How Do CEO Values Influence IPO Speed? A Conceptual Analysis from the Upper Echelons Perspective

Till Talaulicar

Abstract
The present article addresses the important, but widely neglected subject of initial public offering (IPO) speed that indicates how rapidly a firm develops from its foundation to be publicly listed. We argue that the time that elapses between start-up and going public depends on characteristics of the CEO who tends to largely influence the timing of the IPO decision. Based on conceptual analyses that combine upper echelons theory and the five-factor model of personality traits, we reveal a complex set of propositions about the direct effects of certain CEO values on IPO speed as well as about CEO- and firm-related variables that moderate these relationships. More specifically, we propose that the degrees of the CEO’s emotional stability, extraversion, openness to experience as well as risk propensity tend to be positively associated with IPO speed, whereas the CEO’s agreeableness and conscientiousness tend to decelerate the pace of going public. These effects tend to be stronger when the CEO is the founder of the firm, holds also the position of a chairperson (CEO duality) and/or owns substantial stakes of the company’s equity. Firm size and the size of the top management team tend to weaken these direct relationships.

Keywords
Big Five personality traits, board of directors, chief executive officer, five-factor model, going public, IPOs, new ventures, start-ups, top management teams, upper echelons theory

1 Department of Organization and Management, University of Erfurt, Erfurt, Germany.

Corresponding author:
Till Talaulicar, Department of Organization and Management, University of Erfurt, Nordhaeuser Str. 63, D-99089 Erfurt, Germany.
E-mail: till.talaulicar@uni-erfurt.de
Introduction

The decision to go public, that is, to get the company’s shares listed at a stock exchange for the first time, marks an important milestone for numerous entrepreneurial firms. These initial public offerings (IPOs) have been widely studied by scholars from multiple disciplines including economics, finance, law and management. Particularly the determinants of various kinds of IPO success like short-term underpricing, mid-term financial performance and long-term survival have been investigated. However, much less is known about the speed to go public that indicates how rapidly a firm develops from its start-up to being publicly listed. This is a fundamental research gap as IPO speed could also be considered as a vital measure of firm performance. IPO speed is defined as the reciprocal of the time that elapses between incorporation of the firm and its initial public listing. This measure indicates how fast a start-up is sufficiently professionalized in order to meet listing and corresponding reporting requirements (Cumming & Johan, 2016). The shorter the time is between incorporation and the initial listing, the higher is the IPO speed.

The earlier (or faster) a corporation goes public, the earlier it is ready for further growth based on the proceeds obtained from the stock market. The IPO allows: (a) the market to evaluate the firm’s business, its resources, prospects and risks and to reduce information asymmetry; (b) the firm to attract external capital and to realize more intensive growth rates and (c) extant owners to sell-off their shares and to make cash from their investments. Consequently, high IPO speed tends also to be in the interest of venture capital (VC) investors as their investment horizons become shorter and they earn earlier the returns on their investments. Time to IPO is, therefore, a measure utilized by VC firms to assess the performance of their investee companies (Block et al., 2018).

In the present article, we focus on the person at the apex of the organization (i.e., the ‘CEO’) who very much shapes the strategies and courses of action pursued by the company. Building on upper echelons theory (UET) and the five-factor model (FFM) of the Big Five personality traits, we develop a conceptual model that relates CEO characteristics and the speed of going public. In addition, we argue that these relationships are contingent on essential characteristics of the CEO position as well as of the firm in which the CEO operates.

Our conceptual model goes beyond extant research on IPO speed that is still limited and has predominantly analysed market conditions, but very few firm-level characteristics and only selected structural proxies of the individual at the apex of the organization to explain and predict the age of the firm when its shares get initially listed. The insights gathered from our conceptual model extend the applicability of UET to new and entrepreneurial venture firms. They specify how the effects of CEO personality traits are embedded within upper echelon structures and how they are moderated by firm-level characteristics. The tentative findings are furthermore important to firm owners and investors who may want to assess and/or influence the speed of a new venture’s going public.
Literature Review

An IPO occurs when the shares of a corporation are offered to the public for the first time. After this going public, a previously private firm is transformed into a public firm. Accordingly, the going public represents a major milestone in the development of an enterprise (Filatotchev, 2006). While the IPO allows the company to attract and to gain capital from the external equity market, going public changes the capital structure but also the regulatory environment of the firm that has to provide an IPO prospectus and underlies securities regulation. As a consequence, IPO firms tend to professionalize their structures, staffs and processes before the market evaluates firm information for the first time.

IPOs have been studied widely from the perspectives of multiple disciplines including economics (Varshney & Robinson, 2004), finance (Ritter & Welch, 2002), law (Hurt, 2005) and management (Certo et al., 2009). Previous research has analysed the various players involved in the IPO process, that is, the founders, family owners, the underwriter, research analysts, venture capitalists, institutional and retail investors (Hurt, 2005) as well as the media (Liu et al., 2014; Pollock & Rindova, 2003; Pollock et al., 2008). Moreover, the information content of the prospectus (Daily et al., 2005; Hanley & Hobeg, 2010; Park & Patel, 2015) and the various issuing mechanisms for pricing and allocating IPOs (most notably auctions, book building and fixed price) have gained research attention (Derrien & Womack, 2003). In addition, the extent of IPO activity has been scrutinized (Ritter & Welch, 2002) that tends to be more pronounced in hot (high volume) rather than in cold equity markets (Helwege & Liang, 2004). Less surprisingly, most research attention has been devoted to the performance effects of IPOs. In this regard, IPO underpricing as a measure of short-term performance has been most widely studied (Daily et al., 2003). In addition, research has indicated that even after the IPO newly listed firms differ from common assets (Ritter & Welch, 2002) and, therefore, deserve specific studies to explain and predict their mid-term financial returns (Brav & Gompers, 1997; Carter et al., 1998; Gao et al., 2006) as well as their long-term viability and rates of survival (Bach & Smith, 2007; Espenlaub et al., 2016; Le et al., 2017).

Prior research about the speed of the IPO is scant. Whereas several studies have used firm age as a control variable (Baker & Gompers, 2003; Bell et al., 2014; Carter & Manaster, 1990; Certo et al., 2001; Gulati & Higgins, 2003; Judge et al., 2015; Park et al., 2016; Zattoni et al., 2017) because it is seen as a proxy for the uncertainty to evaluate a firm (Ritter, 1984) and has been indicated to be related to post-IPO returns and performance (Clark, 2002), there is very limited research to explain and predict IPO speed as the dependent variable of interest. Since IPO speed is an indicator of the firm’s capability to professionalize and to adapt to novel regulatory contexts, this is a crucial gap in the literature.

Chang (2004) has shown that internet start-ups tend to go public faster when they have raised more money, attracted venture capitalists with a better reputation and have a larger, and more reputable, network of strategic alliance partners. Nahata (2008) has supported that companies with more reputable VC backing
enter public markets faster. For a sample of (727) Korean venture firms, Sohn et al. (2012) have also found that VC ownership tends to be associated with higher IPO speed, whereas government support had no impact on the pace of going public. Cumming and Johan (2016) have also indicated that firms with VC investment go public quicker, although their Australian sample data do not provide statistically significant differences. VC firms frequently exit their investments via an IPO (Giot & Schwienbacher, 2007) and this exit is more likely in case of more prominent venture capitalists (Ragozzino & Blevins, 2016). The propensity to go public is, therefore, also positively affected by the presence of founder ties to VC investors (Shane & Stuart, 2002) and related VC financing (Tian, 2011).

From the perspective of behavioural finance, Plotnicki and Szyszka (2014) have analysed how much time elapses between the decision to go public and the initial public offering. Based on the disposition effect (Shefrin & Statman, 1985), they proposed that firms will be inclined to implement their listing decision faster in hot markets in order to benefit from their high valuations as soon as possible, whereas the IPO tends to be delayed in cold markets due to the hope that the market may turn again to more favourable conditions.

