

Reviewer Invitation for Financing Decisions, Risk Preference, and Home Bias: Pecking Order Theory of Minangkabau SMEs

External



**Cogent Business and Management** <em@editorialmanager.com>

Fri, Oct 28, 3:36 PM (4 days ago)

to me

Dear Hifni,

You have been invited to review a manuscript for Cogent Business & Management.

I would be grateful if you would review a paper entitled "Financing Decisions, Risk Preference, and Home Bias: Pecking Order Theory of Minangkabau SMEs" for this journal.

This is the abstract:

This paper aims to explore the role of financial literacy, risk preference, and home bias in Minangkabau ethnic MSE funding decisions, whether to follow the pecking order theory pattern. Hypothesis testing uses the SEM-PLS alternative method. Data collection was carried out through online and offline survey techniques with a sample of 623 Minangkabau ethnic MSEs. The results reveal that financial literacy, home bias does not have a direct effect on funding decisions. Financial literacy does not directly influence risk preference. Financial literacy affects funding decisions when mediated by the variables of home bias and risk preference. These results reveal that there is a role for financial literacy, risk preference, and home bias in funding decisions. Minangkabau ethnic MSEs in meeting funding needs do not follow the pecking order theory pattern. The results of this study prove that financial literacy is still very low for MSEs, input for financial institutions related to MSEs funding to provide easy-to-understand training. This study seeks to explore the role of financial literacy, risk preference, and home bias in Minangkabau ethnic MSEs funding decisions. The data show that the average level of financial literacy is low with a high home bias leading to bias in assessing risk. Home bias increases resulting in a misperception of risk, so that there is an error in judgment in taking more risks than they can bear. Consequently, funding decisions use external funding which has a higher risk.

If you would like to review this paper, please click this link: [Agree to Review](#) \*

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If the above links do not work, please go to <https://www.editorialmanager.com/cogentbusiness/>. Your User Name is SHifni-948 and your password can be set at this link: [click here to reset your password](#).

The manuscript reference is COGENTBUSINESS-2022-1513.

If possible, I would appreciate receiving your review by (IF JOURNAL IS IN 'INVITATION MODE'). If possible, I would appreciate receiving your review in 14 days (IF JOURNAL IS IN 'AGREED MODE'). You may submit your comments online at the above URL. There you will find spaces for confidential comments to the editor, comments for the author and a report form to be completed.

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With kind regards

Collins G. Ntim, PhD  
Senior Editor

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Thank you for agreeing to review

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**Cogent Business and Management <em@editorialmanager.com>**

Sat, Oct 29, 7:51 AM (3 days ago)

to me

<b>Nov1</b> <b>1Fri</b>	<b>Review Due</b>  When Fri Nov 11, 2022 (WITA)  Who Cogent Business and Management*  <a href="#">Add to calendar »</a>	Agenda  Fri Nov 11, 2022  <i>No earlier events</i>  All day Review Due  <i>No later</i>
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Dear Syaiful Hifni,

Thank you for agreeing to review manuscript COGENTBUSINESS-2022-1513, "Financing Decisions, Risk Preference, and Home Bias: Pecking Order Theory of Minangkabau SMEs", for Cogent Business & Management.

To download the paper, please click this

link: <https://www.editorialmanager.com/cogentbusiness/l.asp?i=377829&l=WX0G2MHQ> \*

Your review of this paper is due by Nov 11, 2022. If you are unlikely to be able to provide comments by this date, please contact the Editorial Office who will be happy to help.

You can submit your review at <https://www.editorialmanager.com/cogentbusiness/>: your username is

Your username is: SHifni-948 and your password can be set at this

link: <https://www.editorialmanager.com/cogentbusiness/l.asp?i=377830&l=EC5BRY2P>.

We encourage you to focus your review on the methodological and/or theoretical rigour of the manuscript and its relevance to the journal's audience, rather than on a prediction of its future level of importance to the field. In addition to completing the scorecard, we would appreciate you providing thorough and constructive feedback for the authors in the comments box.

When submitting your recommendation, you can choose from the following options:

- \* Sound
- \* Sound with minor or moderate revisions
- \* Unsound or fundamentally flawed

Please do highlight severe language issues (you could refer the author to the Taylor & Francis Editing Services), but bear in mind that all accepted articles are copyedited and references are correctly styled if needed.

We greatly appreciate the voluntary contribution that each reviewer gives to the Journal. As a token of our appreciation, and to assist you with your review, we are able to offer you 30 days free access to Taylor & Francis Online. You can sign up for the free access at the following web address (please make sure that you register an account first): <https://www.tandfonline.com/r/revieweraccess>

For more information about our criteria for publication, expectations of reviewers and our review process please visit the website at <https://www.cogentoa.com/reviewers>.

With kind regards,

Collins G. Ntim, PhD  
Senior Editor  
Cogent Business & Management

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**Reviewer Recommendation and Comments for Manuscript Number COGENTBUSINESS-2022-1513**

Financing Decisions, Risk Preference, and Home Bias: Pecking Order Theory of Minangkabau SMEs

Original Submission

Syaiful Hifni (Reviewer 9)

Recommendation:

No Recommendation

Sound

Sound with minor or moderate revisions

Unsound or fundamental flawed

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Review Questions

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- Include my name
- Do not include my name

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If anyone else was involved in writing this report, for example a student or a colleague, and they agree to be recognised for this work please provide their name and email address in the free text box below. (Limit 200 Characters)



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*A guide to becoming a peer reviewer*

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\*Would you be willing to review a revision of this manuscript?

\*Apakah Anda bersedia untuk meninjau revisi naskah ini?

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\*Title, Abstract and Introduction – overall evaluation

Outstanding

Sound

Sound with minor or moderate revisions

Unsound or fundamentally flawed

Not applicable

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\*Methodology / Materials and Methods – overall evaluation

\*Objective / Hypothesis – overall evaluation

\*Figures and Tables – overall evaluation

Please select a response

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\*Results / Data Analysis – overall evaluation

Please select a response

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\*Interpretation / Discussion – overall evaluation

Please select a response

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\*Conclusions – overall evaluation

Please select a response

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\*References – overall evaluation

Please select a response

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\*Compliance with Ethical Standards – overall evaluation

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\*Writing – overall evaluation

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\*Supplemental Information and Data – overall evaluation

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\*Title, Abstract and Introduction – overall evaluation

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\*Methodology / Materials and Methods – overall evaluation

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Please select a response



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\*Figures and Tables – overall evaluation

Please select a response



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\*Results / Data Analysis – overall evaluation

Please select a response



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\*Conclusions – overall evaluation

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\*References – overall evaluation

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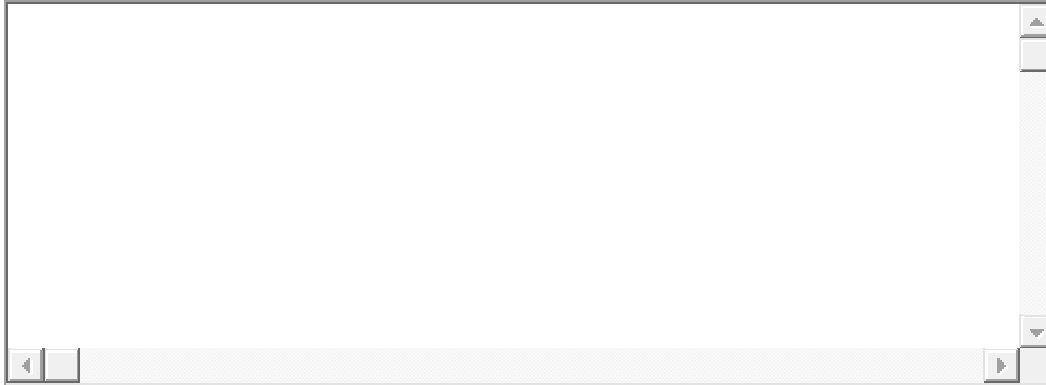
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### Reviewer Recommendation and Comments for Manuscript Number COGENTBUSINESS-2022-1513

Financing Decisions, Risk Preference, and Home Bias: Pecking Order Theory of Minangkabau SMEs

Original Submission

Syaiful Hifni (Reviewer 9)

Recommendation:

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A guide to becoming a peer reviewer

Introduction

At Taylor & Francis, we understand the importance of an effective peer review when authors choose to submit their research. We work to establish and sustain peer review integrity on every journal. A vital part of this means ensuring that reviewers have the right resources to carry out their work efficiently and effectively. The review process varies from journal to journal, but this guide gives an overview of what's involved in becoming a reviewer with a Taylor & Francis journal.

CHAPTERS

[What is peer review and why is it important?Why should you become a peer reviewer?How can you become a peer reviewer?What's the process of peer review?How should you write a review report?Taylor & Francis Reviewer Training ProgramsWhat are the ethical guidelines for peer reviewers?Reviewer recognition](#)

What is peer review and why is it important?

Peer review, also known as refereeing, is a collaborative process that allows independent experts in the same field of research to evaluate and comment on manuscript submissions. The outcome of a peer review gives authors feedback to improve their work and, critically, allows the editor to assess the paper's suitability for publication.

The peer review process may adopt one of the following forms:

- **Single-anonymous review** (also called 'single-blind peer review'). The reviewer's name isn't disclosed to the author.
- **Double-anonymous review** (also called 'double-blind peer review'). The identity of the reviewers and the authors aren't disclosed.
- **Open review**. Both the author and reviewer names are disclosed.
- **Post-publication open review**. Readers and reviewers can post comments, mediated by the editor, after publication.

Single- and double-anonymous review are the most common methods of peer review. Learn more about [different types of peer review](#).

This process upholds the integrity of scholarly communication. It ensures that published research is accurate, trustworthy, and meets the highest standards. Every journal depends on the hard work of reviewers who test and refine each article before publication.

To get the latest news, insights, and expert tips straight to your inbox, [register now](#) for the weekly Taylor & Francis Insights newsletter.

Why should you become a peer reviewer?

Peer reviewing is a form of collaboration between experts. Their critical feedback often improves research and helps propel it forward.

But how does being a reviewer help your career? Here are some ways that you can benefit:

### **Keep up with the latest research**

As a reviewer, you get an early view of the exciting new research happening in your field. Not only that, peer review gives you a role in helping to evaluate and improve this new work.

### **Improve your own writing**

Reviewing articles written by other researchers can give you insight into how to improve your own. The process of reviewing encourages you to think critically about what makes an article good (or not so good). As you review more papers, you'll start to spot common mistakes. This could relate to writing style, presentation, or the clarity of explanations. You can then use this knowledge in your own writing and improve your chances of publication.

### **Boost your career**

While a lot of reviewing is anonymous, there are schemes to recognize the important contribution of reviewers. These include reviewer lists in journals, reviewer certificates, and [Publons](#). You can also include your reviewing work on your resume. Your work as a reviewer will interest appointment or promotion committees looking for evidence of service to the profession.

### **Become part of a journal's community**

Many journals are the center of a network of researchers who discuss key themes and developments in the field. Becoming a reviewer is a great way to get involved with that group. This gives you the opportunity to build new connections for future collaborations. Being a regular reviewer may also be the first step to becoming a member of the journal's editorial board.

## How can you become a peer reviewer?

### **Contact the editor**

Journal editors are always looking out for new reviewers, especially those with expertise in areas under-represented in the journal's pool of contacts. If there's a journal that you read regularly, email the editor directly. Tell them about your areas of expertise, your publication record, and your interest in reviewing. If you attend any academic conferences, these are good opportunities to meet editors who might be looking for new reviewers.

### **Ask a senior colleague to recommend you**

Is there someone who knows your work and is already involved with a journal, or regularly reviews? Ask whether they would be willing to pass on your details to the editor. They may also have some useful experience from when they first became a reviewer.

### **Look out for calls for reviewers**

Some journals make specific invitations for reviewers to get in touch. This might be the case if the journal is new or expanding its scope into a different area.

### **Register with the journal's publisher**

Some publishers invite aspiring reviewers to add their details to a reviewer database. For example, Dove Press has a [reviewer registration page](#). Here, you can enter your research specialisms and select the journals you'd be interested in reviewing for.

### **Find a mentor**

Ask a senior colleague, with experience of reviewing, whether you could work with them on a review. Some journals also run mentoring schemes, designed to help support first-time reviewers.

### **Be visible on researcher networking sites**

Academic networking sites, such as ResearchGate or Academia.edu, are opportunities to build a profile that editors looking for new reviewers can find. Make sure that your profile includes lots of detail about your current areas of research. You should also add links to any published journal articles or books.

### **Write a paper**

Many journals add authors who have published with them to their database of reviewers. While you're unlikely to write a paper just for the opportunity to review, submitting a research paper or book review is a good way to become part of the community around that journal. It also means the editor is more likely to invite you to review when they receive a submission on a related topic to your own.

**Read tips from Nazira Albargothy** for her advice on how early-career researchers can get their foot in the door.

What's the process of peer review?

[Peer review](#) involves the following steps:



1. The journal receives a paper.
2. The journal editor checks the paper against the journal's aims and scope.
3. The editor then selects reviewers (usually 2-3 of your peers) and sends the paper.
4. The reviewers read the paper and provide comments, suggestions and a recommendation (reject, revise or accept).
5. The editor checks the reviews and sends them to the author(s), with any extra guidance. If there are revisions, the author(s) decides whether to make these and re-submit.
6. Authors make amendments and re-submit the paper.
7. If the journal accepts the paper, it moves into production and is published.

How should you write a review report?

Before agreeing to review for a journal, consider the following:

- What [form of review](#) does the journal operate?
- How will you need to submit your review? For example, is there a structured form for reviewers to complete or will you need to write free text?
- Are you aware of the [ethical guidelines](#) for reviewers?
- Do you have any [conflicts of interest](#)? If so, make the editor aware immediately.
- Can you complete the review in the allotted time? If you struggle to meet the deadline, let the editor know, so they can inform the author.

Writing review reports: a step-by-step guide

### **Step 1. Research the journal**

Visit the journal homepage (on [Taylor & Francis Online](#)) to get a sense of the journal's content and house style. This will help you decide whether the paper you're reviewing is suitable for the journal or not.

Refer to the Instructions for Authors to check if the paper meets the submission criteria of the journal (e.g. length, scope, and presentation).

### **Step 2. Write your review report**

The two main factors you should provide advice on are:

- the originality, presentation, and relevance of the manuscript's subject matter to the readership of the journal
- the **accuracy of the methodology**.

Here is a [checklist](#) to consider when reading the manuscript:

- First read-through
- Detailed review – Research articles
- Final checks – before you submit your report
- Peer review of non-research articles

Read the [full checklist](#) or download the [Review Checklist](#) in PDF.

### **Step 3. Provide detailed comments**



- These should be suitable for sending to the author. Use these comments to make constructive suggestions, seek clarification on any unclear points, and ask for further elaboration.
- Make suggestions on how the author can improve clarity, succinctness, and the quality of presentation.
- Confirm whether you feel the subject of the paper is sufficiently interesting to justify its length. If you recommend shortening, show specific areas where you think it's required.
- It's not the reviewer's job to edit the paper for English, but it is helpful if you correct the English where the technical meaning is unclear.
- A referee may disagree with the author's opinions, but should allow them to stand, provided their evidence supports it.
- Remember that authors will welcome positive feedback as well as constructive criticism.

Being critical whilst remaining sensitive to the author isn't always easy. Comments should be carefully worded so the author understands what actions they need to take to improve their paper. Avoid generalized or vague statements as well as any negative comments which aren't relevant or constructive.

#### Sample comments

Please note that these are just examples of how you might provide feedback on an author's work. You should, of course, always tailor your review to the paper in question and the specific requirements of the journal and the editor.

