

https://dspace.org/

The short-termism puzzle in Big Tech firms appears to contradict SVO theory: examining the evidence at the firm level of Big Tech

Elliott, Tracey-Leigh

2025
University of the Witwatersrand, Johannesburg
https://hdl.handle.net/10539/49339
Elliott, Tracey-Leigh . (2025). The short-termism puzzle in Big Tech firms appears to contradict SVO theory: examining the evidence at the firm level of Big Tech [Master's dissertation, University of the Witwatersrand, Johannesburg]. WIReDSpace. https://hdl.handle.net/10539/49339

Downloaded from a DSpace repository. https://dspace.org/

The short-termism puzzle in Big Tech firms appears to contradict SVO theory:
examining the evidence at the firm level of Big Tech.

A Research Report submitted in partial fulfilment for the
Degree of Master of Commerce (Inequality Studies)
in the School of Economics and Finance,
University of the Witwatersrand

by
Tracey-Leigh Elliott
Student No: 8707389G

Supervised by Dr Niall Reddy
28 March 2025

ABSTRACT

Shareholder value optimisation (SVO) theory, as a mechanism of corporate financialisation in non-financial companies, has been used to explain the increased role of shareholder primacy over the firm. Accordingly, this view suggests that short-termist pressures from the shareholder may result in management's focus on immediate returns rather than the firms long term sustainability. However, this pattern is not evident in Big Tech firms. Instead of adhering to short-termist pressures, these companies exhibit an inherently long-termist approach.

This research study seeks to understand how it is that Big Tech firms appear to have contradicted the existing literature on SVO and whether short-termism as a negative consequence of aggressive shareholder primacy remains a relevant concern. A gap has been identified in this research in examining the role of shareholder primacy at the intersection of a powerful Big Tech sector and large institutional investors.

The approach of this study has been to argue that Big Tech firms are long-termist by examining their emphasis on setting both control structures and long periods of scaling up in order to create wide moats of competitive advantages. This has been done using a mixed method methodology. The study has focused on the mechanisms which Big Tech has used. These include structures of voting control and setting boards to include directors with long tenures who align with long-termism. Additional mechanisms of scaling up have been examined to identify the tools of scale such as the combination of data, iterative innovation and enabling algorithms as well as the power of retaining large cash reserves. In addition, the study considered possible explanations for why shareholders have accepted a long-termist approach, specifically as investing has transitioned to large institutional investors such as index funds and ETFs.

Major findings reveal that voting control structures and strong competitive moats have protected management from short-termist pressures of shareholders. Much of the evidence in this report points to the heterogeneity of the institutional investor as well as the presence of the large passive index funds and the impact of their mandates to adhere to tracking indexes.

The study concludes that Big Tech, as a large part of the US economy, does not exhibit short-termism but is explicitly long-termist and that SVO appears to have become a weak construct in the presence of large institutional investors where beneficial ownership is far removed from the ideas of aggressive shareholder primacy.

KEYWORDS

Shareholder value optimisation, Big Tech, short-termism, long-termism

DECLARATION

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Commerce (Inequality Studies), University of the Witwatersrand. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.



Tracey-leigh Elliott

28 March 2025

TABLE OF CONTENTS

Chapter One: The Big Tech Puzzle 1

Introduction 1

Gap identified 2

Research approach 2

Findings 3

Big Tech Market Capitalisations 4

Inequality of wealth 6

Financialisation theories 6

Research structure 7

Conclusion 7

Chapter Two: Theoretical framework of SVO and short-termism 8

Introduction 8

Background 8

Financialisation 8

Corporate financialisation 9

Shareholder value orientation 9

Short-termism 11

Conclusion 13

Chapter Three: Literature review 14

Introduction 14

Institutional investors 14

Big Tech 18

Conclusion 21

Chapter Four: Research methodology 22

Introduction 22

Research approach 22

Limitations 24

Ethical considerations 25

Conclusion 25

Chapter five: Findings 26
Introduction 26
Structure of the findings chapter 26
Findings to RQ1 26
Discussion of findings to RQ 1: How have Big Tech firms been able to adopt a long-termist approach? 39
Findings to RQ2 41
Discussion of findings to RQ 2: How was it possible for Big Tech managers to implement long-termist strategies and retain shareholders within a strong SVO? 46
Conclusion 47
Chapter six: Conclusion 48
Introduction 48
The approach 48
Findings 48
Contribution 49
Future areas of research 49
Conclusion 49
Reference List 50

List of tables **Pg**

Table 4.1: Financial data of Big Tech firms 24

List of figures

Figure 1.1: Market capitalisation of US public firms between 1975 and 2021 4
Figure 1.2: Comparison of Big Tech firms to the US total market capitalisation between 1997-2022 5
Figure 3.1: US Assets under management by fund type (2023) 15
Figure 3.2: US Assets under management split between Index & Non-Index Funds (2023) 16
Figure 3.3: Market capitalisations of Amazon, Alphabet and Meta on 1 January 2025 20
Figure 5.1: Amazon director tenures 28
Figure 5.2: Meta director tenures 29
Figure 5.3: Alphabet director tenures 30
Figure 5.4: Comparison of Alphabet shareholders economic interest and voting control 31
Figure 5.5: Voting control of Alphabet founders 32
Figure 5.6: Zuckerburg economic and voting control of Meta in 2012 at IPO 32
Figure 5.7: Zuckerburg economic and voting control of Meta in 2023 33
Figure 5.8: Increase in Meta users and revenue per user 35
Figure 5.9: Analysis of search engines between 2009-2023 35
Figure 5.10: Amazon flywheel 36
Figure 5.11: Declared acquisitions by Amazon, Meta and Alphabet 37
Figure 5.12: Amazon shareholders at December 2023 42
Figure 5.13: Meta shareholders at December 2023 43
Figure 5.14: Alphabet shareholders at December 2023 43
Figure 5.15: Analysis of Amazon management and shareholder resolutions 45

List of abbreviations

BT	Big technology companies selected for this study being Meta Platforms Inc, Alphabet Inc and Amazon.com Inc.
NFC	non-financial company
SEC	US Securities and Exchange Commission
S&P 500	Standard & Poor's stock index of the 500 largest US corporations based on market capitalisation
SVO	Shareholder value optimisation
EPS	Earnings per share
US	United States of America

Chapter One: The Big Tech Puzzle

Introduction

The imperative to maximise shareholder value has become a powerful underpinning in prevailing U.S. capitalism. In excess of US$1trillion is anticipated to be returned to shareholders in 2025 via stock buybacks, in addition the stock market S&P index reached an historical high in 2024 (*Reuters*, 2024). This suggests that the dominant paradigm of shareholder primacy has in fact disseminated universally across US firms.

Rooted in strong theories of SVO, this paradigm argues that US firms exist primarily to serve the interests of their shareholders (Fligstein and Shin, 2007; Heilbron, Verheul and Quak, 2014). The diffusion of this strong form of SVO has occurred in the shift in power from the managerialist executives to the shareholders (Sneirson, 2019; Hansmann and Kraakman, 2001). This shift in power to shareholder primacy has become a mainstream model of US firms, it has affected corporate governance, strategic priorities, and prioritised financial returns over long-term investments.

A critical consequence of this paradigm is short-termism: the prioritisation of immediate financial performance, often at the expense of long-term sustainable growth (Laverty, 1996). This tendency is particularly evident in all firms operating within the US, where the shareholder primacy model is most deeply entrenched.

Whilst SVO theory argues that US non-financial companies ('NFC') are short-termist, primarily as a result of prevailing US capitalism, it would appear that this may not be so in Big Tech firms. Big Tech firms provide for an intriguing area in which to examine this assertion. These firms exist as a significant part of the US economy as large powerful NFCs.

In this paper I will present evidence demonstrating that Big Tech firms are long-termist firms which prioritise investing heavily in innovation and development over long periods of time and retain vast amounts of cash to do so, and that any indications of short-termism are misinterpretations due to existing restrictive literature. I will then consider how Big Tech firms have been able to escape the short-termism affliction of SVO. My explanation will centre on the barriers erected by founder shareholders and the inability of other shareholders to use their power to voice their objections, both during the period of founder control and after. I will then ask why these shareholders have remained invested. My solution lies in the heterogeneity of the shareholder. The implications of

these findings will highlight that short-termism may no longer be relevant to SVO and that perhaps shareholder maximisation is evolving with shareholder heterogeneity.

The framework for this study requires the adoption of the strong form theory of SVO. This form of SVO demands growth in profits, the return of excess cash to shareholders and significant market capitalisations. In addition, it is firmly entrenched in all firms in the US economy, as evidenced by current US capitalism in the strong capital markets, powerful investor institutions and massive wealth creation. A consequence of this form of SVO implies that all firms adopt short-termist actions as these would prioritise shareholder value.

The addition of Big Tech firms to the study necessitates adopting this particular form of SVO. These firms start out with founder shareholders as managers but then transition as the founder releases control and new shareholders are introduced. This provides an ideal canvas upon which short-termist, SVO and shareholder heterogeneity can be studied. In addition, a conceptual linkage between Big Tech and financialisation exists in how Big Tech has been able to create financial value from technical innovation as opposed to traditional production activities.

Gap identified

The gap identified in this study lies not only in evaluating the relevance of the short-termism construct through the lens of two powerful protagonists, being Big Tech and institutional investors, but also in the examination of the influence of shareholder primacy as it transitions from founder shareholders to institutional shareholders. Whilst existing studies have focused on the corporate financialisation of Big Tech at the firm and sector level, they have done so by assessing the accumulation of capital and resulting power and dominance (Fernandez *et al.*, 2020; Klinge *et al.*, 2023). This study will contribute to providing a different perspective to the relevance of short-termism as being a necessary consequence of SVO. In addition, it will add to the debate on shareholder primacy in the age of the large institutional investors.

Research approach

Whilst Big Tech firms exist as a major part of the US economy, they also exist within the current form of US capitalism in which a deeply entrenched dominant SVO exits. Following on, one would therefore expect them to be short-termist firms. The research approach will first challenge this and show that Big Tech firms are long-termist and thereafter examine why their investors have accepted

this approach. The study does so by examining three firms as case studies; Amazon.com Inc., Meta Platforms Inc., and Alphabet Inc

Research question 1:

How have Big Tech firms been able to adopt a long-termist approach?

The first research question therefore seeks to assess and confirm that Big Tech firms are indeed long-termist firms. The study seeks to determine how these Big Tech firms have adopted and asserted a long-termism approach. In doing so it will examine the evidence on controlling dual share structures which together with small, aligned long tenured boards, have set their foundation of long-termism. In addition, it will interrogate how this has enabled management to gradually scale up the operations without shareholder pressures calling for signs of profitability.

Research Question 2:

How was it possible for Big Tech managers to implement long-termist strategies and retain shareholders within a strong SVO?

The second stage of the research study examines why it is that shareholders in these firms appear to have supported the managers and allowed a long-termist strategy to prevail. This is despite periods during which the firms were not profitable or cash flow generative. The study draws on the heterogeneity of these shareholders as the investor universe has altered significantly with varying investor intentions (Fichtner, 2019). Accordingly, the study examines the transitioning of shareholding in these firms from controlling long termist founder shareholders to a wider heterogeneous shareholder base. This base includes retail investors, passive investor managers and Index funds. Investor fund structures and their mandates are interrogated so as to understand beneficial shareholder ownership.

Findings

The findings on Big Tech firms confirm their classification as long-termist firms, despite the existing literature's reductive bias. In arriving at this outcome, the role of the founder in establishing a long-termist approach during the early stage of the firm has proven to be crucial. In addition, the firms strategies to scale up the firm focused on growth and establishing competitive advantage moats to protect the long-termist strategy. Furthermore, findings on the analysis of existing shareholders in Big Tech firms confirm that as the founder shareholder sells down, a new heterogenous shareholding base emerges. This is made up of a mixture of retail investors, mutual fund investors and passive index fund investors. Crucial to the research are the explanations of how it was possible for the long-termist strategy to have been accepted. Findings indicate that it was the

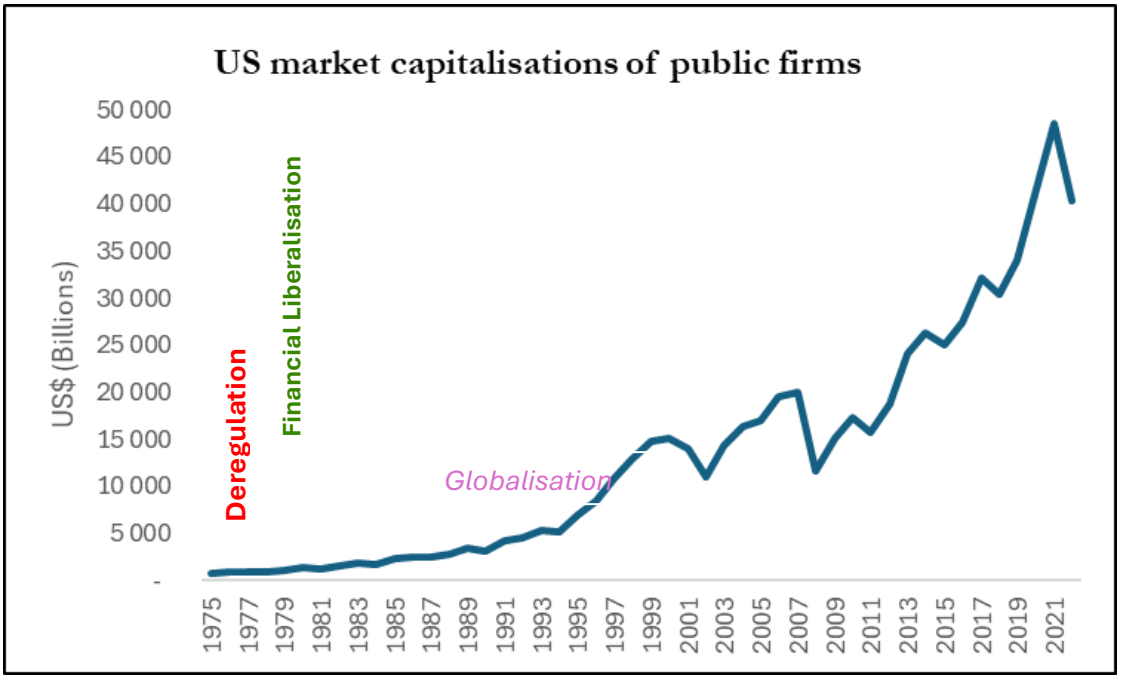
extent of the founders control, in ensuring this approach during the early periods of negative cash flows and no profitability. The founder shareholder was able to protect the firm from shareholder interventions such as activist intrusions or calls to redirect spending. As the firms transitioned to strong cash generation and profitability, the acceptance of a long-termist approach by shareholders rests on both the evidence that long-termist approach has proven to be successful but also upon the heterogeneity of the investor.

