.The research findings support the signaling theory which states that a good lead underwriter's reputation can be a positive signal to investors about the quality and prospects of the company conducting an IPO.

The Influence of Adjusted Net Working Capital (ANWC) against Underpricing
The results of the t-test for the independent variable average ANWC show that the regression coefficient for the average ANWC variable is -0.811, with a calculated t value of 1.975, critical t value from the t-table of 1.969, and a p-value of 0.0493. Since the calculated t value is greater than the critical t value and the p-value is less than 0.05, it indicates that the average ANWC variable significantly influences underpricing, hence the alternative hypothesis (H2) is accepted.

This research successfully proves the hypothesis that there is a significant negative relationship between the lead underwriter's reputation and the ANWC proxy with underpricing. The research findings support signaling theory, stating that a strong reputation of the lead underwriter with a significant ANWC proxy can be a positive signal to investors about the quality and ability of the lead underwriter in managing IPO risks and ensuring IPO success.

The Influence of IPO Costs on Underpricing
The results of the t-test for the independent variable IPO Cost show that the regression coefficient for the Ln IPO Cost variable is -1.342, with a calculated t-value of -0.814 compared to a critical value from the t-table of -1.969 and a p-value of 0.4162. Since the calculated t-value is greater than the critical value from the t-table and the p-value is higher than 0.05, it indicates that the Ln IPO Cost variable does not have a significant influence on underpricing, leading to the rejection of the alternative hypothesis (H3).

The findings of this research fail to support the hypothesis of a significant negative relationship between IPO cost and underpricing. These results contradict the findings of Habib & Ljungqvist (2000), where they found a significant positive relationship between lead underwriter reputation and IPO costs.

The Influence of IPO Value on Underpricing
The results of the t-test for the independent variable IPO amount show that the regression coefficient for the IPO amount variable is -2.457, with a calculated t-value of -1.538, and a critical value from the t-table of -1.969, and a p-value of 0.1252. Since the calculated t-value is greater than the critical value from the t-table and the p-value is higher than 0.05, this means that the IPO amount variable does not have a significant influence on underpricing, therefore the alternative hypothesis (H4) is rejected. This research supports the findings of Carter and Manaster (1990), (Habib & Ljungqvist, 2001), Bradley et al. (2009), Katti and Phani (2015). The research findings support the signaling theory stating that a relatively large IPO value serves as a positive signal to investors about the company's prospects.

The Influence of Total Assets on Underpricing
The results of the t-test for the independent variable Ln Asset show that the regression coefficient for the Ln Asset variable is 2.429, with a calculated t-value of 2.405 and a critical value from the t-table of 1.969. Since the calculated t-value is greater than the critical value from the t-table, and the p-value is less than 0.05, this means that the Ln

Asset variable has a significant influence on underpricing, thus the alternative hypothesis (H5) is rejected.

This research did not successfully prove the hypothesis that there is a significant negative relationship between total assets and underpricing. This is because the majority of the research sample has a small number of assets, which signals negatively to investors about the company's capabilities and prospects in the future. This research supports the findings of Nischay Arora and Balwinder Singh (2003) and Hanafi (2021). On the other hand, these results contradict the findings of Bradley et. al. (2009), and Widarjo & Trinugroho (2020), where their results show a significant negative relationship between total assets and underpricing.

The Influence of Company Age on Underpricing

The results of the t-test for the independent variable of company age show that the regression coefficient for the Age variable is -0.093, with a calculated t-value of -1.131 compared to the critical t-value from the t-table of -1.969, and a p-value of 0.2589. Since the calculated t-value is greater than the critical t-value and the p-value is higher than 0.05, this means that the Age variable does not have a significant influence on underpricing, leading to the rejection of the alternative hypothesis (H6). This research failed to prove the hypothesis due to the fact that most companies in the study sample are relatively new, signaling a negative perception for investors and higher risk. Therefore, investors would demand a larger discount. The findings of this study support the research by Carter and Manaster (1990), Habib & Ljungqvist (2000), Bradley et al. (2009), Katti and Phani (2015), Widarjo & Trinugroho (2020). The research findings align with the signaling theory, indicating that newly established companies signal negative information to investors regarding going concern and future prospects.