#### **Positive comments**

- *The manuscript is well written in an engaging and lively style.*
- *The level is appropriate to our readership.*
- *The subject is very important. It's currently something of a "hot topic", and is one to which the author has made significant contributions.*
- *This manuscript ticks all the boxes we have in mind for an X paper. I have no hesitation in recommending that it be accepted for publication after a few typos and other minor details have been attended to.*
- *Given the complexity involved, the author has produced many positive and welcome outcomes. The literature review offers a useful overview of current research and policy, and the resulting bibliography provides a very useful resource for current practitioners.*
- *This is a well-written article that identifies an important gap.*

### Constructive criticism

- *In the “Discussion” section I would have wished to see more information on...*
- *I don’t think that this article contains enough robust data to evidence the statement made on page X, lines Y–Z.*
- *I would strongly advise the author to rewrite their introduction, analysis, and discussion to produce a more contextualized introduction to...*
- *There is an interesting finding in this research about.... However, there is insufficient discussion of exactly what this finding means and its implications.*
- *This discussion could be expanded to explain...*
- *The author could strengthen the paper by...*
- *The paper would be significantly improved with the addition of more details about...*
- *The abstract is very lengthy and goes into detailed accounts that are best suited for the article’s main discussion sections. As such, I suggest the author reduces this section to keep only the most important elements.*
- *To make this paper publishable, the author needs to respond to the following substantive points...*

### Linguistic alterations

- *This paper would benefit from some closer proofreading. It includes many linguistic errors (e.g. agreement of verbs) that at times make it difficult to follow. It may be useful to engage a professional English language editor following a restructure of the paper.*
- *The paper would benefit from stylistic changes to the way it has been written for a stronger, clearer, and more compelling argument.*
- *There are a few sentences that need rephrasing for clarity.*

### **Step 4. Make a recommendation**

Once you’ve read the paper and have assessed its quality, you need to make a recommendation to the editor about publication. The specific decision types used by a journal will vary, but the key decisions are:

- **Accept.** The paper is suitable for publication in its current form.
- **Minor revision.** The paper will be ready for publication after light revisions. Please list the revisions you would recommend the author makes.

- **Major revision.** The paper needs substantial changes such as expanded data analysis, widening of the literature review, or rewriting sections of the text.
- **Reject.** The paper isn't suitable for publication with this journal, or the revisions are too fundamental for the submission to continue being considered in its current form.

## Revisions

When authors make revisions to their article, they're asked to submit a list of changes and any comments for the reviewers. The revised version is usually returned to the original reviewer if possible. The reviewer is then asked to affirm whether the revisions are satisfactory.

## Taylor & Francis Reviewer Training Programs

At Taylor & Francis we work to establish and sustain the highest standards of peer review. A vital part of this means ensuring that reviewers have the right resources and skills to carry out their work efficiently and effectively. The '*Excellence in Peer Review: Taylor & Francis Reviewer Training Network*' program has recently been launched to support researchers in becoming more effective peer reviewers. This training network is aimed at giving clear practical advice to researchers to improve the quality of the reviews they provide, as well as introducing the key principles to those who are newer to the review process.

Find out more about our [Reviewer Training Programs](#).



What are the ethical guidelines for peer reviewers?

All peer reviewers must follow these ethical guidelines for Taylor & Francis journal articles in review:

- Reviewers must give unbiased consideration to each manuscript submitted. They should judge each on its merits, without regard to race, religion, nationality, sex, seniority, or institutional affiliation of the author(s).
- Reviewers must declare any conflict of interest before agreeing to review a manuscript. This includes any relationship with the author that may bias their review.
- Reviewers must keep the peer review process confidential. They must not share information or correspondence about a manuscript with anyone outside of the peer review process.
- Reviewers should provide a constructive, comprehensive, evidenced, and appropriately substantial peer review report.

- Reviewers must avoid making statements in their report which might be construed as impugning any person's reputation.
- Reviewers should make all reasonable effort to submit their report and recommendation on time. They should inform the editor if this is not possible.
- Reviewers should call to the journal editor's attention any significant similarity between the manuscript under consideration and any published paper or submitted manuscripts of which they are aware.

Taylor & Francis recommend that reviewers also adhere to the [COPE Ethical Guidelines for Peer Reviewers](#).

Read key findings from our white paper research – [Peer review: a global view](#)

#### Reviewer recognition

Reviewers invest a huge amount of time and expertise in the peer review process. It's crucial that they feel supported and recognized in their role. There are many things in place at Taylor & Francis to ensure this, including:

- **Reviewer certificate.** We've created a certificate of recognition to serve as a formal acknowledgment of a reviewer's role in the peer review process of a journal. Reviewers can request the certificate from their Taylor & Francis contact. They can present it to employers, their institution, or simply hang it on the office wall! A reviewer confirmation letter is also available upon request.



- **Free access.** Making reviewers feel valued and supported is paramount to ensuring the ongoing success of the journals Taylor & Francis publishes. Many of our journals now give peer reviewers 30-days' free access to Taylor & Francis journal content upon agreeing to review. This provides reviewers with resources to assist in the creation of quality reviews.

- **30% book discount for reviewers.** We are pleased to offer all our reviewers a discount on their purchase of Taylor & Francis Group books. This includes those under the Routledge, CRC Press, Garland Science, Psychology Press, and Focal Press imprints. Please get in touch with your editorial contact for more details.
- **[Publons](#).** We've recently extended our partnership with Publons to 250 journal titles across a range of subject areas. Now, more of our reviewers can get recognition for their valuable contributions to academic research. Through Publons, researchers can showcase a complete record of their reviewing activity as evidence of their subject-area expertise. They can also earn "merit" points for their contributions.

For more expert tips on how to develop your journal and support your authors, [register now](#) for the weekly Taylor & Francis Insights newsletter.

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## Other Resources

[How can early career researchers become peer reviewers](#)[What to expect during peer review](#)[Understanding different types of peer review](#)[COPE Ethical Guidelines for Peer Reviewers](#)

How to get involved in peer review

An early career researcher shares five tips on getting started

[Back to A guide to becoming a peer reviewer](#)

**Finding the right reviewers for every submitted manuscript can be difficult, so journal editors are always on the lookout for new peer reviewers.** Beyond simply ensuring the chosen reviewers have the right expertise to properly review a submission, it's also important for editors to use a diverse pool of reviewers. This means using academics at different stages of their career, including early career researchers (ECRs). Getting involved in peer review can be particularly helpful for ECRs looking to develop in their careers.

But how can you build the skills you need to become a peer reviewer, if you've never done it before? And once you have those skills, how can you ensure that the editors choose *you* to review the next submission?

We asked [Nazira Albargothy](#), 2016 winner of the [Vitae Three Minute Thesis® \(3MT\) competition](#) for her advice on getting started with peer review. Here are her top tips...

### 1. Develop your peer reviewing skills

Despite the vital role peer reviewers play, it's rare for journals to provide any formal training. So you need to be proactive, and develop your skills and understanding of the peer review process by using online resources.

There are a range of different training resources available for free, including online courses like the [Publons Academy](#) or the [ACS Reviewer Lab](#).

In 2019, Taylor & Francis launched the [Excellence in Peer Review: Taylor & Francis Reviewer Training Network](#) to support researchers in becoming more effective reviewers through in-person workshops and online resources, such as our [best practice on how to write a review](#), and a [checklist for reviewers](#). You can [find out more about the first workshops in this series here](#), including their key features and benefits.

## 2. Get some practice

Once you've done some initial training, it's time to put it into practice. Platforms like [PubMed](#) and [PubPeer](#) allow its users to comment on published manuscripts as part of a post-publication peer review (PPPR) initiative. This is a great way to put your new skills to use, and also see the kind of comments other peer reviewers have made on a manuscript.

Consider asking your supervisor if you can assist with peer reviews which they are currently writing. You will also need the journal editor's consent for this to happen, but it's not uncommon, and can be a useful way of getting feedback from a trusted source on your own reviewing skills.

You might also want to practice peer reviewing papers written by your colleagues. This more informal, pre-submission peer review is common practice among researchers anyway, but is a great way to hone your skills (and will help them to develop their manuscripts further before submitting to their chosen journal).

**So, now you're ready to write your first official peer review.** But how do you secure the invitation to review?

## 3. Identify the journals you want to review for

Start by creating a list of journals in your subject area who you want to review for. [Do your research online](#), browsing by subject area or keywords to find the most relevant titles. Target a small number of journals which most closely match your areas of expertise. Read up on their aims and scope. Browse recent issues to see what kind of papers they publish. You might even be able to find their reviewer and author guidelines, or an editorial policy for the journal online.

Throughout this research stage you should be able to whittle down your list to just a few targeted, relevant journals which are most closely linked to your expertise and research interests. Editors will be more likely to contact you for a peer review if they can see a clear link between a submitted manuscript and your own expertise, so it pays to be diligent at this stage.

Some journals advertise a 'Call for Peer Reviewers' on their website. It's relatively rare, but worth checking in case you can simply register your details through a journal's online submission site, rather than reaching out separately via email.

## 4. Use your academic and professional networks

Once you know the journals you want to review for, it can help to use your academic and professional networks to find a connection. This could be a colleague, mentor, or supervisor who knows the editor. Some journals have large editorial boards, so check the online board listing in case you know someone who could introduce you.

This isn't a mandatory step in the process, but it can help to have a personal introduction or mutual connection when reaching out to a journal.

## **5. Contact the editor directly**

And finally, don't worry if you don't have a connection to the journal – you can still contact the editor directly without a personal introduction. Contact information is usually available from the journal's homepage – on [Taylor & Francis Online](#), you can find this information in the Editorial Board tab.

If you can't find an email address on the journal website, try looking for the editor's institutional profile instead, or reach out to [Dr Diana Marshall](#), Head of Reviewer Programmes at Taylor & Francis.

When you contact an editor:

- Let them know you'd like to get involved with peer review
- Demonstrate your knowledge of the journal
- Highlight any previous experience, qualifications or publications that might be relevant – including if you've attended the *Excellence in Peer Review: Taylor & Francis Reviewer Training Network* workshops, or similar
- Attach an up-to-date CV or resumé

Don't be disheartened if you don't hear back from your chosen journals, as it may take some time before they receive a submission which is particularly relevant to your expertise. If your application to become a peer reviewer is declined, make sure you ask for feedback so that you can improve your chances of success with a different journal.

Understanding the peer review process

What is peer review? A guide for authors

About this topic

The peer review process starts once you have submitted your paper to a journal. After submission, your paper will be sent for assessment by independent experts in your field. The reviewers are asked to judge the validity, significance, and originality of your work. Below we expand on what is peer review is, and how it works.

GO TO SECTION:

[What is peer review? And why is it important?](#)[Different types of peer review](#)[F1000Research: open and post-publication peer review](#)[Get to know the peer review process](#)[How to respond to reviewer comments](#)[What if my paper is rejected?](#)[Why you should become a peer reviewer](#)[Further reading](#)

What is peer review? And why is it important?

Peer review is the independent assessment of your research paper by experts in your field. The purpose of peer review is to evaluate the paper's quality and suitability for publication.

As well as peer review acting as a form of quality control for academic journals, it is a very useful source of feedback for you. The feedback can be used to improve your paper before it is published.

So at its best, peer review is a collaborative process, where authors engage in a dialogue with peers in their field, and receive constructive support to advance their work.

Use the guide below to discover how you can get the most out of the peer review process.



# Download your Article submission and peer review eBook



**Why is peer review important?**

**AUTHORSERVICES**  
Supporting Taylor & Francis authors

Taylor & Francis Group  
an informa business

## Understanding peer review

Original research articles published in a Taylor & Francis journal go through **rigorous peer review**.

**Why?**  
Peer review allows your research to be evaluated and commented upon by independent experts (your 'peers') who work within the same academic field as you. Its aims are to:

- ✓ Ensure submitted articles are suitable for the journal and its readers.
- ✓ Give you detailed and constructive feedback on your work from experts in the field.
- ✓ Alert you to any errors or gaps in literature you may have overlooked.
- ✓ Create a discussion between the author, reviewers, and editor around a research field or topic.

**Before you submit your paper:**

- 1 **Check** your chosen journal's instructions for Authors on [Taylor & Francis Online](#).
- 2 **Understand** what type of peer review your article will go through (single, double-blind or open peer review).
- 3 **Know** what to expect.

**The peer review process**

**75%** of authors rate their satisfaction with the refereeing process at Taylor & Francis as 8 or above.\*  
Taylor & Francis Author Survey, 2016  
\* On a scale of 1-10, 1 being the lowest, 10 the highest.

**More resources**

- Peer Review: the Nuts and Bolts (a guide for early career researchers) from [Sense about Science](#)
- The Committee of Publishing Ethics (COPE) Ethical Guidelines for Reviewers

**About to review?** Read our editors' [step-by-step guide to writing a review](#).

Guidance, developments, news and ideas for Taylor & Francis authors  
[@tandfaauthorserv](#) [tandfaauthorservices](#) [authorservices.taylorandfrancis.com](#)

[Infographic: Enlarge and share](#)

Peer review is vitally important to uphold the high standards of scholarly communications, and maintain the quality of individual journals. It is also an important support for the researchers who author the papers.

Every journal depends on the hard work of reviewers who are the ones at the forefront of the peer review process. The reviewers are the ones who test and refine each article before publication. Even for very specialist journals, the editor can't be an expert in the topic of every article submitted. So, the feedback and comments of carefully selected reviewers are an essential guide to inform the editor's decision on a research paper.

There are also practical reasons why peer review is beneficial to you, the author. The peer review process can alert you to any errors in your work, or gaps in the literature you may have overlooked.

Researchers consistently tell us that their final published article is better than the version they submitted before peer review. 91% of respondents to a [Sense about Science peer review survey](#) said that their last paper was improved through peer review. A [Taylor & Francis study](#) supports this, finding

that most researchers, across all subject areas, rated the contribution of peer review towards improving their article as 8 or above out of 10.

**Choose the right journal for your research: Think. Check. Submit.**



We support [Think. Check. Submit.](#), an initiative launched by a coalition of scholarly communications organizations. It provides the tools to help you choose the right journal for your work.

Think. Check. Submit. was established because there are some journals which do not provide the quality assurance and services that should be delivered by a reputable journal. In particular, many of these journals do not ensure there is thorough peer review or editor feedback process in place.

That means, if you submit to one of these journals, you will not benefit from helpful article feedback from your peers. It may also lead to others being skeptical about the validity of your published results.

You should therefore make sure that you submit your work to a journal you can trust. By using the checklist provided on the [Think. Check. Submit. website](#), you can make an informed choice.

#### **Peer review integrity at Taylor & Francis**

Every full research article published in a Taylor & Francis journal has been through peer review, as outlined in the journal's [aims & scope](#) information. This means that the article's quality, validity, and relevance has been assessed by independent peers within the research field.

We believe in the integrity of peer review with every journal we publish, ascribing to the following statement:

*All published research articles in this journal have undergone rigorous peer review, based on initial editor screening, anonymous refereeing by independent expert referees, and consequent revision by article authors when required.*

[Ask for peer-reviewed evidence](#)

[Every day we encounter scientific claims in the news, online, and in adverts. But how do we know which ones to believe? How can we ensure that the choices we make around diet, health, environment, pol...](#)

[Hands up for peer review](#)

[We've been supporting Sense about Science's work on peer review for some time, sponsoring their workshops and helping to spread the word about the excellent resources they create for early caree...](#)

[The role of early career researchers in improving peer review diversity](#)

[Catherine Walker of Sense about Science shares her perspective on the issue of diversity in peer review and highlights an important solution. From Catherine Walker 'Publish or perish' is the a...](#)

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Expert tips and guidance on getting published and maximizing the impact of your research. [Register now for weekly insights direct to your inbox.](#)

Different types of peer review

Peer review takes different forms and each type has pros and cons. The type of peer review model used will often vary between journals, even of the same publisher.

So, **check your chosen journal's peer-review policy before you submit**, to make sure you know what to expect and are comfortable with your paper being reviewed in that way.

Every Taylor & Francis journal publishes a statement describing the type of peer review used by the journal within the [aims & scope](#) section on Taylor & Francis Online.

Below we go through the most common types of peer review.

**Single-anonymous peer review**

This type of peer review is also called 'single-blind review'. In this model, the reviewers know that you are the author of the article, but you don't know the identities of the reviewers.

Single-anonymous review is most common for science and medicine journals. Find out more about the pros and cons of [single-anonymous peer review](#).

### **Double-anonymous peer review**

In this model, which is also known as 'double-blind review', the reviewers don't know that you are the author of the article. And you don't know who the reviewers are either. Double-anonymous review is particularly common in humanities and some social sciences' journals.

Discover more about the pros and cons of [double-anonymous peer review](#).

If you are submitting your article for double-anonymous peer review, make sure you know [how to make your article anonymous](#).

### **Open peer review**

There is no one agreed definition of open peer review. In fact, [a recent study](#) identified 122 different definitions of the term. Typically, it will mean that the reviewers know you are the author and also that their identity will be revealed to you at some point during the review or publication process. Find out more about [open peer review](#).