Big Tech Market Capitalisations

Economic growth, as evidenced by the increase in the value of the US market capitalisations of public firms, has generated significant wealth for shareholders. US public firm market capitalisations in 1975 were approximated US$0,7trillion, these have reached approximately US$40trillion in 2022. (*World Federation of Exchanges database. 1975-2022*, 2025). A significant amount of change during this time period came about through policy amendments aimed at economic transformation, such as deregulation by the state and the liberalisation of banking, credit and the introduction of new financial instruments (Erturk *et al.*, 2008; Krippner, 2005).

Traditional forms of finance supplied by a regulated banking system have been usurped by large multinational financial institutions. New financial products and mechanisms have not only become ubiquitous across the economy but have become dominant through their intrusion into traditional businesses.

Figure 1.1: Market capitalisation of US public firms between 1975 and 2021

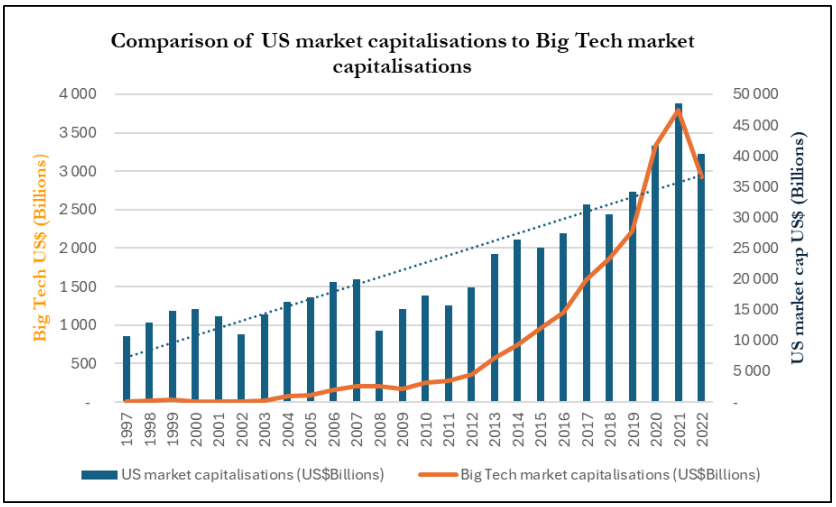


Source: (*World Federation of Exchanges database. 1975-2022*, 2025)

Included in this creation of significant wealth through large market capitalisations, are a sector of firms referred to as Big Tech firms. Big Tech, whilst being an all-encompassing term for technology companies, is used in this report to refer specifically to three listed technology companies. These companies are Amazon.com Inc., Meta Platforms Inc. and Alphabet Inc. These firms of have been selected specifically for this study due to their dominant founders, controlling voting structures, large investment and their immense market capitalisations. They exist within a powerful structure which they control, own and continue to influence (Khan and Vaheesan, 2017). Importantly, significant wealth has been created for shareholders of these Big Tech firms. Big Tech's combined market capitalisation on December 29, 2023, was US$10 trillion, being 25% of the S&P 500 total market capitalisation. The companies in this case study comprised US$4,3trillion, being 11% of the S&P500 total market capitalisation (*S&P 500 Market Cap Monthly Analysis: S&P 500 Earnings | YCharts*, 2023). BT firms have therefore been successful investments for their shareholders and founders. In addition, these three firms have achieved significant global economic dominance, their combined revenues in 2023 of US$1,6 trillion contributed approximately 1,5% to global GDP of US$105 trillion (*World Bank Open Data*, 2023).

In Figure 1.2 below, the combined market capitalisations of these three firms have been inserted in the information from Figure 1.1, so as to compare the length of time taken to reach significant market capitalisations. What immediately becomes apparent is that the market capitalisations of these Big Tech firms took a longer period of time to reach large market capitalisations as compared to the rest of the US market.

Figure 1.2: Comparison of Big Tech firms to the US total market capitalisation between 1997-2022



Source: (*World Federation of Exchanges database. 1975-2022*, 2025; *Market Cap History Charts-AMZN, Meta, Alphabet*, 2025)

Inequality of wealth

Inherent in these illustrations of increased wealth for shareholders (Figure1.1) lies a dark reminder that such an increase has yet again compounded the pervasive issue of wealth inequality. Studies focusing on the underlying causes of wealth inequality have looked to both structural political-economic factors as well as to theories which could provide explanations as to why the inequality gap continues to grow. Empirical findings examining wealth creation at the source and testing relevant theories at the firm level would contribute deeper explanations of how wealth inequality continues to be replicated. This study examines the data at Big Tech firm level and in in doing so reveals the powerful effect of wealth creation through share options. Whilst this study is focused primarily on the short-termist theory, the examination of how share options are used as a tool of long termist strategies also exposes how they are a tool of substantial wealth creation.

Financialisation theories

The financialisation literature is vast and rich in explanations across various social sciences. Van der Zwan (2014) organises financialisation theories according to regimes of accumulation, the impact of everyday life and most relevant to this study- the financialisation of the firm (van der Zwan, 2014). Whilst this research study does draw on the corporate financialisation theories of SVO, it explicitly adopts the strong form of SVO in which a powerful shareholder exists, which is dominant in US firms.

In addition, the study heeds to the warnings by scholars to ensure that a much wider parameter is considered. Christophers (2015) argues that limitations of only applying financialisation theories can lead to ambiguities and misinterpretations. In addition, he highlights the importance of including a much wider range of developments outside of financialisation and emphasises that the particular financialisation theories applied should be precise to the problem being investigated (Christophers, 2015). Knafo and Dutta (2020) add to the importance of not only limiting an examination of the shareholder revolution debate exclusively to financialisation. They highlight the role of management in the focus on maximising value through the share price. In addition, they challenge the narrative of a shareholder-led revolution in corporate governance, instead attributing changes to managerial strategies that embraced financialization and shareholder value as dominant paradigms (Knafo and Dutta, 2020).

Therefore, fundamental to this research analysis is the adoption of a dominant version of shareholder value optimization in the U.S. corporate landscape. Chapter two provides a theoretical framework for the study.

Research structure

This research study has been organised to begin with a theoretical framework of SVO and short-termism in chapter two. Chapter three presents a review of the existing literature which briefly explores the evolving nature of the shareholder and the powerful form of shareholder primacy within and between two influential forces in contemporary capitalism—Big Tech firms and institutional investors. Chapter four describes the adopted methodology. Chapter five presents the findings which support Big Tech as long-termist firms and explores the reasons as to why investors have accepted long-termism in BT firms. Chapter six concludes the study and proposes new areas for research.

Conclusion

The chapter has introduced a puzzle in examining shareholder primacy and short-termism theory in the Big Tech landscape. Whilst SVO expected a short-termist approach in US firms, Big Tech firms have contradicted this and instead proven to be successful long-termist firms. A gap is therefore identified in evaluating the relevance of short-termism using Big Tech firms Amazon.com Inc., Meta Platforms Inc., and Alphabet Inc as a case study.

Chapter Two: Theoretical framework of SVO and short-termism

Introduction

Chapter two presents the theoretical framework which this study uses to examine the short-termism thesis within the shareholder maximisation framework. The study will evaluate whether the strong form of SVO continues to exist in the presence of both the institutional investor and dominant Big Tech firms. by examining these questions in the context of three large Big Tech firms, Amazon.com Inc., Meta Platforms Inc. and Alphabet Inc Amazon. This theoretical framework will define how both SVO and short-termism are interpreted in this study.

Background

This framework is anchored in the strong dominant form of SVO in which shareholder maximisation assumes that all firms exist primarily to serve the interests of their shareholders. In addition, the adoption of this strong form of SVO in this study, is underpinned by Milton Friedman's Doctrine of shareholder theory which prioritised profitability for the firm's shareholders (Friedman, 2020). The prevalent form of shareholder primacy in current US capitalism is examined using a framework in which Friedman's shareholder theory accentuates financialised governance focused on shareholder value.

Financialisation

In order to provide context, the theories being examined in this study need to be placed within the larger body of financialisation studies. The period during which financialisation occurred has been linked to neoliberalism, which in turn had influence on the policies of the governments of both Thatcher and Reagan (Fine and Saad-Filho, 2017; Harvey, 2007, pp. 67–71). The effects of policy changes resulted in deregulation across the US economy and liberalisation of the financial system. These effects together with the changing role of the shareholder contributed to a form of financialisation termed by Reddy and Rabinovich (2024) as structural financialisation (Rabinovich and Reddy, 2024). As financialisation studies have grown, so too have the possible definitions. Epstein (2006) described it from a financial perspective in which finance plays a larger role in the economy (Epstein, 2006). Other studies examined it as a change in profit making towards financial rather than productive routes (Krippner, 2005). Whilst the focus on activist and institutional shareholders and their motives adds to the framing of this study (Froud *et al.*, 2005).

In addition, the financialised environment introduced new actors with more pronounced roles in the economy. The institutional investor became a centre for large amounts of private capital, new intermediaries in the financial market gained influence, management adopted financial skills, and the shareholder role became an active participant in investments (Fichtner, 2019).

Corporate financialisation

Within the financialisation literature there exists a stream which identifies the financialisation of the firm as being corporate financialisation (van der Zwan, 2014). Corporate financialisation, within the context of this report, focuses on firms which are considered to be non-financial companies (Dore, 2008).

As in financialisation literature, the studies of corporate financialisation also appear to be dispersed and therefore difficult to arrive at an accepted definition. Some studies have focused on the analysis of financial outcomes or trends in NFC across national levels (Krippner, 2005). Whilst others have evaluated specific financial indicators at the sector level such as the increased presence of payouts to shareholders (Soener, 2020; Fernandez *et al.*, 2020). Further studies have considered other financial metrics such as the extent of financial assets on NFC balance sheets (Orhangazi, 2008; Davis, 2016) as well as the impact of financial income in NFC (Krippner, 2005).

A significant amount of the literature considers the heightened role of the shareholder as the important stakeholder in the firm (Davis, 2017; Epstein, 2006; van der Zwan, 2014). It is from this area of the literature that this study will focus.

Shareholder value orientation

Central to the concept of SVO is the theory of shareholder primacy and the role of the shareholder in the firm. An examination of the literature begins with the Berle and Means contribution which noted a gap in the governance of the public firm which increases as the number of shareholders increases effectively allowing managers more control (Berle and Means, 1932). The relevance of this contribution is that it exposed the difference between public firm shareholder ownership and manager control, drawing attention to the manager as a professional technocrat (Stout, 2013). A period of increased international competition began to challenge the US firms profitability. In addition, the easing of regulatory policies brought on by a neoliberal administration allowed for the outsourcing of the pension fund management to professional managers (Rosenberg, 2003). Shareholder primacy began to emerge and with this the start of activist shareholders (Friedman,

2020). Managers needed to adapt to this new role of the shareholder with shareholder activism questioned the retain and reinvest model of the conglomerates (Lazonick and O'Sullivan, 2000). Short-termist profit seeking shareholders began the process reorganising business resources in order to release immediate profits (Davis, Diekmann and Tinsley, 1994). Agency theory drew a slightly different observation in the relationship between the manager and the shareholder. It considered the shareholder to be the principal and the manager as the agent. This view transitioned away from the dominant manager role to that of an agency role which required monitoring by shareholders, in many instances linking the managers remuneration to the firms performance (Jensen and Meckling, 1976). This transition from managerialism to shareholder primacy appeared to instilled a belief system built on power and ideology (Fligstein and Goldstein, 2022). The priority of the shareholder pressurised managers to align their actions and strategies in order to meet shareholder expectations (Lazonick and O'Sullivan, 2000). Such actions could include setting required rates of return which maximise ROE, dividend policies which distribute regularly or policies of returning excess cash to shareholders as share buy backs. The remote shareholder, as envisioned by Berle and Means, transitioned to a shareholder that considered the objective of the public firm to be to maximise their shareholder value.

Mayer, (2017) provides an additional perspective to both SVO and Friedman's Doctrine. He finds that a company can exist for both profitability as well as serving a purpose in society. The profitability of the company occurs as a result of solving a societal issue (Mayer, 2017).

The definition of SVO adopted in this study is underpinned by strong shareholder primacy claims for profit maximisation. Previous managerialist strategies in the conglomerates of the past are no longer relevant. Dominance is effectively moved from the manager to the shareholder and aligned performance pressure on management. Management has been appropriately incentivised through stock option schemes contingent on higher stock prices to focus the firm away from growth towards shorter term financial rewards. Whilst SVO is conceptual and not explicitly defined in theory, it is also further complicated by difficulties in measuring it (Reddy and Rabinovich, 2022). Therefore, the view of SVO adopted in this study could be observed through assessing the power which exists in the relationship between the shareholders and management. Inherent in this is the influence which the shareholder has over the firm's strategies and objectives as well as the degree to which management are incentivised.

Short-termism

Short-termism has become a ubiquitous term used across political and economic disciplines. Within an economic framework it is considered as actions which focus on shorter term gains at the loss of long term profitability (Zoffer *et al.*, 2019). The power of the shareholder within the corporate financialisation regime is demonstrated when a firm focuses its actions towards achieving higher stock prices in the short term at the cost of longer term growth (Davis, 2017; Reddy and Rabinovich, 2022).

A consequence of SVO may be to follow short-termist decision making in order to meet shareholder priorities. Short-termism, whilst being a term which is used across many disciplines, within the context of corporate financialisation is considered a consequence of actions used to achieve shareholder value optimisation (Krippner, 2005; Davis, 2017; Erturk *et al.*, 2008). The existing literature on short-termism tends to classify certain managerial actions definitively as short-termist (Laverty, 1996; Orhangazi, 2008; Erturk *et al.*, 2008). However, short-termism is also a fundamental part of decision making in a firm. In some situations, the short-termist action may have a positive impact on SVO but is actually a necessary business decision. The literature may therefore have the effect of being reductive and restrictive in the evaluation of actions which result in a classification of a firm as either being short-termist or long-termist.

Short-termist literature argues that stock buybacks are a means of acceding to shareholder pressure to increase shareholder value, at the risk that firms may underinvest in their operations (Lazonick, 2014). The criticism of buyback actions are firstly centred around management being able to manage the shares in issue, with the intention of meeting their EPS earnings target (Almeida, Fos and Kronlund, 2016; Hribar, Jenkins and Johnson, 2006). Secondly that management are enriched in their dual role of being stockowner and management (Ladika and Sautner, 2019), and thirdly that the firm should instead reinvest back into the firm and its employees (Palladino and Lazonick, 2024) . However, an alternative argument is that funds released in a buyback are reinvested back into the economy and that at a macro level share buybacks are not necessarily a negative action (Booth, 2022; Fried and Wang, 2018). A further view considers the external environment, such as taxation amendments provided for firms to repatriate foreign earnings, as rationale for increased share buybacks (Dharmapala, Foley and Forbes, 2010).

