Religious values and business angel investment decision-making: The influence of the Jewish ethos Tikkun Olam
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Thesis presented to Escola de Administração de Empresas de São Paulo of Fundação Getulio Vargas, as a requirement to obtain the title of Master in International Management (MPGI).

Knowledge Field: Internationalization of Companies, Venture Capital, Economic Behavior

Adviser: Prof. Dr. Gilberto Sarfati

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Committee members:
Prof. Dr. Gilberto Sarfati

Prof. Dr. Tali Hadasa Blank

Prof. Dr. Charles Kirschbaum
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ABSTRACT

This study investigates the role of religious values in the investment decision-making process of Jewish business angels. We show that respondents’ worldview is influenced by Jewish spiritual principles, specifically *Tikkun Olam*, which affects their investing behavior by providing them with motivational and attitudinal orientation. Life-story interviews were conducted with 15 business angels based in France, Brazil, and Israel. Using thematic analysis, we identified *Tikkun Olam*-related dimensions on which respondents’ decision-making tended to rely. Themes such as collective cohesion, values alignment, world improvement, and mystical beliefs took the leading role over traditional wealth-maximization factors expected in investment decision-making. This work shows that non-rational, social identity-related factors support business angels’ decision-making and help them cope with early-stage investment’s high risk and uncertainty.

**Keywords:** investment, business angels, decision-making, religious values, Tikkun Olam, investor behavior
RESUMO
Este estudo investiga o papel dos valores religiosos no processo de tomada de decisões de investimento de investidores anjos judeus. Mostramos que a visão de mundo deles é influenciada por princípios espirituais judaicos, especificamente Tikkun Olam, que afeta seu comportamento de investimento, fornecendo-lhes orientação motivacional e atitudinal. Entrevistas foram realizadas com 15 investidores anjos na França, no Brasil e em Israel. Utilizando análise temática, identificamos dimensões relacionadas a Tikkun Olam nas quais a tomada de decisão de investimento se apoia. Temas como coesão coletiva, alinhamento de valores, melhoria do mundo e crenças místicas assumiram o papel principal em relação a critérios racionais aos tradicionais, voltados para a maximização da riqueza. Este trabalho mostra que fatores não racionais, relacionados à identidade social e religião, apoiam a tomada de decisão de investidores-anjos e os ajudam a lidar com o alto risco envolvido com investimento em empresas em estágio inicial.

Palavras Chaves: Investidores Anjo, processo de decisão, valores religiosos, Tikkun Olam, comportamento do investidor
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LIST OF ABBREVIATIONS

BA: Business Angel
SIT: Social Identity Theory
VC: Venture Capital
1. INTRODUCTION

Investing in early-stage ventures is a high-risk, high-return endeavor. Company data is limited given its short history, and its sustainability in disruptive industries is highly uncertain. Venture capitalists and business angels must rely on a small part of their portfolio to bring them relevant financial returns and cherry-pick startups to invest. Business angels (BAs) are defined as high-net-worth individuals acting alone or in groups (Mason & Harrison, 2008) investing privately in the form of equity finance (Wetzel, 1980).

Early investment angel literature focused on traditional wealth-maximization factors (Van Onasbrugge, 2000; Mason & Stark, 2004; Sudek, 2006). A more recent body of studies has evidenced other reasons than financial return (Taylor, 2019). Scholars have started pointing at a combination of personality and identity elements infusing BA’s decision-making (Maxwell, 2011, Pan et al., 2019). Nevertheless, studies focusing on identity-related factors and angel investing are scarce. Underlying identity factors encompass an unconscious cognitive dimension of decision-making, but they remain overlooked in the literature.

Scholars recognized social identity as a fundamental bridging concept between the individual and the socio-professional realms (Leitch & Harrison, 2016; Fauchart & Gruber, 2011). According to social identity theory (SIT), people perceive themselves as belonging to social categories such as religion, nationality, gender, or profession (Fauchart & Gruber, 2011; Benjamin et al., 2016), loaded in values and social norms dictating how they should behave. Research on the influence of personal values is nascent in both entrepreneurial and investors behavior areas. Pasewark and Riley (2009) support that decision-making based on personal values allows investors to tolerate greater risk and accept lower returns. However, the kind of values influencing a specific type of investment is not specified, and there is still a relevant literature gap.

Seeking to explore the unconscious mechanisms of decision-making, this thesis will focus on the role of religious values in investment selection. We examined how business angels make sense of their decision-making process, drawing on a vision of the world primed by religious principles. We focused specifically on Tikkun Olam, a Jewish ethos that translates to “world repair” and establishes Jews’ religious and spiritual responsibility to improve and fix the world. It
captures the Jewish perspective on social responsibility and ethical management practice, providing an incentive for an economic activity that benefits society (Kahane, 2012; Jacobs, 2019).

The present research seeks to identify unconscious elements of *Tikkun Olam* within business angels' decision-making criteria, addressing the question: does the religious identity of business angels represent a source of unconscious criteria within their rational investment decision-making?

Interviews were conducted with fifteen Jewish BAs located in France, Israel, and Brazil. Following a constructivist-interpretative perspective, we looked for elements of *Tikkun Olam* within respondents' narratives.

This paper is divided into four sections. First, in a literature review, we justify the research question around *Tikkun Olam*-related factors in the business-angels decision-making process. The following section explains methodological choices for data collection and analysis supporting our study. Section 3 exposes findings uncovered in the interviews’ analysis process. Finally, the final section discusses the implications and limitations of the study, future research overtures, and concluding remarks.

1. LITERATURE REVIEW

1.1. Business Angels’ decision-making criteria

The literature about angel investment is extensive and was pioneered by Wetzel in the 1980s, who realized that informal investors played an essential role in the growth of high-tech ventures. He interviewed “informal investors” (in opposition to professional venture investors) on their relationship with their portfolios. Early research (Wetzel 1983, 1990; Mason & Harrison, 1996) refers to angels as wealthy individuals who invest their own money in equity finance in early-stage ventures. BAs typically contribute with more than capital to ventures they invest in and hold informal relationships with the startup leadership, consulting roles, and/or part-time or full-time employment (Wetzel, 1983; Cardon et al., 2009), which allows them to tolerate a higher market risk than VCs (Taylor, 2019).

Despite sharing characteristics, some scholars acknowledged heterogeneity in BAs in terms of experience and expectations. This body of studies is more sophisticated and draws from the
Methodologies used in professional venture capitalists’ research (Sorheim et al. 2007). Other studies (Landstrom 1992, Sorheim & Landstrom 2001, Hsu 2014) looked at BAs through a narrower lens, looking at the investment activity in terms of professional background and investment history. Sullivan and Miller (1996) segmented the market according to their motivational cues, dividing investors into “economic, hedonistic, and altruistic”. This study, among other contributions, proves that BAs are distinguished based on their investment motivations and preferences.

An important part of the scholarship explored the BA’s investment criteria when considering an investment opportunity. BAs are highly selective and tend to reject close to 90% of the opportunities after a first meeting (Landström & Mason, 2007). This research was the first to compare decision-making criteria for BAs and venture capitalist firms. It focuses solely on the difference in explicit economic factors and relies on the level of institutionalization and formality of VCs and BAs investment analysis.

In a study mixing a sample of 2,700 BAs and VCs, Hsu et al. (2013) concluded that “what matters, matters differently”. They argue that differences can be explained by examining market risk, information asymmetry, and control mechanisms typically more rigorous in VC firms.

BAs tend to invest more opportunistically and value more strategic readiness, passion, and human factors. Table 1 summarizes the various investment criteria considered by BAs found in the literature reviewed for the present paper, following a model proposed by Maxwell (2016). It divides factors into five categories: (1) Product, (2) Market, (3) Entrepreneur, (4) Financial, and (5) Deal.
According to Cardon et al. (2009), deals often become more personal to the investor, differently from the VC. BA’s motivation to invest in risky ventures is more complex as it embraces informal human factors such as the entrepreneur’s personality (Taylor, 2019). Given the emphasis on the “human” variables in BAs’ investment decisions, some scholars tried to clarify the characteristics that BAs look for in an entrepreneur.

In a study looking at European start-up financing, Van Osnabrugge & Robinson (2000) showed that entrepreneurs’ enthusiasm, trustworthiness, and expertise ranked first, second, and fourth in BA’s criteria. Sudek (2007) conducted an important study on a group of angel investors in California to understand their prioritization of investment criteria better. He found out that BAs focus mainly on four top themes, respectively: (1) trustworthiness, (2) management team, (3) enthusiasm/passion, and (4) exit routes (See Table 1). Others have examined BA’s rejection criteria rather than selection, such as Mason et al. (1996, 2017).

Maxwell (2007; 2016) identified a common limitation of literature on BAs’ decision-making. He points out that studies usually are a limited snapshot of a group of individuals that do not take

![Table 1: Comparison of criteria considered in the business angels' decision-making literature](image)

- **Table 1**: Comparison of criteria considered in the business angels' decision-making literature
sufficiently into account their evolving personality, experiences, and motivations. His research has evidenced that BA’s ethnic, religious, and educational background significantly influences decision-making and the investor-entrepreneur fit (Maxwell, 2011), suggesting an important personality and cultural impact on investment decisions.

Overall, the existing research has built a greater understanding and vision of the venture capital market and informal risk capital market centered on economic rationality and utility maximization. The studies mentioned above led to the development of a rational, economic perspective on BA’s behavior dominating the existing literature. However, what appears more implicitly in these studies is a view of angel investing decision-making as a mix of economic rationality and individual preferences (Pan et al., 2019). The literature on BA’s decision-making points to the important role of subjectivity and identity factors in BAs’ process. However, it remains undeveloped compared to the rational criteria used when evaluating opportunities.

1.2. Social identity theory and economic behavior

1.2.1. Social Identity Theory

In the neighboring topic of entrepreneurial behavior, scholarship has started to deconstruct the “mono-mytho narrative of entrepreneurs”, which focuses excessively on the “economic archetype” of the entrepreneur (Bird & Schjoedt, 2009; Taylor, 2019). It has seen the increasing popularity of a movement away from the idea of simple economic behaviors - called “homo economicus” (Gruber, 2017). The stream of literature seeks to draw a complete perspective on enterprising individuals, recognizing their individual and social complexities as human beings. It recognized that because founders tend to “put a lot of themselves” in their endeavors, looking at entrepreneurs’ identities could provide an insightful lens for behavioral analysis.

Part of the literature has dived deeper into identity theories to further understand entrepreneurship decision-making and establish a theoretical link between the entrepreneur’s identity and their endeavors. As summarized by Fauchart & Gruber, it became evident that entrepreneurial activities are “infused with meaning, as they are an expression of an individual’s identity, or concept of self” (Fauchart & Gruber, 2011). While complex and multidimensional, identity is indeed the primary source of motivation for human behavior and has profound effects
on how we behave, act, and react in both our personal and professional lives (Leitch & Harrison, 2016).

Scholars recognize social identity as a fundamental bridging concept between the individual and the socio-professional realm (Leitch & Harrison, 2016; Fauchart & Gruber, 2011). Borrowing this lead to the field of entrepreneurship, social identity theory (SIT) could thus serve as a cognitive frame for understanding BA’s investment decision-making process.

Tajfel (1974) first introduced the social identity concept and tried to assess how one’s identity is reflected in a social context. He argues that people’s sense of belonging to a social group creates a social identity that provides them with a frame of reference to evaluate their self-worth (Seiger et al., 2016). SIT explains how individuals create and define their place in society because of their perception concerning group behavior.