Further reading: [A new scholar's perspective on open peer review](#)

### **Post-publication peer review**

In post-publication peer review models, your paper may still go through one of the other types of peer review first. Alternatively, your paper may be published online almost immediately, after some basic checks. Either way, once it is published, there will then be an opportunity for invited reviewers (or even readers) to add their own comments or reviews.

You can learn about the pros and cons of [post-publication peer review here](#).

### **Registered Reports**

The [Registered Reports](#) process splits peer review into two parts.

The first round of peer review takes place after you've designed your study, but before you've collected or analyzed any data. This allows you to get feedback on both the question you're looking to answer, and the experiment you've designed to test it.

If your manuscript passes peer review, the journal will give you an in-principle acceptance (IPA). This indicates that your article will be published as long as you successfully complete your study according to the pre-registered methods and submit an evidence-based interpretation of the results.

Find out about [Registered Reports at Taylor & Francis](#).

F1000Research: open and post-publication peer review

[F1000Research](#) is part of the Taylor & Francis Group. It operates an innovative peer review process which is fully transparent and takes place after an article has been published.



**How it works:**

1. Before publication, authors are asked to [suggest at least five potential reviewers](#) who are experts in the field. The reviewers also need to be able to provide unbiased reports on the article.
2. Submitted articles are published rapidly, after passing a series of pre-publication checks that assess, originality, readability, author eligibility, and compliance with F1000Research's policies and ethical guidelines.
3. Once the article is published, expert reviewers are formally invited to review.
4. The peer review process is entirely open and transparent. Each peer review report, plus the approval status selected by the reviewer, is published with the reviewer's name and affiliation alongside the article.
5. Authors are encouraged to respond openly to the peer review reports and can publish revised versions of their article if they wish. New versions are clearly linked and easily navigable, so that readers and reviewers can quickly find the latest version of an article.
6. The article remains published regardless of the reviewers' reports. Articles that pass peer review are indexed in Scopus, PubMed, Google Scholar and other bibliographic databases.

# How our publishing p



## Article submission

Submitting an article is easy with our single-page submission system. The in-

## Publication data dep

Once the a  
finalized th  
the article

## [Find out about how the F1000Research model works](#)

Get to know the peer review process

Peer review follows a number of steps, beginning with submitting your article to a journal.

### **Step 1: Editor assessment**

When your manuscript arrives at the journal's editorial office it will receive an initial desk assessment by the journal's editor or editorial office. They will check that it's broadly suitable for the journal. They will ask questions such as:

- Is this the right journal for this article?
- Does the paper cover a suitable topic according to the journal's [aims & scope](#)?
- Has the author followed the journal's guidelines in the [instructions for authors](#)? They will check that your paper meets the basic requirements of the journal, such as word count, language clarity, and format.
- Has the author included everything that's needed for peer review? They will check that there is an abstract, author affiliation details, any figures, and research-funder information.
- Does it make a significant contribution to the existing literature?

If your article doesn't pass these initial checks the editor might reject the article immediately. This is known as a 'desk reject' and it is a decision made at the editor's discretion, based on their substantial experience and subject expertise. By having this initial screening in place, it can enable a quick decision if your manuscript isn't suitable for the journal. This means you can submit your article to another journal quickly.

If your article does pass the initial assessment, it will move to the next stage, and into peer review.

"As an editor, when you first get a submission, at one level you're simply filtering. A fairly small proportion do not get sent out by me for review. Sometimes they simply fall outside the scope of the journal."

**Michael Reiss**, Founding Editor of *Sex Education*

### **Step 2: First round of peer review**

Next, the editor will find and contact other researchers who are experts in your field, and will ask them to review the paper. A minimum of two independent reviewers is normally required for every research article. The aims and scope of each journal will outline their peer review policy in detail.

The reviewers will be asked to read and comment on your article. They may also be invited to advise the editor whether your article is suitable for publication in that journal.



So, what are the reviewers looking for? This depends on the subject area, but they will be checking that:

- Your work is **original** or new.
- The study design and **methodology** are appropriate and described so that others could replicate what you have done.
- You've engaged with all the relevant **current scholarship**.
- The results are appropriately and **clearly presented**.
- Your **conclusions are reliable**, significant, and supported by the research.
- The paper **fits the scope** of the journal.
- The work is of a **high enough standard** to be published in the journal.

*Important: please note that if you have not already [shared your research data publicly](#), peer reviewers may request to see your datasets, to support validation of the results in your article.*

Once the editor has received and considered the reviewer reports, as well as making their own assessment of your work, they will let you know their decision. The reviewer reports will be shared with you, along with any additional guidance from the editor.

If you get a straight acceptance, congratulations, your article is ready to move to publication. But, please note, that this isn't common. Very often, you will need to revise your article and resubmit it. Or it may be that the editor decides your paper needs to be rejected by that journal.

Please note that the final editorial decision on a paper and the choice of who to invite to review is always the editor's decision. For further details on this, please see [our peer review appeals and complaints policy](#).

### **Step 3: Revise and resubmit**

It is very common for the editor and reviewers to have suggestions about how you can improve your paper before it is ready to be published. They might have only a few straightforward recommendations ('minor amendments') or require more substantial changes before your paper will be accepted for publication ('major amendments'). Authors often tell us that the reviewers' comments can be extremely helpful, to make sure that their article is of a high quality.

During this next stage of the process you will have time to amend your article based on the reviewers' comments, resubmitting it with any or all changes made. Make sure you know ['how to respond to reviewer comments'](#).

Once you resubmit your manuscript the editor will look through the revisions. They will often send it out for a second round of peer review, asking the reviewers to assess how you've responded to their comments.

After this, you may be asked to make further revisions, or the paper might be rejected if the editor thinks that the changes you've made are not adequate. However, if your revisions have now brought the paper up to the standard required by that journal, it then moves to the next stage.

If you do not intend to make the revisions suggested by the journal and resubmit your paper for consideration, please ensure you formally withdraw your paper from consideration by the journal before you submit elsewhere.

### **Make sure you resubmit**

Some researchers don't revise and resubmit their manuscript when they receive changes in the initial peer review. This is a lost opportunity. Revisions and feedback are an essential and normal part of the publishing process. It's unlikely a journal will accept your manuscript first time; just as most great novels don't get published without being edited.

### **Step 4: Accepted**

And that's it, you've made it through peer review. The next step is [production](#).

### **How long does peer review take?**

Editorial teams work very hard to progress papers through peer review as quickly as possible. But it is important to be aware that this part of the process can take time.

- The first stage is for the editor to find suitably qualified expert reviewers who are available. Given the competing demands of research life, nobody can agree to every review request they receive. It's therefore not uncommon for a paper to go through several cycles of requests before the editor finds reviewers who are both willing and able to accept.
- Then, the reviewers who do accept the request, have to find time alongside their own research, teaching, and writing, to give your paper thorough consideration.

Please do keep this in mind if you don't receive a decision on your paper as quickly as you would like. If you've submitted your paper via an online system, then you can use it to track the progress of your paper through peer review. Otherwise, if you need an update on the status of your paper, please get in touch with the editor.

**Top tip:** Many journals publish key dates alongside new articles, including when the paper was submitted, accepted, and published online. While you're at the stage of choosing a journal to submit to, take a look at these dates for a range of recent articles published in the journals you're considering. While each article will have a slightly different timeline, this may help you to get an idea of how long publication may take.

### **A 360° view of peer review**



Peer review is a process that involves various players – the author, the reviewer and the editor to name a few. And depending on which of these hats you have on, the process can look quite different.

To help you uncover the 360° peer review view, [read these interviews with an editor, author, and reviewer.](#)

How to respond to reviewer comments

If the editor asks you to revise your article, you will be given time to make the required changes before resubmitting.

When you receive the reviewers' comments, try not to take personal offence to any criticism of your article (even though that can be hard).

Some researchers find it helpful to put the reviewer report to one side for a few days after they've read it for the first time. Once you have had chance to digest the idea that your article requires further work, you can more easily address the reviewer comments objectively.

When you come back to the reviewer report, take time to read through the editor and reviewers' advice carefully, deciding what changes you will make to your article in response. Taking their points on board will make sure your final article is as robust and impactful as possible.

**Please make sure that you address all the reviewer and editor comments in your revisions.**

It may be helpful to resubmit your article along with a two-column grid outlining how you've revised your manuscript. On one side of the grid list each of the reviewers' comments and opposite them detail the alterations you've made in response. This method can help you to order your thoughts, and clearly demonstrate to the editor and reviewers that you've considered all of their feedback.

**What if you don't agree with the reviewers' comments?**

If there's a review comment that you don't agree with, it is important that you don't ignore it. Instead, include an explanation of why you haven't made that change with your resubmission. The editor can then make an assessment and include your explanation when the amended article is sent back to the reviewers.

You are entitled to defend your position but, when you do, make sure that the tone of your explanation is assertive and persuasive, rather than defensive or aggressive.

**If there are any review comments which you don't understand or don't know how to respond to, please get in touch with the journal's editor and ask for their advice.**

“Where possible, a little constructive advice on how to make use of the views of the referees can make all the difference, and the editor has the responsibility of deciding when and how to do this.”

**Gary McCulloch**, Editor, *British Journal of Educational Studies*

What if my paper is rejected?

Nobody enjoys having their paper rejected by a journal, but it is a fact of academic life. It happens to almost all researchers at some point in their career. So, it is important not to let the experience knock you back. Instead, try to use it as a valuable learning opportunity.

**Take time to understand why your paper has been rejected**

If a journal rejects your manuscript, it may be for one of many reasons. Make sure that you understand why your paper has been rejected so that you can learn from the experience. This is especially important if you are intending to submit the same article to a different journal.

Are there fundamental changes that need to be made before the paper is ready to be published, or was this simply a case of submitting to the wrong journal? If you are unsure why your article has been rejected, then please contact the journal's editor for advice.

Some of the common reasons manuscripts are rejected include:

1. The author has submitted their paper to the wrong journal: it doesn't fit the [aims & scope](#) or fails to engage with issues addressed by the journal.
2. The manuscript is not a true journal article, for instance it is too journalistic or clearly a thesis chapter.
3. The manuscript is too long or too short.
4. There is poor regard of the journal's conventions, or for academic writing in general.
5. Poor style, grammar, punctuation or English throughout the manuscript. Get [English language editing](#) assistance.
6. The manuscript does not make any new contribution to the subject.
7. The research has not been properly contextualized.
8. There is a poor theoretical framework used. There are [actionable recommendations to improve your manuscript](#).

9. The manuscript is poorly presented.
10. The manuscript is libelous or unethical.

### **Carefully consider where to submit next**

When you made your original submission, you will probably have had a shortlist of journals you were considering. Return to that list but, before you move to your second choice, you may wish to assess whether any feedback you've received during peer review has changed your opinion. Your article may also be quite different if it has been through any rounds of revision. It can be helpful at this stage to re-read the [aims & scope](#) statements of your original shortlisted journals.

Once you have selected which journal to submit to next, make sure that you read through its information for authors and reformat your article to fit its requirements. Again, it is important to use the feedback from the peer review process to your advantage as you rewrite and reformat the manuscript.

### **Is 'transferring' an option?**

A growing number of publishers offer a [transfer or cascade service](#) to authors when their paper is rejected. This process is designed for papers which aren't suitable for the journal they were originally submitted to.

If your article falls into this category then one or more alternative journals from the same publisher will be suggested. You will have the option either to submit to one of those suggested journals for review or to withdraw your article.

If you choose to transfer your article this will usually save you time. You won't need to enter all of the details into a new submission system. Once you've made any changes to your paper, bearing in mind previous editor or reviewer comments, the article will be submitted to the new journal on your behalf.

We have some more information about [article transfers, including FAQs about the Taylor & Francis transfer process](#).

### **Why you should become a peer reviewer**

When you're not in the middle of submitting or revising your own article, you should consider becoming a reviewer yourself.

There are many demands on a researcher's time, so it is a legitimate question to ask why some of that precious time should be spent reviewing someone else's work. How does being a reviewer help you in your career? Here are some of the benefits.

**Keep up with the latest thinking:** As a reviewer you get an early view of the exciting new research being done in your field. Not only that, peer review gives you a role in helping to evaluate and improve this new work.

**Improve your own writing:** Carefully reviewing articles written by other researchers can give you an insight into how you can make your own work better. Unlike when you are reading articles as part of your research, the process of reviewing encourages you to think critically about what makes an article good (or not so good). This could be related to writing style, presentation, or the clarity of explanations.

**Boost your career:** While a lot of reviewing is anonymous, there are schemes to recognize the important contribution of reviewers. You can also include reviewing work on your resume. Your work as a reviewer will be of interest to appointment or promotion committees who are looking for evidence of service to the profession.

**Become part of a journal's community:** Many journals act as the center of a network of researchers who are in conversation about key themes and developments in the field. Becoming a reviewer is a great way to get involved with that group. This can give you the opportunity to build new connections for future collaborations. Being a regular reviewer may also be the first step to becoming a member of the journal's editorial board.

### **Your research community needs you**

Of course, being a reviewer is not just about the benefits it can bring you. The [Taylor & Francis peer review survey](#) found that these are the top 3 reasons why researchers choose to review:

1. **Being an active member of the academic community:** Peer review is the bedrock of academic publishing. The work of reviewers is essential in helping every piece of research to become as good as it can be. By being a reviewer, you will play a vital part in advancing the research area that you care about.
2. **Reciprocating the benefit:** Researchers regularly talk about the benefits to their own work from being reviewed by others. Gratitude to the reviewers who have improved your work is a great motivation to make one's own contribution of service to the community.
3. **Enjoying being able to help improve papers:** Reviewing is often anonymous, with only the editor knowing the important contribution you've made. However, many reviewers attest that it is work that makes them feel good, knowing that they have been able to support a fellow researcher.

"Reviewers are the lifeblood of any journal"

**Mike J. Smith**, Editor-in-Chief of *Journal of Maps*

### **How to be an effective peer reviewer**

Our popular [guide to becoming a peer reviewer](#) covers everything you need to know to get started, including:

- How to become a peer reviewer

- Writing review reports: step-by-step
- Ethical guidelines for peer reviewers
- Reviewer recognition

### [Read the Taylor & Francis reviewer guidelines](#)

#### Further reading

We hope you've found this short introduction to peer review helpful. For further useful advice check out the following resources.



### [Peer Review: the nuts and bolts](#)

A guide to peer review written by early career researchers, for early career researchers and published by Sense about Science.

### [A guide to becoming a peer reviewer](#)

An overview of what's involved in becoming a reviewer for a Taylor & Francis journal.

### [Ethical guidelines for peer reviewer](#)

Produced by COPE, the Committee on Publication Ethics, setting out the standards all peer reviewers should follow.

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## Understanding the peer review process

### What is peer review? A guide for authors

#### About this topic

The peer review process starts once you have submitted your paper to a journal. After submission, your paper will be sent for assessment by independent experts in your field. The reviewers are asked to judge the validity, significance, and originality of your work. Below we expand on what is peer review is, and how it works.

#### GO TO SECTION:

[What is peer review? And why is it important?](#)[Different types of peer review](#)[F1000Research: open and post-publication peer review](#)[Get to know the peer review process](#)[How to respond to reviewer comments](#)[What if my paper is rejected?](#)[Why you should become a peer reviewer](#)[Further reading](#)

#### What is peer review? And why is it important?

Peer review is the independent assessment of your research paper by experts in your field. The purpose of peer review is to evaluate the paper's quality and suitability for publication.

As well as peer review acting as a form of quality control for academic journals, it is a very useful source of feedback for you. The feedback can be used to improve your paper before it is published.

So at its best, peer review is a collaborative process, where authors engage in a dialogue with peers in their field, and receive constructive support to advance their work.

Use the guide below to discover how you can get the most out of the peer review process.

AUTHORSERVICES  
Supporting Taylor & Francis authors

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**Why is peer review important?**

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Taylor & Francis Group  
an informa business

## Understanding peer review

Original research articles published in a Taylor & Francis journal go through **rigorous peer review**.

**Why?**  
Peer review allows your research to be evaluated and commented upon by independent experts (your 'peers') who work within the same academic field as you. Its aims are to:

- ✓ Ensure submitted articles are suitable for the journal and its readers.
- ✓ Give you detailed and constructive feedback on your work from experts in the field.
- ✓ Alert you to any errors or gaps in literature you may have overlooked.
- ✓ Create a discussion between the author, reviewers, and editor around a research field or topic.