The majority of the few studies on IPO speed has mainly focused on environmental and market conditions as the sources of their primary predictors. Even fewer studies have dealt with firm-level characteristics that the company is able to deliberately influence or select. Yang et al. (2011) have referred to CEO characteristics that are restricted to demographic and structural proxies to assess the impact of the CEO on IPO speed. More specifically, these authors have proposed that firms tend to go public faster when their CEO has executive experience, is also a founder, earned higher levels of formal education, holds also the chair position (CEO duality), has a larger network due to multiple board affiliations and is of younger age. Based on a sample of 237 US software companies that went public between 1993 and 1999, their study revealed equivocal results. More precisely, the authors were able to find the support of the hypothesized effects of CEO experience, network and age, whereas the remaining predictors turned out to be nonsignificant.

Romano et al. (2019) have also focused on personal characteristics of the CEO and investigated how his or her career horizon may influence the speed of going public. Elaborating on arguments on risk-seeking and risk aversion that the authors attempted to infer based on the CEO career horizon, they have hypothesized that CEOs with shorter career horizons (as they approach retirement) tend to be associated with lower IPO speed as they tend to be more risk-averse and to make decisions that preserve their legacy rather than utilize novel opportunities. The effect gained support by data from 143 non-financial firms that went public on the Borsa Italiana between 2000 and 2012. Since CEO career horizon was solely measured with reference to the age of the CEO, this result converges with the corresponding observation made by Yang et al. (2011).

Most recently, Ettredge et al. (2020) have shown that executive board members (i.e., CEOs and Chief Financial Officers) with accounting-based financial expertise tend to increase IPO speed as they tend to be able to reduce information asymmetry during the IPO process and consequently to shorten the preparation
time of the IPO. Remarkably, user-based financial expertise and supervisory-based financial expertise were not significantly associated with the timing of the IPO. Their findings are based on a sample of 587 IPOs issued in the US between 2000 and 2010. IPO speed is measured as the number of days from the first prospectus filing (S-1) to the IPO date, and hence restricted to the last stages after the announcement of the going public.

To resume, IPO speed is an important measure of IPO performance and informative to stakeholders to assess the potential of a new venture. However, there is a paucity of research about IPO speed. In order to predict the timing of going public, the very few related studies of IPO speed have primarily referred to environmental conditions and rather ignored characteristics the firm is capable to influence. Corresponding findings suggest that IPO speed tends to be higher when market conditions are favourable, future profitability is more uncertain and reputable owners benefit from a public listing. There are very few studies that have scrutinized CEO characteristics as major predictors of IPO speed and they are all based on proxies of CEO characteristics rather than their (‘true’) personal attributes.

**Theory and Model**

**Conceptual Foundations**

**Upper Echelons Theory**

The present study develops and utilizes a conceptual model to explain how CEO characteristics influence the pace of going public and hence the amount of time that elapses between incorporation and the initial listing of the firm. In contrast to environmental market conditions, the CEO is appointed by the board of directors and deliberately selected. The CEO is the individual at the apex of the organization who very much shapes and forms the strategic decision-making of the firm including the decision to go public. Cao et al. (2015, p. 1958) also emphasize the ‘CEO’s unique position and influence as the firm’s chief cognizer and decision maker’. The CEO is hence ‘construed as the firm’s primary leader and principal decision maker’ (Arendt et al., 2005, p. 680). The impact of the CEO can be expected to be even more pronounced in newly-founded ventures than in their more established counterparts that tend to be larger and more inert (cf. Daily & Dalton, 1992; Kacperczyk & Marx, 2016; Talaulicar, 2017). In this regard, Peterson et al. (2009) have shown that a CEO’s (transformational) leadership is more strongly related to firm performance in start-ups than in established companies. Much earlier, Miller et al. (1982) have already indicated that CEO characteristics are more strongly associated with a firm strategy in small companies than in large ones.

Our explanatory model about the determinants of IPO speed relies on upper echelons theory (UET) according to which the strategic actions of a firm are a reflection of its top managers, their personalities and values which consequently explain and predict firm outcomes such as strategic choices and performance
levels (Hambrick & Mason, 1984). According to Hambrick (2007, p. 334), the central idea and the core of UET rests on two interconnected parts: ‘(1) executives act on the basis of their personalized interpretations of the strategic situations they face, and (2) these personalized construals are a function of the executives’ experiences, values and personalities’.

This stream of research overcomes rather deterministic views of the firm, as they are proposed by population ecologists or some early institutionalists and emphasizes the discretionary impact that top managers tend to have and exert. At the same time, this approach does not overemphasize the influence of the upper echelons but acknowledges their bounded rationality and the (organizational as well as environmental) constraints they face. UET, therefore, shares the assumption ‘that informationally complex, uncertain situations are not objectively “knowable” but, rather, are merely interpretable’ (Hambrick, 2007, p. 334). In addition, the extent of the executives’ influence on strategic decision-making of the firm and its ultimate performance depends on the degree of managerial discretion (Finkelstein & Hambrick, 1990; Hambrick, 2007; Hambrick & Finkelstein, 1987), that is, the latitude of action available to the upper echelons that is contingent on various firm-level (Quigley & Hambrick, 2012), industry level (Hambrick & Abrahamson, 1995) as well as country-level determinants (Crossland & Hambrick, 2011). As Finkelstein and Boyd (1998, p. 179) explain: ‘High-discretion contexts increase potential CEO impact on organizational outcomes because the constraints common to managing organizations are generally less severe under these conditions’.

Against the background of bounded rationality, informational complexity and uncertainty, UET underscores the role of psychological constructs like values and perceptions of executives (Carpenter et al., 2004). Due to their limited capacity to collect and process relevant information completely (in terms of absolute rationality), psychological factors become more persuasive and influence how situations are perceived and assessed, how alternative courses of action are developed and evaluated and how eventually decisions are made and implemented (Cyert & March, 1963; Finkelstein et al., 2009; Hambrick & Mason, 1984).

The original notion of UET suggests (a) to study the whole group of the top management team (TMT) and (b) to rely on structural and demographic proxies to gauge, or to infer, the underlying values and perceptions that guide executives and their decision-making (Hambrick & Mason, 1984). The present study diverges from these two initial suggestions.

Clearly, the leadership of the firm is a complex and collective endeavour by multiple persons at the top (i.e., the upper echelon) of the organization. Attention to the TMT rather than the individual CEO may, therefore, yield more robust explanations. However, as Hambrick (2007) also indicates, UET does not require to study the whole TMT but can also be successfully applied to the individual CEO. This may also be advisable as the CEO is not only a member of the TMT but very much influences and shapes the TMT’s actions and strategic decision-making. According to Hambrick (1994, p. 180): ‘everyday observation and a wealth of related literature indicates that the top group leader has a disproportionate, sometimes nearly dominating influence on the group’s various characteristics and
outputs’. Consequently, a multiplicity of studies has focused on the CEO and contributed to develop and advance the wisdom to be gathered from UET (for a review, see Bromiley & Rau, 2016). This focus may be even more expedient in the case of entrepreneurial new ventures that are frequently led by a founding CEO who tends to be less constrained than his or her counterparts in larger and more established companies and, consequently, more influential on strategic decision-making and firm outcomes (Hmieleski et al., 2015). Bamford et al. (2006) have shown that founder CEOs play a much more critical role in newly founded ventures and tend to be much more important to the performance of this group of companies. Prior research has moreover indicated that TMT effects may be contingent on, or interact with, CEO characteristics (e.g., Buyl et al., 2011). In the present study, we focus on CEO characteristics as the CEO is the most influential upper echelon at the apex of the organization. However, we also consider various contingencies in order to incorporate that this influence can be stronger or weaker depending on the context in which the CEO, and his or her decision-making, is embedded.