A pioneer work from Fauchart & Gruber (2011) applied SIT to assess and explore the salient identities of founders. This in-depth exploratory study of 49 firm founders resulted in a typology of founders’ in three “pure” types of founder identity—Darwinian, communitarian, missionary- and one hybrid form. Darwinian identities are focused on competition with other firms and are driven by economic self-interest and successful business establishment. On the other hand, communitarian founders view their firms as social objects that support and are supported by a particular community for their social group, and profit usually takes second place. Finally, missionary founders perceive their firms as political objects that battle for a particular cause for the benefit of society.

Fauchart & Gruber’s study (2011) provided a point of departure for subsequent studies on entrepreneurial behavior and a body of work that draws from their typology (Powell and Baker, 2014; Sieger, 2016; Alsos et al., 2016; Sieger et al., 2016; MacMillan, 2017). One subsequent stream of research has focused on perfecting this typology and investigating how entrepreneurial behavior is affected by SIT.

This body of research shows that salient social identities are a systematic way to assess entrepreneurial activities (Pan et al., 2017). For instance, Powell and Baker (2014) suggest that founders’ multidimensional identity explains how and why resource-constrained founders respond to adversity in varied ways. Alsos et al. (2016) found statistical relevance in correlating founders’ identities and whether one engages in effectual or causal behavior. Sieger et al. (2016) developed
Pan et al. (2019) argue that Fauchart & Gruber’s three-part categorization offers a good framework for systematically understanding “other-oriented behavior” in social entrepreneurs. SIT provides a partial guide to understanding the founder’s goals and values, which, in their turn, unconsciously guide founders in choosing the type of venture they want to create. Literature on SIT applied to entrepreneurship has shown that one’s social identity and self-categorization directly impact economic behavior and endeavors by having cognitive, affective, and evaluative dimensions (Ysseldyk, 2010).

1.2.2. The role of religion within Social Identity Theory

Considerable research has been done on social identities based on race (Branscombe et al., 1999), gender (Schmitt et al., 2003), and nationality (Bond, 2006). Similarly, some BA-related studies can be viewed through SIT lenses: focusing on cultural and group belonging (Zinecker and Bolf, 2014, Carpentier & Suret, 2015). However, fewer studies have evaluated the implications of a social identity emanating from religion. There is scholarly interest in integrating spirituality and religious values in the practice of business and management. The importance of faith and spirituality is recognized but is still underexplored (Benjamin et al., 2016; Rietveld & Hoogendoorn, 2021).

From a social identity perspective, religious affiliation is powerful in shaping psychological and social behavior. It is inherently a belief system that allows individuals to interpret and give meaning to their actions (Ysseldyk, 2010; Park, 2013). Religion encourages group identity formation as it is very important in many individuals’ self-conception and self-categorization. This is further exacerbated by certain groups’ targets of violence and hate based on their religious affiliation (Wellman & Tokuno, 2004).

However, measuring the causal effect of religion has been hampered by different levels of the salience of religious identities in individuals. Belonging to a religion encompasses several facets of one’s life. It is not as simple as a distinction between active and passive religiosity- an evaluation that could be based on engagement in religious activities (Rietveld & Hoogendoorn, 2021). The degree to which an individual identifies with a given religious group is associated with
the internalization of the religion’s values, norms, and traits, commitment to the religious group, and cohesion of the group itself (Billig & Tajfel, 1973).

Neubert (2019) argues that, while secular and rational perspectives have been prevalent in literature, these hinder the potential to study and express spiritual identity in scholarship. He proposes a continuum of faith integration in scholarship (See Figure 1) based on the assumption that this integration could enhance knowledge and explanation of scholarly behavior (Neubert, 2019).

**Figure 1: Continuum of Faith Integration in Scholarship, Neubert**

![Continuum of Faith Integration in Scholarship](image)

Source: Neubert, 2019

From a behavioral perspective, this continuum is particularly interesting as it proposes a classification of internal and external cues on one’s behavior. It implies that individuals can unconsciously or consciously integrate their faith into their behavior and could thus be the meeting point between spiritual and secular perspectives on behavior. Further, if done consciously, this could be implicitly or explicitly (Neubert, 2019). Previous research has suggested that explicit, rational economic factors are coupled with identity factors of both conscious and unconscious natures in BAs decision-making. As a result, religion could act as a conscious or unconscious social affiliation influencing decision-making.

While several empirical studies explored the link between religious values and economic behavior, a harmonization of findings is difficult because of discrepancies in the definition given to religion, religious denominations, religion-specific or cross-religions, and, importantly, in measures for religion. For instance, a study by Barsky et al. (1997) indicated a link between religion and attitudes towards financial risk-taking by comparing Catholics to Protestants. Another study by Benjamin et al. (2016) shows religious priming has a different effect on aspects of
economic behavior for Catholics, Jews, and Protestants such as contribution to the public good and risk adversity, yet does not affect disutility of work effort, discount rates, or dictator game generosity (Benjamin et al., 2016).

Part of the literature explores how religion and religious values are related to entrepreneurial behavior, with two main areas of focus: (1) entrepreneurial decision-making and (2) choice of entrepreneurship over wage jobs (Rietveld & Hoogendoorn, 2021). Rietveld & Hoogendoorn's (2021) empirical study investigates the role of values in the relationship between religion and entrepreneurial choices, notably on value integration and prioritization. While this shows a good baseline for our study, there is little to no comparable literature stream focusing on the influence of religious values on investment decision-making. A study by Louche et al. (2004) investigated the influence of religion on the propensity of investors to engage in responsible investment. However, this empirical study addressed all types of religions with a high bias on Christianity (all variations included).

There is no empirical study exploring the influence of religious values on early-stage investment decision-making. This specific case represents a particularly interesting area of focus because it requires investors to combine rationality with a more informal form of sensemaking rooted in their identity. It represents a good opportunity to observe the dynamic between religious value priorities and economic and occupational experiences.

1.3. Judaism and business ethics: the importance of Tikkun Olam

Moral and ethical values related to economic behavior are found in multiple religions and belief systems and have been a growing stream of research. The impact of Jewish values, and ethics and their impact on individuals and business practices has been examined by scholars (e.g., Epstein, 2000, Friedman, 2001, Levine & Pava, 1999).

Jewish precepts and teachings rely on several sources: the Torah, a compilation of 613 laws, the main source of Jewish written law, and the Talmud, Jewish oral law that elaborates on the Torah. The Talmud and the Midrash, only observed by Jewish people, are where the written laws are interpreted. The Midrash provides interpretation guidance for the written and oral laws and tries to connect practical application and the biblical text.
Scholars have found ample evidence of biblical directions relating to business ethics and how these infuse practically in management practices. Friedman (2001) found biblical links with aspects of business ethics, such as fair pricing, social responsibility, ethics in the marketplace, and respectful treatment of employees. Looking at the difference in the economic behavior of Jews, Catholics, and Protestants, Benjamin (2016) found the importance of reciprocity to the employer but no significant priming effects on other aspects of business practices.

Schnall’s research (2001) gives insights into the employer-employee relationship rooted in the intrinsic religious significance of labor in Jewish tradition. Wealth and honest execution of trade are viewed as religious obligations along with responsibility. It is a duty to better the system for their own and the community’s welfare, and poverty is not perceived as a virtue (Schnall, 2001; Epstein, 2003).

Judaism’s importance to business ethics and social responsibility goes beyond simple benevolence and charity, also found in Catholic teachings (Schnall, 2001; Raimi et al., 2013). While there is the central importance of the community and philanthropy in Judaism - notably through the importance of Tzedakah (giving back) - scholars suggest a link between Judaism and CSR that emanates from the concept of Tikkun Olam (Raimi et al., 2013; Grzeda et al.; 2019).

The spiritual concept of Tikkun Olam finds its roots in the Mishnah, a part of the Talmudic literature that consists of an early written collection of oral laws and an attempt at codification of said- laws (Jacobs, 2007). The expression “Tikkun Olam” means “world repair” and comes from the term “mipnei tikkun ha’olam” meaning “for the sake of the preservation of the system as a whole” (Jacobs, 2007; Dorff, 2007; Kahane, 2012).

While present in ancient texts, the concept of Tikkun Olam is relatively new in Jewish history (Dorff, 2007), and its meaning has evolved significantly over time. Jacobs (2017) argues for a modern reconception of Tikkun Olam that combines four biblical and rabbinic texts. These are: (1) the destruction of impurities that impede the manifestation of the divine presence and restoration of the world to a perfected divine state; (2) the establishment of a sustainable world and the avoidance of negative anthropological impact on the ecosystem; (3) a mandate to correct the systems that make our society dysfunctional; and finally (4) the belief that individual actions have the power to change the world. This four-folded approach allows for the emergence of a definition of Tikkun Olam as an ethical duty and process of “fixing large societal problems” (Jacobs, 2007). It aspires to tighten the connection with the divine through concrete work and actions rather than
prayer and spirituality. Dorff (2007) advances that *Tikkun Olam* possesses both individual and social elements and that its application must be both internal and external.

Some scholars attempted to build a direct connection between *Tikkun Olam* ethos and management practices. *Tikkun Olam* emphasizes improving business relationships with stakeholders, broader society, and the natural environment, which affects professional behavior. It encourages action that preserves the world through environmental friendliness and caring for other human beings (Dorff, 2007). Furthermore, Raimi et al. (2013) and Grzeda et al., (2019) argue that it inspires corporate social responsibility in business activity and champions models of doing business combining socio-environmental responsibility with profitability.

Kahane (2012) suggests that *Tikkun Olam* provides a driver for good management practices and constant innovation. Several success stories in the technological and innovation industries, such as Google, Facebook, Oracle, have been founded by Jewish entrepreneurs. He conceives *Tikkun Olam* as a “sometimes conscious, sometimes unconscious messianic drive” that pushes Jews to act in a way that betters the world and system around them, thus being more innovative. The connection between Tikkun Olam and the construction of an individual’s identity and behavior can be grounded in the integration of values via their interactions with the Jewish community in their life.

2. **METHODOLOGY**

2.1. Research design

To explore the influence of *Tikkun Olam* on the decision-making process of Jewish BAs, primary data was collected by conducting exploratory qualitative research based on research designs observed in studies exploring the connection between spirituality and entrepreneurship. More specifically, in-depth semi-structured interviews were conducted over two months following a narrative interview technique with a constructivist-interpretivist perspective.

The narrative-based model of interviews allows for obtaining attitudinal data and is best suited to uncover the underlying motivations, beliefs, and attitudes of respondents as these are integrated in our first-person stories (Atkinson, 1998). Personal narratives help understand how the interviewees perceive and make sense of their experiences by analyzing both the story’s explicit and implicit content (Adler et al., 2017).
It uniquely uncovers subjectivity because the analysis considers the speaker's content, themes, structure, and language in its answers. The narrative method has been recognized as a valid interpretive study in entrepreneurship as this field typically involves activities involving deep personal commitment and meaning requiring interpretation (Rae, 2005).

It was used in studies looking at sensemaking processes, entrepreneurial behavior learning, and decision-making (Ganzin, Islam and Suddaby, 2019), in addition to “identity meaning-making processes” (Adler et al., 2017). David Rae (2005) used a narrative-based methodology to explore entrepreneurs' “entrepreneurial learning process” by focusing on their actions, initiatives, and interactions with their professional and personal environment.

