Venture Capital: An International Journal of Entrepreneurial Finance

Call for Papers for the Special Issue on

The Role of Personality Traits in Entrepreneurial Finance

Guest editors:

Anita Quas, anita.quas@unimi.it
University of Milan, Italy

Yan Alperovych, alperovych@em-lyon.com
Emlyon Business School, France

Benjamin Le Pendeven, blependeven@audencia.com
Audencia Business School, France

That individual characteristics matter in the context of entrepreneurial finance is a widely accepted notion both by industry and academia (Gompers, Gornall, Kaplan, & Strebulaev, 2020; Heuven & Groen, 2012; Levie & Gimmon, 2008). Up to now, most of the published work in entrepreneurial finance research has considered observable elements that determine individuals' human and social capital such as gender (Brush, Greene, Balachandra, & Davis, 2018; Ewens & Townsend, 2020; Greene, Brush, Hart, & Saparito, 2001; Leitch, Welter, & Henry, 2018), culture (Li, Vertinsky, & Li, 2014; Perry, Chand, & Ring, 2015), ethnicity (Bengtsson & Hsu, 2015; Younkin & Kuppuswamy, 2018), educational and professional background (Croce, Ughetto, Bonini, & Capizzi, 2020; Gompers, Mukharlyamov, & Xuan, 2016; Tata & Niedworok, 2020), or even religion (Chircop, Johan, & Tarsalewska, 2020). While these factors remain important, the social and cognitive sciences (behavioral and experimental economics included) provide for a much richer characterization of individuals based on their *personality traits*, the combination of which determines a person's distinctive character.

Entrepreneurship literature has long recognized the importance of personality traits for the chances of individuals to become entrepreneurs. Besides considering classical traits such as overconfidence and risk tolerance (Åstebro et al., 2014), in the last decade, scholars focused on more complete personality models, such as the Big-5 factor personality model and its add-ons (for a review see Kerr, Kerr, and Xu 2017). Personality aspects also have a fundamental importance when it comes to individual investment behavior. In this context, scholars often used the Myers-Briggs Type Indicators (MBTI) to assess which personality types are associated with risk aversion (e.g., Filbeck, Hatfield, and Horvath 2005) and cognitive biases (e.g., Pompian and Longo 2004) in taking financial decisions.

Only very recently, the entrepreneurial finance literature picked up on these aspects to understand the behavior of individual entrepreneurs and early-stage investors. Personality traits have a strong impact on language and communication with third parties, and are therefore fundamental in the interaction between entrepreneurs and their investors. Entrepreneurs' personality traits thus influence their ability to raise external financial resources (Clark, 2008; Gruda, McCleskey, Karanatsiou, & Vakali, 2021), especially in the context of crowdfunding (Anglin et al., 2018; Bollaert, Leboeuf, & Schwienbacher, 2020; Butticè & Rovelli, 2020). The personality traits of the investors are also likely to determine their investment decisions (Franić & Drnovšek, 2019), as they need to match the personalities and "way of thinking" of the entrepreneurs in the target companies (Mitteness, Sudek, & Cardon, 2012; Murnieks, Haynie, Wiltbank, & Harting, 2011). Lastly, personality also matters in the interactions among investors in the entrepreneurial finance landscape, e.g., syndicated partners (Block, Fisch, Obschonka, & Sandner, 2019).

The objective of this special issue (SI) is therefore to provide a platform for more discussion on the role of personality traits in the specific context of entrepreneurial finance. For this, we call for studies focusing on how personality traits influence the demand and supply of external entrepreneurial finance, and their meeting point (investment realization). Such studies should also consider the increasing heterogeneity of the providers of finance to entrepreneurial ventures (Bonini & Capizzi, 2019). A non-restrictive list of relevant topics includes:

- How the personal characteristics of equity investors shape their entrepreneurial finance investment allocations, considering their heterogeneity, e.g.:
    - institutional (e.g., venture capitalists, or limited partners in venture capital funds) and informal (e.g., business angels, crowd) investors,
    - private and governmental actors,
    - equity-based or non-equity-based finance provides (including for instance accelerators and institutions granting loans, guarantees or subsidies).
- How the personal characteristics of entrepreneurs shape their external financing decisions, in terms of whether they initiate a search for external finance, which sources of capital they consider, and how successful they are in fundraising.
- How the personal characteristics on both sides determine the "goodness of the fit" between the entrepreneurs and the investors, and the outcome of such interactions, for instance in terms of duration of the relationship and investment success.

Timeline and submission process

- Submissions are welcome at this link.
- Please submit your paper no later than: **March 31st, 2022.**
- The authors will need to specify that they are submitting to the special issue during the online submission procedure of the journal.
- Submissions should be prepared in accordance with Venture Capital's author guidelines available at the journal's website (also available under this link).
- All manuscripts must be original, unpublished works that are not concurrently under review for publication elsewhere.
- All submitted papers will undergo a standard double blind peer review process as per the journal's standards.
- Inquiries regarding the special issue might be sent to the guest editors.

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