In examining the literature, studies have approached short-termism in a multitude of ways. Whilst some literature has looked to identify and link certain corporate actions to short-termism, other

literature has focused on examining why short-termism occurs. The Hayes-Abernathy thesis examined the lack of competitiveness amongst US firms as a symptom of short-termism (Hayes and Abernathy, 1980). In addition, The Kay Report considered the short-termist conflict between asset manager business models, shareholder interests and the best interests of the UK firms (Kay, 2012). An additional perspective is in considering whether public firms exhibit more short-termism than private firms, again a debate exists. Some studies have argued that public firms do exhibit more short-termism (Asker, Farre-Mensa and Ljungqvist, 2015; Graham, Harvey and Rajgopal, 2005) whilst other studies find that public firms invest more and therefore exhibit less short-termism (Feldman *et al.*, 2018).

The numerous studies have also included different measures of short-termism. These have varied across the different levels of the economy as well as using stocks and flows extracted from financial data (Jordan, Kim and Liu, 2016). In Davies *et al.*(2014) the opportunity costs of foregoing investment in order to meet investor expectations is examined. The negative impact of reduced investment on the firm's ability to compete and retain performance in the longer term has been observed (Porter and Wayland, 1992). The measure of a higher Tobins Q was linked to firms which invest more in R&D (Jordan, Kim and Liu, 2016).

Gopalan *et al* (2014) find that when management remuneration is linked to longer duration periods then firms invest in longer term assets and R&D. Whilst the shortening of the vesting period for management stock options is linked to reducing investment spend (Ladika and Sautner, 2019; Edmans, Fang and Lewellen, 2016).
Big Tech firms tend to place more reliance on constant innovation and may require operational strategy changes in a shorter time period than more traditional industries. Whilst this could be interpreted as being short-termist a study on the quantity of corporate breakthrough patents registered indicates that short-termist firms are less likely to patent (Corredoira *et al.*, 2022).

A study by Vos and Monnens (2023) examines short-termism where a controlling shareholder is present. This study provides insight relevant to this study as the Big Tech firms experience a period in which the founder is the controlling shareholder as well as the manager. Their study highlights three important issues in the situation of a controlling shareholder (Vos and Monnens, 2023). Firstly, the shareholder is able to determine the time frame, and this would set whether short-termism exists or not. Secondly in the dual role of shareholder and manager the value inherent in the firm can be better established due to the closer proximity to the workings of the firm (Roe,

2022). Finally, the concept of 'private benefits' of being the controlling shareholder enable the shareholder to operate the firm as they determine (Dyck and Zingales, 2004).

Therefore, in arriving at a definition for short-termism in this study, it is firstly considered to be as the result of actions which have occurred as a consequence of SVO. Therefore, the actions have occurred due to pressures from the powerful shareholder and an incentivised management (Laverty, 1996). The actions would have the effect of ensuring that the firm has aligned to the objectives of the shareholder and that growth is centred on early profits rather than on longer term sustainability of the firm (Bostan, Lin and Mian, 2024).

Conclusion

This chapter has set out to adopt appropriate definitions of SVO and short-termism which will form the theoretical framework of this study. The SVO definition is internationally expansive so as to examine its evidence and implications where a founder shareholder, voting control structures and the institutional investor exist. The adopted definition of SVO assumes that the primacy of the shareholder is inherent across all of the firm's structures, strategies and operations. It further assumes that it has spread across US firms. This therefore allows short-termism to be examined as the actions which occur as a result of the powerful shareholder and the incentivised manager. These short-termist actions would be as a result of the firm's objective on maximising shareholder value in the shorter time period.

Chapter Three: Literature review

Introduction

Whilst short-termism and shareholder primacy have become increasingly prominent in contemporary US capitalism, the literature has often overlooked the dynamics between two powerful protagonists shaping this phenomenon: Big Tech companies and institutional investors.

This literature review aims to examine the literature around the gap. A key focus will be the heterogeneity among institutional shareholders, including retail investors, passive funds, and exchange-traded funds (ETFs), and the roles they play in a firms strategy. Additionally, the review will examine how the Big Tech sector, with its monopolistic tendencies and unprecedented market capitalization, differs fundamentally from other industries in its dominant influence.

Institutional investors

The increased size of the institutional investor is explained as starting with the neoliberal period of deregulation of policies which provided an opportunity for large institutional investors. Financial capital, in the form of large institutional investors, emerged out of the deregulation of pension fund management (Vanatta, 2024a; Krippner, 2011). Previously pension fund assets were invested in public or municipal bonds and were a form of financing public infrastructure, this is referred to as mutual federalism (Glass and Vanatta, 2020). During an economic period in which municipal bond yields were unable to meet pension fund required yields, the search for new yields required deregulation and the resulting introduction of private fund managers.

In addition, deregulation allowed private fund managers to seek higher return in corporate bonds and equities. An additional source of new funds flowing to institutional investors occurred in the change of pension schemes from defined benefit schemes to defined contribution schemes (Fichtner, 2019).

Fitchner (2019) examined the powerful position which the institutional investor possesses and how they able to use to influence the firm so as to maximise shareholder value. He does so by separating the institutional investors according to how they exercise their shareholder power by categorising them into their fees received for acting as investor. The smaller hedge fund and private equity investors do so as a ‘disciplinary power’, the mutual funds tend to exit rather than influence (Davis, 2008), whilst the large passive index funds adopt more obscure processes (Fichtner, 2019). Whilst

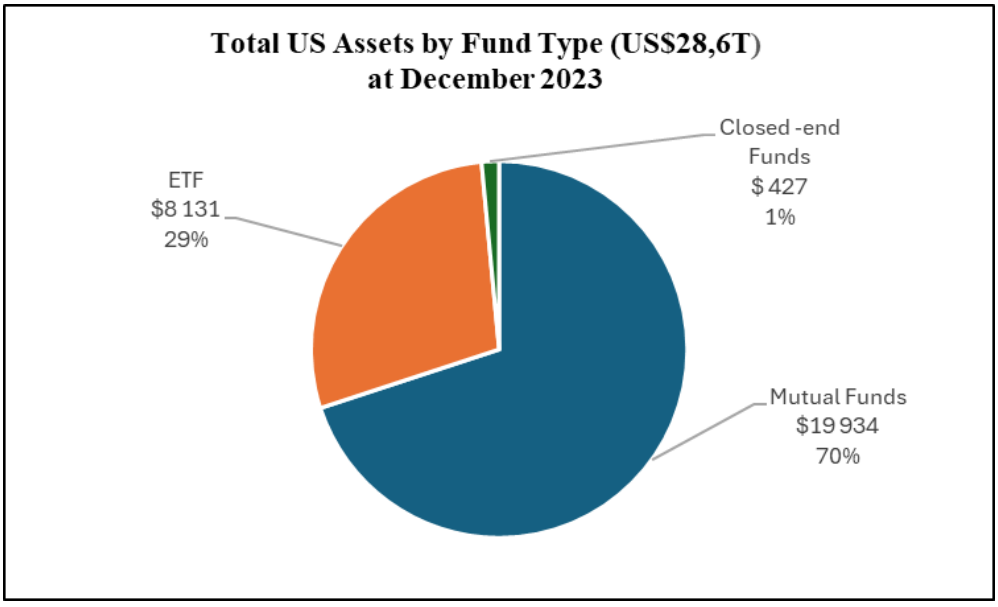
they have the option to express their power through voting, they also participate in discussions with management in quarterly earnings calls. Passive investing primarily occurs through index funds and Electronically Traded Funds ('ETF').

These funds are managed according to specified mandates, these are contained in the mandate or prospectus (Whitehead, Hsui and Lilly, 2024). Whilst the passive funds would generally not exit an investment completely as they track the index, they may need to sell down to remain invested according to the specific requirements of the mandate (Deeg and Hardie, 2016).

Epstein discusses the agency nature of discretionary fund management by institutional investors and the evolution into open end funds such as ETFs. He highlights how regulatory changes and lower management fees have contributed to this change. In addition, he clarifies how this increase in size of funds under management has created a much larger 'interconnectedness' of the financial markets and created an influential role for institutional investors (Epstein, 2019). The figures 3.1 and 3.2 below illustrate the magnitude of open-end funds managed by institutional investors.

In Figure 3.1 below, the total assets under fund management in the US in December 2023 were US$28,6T. This could be split between 3 types of fund types, of which the largest were Mutual Funds (US$19,9T), then ETFs (US$8T) and closed end funds.

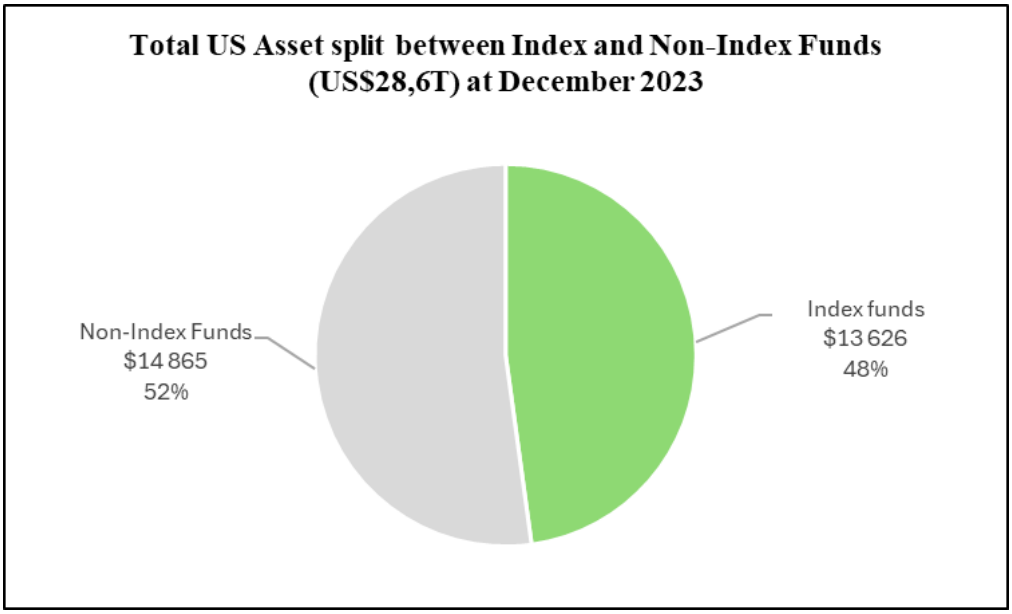
Figure 3.1:US Assets under management by fund type (2023)



Source: (*SEC.gov | Registered Funds - Total Fund Assets*, 2023)

Figure 3.2 analyses this differently by splitting total assets under management of US$28,6T by asset class between Index Funds (48%) and non-Index Funds (52%).

Figure 3.2:US Assets under management split between Index & Non-Index Funds (2023)



Source: (*SEC.gov | Registered Funds - Total Fund Assets*, 2023)

Investor influence on the firm

The ability of the institutional investor, in accordance with strong SVO, will want to be able to influence the objective of the firm. The effect of shareholder primacy, representing the power which the shareholder holds to influence the firm objectives, has an important bearing on management (Useem and Gager, 1996).

There are various approaches as to how this can be done, these could be summarised as using their voice, voting, putting forward shareholder proposals, engaging directly with management, participating in earnings calls or by exiting the investment. The firm's annual proxy statement generally has 4 parts to it which require shareholder voting: directors election, auditor election, management remuneration and shareholder proposals. In the statement the board of directors are required to indicate their recommendations for each item (*SEC.gov | Annual Meetings and Proxy Requirements*, 2025).

Voting as a form of expressing shareholder power would be done through Annual General Meeting voting. The implication of this control has been to align firm decisions to focus on shareholder preferences (Friel *et al.*, 2024; Fichtner and Heemskerk, 2020). This literature therefore provides

valuable insight into assessing whether a strong form SVO really has any purpose in the voting process if institutional investors tend to vote alongside management. However, if they were to challenge management then strong form SVO becomes a tool of negotiation.

Proxy advisors are an additional actor within the institutional investor environment. In providing voting recommendations to institutional investors, they play a role in performing an outsourced evaluation of each proposal requiring voting. However, in doing so they also wield significant power and influence. This outsourced role fits within the framework of lower transaction fees of passive fund structures as Fund managers that are not incentivised sufficiently through their fee structure, may use these proxy advisory services.

There are two dominant proxy advisors in the US, Institutional Shareholder Services and Glass Lewis, there forming a 'duopoly' which is able to control the proxy market (Tayan and Larcker, 2024). Whilst the provision of such a service could be considered to be positive in terms of governance, in the case of these proxy advisors the opposite is found. The proxy advisor provides services to both the firm and to the institutional investor and their independence is therefore questioned (Li, 2016).

Who are the owners?

In a recent investment industry publication, Investment Company Institute Research, an indication of both the institutional investor industry and the retail investors is explained (*ICI Research Perspective | Investment Company Institute*, 2024). The report indicates that at December 2023 there were 16,038 registered funds in the US, representing in excess of 120 million US retail investors. Of the 16,038 registered funds, 8582 were Mutual Funds. The report provides further depth into the demographic of the retail investors invested in mutual funds. More than half of US households had elected to invest their savings into mutual funds, et are not able to express their voice. This insight provides important perspective on how removed the retail individual investor is from the underlying equity investment.

Mutual funds are corporations or business trusts, registered as the beneficial owners of the underlying equity which they hold. These juristic entities have a board of directors and the voting on underlying equity investments is generally managed by the fund investment advisor. In addition, the mandate, which is adhered to by the investment advisor, can be as an actively managed portfolio or passively managed portfolio, which tracks an index or benchmark.

ETF's comprised 3304 of the registered funds. An ETF is a registered SEC investment company or trust, the arranger places financial instruments into the Trust and creates units which are tradable. The ETF company or trust is able to vote on equity stocks which it owns, however the unit holders do not have voting rights (*SEC.gov | Mutual Funds and Exchange-Traded Funds (ETFs) – A Guide for Investors*, 2024)

Therefore, the individual investor that has invested in the various registered funds is not a shareholder and therefore would be unable to exercise any influence over an equity firm's objectives. Only investors who have directed their investments through non-pooled investments would have voting rights. This significantly decreases the representation at annual meetings and reduces the amount of pressure which individual investors could impose. Of concern is where shareholders who wish to lodge a negative vote to an ESG issue in order to make a social change would be effectively not able to vote. These are significant issues for shareholder representation.

Institutional investors, through the various investment offerings to both retail investors and other institutional investors, provide for both equity and debt investments. Therefore, an ETF may hold a debt instrument issued by a firm as well as equity shares in that same firm. Conversely a firm may have two instruments in issue, an equity share and a bond. The investor therefore holds a dual role of shareholder and creditor, whilst the institutional manager has acted as an intermediary for both instruments. The inherent conflicts of interest, which were previously managed by regulatory policies, are a concerning issue. Literature on assessing this conflict and the potential powerful role of the institutional investors in this dual capacity appears to be sparse. This gap would provide useful information in understanding the relationship between the institutional investor and management. The complexities of the institutional investor as a financial intermediary in multiple roles therefore clouds and obscures the powerful influence which is held. Further recent literature examines the effect of ETF shorting due to ETF liquidity and market inefficiencies in trading over a period when voting occurs in an underlying equity share. The study created a measure ('phantom ETF' shares) and found that there would be an effect on the voting, more so if voting outcomes were close (Evans *et al.*, 2024).