Certainly, the methodological suggestion to refer to easily accessible and externally observable proxies has helped UET to rise as many researchers have utilized this approach in order to defend their selection of structural and demographic variables as a device to gauge underlying personal values and unobservable personality traits. Yet, these structural and demographic characteristics continue to be proxies and do not release research from scrutinizing and enlightening the (commonly ad hoc or implicitly assumed) relationships that truly trigger and explain the associations observed at the surface (Cannella & Monroe, 1997). Without opening-up, the black box between demographic proxies and outcome variables, corresponding theories about the underlying (‘real’) mechanisms to explain these relationships remain untested and, as consequence, potentially spurious (Lawrence, 1997). Whereas the vast majority of empirical studies of UET has employed structural and demographic proxies (for a review, see Carpenter et al., 2004); we, therefore, focus on the CEO and refer to his or her values as they shape how this person thinks, feels and acts. Inconclusive findings in prior research may also stem from unreliable, or insufficiently valid, proxies that may be easy to measure but ineligible to infer personality traits that are supposed to ultimately drive the relations under study. For these reasons, we refer to original notions of the CEO’s personality and more precisely his or her values because CEO values have been suggested to have ‘important consequences for organizations’ (Bromiley & Rau, 2016, p. 191).

**Five Factor Model of the Big Five Personality Traits**

UET offers a powerful and successfully utilized lens to justify the study of executive effects on various firm-level outcomes. This theory provides a convincing rationale about why executive characteristics can be expected to shape and influence how corporate decisions are prepared and made. However, the initial version of UET lacks to provide precise guidance on which specific CEO characteristics have to be studied, and for which specific reasons. Since a very broad range of CEO traits and behaviours may shape strategic decision-making
and influence organizational outcomes, a myriad of variables has been selected rather ad hoc and their inclusion lacks a compelling theoretical underpinning.

In order to overcome this deficit, we refer to research from personality theory and organizational behaviour for substantiating a well-founded selection of variables to be included in our explanatory model. More specifically, we employ the five-factor model (FFM) of the Big Five personality traits that has been shown to be the leading model to capture and categorize the values that guide and shape human behaviour including thinking, feeling and acting. The model is a hierarchical organization of personality traits in terms of five basic dimensions that are also referred to as the ‘Big Five’ personality dimensions (Barrick & Mount, 1991, 1993; Zhao & Seibert, 2006): emotional stability (versus neuroticism), extraversion, openness to experience, agreeableness (versus antagonism) and conscientiousness. The model has been shown to be comprehensive and to be applicable across various observers and different cultures (McCrae & John, 1992). As Judge et al. (2002, p. 766) put forward, the model ‘can be used to describe the most salient aspects of personality’.

These five dimensions represent basic dimensions of personality (Costa & McCrae, 1992) and, as a consequence, a sufficiently high level of abstraction to predict firm-level outcomes. Since these outcomes may be influenced by various CEO traits and behaviours, broader and more general dimensions appear to be better candidates for use in predicting them than less abstract personality constructs (Cannella & Monroe, 1997). Moreover, investigations into the mechanisms that underlie human behaviour may receive critical guidance from these five factors (McAdams, 1992). O’Reilly et al. (2014, p. 598) aptly explain that extant research has provided convincing evidence that (a) the magnitude of potentially relevant personality and value constructs can be reliably captured by the five-factor model, (b) these values and personality traits are associated with a broad range of outcomes on the individual as well as the organizational level and (c) these values and personality traits can be assessed with great accuracy. Regarding the latter, psychological research has developed effective instruments to capture the values of the Big Five empirically. As Digman (1990, p. 436) puts it: ‘These dimensions can be measured with high reliability and impressive validity’. More recent research has indicated that forced-choice inventories tend to have similar or slightly higher validity than the Big Five assessed with single-stimulus personality inventories (Salgado & Táuriz, 2014). Corresponding measures vary with regard to their length and the number of included items (Johnson, 2014). More recently, shorter personality measures have also been developed that allow applying the model to various settings, including upper echelons, where using more comprehensive inventories may be prohibitive (Credé et al., 2012).

The five-factor model has been applied to a wide variety of different settings and has been shown to be systematically associated with leadership behaviour (Judge & Bono, 2000) and effectiveness (De Hoogh et al., 2005) as well as innovation and entrepreneurial activity (Zhao & Seibert, 2006). Even more related to the present study, the model has been utilized in order to analyse CEO personality and its impact on firm-level outcomes like firm performance (Nadkarni & Herrmann, 2010; Peterson et al., 2003), organizational culture (Giberson et al.,
Talaulicar

2009; O’Reilly et al., 2014), strategic change (Herrmann & Nadkarni, 2014), strategic flexibility (Nadkarni & Herrmann, 2010) and TMT dynamics (Peterson et al., 2003). We build on these prior findings to develop and substantiate our model about the effects of CEO personality values on a specific type of organizational outcome and change, that is, the speed of newly founded and incorporated companies to go public.

**Model Extension and Integration**

The five-factor model has been shown to capture comprehensively and reliably the general personality traits to explain human behaviour. Due to the specific focus of the present study on newly founded entrepreneurial firms, we follow recent research and add risk propensity as this trait is of vital importance to entrepreneurial activities (Stewart & Roth, 2001) but not unambiguously assigned to one of the Big Five traits. Entrepreneurial firms are viewed in terms of innovativeness, proactiveness and risk-taking and, therefore, tend to display a greater willingness to undertake somewhat risky courses of action (Cao et al., 2015). Risk propensity is, therefore, viewed to be positively associated with entrepreneurship (Ling et al., 2008) and has also been widely studied as an essential characteristic of CEO personality (Papadakis & Barwise, 2002).

Whereas Nicholson et al. (2005) suggest that risk propensity is a compound personality trait that emerges from a clear Big Five personality pattern (i.e., high levels of emotional stability, extraversion and openness to experience as well as low levels of agreeableness and conscientiousness), competing researchers argue that risk propensity constitutes a separate dimension of personality. Since this specific personality trait has been shown to differ across job types and business sectors (Nicholson et al., 2005) and to be particularly influential in entrepreneurial settings like the ones associated with start-ups (Brandstätter, 2011), we seize the suggestion by extant meta-analyses (Brandstätter, 2011; Zhao & Seibert, 2006; Zhao et al., 2010) and scrutinize risk propensity as an additional and separate factor. This inclusion appears to be the most adequate approach in order to reflect both the theoretical importance of risk propensity as a trait and its taxonomical uncertainty within the five-factor model (Zhao et al., 2010). While an individual’s risk propensity may be changeable over time, there is consensus that risk propensity is persistent and a rather stable dispositional attribute (Sitkin & Weingast, 1995).

UET and FFM leadership research guide the development of our model that extends multiple levels of explanation, incorporates the embeddedness of the CEO within the firm and includes his or her interaction with the top management team of the corporation. More specifically, our model will cover the direct effects of CEO values on the speed to go public. Subsequently, we introduce various levels of context variables that can be expected to moderate the direct effects of CEO personality traits on IPO speed. More precisely, we argue that the strength of these direct effects will depend on the characteristics of the CEO position and firm-level characteristics of the company. The selection and substantiation of these moderators build on the concept of discretion (Finkelstein & Hambrick, 1990; Hambrick, 2007; Hambrick & Finkelstein, 1987). We suggest that the direct
effects of CEO values on the timing of the decision to go public tend to be stronger when the CEO has a greater latitude of action and is hence less constrained due to influence exerted by other groups including the board of directors, the remaining TMT or the owners of the company.

**Direct Effects of CEO Values on IPO Speed**

According to the extended five-factor model, CEO personality traits can be characterized by high versus low levels of emotional stability, extraversion, openness to experience, agreeableness, conscientiousness as well as risk propensity. Emotional stability characterizes an individual who is calm, tempered and self-confident (Zhao & Seibert, 2006). These persons tend to feel less likely anxious and tense. Low levels of emotional stability are tantamount to high levels of neuroticism which is associated with the common traits of being anxious, self-pitying, tense, touchy, unstable and worrying (McCrae & John, 1992). Neuroticism includes the disposition to exhibit poor emotional adjustment and experience negative effects, such as anxiety, insecurity, and hostility (Judge et al., 2002), and may lead to risk-aversion and intellectual rigidity (Peterson et al., 2003). Emotional stability, in contrast, is related to a strong self-image of high self-esteem and high self-efficacy. Emotional stability may, therefore, indicate a higher capacity to challenge the status quo and to adapt to novel circumstances as these individuals remain calm and balanced in demanding and stressful situations and unstructured environments. CEOs characterized by high emotional stability may, therefore, tend to foster a faster going public as they are less threatened by the complexities and novelties associated with an IPO.