**Before you submit your paper:**

- 1 **Check** your chosen journal's instructions for Authors on [Taylor & Francis Online](#).
- 2 **Understand** what type of peer review your article will go through (single, double-blind or open peer review).
- 3 **Know** what to expect.

**The peer review process**

**75%** of authors rate their satisfaction with the refereeing process at Taylor & Francis as 8 or above.\*  
Taylor & Francis Author Survey, 2016

**More resources**

- Peer Review: the Nuts and Bolts (a guide for early career researchers) from [Sense about Science](#)
- The Committee of Publishing Ethics (COPE) Ethical Guidelines for Reviewers

**About to review?** Read our editors' [step-by-step guide to writing a review](#).

Guidance, developments, news and ideas for Taylor & Francis authors

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Peer review is vitally important to uphold the high standards of scholarly communications, and maintain the quality of individual journals. It is also an important support for the researchers who author the papers.

Every journal depends on the hard work of reviewers who are the ones at the forefront of the peer review process. The reviewers are the ones who test and refine each article before publication. Even for very specialist journals, the editor can't be an expert in the topic of every article submitted. So, the feedback and comments of carefully selected reviewers are an essential guide to inform the editor's decision on a research paper.

There are also practical reasons why peer review is beneficial to you, the author. The peer review process can alert you to any errors in your work, or gaps in the literature you may have overlooked.

Researchers consistently tell us that their final published article is better than the version they submitted before peer review. 91% of respondents to a [Sense about Science peer review survey](#) said that their last paper was improved through peer review. A [Taylor & Francis study](#) supports this, finding

that most researchers, across all subject areas, rated the contribution of peer review towards improving their article as 8 or above out of 10.

**Choose the right journal for your research: Think. Check. Submit.**



We support [Think. Check. Submit.](#), an initiative launched by a coalition of scholarly communications organizations. It provides the tools to help you choose the right journal for your work.

Think. Check. Submit. was established because there are some journals which do not provide the quality assurance and services that should be delivered by a reputable journal. In particular, many of these journals do not ensure there is thorough peer review or editor feedback process in place.

That means, if you submit to one of these journals, you will not benefit from helpful article feedback from your peers. It may also lead to others being skeptical about the validity of your published results.

You should therefore make sure that you submit your work to a journal you can trust. By using the checklist provided on the [Think. Check. Submit. website](#), you can make an informed choice.

#### **Peer review integrity at Taylor & Francis**

Every full research article published in a Taylor & Francis journal has been through peer review, as outlined in the journal's [aims & scope](#) information. This means that the article's quality, validity, and relevance has been assessed by independent peers within the research field.

We believe in the integrity of peer review with every journal we publish, ascribing to the following statement:

*All published research articles in this journal have undergone rigorous peer review, based on initial editor screening, anonymous refereeing by independent expert referees, and consequent revision by article authors when required.*

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Different types of peer review

Peer review takes different forms and each type has pros and cons. The type of peer review model used will often vary between journals, even of the same publisher.

So, **check your chosen journal's peer-review policy before you submit**, to make sure you know what to expect and are comfortable with your paper being reviewed in that way.

Every Taylor & Francis journal publishes a statement describing the type of peer review used by the journal within the [aims & scope](#) section on Taylor & Francis Online.

Below we go through the most common types of peer review.

**Single-anonymous peer review**

This type of peer review is also called 'single-blind review'. In this model, the reviewers know that you are the author of the article, but you don't know the identities of the reviewers.

Single-anonymous review is most common for science and medicine journals. Find out more about the pros and cons of [single-anonymous peer review](#).

### **Double-anonymous peer review**

In this model, which is also known as 'double-blind review', the reviewers don't know that you are the author of the article. And you don't know who the reviewers are either. Double-anonymous review is particularly common in humanities and some social sciences' journals.

Discover more about the pros and cons of [double-anonymous peer review](#).

If you are submitting your article for double-anonymous peer review, make sure you know [how to make your article anonymous](#).

### **Open peer review**

There is no one agreed definition of open peer review. In fact, [a recent study](#) identified 122 different definitions of the term. Typically, it will mean that the reviewers know you are the author and also that their identity will be revealed to you at some point during the review or publication process. Find out more about [open peer review](#).

Further reading: [A new scholar's perspective on open peer review](#)

### **Post-publication peer review**

In post-publication peer review models, your paper may still go through one of the other types of peer review first. Alternatively, your paper may be published online almost immediately, after some basic checks. Either way, once it is published, there will then be an opportunity for invited reviewers (or even readers) to add their own comments or reviews.

You can learn about the pros and cons of [post-publication peer review here](#).

### **Registered Reports**

The [Registered Reports](#) process splits peer review into two parts.

The first round of peer review takes place after you've designed your study, but before you've collected or analyzed any data. This allows you to get feedback on both the question you're looking to answer, and the experiment you've designed to test it.

If your manuscript passes peer review, the journal will give you an in-principle acceptance (IPA). This indicates that your article will be published as long as you successfully complete your study according to the pre-registered methods and submit an evidence-based interpretation of the results.

Find out about [Registered Reports at Taylor & Francis](#).

F1000Research: open and post-publication peer review

[F1000Research](#) is part of the Taylor & Francis Group. It operates an innovative peer review process which is fully transparent and takes place after an article has been published.



**How it works:**

1. Before publication, authors are asked to [suggest at least five potential reviewers](#) who are experts in the field. The reviewers also need to be able to provide unbiased reports on the article.
2. Submitted articles are published rapidly, after passing a series of pre-publication checks that assess, originality, readability, author eligibility, and compliance with F1000Research's policies and ethical guidelines.
3. Once the article is published, expert reviewers are formally invited to review.
4. The peer review process is entirely open and transparent. Each peer review report, plus the approval status selected by the reviewer, is published with the reviewer's name and affiliation alongside the article.
5. Authors are encouraged to respond openly to the peer review reports and can publish revised versions of their article if they wish. New versions are clearly linked and easily navigable, so that readers and reviewers can quickly find the latest version of an article.
6. The article remains published regardless of the reviewers' reports. Articles that pass peer review are indexed in Scopus, PubMed, Google Scholar and other bibliographic databases.



# How our publishing p



## Article submission

Submitting an article is easy with our single-page submission system. The in-

## Publication data dep

Once the a  
finalized th  
the article

## [Find out about how the F1000Research model works](#)

Get to know the peer review process

Peer review follows a number of steps, beginning with submitting your article to a journal.

### **Step 1: Editor assessment**

When your manuscript arrives at the journal's editorial office it will receive an initial desk assessment by the journal's editor or editorial office. They will check that it's broadly suitable for the journal. They will ask questions such as:

- Is this the right journal for this article?
- Does the paper cover a suitable topic according to the journal's [aims & scope](#)?
- Has the author followed the journal's guidelines in the [instructions for authors](#)? They will check that your paper meets the basic requirements of the journal, such as word count, language clarity, and format.
- Has the author included everything that's needed for peer review? They will check that there is an abstract, author affiliation details, any figures, and research-funder information.
- Does it make a significant contribution to the existing literature?

If your article doesn't pass these initial checks the editor might reject the article immediately. This is known as a 'desk reject' and it is a decision made at the editor's discretion, based on their substantial experience and subject expertise. By having this initial screening in place, it can enable a quick decision if your manuscript isn't suitable for the journal. This means you can submit your article to another journal quickly.

If your article does pass the initial assessment, it will move to the next stage, and into peer review.

"As an editor, when you first get a submission, at one level you're simply filtering. A fairly small proportion do not get sent out by me for review. Sometimes they simply fall outside the scope of the journal."

**Michael Reiss**, Founding Editor of *Sex Education*

### **Step 2: First round of peer review**

Next, the editor will find and contact other researchers who are experts in your field, and will ask them to review the paper. A minimum of two independent reviewers is normally required for every research article. The aims and scope of each journal will outline their peer review policy in detail.

The reviewers will be asked to read and comment on your article. They may also be invited to advise the editor whether your article is suitable for publication in that journal.

So, what are the reviewers looking for? This depends on the subject area, but they will be checking that:

- Your work is **original** or new.
- The study design and **methodology** are appropriate and described so that others could replicate what you have done.
- You've engaged with all the relevant **current scholarship**.
- The results are appropriately and **clearly presented**.
- Your **conclusions are reliable**, significant, and supported by the research.
- The paper **fits the scope** of the journal.
- The work is of a **high enough standard** to be published in the journal.

*Important: please note that if you have not already [shared your research data publicly](#), peer reviewers may request to see your datasets, to support validation of the results in your article.*

Once the editor has received and considered the reviewer reports, as well as making their own assessment of your work, they will let you know their decision. The reviewer reports will be shared with you, along with any additional guidance from the editor.

If you get a straight acceptance, congratulations, your article is ready to move to publication. But, please note, that this isn't common. Very often, you will need to revise your article and resubmit it. Or it may be that the editor decides your paper needs to be rejected by that journal.

Please note that the final editorial decision on a paper and the choice of who to invite to review is always the editor's decision. For further details on this, please see [our peer review appeals and complaints policy](#).

### **Step 3: Revise and resubmit**

It is very common for the editor and reviewers to have suggestions about how you can improve your paper before it is ready to be published. They might have only a few straightforward recommendations ('minor amendments') or require more substantial changes before your paper will be accepted for publication ('major amendments'). Authors often tell us that the reviewers' comments can be extremely helpful, to make sure that their article is of a high quality.

During this next stage of the process you will have time to amend your article based on the reviewers' comments, resubmitting it with any or all changes made. Make sure you know ['how to respond to reviewer comments'](#).

Once you resubmit your manuscript the editor will look through the revisions. They will often send it out for a second round of peer review, asking the reviewers to assess how you've responded to their comments.

After this, you may be asked to make further revisions, or the paper might be rejected if the editor thinks that the changes you've made are not adequate. However, if your revisions have now brought the paper up to the standard required by that journal, it then moves to the next stage.

If you do not intend to make the revisions suggested by the journal and resubmit your paper for consideration, please ensure you formally withdraw your paper from consideration by the journal before you submit elsewhere.

### **Make sure you resubmit**

Some researchers don't revise and resubmit their manuscript when they receive changes in the initial peer review. This is a lost opportunity. Revisions and feedback are an essential and normal part of the publishing process. It's unlikely a journal will accept your manuscript first time; just as most great novels don't get published without being edited.

### **Step 4: Accepted**

And that's it, you've made it through peer review. The next step is [production](#).

### **How long does peer review take?**

Editorial teams work very hard to progress papers through peer review as quickly as possible. But it is important to be aware that this part of the process can take time.

- The first stage is for the editor to find suitably qualified expert reviewers who are available. Given the competing demands of research life, nobody can agree to every review request they receive. It's therefore not uncommon for a paper to go through several cycles of requests before the editor finds reviewers who are both willing and able to accept.
- Then, the reviewers who do accept the request, have to find time alongside their own research, teaching, and writing, to give your paper thorough consideration.

Please do keep this in mind if you don't receive a decision on your paper as quickly as you would like. If you've submitted your paper via an online system, then you can use it to track the progress of your paper through peer review. Otherwise, if you need an update on the status of your paper, please get in touch with the editor.

**Top tip:** Many journals publish key dates alongside new articles, including when the paper was submitted, accepted, and published online. While you're at the stage of choosing a journal to submit to, take a look at these dates for a range of recent articles published in the journals you're considering. While each article will have a slightly different timeline, this may help you to get an idea of how long publication may take.

### **A 360° view of peer review**



Peer review is a process that involves various players – the author, the reviewer and the editor to name a few. And depending on which of these hats you have on, the process can look quite different.

To help you uncover the 360° peer review view, [read these interviews with an editor, author, and reviewer.](#)

How to respond to reviewer comments

If the editor asks you to revise your article, you will be given time to make the required changes before resubmitting.

When you receive the reviewers' comments, try not to take personal offence to any criticism of your article (even though that can be hard).

Some researchers find it helpful to put the reviewer report to one side for a few days after they've read it for the first time. Once you have had chance to digest the idea that your article requires further work, you can more easily address the reviewer comments objectively.

When you come back to the reviewer report, take time to read through the editor and reviewers' advice carefully, deciding what changes you will make to your article in response. Taking their points on board will make sure your final article is as robust and impactful as possible.

**Please make sure that you address all the reviewer and editor comments in your revisions.**

It may be helpful to resubmit your article along with a two-column grid outlining how you've revised your manuscript. On one side of the grid list each of the reviewers' comments and opposite them detail the alterations you've made in response. This method can help you to order your thoughts, and clearly demonstrate to the editor and reviewers that you've considered all of their feedback.

**What if you don't agree with the reviewers' comments?**

If there's a review comment that you don't agree with, it is important that you don't ignore it. Instead, include an explanation of why you haven't made that change with your resubmission. The editor can then make an assessment and include your explanation when the amended article is sent back to the reviewers.

You are entitled to defend your position but, when you do, make sure that the tone of your explanation is assertive and persuasive, rather than defensive or aggressive.

**If there are any review comments which you don't understand or don't know how to respond to, please get in touch with the journal's editor and ask for their advice.**

"Where possible, a little constructive advice on how to make use of the views of the referees can make all the difference, and the editor has the responsibility of deciding when and how to do this."

**Gary McCulloch**, Editor, *British Journal of Educational Studies*

What if my paper is rejected?

Nobody enjoys having their paper rejected by a journal, but it is a fact of academic life. It happens to almost all researchers at some point in their career. So, it is important not to let the experience knock you back. Instead, try to use it as a valuable learning opportunity.

**Take time to understand why your paper has been rejected**

If a journal rejects your manuscript, it may be for one of many reasons. Make sure that you understand why your paper has been rejected so that you can learn from the experience. This is especially important if you are intending to submit the same article to a different journal.

Are there fundamental changes that need to be made before the paper is ready to be published, or was this simply a case of submitting to the wrong journal? If you are unsure why your article has been rejected, then please contact the journal's editor for advice.

Some of the common reasons manuscripts are rejected include:

1. The author has submitted their paper to the wrong journal: it doesn't fit the [aims & scope](#) or fails to engage with issues addressed by the journal.
2. The manuscript is not a true journal article, for instance it is too journalistic or clearly a thesis chapter.
3. The manuscript is too long or too short.
4. There is poor regard of the journal's conventions, or for academic writing in general.
5. Poor style, grammar, punctuation or English throughout the manuscript. Get [English language editing](#) assistance.
6. The manuscript does not make any new contribution to the subject.
7. The research has not been properly contextualized.
8. There is a poor theoretical framework used. There are [actionable recommendations to improve your manuscript](#).

9. The manuscript is poorly presented.
10. The manuscript is libelous or unethical.

### **Carefully consider where to submit next**

When you made your original submission, you will probably have had a shortlist of journals you were considering. Return to that list but, before you move to your second choice, you may wish to assess whether any feedback you've received during peer review has changed your opinion. Your article may also be quite different if it has been through any rounds of revision. It can be helpful at this stage to re-read the [aims & scope](#) statements of your original shortlisted journals.

Once you have selected which journal to submit to next, make sure that you read through its information for authors and reformat your article to fit its requirements. Again, it is important to use the feedback from the peer review process to your advantage as you rewrite and reformat the manuscript.

### **Is 'transferring' an option?**

A growing number of publishers offer a [transfer or cascade service](#) to authors when their paper is rejected. This process is designed for papers which aren't suitable for the journal they were originally submitted to.

If your article falls into this category then one or more alternative journals from the same publisher will be suggested. You will have the option either to submit to one of those suggested journals for review or to withdraw your article.

If you choose to transfer your article this will usually save you time. You won't need to enter all of the details into a new submission system. Once you've made any changes to your paper, bearing in mind previous editor or reviewer comments, the article will be submitted to the new journal on your behalf.

We have some more information about [article transfers, including FAQs about the Taylor & Francis transfer process](#).

### **Why you should become a peer reviewer**

When you're not in the middle of submitting or revising your own article, you should consider becoming a reviewer yourself.

There are many demands on a researcher's time, so it is a legitimate question to ask why some of that precious time should be spent reviewing someone else's work. How does being a reviewer help you in your career? Here are some of the benefits.

**Keep up with the latest thinking:** As a reviewer you get an early view of the exciting new research being done in your field. Not only that, peer review gives you a role in helping to evaluate and improve this new work.