Building off other studies exploring the connection between spirituality, religion, and entrepreneurship, the present study adopts a constructivist-interpretivist perspective to conduct interview analysis (Rae, 2005; Ganzin et al., 2019). An inherent issue when working with religious salience is that the level of centrality attributed to religion cannot be generalized to an entire population. One’s relationship to Judaism and spirituality is created throughout one’s life, childhood, education, and relationship with their parents, family, and the Jewish community. It is not always fully explicit - on the conscious side of the faith integration spectrum (See Figure 1).

The constructivist-interpretivist perspective allows us to investigate how Jewish business angels’ make sense of their investment decisions and analyze their cognition perceptions, intentions, and belief structures toward their investment endeavors.

2.2. Data Collection

Interview preparation.

Interviews were conducted with 15 Jewish business angels of Brazilian, French, and Israeli nationality living in France, US, Brazil, and Israel (See Table 2). Invited participants have at least two angel investments in their portfolio and over five years of experience to ensure sufficient practical experience.

To capture Tikkun Olam as an underlying religious value, we interviewed Jewish invertors from different environmental contexts and different levels of religious affiliation. This was determined based on participants' self-categorization of specific practices and beliefs that were not a criterion. In addition, we also invited BAs from different age groups, gender, and nationalities to maximize the opportunity to observe variations within the collected data and densify relevant
findings. Respondents were found through personal connections or introductions, and contact was established through email or WhatsApp.

Before the interview, background research was done on all respondents about their careers and experience, notably through LinkedIn, news articles, and podcast participation. Participants were provided with informed consent forms and assured of their anonymity throughout the process. Interviews were conducted via recorded Zoom calls to facilitate transcription and data analysis. Written and all interviewers provided oral consent before collecting the data. Interviews lasted between 33 and 84 minutes, yielding 793 minutes of recorded interviews and 168 single-spaced pages of transcribed documents.

The procedure of life-story interviewing relies on the assumption that individuals put “themselves” and their understanding of their life in their narrative. Participants were asked open-ended questions, free of anchoring effect, to induce the interviewee’s insightful expression. Respondents were invited to talk as freely as possible, with little or no interruption from the interviewer. Occasional follow-up questioning and exchange of ideas between interviewer and interviewee were done to produce more elaborated narratives and bring details to the main themes raised by the respondent (Adler et al., 2017). Before beginning the interviews, an interview prompt was elaborated and reviewed after a pilot interview.

**Interview design.**

During the interview, respondents were first briefed about the interview method and the purpose of the study. Interview questions focused subsequently on both the respondent’s personal and professional lives. Respondents were asked to talk about their relationship to Judaism and their Jewish identity, recalling childhood memories, ethical lessons inherited from parents, and others. It untapped elements of autobiographical memory and specific episodes while providing information on personal values and ideology.

Benjamin et al. (2016) conducted a priming study that used a sentence-unscrambling task with religious content sentences to reveal religious salience in economic behavior. They found that primes making religion salient causes respondents identify more with their religion, which further affects their economic choices. Interrogating respondents on their Jewish identity had the same purpose.
The second interview section investigated the respondents’ professional journey and how it led to angel investing, emphasizing the motivations, decision-making process, and meaning it associated with this activity. Respondents were asked about their investment thesis and venture preferences (sector, business model, among others), actual investments made (not just preferences), and perspective on self-categorization as angel investors. Follow-up questions were often made regarding portfolio management and relationships with invested startups. Osnabrugge (2010) used this multifocal interview design in their empirical study, testing hypotheses regarding the differences between VC’s and BA’s decision-making processes.

While we asked very generally about their self-identification and relationship with Judaism, we were attentive to aspects of the narratives that touched on religious or non-religious beliefs, values and ethics, and views for the world’s future.

By combining retrospectives on respondent’s family history and childhood, accounts of current investment activities, and future perceptions, we tried to capture how BAs made sense of their investment decisions and identify elements reminiscent of Tikkun Olam’s principle.

Table 2: Participants’ Profiles

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Nationality</th>
<th>Age</th>
<th>Gender</th>
<th>Location</th>
<th>Number of Investments</th>
<th>Years as a BA</th>
<th>Part of BA network</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respondent A</td>
<td>French</td>
<td>50 - 54 M</td>
<td>NYC</td>
<td>13</td>
<td>10+</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Respondent B</td>
<td>Brazilian</td>
<td>55 - 59 M</td>
<td>NYC</td>
<td>&gt;100</td>
<td>10+</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Respondent C</td>
<td>French/Israeli</td>
<td>55 - 59 M</td>
<td>Tel Aviv</td>
<td>25</td>
<td>10+</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Respondent D</td>
<td>French</td>
<td>55 - 59 M</td>
<td>Paris</td>
<td>30+</td>
<td></td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Respondent E</td>
<td>French</td>
<td>45 - 49 M</td>
<td>Paris</td>
<td>25+</td>
<td></td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Respondent F</td>
<td>Brazilian</td>
<td>35 - 39 F</td>
<td>Sao Paulo</td>
<td>10+</td>
<td>6</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Respondent G</td>
<td>Israeli</td>
<td>50 - 54 M</td>
<td>Tel Aviv</td>
<td>17</td>
<td></td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Respondent H</td>
<td>Brazilian</td>
<td>80 - 84 M</td>
<td>Sao Paulo</td>
<td>5</td>
<td>10+</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Respondent I</td>
<td>Brazilian</td>
<td>75 - 79 M</td>
<td>Sao Paulo</td>
<td>5</td>
<td></td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Respondent J</td>
<td>Brazilian</td>
<td>50 - 54 F</td>
<td>Sao Paulo</td>
<td>6</td>
<td>10</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Respondent K</td>
<td>Brazilian</td>
<td>40 - 44 M</td>
<td>Sao Paulo</td>
<td>6</td>
<td>10+</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Respondent L</td>
<td>Brazilian</td>
<td>40 - 44 M</td>
<td>Sao Paulo</td>
<td>10</td>
<td>10+</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Respondent M</td>
<td>French/Israeli</td>
<td>45 - 50 F</td>
<td>Tel Aviv</td>
<td>9</td>
<td>5</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Respondent N</td>
<td>Brazilian</td>
<td>60 - 64 M</td>
<td>Sao Paulo</td>
<td>14</td>
<td>10+</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Respondent O</td>
<td>French</td>
<td>50 - 54 M</td>
<td>Paris</td>
<td>15</td>
<td>10+</td>
<td>No</td>
<td></td>
</tr>
</tbody>
</table>
2.3 - Data Analysis

The collected narratives were analyzed following the six steps of thematic analysis of qualitative data proposed by Braun and Clarke (2008): a method for identifying, analyzing, and reporting patterns (themes) within the data.

Table 3: Data Analysis Process

<table>
<thead>
<tr>
<th>Step</th>
<th>Description of the process</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Prepare, organize, and explore the data</td>
</tr>
<tr>
<td></td>
<td>Transcribing and translating the content of the interviews, reading and noting down initial ideas</td>
</tr>
<tr>
<td>2.</td>
<td>Generating initial codes</td>
</tr>
<tr>
<td></td>
<td>Inductive coding for thematic and semantic features across the whole dataset in a systematic fashion</td>
</tr>
<tr>
<td>3.</td>
<td>Search for themes</td>
</tr>
<tr>
<td></td>
<td>Reviewing codes, clustering, and concatenating them into broader interpretative codes, potential categories and themes</td>
</tr>
<tr>
<td>4.</td>
<td>Reviewing themes</td>
</tr>
<tr>
<td></td>
<td>Reading through of the interviews with an interpretative lens and refining themes, reviewing extracts</td>
</tr>
<tr>
<td>5.</td>
<td>Defining and naming themes</td>
</tr>
<tr>
<td></td>
<td>Final refinement of each theme, defining and naming each of them</td>
</tr>
<tr>
<td>6.</td>
<td>Write the report and document the analysis process</td>
</tr>
<tr>
<td></td>
<td>Selection of vivid compelling extract examples, analysis of extracts, relating to research question and writing results</td>
</tr>
</tbody>
</table>

Source: Adapted from Braun & Clarke’s methodology (2008)

The recorded interviews were transcribed with the help of the Trint software (https://app.trint.com/) and thoroughly proofread and corrected. Since this study follows a narrative analysis approach, it was important to extract verbatim transcripts of the interviews, pauses, filler words, and utterances.

Respondents spoke either Portuguese, English, or French and were more comfortable carrying the interview in their mother tongue. Interviews were conducted in these languages, then fully translated into English with the help of Deepl software (http://deepl.com/en/translator) and then proofread to avoid any translation mistake that would change meaning and hinder the analysis. Braun and Clarke (2008) pointed out that a large amount of time spent in transcription and
translation in the early stages of analysis helped develop a good understanding of the collected data, facilitating the analytic and interpretative process.

Once transcribed, the interviews were uploaded on the MAXQDA2022 software to start exploring and coding them. Narratives were first divided into thematic stories (professional journey, Jewish identity, business angel experience, and decision making) to compare thematic stories across different narratives. The first coding phase consisted of descriptive exploratory coding using a mix of the categories extracted from the question prompts. Then, the interviews were coded again in their integrity using an inductive method, best fitted for interpretative and constructive approaches.

This process generated 207 preliminary codes of thematic and semantic natures and 1,495 coded segments. Important phrases, insights, and expressions were also highlighted (See Figure 2).
These first-order codes were reviewed and clustered into broader, more encompassing codes (Figure 3). In the second phase of the coding process, interviews were read through once again with a more interpretative lens. Given our interest in *Tikkun Olam's* influence on decision-making, a particular emphasis was given to codes and themes revolving around respondents’ sensemaking of their decision-making process.

Beyond the semantic content of the data, we tried to identify “underlying ideas, assumptions, and conceptualizations” as proposed by Braun and Clarke (2008), and these were coded as well. After refinement and structuration, we were left with 48 second-order codes. Working systematically with all the documents and data allowed for the emergence of five patterns (themes) across the interviews, as shown in Table 4 below.
**Figure 3:** Classification and mapping of first-order codes (Example of Theme 2)

**Table 4: Themes Structure**

<table>
<thead>
<tr>
<th>THEME</th>
<th>CATEGORY</th>
<th>SECOND-ORDER CODE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ethical guidelines</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alignment with values</td>
<td>Ethical Investing</td>
<td>Surround yourself with people same Values</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Relationship with entrepreneur</td>
</tr>
<tr>
<td><strong>Collective cohesion</strong></td>
<td>Co-Creation of the future</td>
<td>Desire to add value</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mentoring/Advisory role</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Contributing to success of a business</td>
</tr>
<tr>
<td></td>
<td>Responsibility of transmission and retribution</td>
<td>Wanting to “give back”</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Transmission of knowledge/values to future generations</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Leaving a mark</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>THEME</th>
<th>CATEGORY</th>
<th>SECOND-ORDER CODE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interconnectedness</td>
<td>Feeling of belonging</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Community service</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Supporting entrepreneurs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sharing dreams</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Desire to help</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Leveraging a network</td>
<td></td>
</tr>
<tr>
<td>Indulgence with entrepreneurs</td>
<td>Ethics are applied not created (--)</td>
<td></td>
</tr>
<tr>
<td>Treatment of stakeholders</td>
<td>Application of spirituality in daily life</td>
<td></td>
</tr>
<tr>
<td>Fair treatment of stakeholders</td>
<td>Have to be aligned with your values</td>
<td></td>
</tr>
<tr>
<td>Being Fail</td>
<td>Apply ethics in daily life</td>
<td></td>
</tr>
<tr>
<td>Values system</td>
<td>Surround yourself with people with same values</td>
<td></td>
</tr>
<tr>
<td>Moral and values ease decision making</td>
<td>Sharing values with entrepreneurs (--) (--)</td>
<td><strong>Ethical guidelines</strong></td>
</tr>
</tbody>
</table>
Improving the world

<table>
<thead>
<tr>
<th>Integration of environmental and social sustainability in investment mission</th>
<th>Responsibility to act on world’s problems</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social value creation in intrinsic to business</td>
<td>Impact investing</td>
</tr>
<tr>
<td>Care for people</td>
<td>Helping people</td>
</tr>
</tbody>
</table>

Never ending search for perfection

<table>
<thead>
<tr>
<th>Self-improvement</th>
<th>Learning from startups</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tendency to innovation</td>
<td>Stay updated with market</td>
</tr>
<tr>
<td>Maximize impact on the world</td>
<td>Improving the startup ecosystem</td>
</tr>
</tbody>
</table>

Belief in mystical purpose

<table>
<thead>
<tr>
<th>Belief in a greater moral authority</th>
<th>Divine guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Following one’s path</td>
<td>Karma</td>
</tr>
</tbody>
</table>

Source: Research Analysis

3. RESULTS

We used thematic analysis to explore the content collected within the respondents’ narratives to evaluate the incidence of unconscious factors on investment decision-making of Jewish business angels. The analysis revealed five main themes that will be detailed in this section: (1) Collective cohesion, (2) Ethical guidelines, (3) Healing the world, (4) Never ending search for perfection, and (5) Belief in a greater purpose. These themes attempt to capture five different unconscious dimensions related to a particular worldview that partially explain respondents’ decision-making when investing in early-stage ventures.