Big Tech

Big Tech firms have been able to translate their innovations into some of the world's most successful corporations. They have been central to the rapid growth in innovation in the 21st Century. In addition, they have also accumulated significant financial value (*S&P 500 Companies*

by Weight, 2024). Their products have become integral essential elements of other industries. Big Tech firms have successfully used their technological innovations to transform traditional economies and change communication channels within society.

The internet was a novel concept in 1989, with most users required to load software onto desk-top personal computers in order to access the World Wide Web ('History of the Web - World Wide Web Foundation', 2009). Sir Tim Berners-Lee published the first website in 1994 (Bort, 2014). Within this period, emerged an era of technological advances which led to a grouping of graduates in scientific and engineering backgrounds. Their innovation in e-commerce has facilitated wider access to marketplaces for many and access to information has provided new opportunities for education and healthcare. However, in doing so inequality has increased and become more complicated by this small group of firms. These firms have enabled numerous social and economic inequality externalities (Zuboff, 2022 ; Khan, 2017 ; Xiao *et al.*, 2024).

Big Tech sector structure

The Big Tech firms which emerged from periods of rapid technological and innovative growth, exist in a sector which has a unique market structure. They have grown to occupy a significant position in the universal economy. This is not only in their financial dominance but also in their integration into the operations of non-tech firms. They have been the major drivers of economic growth (Baumol, 2004).

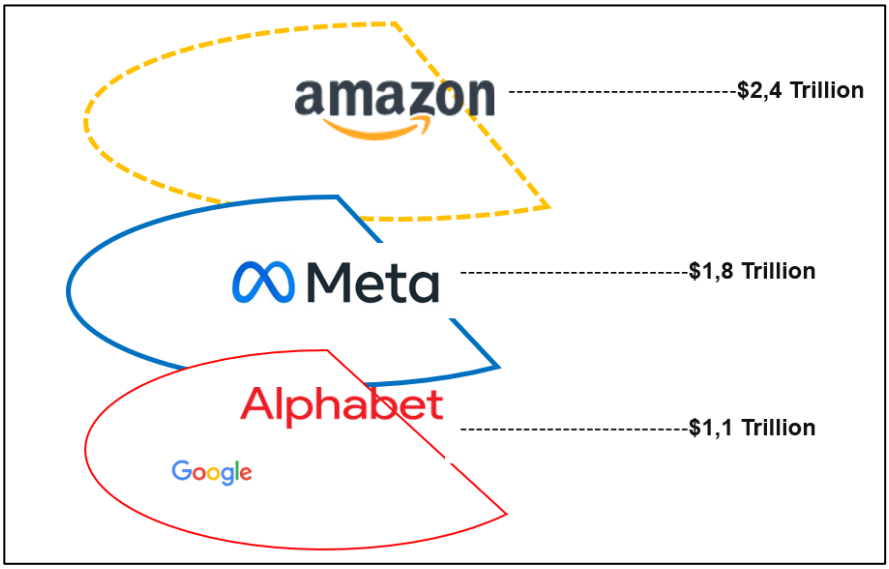
The platform economy developed by Big Tech has benefited not only from globalisation but significantly from being able to monetise their offerings and grow through mergers and acquisitions (Kenney and Zysman, 2020). The sector has developed into a concentration of a few firms which have been able to capture the platform economy.

The revenue models adopted by Big Tech can be better defined as platforms which facilitate connections. The success of the platform has been dependent on growing users and connecting actors with various requirements as well as operating in a global economy, often referred to as the platform economy (Castells, 1999; Kenney and Zysman, 2020). Within the platform economy a paradox arises in how this economy generates revenue. Whilst Meta and Alphabet generate most of their revenue stream from advertising and Amazon to a much lesser extent, the role of the platform user has become more intertwined (Bilić, Prug and Žitko, 2021). Big Tech, in a

financialised digital environment, have become controlling gatekeepers to this new ecosystem (Büchel and Rusche, 2020).

In Figure 3.3 the sheer size of the firms selected for this study are reflected in their market capitalisation at the start of the 2025 year.

Figure 3.3: Market capitalisations of Amazon, Alphabet and Meta on 1 January 2025



Source: (*Index Scorecard: January 2025 | Nasdaq*, 2025)

What makes Big Tech sector different

Big Tech firms are inherently different to other sectors, they have come to represent how society views the technical revolution, yet their revenue models remain traditional. In addition, they have been built on specialist knowledge, yet have used society as user data to grow their influence (*Online platforms: Economic and societal effects | Think Tank | European Parliament*, 2021). Their 'assetisation' of user data challenges current accounting measures (Birch, Cochrane and Ward, 2021). These firms appear to belong to a new era of 'algorithmic capitalism' where mathematical algorithms have become a competitive advantage (Mittelman, 2022).

The monopoly debate views Big Tech as controlling dominant firms which should be managed by anti-trust regulations (Khan, 2017). An alternative debate is centred on Big Tech as not being homogenous firms, but rather firms which exhibit dynamic capabilities due to their ability to create, innovate and implement. This view considers Big Tech as being both monopolistic and oligopolistic resulting in the term 'moligopolist' (Petit, 2016).

However, as non-financial companies ('NFC') they have been able to control, grow and manage their excess cash flows as significant investments (Fernandez *et al.*, 2020). The extent of this accumulation is evident in Google which at one stage had accumulated large amounts of funds and was at risk of being classified as a mutual Fund by the SEC (Briloff, 2007).

Conclusion

In summary, the limited review of literature on the institutional investor has revealed the heterogeneity of the institutional investor and in doing so the contributed to the study in revealing that mutual funds, index funds, ETFs cannot necessarily be lumped together as they exhibit different characteristics. The review has shown that the individual shareholder has effectively become more removed from the underlying investment in the firm. In addition, it has revealed how investor behaviour has transitioned away from direct ownership to low cost and low risk investing through investment funds. In addition, the influence of proxy advisors and the effective dilution of voting may suggest that the possible influence on the firm which SVO envisaged by a powerful shareholder, may in effect be reduced. The review of literature on Big Tech firms has provided some comprehension of the force which Big Tech is in society and the economy. It has also underscored how different the sector is to the traditional economy. Therefore, this review of literature has gathered a background to the two powerful protagonists which form the grounding upon which the study can examine short-termist and SVO.

Chapter Four: Research methodology

Introduction

Chapter four introduces the adopted methodology to the study of short-termism and SVO in Big Tech firms. In doing so the approach has been to identify whether the firms are short-termist or long-termist in their own structures. Thereafter it examines why it is that shareholders have accepted this approach. Therefore, a mixed methodology has been selected so as to interrogate both the firms narrative and the investor narrative.

The unit of analysis will be the Big Tech firms previously described as Amazon.com Inc., Meta Platforms Inc. and Alphabet Inc. In determining the companies as the unit of analysis various factors were considered. The study examines wealth inequality within a SVO system and therefore included companies which had created exceptional wealth for their shareholders. In addition, the companies selected needed to operate within the platform economy so as to able to examine the effect of scaling and long-termism. The companies were required to be listed on a stock exchange in order to be able to engage with shareholder data. Amazon, Meta and Alphabet met all of these criteria.

Research approach

In developing a research approach the objectives of the study have guided the type of data required and the analysis process. This has entailed an extensive amount of extracting data which is relevant not only to the research questions but also in understanding the Big Tech sector. Whilst SVO is not always clearly detectable, the research techniques have needed to adapt to identifying possible proxies (Rabinovich and Reddy, 2024).

In addition, to avoid being diverted by the varying sources of information specifically interpretations of data relevant to Big Tech, the research question has been used as an anchor to avoid straying from the focus of the study. Thematic analysis together with comparative analysis in the data for each firm in the case study has been implemented (Booth *et al.*, 2016).

Research question 1:

How have Big Tech firms been able to adopt a long-termist approach?

This objective requires a confirmation or a rejection as to whether the firms operate as long-termist. This has initially examined how the founder was able to create a foundation of governance, culture,

and resources which would allow a long-termist approach. The control mechanisms, such as dual class shares and voting agreements, put in place by the founders to protect their approach are examined. The board compositions and aligning the firm within a network of like-minded individuals. Thereafter, the scalability of the firm was examined in order to ascertain whether it was scaling for growth or immediate profitability. This included analysis of the technology and iterative innovation process as well as the role of access to big data and the scale enabled by algorithms. In addition, the power of retaining profits and building large treasury functions within the firm are examined.

Therefore, the approach has been to firstly collect historical financial data from the firm's annual reports which are filed with the US Securities Exchange Commission (SEC) using the EDGAR ('Electronic Data Gathering Analysis and Retrieval') online system. Thereafter, the firm's websites have been examined for additional information on financial results and forecasts. This information has been found in the investor relations section of the firm websites. It provides public information in the firm's governance, annual proxy statements and transcripts of conference calls with industry analysts. The financial data required has been detailed in Table 2.

RQ 2:

How was it possible for Big Tech managers to implement long-termist strategies and retain shareholders within a strong SVO?

This objective required examining possible explanations as to why a long-termist approach has been accepted by investors and in doing so evaluating whether short-termism as a consequence of SVO is relevant amongst these firms. The approach was to initially gather data about the institutional investors shareholdings in the Big Tech firms. This information was gathered from beneficial ownership disclosed on annual proxy statements as well as the SEC beneficial ownership statements (Schedules 13 A/G). Thereafter, it was necessary to test whether management actions and strategies were being supported by institutional shareholders, as this would provide evidence of support for the firms long termist approach.

A further part of the investigation was to understand the heterogeneity of investors in Big Tech firms. To do this data from mutual fund and ETF prospectuses and mandates were examined for the purpose of ascertaining the investment rationale of these large investors.

Qualitative data sources

Qualitative data is obtained from the following sources:

- IPO registration statements (Schedule S-1)
- Proxy statements (Schedule 14A)
- Beneficial ownership declarations (Schedule 13 A/G)
- Voting outcome records
- CEO public communication
- Press releases issued by the firms
- Sell-side analyst research on the technology sector
- Firm explanations and details of CEO remuneration structure and contract tenure
- Firm explanations and details of employee remuneration structure and contract tenure

Quantitative data sources

Quantitative data has been obtained primarily from the firms' annual reports from both the SEC schedule 10k as well as the firms' own investor websites.

Table 4.1: Financial data of Big Tech firms

	Data	Source	
1	Annual Turnover	Financial Statements	SEC and Firm website
2	Profitability	Financial Statements	SEC and Firm website
3	Research & development expensed	Financial Statements	SEC and Firm website
4	Total Assets	Financial Statements	SEC and Firm website
5	Fixed Assets	Financial Statements	SEC and Firm website
6	Cash and short term investments	Financial Statements	SEC and Firm website
7	Intangibles	Financial Statements	SEC and Firm website
8	Treasury stock	Financial Statements	SEC and Firm website
9	Total Debt	Financial Statements	SEC and Firm website
10	Long term debt	Financial Statements	SEC and Firm website
11	Short term debt	Financial Statements	SEC and Firm website
12	Net working capital	Financial Statements	SEC and Firm website
13	Dividends paid	Financial Statements	SEC and Firm website
14	Share buy back value	Financial Statements	SEC and Firm website
15	Total funds returned to shareholders	Financial Statements	SEC and Firm website
16	Research & Development capitalised	Financial Statements	SEC and Firm website

Limitations

A limitation to this study is in the number of Big Tech firms included in the study. The study examines three Big Tech firms which whilst having substantial capitalisation, are part of a larger group of Big Tech firms. A further limitation in investor data availability also exists in that shareholdings below the 5% level are not required to be disclosed

Ethical considerations

Ethical approval for this study was obtained from the faculty post graduate committee. This research does not involve human participants or vulnerable populations. Research data will be based on published corporate data.

Conclusion

The research into short-termism and SVO has required a blend of extracting both quantitative and qualitative data and the techniques of analysis have needed to adapt to identify and interpret proxies for these concepts. In addition, techniques of framing the data against the research questions together with comparative and interpretive techniques in each of the case study firms has proven to be essential. The Big Tech sector required a different technique to the financial analysis, as the methods of scalability and understanding technological concepts tend to be more complex.

Chapter five: Findings

Introduction

In this chapter the findings of the study are presented and related back to the to the puzzle as laid out in chapter one. The puzzle sought to prove that Big Tech firms were long-termist, thus contradicting the expectations of a strong SVO. It also intended to examine any indications of short-termist actions in the firms with the intention of proving these to be misinterpretations. The puzzle then moved to consider how Big Tech firms have been able to avoid the short-termism affliction of SVO. Thereafter it considered why shareholders accepted the long-termist approach and remained invested.

Importantly, as presented in the theoretical framework in chapter two, the study required the adoption of a strong form of SVO. This form of SVO is relevant as it is prevalent across all US firms where shareholder primacy uses its powerful influence over management to maximise shareholder value through growth of profits, returning of free cash to shareholders and focus on the share price. As a consequence of this form of SVO, short-termism would be expected in firms. Hence, the study would expect Big Tech to exhibit short-termism.

Structure of the findings chapter

The first part of this chapter presents the finds to research question 1, whilst the second part considers research question two.

Findings to RQ1

How have Big Tech firms been able to adopt a long-termist approach?

Introduction

Within the first part, the findings related to assessing the evidence for long-termism are presented as follows; firstly, the founder's explicit public statements, thereafter the actions of implementing a long-termist board of directors and setting a voting control structure. Secondly, the tools used to implement a scaling-up process and creating a long-term competitive moat including accumulation of user data, iterative development, switching mechanisms and algorithmic innovation. Thirdly, an architecture which is able to pivot and the management of technical debt accumulation. Fourthly the use of acquisitions and kill-zone strategies and thereafter control of cash reserves for the

purpose of funding a long-term strategy. Finally, stock buybacks, which the literature has considered as short-termist, are examined in the Big Tech firms. The is done with the intention of examining whether the events are indeed short-termist consequences to SVO or whether the literature has prematurely assigned them as short-termist.

Founder's explicit public statements of being long-termist

Emphasis of being explicit in stating that the firm approach is long-termist is evident in the SEC registration documents. These were filed at the time of each firm's IPO and provide documentary evidence of the intention of adopting long-termism. The Amazon IPO included its founder, Jeff Bezos, mantra of "*It's all about the long term*" which is repeated annually in the annual report (*Letter to shareholders 1997 Amazon.com, Inc. - Annual reports, proxies and shareholder letters*, 1997).

The Google IPO registration document included "An Owner's Manual" for Google's Shareholders" in which the founders stressed that they would not be influenced by short-termist pressure to smooth earnings and ensured investors that they had sufficient resource to optimise their long term focus (*Google SEC Form S-1*, 2004).

Founder formation of long-termist board of directors

Establishing a board of directors which support and contribute to a long-term vision has been a common strategy by each of the firm founders. In each of the three firms in the study, the founders have demonstrated their long-termist intentions at the start of the firms inception. However, to ensure that their intentions remain entrenched they have recruited like-minded directors who are supportive of the founders visions. To retain this support as well as ensuring an aligned institutional memory, these original directors have remained on the boards of the firms.