**Improve your own writing:** Carefully reviewing articles written by other researchers can give you an insight into how you can make your own work better. Unlike when you are reading articles as part of your research, the process of reviewing encourages you to think critically about what makes an article good (or not so good). This could be related to writing style, presentation, or the clarity of explanations.

**Boost your career:** While a lot of reviewing is anonymous, there are schemes to recognize the important contribution of reviewers. You can also include reviewing work on your resume. Your work as a reviewer will be of interest to appointment or promotion committees who are looking for evidence of service to the profession.

**Become part of a journal's community:** Many journals act as the center of a network of researchers who are in conversation about key themes and developments in the field. Becoming a reviewer is a great way to get involved with that group. This can give you the opportunity to build new connections for future collaborations. Being a regular reviewer may also be the first step to becoming a member of the journal's editorial board.

### **Your research community needs you**

Of course, being a reviewer is not just about the benefits it can bring you. The [Taylor & Francis peer review survey](#) found that these are the top 3 reasons why researchers choose to review:

1. **Being an active member of the academic community:** Peer review is the bedrock of academic publishing. The work of reviewers is essential in helping every piece of research to become as good as it can be. By being a reviewer, you will play a vital part in advancing the research area that you care about.
2. **Reciprocating the benefit:** Researchers regularly talk about the benefits to their own work from being reviewed by others. Gratitude to the reviewers who have improved your work is a great motivation to make one's own contribution of service to the community.
3. **Enjoying being able to help improve papers:** Reviewing is often anonymous, with only the editor knowing the important contribution you've made. However, many reviewers attest that it is work that makes them feel good, knowing that they have been able to support a fellow researcher.

"Reviewers are the lifeblood of any journal"

**Mike J. Smith**, Editor-in-Chief of *Journal of Maps*

### **How to be an effective peer reviewer**

Our popular [guide to becoming a peer reviewer](#) covers everything you need to know to get started, including:

- How to become a peer reviewer



- Writing review reports: step-by-step
- Ethical guidelines for peer reviewers
- Reviewer recognition

### [Read the Taylor & Francis reviewer guidelines](#)

#### Further reading

We hope you've found this short introduction to peer review helpful. For further useful advice check out the following resources.



### [Peer Review: the nuts and bolts](#)

A guide to peer review written by early career researchers, for early career researchers and published by Sense about Science.

### [A guide to becoming a peer reviewer](#)

An overview of what's involved in becoming a reviewer for a Taylor & Francis journal.

### [Ethical guidelines for peer reviewer](#)

Produced by COPE, the Committee on Publication Ethics, setting out the standards all peer reviewers should follow.

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*Financing Decisions, Risk Preference, and Home Bias: Pecking Order Theory of Minangkabau SMEs*

Introduction

- (1) In the background the authors has not stated how the formulation of the problem as well as the objectives and benefits of the research. This writing is necessary because the statement is related to the things stated in the abstract of this research in showing the results and implications of the study. The writing of these aspects is also related to the determination of conclusions that show results in relation to the statement of objectives and benefits of the research.

Literature Review

- (2) In paragraph 10, starting the sentence with the word "From"... (does not indicate the topic sentence of the paragraph). It needs to be rephrased to become the topic sentence of the paragraph. Furthermore, explanatory sentences can be presented from the topic sentence to the closing sentence. It is important to fulfill the sentence correction in this paragraph because it is related to its informative meaning in the research framework (figure 1).

Research Framework (figure 1 Framework)

- (3) Research using the "SEM" data analysis tool means that there are latent variables. Each of these variables is measured through indicators or variable dimensions. In accordance with the context of variables that have indicators, the research framework with this SEM analysis tool must be depicted with a circle symbol for all latent variables (dependent and independent). Each circle symbol in it is written with each latent variable name. Symbolically, in the picture each indicator needs to be presented in a rectangular picture with details of each indicator or dimensions in each form of latent variables. Furthermore, each latent variable must be expressed by the number of each indicator or its constituent dimensions (important and relevant are presented in Figure 1).

Method:

- (4) (4) The use of non-random sampling technique (convenience sampling technique) with the number of samples selected, requires justification for the adequacy of representation in terms of the sample to the population. The importance of an expert's

criteria in justifying an adequate number of samples can be justified by the relevant sample range from the lowest (multiplied by 5) to the highest (multiplied by 10) to the number of research item indicators. Although quantum sampling implies the adequacy of sample data for representation in the population in which research conclusion will be drawn.

## **Results and Discussion**

- (5) (5) The presentation of the results and discussion sections should be written separately. In terms of presenting the results on the output of the SEM analysis tool, it is important to present the results in a presentation: (i) a summary of the confirmatory factor analysis of each indicator for each latent variable of the study, (ii) the results of the "goodness of fit model" test (full model-second and full model-first order), (iii) The results of hypothesis testing are restated to show a direct effect for all research hypotheses as well as an indirect effect according to the results of the SEM test. Then the discussion section is specifically stated (needs to be restated from the existing information). The discussion has shown the relationship between the test results and the "grand theory" of this study, as well as showing the relationship between the results of this study and the empirical facts of previous studies.

## *Conclusion*

- (6) Conclusion should be presented by stating, first, summing up the research results in the context of the research objectives and benefits contextually. Then, it presents conclusions to show which empirical facts have the most significant influence among all the results of testing the research hypothesis. Conclusion related to future research are presented based on the findings and conclusions of the two previous conclusions, taking into account additional facts found during data collection with offline survey techniques. Methodically, this can be fulfilled if at the time of data collection for this study, the method used was added with semi-structured interview techniques.

Review Result : In mypoint of view this paper is sound with need minor or moderate revisions.

# PEER REVIEW CHECKLIST

## FIRST READ-THROUGH

- Is it clear what the authors want to communicate and the direction of the manuscript?
- Is it reporting original research or is it another type of article? How does this change your report?
- What contribution does the article make to the field of study?
- Is the manuscript original?
- Is the overall study design and approach appropriate?
- Are you concerned about the language? Are revisions needed to make it possible to review?

## DETAILED REVIEW – RESEARCH ARTICLES

### TITLE

- Does it express clearly what the manuscript is about?
- Does it highlight the importance of the study?
- Does it contain any unnecessary description?

### ABSTRACT

- Is it a short and clear summary of the aims, key methods, important findings and conclusions?
- Does it include enough information to stand alone?
- Does it contain unnecessary information?

## INTRODUCTION

- Does it clearly summarize the current state of the topic?
- Does it address the limitations of current knowledge in this field?
- Does it clearly explain why the study was necessary?
- Does it clearly define the aim of the study and is this consistent with the rest of the manuscript?
- Is the research question clear and appropriate?

## METHODS

- Are the study design and methods appropriate for the research question?
- Is there enough detail to repeat the experiments?
- Is it clear how samples were collected or how participants were recruited?
- Is there any potential bias in the sample or in the recruitment of participants?
- Are the correct controls/ validation included?
- Are any potential confounding factors considered?
- Has any randomization been done correctly?
- Is the time-frame of the study sufficient to see outcomes?
- Is there sufficient power and appropriate statistics?
- Do you have any ethical concerns?

## RESULTS

- Are the results presented clearly and accurately?
- Do the results presented match the methods?
- Have all the relevant data been included?
- Is there any risk of patients or participants being identified?
- Is the data described in the text consistent with the data in the figures and tables?

### DISCUSSION AND CONCLUSION

- Do the authors logically explain the findings?
- Do the authors compare the findings with current findings in the research field?
- Are the implications of the findings for future research and potential applications discussed?
- Are the conclusions supported by the data presented?
- Are any limitations of the study discussed?
- Are any contradictory data discussed?

### TABLES AND FIGURES

- Are data presented in a clear and appropriate manner?
- Is the presentation of tables and figures consistent with the description in text?
- Do the figure legends and table headings clearly explain what is shown?
- Do the figures and tables include measures of uncertainty, such as standard error or confidence intervals, where required as well as the sample size?
- Do you have any concerns about the manipulation of data?

### REFERENCES

- Are there any key references missing?
- Do the authors cite the initial discoveries where suitable?
- Are there places where the authors cite a review but should cite the original paper?
- Do the cited studies represent current knowledge?



## FINAL CHECKS – BEFORE YOU SUBMIT YOUR REPORT

- Have you given a brief summary of the article and highlighted the key messages?

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- Have you given positive feedback as well as constructive criticism?

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- Have you made it clear which of your concerns are major (significant points, essential for publication) or minor (smaller issues, may not be essential for publication)?

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- Are your concerns specific, with examples where possible?

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- Have you numbered your comments and referred to page/ line numbers in the article to make it easy for the authors to address your points?

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- Is your feedback constructive, and focused on the research?

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- If you were the authors, would you understand how to improve the manuscript?

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- If you were the Editor, would the comments be detailed enough to help you make a decision?

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- Have you checked the spelling and grammar in your report?

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- Have you included your comments in the correct places in the online system – checking that any confidential comments for editors are in the right place – and have you answered all the questions?

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# PEER REVIEW OF NON-RESEARCH ARTICLES

Many of the same questions will be relevant to all articles. However, articles which do not present original research are unlikely to have a methods section and results but may be more focused on the discussion of a topic. Check the article type and journal requirements if you are unsure.

*Here are some questions to consider for some non-research article types.*

## SYSTEMATIC REVIEWS

- Are the search terms and inclusion/ exclusion criteria clearly described?
- Are the search terms and criteria correct to ensure all the relevant articles are included?
- If a meta-analysis has been done, were previous studies combined appropriately?

## CASE REPORTS

- Does the diagnosis appear to be correct?
- Was the treatment reasonable for the diagnosis?
- Are the treatment and outcomes clearly described?
- As far as possible, is the patient anonymous?
- Are the conclusions reasonable and not attempting to generalize to wider population?

## METHODOLOGY ARTICLES

- Is the new method clearly described?
- Is it possible to replicate the new method?
- Is there a rationale for why the new method is needed?
- Is the new method compared to existing approaches?
- Usually there should not be any experimental results, other than to demonstrate the utility of the methods.

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### REVIEW ARTICLES

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- Is there any content which has been previously presented in a review?
  - Does it focus on recent advances in research?
  - Is it a balanced and unbiased overview of current understanding?
  - Are any recent or important references missing?
  - Is it too focused on the author's own research?
  - Is the interpretation and presentation of results of previous studies accurate and precise?
  - Has it a valuable contribution to the research field?
  - Is it understandable for non-expert readers?
- 

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- Does the article add to the discussion on a research topic?
  - Is the opinion of the author well-argued?
  - Is the opinion based on current knowledge, or if it makes a big leap from current knowledge then is this logical? What supports the opinion presented?
-

# Cogent Business & Management

## Financing Decisions, Risk Preference, and Home Bias: Pecking Order Theory of Minangkabau SMEs --Manuscript Draft--

<b>Full Title:</b>	Financing Decisions, Risk Preference, and Home Bias: Pecking Order Theory of Minangkabau SMEs
<b>Manuscript Number:</b>	COGENTBUSINESS-2022-1513
<b>Article Type:</b>	Research Article
<b>Keywords:</b>	Financial literacy; Home bias; Risk preferences; Financing decision; Minangkabau ethnic MSEs
<b>Manuscript Classifications:</b>	10.4.18 Environment & Economics; 50.1.3.9.2 South East Asian Economics; 50.5.8 Economics and Development; 50.6.4.3 Corporate Governance
<b>Abstract:</b>	<p>This paper aims to explore the role of financial literacy, risk preference, and home bias in Minangkabau ethnic MSE funding decisions, whether to follow the pecking order theory pattern. Hypothesis testing uses the SEM-PLS alternative method. Data collection was carried out through online and offline survey techniques with a sample of 623 Minangkabau ethnic MSEs. The results reveal that financial literacy, home bias does not have a direct effect on funding decisions. Financial literacy does not directly influence risk preference. Financial literacy affects funding decisions when mediated by the variables of home bias and risk preference. These results reveal that there is a role for financial literacy, risk preference, and home bias in funding decisions. Minangkabau ethnic MSEs in meeting funding needs do not follow the pecking order theory pattern. The results of this study prove that financial literacy is still very low for MSEs, input for financial institutions related to MSEs funding to provide easy-to-understand training. This study seeks to explore the role of financial literacy, risk preference, and home bias in Minangkabau ethnic MSEs funding decisions. The data show that the average level of financial literacy is low with a high home bias leading to bias in assessing risk. Home bias increases resulting in a misperception of risk, so that there is an error in judgment in taking more risks than they can bear. Consequently, funding decisions use external funding which has a higher risk.</p>

# Financing Decisions, Risk Preference, and Home Bias: Pecking Order Theory of Minangkabau SMEs

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## ABSTRACT

**Purpose** - This paper aims to explore the role of financial literacy, risk preference, and home bias in Minangkabau ethnic MSE funding decisions, whether to follow the pecking order theory pattern.

**Design/methodology/approach** - A theoretical framework was developed to determine financial literacy, risk preferences, and home bias in influencing Minangkabau ethnic MSE funding decisions. Hypothesis testing uses the SEM-PLS alternative method. Data collection was carried out through online and offline survey techniques with a sample of 623 Minangkabau ethnic MSEs.

**Findings** - The results reveal that financial literacy, home bias does not have a direct effect on funding decisions. Financial literacy does not directly influence risk preference. Financial literacy affects funding decisions when mediated by the variables of home bias and risk preference. Most MSEs have a low level of financial literacy, with a tendency for home bias and high-risk preferences, the impact of which is in funding decisions to use formal and informal external funding. These results reveal that there is a role for financial literacy, risk preference, and home bias in funding decisions. Minangkabau ethnic MSEs in meeting funding needs do not follow the pecking order theory pattern.

**Practical implications** - The results of this study prove that financial literacy is still very low for MSEs, input for financial institutions related to MSEs funding to provide easy-to-understand training. In reducing the tendency of home bias and risk preferences of Minangkabau micro and small businesses in financial decisions by involving their association groups.

**Originality/value** - this study seeks to explore the role of financial literacy, risk preference, and home bias in Minangkabau ethnic MSEs funding decisions. Empirically, financial literacy has an indirect effect. The effect of financial literacy is mediated by the variables of home bias and risk preference in funding decisions. The data show that the average level of financial literacy is low with a high home bias leading to bias in assessing risk. Home bias increases resulting in a misperception of risk, so that there is an error in judgment in taking more risks than they can bear. Consequently, funding decisions use external funding which has a higher risk.

**Keywords:** Financial literacy, Home bias, Risk preferences, Financing decision, Minangkabau ethnic MSEs

## INTRODUCTION

The needs of each type of company will be different, public companies can easily get sources of financing. In contrast to Micro and Small Enterprises (MSEs), some of which come from their equity sources of funds when opening a business. Several UMK and funding studies are related to capital structure theory, that MSEs follow the pecking order theory pattern, the

funding needs will be met from internal funding first if insufficient external funding will be met. Delic, Peterka, and Kurtovic (2016) study found that MSEs mostly use their equity funds and bank loans, when starting a business as well as for company growth and development. Research on age levels is found in research by Nguyen and Luu (2013) which determines access to informal, formal, or both sources of funds, young managers' access to sources of funds from informal sources such as family and friends. The older they are, the more likely they will be able to access banks or equity. The findings of Sanyal dan Mann (2010); Fourati dan Affes, (2013) found that entrepreneurial activity start-ups were more likely to have some external debt in their capital structure. For entrepreneurs who have a lot of human capital, are less likely to have external debt and are more likely to be financed internally. Home-based activities tend to be financed by internal equity contributions. Highly educated entrepreneurs have more external debt and attract more investors.

Financial literacy is an important thing for MSEs managers. Mistakes in choosing sources of funding result in costs for entrepreneurs. Many empirical studies of financial literacy are carried out aimed at finding out how much financially literate individuals are. Chen and Volpe, (1998); Mouna and Anis (2013) describes individuals with low education and low income making salary decisions in their finances. Financially literate individuals are more likely to plan for debt provision and retirement (Lusardi dan Mitchell, 2005; Lusardi dan Mitchell, 2006; Lusardi dan Mitchell, 2007). Gender issues are a variable that has a significant impact on low levels of financial literacy among women (Chen and Volpe, 2002; Goldsmith and Goldsmith, 2006; Koenen, Lusardi, Alessie, and Van Rooij Maarten, 2017). The findings of Lusardi and Mitchell (2008) show that women are much more likely to plan and tend to retire than men. (Aggarwal & Gupta, 2014) their findings state that men have a higher level of financial awareness than women. Scheresberg, (2013) empirical evidence shows that financial literacy is an important predictor of financial behavior, even controlling for demographics and economics. Research on entrepreneurship and financial literacy conducted by Fatoki (2014) shows that the level of financial knowledge is still very low for micro-entrepreneurs. Eniola and Entebang (2017) Eniola and Entebang (2017) in their findings state that financial awareness is significant towards financial performance, this implies company owners and managers are aware of differences and some financial products that are profitable for them. External finance will not be attempted if there are effects that are difficult to access. The empirical financial literacy has been done by several researchers relating to individual characteristics, gender, investment decisions, retirement plans, and savings for individuals. However, financial literacy is still an interesting topic to explore. This research examines financial literacy on its effects on financial decisions, focusing on funding decisions for Minangkabau ethnic MSEs.