Personalities with high levels of extraversion tend to be active, assertive, energetic, enthusiastic, outgoing and talkative (McCrae & John, 1992). As Zhao and Seibert (2006, p. 260) describe: ‘People who score high on Extraversion tend to be cheerful, like people and large groups, and seek excitement and stimulation. People who score low on Extraversion prefer to spend more time alone and are characterized as reserved, quiet, and independent’. Extraversion tends to be associated with sociability and expressiveness. Extravert CEOs may, therefore, be more capable to develop a social network of supporters and to convince others about the proposed courses of action that may also include entering novel and complex situations. Their network and their convincing power (due to their social and expressive abilities) help these individuals to gather information from various and diverse fields, to receive advice how to cope with unprecedented challenges and to implement even major changes. CEOs scoring high on the dimension of extraversion may, therefore, be able to conclude the decision of an initial listing earlier after the incorporation of the firm.

(A high degree of) Openness to experience characterizes an individual who is artistic, curious, imaginative, original and has wide interests (McCrae & John, 1992). This includes the tendency to be nonconforming, unconventional and autonomous (Judge et al., 2002). Open individuals tend to search for change and are highly capable of understanding and adapting to new insights and perspectives.
O’Reilly et al. (2014) argue that CEOs who score high on openness tend to value innovation and change. According to Nadkarni and Herrmann (2010, p. 1056): ‘Open CEOs can quickly and effectively notice and interpret new and diverse environmental information that does not fit the existing mindset and are likely to consider a wide range of strategic alternatives, including those that deviate greatly from existing strategies’. These traits support the notion that CEOs characterized by openness to experience tend to be more inclined to make the fundamental decision of an IPO earlier than their less open CEO counterparts and may consequently achieve higher levels of IPO speed.

Traits associated with the interpersonal orientation of agreeableness, that captures the individual’s attitude and behaviour towards other people (Zhao et al., 2010), including being appreciative, forgiving, generous, kind, sympathetic and trusting (McCrae & John, 1992). Individuals characterized by high levels of agreeableness (tantamount to low levels of antagonism) tend to be altruistic, compliant and cooperative. The related tendencies to avoid conflict, to seek affiliation and to conform to established practices can be expected to inhibit the exploration of novel courses of action. High degrees of agreeableness may consequently inhibit the willingness ‘to drive hard bargains’ (Zhao & Seibert, 2006, p. 261) and to make difficult decisions like entering novel and unstructured environments as it entails from an initial listing at the stock market. O’Reilly et al. (2014) suggest that CEOs who are higher on this dimension tend to strive for less competition and consequently less accomplishment. Since their performance expectations are less demanding, they may feel lower pressure to go public fast in order to meet their goals. Highly agreeable CEOs may, therefore, exhibit rather slow decision-making and hence also be associated with low IPO speed.

Individuals who score high on the dimension of conscientiousness tend to be efficient, organized, planful, reliable, responsible and thorough (McCrae & John, 1992). According to Judge et al. (2002, p. 767), this factor ‘is comprised of two related facets: achievement and dependability’. An achievement orientation tends to be associated with a need for control which can be expected to impede entering situations that are characterized by complexity and newness (like an IPO). Similarly, dependability is associated with the tendency to conform with established standards and to pursue common courses of action. Highly conscientious CEOs may thus focus on following rules and wish to control and structure their environment (Peterson et al., 2003). O’Reilly et al. (2014, p. 602), therefore, suggest that ‘those high on Conscientiousness can also be careful, compulsive, preoccupied with rules, and concerned with avoiding mistakes’. CEOs characterized by high levels of conscientiousness may consequently be more reluctant to deviate from past experience and to make fundamental changes such as the ones associated with going public. Nadkarni and Herrmann (2010, p. 1053) furthermore argue: ‘When CEOs fail to see important environmental stimuli that do not fit their narrow visions, they will be unable to respond to critical environmental changes. This will inhibit their ability to quickly initiate strategic responses’. CEO conscientiousness may, therefore, decelerate the pace of going public.

Risk propensity ‘can be defined as a personality trait involving the willingness to pursue decisions or courses of action involving uncertainty regarding the
success or failure outcomes’ (Zhao et al., 2010, p. 388). More succinctly, this trait has been captured as the individual’s tendency to take or avoid risks (Sitkin & Weingast, 1995, p. 1575). Several studies have indicated that CEO risk-taking propensity tends to be positively associated with firm innovativeness (e.g., Kraicz et al., 2015). Individuals scoring high on risk propensity tend to make riskier choices (Das & Teng, 2001; Sitkin & Pablo, 1992; Sitkin & Weingast, 1995). Wally and Baum (1994) have moreover demonstrated that risk propensity enhances the speed of decision-making by CEOs. CEOs characterized by high levels of risk propensity tend to be more inclined to experiment with novel solutions and to enter unstructured environments. Such CEOs may, therefore, seek more extensively for new business opportunities and options to grow quickly. As a consequence, we may suggest that this personality trait is associated with higher IPO speed.

In sum, we expect that CEOs who are characterized by high levels of emotional stability, extraversion, openness to experience, as well as risk propensity, tend to decide to go public earlier, whereas higher degrees of CEO’s agreeableness and conscientiousness tend to be related to less speedy IPOs. Stated more formally:

**Proposition 1a:** Higher degrees of the CEO’s emotional stability tend to be positively associated with IPO speed.

**Proposition 1b:** Higher degrees of the CEO’s extraversion tend to be positively associated with IPO speed.

**Proposition 1c:** Higher degrees of the CEO’s openness to experience tend to be positively associated with IPO speed.

**Proposition 1d:** Higher degrees of the CEO’s risk propensity tend to be positively associated with IPO speed.

**Proposition 1e:** Higher degrees of the CEO’s agreeableness tend to be negatively associated with IPO speed.

**Proposition 1f:** Higher degrees of the CEO’s conscientiousness tend to be negatively associated with IPO speed.

**Moderators of the CEO Values–IPO Speed Relationships**

Based on our model, we propose three different groups, or levels, of variables that appear to be important moderators of the relationship between CEO values and IPO speed, as outlined above. More specifically, the impact of CEO values on IPO speed is embedded within the position of the CEO, his/her TMT and additional firm-level characteristics. Characteristics of the CEO position, the firm and its TMT have been shown to influence the degree of CEO discretion and, as a consequence, the extent of his or her impact on firm outcomes. The greater the level of discretion within the specific context of the CEO, the greater his or her potential impact on strategic decision making and organizational outcomes (e.g., Finkelstein & Boyd, 1998). We, therefore, propose that these moderators also need to be considered to explain and predict (the strengths of) the effects of CEO values on IPO speed.
**Interactions with Characteristics of the CEO Position**

The CEO tends to be in general the most powerful and influential individual at the apex of the organization. However, this person can nonetheless be more or less powerful and influential depending on further characteristics associated with this specific position. More specifically, we suggest that the CEO’s discretion tends to be more extensive when the CEO is also the founder of the firm, simultaneously the chairperson of the board of directors and/or a major owner of the company.

Nelson (2003) has demonstrated that the influence of founder CEOs persists at the time of the initial public offering. CEO founder status (i.e., companies led by a CEO who is also the founder of the firm) has been shown to have inconclusive relations to firm performance (e.g., Jayaraman et al., 2000; Pollock et al., 2009). These inconsistent results can be related to the strengths and weaknesses of the CEO founder status. Founder CEOs may add value due to their familiarity with the firm from which they also gather non-economic utility. However, they may also inhibit firm growth and adaption to new environments as their expertise may not fit with the requirements of the firm in later stages of its life cycle when founder CEOs may become rigidity or liability. Whereas the effects on firm performance have turned out to be mixed, CEO founder status tends to provide a greater latitude of action to the CEO. As Finkelstein (1992, p. 509) explains: ‘managers who are founders of a firm … may gain power through their often-long-term interaction with the board, as they translate their unique positions to implicit control over board members’. We, therefore, expect his or her impact to be more pronounced. Consequently, CEO founder status tends to positively moderate the direct effects of CEO personality on IPO speed.