The Influence of Percentage of shares offered against Underpricing

The result of the t-test for the independent variable Share Offered shows that the regression coefficient for the Share Offered variable is 0.373, with a t-value of 2.865 and a critical value from the t-table of 1.969, and a p-value of 0.0045. In conclusion, as the t-value is greater than the critical value from the t-table and the p-value is less than 0.05, this means that the Share Offered variable has a significant influence on underpricing, thus rejecting the alternative hypothesis (H7).

This study did not successfully prove the hypothesis that there is a significant negative relationship between share offered and underpricing. This is because most of the companies in this research sample only transfer a small portion of their ownership to the public. A relatively small share offered is a positive signal to investors, leading to high demand and a significant increase in stock prices on the first day of trading. The results of this study support the findings of Utamaningsih et al. (2013) and Hanafi (2021). The research findings support signaling theory, which states that the amount of share offer can be a signal to investors about the future profits, valuation, and dividends that will be obtained from the Company in the future.

The Influence of Pooling Allotment on Underpricing
The results of the t test for the independent variable Pooling Allotment show that the regression coefficient for the pooling allotment variable is -0.394, and the calculated t is -5.515 with a critical value from the t table of -1.969 and a p-value of 0.0000. Because the calculated t value is smaller than the critical value from the t table and the p-value is less than 0.05, this means that the pooling allotment variable has a significant influence on underpricing, so the alternative hypothesis (H8) is accepted.

The results of this research succeeded in proving the hypothesis that there is a significant negative relationship between Pooling Allotment reputation and underpricing. Research findings support the Information Asymmetry Theory which states that pooling allotment with the support of access to the same information for all investors can influence the level of underpricing.

The Influence of Implementing e-IPO policies on Underpricing
The results of the t-test for the independent variable IPO Policy show that the regression coefficient for the IPO Policy variable is -6.627, with a t-value of -2.433 against a critical value from the t-table of -1.969 and a p-value of 0.0156. In conclusion, because the calculated t-value is smaller than the critical value from the t-table, and the p-value is less than 0.05, this means that the IPO Policy variable has a significant influence on underpricing, and thus the alternative hypothesis (H9) is accepted.

This research successfully proves the hypothesis that there is a significant negative relationship between the implementation of e-IPO policy and underpricing. Therefore, it can be concluded that the implementation of e-IPO policy through improving access to shares, transparency, and increasing retail investor participation can have an impact on reducing the level of underpricing

6. Conclusions

This research investigates how the reputation of the lead underwriter and pooling allotment influence underpricing in Indonesia with the presence of e-IPO policy. One way to reduce underpricing during IPO is by considering the reputation of the lead underwriter and increasing investor participation through pooling allotment. The results of this study indicate that the level of underpricing can actually be reduced with a strong reputation of the lead underwriter and retail investors' access to more transparent information through e-IPO. Using a reputable lead underwriter to showcase the company's quality has successfully decreased underpricing. This suggests that investors view lead underwriters with good reputations carefully, thereby reducing underpricing.

However, there are some limitations that need to be considered in this research. This research only focuses on the reputation of the lead underwriter based on the amount of underwriting and Adjusted Net Working Capital, without considering market share, level of expertise, and sanctions from authorities.

In terms of policy implications, this study highlights the need to increase information transparency, provide equal access for investors, involve retail investors in IPOs to reduce underpricing, lower the potential for fraudulent practices or unfair allocations, increase participation of retail investors in the capital market which can, in turn, enhance market liquidity and depth.

For future research, it is recommended to examine the reputation of the lead underwriter based on market share and expertise level, the relationship between the lead underwriter's reputation and stock prices reaching a minimum value after IPO. Additionally, it is important to consider adding independent variables such as investor behavior in IPOs.

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