Rationally, every individual is a risk-averse. The individual decision-making process is influenced by the risk preferences of individual investors. In financial behavior, it is assumed that individuals can become irrational in decision making. This is due to many influencing factors such as psychological, sociocultural, and environmental factors. Aren and Zengin (2016) state that investors who have high financial literacy tend to take risks to invest in equities and portfolios. Barber and Odean (2001); Chen and Volpe (2002); Zwaan, Lee, Liu, and Chardon (2017) stated that women tend to have low levels of self-confidence and financial knowledge and are unable to take risks. In the research, Sharpe and Wang (2011) used financial literacy as a prediction of financial tolerance risk. Research conducted by Shusha (2017) found financial literacy played a role in moderating the relationship between demographic characteristics and their tendency to take risks. Kumar, Watung, N. Eunike, and Luinata (2017) show that there is a significant relationship between financial literacy and financial behavior and financial decisions. Several empirical financial literacy and risk tolerance has been studied, especially about investment decisions or retirement plans. As far as that has been explored,

financial literacy does not affect risk preferences, and risk preferences on funding decisions for Minangkabau MSEs have not been found. The research gap in this study will reveal whether the financial literacy variable affects risk preference directly or moderates the effect of the risk preference variable on the funding decision of Minangkabau MSEs.

Financial decisions are not only influenced by financial literacy, risk preferences are also biased behavior. Financial decisions made by individual investors are not only based on company values but driven by their emotions such as home bias. This home bias is the tendency of investors to choose investment in their home country compared to a combination of stocks from foreign companies. Vries, Erasmus, and Gerber (2017) find that investors show a familiarity bias when choosing between different companies to invest in. Several previous studies have found reasons for controlling for home bias such as inflation hedging (Adler and Dumas, 1983; Musa and Simonov, 2004) and overconfidence (Barber and Odean, 2001). Empirical evidence reveals that individual characteristics have a significant relationship with home bias. And the fact is that men are more likely to be home biased than women (Karlsson and Nordén, 2007). Kozubíková, Dvorsky, and Cepel (2017) show that regardless of gender, age, or personality traits, the MSE studied in managing financial risk is still very low. This study examines financial literacy as an effect on home bias, and home bias affects funding decisions. The research gap in this study examines whether financial literacy has a direct relationship, or is a moderating variable between the effect of home bias on funding decisions of Minangkabau MSEs.

The Minangkabau ethnic community is known as one of the communities that carried out the tradition of migrating. Migrating can increase knowledge, broaden horizons, and motivate oneself to seek a better life throughout the country. The entrepreneurial spirit for the Minangkabau community is also very thick with promoting honesty in trading. Hastuti, Thoyib, Troena, and Setiawan (2015); Sutanto and Nurrachman (2018) the success of the Minangkabau ethnic entrepreneurship in the migration location is inseparable from their character as hardworking, confident, independent, consistency, ingenuity, flexible, economical, and brave enough to face challenges and struggling to rely on oneself in new places. Based on the above empirical study on the characteristics of the Minangkabau ethnicity, this study reveals whether financial literacy, risk preferences, and home bias influence Minangkabau ethnic MSE funding decisions. The empirical results of financial literacy have an indirect effect. The effect of financial literacy is mediated by the variables of home bias and risk preference in funding decisions. The data show that the average level of financial literacy is low with a high home bias leading to bias in assessing risk. Home bias increases resulting in the misperception of risk, so that there is an error in judgment in taking more risks than they can bear. Consequently, funding decisions use external funding which has a higher risk.

## **LITERATURE REVIEW**

### **Funding Decisions**

Traditional funding decisions are based on 2 (two) theoretical frameworks, namely the trade-off theory and the pecking order theory. Modigliani and Miller (1958) are famous for their MM theory. MM put forward several assumptions in building this MM theory, starting with MM-without tax followed by MM-with tax. The conclusion from this MM theory is that the company funding decision with the existence of taxes should use the source of funds from debt as much as possible because of the tax savings, but MM ignores the existence of bankruptcy costs. On the other hand, Jensen and Meckling (1976); Myers (1984) found that the relationship between capital structure and firm value is negative, meaning that additional debt can be a sign that the company's financial performance is not good. By considering bankruptcy costs and agency costs, companies should use debt funds to an optimal level or often called the

trade-off theory. This trade off theory implies that managers will think in terms of tradeoffs between tax savings and bankruptcy costs in determining their capital structure. Luigi (1958) pecking order theory directs the decision to choose company funding according to the level of funding, this concept minimizes the need for external funding. The company's funding will be met first by internal funding sources, and if this is not sufficient, it will be met by external funding sources. And if additional external funding is needed then they choose the source of funding that can minimize the additional costs of asymmetric information.

The funding needs of each type of company will be different, companies that have gone public will easily get sources of funding. In contrast to small companies such as micro and small enterprises (MSEs), their funding sources are limited to banking and non-banking funding. If it is related to the capital structure theory that MSEs adhere to the pecking order theory, the funding needs will be met from internal funding first, and if this is insufficient it will be met from external funding. Delic et al., (2016) MSEs are most dominant in their financing using their equity funds and bank loans when starting a business or financing company growth and development. Funds from family and friends (FFF), as well as factoring, are among the least used sources of financing. In developed financial markets, funds from family and friends are one of the most accessible sources of financing for startup companies, while bank loans are not accessible to companies at this stage of their life cycle. Loans from suppliers are also an important source of financing for the growth and development of companies, but this source of financing is insufficient legal protection for investors. In research Fourati and Affes (2013); Sanyal and Mann (2010) found that entrepreneurial start-up activities are more likely to have some external debt in their capital structure if they have more tangible assets that function as collateral and also have a legal form in the amalgamation. For entrepreneurs who have more human capital in entrepreneurial activities, they are less likely to have external debt and are more likely to be financed internally. Home-based activities are more likely to be financed by internal equity contributions. More educated entrepreneurs have more external debt and attract more investors.

## **Aspects of Financial Behavior**

The theory that underlies financial behavior is Theory Planned Behavior (TPB). This theory explains that a person's intention towards behavior is formed by 3 factors, namely attitude, subjective norm, and perceived behavior control which have an impact on a person's intentions or actions (Ajzen, 1991). Financial decisions link the phenomenon of financial behavior in line with the demands of the development of the business and academic world. There are behavioral elements in the decision-making process starting to be addressed. Irrational decision making from investors can be caused by cognitive and psychological bias. "Behavioral finance tries to explain and improve understanding of investors' reasoning patterns, including the emotional processes involved and the extent to which they affect the decision-making process. Behavioral finance seeks to explain what, why, and how finance and investment, from a human perspective" (Ricciardi, 2005; Ricciardi and Simon, 2000). Behavioral finance complements traditional financial theory by providing behavioral explanations for the irrational behavior of investors.

In applying behavioral finance theory, some factors are ignored based on one framework and too long based on another. Nonetheless, certain market fluctuations are defined and explained with the help of behavioral financial theories. Also, Friedman (1966) stated that irrational investors lose income because of their irrational decisions. Previously, it was suspected that the reasons for the irrational decisions of market players were outside the financial market. But the reasons for the intuition and emotions of investors, sometimes help irrational investors win, but also persist especially during a crisis. People make judgments



about probability; they assign a value (sometimes called utility) to the outcome, and they combine these beliefs and values in forming preferences about risky options. Systematic judgment error is called bias. Financial decisions made in situations of high complexity and uncertainty preclude reliance on fixed rules and force decision-makers to rely on intuition. Intuition plays an important role in most decisions (Kahneman and Riepe, 1998).

### ***1. Financial literacy***

Atkinson (2011); Atkinson and Messy (2012); Huston (2010); Lusardi, Mitchell, and Curto (2010) defines financial literacy as financial knowledge and the ability to apply it (knowledge and ability). The OECD INFE defines financial literacy as “the combination of awareness, knowledge, skills, attitudes, and behaviors necessary to make financial decisions and ultimately achieve individual financial well-being.” Measuring levels of financial literacy is a growing research issue around the world, with levels and reach. Financial transactions on electronic media are changing so rapidly, so is our understanding of competencies in financial literacy.

Financial literacy research has been widely conducted with individual characteristics and financial decision making, such as Chen and Volpe (1998), finding that individuals with little knowledge tend to have wrong opinions and decisions in the areas of general knowledge, saving, and borrowing, and investing. Asaad (2015) found that individuals with good knowledge and high self-confidence are more likely to make “good financial decisions.” When self-confidence is high and actual knowledge is low, individuals are more likely to behave in making high-risk financial decisions.

### ***2. Risk preference***

The attitude of risk is shown to be relatively stable in different contexts, a person's willingness to take risks as a personal trait. The survey results show a variety of risky behaviors, including holding stocks, smoking, self-employment, and participation in active sports. On the other hand, the risk attitude in a more specific context provides a stronger measure for the appropriate context. Gender differences in willingness to take risks may be part of the explanation for differences in behavior. Dohmen, Falk, Huffman, and Wagner (2011) found a lower willingness to take risks among women in decision making. Weber and Hsee (1998) define risk preference as an individual's tendency to choose risky options. Bodie, Kane, and Marcus, (2014) classify the willingness of investors to bear investment risk into 3 types: a) types of investors who dare to take risks called risk takers or risk lovers or risk seekers. 2) the type of investor who is willing to bear a risk that is proportional to the return they will get or what is called moderate risk. 3) the type of investor who is afraid or reluctant to assume risk is called a risk averter.

Aren and Zengin (2016) state that risk perceptions and literacy levels affect individual investment preferences, investors who have high financial literacy tend to take risks to invest in equities and portfolios. Chen and Volpe (2002) stated that women tend to have low levels of self-confidence and cannot take risks. Barber and Odean (2001) identified single men as more risk-taking than women, whereas the findings of Zwaan et al. (2017) that women have lower self-assessment and financial knowledge. These findings underscore the importance of financial literacy for self-assessment planning.

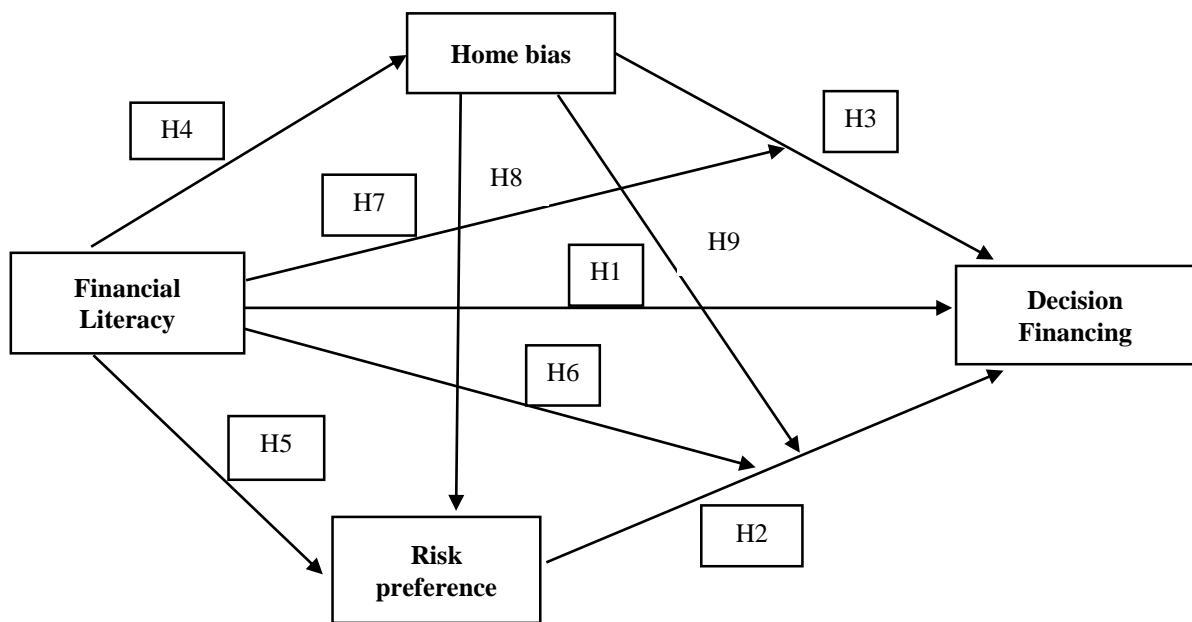
### ***3. Home bias***

Financial decisions made by individual investors are not only based on information but also driven by individual emotions. Financial behavior tends to experience emotional bias. Emotional bias research has been carried out, one of which is home bias. Home bias in financial decisions occurs where investors tend to choose investments in their home country compared

to a combination of stocks from foreign companies. Home bias and familiarity bias occur when investors prefer to invest in assets, they are familiar with. Some investors tend to be more comfortable buying company shares in their country rather than diversifying risk through investing in various countries (Dervishaj, 2018). Vries et al. (2017) found that investors show familiarity bias when choosing between different companies to invest in. Several previous studies have found reasons for maintaining home bias such as hedging inflation (Adler & Dumas, 1983; Musa and Simonov, 2004), and overconfidence (Barber & Odean, 2001). Empirical evidence reveals that individual characteristics have a significant relationship with Home bias. And the fact that men are more likely to be Home bias than women (Karlsson and Nordén, 2007).

From a sociological perspective, culture is an important part of understanding individual behavior. Cultural factors also have a role to play in investment decision making, because investors personally and collectively adhere to maintaining personal relationships in the organization or society in which they are members (Ellison and Fudenberg, 1993). A growing body of evidence from behavioral finance research and other sociological research suggests that investor behavior is linked to individual cultural origins. This perspective suggests that individual investment behavior can be predicted based on the characteristics of their culture.

Based on the literature above, the following research framework can be made:



**Figure 1.** Framework

## RESEARCH METHOD

This research is a survey research with quantitative analysis and qualitative analysis. Variables researched in this study, as the dependent variable is the financing decision. There are 3 independent variables in this study, namely financial literacy, risk preference, and home bias. The sample size was determined using the convenience sampling technique approach. The samples for analysis were 623 Minangkabau ethnic MSEs. Data analysis in this study used the SEM-PLS alternative method.

## RESULTS AND DISCUSSION

In this study, the analysis conducted to answer the hypothesis, continued to describe the results of the analysis of financial literacy, risk preferences, and home bias against financing decisions will be discussed below:

### Hypothesis testing

In this study, the analysis conducted to answer the hypothesis, continued to describe the results of the analysis of financial literacy, risk preferences, and home bias against financing decisions will be discussed below:

Table 4.1 Total Effects

Mean, STDEV, T-Values, P-Values						
Hypothesis	Path Description	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values
H1	LK -> KP	-0.011	-0.013	0.045	0.254	0.799
H2	HB -> PR	0.433	0.438	0.043	10.002	0.000
H3	PR -> KP	-0.100	-0.099	0.047	2.150	0.032
H4	LK -> HB	0.276	0.275	0.040	6.967	0.000
H5	LK -> PR	0.053	0.049	0.042	1.264	0.207
H6	LK*PR -> KP	0.027	0.026	0.047	0.584	0.559
H7	LK*HB -> KP	0.102	0.105	0.044	2.283	0.023
H8	HB -> PR	0.433	0.438	0.043	10.002	0.000
H9	HB*PR -> KP	0.027	0.032	0.027	0.981	0.327

Note: LK = Financial Literacy, PR = Risk Preference, HB = Home Bias and KP = Financing Decision

Based on the results of table 4.1, the hypothesis test above will discuss the analysis of the research hypothesis as follows:

#### 4.1.1 Hypothesis Testing Total effect

The results of the hypothesis (H1) are rejected, financial literacy does not directly affect financing decision making based on the funding source of Minangkabau ethnic MSEs. The results of this study reveal that most of the Minangkabau Micro and Small businesses have low financial knowledge. In making decisions, funding for setting up a business uses more external financing, both formal and informal external funds. The use of formal external funds comes from relatives, friends, or partners, followed by formal, namely from banks or cooperatives. Studies that support this research, Xiao (2011); Zhu (2017) most high-tech MSEs will choose to use retained earnings (internal funds), thereby growing their business. The dependence of MSEs on self-financing reflects a position in developed countries, a characteristic in China that informal finance suppliers have built close personal relationships with high-tech MSEs, and generally act as a substitute for more formal financial providers, namely the banking sector. Delic et al. (2016) do not support this finding, where micro and small enterprises are predominantly using their equity funds and bank loans. Funds from family and friends and factoring are the least used sources of financing. In advanced financial markets, funds from family and friends are one of the most accessible sources of financing for startup companies, while bank loans are not accessible to companies at this stage of their life cycle.