3.1. Collective cohesion

The first theme, termed “Collective cohesion”, describes a notion expressed by BAs that encapsulates a sense of responsibility towards a community based on the feeling of belonging to
it. All the fifteen respondents said wanting to transmit what they had learned in their professional or personal lives and emphasized the satisfying feeling of creating collective wisdom.

The analysis of this theme uncovered two sub-categories composing the sense of responsibility of transmission: community interconnectedness and co-creation of a better future.

Community interconnectedness
We used ‘interconnectedness’ to describe a recurring idea invoked by business angels. It refers to the feeling of belonging to a group or a community broader than themselves and their inner circle. Respondents showed a strong sense of community, and most of them were actively involved with the one they felt a part of. Some referred directly to the Jewish community, others to the startup ecosystem. Many respondents mentioned being motivated by craving a feeling of belonging. Investing in startups means getting closer to a community or bringing people together by growing a rich network.

“...So it’s not an employee talking to a boss. It’s... he’s a peer. These are my peers. They own a business. I own a business. It just so happened that I invested in them. However, at the end of the day, they were business owners. And so, we’re exchanging ideas at the same level. And that’s very gratifying for me. I like that.”
(Respondent B, Pos. 61)

Networking.
Seven respondents expressed interest in angel investment to create relationships and grow their network. The notion of interconnectedness was tightly connected with the idea of networking, which appeared across the interviews with two different intents.

First, engaging in angel investment allowed BAs to create and cultivate a community of entrepreneurs or investors they relate to. Second, it allowed them to make good use of these extensive networks to contribute to the success of businesses, which we will investigate further later. Respondent E, a very successful entrepreneur from a prosperous entrepreneurial French family, defines his investment thesis as follows:

“I don’t have a particular prism. I just know that my goal is to build a network and it’s true that through a certain community, there is… there are activities, there is a constant because we share the same values. That’s it. Entrepreneurial values, the
values of sharing, generosity, doing good for our children, for ourselves, for the planet (Respondent E, Pos. 3)”

Respondent E explicitly expressed the importance of fostering a community and a group with shared values. He explained further that networking became part of his criterion for investment. His investment thesis revolves around the entrepreneur and how he would be able to be integrated strategically into his network so that both their startup and the network would benefit from this interaction.

Willingness to help. Respondents mentioned a strong will to help community members, either through economic initiatives (entrepreneurship endeavor, investment or CSR initiatives) or simply helping those in proximity selflessly. The respondents described the business activity as a means to improve collective wellness.

Respondents C and M, both Israeli BAs, perceive early-stage investing as their Zionist contribution. Respondent C mentioned a preference when investing in Jewish entrepreneurs as a gesture of support to the Jewish and Israeli communities:

“You see, you want to help the guy, he sees you as his brother... You see him as your brother, and he sees you as his brother.” (Respondent C, Pos. 50)

Respondent N, in Brazil, mentioned that, when he is connected to an entrepreneur, he is not looking necessarily for an investment opportunity but rather an opportunity to help:

“I just talk about helping, I don’t talk about mentoring, I don’t talk about investing. I don’t even know if I want to invest. Because I want to help.” (Respondent N, Pos. 43)

Respondents often mentioned considering “helping entrepreneurs” as one of the main and intrinsic elements of the role of angel investors. They also shared the satisfaction of being able to “empower people” and “sharing their dreams”. Often, these statements were made in juxtaposition with the expression of joy and pride:

“But I’m even happier when the guy makes a ton of money and he’s made a unicorn and... I, if I made a tiny bit and he made a ton, I’m very happy to have contributed to a beautiful success. A beautiful human success. (Respondent C, Pos. 54)”
Interviewed business angels identified helping others as a central element to their operations' satisfaction by contrasting it with the economic rationality of their investment activities – or in other words, to making profits.

Hence, the inclination to help others is an important piece of decision-making. Respondent F, a Brazilian BA and entrepreneur, said that her desire to support fellow entrepreneurs was such a bias for investment that it had led her to make bad decisions:

“Sometimes I think that I can make a bad investment just because of that, you know? I want to be close, to help someone who I really believe even if maybe it doesn’t have the best business model but deserves it because of my bias. So I think that I even have a little bit more emotional than just the rational required to invest.”
(Respondent F, Pos. 78)

Co-Creation of the future

The notion of interconnectedness identified in respondents’ narratives is linked to the neighboring notion of belief in the co-creation of a better future. By perceiving themselves as inserted within a broader context, BAs are impelled to integrate their actions into a collective movement. In this collective mindset, transmission and sharing with members of their community or network are a responsibility. This “desire to add value” and “spreading” knowledge” appeared respectively in 13 and 15 of the respondents’ narratives. Some described the idea of helping by transmitting knowledge as the fundamental role of the business angel. Transmitting knowledge helps entrepreneurs reach goals that will benefit society more broadly.

Unlike the last section, which focused on selfless willingness to help community members, the notion of co-creation is about exchanging value to achieve a greater impact collectively. Respondent N talked about his transition from entrepreneur to active investor in the venture capital ecosystem and mentioned:

“That’s one of the cool things. That it’s very common that you help some people, you spread knowledge, you’re one of the coolest things. Entrepreneurs are a pretty cool tribe. (Inaudible) People in general like to share and help because they are and have been helped too. It feeds back. That’s one of the coolest things.”
(Respondent N, Pos. 63)
His appreciation for the transmission of knowledge is associated with continuing investing rather than undertake on his own. As an investor, he feels part of the company’s journey and this **proximity with entrepreneurs satisfies his urge to have to innovate himself**—which we will explore further in Theme 4.

Respondent L, a successful entrepreneur and businessman in France, mentioned his tendency to project his own “business ideas”, possibilities for build-up”, and “personal vision on how to grow and create value around that company” onto his investment opportunities before investing. This way, he makes sure of being able to enrich these companies as much as possible by investing in them. Respondents commonly agreed that the perspective of co-creation influences the way they select startups, **seeking the ones they could give the most impulse and add the most value to.**

### 3.2. Ethical Imperatives

“Ethical imperatives” refers to one’s inclination to live following ethical and moral principles to pursue their goals. In the interviews, BAs reported being driven by ethical imperatives in their decision-making, applying ethical guidelines in their actions and reinforcing them via social interactions.

This theme reflects BA’s general attitude of seeking morality and staying consistent with their values in all situations: how to do business, make investments, and treat relationships. All respondents referred to ethics and moral standards. While some directly linked Jewish values and their Jewish education and application, some interpreted it as personality traits and value systems. Nonetheless, they all defined it as driving principles that always guide them in their life, behavior, and decision-making.

Two subthemes were observed within the Ethical Imperatives: on the one hand, the idea of living by ‘your’ values, and on the other, the will to disseminate those values through social interaction and, most specifically, economic activity.

**Alignment with values**

Respondents reported attempting to combine Jewish ethos and professional life as much as possible. Living in alignment with personal and religious values was often associated with the feeling of doing the right thing and, thus, being at peace with the risk involved in business. As
mentioned, the feeling of “doing the right thing” gave confidence in the path chosen and, in BAs’ case, in the startups chosen for investment. “Doing the right” was often an unexplained sensation that presented itself when respondents referred to sticking to their values in a time of decision-making. When talking about his successful history of entrepreneurial endeavors, Respondent N mentioned that, in retrospect, he could point at the decisions that were eased by his moral code.

“Situations we helped each other, I helped later came back in another way. And it was good for everybody afterward. They say, ”’But you did it with that in mind”. ’. Nonsense! Because it was right. It was something nice to do.” (Respondent N, Pos. 50)

In our interviews, values were often referred to as a guiding principle of decision-making that reassured business angels in a volatile and risky world of startup enterprises – both when creating and investing. Interviewees reported always looking at deals with an “ethic lens” in addition to the rational ROI-focused perspective. The association of ideas of success rate and being ethical in carrying out a deal appeared regularly in the interviews. All of the respondents mentioned being inclined to invest in an enterprise with a higher meaning: contributing to society, reversing harm, or not contributing to it. Respondent M, when reflecting on her strategy for her future investments, mentioned wanting to focus more than ever to impact investment:

“I would say it’s not about the religion, it’s more about me, my values and Cynthia’s values as well. I think that it is important for us to know that we have an impact on the world, but that there are solutions that are developed by these entrepreneurs that can reflect on the world and help the world, for example (Respondent M, Pos. 52)”

Business angels talked about their will to contribute to society and stay away from causing her any harm. They shared the understanding that they should produce and foster investment projects that are productive to society. BAs tended thus to combine moral construct with their projected view of the future to generate productive change. When reflecting on innovation in today’s world, Respondent I, who started and grew several successful companies in his life, stated:

“This is bringing even discomfort in my opinion, an abuse that you are putting nonsense and monetary use in an absurd way. In other words, not everything is productive for humanity. Not everything. Often this whole gaming part of it, which
is perhaps the most important today is associated with all these currencies, is something destructive. (Respondant H) In my opinion ... I am not an educator but I have five grandchildren and three children. So, I feel that there is an exaggerated attachment of the child to these apps. I don’t know if getting rich on top of such nonsense makes much sense. (Respondant I, Pos. 50).

Reinforce personal ethos

For many respondents, investing puts their ethics into practice, reinforcing and disseminating this ethos in the world.

Surround yourself with people of same values. Respondents not only felt compelled to be ethically guided in their lives and business practices but mentioned having high ethical expectations in their social interactions. A common pattern among respondents was the attraction to people not only they related to, but they shared values with.

I can tell you what it does for me to work today, when I work with people.... But it’s simply an ease, an understanding because we share the same values. And it’s not because we’re better at it than others, it’s just that I think we’re more accessible, more generous, easier in the exchanges, in the communication and in the people, the objectives, in the collective ambition. (Respondent E, Pos. 3)

For some, this meant prioritizing Jewish associates and entrepreneurs, as this facilitated exchange and communication and, thus, associated with a smoother value-creation process. Respondents directly associated the harmony in values between them and the founders and the success of an investment. This was exacerbated by the expectation of establishing a close relationship with the startup, without which most business angels expressed a strong feeling of frustration.

