

Call for Papers
Venture Capital: An International Journal of Entrepreneurial Finance

Special Issue on
“New Perspectives on Corporate Governance in Entrepreneurial Firms”

Submission Deadline: January 1, 2022

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Background to Special Issue

Corporate governance deals with the mechanisms used by organizations to enhance the power and accountability of key stakeholders who are responsible for generating, protecting, and distributing wealth. The overarching aim of corporate governance is to minimize agency costs and conflict of interests between the providers (principals) and users (agents) of financial capital. Agency costs include monitoring costs and efforts that are necessary to align the interests of principals and agents and mitigate information asymmetry, adverse selection, moral hazards and shirking behaviors.

To supplement the rich corporate governance literature on publicly listed firms, this special issue will focus on entrepreneurial firms. Entrepreneurial firms are new or existing organizations that engage in innovations and renewals, involving one or more individuals or groups (Sharma & Chrisman, 1999). The agency relations in entrepreneurial firms are often very different from those in mature, publicly listed firms, which implies other corporate governance structures.

The broad term of entrepreneurial firms encompasses different types of firms. Each type has its own mission, business model, investors, decision-making processes, and internal and external sources of tensions, resulting in different corporate governance mechanisms and implications. In addition to the type of ownership, entrepreneurial firms may vary in terms of identity and motives of different shareholders (e.g. VCs, angels, incubators, grants providers, family – nuclear or extended, friends). Firms may also vary in terms of size, maturity, time horizons (short term gains or long-term legacy), financial and non-financial socio-emotional wealth aspirations of the controlling owners, social goals as well as international orientation.

The focus of this special issue on corporate governance in entrepreneurial firms is warranted due to recent technological changes. New digital technologies have fostered the emergence of new, innovative funding channels for entrepreneurial firms, such as crowdfunding (e.g., Ahlers et al., 2015), Initial Coin Offerings (ICOs), Security Token Offerings (STOs) and Initial Exchange Offerings (IEOs) (e.g., Bellavitis et al., 2020; Fisch, 2019). The new digitized finance channels pose particular challenges to existing theories and systems of governance, requiring new thinking about the best approach to structuring the relationships

among a broad set of online investors and their relationship with the other financiers of entrepreneurial firms (Cumming, Vanacker & Zahra, 2019).

The nature and effectiveness of corporate governance in entrepreneurial firms is also influenced by the institutional context (laws, regulations, governments, societal norms, religious beliefs e.g., Islamic laws, Hindu laws) in which these firms operate. Most corporate governance research on entrepreneurial firms focuses on developed countries. We know little about the role of governance in other environments such as emerging countries. More research is needed to examine how corporate governance at the level of the entrepreneurial firm interacts with the institutional context. What are the consequences of these interactions for different stakeholders, which may operate at the individual level (e.g., person, group), community level (e.g., village, city), regional level, country level and/or multinational level (e.g., European Union, UN)? The behaviors and actions of these stakeholders might have different influences on the firm, both bottom-up or top-down.

This special issue seeks papers that provide a better understanding of corporate governance in entrepreneurial firms, taking into account their heterogeneity and the environment in which they operate. Our goal is to integrate the strengths of corporate governance, entrepreneurship, finance, international business, and law scholars to gain insights into resolving asymmetric information and the associated governance problems in entrepreneurial activities. We seek papers that consider different types of entrepreneurial firms operating in different environments, and examine their governance challenges in depth. We are especially interested in papers that investigate the effects of new technologies on entrepreneurial firms.

Types of Submissions Solicited

To expand corporate governance knowledge, we welcome research focusing on entrepreneurial firms that challenges the assumptions in corporate governance research, which largely focuses on publicly held or large private firms. We particularly welcome studies approaching this topic from multi-disciplinary perspectives and theoretical lenses, using qualitative or quantitative methods, and aimed to understand issues at any or multiple level of analysis. Topics include, but are not limited to, the following:

- How do the interests of different types of investors drive governance arrangements and how does this ultimately impact the performance of entrepreneurial firms?
- How do different types of investors differ in directing the attention of their portfolio firms' management teams?
- What contractual mechanisms among investors and entrepreneurs are most effective in mitigating entrepreneurial opportunistic behavior and facilitating entrepreneurial growth?
- How are new financing alternatives (e.g., initial coin offerings, crowdfunding, direct peer-to-peer lending, microfinance) affecting governance and agency risks of entrepreneurial firms?
- How do board of directors in entrepreneurial firms cope with digitization?
- How can digitization deliver benefits for new governance forms in entrepreneurial firms?
- What are the corporate governance implications of decentralized and/or autonomous organizations for entrepreneurial firms?
- What are the corporate governance implications of blockchain for entrepreneurial firms?

- How do different types of owners or investors influence different internationalization processes of entrepreneurial firms?
- How has the role of corporate governance changed over time in fostering and financing international entrepreneurial activities?
- How do new financing alternatives affect the internationalization of entrepreneurial firms?
- How do entrepreneurial firms adapt their governance mechanisms and capital raising strategies in uncertain political and regulatory environments in different markets?
- What are the consequences of new governance mechanisms such as SPACs, direct listings and dual shares?
- How do the longevity aspirations of the principals in entrepreneurial firms, who may go for short term gains or aspire a long-term legacy, affect corporate governance?
- How does family ownership and governance affect the growth and the performance of entrepreneurial firms?
- What forms of corporate governance can facilitate social entrepreneurship?

Submission Process and Deadlines

- Manuscripts will be reviewed according to the VC double-blind review process.
- Submissions should be prepared using the VC Manuscript Preparation Guidelines (see: <https://www.tandfonline.com/action/authorSubmission?show=instructions&journalCode=tvec20>).
- The deadline for submission is **January 1, 2022**.
- Manuscripts should be submitted via Manuscript Central through the journal's website. Authors should select the special issue from the dropdown menu.
- For informal inquiries related to the Special Issue, proposed topics and potential fit, please contact the guest editors.

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