This result is not in line with Luigi (1958) which states that in the Pecking order theory company funding decisions are following the level of funding, this concept minimizes the need for external funding. Company funding will be met first by internal funding sources, and when the need for working capital and expansion is insufficient internally, it will be met by external

funding sources. Additional external funding needs they choose, which can minimize the additional costs of information asymmetry. Research results that support the pecking order theory pattern are carried out by Delic et al. (2016); Fourati and Affes (2013); Hancock (2010); Jong, Verbeek, and Verwijmeren, n.d.; Sanyal and Mann (2010) found significant differences in the financial structure of high-tech start-up entrepreneurship with other sectors. The entrepreneurial activities of start-ups (startups) are more likely to have some external debt in their capital structure, whereas entrepreneurs who have human capital and are home-based in their entrepreneurial activities are more likely to be financed by internal finance. The study also found that more educated entrepreneurs had more external debt and attracted more investors.

Hypothesis (H2) shows risk preference directly influences funding decisions. The path coefficient is negative, meaning that if there is an increase in risk preference, MSEs Minangkabau uses internal funds (own funds). It can be understood that Minangkabau ethnic MSEs in running a business are not afraid of failure, and bounce back with the capital they have. This is not in line with the theory of someone who has a high-risk preference (risk lover), so choosing to fund will choose external funding. Data shows that risk preference is mostly neutral and risk lovers, meaning that they are willing to take risks, are not pessimistic, and keep trying when they fail. Studies in line with this research conducted by Barbosa, Gerhardt, and Kickul (2007) show that individuals with high-risk preferences have higher levels of entrepreneurial intention and opportunity identification, while individuals with low-risk preferences have higher relationship potential and tolerance. The study of Qureshi, Rehman, and Hunjra (2012) proved a significant and positive relationship between risk aversion and investment decision making.

Hypothesis testing 3 (H3) shows that there is an effect of home bias tendency with Minangkabau entrepreneur funding decisions. The negative path coefficient means that the higher the level of the tendency for MSEs Home bias to have an impact on funding decisions in determining funding sources internally. The Home bias tendency relates to information obtained from people they know. The information they believe is very supportive of the trend of Home bias in funding decision making. Minangkabau ethnic MSEs have a high level of solidarity between traders, have associations formed to strengthen ties and obtain various information. This is following the assumption that people who have a high tendency of home bias when investing tend to choose investment in their own country. Likewise for financing, internal funds, or own capital are chosen.

This finding is in line with the study conducted by Musa and Simonov (2004) study that carried out the impact of familiarity depending on the level of investor information. In other words, investors having low knowledge will be influenced by familiarity. If it takes too long, it will have an impact on investor behavior. This suggests that investment choices are driven by the availability of information and familiarity, which is a substitute for good information. Supported by Raut, Das, and Kumar (2018) found that behavioral bias cannot be separated from individual decisions. The reason is that behavioral bias can distort an individual's fundamental valuation of stocks. Research results that do not support Ahearne, Grier, and Warnock (2004); Dlugosch, Horn, and Wang (2014); Tesar and Werner (1995) imply it is possible to reduce Home bias by reducing ambiguity and providing better information about asset returns. Home bias is a phenomenon that continues to occur in financial markets. Understanding what the drivers of home bias are can help investors to realize portfolio returns and reduce uncertainty.

Hypothesis H4 shows that financial literacy directly affects the tendency of the home bias of Minangkabau MSEs. The path coefficient is positive, if there is an increase in financial literacy it will have an impact on the increase in their home bias tendency. There is a diversification concept that has been violated. The concept of diversification is that with higher

financial knowledge, it can reduce the tendency of home bias. Financial literate people are more likely to invest in foreign assets, and will therefore benefit from international diversification. The results of this study are in line with Bransch (2020) that professional financial advice for household financial literacy cannot compensate for the reduced home bias in investment. Lack of diversification explicitly focuses on how to make individuals financially literate. There may be something that is not conveyed in providing financial knowledge for individuals. The results of this study indicate that most MSEs have low financial literacy, with a high level of home bias tendency. MSEs with a low level of financial literacy, although the old business experience and an increasingly mature age affect the increasing trend of home bias. In line with the research of Koenen, et al. (2017) someone who is home biased is more likely to invest in companies they know. And the extreme odds would lead most people to shy away from foreigners' stocks and concentrate their familiar stock portfolios based on "good" information from the media. The findings of Coval and Moskowitz (1999) show that local investors have the greatest comparative advantage over informally small firms. For uninformed investors, who face a more severe selection when investing in securities, they have a relatively smaller proportion of informed investors.

The findings of Anderson, Fedenia, Hirschey, and Skiba (2011) indicate that some of the phenomena of home country bias are caused by different cultural characteristics across investor countries. Vries et al. (2017) found that investors exhibit a familiarity bias when choosing between different companies to invest in. Several previous studies have found reasons for controlling for home bias such as hedging inflation (Adler & Dumas, 1983; Musa & Simonov, 2004), and overconfidence (Barber and Odean, 2001), gender exhibits the same home bias for Chinese investors (Feng and Seasholes, 2008). The study of Kozubíková et al. (2017) shows that entrepreneurs in managing financial risk are still low in companies regardless of their gender, age, or personality traits. This result is not in line with the study of Karlsson and Nordén, (2007); Rasool and Ullah (2020) revealed that higher education and the sophistication of investors reduce the possibility of home bias, and men are more financially literate than women.

The results of hypothesis testing (H5) show that financial literacy does not directly affect the risk preferences of Minangkabau MSEs in funding decisions. This result is not in line with the study conducted by Aren and Zengin (2016) which states that risk perceptions and literacy levels affect individual investment preferences, investors who have high financial literacy tend to dare to take risks to invest in equities and portfolios. Investors with a low level of financial literacy tend to be risk-averse and prefer to deposit money to invest. Guiso and Jappelli (2006) stated that investors who are too confident, do not accept the information provided by financial advisors, banks, or brokers. Investors have more confidence in the information they get themselves. Gaudecker, (2013) most of the disadvantages of inadequate diversification are obtained by overly confident investors, who are not financially literate or consulting financial advisors. This study is also supported by Gustafsson and Omark (2015) found evidence shows that individuals who rely on their intuition rather than financial literacy when facing financial risk, tend to show a higher tolerance for financial risk. Mudzingiri, Mwamba, and Keyser (2018) stated that students use the information available to them to make decisions.

Based on previous research, the fact is that people who show a higher tolerance for financial risk are based on financial knowledge gained through stock market experience rather than the academic background. Research that reveals demographic factors also underlie financial literacy influences risk preferences. Yao et al. (2011) stated that age is an important factor in investment decisions, young people are more likely to take risks. Barber and Odean (2011) stated that between marital status and perceived risk, those who are single tend to be more willing to take risks. The findings of Huzdik, Beres, and Nemeth (2014) state that risk-taking is determined by other factors such as current social attitudes, concerns, desires, and

experiences. Based on several studies, it is possible, that financial literacy does not directly affect risk preferences, other factors influence it, such as demographic, cultural, or other variables.

Testing the results of hypothesis H6, the moderating effect of the variable financial literacy and risk preference in Minangkabau MSEs funding decisions is proven insignificant. It is expected that the existence of financial knowledge can reduce high-risk preferences so that the choice of funding decisions can be well-diversified. In the process of making financial decisions, whether investment or financing, a person will be faced with several factors such as risk, ambiguity, and also many choices. These factors can cause bias in financial decision making. Rationally, individuals avoid risk. The decision-making process is influenced by individual risk preferences. In financial behavior it is assumed that individuals can become irrational in making decisions, this is due to many factors such as psychological, sociocultural, and environmental factors.

This study is not in line with Shusha, (2017) study which found that financial literacy plays a role in moderating the relationship between demographic characteristics and their propensity to take risks. Some of the results of financial literacy research, although not as moderating but sufficient to influence individual risk preferences, Kumar et al. (2017) show that financial literacy has a significant positive effect on financial behavior, Aren and Zengin, (2016) state that risk perceptions and literacy levels affect individual investment preferences, investors who have high financial literacy tend to dare to take risks to invest in equities and portfolios. Yao, et al. (2011) found that investment knowledge and experience can influence differences in perceptions of financial risk. Financial literacy studies are associated with socio-demographic effects on risk preferences, as reinforcing in this study that other factors also affect risk preferences, Chen and Volpe (2002) stated that women tend to have low levels of self-confidence and they cannot take risks. Barber and Odean (2011) identified single men as more risk-taking than women, whereas the findings of Zwaan et al. (2017) that women have lower self-assessment and financial knowledge. This is interesting to develop in future researchers by considering the variables of ethnicity, religion, and culture for a better understanding of financial behavior and its implications for financial decisions.

The results of testing the moderating effect of the financial literacy variable on the home bias (H7) in making funding decisions based on sources of funds are proven to be significant, meaning that the financial literacy variable moderates (strengthens) the home bias in decision making on MSEs Minangkabau. This means that financial literacy moderates (strengthens) the tendency of increasing home bias to have an impact on making funding decisions, especially in the use of internal or external sources of funds. Most of the Minangkabau ethnic MSEs have low financial literacy, with a high home bias tendency to have an impact on the selection of sources of business funds coming from external funds, both formal and non-formal. Home bias is a phenomenon that continues to occur in financial markets, if the high home bias tendency has an impact on wrong financial decision making, it is possible to reduce home bias and ambiguity by providing good information about financial decisions. Research results that support Dlugosch et al. (2014) observed that the preference for known assets in the country is very strong to be ambiguous. It is possible to reduce home bias and ambiguity by providing better information about the return on assets. This finding is in line with previous research conducted by Barber and Odean (2008) that investment is driven by attention and responds to pure labels, and more importantly, home bias is deliberately maintained in the face of uncertainty. Charles and Kasilingan (2016); Hayat and Anwar (2016) are not in line with this study, where the results of the research on several factors of behavioral bias (herding bias, Overconfidence Bias, emotion, heuristic, frame dependence, personality, and gambling) are chosen to show a significant influence on investment decisions. These results impact interdependence and indicate a strong relationship between behavioral bias factors.

The results of the study suggesting that many factors influence the funding decision of Raut et al. (2018) in their research illustrates that attitudes towards investment, social norms, perceptions of behavioral control, and past behavior bias influence the decision making of Indian investors. The findings of this study also indicate that subjective norms are a significant predictor of investment intention behavior. There is also evidence of a substantial impact on social pressure among Indian investors. Because India is a collectivist society, where people do not want to be isolated from the group of society but aspire to get an identity in the group. In line with the study of Kashif, Zarkada, and Ramayah (2016), the findings are associated with social pressure exerted by members of the reference group (friends and family) which also tends to cause certain behaviors. It is important to note that India has a shared family system, in this system, younger family members usually seek advice from older family members before they start making certain decisions. In this sense, family culture may play a dominant role in each individual's investment decisions.

The results of hypothesis 8 show that home bias directly affects risk preferences. A positive path coefficient means a high level of home bias tendency, an increase in impact, or the courage to make high-risk decisions. In line with the study of Gaudecker (2013); Guiso and Jappelli (2006) state that investors who are too confident, do not accept the information provided by financial advisors, banks, or brokers. And investors have more confidence in the information they get themselves. Agarwal, Raman, T, Sharma, and Jain (2016) found bias harms investors, women are more afraid to take risks. Individuals tend to overestimate themselves. They believe the situation is in their hands, but it is not.

A study that supports the cultural home bias tendency conducted by (Wynter, 2012) familiarity bias was found for US investors to increase their home bias towards markets they were less familiar with. Vries et al. (2017) found that investors exhibit a familiarity bias when choosing between different companies to invest in. Several previous studies have found reasons for controlling for home bias such as inflation hedging (Adler and Dumas, 1983; Musa and Simonov, 2004), and overconfidence (Barber and Odean, 2011). It is found that men are more likely to be home biased than women (Karlsson and Nordén, 2007). Research by Kozubíková et al. (2017), found that entrepreneurs are still low in managing financial risk in companies regardless of their gender, age, or personality traits.

In testing hypothesis (H9), it shows that home bias as a moderating variable of risk preference for funding decision making is not proven. In making rational investors' decisions, investors make financial decisions to maximize their risk-return tradeoff. Sometimes individual financial decision making is irrational, the behavioral finance literature reveals that many types of bias also color the individual financial decision-making process, these biases are globally grouped into 2 (two), namely cognitive bias and emotional bias (Pompian, 2006). Home bias is one of the emotional biases that also colors in making funding decisions. Rational behavior is also necessary to be financially successful and to overcome this tendency.

A study that discusses the bias tendency conducted by Marchand (2012) states that investors do not always act rationally because of the cognitive and psychological mistakes they have to face. They are influenced by behavioral factors in influencing investors who make financial decisions. In these circumstances, more comprehensive and prudent decision-making is impossible. Biases and heuristics present an effective way of estimating correct decisions. Research results that also support Muradoglu, Levis, and Vasileva (2009) show that economic activity and state openness are not always the only prerequisites for attracting foreign investors. FDI investors prefer destinations they are familiar with. Having a common language and being neighbors may not be the only prerequisites for attracting foreign investment.

Demographic factors also play a role in influencing a person's risk preferences. The study of Sulaiman (2012) found different demographic factors of individual investors with their financial risk tolerance. The study by Olakitan and Ayobami (2011) shows that locus of control

and risk-taking behavior do not together predict entrepreneurial success. The results of this research also show that there is no significant difference in entrepreneurial success based on gender differences.

### **Additional Empirical Findings in This Study Are Total Indirect And Specific Indirect Effects**

Based on the results of the analysis, several hypotheses have an insignificant direct effect but have a significant indirect effect. An indirect effect between the two variables can occur when a variable affects another variable through one or more latent variables. In this study, three hypotheses state indirectly significant (Table 2), which are additional empirical findings in this study, which will be discussed below.

**Table 2.** Total Indirect Effect dan Specific Indirect Effect, Financial Literacy, Risk Preference, Home Bias and Financial Decision

<b>Total Indirect Effects</b>					
	Original Sample (O)	Sample Mean (M)	Standard deviation (STDEV)	T Statistics ( O/STDEV )	P Values
HB -> KP	-0.044	-0.044	0.021	2.075	0.038
HB -> PR					
HB*PR -> KP					
LK -> HB					
LK -> KP	-0.035	-0.035	0.013	2.669	0.008
LK -> PR	0.119	0.120	0.021	5.604	0.000
LK*HB -> KP					
LK*PR -> KP					
PR -> KP					
<b>Specific Indirect Effects</b>					
	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	TStatistics ( O/STDEV )	P Values
LK -> HB -> KP	-0.029	-0.030	0.013	2.337	0.020
HB -> PR -> KP	-0.044	-0.044	0.021	2.075	0.038
LK -> HB -> PR -> KP	-0.012	-0.012	0.006	1.953	0.051
LK -> PR -> KP	0.007	0.007	0.006	1.186	0.236
LK -> HB -> PR	0.119	0.120	0.021	5.604	0.000

Note: LK = Financial Literacy, PR = Risk Preference, HB = Home Bias and KP = Financing Decision

The results of hypothesis H1 indicate that financial literacy indirectly affects funding decisions, meaning that there are variables that mediate financial literacy in Minangkabau MSE funding decisions. Table 4.2 specific indirect effects, show the variables that mediate financial literacy, namely the home bias variable. This result is an additional finding that shows that financial literacy significantly influences funding decisions mediated by the home bias variable. The financial literacy of Minangkabau MSEs studied was more than 50% with a low level, with a choice of 34.19% informal external funding sources and 25.6% formal external or 60% MSEs using external sources of funds. These results indicate why financial literacy does not have a significant direct effect. It is significant when home bias mediates financial literacy in funding decisions. This is possible with low financial literacy, mediated by a high home bias so that MSEs use risky funding, namely informal external funding from relatives, colleagues, or other partners, followed by funding from formal external sources such as banks and cooperatives.