“You find that because there’s a reflection of values, a reflection of community, a reflection of a small community under attack from all sides. Yeah, you don’t have that otherwise. You can’t get that otherwise, but fundamentally, it’s just a values thing. So, to go back to what you were saying, the ethics of the people you invest with when you have deep Jewish values, extremely important and combines at least 50 or 60%, if not more, of the interest you’re going to have in the company and
whether you’re going to say “You know what? Let’s go it.” (Respondent C, Pos. 26)

As explicitly stated by Respondent C, the investor-entrepreneur relationship was particularly emphasized in our interview. Interviewees directly associated the success of an investment with the entrepreneur's values, which directly affected their decision-making criteria. However, investing in Jewish entrepreneurs as a priority was not found in all narratives. In some, BAs explained being more reluctant in choosing Jewish founders because they felt this represented too big of an emotional bias that was not enough of an indicator of ethical management practices. Rather, they looked for the values of the individual beyond religion.

The founders (or founding team) were mentionead as the most important investment criterion. This was not surprising, given Sudek’s (2006) studies that revealed the perceived founder’s integrity in decision-making criteria. Specifically, respondents mentioned looking for entrepreneurs with similar values as themselves.

Nonetheless, when discussing their screening process, BAs mentioned wanting to know whom the entrepreneurs are, evaluating how they would act and perform in stress, pressure, failure, and rapid expansion and growth. Respondent J, an American investor living in Brazil, explains:

“Ah, but if the technical analysis is bad, then we leave. But if it was good, if you passed 49 percent of the test. 51 percent of the test now has everything to do with who you are WITHOUT the academic part. Because the part we already know. Academic has already been presented on the technical part. And the other 51 percent, I want to know about the past and the present and I want to know you, as a billionaire, who are you? (Respondent J, Pos. 30)

Respondent J associates the founder’s vision for the future as a testimony of their values and puts them as priorities in her decision-making process. Simply put, she asks: who is the entrepreneur from the inside? Who is the team surrounding him, and do they embody these values as well? Who is he hiring? This was a recurring idea anchored in the conviction that ethics are not created but applied. As a result, BAs applied a future-oriented mindset onto the founders' profiling to guarantee what they considered “a successful investment”
“Now if it’s an early-stage startup that is pursuing within the morals of the ethics of Tikkun Olam, Mitzva, Tsedaká, ... It is 100% who that person is and what is the practice of that in everything he does” Respondent J.

Respondent J reveals here the assumption that ventures reflect the founder’s identity. As a result, being ethically aligned with the founder suggested a common agreement about the vision of the future for thus, the company and its impact on the world. Part of the respondents mentioned wanting to invest in companies they felt connected to, which “resonated” with them.

I find it very hard to sell a dream to someone who doesn’t have a lot of proximity to what you do. And that’s how I feel I don’t know I can’t understand the person’s dream, it doesn’t make sense for me to invest. (Respondent F, Pos. 74)

3.3. Improving the World

The third theme identified in respondents’ narratives is “Improving the world”. It describes a healing-oriented perspective that pushes BAs to engage in activities promoting a better future for themselves, society, and the world. The respondents commonly expressed wanting to “improve the world” through their actions and saw a need of “healing” the world from its problems and injustices. This theme was composed of three subthemes: the integration of environmental and social sustainability in their professional mission and the belief in the private sector’s responsibility to improve the world and care for people.

Integrating environmental and social sustainability in personal investment mission

All the respondents displayed some degree of recognition of social injustices, environmental damage, and the danger it represented for future generations. This was often related to their vision of the future and what they imagined to be an ideal world, free of poverty and environmentally sustainable. They showed awareness of harmful things to the environment and tried not to abuse it too much. Respondent L said respecting ecological and social mindful trends and explained with the following analogy:

“It's a bit like maintaining a garden, it must not become a dumping ground”.
(Respondent L, Pos. 30)
The perception that the world is damaged and needs to be looked after, conserved and fixed was prominent among religious and non-religious BAs. Seeing this awareness unavoidably grow, not only in themselves but in others, in recent years, was considered a very positive thing:

“Look I think that awareness is growing. More and more and less avoidable, so I see around me a lot of entrepreneurs who are asking themselves about... You see tomorrow, I have a speech at a conference in front of my fellow entrepreneurs on the subject of ecology. We’re like 15 entrepreneurs of my age, pretty well advanced, pretty well established and saying "this is going to happen. What are we doing?"” (Respondent D, Pos. 125)

The respondents who expressed a need to integrate positive socio-environmental impact in their investment thesis displayed a future-oriented mindset seeking a better future for themselves, society, and future generations.

“Who invests in startups and takes into consideration biodiversity and takes into consideration the transformations that are happening around the world that we need to reverse under penalty of compromising ourselves and that we need to get back to being concerned about the Earth. The planet Earth. The soil. The water. The sun. Brazil is a great protagonist.” (Respondent H, Pos. 58)

Interviewees emphasized education and environmental preservation, particularly as areas of concern. Some expressed feeling a sense of urgency in acting and recalled that they decided to incorporate this already existing concern their professional career at some point in their career. Both Respondent L and Respondent F explained that the integration of impact in their career appeared as a conscious choice:

“I wanted to be able to bring technology to look at the environmental impact and move towards investments in the individual person commented seeking to learn more and be more in the technology environment so that I could put the two things together: emphasis on positive impact of companies and looking for companies that solves environmental and social issues as a mission. Heal the world of its harms for a better future for themselves, children, and society overall.” (Respondent F, Pos 60)
Impact investing

In some instances, the willingness to heal the world and the concern for socio-environmental problems were a trigger to start angel investing. When asked about his motivations for joining a BA network, Respondent H explained:

“So, my interest is great for different reasons. First because it's part of the core of [own company]. One way or another, we can't stay away from Tikkun Olam. We are going to take care of social justice or do philanthropy, and now look for impact investment. That is important, whether it is social or environmental”.

(Respondent H, Pos. 26)

The willingness to take care of the world was consciously included in BA’s decision-making, notably through valorizing startups with higher purposes. This differs from companies with strong ethical guidelines and founders with integrity, as we observed in Theme 2. Business angels with an “healing” orientation were attracted to impact investing. For instance, Respondent M recalled her investment in a company called [company name], fighting air pollution, as a source of “great pride”. She added:

“I think that it is important for us to know that we have an impact on the world, but that there are solutions that are developed by these entrepreneurs that can reflect on the world and help the world. (Respondent M, Pos. 54)

For some BAs, the positive socio-environmental impact was a criterion for selecting startups going through their investment pipeline. Nevertheless, this was not a constant among all respondents. Respondent H and Respondent J emphasized it much more than other professional investors:

“We look first and foremost at what these companies bring to society in terms of contribution to the environment if they are really companies with adequate governance. So the ESG is a precondition for us to accept them.” (Respondent H, Pos. 32)

Others, such as Respondent A or Respondent D, saw it as “plus”, an incentive rather than a proper criterion. However, it did not prevent them from having a “healing” orientation:
“Sometimes it's not even particularly related to the business itself. Maybe it's because it's a business or a place that is good for the environment, that's good for the earth, that's going to allow for or the development of new energies, etc.” (Respondent L, Pos. 22)

Care for people.

As mentioned in Theme 1, our respondents felt that helping people and supporting those parts of their community is a form of co-creation of their optimal future. In addition to that, nine of them expressed their willingness to be able to improve people’s lives to the best of their ability. For some, this was embodied as a religious practice of Tzedakah. For others, it was through the combination of professional and community work. Finally, those with entrepreneurial experience viewed their enterprise as a generator of wealth and well-being to the most people possible. Respondent B mentioned that one of the companies he created provided treatment for patients with psoriasis. He told about how he had started it to provide a better quality of life to the patients. He expressed great regret and sadness when recalling that the project was discontinued when he sold the company.

“Nobody understands that, but that was my interest, my interest, my interest. I was interested in bringing this to the market to help patients. (...) Then a CEO came, and they killed the project. I'm never going to know, that really hurts because I'm never going to know if this could help people. (Respondent B, Pos. 27 - 29)

When asked how his Jewish identity was present in their everyday life, Respondent D answered:

“It is ethics, morals, history, culture or practice that translates into a requirement first to understand and therefore to ask questions (...) Then, [...], to do things that do not have harmful components for others. This can be, for example, very lucrative criminal illicit activities but prohibited. The behavior towards third parties, employees, contractors, partners, and administrations, that's it. Judaism is a way of life which is a corpus of laws that requires one not to do to others what we would not want others to do to them, but above all to leave the world in a better state than the one in which we found it, therefore, to participate in its improvement and not in its degradation. (Respondent D, Pos. 32).”
Social value creation as a responsibility of companies

Respondents expressed a strong belief in profitable companies with agendas supporting the well-being of humanity and the planet, promoting sustainability and a more just society. They perceived mindful business as a mechanism taking companies out of inertia and driving impactful leadership. Combining doing good and profits was a crucial differential for companies:

“There's no fear of not making money. I'm going to invest in these initiatives, it's going to make more... even more money! And of course, I'm helping the world in the future. I'm helping that future of us all because if we don't do something about it, we're not going to be here. (Respondent B, Pos. 137)

Respondents often referred to ESG (Environmental, Social and Governance) as an unavoidable element of companies’ mission. Since the private sector holds many resources under its management, it is part of companies’ responsibility to utilize them mindfully. The conceptualization of corporate social responsibility is fundamentally tied to our Theme 1 and the feeling on the interconnectedness of societal agents. Respondent H and Respondent L shared their opinion on the impossibility to fight socio-environmental issues without the inclusion of capital market agents:

“I have a motto that I think there is no solution to any socio-environmental problem that does not participate in the capital markets. This is my personal view. Both personal succession problems and governance growth problems. All of this is stimulated by an active capital market where the ESG gains an extraordinary relevance since Larry Fink started to demand from CEOs that what they have in their portfolio, the shares, that they respect social and environmental inclusion and of course transparency.” Respondent H,( Pos. 19)

While this was explicit in Respondent H’s narrative, it appeared more implicitly in the answers of other business angels. Respondent E saw his investment as a trigger for a domino effect of transmission of wealth and knowledge that would ultimately have a positive socio-environmental impact:

“If the company grows, I acquire even more knowledge, and then if it grows, the network grows. As I said, the goal is to create real interactions with men and
women, entrepreneurs, and a feeling that we have improved the quality of life of people, our children, and the environment. (Respondent E, Pos. 13)”

Additionally, some of the respondents paralleled “healing” society by rejecting the capitalist model placing shareholders above anything else, without any concern for the rest of society.

“I think money is acid. I think the capitalization of wealth is a danger. You can see that in the United States, entrepreneurs today are mobilizing to create philanthropic charity initiatives. Very important. Because these tickets will pay off. » (Respondent D, Pos 120)

Respondents talked about the healing capacity of businesses and companies, which motivated them to invest and undertake their projects. They mentioned looking for an integration of sustainability in the organizational mission of the companies they invested in, emphasizing a healing orientation in the business relationship with stakeholders, broader society, and the natural environment.

“If I give back and I still can make money, it is the most beautiful thing, right? And so... and in the beginning, I would say, diversity, before it was diversity and diversity, then sustainability now is ESG is too broad. I think with ESG, they really understand that the future is based on this. The future depends on this, but they have returns and the returns will come. (Respondent B, Pos. 137)”

(... I really think that this is the best way to promote the environment. I really think. In any case, on a personal level, it is something that touches me a lot and I think that in the second background, we will focus on it, particularly in impact. (Respondent M, Pos. 54)

Following other respondents, L and F mentioned this concern about taking a front-row seat once they were already more advanced in their careers and having the liquidity to do it. Respondents associated having money with the responsibility to share and take care of others.