An examination of the board of directors of each of the firms, as recorded on the annual proxy statements, confirms the long-term periods of directorships, in some cases decades, of the directors who were part of the founding boards. In addition, the early-stage funders of these firms have remained as directors for extended periods (*Amazon.com, Inc. - Officers and directors*, 2025).

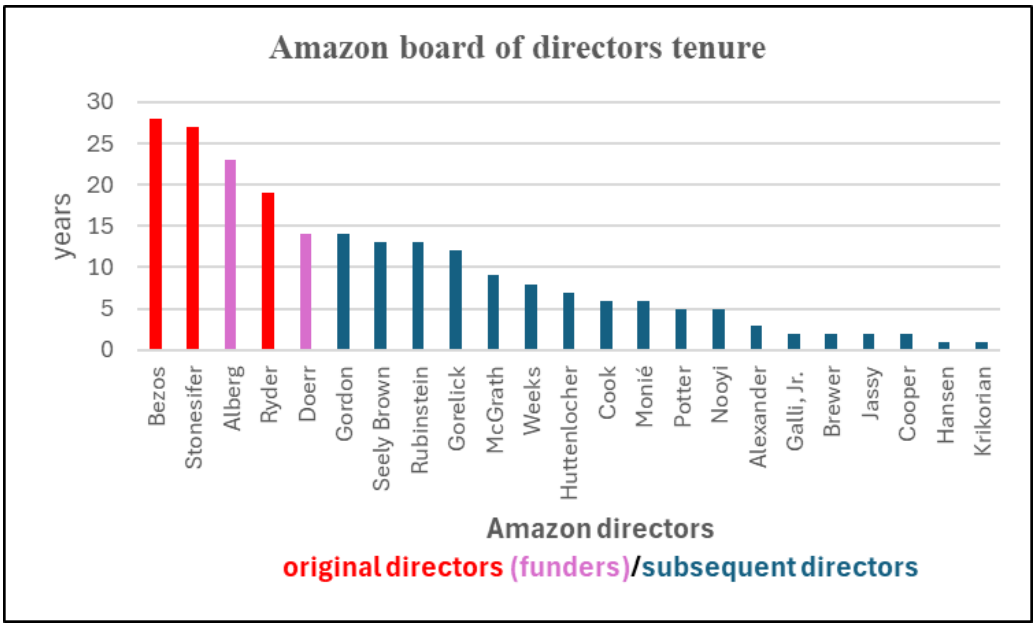
US public companies are subject to various rules of corporate governance law dependent on the state in which they are incorporated and the stock exchange upon which they are listed. In this study all three firms are incorporated in the State of Delaware and are listed as public companies

on the NASDAQ (*Nasdaq: Stock Market, Data Updates, Reports & News*, 2025). The tenure of a director is generally left to the by-laws of the firm.

Amazon's bylaws do not place a tenure restriction on directors (*Amazon.com, Inc. - Corporate governance - Documents and charters*, 2024). However, Meta by-laws prescribe that whilst the control of the firm remains with the Class B shareholders then the directors are required to be re-elected annually. Should the control structure change then the director tenure is three years (*Meta - Leadership & Governance - Corporate Governance Guidelines*, 2024). Alphabet has previously used a director voting system of plurality, in 2020 this was changed to that of a majority vote and directors are required to re-elected annually (*Meta - Leadership & Governance - Corporate Governance Guidelines*, 2024).

Figure 5.1 exhibits the number of years which Amazon board directors have remained on the board of Amazon.

Figure 5.1: Amazon director tenures



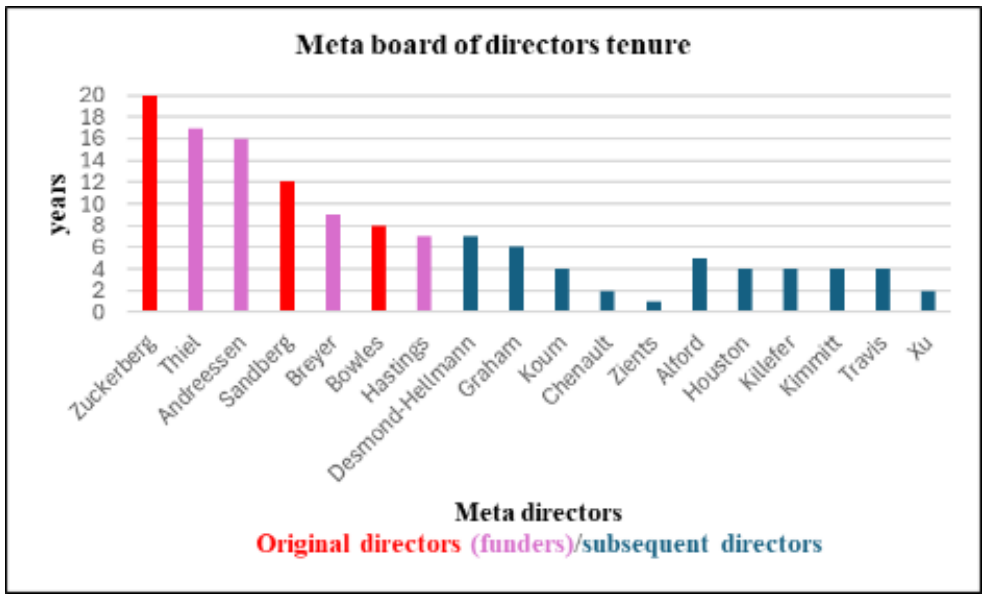
Source: (*Amazon.com, Inc. - Overview*, 2025)

In Amazon the first and longest serving board members were recruited by the founder prior to reaching IPO for both capital raising and strategy. Tom A. Alberg served 23 years and L. John Doer 14 years (*Amazon.com, Inc. - Officers and directors*, 1997). Both Alberg and Doer were seasoned lead investors from venture capital and played strategic roles in formulating the long termism approach. Their use of 'keiretsu partnerships', which are networks of firms which have cross

shareholdings, share board directors and interlink business offerings, were instrumental in the foundations of Amazon and Google (Hansell (NYT), 2003).

Figure 5.2 exhibits the number of years which Meta board directors have remained on the board of Meta.

Figure 5.2: Meta director tenures



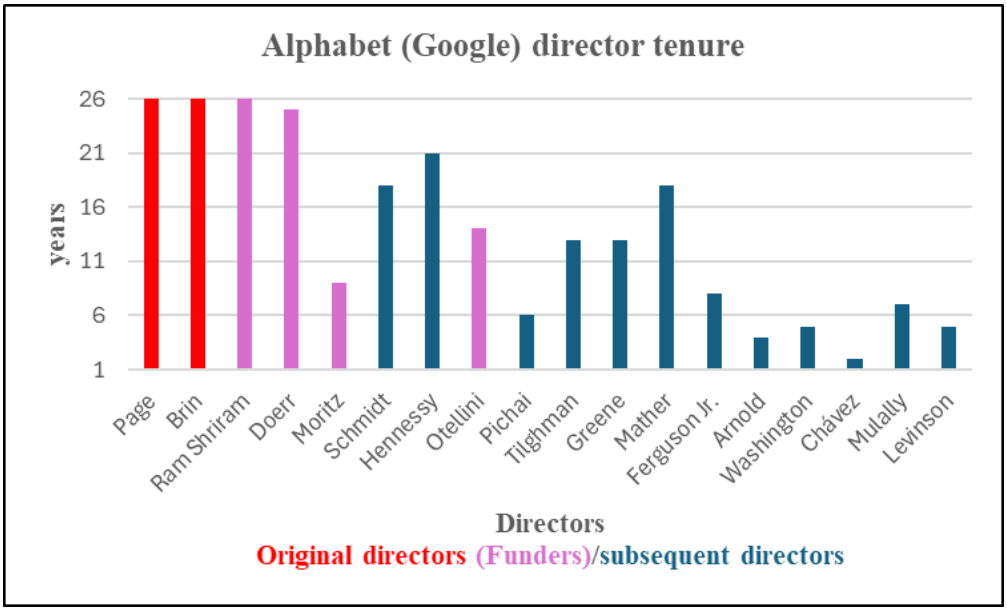
Source: (*Meta - Leadership & Governance*, 2025)

Analysis of figure 5.2 reveals that many of the initial directors were Facebook early stage investors who were providers of both funding and tech specific experience as evidenced in the SEC registration filing (*Registration Statement on Form S-1 Pg 96-97*, 2012). These venture capital funders remained as long tenured directors on Meta. In addition, they also formed part of the dual share controlling structure through holding class B shares, therefore becoming critical parts of ensuring that the firm was given the 'long runway' time to grow as well as to protect the firm from other acquisitive tech firms.

It is also notable that several of the long-tenured directors in all three firms were active in the technology sector. Thiel was a Facebook funder, shareholder and director as well as being a founder of Palantir Technologies. Andreessen was a co-founder of Netscape and a director of other tech firms such as Hewlett- Packard and funder in Facebook. Hastings was the CEO of Netflix as well as a Microsoft director. Ram Shriram of Alphabet was previously an Amazon VP; therefore, analysis of directors reveals that other than being funders they are also significant in the technology industry.

Figure 5.3 exhibits the number of years which Alphabet board directors have remained on the board of Alphabet.

Figure 5.3: Alphabet director tenures



Source: (*Alphabet: Board & Governance*, 2025)

The findings show that the initial board of directors which are installed by the founders have remained in place for long periods therefore affirming their support for the strategies of the firm. In addition, it is found that many of these directors were also early-stage funders from venture capital firms or private capital, and they remained as long tenured directors.
Therefore, the implementation of board members that will both fund and support the long-term vision of the firm is confirmed.

Voting control structures

A dual class voting structure in which the founder and management hold the controlling stock has two functions. The first is in providing a buffer against shareholder short-termist influence and the second is in protecting the firm from becoming an acquisition to a competitor. Amazon does not have any voting control classes of shares; however, Alphabet and Meta do.

Voting control structures provided a further mechanism for the founders to assert their control. Alphabet Inc created a dual class stock structure during its 2004 IPO, which resulted in a disproportionate voting power being held by the founders and John Doerr, an early stage venture capital investor, through Class B shares (*EDGAR Filing Documents for Google IPO*, 2004). The

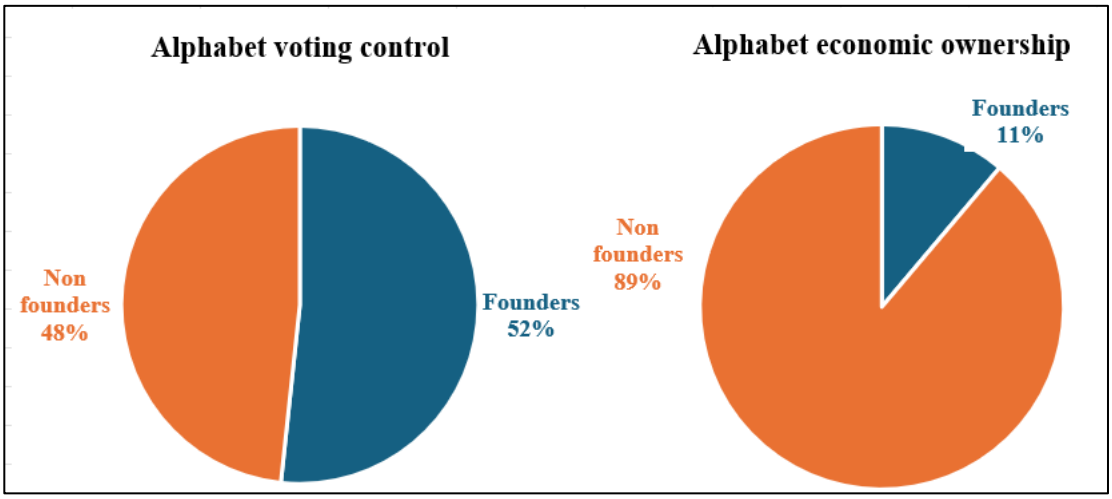
IPO was successful, albeit through a controversial initial Dutch auction which was intended to allow a larger number of smaller investors to bid for small amounts of stock, however the control mechanism did not affect demand for its shares (*Alphabet - 21 Year Stock Price History | GOOGL*, 2024).

In addition, in 2014 it effected an additional class of shares, Class C, which were similar to Class A in having economic participation but differed in having no voting rights (*S-8 Alphabet Class C*, 2024). In the Google Founders letter to shareholders, the voting control is explained as being part of Google's long-termist strategy (*Founders' IPO Letter*, 2004).

Whilst Alphabet Co-founders control the voting of the coming via the Class B shares it is interesting to note that John Doerr, one of the founding venture capital funders also holds Class B shares and votes together with the founders.

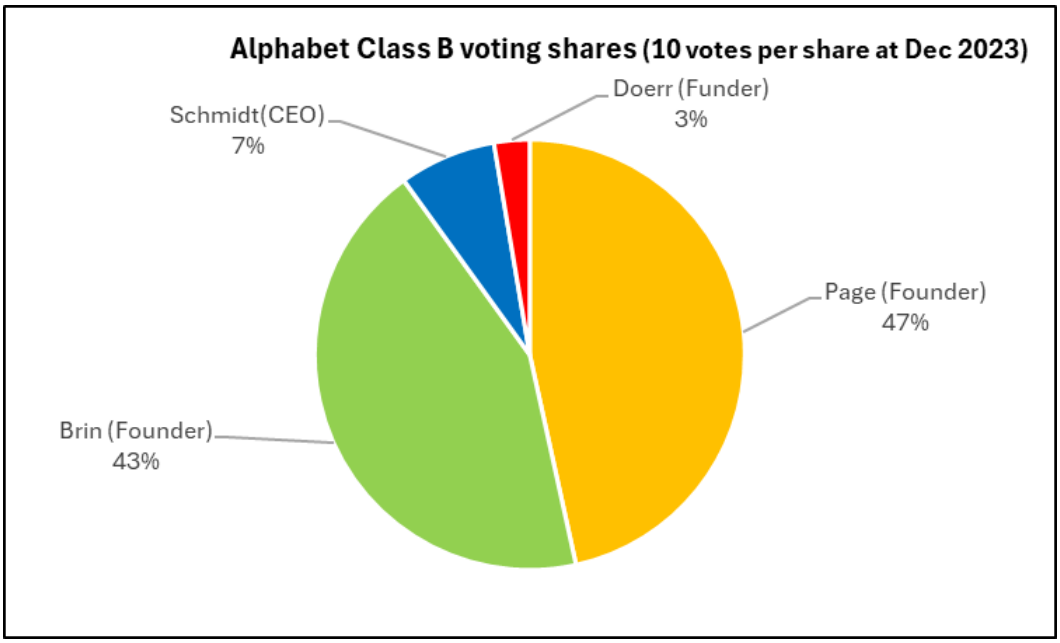
Figure 5.4 exhibits the economic ownership of the Alphabet founders whilst Figure 5.5 exhibits the voting control.