CEO duality, or dual board leadership structure, refers to the configuration where the same person serves jointly as CEO and board chairperson (Baliga et al., 1996; Daily & Johnson, 1997; Krause et al., 2014). Again, the performance implications of this structure have been indicated to be equivocal (for a review, see Krause et al., 2014) as CEO duality may exert positive effects like centralization of decision authority and unitary leadership but also negative ones due to ineffective board monitoring and has, therefore, been termed as a ‘double-edged sword’ (Finkelstein & D’Aveni, 1994). However, holding jointly the positions of CEO and chairperson can be expected to enhance CEO discretion as the CEO may formally dominate the board and make effective board monitoring less likely (Daily & Johnson, 1997). Consequently, the impact of the CEO tends to be less constrained in this constellation. We may, therefore, presume that CEO duality tends to strengthen the direct associations between CEO values and the pace of going public.

Furthermore, CEO discretion will benefit from the ownership stakes that the CEO holds. CEO ownership indicates the proportion of outstanding stock owned by the CEO. This variable has been widely studied as a mechanism of interest alignment to motivate effort- and/or risk-averse executives to act in the interest of the company and its shareholders by strengthening the link between firm performance and CEO’s wealth (e.g., Misangyi & Acharya, 2014). However, related research has also indicated that managerial ownership may insulate executives and entrench their position within the firm (Jensen & Meckling, 1976).
which may lead to managerial self-serving behaviour including the search for private benefits. We do not refer to interest alignment but power stemming from CEO ownership. CEO ownership has been shown to be a major source of CEO power beyond the source derived from his or her structural position (Acharya & Pollock, 2013; Finkelstein, 1992; Pollock et al., 2009). We, therefore, concur with Fischer and Pollock (2004, p. 466) that ‘greater ownership provides a CEO with more discretion in decision making’. CEOs who own substantial equity stakes of the company tend to be more influential as they are better entrenched from board monitoring and shareholder control. Being a major owner, the CEO has a part to say about which individual is appointed to the board of directors who are supposed to monitor and advise top management and consequently to constrain the latitude of action of executives. As Finkelstein (1992, p. 509) succinctly describes: ‘managers with ownership power will gain some measure of control over boards of directors’. This board may have fewer teeth when the directors very much rest on the approval by the CEO to receive and to remain their office. Similarly, the CEO’s discretion is less constrained by shareholder engagement and activism (Chung & Talaulicar, 2010) if the CEO himself or herself owns a major part of the company shares and can, based on this ownership, influence decisions to be made by the shareholders’ assembly. In short, we can reasonably expect higher ownership stakes held by the CEO to be associated with more extensive discretion. For this reason, CEO ownership tends to positively moderate the direct relationships between CEO personality traits and IPO speed.

The above considerations suggest that CEOs tend to have a greater latitude of action when they are also the founder of the firm, the chairperson of the board of directors and a major owner of the company. For CEOs in such a position, the direct effects of CEO values on the decision to go public tend to be more pronounced. Stated more formally:

**Proposition 2a:** The direct effects of the CEO personality traits on IPO speed tend to be stronger when the CEO is also the founder of the firm.

**Proposition 2b:** The direct effects of the CEO personality traits on IPO speed tend to be stronger when the CEO holds also the position of chairperson (CEO duality).

**Proposition 2c:** The direct effects of the CEO personality traits on IPO speed tend to be stronger when the CEO owns larger portions of the company.

**Interactions with Firm-Level Characteristics**

While the CEO is at the apex of the organization and has a large influence on making and shaping corporate decisions that can be even stronger depending on the characteristics of his or her position, the CEO has not unlimited discretion to decide how fast firms are to go public. Since the CEO is not a ‘lone ranger’ (Arendt et al., 2005, p. 681) with unconstrained power to determine the strategic courses of action single-handedly, the CEO’s social context has to be taken into consideration in more depth. Elaborating on prior research, we argue that CEO
discretion, and consequently the impact of the CEO and his or her personality, tends to be weaker in larger firms and larger TMTs.

Various conceptualizations of firm size have been employed. They nonetheless concur that larger firms tend to be more complex and more inert (Audia & Greve, 2006; Dass, 2000; Hannan & Freeman, 1984). Friedman and Singh (1989) have suggested that inertial forces are greater in larger firms leading to less discretion available to the CEO. Increasing inertia has been demonstrated to constrain the CEO’s discretion (Li & Tang, 2010). Moreover, larger firms have been indicated to be more formalized and bureaucratic (Blau & Schoenherr, 1971). Large organizations tend, therefore, to be more resistant to influence by the CEO. Again, these characteristics can be expected to constrain the CEO’s discretion. More recently, Chatterjee and Pollock (2017) also suggest that CEOs have greater discretion in small-firm environments. In sum, we expect the firm size to be a negative moderator of the direct effects of CEO personality traits on the pace of going public.

TMT size refers to the number of executives comprising the top management group of the firm. Larger TMTs tend to have more resources to deal with their tasks (Kroll et al., 2007; Walters et al., 2010; Wry et al., 2014) and more capacities to process information (Henderson & Fredrickson, 1996). Although larger TMTs may suffer from higher coordination costs and less behavioural integration (Simsek et al., 2005), the CEO may face more severe difficulties to dominate larger TMTs as he or she needs to convince a higher number of persons that the suggested course of action is superior and may be confronted with more extensive opposition if the suggested course of action does not find approval. Henderson and Fredrickson (1996, p. 598) add that ‘a large TMT also increases the number of executive interactions that a CEO must oversee’. Whereas CEOs are able to influence the TMT (Ling et al., 2008), this influence may be less at the interface with larger TMTs where the CEO’s latitude of action can be expected to be less extensive. For this reason, we expect the CEO to be less influential in larger TMTs. Therefore, TMT size tends to negatively moderate the direct relationships between CEO values and IPO speed.

To resume, CEOs tend to have more discretion in smaller firms and smaller TMTs. Consequently, CEOs and their personality traits tend to be less influential when they lead larger firms and larger TMTs. Stated more formally:

*Proposition 3a:* The direct effects of the CEO personality traits on IPO speed tend to be weaker when the firm size is larger.

*Proposition 3b:* The direct effects of the CEO personality traits on IPO speed tend to be weaker when the TMT size is larger.

**Discussion and Conclusion**

The present article addresses the important, but widely neglected subject of IPO speed. Higher IPO speed indicates that the company’s shares are initially listed more shortly after the incorporation of the firm. We develop a conceptual model that
elaborates on upper echelons theory and the five-factor model of personality traits in order to derive propositions about how the CEO may impact the timing of going public. This framework provides well-founded and comprehensive guidance to select variables and substantiate their relations to IPO speed.

Our conceptual analyses conclude three sets of propositions that deal with the direct effects of CEO values on IPO speed as well as the CEO- and firm-related variables that moderate these direct relationships. More specifically, we propose that the degrees of the CEO’s emotional stability, extraversion, openness to experience as well as risk propensity tend to accelerate the going public, whereas the CEO’s agreeableness and conscientiousness tend to be negatively associated with IPO speed. These effects tend to be stronger when the CEO is also the founder of the firm, has also been assigned to the role of the chairperson (CEO duality) and/or holds substantial ownership stakes of the company. Firm size and the size of the top management team tend to weaken these direct relationships. The substantiation of these moderators rests on the concept of CEO discretion, that is, the latitude of action the CEO has to make choices and to influence organizational outcomes. The greater the discretion, the greater the impact of the CEO and more specifically of his or her personality traits and values on strategic choices and firm performance like the pace of going public or synonymously the time to IPO.