3.4. Never-ending search for perfection

We called the “Never-ending search for perfection” the action-oriented component of BA’s interpretation of their lives and role. This perspective drives people to action and, especially, to a
tendency to innovation. Our respondents commonly expressed the need to improve the world and themselves in their narratives. “Never-ending search for perfection” refers to comfort with change, a future-oriented mindset that leads them to act according to their optimal future. By projecting their vision of what the world should be, respondents took it upon themselves to generate change. Some of them could not explain it, while others, such as Respondent D, associated it with a life ethic tied to his Jewish education:

“It is ethics, morals, history, culture, or practice that translates into a requirement first to understand and ask questions. Then, to undertake and therefore never to stay still, never to be satisfied with the comfort zone of always putting oneself to the test of new challenges, to do things that have or do not have harmful components for others. (Respondent D, Pos. 32) »

Self-improvement

A recurring idea expressed throughout the interviews was an eagerness for self-development and improvement.

“I think that when you are Jewish, you are, first of all, someone who wants to be someone better. (Respondent C, Pos. 25).

Respondents sought continuous learning and used angel investment to gain perspective and expertise on new topics and sectors. Learning from startups is a primary motivation for engaging in angel investment. The proximity to startups offered by this type of investment allowed BAs to learn from their portfolio:

“I think every entrepreneur is a very interesting animal in itself and I like this proximity, I like to be able to learn with these people and be together and try to help in the way I can, so that’s what I like the most, you know?” (Respondent F, Pos. 68)

BAs expressed willingness to acquire business experience and to gain insights that could benefit the rest of their portfolio or business. For instance, Respondent D defined his investment thesis as a combination of potential for learning and synergy with his activity. According to him, this offers leverage for the creation of value and innovation:

“My investment thesis is to go to tech subjects, whether it is software or hardware, where I will learn, and where I can have autonomy of analysis because I understand
what they are talking about. To allow me to learn about the subjects that I will be able to integrate into my group’s activities tomorrow because they are transformative or disruptive. This is how I learned about AI, blockchains today in cellular agriculture, and biotechnology.” (Respondent D, Pos. 22)

For most, value construction results from exchange of knowledge between investor and investee. Respondents shared their excitement in meeting new people, seeing different sectors of activity, and learning many things. Hence, this craving for learning was not only motivation but criterion for investment. BAs mentioned selecting startups they could understand and learn from:

“And that’s when I realized that we could completely change the optical industry through technology and that by having the opportunity to invest in companies, we will acquire expertise and enrich ourselves and connect a little bit to the world of tomorrow. To the point where I can also see myself enriching myself intellectually through talent and staying connected with the latest technology verticals (Respondent E, Pos. 9)”

In this statement, Respondent E not only rationalizes his desire to learn but makes a direct connection to impacting the world through innovation. Learning was also a synonym for staying updated with the market and keeping up with trends for many investors. Being involved in angel networks or having a diversified pipeline allows for an exposition of the trends that make up tomorrow's market.

“What do I get back? I get an intellectual challenge. I get to know what’s going on up there with technology. I get ... I’m up to date with the young generation. OK, I learned a lot from them, how to behave, what to do and what not to do, even the language and the social media, you name it. So I feel like I belong to the, today”. (Respondent B, Pos. 61)

Tendency to innovate

Our respondents tended to innovate and feel great comfort with change in their search for perfection. Their perception of the future created an incentive not to accept the world as it is and to engage in its transformation. Twelve of the business angels we interviewed had had experience building a company. When talking about their professional trajectory, respondents showed signs of dissatisfaction with the status quo that led them closer to entrepreneurship. This
inclination to act upon a market gap was found in multiple narratives. For instance, Respondent M told us about the founding of an accelerator program and an angel investor’s network in Tel Aviv for foreigners recently installed in Israel:

“We brainstormed a bit, to know what we could do together here in Israel, so we had a coffee. We went to a café by the sea. We thought about what we could do here for new immigrants.” (Respondent M, Pos. 11)

Respondent M’s entrepreneurial and business angel ventures began as a solution to help new immigrants settle, work, and innovate in Israel. For BAs with a past in venture capital, investing personal money implies changing the ecosystem into a more favorable ecosystem for the development of companies and exits. The goal is to help grow the market for startups to support and foment innovation. Similarly, for many respondents, angel investing is a way of nurturing alternative constructions to challenge the market's status quo and the world. Investing in new trends, technologies and science means to fuel innovation and transformation of the world. Among the trends mentioned by respondents as relevant for the future were “decentralized finance” (Respondent K), “biotechnology, quantum computing and nanoparticles” (Respondent E), “new energies and impact femtech” (Respondent M), and aerospace mobility (Respondent D).

“We remain connected to how people will communicate tomorrow, how they will move, how they will pay, how they will be treated. That's why these are quite broad but with a more consumer focus. So, I think that's part of the educational values we have had. Here is indirectly the fact of doing well for others’ (Respondent E, Pos. 13)

For BAs, their investment undeniably impacts human life and, by extension, constructing the future. While there is a “do it yourself” spirit, BAs use angel investing to give agency of their impact to the startup they invest in.

“It's exciting above all. But what is exciting is to say that we participate in the lives of people who have a talent and expertise and who will hopefully change, Respondent H their history and we need.” (Respondent E, Pos. 19)

As a result of their attraction to innovation, respondents mentioned looking for specific traits in the founders they invest in. They mentioned desirable founders to show elements of perseverance, “chutzpah” (mentioned by four participants), and resilience in their endeavors. How
comfortable they are with change, and unknown territory was a criterion mentioned by six different respondents when asked what they looked for in entrepreneurs.

“We are very impressed by the capacity of the Israelis to bounce back, to fight, to be resilient, to not consider failure as something very serious, contrary to the French or the Americans or the English. No, they don't have the same mentality at all. I would even say that... maybe we have a bias in the other direction today. And to think that when you go to see a French entrepreneur, you're not necessarily going to... We'll find it harder to invest, and we'll find it very hard because they don't have the qualities that we look for now.” (Respondent M, Pos. 31)

Maximize impact on the world

In their narratives, interviewees displayed the ambition to generate change and to make it reach its full potential. This ambition was reflected in their decision-making in that they were attentive to **disruptive and scalable features** in their screening for startups.

First, some BAs emphasized companies with disruptive potential. When discussing trends they were looking at for their next investment, scalable and innovative business models were often found. For instance:

*I love the entrepreneur and the project and the real big project that has a real business impact. I like it when it's disruptive. I like companies that scale, that have an impact and that are disruptive.* (Respondent C, Pos 81)

Maximizing impact on society is intrinsically connected with people. Several respondents mentioned always looking at society at large, looking to benefit the most people as possible. Respondent I, while recalling a mentoring session with founders of startups, mentions:

*“Because sometimes people dreams but this dream also has to materialize. In principle, it has to be a dream that will help many people and not just enrich the small group is the important thing.”* (Respondent I, Pos. 32)

3.5. Belief in a mystical purpose

The fifth theme, “Belief in a mystical purpose,” describes the investor’s belief in a greater purpose that motivates action to pursue their goals. In both religious and non-religious respondents,
the idea of serving a “higher force” was present in narratives, influencing their decision-making. This mystical orientation emphasized the agency role of BAs, as vehicles for a greater purpose, incentivizing them to impact the world.

“It’s because I think that what we do has to have a greater purpose. You know what I mean? I don’t think it’s just putting one to take three. I think we need to do that. Most people need to do that because otherwise, there’s no tomorrow.” (Respondent K, Pos. 44)

Some of the respondents insinuated following a form of transcendent guidance that guided them in their decision-making. This belief was explicitly linked to their faith in divinity for religious individuals. For others, this moral authority was an underlying force assuring them in the appropriateness of their decision to bring results.

Respondents expressed trust in “people’s path” or a “life mission” in many instances. Interviewees talked about their entrepreneur “role” within society. Believing in people following “paths” depicts a form of mystical belief in a higher purpose or destiny. They are pieces of a puzzle or a vehicle for a higher force.

“There are some who do not believe in this, but I am one of those who believe. We are in this world. We have a mission to do. We look at what we can do right now, tomorrow, immediately, how we can help each other, how we can bring our contribution to support this world, to support the people in need. Because today, we still have the means to be healthy and the money to do it” (Respondent L, Pos. 30)

As expressed by Respondent L, having an impact on the world is motivated by having a “life mission”. Our respondents often spoke about engaging in investment opportunities based on intuition, often referred to as “gut feeling”, revealing a belief in a divine or mystic guidance to take up particular business activity. This intuition often gave them comfort and tolerance to the high risk intrinsic to the investment in early-stage ventures. Many business angels mentioned working without a defined investment thesis, using intuition and values to construct their investment portfolio. Many BAs shared how they intuition to decide which business to invest in:

“I think I’ve been using way more my feelings than rationale. I like to take data driven decisions. And lately, when I invest on my own, I am a little less.... I would
say data-driven or less professional in my decisions is more with the guts than with my brain and because I've been a little bit too busy and lazy. But when I see something that is interesting, I said, you know, when it's interesting... I say, well, you know, I'm going to take a shot here and whatever” (Respondent B, Pos. 48)

Respondent M shared key learnings of leading a successful angel-networking network in Tel Aviv, that she would apply more often in her investment decision-making process from now on:

“I think that yes, there's a learning where we were just talking to Cynthia earlier, where it's more about trusting our gut feeling and relying less on people's opinions” (Respondent M, Pos. 45)

Twelve of the interviewees mentioned not having a clear investment thesis, nor did they feel the need to have it. However, they mentioned being guided by impressions or feelings that certain decisions were the right ones. These statements revealed a belief in a mystical force guiding them at the right moment. This was significantly more present in respondents with a high level of self-assigned religiosity. For instance, Respondent L, explained

“Already, all the opportunities that arise, we look at them carefully to analyze them, to know how they came, why they came, when they came, why now not sell later to already in this context, in this way of reasoning, to have an a priori judgment on the interest to do or not to do? Now you can see that the question tends to be legitimately asked.” (Respondent L, Pos. 19)

Tzedakah.

A similar recurring idea in narratives is that “what goes around comes around”. Believing and following such “laws” was symbolically important to respondents because it brought a good sentiment and meaning to their actions. Business angels talked about “giving back”, as an act of gratitude for what life had given them. Respondents referred to angel investment to express gratitude to the ecosystem, life, or a divine gift for their past successes.

“And that's a business lesson for you: when you make a fair deal, what goes around comes around. And then there's another principle that is, for a little money, buy yourself a friend. So there you go...” (Respondent C, Pos 54).
The expression « giving back » appeared in the narratives of six different respondents to explain their involvement with the venture capital industry. Tzedakah is often confused with charity, but it is ‘righteous behavior’, which means that a Jew has a moral duty to give those in need whatever they have (time, money, knowledge). If “I”, as a community member, give back to the community member, I understand I can count on the community whenever I need help from others. In other words, the ‘righteous behavior’ is the sense of responsibility to one another. If the entrepreneurs are successful, they will also feel responsible for giving back to the community.