Figure 5.4: Comparison of Alphabet shareholders economic interest and voting control



Source: (*ALPHABET INC. - DEF 14A Proxy statement*, 2024)

Figure 5.5: Voting control of Alphabet founders

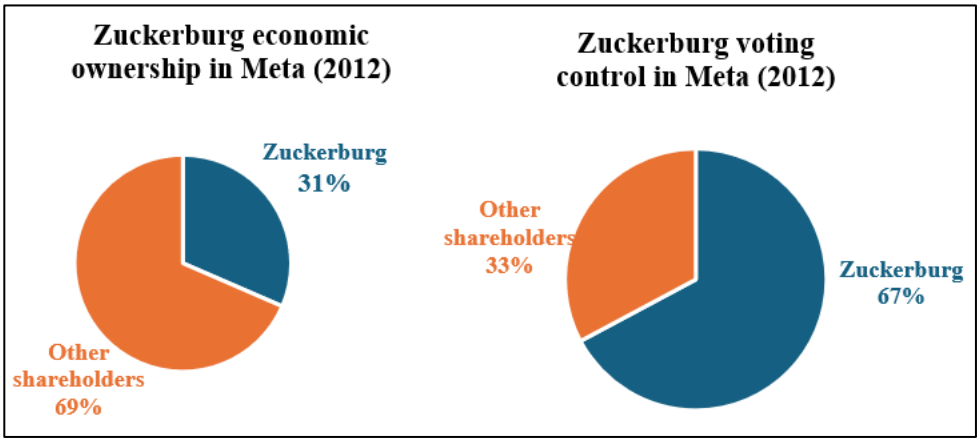


Source: (*ALPHABET INC. - DEF 14A Proxy statement*, 2024)

Meta Inc has also implemented a dual class share structure in which the voting control is held through Class B shares. These shares were issued to the founders as well as employees and certain early-stage venture capital funders (*Registration Statement on Form S-1 Pg 96-97*, 2012).

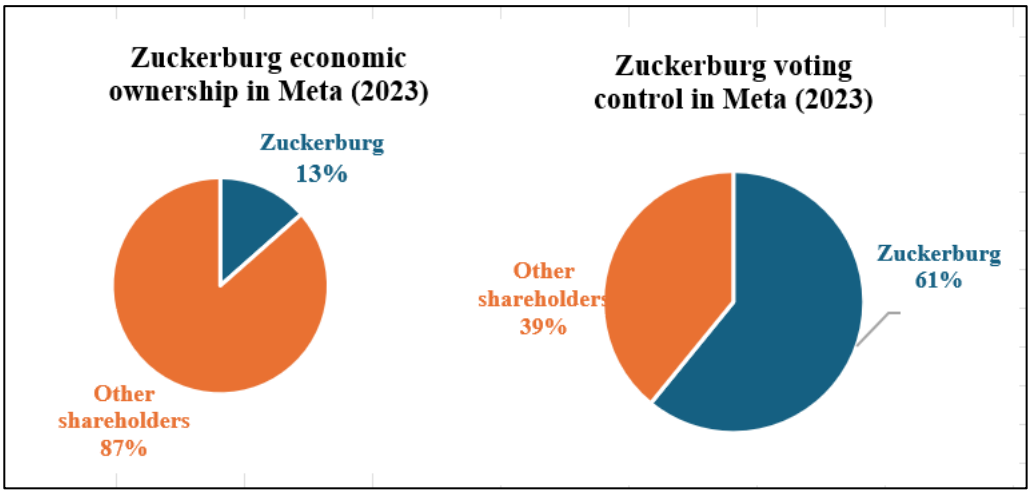
In Figures 5.6 and 5.7 below, a comparison of the controlling founder of Meta, Zuckerberg, is exhibited at IPO in 2012 and at December 2023.

Figure 5.6: Zuckerburg economic and voting control of Meta in 2012 at IPO



Source: (*Schedule 13G Zuckerberg*, 2013)

Figure 5.7: Zuckerburg economic and voting control of Meta in 2023



(*SC 13G/A Zuckerberg*, 2023)

This finding supports the long-termist approach of Alphabet and Meta through a coercive means of using voting shares to retain control over the firms strategies and objectives. Whilst this finding is only supportive of the firms as being long termist it does not extend to the second research question on investor support.

Scaling for growth

The process of scaling for growth has been investigated in order to identify long-termist tools which have been used to create a moat of competitive advantages. The term scaling has been used in this report to identify different mechanisms and develop them with the intention of developing capacity to grow revenue and capture new markets.

In particular the use of iterative processes, continuous innovation, switching mechanisms, Flywheel strategies and algorithms. Scaling up has been done with the intention of building for growth initially, as opposed to profitability. Scaling-up occurred both internally within the organisation as well as externally amongst both an established network of Big Tech financiers and tech competitors. Acquisitive scaling up has been strategic in acquiring to grow offerings in product, or to gain new technology and development as well as to prevent competition.

The process of scaling up the firms over a long period is evidenced in the increase in accumulating user data and implementing algorithms. Together they are the necessary ‘inputs’ which together with specialist employees have been used to build scale. The accumulation of data is critical, it has a compounding impact on the quality of the end user tool and is essentially forms a part of the

capital of the firm (Sadowski, 2019). All three firms play a role in accumulating data to use for scaling, Google tracks users search activities, Facebook is able to monitor user sharing behaviours, and Amazon observes users purchasing habits.

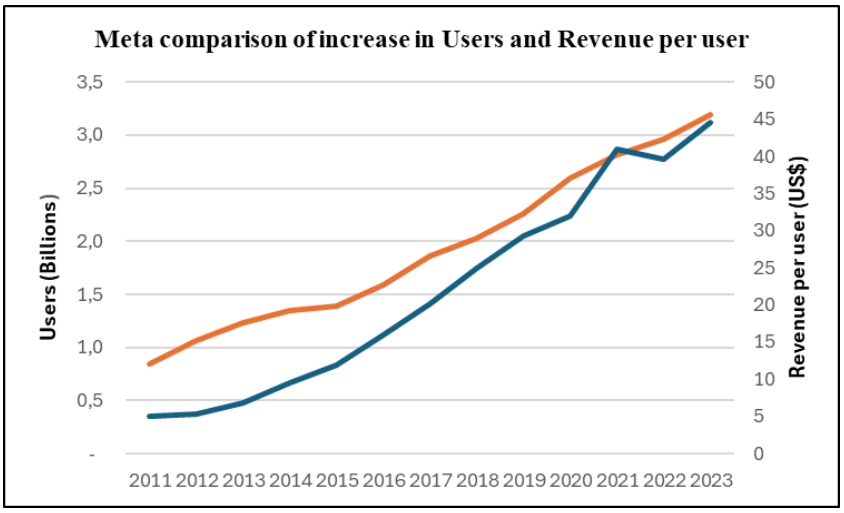
In addition, the firms technology architecture is critical to facilitating the scaling process. Technical debt is a concept which explains the cost implications of focusing on short term delivery using code which requires a process of reworking. It is relevant to the long-termist approach of the firms in the study. Excessively high technical debt is a measure of how much reworking a process may require ('Technical Debt', 2024).

All three case study firms have limited disclosure in breaking down their R&D budget. Accounting disclosure requirements however do require the amount comprising employee share-based compensation within R&D to be disclosed. This provides some insight into how retaining specialist employees is vital to their scaling in R&D. However, a breakdown of how much R&D accrues to technical debt would provide more information which could affirm a log-termist approach. This would be a recommended area to address in future empirical studies.

Iterative innovation is a practice which is inherent in how all three firms have been able to scale successfully. It is a practice adopted in developing code which constantly reassess the design and development as well as constantly tests outcomes. This process has been further developed in order to allow for technical convergence, which increases the scaling process through using different technologies within a single product.

A simple example of iterative innovation and scaling is a smartphone. The incorporating of multiple technical convergences such as a camera, internet, email, music, communication and access to a mobile telephone allows for opportunities to capture new customers and increase revenue streams. What is relevant to the scaling process is in the facilitation and merging of all three firms products and applications through open source (*Google Open Source*, 2023; *Open Source AI | Meta*, 2023).

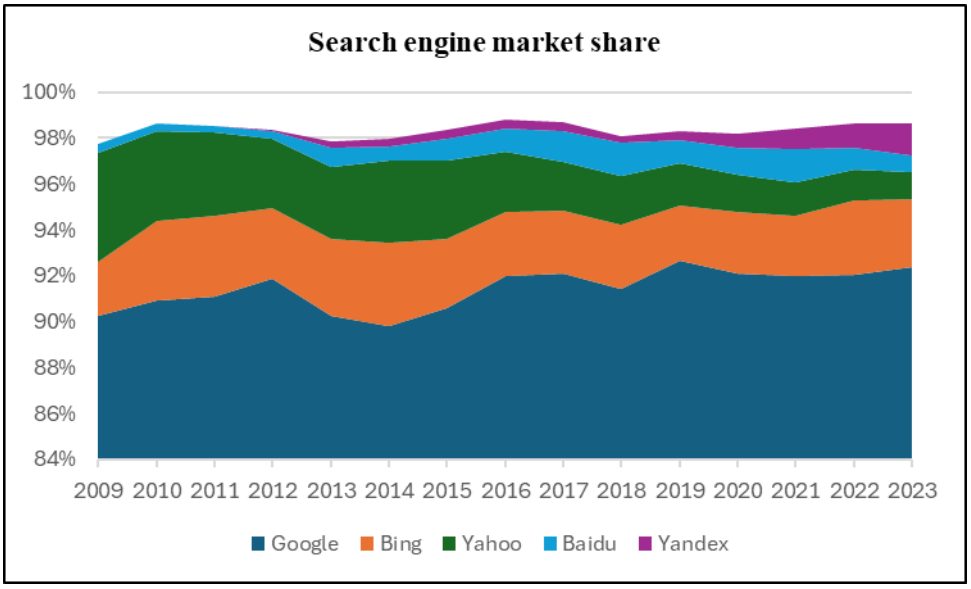
Figure 5.8: Increase in Meta users and revenue per user



Source: (*Investor Updates - Alphabet Investor Relations*, 2025)

The network effect as a scaling tool used by Alphabet has captured the internet search market and in doing to so has created a cycle whereby content creators, internet users and advertisers are brought together

Figure 5.9: Analysis of search engines between 2009-2023



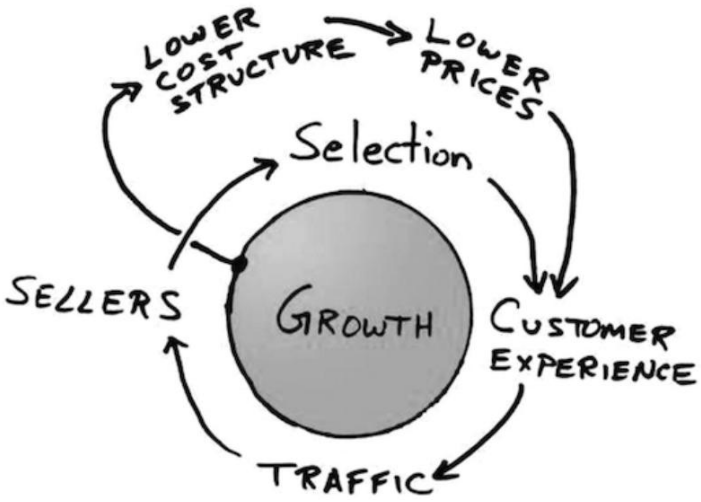
Source: (*Browser Market Share Worldwide*, 2025)

However, Amazon exists in the e-commerce sector and therefore has needed to scale through other mechanisms. Once such mechanism is the 'Flywheel effect' which is a cycle of actions and events used in sequence to continuously drive traffic to their website. The Founder's focus on customer-centricity and long-term growth is captured in the 'Flywheel' and become part of the Amazon culture.

It begins with offering low prices which in turn attract not only customers to the site, but also third-party resellers. The knock on effect is increased sales which then allow Amazon to implement economies of scale into their operations and continue the process of being able to offer lower prices (*Jeff Bezos on Amazon Business Strategy - How They Succeed and Thrive in Everything*, 2017).

The concept created by Jim Collins is intrinsically long-termist and has been a part of the Amazon strategy since being adopted by the founder in 2001 (*Jim Collins - Articles - The Flywheel Effect*, 2019).

Figure 5.10: Amazon flywheel

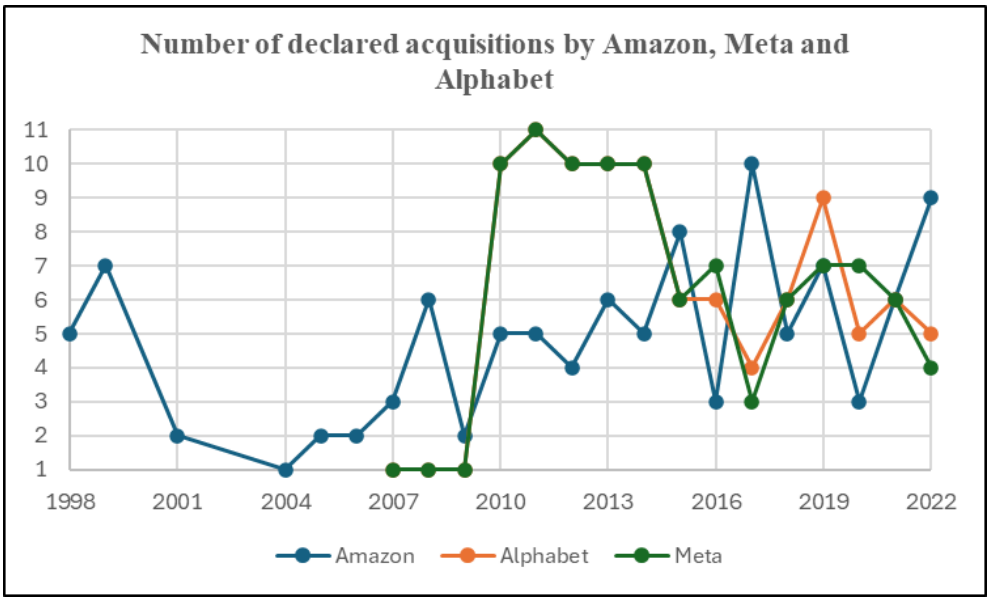


Source: (Alberg, 2021)

Acquisitions for long term growth

Acquisitions are generally the fastest route to scaling growth. Early-stage acquisitions provided access to more users and were targeted for growth as opposed to immediate profitability. Later acquisitions provided product diversification and targeted technology acquisitions. Recent acquisitions have a focus on accessing large amounts of user data for the current pivot into artificial intelligence and machine learning. There is a limitation to the data available as the firms are not required to report all acquisitions. However, due to various antitrust hearings there has been significant debate on the acquisitions made by Big Tech (*TV: William Rinehart on Big Tech and Antitrust Laws*, 2020).

Figure 5.11: Declared acquisitions by Amazon, Meta and Alphabet



Source: (*Amazon.com, Inc. - Overview*, 2025; *Investor Updates - Alphabet Investor Relations*, 2025; *Meta - Financials*, 2025)

Acquisitions of interest where the firm has grown its users are the Facebook acquisitions of WhatsApp and Instagram (*Facebook to Acquire Instagram*, 2012). Google acquired DoubleClick, an online advertising firm, into its Google marketing platform, its rationale for this was to eliminate a competitor as well as to acquire its cookie-tracking software (*Google to Acquire DoubleClick – News announcements – News from Google – Google*, 2007).