Minangkabau ethnic MSEs with low average financial literacy. Their demographic factors such as productive and mature age (age 25-55 years), with business experience of more than 3- 10 years, and the educational level of most of the SMA and D3. This possibility makes Minangkabau ethnic successful entrepreneurs wherever they are. Supported by the research results of Hastuti et al. (2015); Rahman (2016) shows that the success of Minangkabau ethnic entrepreneurship in migration locations is inseparable from their character, because of their courage in facing challenges in a business or business activity. Low financial literacy, but the level of home bias tends to be high, the possibility of business experience, and a lot of information comes from family, friends, or other closest people. The results of research that also support entrepreneurship and financial literacy conducted by Fatoki (2014) found that the level of financial knowledge for micro-entrepreneurs is still very low. Eniola and Entebang (2017) in their findings that financial awareness is significant on financial performance, this implies that company owners and managers are aware of differences and some financial products are profitable for them, but external financial support will not be tried if there are effects that are difficult to access. Research results that reveal the role of behavioral bias have been carried out by several researchers, such as Jhandir and Elahi (2014); Sarwar and Afaf (2016) showing that there is a significant relationship between psychological and economic factors with the decision-making behavior of individual investors. And psychological factors have a greater influence than economic factors.

The results of hypothesis H2 indicate that home bias does not directly affect funding decisions, and when there is a variable financial literacy as a moderating effect Home bias in funding decisions, it is also not significant. The results of the specific indirect effects analysis show that risk preferences mediate home bias in influencing funding decisions. This result is an additional finding which indicates that home bias significantly influences the funding decision mediated by the risk preference variable. The home bias tendency of Minangkabau ethnic MSEs is mostly moderate and high, and funding decisions to set up a business tend to use informal external funds followed by formal externals. Home bias tends to increase in the presence of high-risk preference intermediaries, the impact on funding decisions tends to be formal external funding, in this case, funding comes from banks and cooperatives. The tendency for home bias is high, possibly due to the source of financial information they obtain and trust based on information from close relatives or friends. Risk preference tends to be a risk lover, this is probably because MSEs of Minangkabau ethnicity are known for their entrepreneurial spirit, with a brave character in facing challenges. Supported by the research results of Hastuti et al. (2015); Rahman (2016) shows that the success of Minangkabau ethnic entrepreneurship in migration locations is inseparable from the character they have because of the courage to face challenges in a business or business activity, both commercial and non-commercial. commercial. This has an impact on the funding decision for business originating more from informal external funds, followed by formal external funds.

Furthermore, hypothesis H5, the financial literacy variable does not directly affect risk preference, but indirectly it is significant. The results of the specific indirect effects analysis show the variables that mediate financial literacy, namely the Home bias variable. These results are additional findings that indicate that financial literacy in influencing risk preferences is significantly mediated by the variable home bias. The financial literacy of respondents is more than 50% at a low level, while the risk preference of most respondents is at the risk preference level of risk-neutral and risk lovers with a high level of Home bias tendency. Financial literacy will influence risk preferences when mediated by Home bias. Low levels of financial literacy, when mediated by a high tendency of Home bias, then affect the level of risk preference for MSEs in funding decisions. The results of the analysis show that the financial knowledge of MSEs is mostly low, but seen from the age of most of them in the productive and adult age groups (ages 25-55 years), education is mostly high school and D3 and the length of business

(55.2%) has been initiated 3- 10 years. This indicates that the Minangkabau ethnic MSEs with low financial literacy but long enough business experience, and possibly more information obtained from family, friends, or other closest people. So that in funding the needs for business funds obtained from external funds, for micro and small businesses from banking or cooperative funding sources.

The results of this study are not in line with the resulting research, but support demographic factors that also underlie that financial literacy affects risk preferences. The study by Yao et al. (2011) stated that age is an important factor in investment decisions, young people are more likely to take risks. Barber and Odean (2001) stated that those who are single tend to be more willing to take risks. The findings of Huzdik, Beres, and Nemeth (2014) state that risk-taking is determined by other factors such as social attitudes, concerns, desires, and experiences. Based on several studies, it means that it supports the possibility that financial literacy does not directly affect risk preferences, but it can be mediated by other factors, such as home bias, demographic factors, culture, or other variables.

Financial literacy does not have a direct influence on funding decisions. The direct effect of financial literacy with a significant positive home bias. Risk preference influences funding decisions significantly negatively. The effect of financial literacy through the variables of home bias and risk preference on funding decisions, with a negative path coefficient. The data show that the average level of financial literacy is low, resulting in a tendency for increased home bias to lead to bias in assessing risk, as a result of which risk preferences are higher. The tendency to increase home bias results in misperceptions of risk so that there is a misjudgment of taking more risks than they can bear. The consequence is that the funding decision to use external funding is a higher risk. The results of this study provide evidence that Minangkabau ethnic MSEs in meeting funding needs do not follow the pecking order theory pattern.

## CONCLUSION

Based on the results of the discussion and research objectives, conclusions are obtained that can answer several research questions. Financial literacy, risk preference, and home bias have a significant influence on funding decisions as follows:

Financial literacy (H1), Home bias (H2), and risk preference (H3) on funding decisions. Financial literacy does not significantly influence funding decisions. Home bias and risk preference significantly influence funding decisions to set up a business using external funding, both formal (bank) and informal (relatives, friends, or colleagues/partners). Financial literacy directly affects the home bias tendency of Minangkabau ethnic MSEs (H4). Increased financial literacy, but does not reflect the truth because it does not decrease their home bias tendency. Furthermore, the hypothesis (H5) is rejected, financial literacy does not directly affect the risk preferences of Minangkabau MSEs in funding decisions.

The moderating effect of financial literacy on risk preference (H6) is rejected, meaning that the financial literacy variable does not moderate (strengthen/weaken) risk preferences for funding decision making. Meanwhile, the test for the moderation effect of financial literacy on home bias (H7) is accepted. This means that financial literacy strengthens influence, if there is an increase in financial literacy, the tendency for home bias to increase has an impact on funding decisions. MSEs are mostly with low financial literacy, home bias tends to be high and the choice of sources of business funds is external, both formal and non-formal. Home bias can directly affect the risk preferences of Minangkabau MSEs (H8). Hypothesis 9 testing (H9) shows that Home bias as a moderating variable does not provide empirical evidence to accept hypothesis 9 (H9). High home bias does not strengthen or weaken the level of risk preference in external funding decision making. These results reveal that Minangkabau ethnic MSEs in

meeting their funding needs do not follow the pecking order theory pattern, this is possible because of the role of financial literacy, risk preference, and home bias in Minangkabau ethnic MSEs.

Financial literacy does not have a direct influence on funding decisions. The results of the study on the direct effect of financial literacy with a significant positive home bias. Risk preference influences funding decisions significantly negatively. The effect of financial literacy through the variables of home bias and risk preference on funding decisions, with a negative path coefficient. The data show that the average level of financial literacy is low, resulting in a tendency for increased home bias to lead to bias in assessing risk, as a result of which risk preferences are higher. The tendency for home bias to increase leads to misperceptions of risk so that there is a misjudgment of taking more risks than they can bear. The consequence is that the funding decision to use external funding is a higher risk. The results of this study provide evidence that Minangkabau ethnic MSEs in meeting their funding needs do not follow the pecking order theory pattern.

In the future, this research could also be extended by investigating familiar company characteristics and to link familiarity with financial performance to identify potential arbitration opportunities. Researchers can also try to identify the main factors that encourage investors to feel familiar with the company. In this study, the respondents were only in one ethnicity, for future research to compare with other ethnicities in Indonesia and other countries. The results of this study will assist financial advisors or financial institutions in providing training for MSEs that they can easily absorb and practice directly. One way to reduce home bias, because it is related to emotions and different cultures require a persuasive approach in providing education and training that is easy for them to understand.

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## COPE Ethical Guidelines for Peer Reviewers

*Irene Hames on behalf of COPE Council  
March 2013, v.1*

Peer review in all its forms plays an important role in ensuring the integrity of the scholarly record. The process depends to a large extent on trust, and requires that everyone involved behaves responsibly and ethically. Peer reviewers play a central and critical part in the peer-review process, but too often come to the role without any guidance and may be unaware of their ethical obligations. The COPE Ethical Guidelines for Peer Reviewers set out the basic principles and standards to which all peer reviewers should adhere during the peer-review process. It is hoped they will provide helpful guidance to researchers, be a reference for journals and editors in guiding their reviewers, and act as an educational resource for institutions in training their students and researchers.

### Basic principles to which peer reviewers should adhere

Peer reviewers should:

- only agree to review manuscripts for which they have the subject expertise required to carry out a proper assessment and which they can assess in a timely manner
- respect the confidentiality of peer review and not reveal any details of a manuscript or its review, during or after the peer-review process, beyond those that are released by the journal
- not use information obtained during the peer-review process for their own or any other person's or organization's advantage, or to disadvantage or discredit others
- declare all potential conflicting interests, seeking advice from the journal if they are unsure whether something constitutes a relevant interest
- not allow their reviews to be influenced by the origins of a manuscript, by the nationality, religious or political beliefs, gender or other characteristics of the authors, or by commercial considerations
- be objective and constructive in their reviews, refraining from being hostile or inflammatory and from making libellous or derogatory personal comments
- acknowledge that peer review is largely a reciprocal endeavour and undertake to carry out their fair share of reviewing and in a timely manner
- provide journals with personal and professional information that is accurate and a true representation of their expertise
- recognize that impersonation of another individual during the review process is considered serious misconduct



## COPE Ethical Guidelines for Peer Reviewers

### Expectations during the peer-review process

#### *On being approached to review*

Peer reviewers should:

- respond in a reasonable time-frame, especially if they cannot do the review, and without intentional delay.
- declare if they do not have the subject expertise required to carry out the review or if they are able to assess only part of the manuscript, outlining clearly the areas for which they have the relevant expertise.
- only agree to review a manuscript if they are fairly confident they can return a review within the proposed or mutually agreed time-frame, informing the journal promptly if they require an extension.
- declare any potentially conflicting or competing interests (which may, for example, be personal, financial, intellectual, professional, political or religious), seeking advice from the journal if they are unsure whether something constitutes a relevant interest.
- follow journals' policies on situations they consider to represent a conflict to reviewing. If no guidance is provided, they should inform the journal if: they work at the same institution as any of the authors (or will be joining that institution or are applying for a job there); they are or have been recent (e.g. within the past 3 years) mentors, mentees, close collaborators or joint grant holders; they have a close personal relationship with any of the authors.
- review afresh any manuscript they have previously reviewed for another journal as it may have changed between the two submissions and the journals' criteria for evaluation and acceptance may be different.
- ensure suggestions for alternative reviewers are based on suitability and not influenced by personal considerations or made with the intention of the manuscript receiving a specific outcome (either positive or negative).
- not agree to review a manuscript just to gain sight of it with no intention of submitting a review.
- decline to review if they feel unable to provide a fair and unbiased review.
- decline to review if they have been involved with any of the work in the manuscript or its reporting.
- decline to review if asked to review a manuscript that is very similar to one they have in preparation or under consideration at another journal.
- decline to review if they have issues with the peer-review model used by a journal (e.g. it uses open review and releases the reviewers' names to the authors) that would either affect their review or cause it to be invalidated because of their inability to comply with the journal's review policies.

## COPE Ethical Guidelines for Peer Reviewers

### *During review*

#### Peer reviewers should:

- **notify the journal immediately and seek advice if they discover either a conflicting interest that wasn't apparent when they agreed to the review or anything that might prevent them providing a fair and unbiased review.**
- **refrain from looking at the manuscript and associated material while awaiting instructions from a journal on issues that might cause the request to review to be rescinded.**
- **read the manuscript, ancillary material (e.g. reviewer instructions, required ethics and policy statements, supplemental data files) and journal instructions thoroughly, getting back to the journal if anything is not clear and requesting any missing or incomplete items they need to carry out a full review.**
- **notify the journal as soon as possible if they find they do not have the expertise to assess all aspects of the manuscript; they shouldn't wait until submitting their review as this will unduly delay the review process.**
- **not involve anyone else in the review of a manuscript, including junior researchers they are mentoring, without first obtaining permission from the journal; the names of any individuals who have helped them with the review should be included with the returned review so that they are associated with the manuscript in the journal's records and can also receive due credit for their efforts.**
- **keep all manuscript and review details confidential.**
- **contact the journal if circumstances arise that will prevent them from submitting a timely review, providing an accurate estimate of the time they will need to do a review if still asked to do so.**
- **in the case of double-blind review, if they suspect the identity of the author(s) notify the journal if this knowledge raises any potential conflict of interest.**
- **notify the journal immediately if they come across any irregularities, have concerns about ethical aspects of the work, are aware of substantial similarity between the manuscript and a concurrent submission to another journal or a published article, or suspect that misconduct may have occurred during either the research or the writing and submission of the manuscript; reviewers should, however, keep their concerns confidential and not personally investigate further unless the journal asks for further information or advice.**
- **not intentionally prolong the review process, either by delaying the submission of their review or by requesting unnecessary additional information from the journal or author.**

## COPE Ethical Guidelines for Peer Reviewers

- ensure their review is based on the merits of the work and not influenced, either positively or negatively, by any personal, financial, or other conflicting considerations or by intellectual biases.
- not contact the authors directly without the permission of the journal.

### *When preparing the report*

Peer reviewers should:

- bear in mind that the editor is looking to them for subject knowledge, good judgement, and an honest and fair assessment of the strengths and weaknesses of the work and the manuscript.
- make clear at the start of their review if they have been asked to address only specific parts or aspects of a manuscript and indicate which these are.
- follow journals' instructions on the specific feedback that is required of them and, unless there are good reasons not to, the way this should be organized.
- be objective and constructive in their reviews and provide feedback that will help the authors to improve their manuscript.
- not make derogatory personal comments or unfounded accusations.
- be specific in their criticisms, and provide evidence with appropriate references to substantiate general statements such as, 'this work has been done before', to help editors in their evaluation and decision and in fairness to the authors.
- remember it is the authors' paper and not attempt to rewrite it to their own preferred style if it is basically sound and clear; suggestions for changes that improve clarity are, however, important.
- be aware of the sensitivities surrounding language issues that are due to the authors writing in a language that is not their own, and phrase the feedback appropriately and with due respect.
- make clear which suggested additional investigations are essential to support claims made in the manuscript under consideration and which will just strengthen or extend the work.
- not prepare their report in such a way or include comments that suggest the review has been done by another person.
- not prepare their report in a way that reflects badly or unfairly on another person.

## COPE Ethical Guidelines for Peer Reviewers

- **not make unfair negative comments or include unjustified criticisms of any competitors' work that is mentioned in the manuscript.**
- **ensure their comments and recommendations for the editor are consistent with their report for the authors; most feedback should be put in the report for the authors.**
- **confidential comments to the editor should not be a place for denigration or false accusation, done in the knowledge that the authors will not see these comments.**
- **not suggest that authors include citations to the reviewer's (or their associates') work merely to increase the reviewer's (or their associates') citation count or to enhance the visibility of their or their associates' work; suggestions must be based on valid academic or technological reasons.**
- **determine whether the journal allows them to sign their reviews and, if it does, decide as they feel comfortable doing.**
- **if they are the editor handling a manuscript and decide themselves to provide a review of that manuscript, do this transparently and not under the guise of an anonymous review if the journal operates blind review; providing a review for a manuscript being handled by another editor at the journal can be treated as any other review.**

### Expectations post review

#### *Peer reviewers should:*

- **continue to keep details of the manuscript and its review confidential.**
- **respond promptly if contacted by a journal about matters related to their review of a manuscript and provide the information required.**
- **contact the journal if anything relevant comes to light after they have submitted their review that might affect their original feedback and recommendations.**
- **read the reviews from the other reviewers, if these are provided by the journal, to improve their own understanding of the topic or the decision reached.**
- **try to accommodate requests from journals to review revisions or resubmissions of manuscripts they have reviewed.**