Follow God’s will

Our respondents sometimes used supernatural intervention to explain their position and/or wealth, resulting in a feeling of responsibility to help others in the present and the future. Some described their successes as “blessings”. Two respondents mentioned considering themselves “managers of God’s property”. As a result, they did not see their success as a product of their decision-making but of God’s

“He asks a fundamental question that is our relationship to property. And he says that the offer cannot be more money. You cannot be owner, of the bare property, it returns to God at some point and that the bare property changes hands.”
(Respondent D, Pos. 123)

Even some non-religious respondents mentioned that “having some faith” was important to tolerate the risk in entrepreneurship and investments. The most religious respondents said being led by a supernatural being or force and believed this was “their fate”. They associated their past professional successes with opening themselves to divine guidance in decision-making. They noted being selected or chosen to have certain successes according to a mystical and holistic plan for humanity:

“I don't believe at all that a man, at any given time, is actually capable of making a good investment decision. I think it's more in the opposite direction that it works. If Hashem decided to send a man an investment opportunity, and it turns out that he does it and that it works, he might believe that it is because of his intelligence, algorithms, and decision processes... But I don't believe in that paradigm at all. (...) Hashem, for me, chooses whom he wants, to send him what he wants, by the means he wants. (Respondent L, Pos. 33)
Because he sees himself as a channel for divine intervention on earth, Respondent L explained analyzing opportunities by contextualizing them into his current life by trying to answer several questions: How did this opportunity come to him? Why? When? Why now and not later? When in doubt about a business or investment decision, he mentioned consulting rabbis to help him see clearer and conclude:

“So, many are close to us, great rabbis, great Rabbanim, and people who have a much more global vision on the interactions of each other, who are at much higher spiritual levels. I have known some of them and when these kinds of relations there..” (Respondent L, Pos. 20)

Similarly, Respondent D mentioned being associated with people of great spirituality to make sure to be immersed in morals and responsibility. In both cases, the respondents believed divinity is a guiding moral authority that should be referred to for investment decisions.

**Finding inner peace.**

Some respondents shared that their objective in creating wealth and contributing to a better world was to reach a certain level of spirituality and achieve inner peace. Respondent H expressed the satisfaction of being coherent with himself when making decisions aligned with his Jewish values:

“You will find this coherence and I think that in the end the complexity is enormous and the resistance is gigantic. It will give you peace. It’s a start and guide as your role here in the world.” (Respondent H, Pos. 54)

Similarly, when sharing his interpretation of Tikkun Olam and the link with angel investment, Respondent D stated:

“Tikkun Olam is how to get away from bestiality, from violence, but how to approach moderation and finally serenity. That's it. I think in the business world, that's what we're seeing with this new generation of entrepreneurs who are more concerned with social impact than profit. So, yes, fundamentally, I think that's the role of entrepreneurs.” (Respondent D, Pos. 120)

The religious respondents that applied Tikkun Olam principles in their investment thesis shared their assurance that they were doing the right thing and trusted that this would be rewarded.
Investing in socio-environmental preservation was directly associated with a religious duty that yields to spiritual elevation.
4. DISCUSSION

Focusing on Jewish BAs, our interest was to understand how elements of *Tikkun Olam* were embedded in respondents’ narratives, proving to be a cognitive bias in their investment decision-making. The analysis of results demonstrated five themes emanating from the respondent’s worldview that strongly relate to *Tikkun Olam* principles.

As pointed out in the literature review section, the meaning and implications of *Tikkun Olam* have evolved over time. Its interpretation varies across period, rabbis, and even individuals. Respondent’s narratives on their professional and angel-investing experience demonstrated that *Tikkun Olam* has a significant incidence on their worldview. While all the themes found in our analysis effectively affect decision-making, they are not to be understood as mutually exclusive but rather elementary in explaining the respondent’s worldview.

Borrowing a terminology used by Ganzin, Islam and Suddaby (2019), we found that Tikkun Olam has *motivational* and *attitudinal* influences on investors’ decision-making. Figure 4 classifies the themes found in the analysis into motivational orientations and their respective attitudinal consequences. *Motivational* orientation describes the elements displayed in the respondent’s narrative as motivators for action: the group (“collective”), the self-improvement (“improvement”), leaving a mark (“impact”), acting correctly (“ethical”), and religious duty (“mystical”).

The *attitudinal* orientation refers to the action taken upon these motivational orientations. As we explore in this section, these orientations guide investment by bringing up selection criteria that inherently integrate elements of *Tikkun Olam*. These criteria were formulated in the form of questions that investors ask themselves - consciously or unconsciously - when evaluating startups.
**Figure 4:** How Jewish values affect business angel investment decision-making

<table>
<thead>
<tr>
<th>Motivational</th>
<th>Attitudinal</th>
<th>(Unconscious) questions that guide investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collective</td>
<td>Belonging to a community</td>
<td>Do my community peers and I support this (or a similar) startup?</td>
</tr>
<tr>
<td></td>
<td>Helping community members</td>
<td>Can I help this startup/entrepreneur?</td>
</tr>
<tr>
<td></td>
<td>Being part of a ‘better future’</td>
<td>Do I feel this startup is innovating?</td>
</tr>
<tr>
<td>Ethical</td>
<td>Alignment of values</td>
<td>Do I share values with the startup/entrepreneurs’ purpose?</td>
</tr>
<tr>
<td>Impact</td>
<td>Making the world a better place</td>
<td>Do I believe this startup will help the world to be a better place?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Do I believe this startup improves people’s lives?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Do I believe this startup is socially and environmentally responsible?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Do I believe this startup (entrepreneurs) are oriented to execution? (Tachles – acting to get to an objective)</td>
</tr>
<tr>
<td>Improvement</td>
<td>Opportunity to learn</td>
<td>Does this startup present an opportunity to me to learn?</td>
</tr>
<tr>
<td></td>
<td><em>Chutzpah</em> (not accepting the world as it is and be bold speaking up)</td>
<td>Do I believe this startup is a better solution?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Do I believe this startup (entrepreneurs) are at the same time innovative and goal-oriented?</td>
</tr>
<tr>
<td>Mystical</td>
<td>Following God’s will</td>
<td>Do I believe this startup is spiritually aligned with me?</td>
</tr>
<tr>
<td></td>
<td>Having faith</td>
<td>Do I believe this startup has a role in my life’s mission?</td>
</tr>
<tr>
<td></td>
<td><em>Tzedakah</em> (giving back)</td>
<td>Do I feel at peace selecting this startup? Does investing in this startup make me feel (spiritually) at peace?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Do I have (spiritual) faith in this startup?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Do I believe this startup (entrepreneurs) is part of my giving back mission?</td>
</tr>
</tbody>
</table>

*Source: Research analysis*
The first motivational dimension, *Collective*, describes the cognitive assumption of belonging to a collective group that we found among our respondents. We found that this feeling motivated business angels to specific actions like sharing knowledge and building their connections to spawn innovation and co-create a better future for society. The involvement of Jews with the rest of society is a fundamental aspect of *Tikkun Olam*.

Among other scholars, Kahane (2012) argued that the diaspora expresses *Tikkun Olam* by valuing proximity within the Jewish community and in national, transnational, and organizational groups. According to Melnyk (2019) *Tikkun Olam* is linked to the idea of cohesion in that it dictates how we relate to others as a part of mankind. He emphasizes the importance of knowledge flows to generate innovation and support other community members in their endeavors.

*Tikkun Olam* is fundamentally grounded in others-oriented behavior, not only in the short-term but also in the long-term, inspiring to leave a better world for future generations (Leslie, 2016). As a result, this cognitive bias pushes investors to select startups by answering questions relative to the collectivity: “Am I helping members of the community?” or “Are other members of the community supporting or approving of this (or a similar) startup?”.

“Ethical” is linked to Theme 2 and encompasses the motivational dimension of behaving by following *ethical guidelines*, and securing rightfulness in action. Respondents with this orientation were instinctively drawn to people with whom they shared similar moral and value codes. Many of the respondents made sense of attitudes like sharing knowledge or ethical business behavior as a simple application of their Jewish ethics. The sensemaking of their behavior revealed their motivation to lead an exemplary ethical life. According to Epstein (2003), *Tikkun Olam* represents a body of ethical imperatives enrooted in the Torah that provides values of protection of the environment and others that permeates all aspects of human behavior. The ethical motivational-attitudinal cognitive bias translates itself as a selection criterion for entrepreneurs and business models, in which a BA will favor those with whom they believe they share values.

The rabbinic definition of *Tikkun Olam* is a call-to-action to fix “literally” the world of its harm through socio-environmental mindfulness (Dorff, 2007). In our interview, we found a strong motivation among respondents to have an impact on the world, which composes the third motivational bias, “Impact”.

Grzeda (2019) argues that *Tikkun Olam* represents the essence of sustainability by promoting the conciliation of profits with conscious business approaches. As a result, it promotes a view of
CSR that we found in respondents’ narratives in Theme 3. In their narratives, respondents displayed a natural integration of environmental and social sustainability in their investment mission and a conviction that the private sector has the intrinsic capacity to generate positive social and environmental impact as a holder of important resources.

The attitudinal orientation resulting from “Impact” relates to the willingness to “improve the world” through investment: respondents looked at business models with this urge in mind. Rabbinic teachings elaborating on biblical texts explain Tikkun Olam as a desire to preserve social order by protecting those in unprivileged and powerless situations. This was directly reflected as a selection criterion by asking questions such as “Is this startup helping the world to be a better place?”, “Is it improving people’s lives?”, “Is it socially and environmentally responsible?”.

Dimension 4, “Improvement”, is related to the Tikkun Olam’s invitation to constantly innovate and improve the world around us. It is enrooted in the belief that innovation can transform the world through technology and scientific advancements. According to Kahane (2012), Tikkun Olam’s essence is to foster innovation, particularly radical innovation. By urging Jews to fix the world and reverse the harm, it invites them to continuously question the status quo and find solutions to the problems perceived in the world.

As a result, it invites constant inner and outer improvement, leading to practical innovation for the world to move forward. BA’s with a cognitive orientation geared toward improvement look for startups that help them do that - “Do I believe this startup/team is at the same time innovative and goal-oriented?” Investors with this cognitive bias highly value “chutzpah” entrepreneurial trait, anchored in a rejection of a dissatisfying status quo. A startup will thus be selected if it answers the question “Is this a better solution than what already exists?”. Furthermore, the “improvement” motivational cognitive orientation is introverted: BAs seek personal improvement in their attitudes and behaviors. For many of the respondents, an essential question rooted in this was “Is this investment an opportunity to learn”?

Finally, Tikkun Olam relates to a mystical perspective in which humans have the mission to restore divine perfection. In this perspective, humans are understood as part of God’s creation of the world, and it is a mandate to correct systems that they made dysfunctional (Dorff, 2014). In both our religious and non-religious respondents’ narratives, we found evidence that actions and decisions were motivated by a mystical/cosmological belief. In the interviews, this mystical orientation was associated with a belief in acting virtuously according to God’s will. According to
Grzeda et al. (2019), *Tikkun Olam* incorporates spiritual concepts such as “transcendence, sacredness and virtuous behavior” as reflections of divine behavior and foundations of sustainable business behavior. In some investors, this had a significant influence on decision-making by incorporating superstition and faith into decision making: “Does this startup have a role in my life’s mission?”, “Does investing in this startup make me feel (spiritually) at peace?”, “Do I have (spiritual) faith in this startup?”.

Together, these orientations create a ‘moral framing’ by giving them motivation, confidence, and boldness to decide to invest under high uncertainty. We find that elements of *Tikkun Olam* affect investment decision-making by creating motivational and attitudinal orientations that provide BAs with moral expectations and non-economic incentives to invest.