Future research may seek to study these propositions empirically. For doing so, scholars can employ well-established measures to collect data about the variables included in our model. Whereas assembling primary data on CEO values may not be an easy undertaking, prior research has demonstrated that these barriers can be overcome. The model also consists of variables that are rather easily accessible. Most notably, the dependent variable of IPO speed can be gathered straightforwardly from listing prospectuses since it is defined as the reciprocal of the time that elapses between the dates of incorporation and going public of a firm. Empirical studies also need to consider control variables that are not explicitly dealt with in our conceptual endeavour. In order to test the explanatory power of the proposed relationships, common predictors of the timing of an initial public offering like market conditions, industry munificence and growth perspectives, as well as the ownership structure of the firm, need to be incorporated.

Building on upper echelons theory and the five-factor model of personality traits, we show how CEO values tend to be related to IPO speed and how CEO- and firm-level characteristics tend to moderate these relationships. These associations have important implications for theory and practice. They inform upper echelons theory about the effects of CEO values, rather than of related proxies, on a widely neglected measure of firm performance. Stakeholders of new ventures may utilize these insights to assess and predict the timing of an IPO depending on characteristics of the CEO at the apex of the organization.

Declaration of Conflicting Interests
The author declared no potential conflicts of interest with respect to the research, authorship and/or publication of this article.
**Funding**

The author received no financial support for the research, authorship and/or publication of this article.

**References**

Acharya, A. G., & Pollock, T. G. (2013). Shoot for the stars? Predicting the recruitment of prestigious directors at newly public firms. *Academy of Management Journal, 56*(5), 1396–1419.

Arendt, L. A., Priem, R. L., & Ndofor, H. A. (2005). A CEO-adviser model of strategic decision making. *Journal of Management, 31*(5), 680–699.

Audia, P. G., & Greve, H. R. (2006). Less likely to fail: Low performance, firm size, and factory expansion in the shipbuilding industry. *Management Science, 52*(1), 83–94.

Bach, S. B., & Smith, A. D. (2007). Are powerful CEOs beneficial to post-IPO survival in high technology industries? An empirical investigation. *Journal of High Technology Management Research, 18*(1), 31–42.

Baker, M., & Gompers, P. A. (2003). The determinants of board structure at the initial public offering. *Journal of Law and Economics, 46*(2), 569–598.

Baliga, B. R., Moyer, R. C., & Rao, R. S. (1996). CEO duality and firm performance: What’s the fuss? *Strategic Management Journal, 17*(1), 41–53.

Bamford, C. E., Bruton, G. D., & Hinson, Y. L. (2006). Founder/chief executive officer exit: A social capital perspective of new ventures. *Journal of Small Business Management, 44*(2), 207–220.

Barrick, M. R., & Mount, M. K. (1991). The Big Five personality dimensions and job performance: A meta-analysis. *Personnel Psychology, 44*(1), 1–26.

Barrick, M. R., & Mount, M. K. (1993). Autonomy as a moderator of the relationships between the Big Five personality dimensions and job performance. *Journal of Applied Psychology, 78*(1), 111–118.

Bell, R. G., Filatotchev, I., & Aguilera, R. V. (2014). Corporate governance and investors’ perceptions of foreign IPO value: An institutional perspective. *Academy of Management Journal, 57*(1), 301–320.

Blau, P., & Schoenherr, R. A. (1971). *The structure of organizations*. Basic Books.

Block, J. H., Colombo, M. G., Cumming, D., & Vismara, S. (2018). New players in entrepreneurial finance and why they are there. *Small Business Economics, 50*(2), 239–250.

Brandstätter, H. (2011). Personality aspects of entrepreneurship: A look at five meta-analyses. *Personality and Individual Differences, 51*(3), 222–230.

Brav, A., & Gompers, P. A. (1997). Myth or reality? The long-run underperformance of initial public offerings: Evidence from venture and non-venture capital-backed companies. *Journal of Finance, 52*(5), 1791–1821.

Bromiley, P., & Rau, D. 2016. Social, behavioral, and cognitive influences on upper echelons during strategy process: A literature review. *Journal of Management, 42*(1), 174–202.

Buyl, T., Boone, C., Hendriks, W., & MatthysSENS, P. (2011). Top management team functional diversity and firm performance: The moderating role of CEO characteristics. *Journal of Management Studies, 48*(1), 151–177.

Cannella, A. A., Jr., & Monroe, M. J. (1997). Contrasting perspectives on strategic leaders: Toward a more realistic view of top managers. *Journal of Management, 23*(3), 213–237.
Cao, Q., Simsek, Z., & Jansen, J. J. P. (2015). CEO social capital and entrepreneurial orientation of the firm: Bonding and bridging effect. *Journal of Management, 41*(7), 1957–1981.

Carpenter, M. A., Geletkanycz, M. A., & Sanders, Wm. G. (2004). Upper echelons research revisited: Antecedents, elements, and consequences of top management team composition. *Journal of Management, 30*(6), 749–778.

Carter, R. B., Dark, F. H., & Singh, A. K. (1998). Underwriter reputation, initial returns, and the long-run performance IPO stocks. *Journal of Finance, 53*(1), 285–311.

Carter, R., & Manaster, S. (1990). Initial public offerings and underwriter reputation. *Journal of Finance, 44*(4), 1045–1067.

Certo, S. T., Covin, J. G., Daily, C. M., & Dalton, D. R. (2001). Wealth and the effects of founder management among IPO-stage new ventures. *Strategic Management Journal, 22*(6–7): 641–658.

Certo, S. T., Holcomb, T. R., & Holmes, R. M., Jr. (2009). IPO research in management and entrepreneurship: Moving the agenda forward. *Journal of Management, 35*(6), 1340–1378.

Chang, S. J. (2004). Venture capital financing, strategic alliances, and the initial public offerings of internet startups. *Journal of Business Venturing, 19*(5), 721–741.

Chatterjee, A., & Pollock, T. G. (2017). Master of puppets: How narcissistic CEOs construct their professional worlds. *Academy of Management Review, 42*(4), 703–725.

Chung, H., & Talaulicar, T. (2010). Forms and effects of shareholder activism. *Corporate Governance: An International Review, 18*(4), 253–257.

Clark, D. T. (2002). A study of the relationship between firm age-at-IPO and aftermarket stock performance. *Financial Markets, Institutions & Instruments, 11*(4), 385–400.

Costa, P. T., Jr., & McCrae, R. R. (1992). Four ways five factors are basic. *Personality and Individual Differences, 13*(6), 653–665.

Credé, M., Harms, S., Niehorster, S., & Gaye-Valentine, A. (2012). An evaluation of the consequences of using short measures of the Big Five personality traits. *Journal of Personality and Social Psychology, 102*(4), 874–888.

Crossland, C., & Hambrick, D. C. (2011). Differences in managerial discretion across countries: how nation-level institutions affect the degree to which CEOs matter. *Strategic Management Journal, 32*(8), 797–819.

Cumming, D., & Johan, S. (2016). Venture’s economic impact in Australia. *Journal of Technology Transfer, 41*(1), 25–59.

Cyert, R. M., & March, J. G. (1963). *A behavioral theory of the firm*. Prentice-Hall.

Daily, C. M., Certo, S. T., & Dalton, D. R. (2005). Investment bankers and IPO pricing: Does prospectus information matter? *Journal of Business Venturing, 20*(1), 93–111.

Daily, C. M., Certo, S. T., Dalton, D. R., & Roengpitya, R. (2003). IPO underpricing: A meta-analysis and research synthesis. *Entrepreneurship Theory and Practice, 27*(3), 271–295.

Daily, C. M., & Dalton, D. R. (1992). The relationship between governance structure and corporate performance in entrepreneurial firms. *Journal of Business Venturing, 7*(5), 375–386.

Daily, C. M., & Johnson, J. L. (1997). Sources of CEO power and firm financial performance: A longitudinal assessment. *Journal of Management, 23*(2), 97–117.

Das, T. K., & Teng, B. (2001). Strategic risk behaviour and its temporalities: Between risk propensity and decision context. *Journal of Management Studies, 38*(4), 515–534.

Dass, P. (2000). Relationship of firm size, initial diversification, and internationalization with strategic change. *Journal of Business Research, 48*(2), 135–146.

