PERSPECTIVE TAKING AND FOUNDER EQUITY SPLITS: AN EXPERIMENTAL STUDY OF INTERSUBJECTIVE INTERACTIONS (SUMMARY)

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 towering perspective, and ensuring that equity splits are fair and transparent is crucial for the success of a new venture. There is a growing body of research that highlights the importance of perspective taking in entrepreneurial decision-making. However, the relationship between perspective taking and founder equity splits has not been well explored.

Our study uses an experimental design to investigate the relationship between perspective taking and founder equity splits. We manipulate the perspective taking of the founders during the negotiation process and examine its impact on the equity split. We find that perspective taking is positively associated with fair equity splits. Furthermore, we find that perspective taking mediates the relationship between the founder’s characteristics and equity splits.

Our results have several implications for practice and policy. First, our findings suggest that fostering a perspective-taking mindset among entrepreneurs can lead to fairer equity splits. This is particularly important for ventures that have diverse founding teams. Second, our study highlights the importance of considering the perspective of the other founder during the equity split negotiation. This can help ensure that all founders feel included and valued.

In conclusion, our study sheds light on the role of perspective taking in founder equity splits. We encourage future research to explore the mechanisms through which perspective taking affects equity splits and to examine its impact in different contexts.