Therefore, acquisitions have been used in the scaling for growth of the firms, in addition they have also been strategic in acquiring not only new innovations but also the people creating innovation.

Control over the cash reserves

A further area which has enabled these firms to retain their insulation from short-termist pressures has been the use of a proprietary treasury function. Big Tech firms have built up extraordinary large amounts in cash and marketable securities. These have not always been distributed to shareholders even at times when they have not been essential for internal funding. The value and extent of purchase and sale of marketable securities resembles that of a financial firm.

Again, this attests to the long termist focus of the firm. The firms cash reserves have, over the lifecycle of the firm, become a major asset which again has not always been distributed to

shareholders. Management has not been deterred by a lower return on funds retained and maintained the long-term focus.

Examining stock options

The actions of share buy backs, which have been viewed in the literature as short-termist, are examined in the context of the firm's need to pivot as technology accelerates or moves in a new direction and there is need for a different employee skill. Whilst previous literature has considered stock options as a tool of aligning management's purpose and role with shareholder maximisation, this has not been the purpose of stock options in Big Tech.

The use of long period vesting stock options to employees serves as a tool to embed long-termism into a firms organisational culture. It is able to implement both an incentive to remain committed to the firms vision as well as fostering an ownership mentality in employees aligned with the founder. The use of a longer period time orientated reward reduces the influence of meeting short term pressures such as share price and quarterly projections. Implementing voting control over option schemes by the founders further indicate the entrenchment of ensuring alignment with the firms long term focus.

Stock options have been a strategic part of scaling by allowing for a broad-based employee ownership of the firms' stock and have been used as a tool to retain strategic management and employees.

These were set up during the initial years of the firms and have been core to the founders' long-termist strategies. The very nature of development in technology requires specialist skills and at the early stages of these firms this particular skill set was a small pool. Therefore, to attract and retain this talent stock options were used as starting bonuses and then issued at regular intervals (*Amazon.com, Inc. Stock Incentive Plan*, 1997).

Whilst stock options are ubiquitous across US firms, specifically within the strong form of SVO, the rationale for issuing them in these Big Tech firms is slightly different and therefore seen to be long-termist. This is because the stock options were used at the start of the firms at a time when the shares had no significant value, however they were large numbers of stock options which effectively diluted the founder. This strategy has proven to be effective as the core management

teams who were enticed by the options remained for long periods of time, therefore ensuring stability during a period of scaling.

Discussion of findings to RQ 1: How have Big Tech firms been able to adopt a long-termist approach?

In this paper, I endeavoured to present evidence demonstrating that Big Tech firms are long-termist firms which prioritise investing heavily in innovation and development over long periods of time and retain vast amounts of cash to do so, and that any indications of short-termism are misinterpretations due to existing restrictive literature. This has been presented in the sections above.

To summarise these findings, the founder was explicit in communication to investors that a long-termist approach was to be adopted, the founder then proceeded to for a protective barrier around the firm to guard against shareholders wanting to impose short-termism. This was done by recruiting a board of directors aligned with this thinking and by implementing a controlling voting control structure.

In addition, the finds show how a long-termist approach was used to grow the firms, not for profitability but rather for scale. The findings examine the tools used to implement this scaling-up process. These included accumulation of user data, iterative development, switching mechanisms and algorithmic innovation.

A further tool presented by the findings was the focus on building an architecture which was able to pivot and to then manage of technical debt accumulation of maintaining this. The findings further presented evidence of acquisitions and kill-zone strategies which contributed to building scale. An additional finding which supported the firms long termist approach was in retaining control of the firm's cash reserves, thus allowing management to scale using a long runway without the pressures of searching for funding.

Therefore, in response to RQ 1:

The findings presented discuss the tools used by firms to protect the vision of the founders from short-termist actions. Evidence of the use of these tools in the firms provides a pattern common to all three firms. The scaling up for growth by Amazon, Meta and Alphabet have been enabled by a long-termist approach. The boards of directors supported the long-term approach and many of the initial funders remained as director after their shares were sold. In addition, the representation of

tech specialists on the boards augmented support for management to focus on growth. Scaling within the operational framework was supported by having sufficient funding to enable the constant iterative innovation as well as having the ability to pivot to as technology advanced. Events of stock options, whilst being considered in terms of agency theory as being consequential to short-termism, have vital for the firms to attract and retain essential specialist skills in order to scale up the operations.

Therefore, the findings are supportive of Big Tech firms being long-termist in their strategies and objectives.

Findings to RQ2

How was it possible for Big Tech managers to implement long-termist strategies and retain shareholders within a strong SVO?

Introduction

At the start of this research, I set out to firstly show that Big Tech firms had contradicted SVO by adopting a long-termist approach. This has been accomplished in the first section of these findings.

In this section of the findings, I revert to the second part of the puzzle in which I consider how it is that Big Tech firms have been able to not conform with a dominant universal SVO and to examine why shareholders have accepted this approach during the period of founder control. I then further examine why shareholders continue to accept the long-termist approach once the founder has reduced their equity and become a minority.

The solution to why Big Tech firms have been able to buck the trend and not conform to SVO's short-termist is inherent in the findings already presented. These findings have shown that a long-termist approach was enabled by the founders controlling moat around the firm. The findings illustrated this by examining the long tenured board of directors and the voting control structures. Therefore, the shareholders who were not party to the controlling structures of the founder during the phase of growing the firms, effectively had no voice through which they could use the power assumed by SVO.

They were then faced with either accepting the long termism imposed by the founder or exiting the investment. This did not appear to happen and perhaps the simplest solution is that the founders long term strategy had begun to generate positive cash flows, and the share price had begun to increase. The Big Tech firms had transitioned and become good investments for the shareholders.

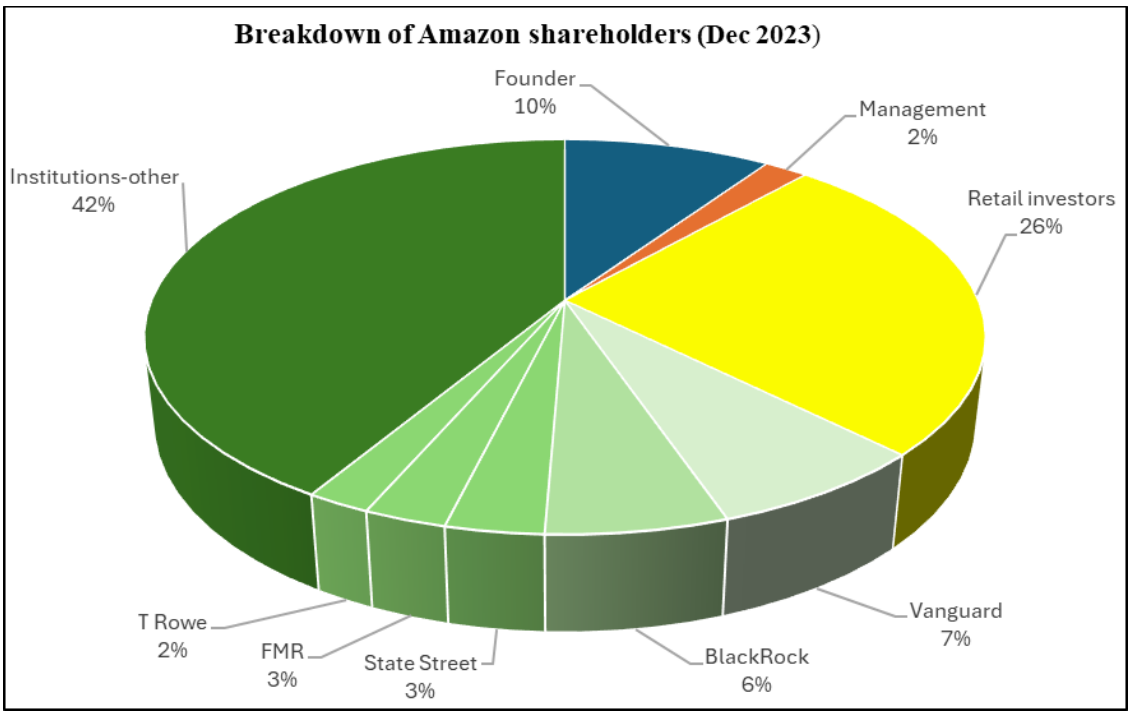
This finding, whilst being simplistic, opens up a new perspective for future research, in that SVO would have expected the shareholder to walk away from a founder controlled long termist firm, yet this did not happen. My solution to this lies in the heterogeneity of the shareholder. Not all shareholders are the same. They have different timelines and investment strategies.

Below I present the findings on the investor heterogeneity in Big Tech shareholders as well as the different mandated intentions of these investors. I also present findings on how the shareholder voice in voting appears to become weaker.

Investor profile

As the Big Tech firms have matured, the transition from founder to institutional investor has resulted in all three firms being majority owned by institutional investors. However, the voting control for both Meta and Alphabet remains with the founders.

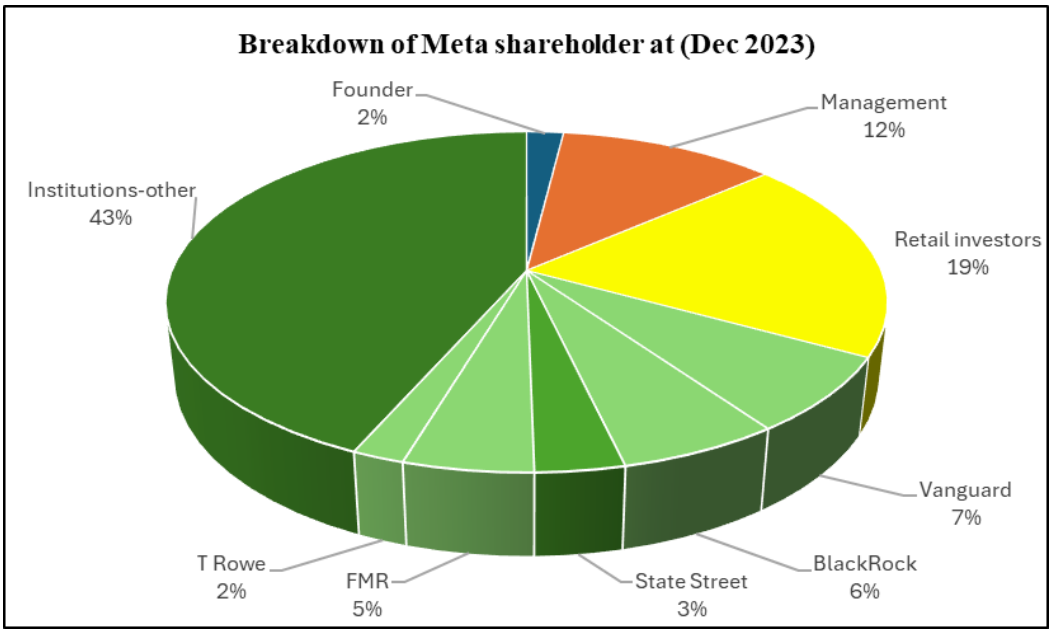
Figure 5.12: Amazon shareholders at December 2023



Source:(*EquityRT*, 2025)

The institutional investor represents 63% of Amazon shareholding and the founder has sold down to less than 10%. The founder has not voter control shares in place, however Bezos still retains a board seat as Executive Chair (*Amazon.com, Inc. - Officers and directors*, 2025). The largest institutional investor holdings were held by Vanguard (7%), BlackRock (6%) and State Street (3%) (*Equity RT Amazon*, 2025).

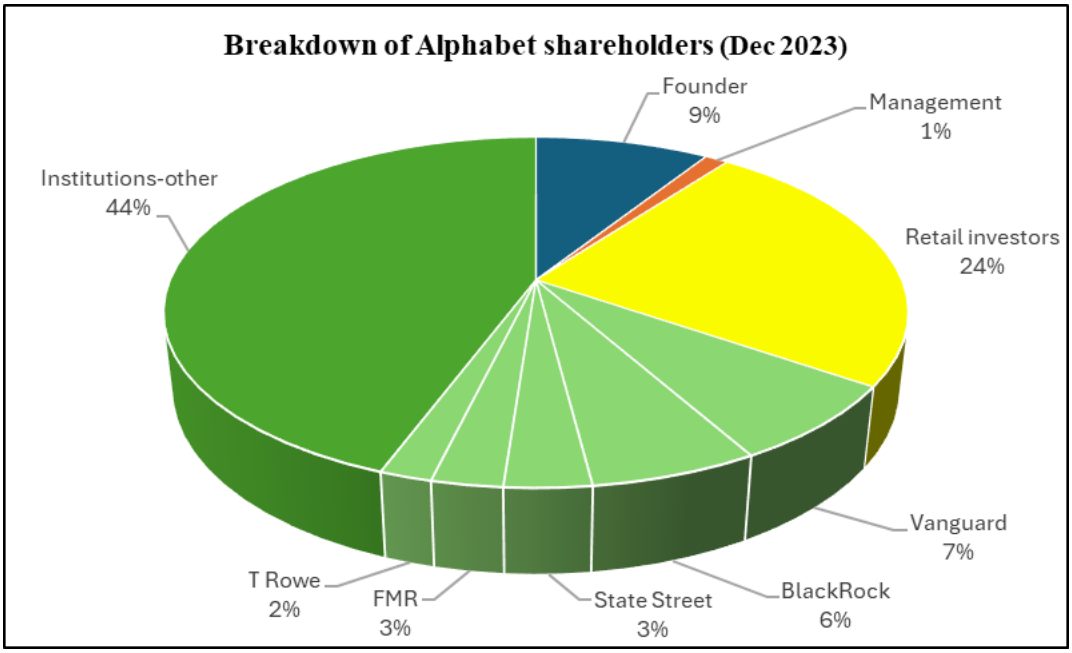
Figure 5.13: Meta shareholders at December 2023



Source: (*EquityRT*, 2025)

The Meta founders have diluted their economic shareholding down to 2%, but their voter share control remains at 61%. Therefore, Meta Platforms remains classified as a controlled company in terms of the SEC ruling as more than 50% is controlled by a single person. In addition, Zuckerberg remains as Executive Chair and CEO (*Meta - Leadership & Governance*, 2024). This is despite retail shareholders owning 19% of class A shares and a total institutional shareholding of 67%.

Figure 5.14: Alphabet shareholders at December 2023



Source: (*EquityRT*, 2025)

Alphabet also continues to be operated subject to dual controlling shares. The founders have diluted their combined economic interest to 9% (Larry Page holding 5,8% and Sergey Brin holding 3,2%), however they jointly control 51,3% of the voting. Despite this retail investors of 24% and institutional investors of 65% exist as majority economic shareholders. However, the firm has separated the role of Chair from CEO and the founder continue as executive board members.