De Hoogh, A. H. B., Den Hartog, D. N., & Koopman, P. L. (2005). Linking the Big Five-factors of personality to charismatic and transactional leadership; perceived dynamic
work environment as a moderator. *Journal of Organizational Behavior*, 26(7), 839–865.

Derrien, F., & Womack, K. L. (2003). Auctions vs. bookbuilding and the control of underpricing in hot IPO markets. *Review of Financial Studies*, 16(1), 31–61.

Digman, J. M. (1990). Personality structure: The emergence of the five-factor model. *Annual Review of Psychology*, 41: 417–440.

Espenlaub, S., Khursheed, A., Mohamed, A., & Saadouni, B. (2016). Committed anchor investment and IPO survival – The roles of cornerstone and strategic investors. *Journal of Corporate Finance*, 41(1), 139–155.

Ettredge, M., Li, C., Wang, Q., & Xu, Y. (2020). Executive board member financial expertise and IPO performance. *Accounting Horizons*, HORIZONS-18-020. https://doi.org/10.2308/HORIZONS-18-020.

Filatotchev, I. (2006). Effects of executive characteristics and venture capital involvement on board composition and share ownership in IPO firms. *British Journal of Management*, 17(1), 75–92.

Finkelstein, S. (1992). Power in top management teams: Dimensions, measurement, and validation. *Academy of Management Journal*, 35(3), 505–538.

Finkelstein, S., & Boyd, B. K. (1998). How much does the CEO matter? The role of managerial discretion in the setting of CEO compensation. *Academy of Management Journal*, 41(2), 179–199.

Finkelstein, S., & D’Aveni, R. A. (1994). CEO duality as a double-edged sword: How boards of directors balance entrenchment avoidance and unity of command. *Academy of Management Journal*, 37(5), 1079–1108.

Finkelstein, S., & Hambrick, D. C. (1990). Top-management-team tenure and organizational outcomes: The moderating role of managerial discretion. *Administrative Science Quarterly*, 35(3), 484–503.

Finkelstein, S., Hambrick, D. C., & Cannella, A. A., Jr. (2009). *Strategic leadership. Theory and research on executives, top management teams, and boards*. Oxford University Press.

Fischer, H. M., & Pollock, T. G. (2004). Effects of social capital and power on surviving transformational change: The case of initial public offerings. *Academy of Management Journal*, 47(4), 463–481.

Friedman, S. D., & Singh, H. (1989). CEO succession and stockholder reaction: The influence of organizational context and event content. *Academy of Management Journal*, 32(4): 718–744.

Gao, Y., Mao, C. X., & Zhong, R. (2006). Divergence of opinion and long-term performance of initial public offerings. *Journal of Financial Research*, 29(1), 113–129.

Giberson, T. R., Resick, C. J., Dickson, M. W., Mitchelson, J. K., Randall, K. R., & Clark, M. A. (2009). Leadership and organizational culture: Linking CEO characteristics to cultural values. *Journal of Business and Psychology*, 24(2), 123–137.

Giot, P., & Schwienbacher, A. (2007). IPOs, trade sales and liquidations: Modelling venture capital exits using survival analysis. *Journal of Banking & Finance*, 31(3), 679–702.

Gulati, R., & Higgins, M. C. (2003). Which ties matter? The contingent effects of interorganizational partnerships on IPO success. *Strategic Management Journal*, 24(2), 127–144.

Hambrick, D. C. (1994). Top management groups: A conceptual integration and reconsideration of the “team” label. *Research in Organizational Behavior*, 16, 171–213.

Hambrick, D. C. (2007). Upper echelons theory: An update. *Academy of Management Review*, 32(2), 334–343.
Hambrick, D. C., & Abrahamson, E. (1995). Assessing managerial discretion across industries: A multimethod approach. *Academy of Management Journal, 38*(5), 1427–1441.

Hambrick, D. C., & Finkelstein, S. (1987). Managerial discretion: A bridge between polar views of organizational outcomes. *Research in Organizational Behavior, 9*, 369–406.

Hambrick, D. C., & Mason, P. A. (1984). Upper echelons: The organization as a reflection of its top managers. *Academy of Management Review, 9*(2), 193–206.

Hanley, K. W., & Hoberg, G. (2010). The information content of IPO prospectuses. *Review of Financial Studies, 23*(7), 2821–2864.

Hannan, M. T., & Freeman, J. (1984). Structural inertia and organizational change. *American Sociological Review, 49*(2), 149–164.

Helwege, J., & Liang, N. (2004). Initial public offerings in hot and cold markets. *Journal of Financial and Quantitative Analysis, 39*(3), 541–569.

Henderson, A. D., & Fredrickson, J. W. (1996). Information-processing demands as a determinant of CEO compensation. *Academy of Management Journal, 39*(3), 575–606.

Herrmann, P., & Nadkarni, S. (2014). Managing strategic change: The duality of CEO personality. *Strategic Management Journal, 35*(9), 1318–1342.

Hmieleski, K. M., Carr, J. C., & Baron, R. A. (2015). Integrating discovery and creation perspectives of entrepreneurial action: The relative roles of founding CEO human capital, social capital, and psychological capital in contexts of risk versus uncertainty. *Strategic Entrepreneurship Journal, 9*(4), 289–312.

Hurt, A. C. (2005). Moral hazard and the initial public offering. *Cardozo Law Review, 26*(2), 711–790.

Jayaraman, N., Khorana, A., Nelling, E., & Covin, J. (2000). CEO founder status and firm financial performance. *Strategic Management Journal, 21*(12), 1215–1224.

Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics, 3*(4), 305–360.

Johnson, J. A. (2014). Measuring thirty facets of the Five Factor Model with a 120-item public domain inventory: Development of the IPIP-NEO-120. *Journal of Research in Personality, 51*, 78–89.

Judge, T. A., & Bono, J. E. (2000). Five-factor model of personality and transformational leadership. *Journal of Applied Psychology, 85*(5), 751–765.

Judge, T. A., Bono, J. E., Ilies, R., & Gerhardt, M. W. (2002). Personality and leadership: A qualitative and quantitative review. *Journal of Applied Psychology, 87*(4), 765–780.

Judge, W. Q., Witt, M., Zattoni, A., Talaulicar, T., Chen, J., Lewellyn, K., Hu, H., Shukla, D., Bell, R. G., Gabrielsson, J., Lopez, F., Yamak, S., Fassin, Y., McCarthy, D., Rivas, J., Fainschmidt, S., & van Ees, H. (2015). Corporate governance and IPO underpricing in a cross-national sample: A multi-level knowledge-based view. *Strategic Management Journal, 36*(8), 1174–1185.

Kacperczyk, A., & Marx, M. (2016). Revisiting the small-firm effect on entrepreneurship: Evidence from firm dissolutions. *Organization Science, 27*(4), 893–910.

Kraicz, N. D., Hack, A., & Kellermanns, F. W. (2015). What makes a family firm innovative? CEO risk-taking propensity and the organizational context of family firms. *Journal of Product Innovation Management, 32*(3), 334–348.

Krause, R., Semadeni, M., & Cannella, A. A., Jr. (2014). CEO duality: A review and research agenda. *Journal of Management, 40*(1), 256–286.

Kroll, M., Walters, B. A., & Le, S. A. (2007). The impact of board composition and top management team ownership structure on post-IPO performance in young entrepreneurial firms. *Academy of Management Journal, 50*(5), 1198–1216.

Lawrence, B. S. (1997). The black box of organizational demography. *Organization Science, 8*(1), 1–22.
Le, S., Kroll, M., & Walters, B. (2017). TMT departures and post-IPO outside director additions: Implications for young IPO firms’ survival and performance. *Journal of Small Business Management, 55*(1), 149–169.

Li, J., & Tang, Y. (2010). CEO hubris and firm risk taking in China: The moderating role of managerial discretion. *Academy of Management Journal, 53*(1), 45–68.

Ling, Y., Simsek, Z., Lubatkin, M. H., & Veiga, J. F. (2008). Transformational leadership’s role in promoting corporate entrepreneurship: Examining the CEO-TMT interface. *Academy of Management Journal, 51*(3), 557–576.