Figure 5 provides an overview of our interpretation of the coping mechanism of BAs when dealing with investment decision-making under high uncertainty. Consciously or not, BAs rely on *motivational* and *attitudinal* cues primed by their religious education and/or values to invest in startups in the early stage. The “Attitudinal frame” constitutes an unconscious decision-making mechanism, providing meaning for the investment decision under high uncertainty.
**Figure 5:** Business angel coping with uncertainty using an attitudinal framing

- **Uncertainty**
  - **Motivational orientation**
    - Belonging to a community
    - Helping community members
    - Being part of a ‘better future’
  - Alignment of values
    - Making the world a better place
  - Opportunity to learn
    - Chutzpah
  - Following God’s will
    - Having faith
    - Tzedakah (giving back)
- **Attitudinal orientation**
  - Selection criteria (Does the entrepreneur/startup match with attitudinal framing?)
- **Investment Decision**

**Mechanism of coping with investment risk**
5. **CONCLUSIONS**

Given the high uncertainty related to early-stage investing, looking into business angels seems limited from a strictly rational perspective. In addition, the absence of a corporate environment or institutional framework adds a layer of informality to the decision-making process (Maxwell, 2016). Our research attempts to shed light on unconscious mechanisms of decision-making that help investors cope with the high uncertainty related to angel investing. Furthermore, it proposes a framework to explore BAs’ coping mechanism with uncertainty based on integrating these attitudinal elements of bias in their investment decisions.

In this study, we identified several important conclusions. First, it confirmed that BA’s investment selection considers personal values in addition to rational economic factors. These results are consistent with previous studies that focused on a broader range of investors - but not specifically BAs (Pasewark & Riley 2009, Døskeland & Pedersen, 2012; Louche et al., 2012). It contributes to research on BAs decision-making by enlightening unconscious decision factors for a more encompassing understanding of the process. It investigates derationalization of angel investment by focusing on other cognitive framings than the traditional “wealth framing” present in investment decision-making literature (Pasewark & Riley, 2009). This study has practical implications: a better understanding of their own biases offers BAs the opportunity to refine and improve their decision-making and benefit startup founders by giving insight into investors’ expectations to optimize “match-ups”.

The data analysis showed that religious values, such as *Tikkun Olam*, influence how Jewish business angels select startups for investment. This influence translates into cognitive frameworks orienting BAs in their investment decisions. This orientation had both motivational and attitudinal results. Respondents displayed motivational cues from ethical, collective, personal, and mystical natures complemented by attitudinal reactions salient in decision-making. However, it is important to recognize that these values restricted to individuals with Jewish origins and may be found in practitioners with no or other religious affiliations. Indeed, people might employ same values while coming from different cultures, religions, and educational backgrounds. Rawls (1987) introduced this in the concept of “*overlapping consensus*” that advances that particular principles of justice can be supported by individuals of different normative doctrines.
Building on Pasewark and Riley (2009) terminology, we could argue that these religious cues accentuate the inclination to invest with a cognitive “moral framing,” providing reassurance in the decision-making. The values associated with the business and/or entrepreneur give sufficient justification for investment when data-driven economic criteria are insufficient. These elements of bias in the investment decision process related to religious values open the possibility of future studies exploring the effect of morale/value in investments with low information/certainty through experiments.

Given the risk associated with the high mortality of startups, BAs look for founders and ventures that share their values and vision of the world. Values emanating from Tikkun Olam emphasize the purpose and impact of the ventures, which were highly valued by both religious and non-religious respondents of our study.

Sedikides and Gebauer (2021) introduced the idea of self-enhancement because of religiosity. They argue that members of a certain religion believe in having a “better-than-the-average” judgment capacity resulting from their connection with divine authority. If religious values assure decision-making, it displays a form of self-enhancement in the judgment of BAs. High uncertainty investments provide good circumstances for observing the self-enhancement mechanism in Judaism, which could be valuable to be further investigated in future research.

In addition, this opens the floor for investigation of the influence of empathy bias on moral framing. Fowler et al (2021) discuss empathy as a limitation of the “scope of morality”. For BAs, empathy bias provides a social decision bias. Investors seek entrepreneurs and ventures with values compatible with their ethos and attribute a positive self-image to the decision process. These mechanisms also give investors the ability to cope with investment risk.

Finally, our study shows that the “ethical framework” supported by Tikkun Olam incentivizes responsible investing. When salient, this moral framing pushed investors into prioritizing certain business models, entrepreneurs’ traits, and expectations regarding socio-environmental preservation and positive impact. This was found in the narratives of all fifteen Jewish business angels interviewed in the context of this research. Tikkun Olam provides respondents with future-oriented mindsets that motivate them to have an impact on the world and fuel innovation to co-create a better society for future generations.

As a result, our study provides insights into identifying drivers for responsible investment. These complements SIT literature by looking into how economic behavior reflects religious values
as unconscious mechanisms motivating specific investment types. These elements of bias in the investment decision process related to religious values open the possibility of future experimental studies exploring the effect of values in high-risk investments and investment preferences.

**Limitations**

It is important to notice some limitations to the present research. First, these results are based on the analysis of only 15 interviewees. Although there was an effort of diversifying nationality, gender, level of religiousness, and professionalization, this sample remains too small to bring academic soundness to the results. In addition, many interviews were cut “to the point” because of the time constraints of many respondents.

Second, while most respondents were aware of the concept of *Tikkun Olam* prior to the interview, they were all on the topic of the study before the interview. Many of them asked clarifying questions before the beginning of the interview in order to “stay on topic”. As a result, many of the respondents referenced *Tikkun Olam* with the brief in mind, and not necessarily out of their interpretation. An interesting complement to this study would be to incorporate priming effects. Experimental investigation on religious priming of economic behaviors has employed methods involving “activating related conceptual representations in an individual’s memory which can lead to thinking and behaviors in line with such activated representations” (Bargh et al., 1996), also referred to as “priming”. This could provide insight into respondents’ answers and level of consciousness regarding the influence of their Jewish values on their behavior.

Third, while the interviewees felt more comfortable interviewing in their native language (Portuguese, English, or French), this implied a translation of the transcriptions that may have hindered the analysis of results. Because the narrative analysis focuses on semantical coding, there is value in understanding the choice of words made by the respondent. Despite our best efforts, some words or expressions do not translate properly to English which may have hampered an optimal analysis.

If members of the diaspora display common features among themselves, these may be due to their common Jewish education and affiliation. Nevertheless, we must speculate on the possibility that the commonalities found among the respondents are not necessarily linked to Jewish. Indeed, the values encompassed by *Tikkun Olam* and the motivational-attitudinal
orientation resultant from them are not unique to Judaism (London; 1999). They could be found in other religious and cultural traditions. In addition, ESG and corporate social responsibility have become increasingly evident aspects of business practice. Economic behaviors supporting the well-being of society and the environment have been growingly present in the decision-making of capitalistic market agents.

Consideration of these limitations also provides opportunities for future research. It would be beneficial to extend this analysis to a larger sample of Jewish business angels representing a more significant part of the diaspora. The utilization of life-story interviews is only one of the methodologies that could be used to explore this topic. Other studies have used controlled experimental studies and surveys (Pasewark & Riley 2009; Døskeland & Pedersen, 2012). While recognizing the interaction between religious values and decision-making, this study does not get into the nature of the interaction. Future research could use different methodologies with a greater respondent sample to investigate factors influencing the salience of religious criteria and a moral framing within decision-making.
6. REFERENCES


7. ANNEXES

Annex 1: Interview Protocol

Introduction

- Reading of consent form
- The purpose of this inquiry study is to explore the priming of Tikkun Olam principals over the economic and investing behavior of for Jewfish angel investors. At this stage in the research, Tikkun Olam principal will be generally defined as the Jewish spiritual ethical duty of “fixing large societal problems” through a good practice of business and management, resulting in a driver for continuous innovation and greater tolerance to risk.

Section 1 - Exploration Of Jewish Identity

- What is your name? Do you know the origin of your surname? What is the story of your parents/grandparents? How old are you?
- How do you define your Jewish identity? Why? (liberal, orthodox, reform)? How this identity is part of your day-to-day life? Please, describe it.
- Which religious ceremonies were part of your life (bar/bat mitzva, holydays? Shabat?). What role does spirituality play in your life?

- During your childhood, what was your relationship with Judaism?
  - Family – what are your memories about your parents’ relationship with Judaism? Which values did they teach you? Please describe a scene, episode, or specific moment in your life that stands out as an ethical learning lesson for you and how it impacted you.
  - Community – as a child did you go to a synagogue? Youth movement? Jewish school? Were your friends mostly part of the community as well? Which values did you learn from those experiences?
- What did you study? Tell me about your career experience? What lead you to take this path? Which values have been so far the most important in your professional life?

Section 2 - Angel Investment
• How did you become an angel investor? How long have you been angel investing? When did you start and why? How many companies did you invest so far?
• How do you define your investment thesis? Is there a specific emphasis on an industry/type of product/type of entrepreneur or team?
• Tell me about the companies you invested. Why did you choose to invest in company X, Y and Z? What did you value most? How do you feel about your relationship with the company/entrepreneurs?
• What do you evaluate when you choose an (angel) investment opportunity?
• Which impacts do you think that the companies you invested, or you will invest should have in the future?
Annex 2: FREE AND INFORMED CONSENT FORM

1. Project title: MGPI Master’s Thesis

2. General characteristics and objectives of the research: The research is conducted by Ethel BERDUGO and Professor Gilberto SARFATI, respectively student and professor at the Fundação Getulio Vargas EAESP. The research is being developed as a conclusion work for the FGV MPGI (“Mestrado Profissional em Gestão Internacional”) master’s program. The objective of this study is to explore the influence of Tikkun Olam on the decision-making process of Jewish business angel, and further expand on research on the connection between spirituality and economic behavior of investors.

3. Procedures: The study is conducted using an exploratory qualitative research based on life-story, semi-structured interviews of around 60 minutes. The group of participants chosen based on purposive sampling: angel investors (defined as having invested personal capital in more than one in early-stage ventures in exchange of equity) of Jewish origins and/or Jewish faith.

4. Research participation: Your participation in this research will consist of [provide details about the collection techniques here, the duration of the interaction, who will conduct it, who else will be present, among other relevant information, such as whether there will be audio, video or image record].

5. Voluntariness and right of withdrawal: Your participation is completely voluntary and not mandatory. You can withdraw from participation and withdraw your consent at any time. Your refusal, withdrawal or withdrawal of consent will not cause damage.

6. Benefits and risks: [Explain the possible risks and benefits of participating in the study, even minimal ones. Also, inform that the participants will have no expenses. If pertinent, add that any participation expenses (tickets and meals, for example) will be covered or reimbursed].

7. Right of confidentiality and anonymity: To ensure your privacy, the data obtained through this survey will not be identified or will be anonymized upon the participant’s request.

8. Guarantee of access to data and doubts in general: You can ask questions about the project and your participation, in addition to gaining access to your data, at any time through the contacts indicated below.
Committee for Ethical Compliance in Research Involving Human Beings of the Fundação Getulio Vargas - CEPH/FGV: Praia de Botafogo, 190, room 1511, Botafogo, Rio de Janeiro, RJ, Zip Code 22250-900, telephone +55 21 3799-6216. Email: etica.pesquisa@fgv.br

9. Consent: If you agree to participate in this research, sign at the end of this document, which has two copies, one of which is yours and the other of the responsible researcher.

I, ________________________________, declare that I understand the objectives, risks, and benefits of my participation in this research and that I agree to participate.

[City and State], [date].

Participant's signature: ________________________________

Researcher signature: ________________________________