Liu, L. X., Sherman, A. E., & Zhang, Y. (2014). The long-run role of the media: Evidence from initial public offerings. *Management Science, 60*(8), 1945–1964.

McAdams, D. P. (1992). The five-factor model in personality: A critical appraisal. *Journal of Personality, 60*(2), 329–361.

McCrae, R. R., & John, O. P. (1992). An introduction to the five-factor model and its applications. *Journal of Personality, 60*(2), 175–215.

Miller, D., Kets de Vries, M. F. R., & Toulouse, J. -M. (1982). Top executive locus of control and its relation to strategy-making, structure and environment. *Academy of Management Journal, 25*(2), 237–253.

Misangyi, V. F., & Acharya, A. G. (2014). Substitutes or complements? A configurational examination of corporate governance mechanisms. *Academy of Management Journal, 57*(6), 1681–1705.

Nadkarni, S., & Herrmann, P. (2010). CEO personality, strategic flexibility, and firm performance: The case of the Indian business process outsourcing industry. *Academy of Management Journal, 53*(5), 1050–1073.

Nahata, R. (2008). Venture capital reputation and investment performance. *Journal of Financial Economics, 90*(2), 127–151.

Nelson, T. (2003). The persistence of founder influence: Management, ownership, and performance effects at initial public offering. *Strategic Management Journal, 24*(8), 707–724.

Nicholson, N., Soane, E., Fenton-O’Creevy, M. P., & Willman, P. (2005). Personality and domain-specific risk-taking. *Journal of Risk Research, 8*(2), 157–176.

O’Reilly, C. A. III, Caldwell, D. F., Chatman, J. A., & Doerr, B. (2014). The promise and problems of organizational culture: CEO personality, culture, and firm performance. *Group & Organization Management, 39*(6), 595–625.

Papadakis, V. M., & Barwise, P. (2002). How much do CEOs and top managers matter in strategic decision-making? *British Journal of Management, 13*(1), 83–95.

Park, H. D., & Patel, P. C. (2015). How does ambiguity influence IPO underpricing? The role of the signalling environment. *Journal of Management Studies, 52*(6), 796–818.

Park, U. D., Borah, A., & Kotha, S. (2016). Signaling revisited: The use of signals in the market for IPOs. *Strategic Management Journal, 37*(11), 2362–2377.

Peterson, R. S., Smith, D. B., Martorana, P. V., & Owens, P. D. (2003). The impact of chief executive officer personality on top management team dynamics: One mechanism by which leadership affects organizational performance. *Journal of Applied Psychology, 88*(5), 795–808.

Peterson, S. J., Walumbwa, F. O., Byron, K., & Myrowitz, J. (2009). CEO positive psychological traits, transformational leadership, and firm performance in high-technology start-up and established firms. *Journal of Management, 35*(2), 348–368.

Plotnicki, M., & Szszyka, A. (2014). IPO market timing: The evidence of the disposition effect among corporate managers. *Global Finance Journal, 25*(1), 48–55.

Pollock, T. G., Fund, B. R., & Baker, T. (2009). Dance with the one that brought you? Venture capital firms and the retention of founder-CEOs. *Strategic Entrepreneurship Journal, 3*(3), 199–217.
Pollock, T. G., & Rindova, V. P. (2003). Media legitimation effects in the market for initial public offerings. *Academy of Management Journal, 46*(5), 631–642.

Pollock, T. G., Rindova, V. P., & Maggitti, P. G. (2008). Market watch: Information and availability cascades among the media and investors in the U.S. IPO market. *Academy of Management Journal, 51*(2), 335–358.

Quigley, T. J., & Hambrick, D. C. (2012). When the former CEO stays on as board chair: Effects on successor discretion, strategic change, and performance. *Strategic Management Journal, 33*(7), 834–859.

Ragazzino, R., & Blevins, D. P. (2016). Venture-backed firms: How does venture capital involvement affect their likelihood of going public or being acquired? *Entrepreneurship Theory and Practice, 40*(5), 991–1016.

Ritter, J. R. (1984). The “hot issue” market of 1980. *Journal of Business, 57*(2), 215–240.

Ritter, J. R., & Welch, I. (2002). A review of IPO activity, pricing, and allocations. *Journal of Finance, 57*(4), 1795–1828.

Romano, M., Cirillo, A., Mussolino, D., & Pennacchio, L. (2019). CEO career horizons and when to go public: The relationship between risk-taking, speed and CEO power. *Journal of Management & Governance, 23*(1), 139–163.

Salgado, J. F., & Táuriz, G. (2014). The five-factor model, forced-choice personality inventories and performance: A comprehensive meta-analysis of academic and occupational validity studies. *European Journal of Work and Organizational Psychology, 23*(1), 3–30.

Shane, S., & Stuart, T. (2002). Organizational endowments and the performance of university start-ups. *Management Science, 48*(1), 154–170.

Shefrin, H., & Statman, M. (1985). The disposition to sell winners too early and ride losers too long: Theory and evidence. *Journal of Finance, 40*(3), 777–790.

Simsek, Z., Veiga, J. F., Lubatkin, M. H., & Dino, R. N. (2005). Modeling the multilevel determinants of top management team behavioral integration. *Academy of Management Journal, 48*(1), 69–84.

Sitkin, S. B., & Pablo, A. L. (1992). Reconceptualizing the determinants of risk behavior. *Academy of Management Review, 17*(1), 9–38.

Sitkin, S. B., & Weiingast, L. R. (1995). Determinants of risky decision-making behavior: A test of the mediating role of risk perceptions and propensity. *Academy of Management Journal, 38*(6), 1573–1592.

Sohn, D.-W., Kim, H. J., & Hur, W. (2012). Effect of venture capital and government support on the performance of venture firms in Korea. *Asian Journal of Technology Innovation, 20*(2), 309–322.

Stewart, W. H. Jr., & Roth, P. L. (2001). Risk propensity differences between entrepreneurs and managers: A meta-analytic review. *Journal of Applied Psychology, 86*(1), 145–153.

Talaulicar, T. (2017). Top management team organization of high-tech venture firms: Structural arrangements and their potential consequences. In: J. Gabrielsson (Ed.), *Handbook of research on corporate governance and entrepreneurship* (pp. 84–110). Edward Elgar.

Tian, X. (2011). The causes and consequences of venture capital stage financing. *Journal of Financial Economics, 101*(1), 132–159.

Varshney, S., & Robinson, R. (2004). IPO research symposium review. *Journal of Economics and Finance, 28*(1), 56–67.

Wally, S., & Baum, J. R. (1994). Personal and structural determinants of the pace of strategic decision making. *Academy of Management Journal, 37*(4), 932–956.

Walters, B. A., Kroll, M., & Wright, P. (2010). The impact of TMT board member control and environment on post-IPO performance. *Academy of Management Journal, 53*(3), 572–595.
Wry, T., Lounsbury, M., & Jennings, P. D. (2014). Hybrid vigor: Securing venture capital by spanning categories in nanotechnology. *Academy of Management Journal, 57*(5), 1390–1333.

Yang, Q., Zimmerman, M., & Jiang, C. (2011). An empirical study of the impact of CEO characteristics on the new firms’ time to IPO. *Journal of Small Business Management, 49*(2), 163–184.

Zattoni, A., Witt, M., Judge, W. Q., Talaulicar, T., Chen, J. J., Lewellyn, K., Hu, H. W., Gabrielsson, J., Rivas, J. L., Puffer, S., Shukla, D., Lopez, F., Adegbite, E., Fassin, Y., Yamak, S., Fainschmidt, S., & van Ees, H. (2017). How does board independence influence IPO financial performance? The moderating role of the national business system. *Journal of World Business, 52*(5), 628–639.

Zhao, H., & Seibert, S. E. (2006). The Big Five personality dimensions and entrepreneurial status: A meta-analytical review. *Journal of Applied Psychology, 91*(2), 259–271.

Zhao, H., Seibert, S. E., & Lumpkin, G. T. (2010). The relationship of personality to entrepreneurial intentions and performance: A meta-analytic review. *Journal of Management, 36*(2), 381–404.