These finding indicate that that the three Big Tech firm shareholders have diversified, with institutional investors being the majority and retail shareholders the next largest grouping. However, it also finds that whilst in the cases of Meta and Alphabet that founder control continues to exist, shareholders appear to have accepted this.

Investor mandate

Previously investment by retail investors and large funds into equity firms, such as Big Tech firms, was outsourced to investment advisors. Their role was to structure and grow the investment portfolios. In return they charged a fee. However, under this structure the investor remained the shareholder and was able to vote in the underlying equity shares. The transactional costs together with the minimum investment size which a portfolio manager would accept excluded a large portion of investors. The index fund concept and a new listed investment known as an electronically traded fund ('ETF') were therefore able to provide for a low risk-low-cost investment by pooling investor funds into a fund entity. That fund entity would adopt a mandate which would be to track a specific index. The investors into this pooled investment fund would not be shareholders in the underlying equity and there not able to vote. However, the fund entity which is controlled by a board or trustees has a fiduciary obligation to the investors and therefore exercise the shareholder vote as a proxy vote (*SEC.gov | Every Vote Counts: The Importance of Fund Voting and Disclosure*, 2021).

Whilst deeper research into the passive investors and Index funds falls beyond this research paper, the existence of these types of investors does have a significant bearing on why they particular shareholders have remained invested in Big Tech firms. For as long as the Big Tech firm remains in the particular index, the passive shareholder will remain invested. This is inherent in the mandate of the Index fund. The implications warrant much deeper research as the concept of index funds could also result in investors existing a fundamentally good investment which has not yet reached significant market capitalisation to be part of the index.

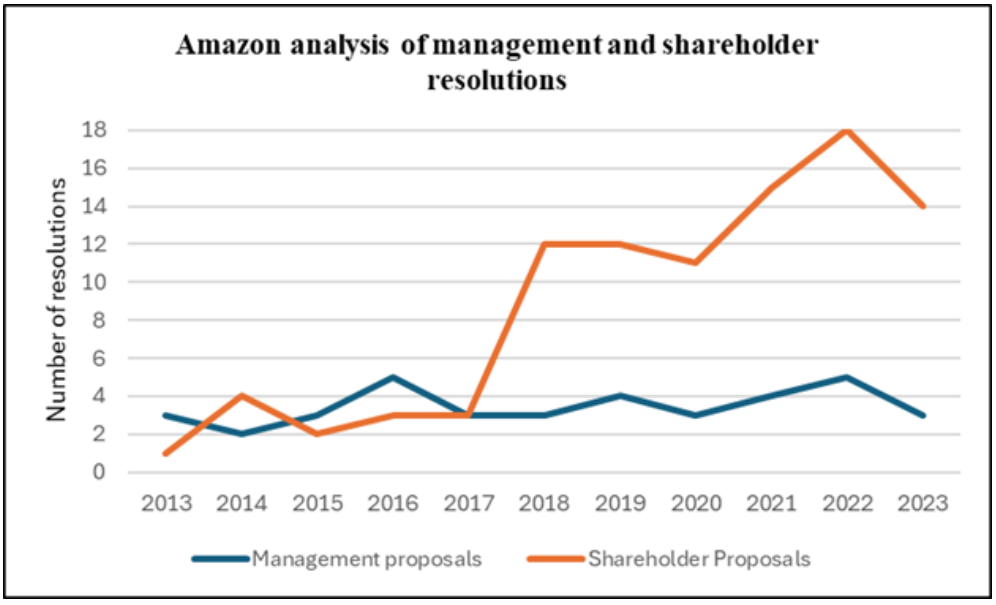
Investor voting

In the annual proxy materials, management include proposals which have been accepted by the board of directors and are then subject to shareholder approval. In addition, the shareholders propose various resolutions, via the SEC, to the firm each year. Whilst the majority of these proposals are ESG focused, they do also include a proposal to remove the voting control structure.

In the most recent statistics of all US public firms which held their annual meeting during the 2024 voting season, the most popular proposal was for the removal of super voting controls. The analysis indicated that 41 proposals to end voting control were put to vote with 30 receiving support (Breheny, Griffin and Fox, 2025). Therefore, there is a clear indication amongst shareholders that the voting control shares are becoming unacceptable.

In Figure 5.14 an analysis of the number of management and shareholder proposals are measured. It is clear from the Figure that shareholders are beginning to use their voice. However, analysis of the shareholder resolutions indicate that management recommend voting against them and the large institutional shareholders who hold a proxy vote tend to vote with management.

Figure 5.15: Analysis of Amazon management and shareholder resolutions



Source: (*Amazon.com, Inc. - Annual reports, proxies and shareholder letters*, 2025)

Voter outcomes are not always available for analysis; however, the large institutional investors have implemented Stewardship programs which detail the policies implemented on how their funds vote. The programs are termed 'Pass-through voting' which are for investors in index funds. These are

publicly available and in addition if an individual investor in their funds has the right to vote they may now implement this through the institution's stewardship program (*Vanguard Investor Choice Stewardship*, 2024; *Proxy Information - Mutual Funds | BlackRock*, 2024).

Within the Big Tech firm's shareholder analysis, retail investors hold 26% in Amazon, 19% in Meta and 24% in Alphabet. However, voting by this class of shareholders is reportedly less than 30%. According to a study on retail shareholder voting (Brav, Cain and Zytnick, 2021). This is indicative of a form of voter apathy aligned with holding smaller number of shares.

Director re-elections are not always unanimous. At the Alphabet annual meeting the chair, John Hennessy, was voted against re- election, but retains his position due to the founder controlling vote. In addition, an analysis of the shareholder proposal to remove founder voting control at both the Meta and Alphabet annual meetings revealed the following:

Meta Platform 2023 annual meeting:

> Vote support for '1 vote for 1share' was **92,1%,**
> But the dilutionary effect of the control by the founder diluted this down to **28**%

Alphabet Inc 2023 annual meeting:

> Vote support for '1vote for 1share' was **78,8%**,
> But the dilutionary effect of the control by the founder diluted this down to **30,8**%
>
> Source: (*What We Learned From Meta's and Alphabet's 2023 Shareholder Meetings*, 2023)

These findings are fundamental towards understanding the power in the relationship between the shareholder and the manager.

Discussion of findings to RQ 2: How was it possible for Big Tech managers to implement long-termist strategies and retain shareholders within a strong SVO?

In RQ2 I considered how the Big Tech firms have been able to adopt their long-termist strategy and therefore contradict SVO. I found that the solution was inherent in the findings to RQ1. These firms were able to adopt their long-termist strategy due to the barriers which the founders had out in place at the beginning, long-tenured boards, majority shareholdings and voting control agreements allowed management to follow their strategy and ignore the pressures of SVO. In addition, shareholders effectively had no voice but could have exited the investment. However, they did not.

I then questioned whether the shareholder continued to accept the long-termist approach once the founder's economic interest had decreased and found that that did continue to accept the approach. The findings indicate that this may largely be as a result of the institutional investor not being one homogenous body, but rather several funds each with different timelines and investment instructions. Therefore, investor heterogeneity has emerged as having a significant impact on the role of the shareholder.

Therefore, in response to RQ 1:
Big Tech was able to implement long-termist strategies and retain shareholders within the dominant SVO environment due to the founder control moats and the fact that they had succeeded and become successful firms. Shareholders were unable to voice their objections during the early scaling phase due to the founder control, and when they were able to voice their concerns they elected to align with management.

Conclusion

The findings in this chapter sought to determine whether Big Tech firms were long-termist. The finding concluded that they were. The findings then provided evidence that the control structures of the founders protected the firms from the pressures of short-termist and aggressive SVO. Once the founder had receded, the findings indicated that shareholders remained committed to the long-termist approach. One would have anticipated that, due to shareholder primacy, that short-termist actions would have become entrenched, but this has not occurred. The implications of these findings are that short-termism may no longer be relevant to SVO in Big Tech companies and that perhaps shareholder maximisation is evolving with shareholder heterogeneity.

Chapter six: Conclusion

Introduction

The puzzle, presented at the start of this research, explored whether the short-termism theory as a consequence of strong shareholder maximisation remain relevant. The research specifically used Big Tech firms as the basis for the examination due to their dominance in the economy with their exceptionally large market capitalisations. In addition, the change in the investor landscape has transitioned to include large institutional investors and this further provided for an interesting background to examine the short-termism theory and shareholder primacy.

The approach

The research set out to present evidence demonstrating that Big Tech firms are long-termist firms which prioritise investing heavily in innovation and development over long periods of time and retain vast amounts of cash to do so, and that any indications of short-termism are misinterpretations due to existing restrictive literature. In addition, it then became a question as to how Big Tech firms have been able to escape the short-termism affliction of SVO. This then led to examining why these shareholders remained invested, considering that strong SVO had permeated across US firms in the prevailing form of US capitalism.

Findings

The solution as to why Big Tech firms have been able to escape the short-termist trend and not conform to SVO's short-termism lies in the founder instilling a long-term approach, in an almost coercive manner.

Long tenured loyal board of directors and voting control structures and retaining control over cash piles provided the runway for a period of scaling the firms growth.

Shareholders accepted this approach, in part because the investment has been phenomenally successful but also in the implication that the shareholder is not a homogenous body. This finding, whilst being simplistic, opens up a new perspective for future research, in that SVO would have expected the shareholder to walk away from a founder controlled long termist firm, yet this did not happen.

My solution to this lies in the heterogeneity of the shareholder. Not all shareholders are the same. They have different timelines and investment strategies.

Contribution

The findings of how these firms scaled up towards growth and not profitability with the 'coercive consent' of shareholders exposes short comings in the short-termist theory and corporate financialisaton's SVO. It questions, in the era of a very different shareholder, whether these concepts need to be reinterpreted. Specifically in prying open the 'black boxes' of Big Tech and Institutional investors.

Future areas of research

Evaluating the power of shareholder maximisation in Big Tech firms which have adopted long-termism, has several nuances, which future research should consider, the investment approach of low-cost index fund and ETF investing appears to be different to the shareholder investment approach envisaged in corporate financialisation theories. By virtue of the low-risk low-cost investment model which passive investing allows for, has changed the role of the beneficiary who has invested into these funds. Their voice or vote is diluted. In addition, the investors are compelled to invest in the firms which form a major part of the indices. Therein lies a continuous circle of investing in Big Tech and accepting its long-termist approach and meeting the requirements of the investors in the index funds.

Conclusion

This research journey began with an interest in evaluating whether short-termism had any relevance in the era of Big Tech and large institutional investors. The end of the journey has resulted in even more curiosity. It has also resulted in concern. Large dominant powers tend to be detrimental to inequality. Therein lies the responsibility to continue to examine and question.

Reference List

Alberg, T. (2021) *The Flywheel Propelled Seattle Into a Tech Boom. Who's Next?*, *Built In*. Available at: https://builtin.com/articles/flywheel (Accessed: 20 February 2025).

Almeida, H., Fos, V. and Kronlund, M. (2016) 'The real effects of share repurchases', *Journal of Financial Economics*, 119(1), pp. 168–185. Available at: https://doi.org/10.1016/j.jfineco.2015.08.008.

Alphabet - 21 Year Stock Price History | GOOGL (2024). Available at: https://www.macrotrends.net/stocks/charts/GOOGL/alphabet/stock-price-history (Accessed: 21 February 2025).

Alphabet: Board & Governance (2025) *Alphabet Investor Relations*. Available at: http://abc.xyz/investor/board-and-governance (Accessed: 13 March 2025).

ALPHABET INC. - DEF 14A Proxy statement (2024). Available at: https://www.sec.gov/Archives/edgar/data/1652044/000130817924000612/lgoog2024_def14a.htm (Accessed: 16 March 2025).

Amazon.com, Inc. - Annual reports, proxies and shareholder letters (2025). Available at: https://ir.aboutamazon.com/annual-reports-proxies-and-shareholder-letters/default.aspx (Accessed: 17 March 2025).

Amazon.com, Inc. - Corporate governance - Documents and charters (2024). Available at: https://ir.aboutamazon.com/corporate-governance/documents-and-charters/default.aspx (Accessed: 19 February 2025).

Amazon.com, Inc. - Officers and directors (1997). Available at: https://ir.aboutamazon.com/officers-and-directors/default.aspx (Accessed: 13 February 2025).

Amazon.com, Inc. - Officers and directors (2025). Available at: https://ir.aboutamazon.com/officers-and-directors/default.aspx (Accessed: 13 March 2025).

Amazon.com, Inc. - Overview (2025). Available at: https://ir.aboutamazon.com/overview/default.aspx (Accessed: 13 March 2025).

Amazon.com, Inc. Stock Incentive Plan (1997). Available at: https://www.sec.gov/Archives/edgar/data/1018724/000119312510090367/dex101.htm (Accessed: 22 February 2025).

Asker, J., Farre-Mensa, J. and Ljungqvist, A. (2015) 'Corporate Investment and Stock Market Listing: A Puzzle?', *The Review of Financial Studies*, 28(2), pp. 342–390.

Baumol, W.J. (2004) 'Entrepreneurial Enterprises, Large Established Firms and Other Components of the Free-Market Growth Machine', *Small Business Economics*, 23(1), pp. 9–21.

Berle, A. and Means, G.C. (1932) *The Modern Corporation and Private Property.* New York: Macmillan.

Bilić, P., Prug, T. and Žitko, M. (2021) 'Platforms, Advertising, and Users', in *The Political Economy of Digital Monopolies: Contradictions and Alternatives to Data Commodification.* Bristol University Press, pp. 75–98.

Birch, K., Cochrane, D. and Ward, C. (2021) ‘Data as asset? The measurement, governance, and valuation of digital personal data by Big Tech’, *Big Data & Society*, 8(1), p. 20539517211017308. Available at: https://doi.org/10.1177/20539517211017308.

Booth, R.A. (2022) ‘The Mechanics of Share Repurchases or How I Stopped Worrying and Learned to Love Stock Buybacks’, *SSRN Electronic Journal* [Preprint]. Available at: https://doi.org/10.2139/ssrn.4118812.

Booth, W. *et al.* (2016) *The Craft of Research*. fourth edition. University of Chigaco Press.

Bort, J. (2014) *No Google. No Netflix. No iPhone. This Is What Tech Was Like In 1994*, *Business Insider*. Available at: https://www.businessinsider.com/tech-in-1994-the-year-the-web-was-born-2014-8 (Accessed: 30 January 2025).

Bostan, I., Lin, J.-C. and Mian, G.M. (2024) ‘Do firms manage their share prices to mitigate investor short-termism?’, *Journal of Corporate Finance*, 84, p. 102505. Available at: https://doi.org/10.1016/j.jcorpfin.2023.102505.

Brav, A., Cain, M.D. and Zytnick, J. (2021) ‘Retail Shareholder Participation in the Proxy Process: Monitoring, Engagement, and Voting’. Rochester, NY: Social Science Research Network. Available at: https://doi.org/10.2139/ssrn.3387659.

Breheny, B., Griffin, P. and Fox, R. (2025) ‘The 2025 Annual Meeting and Reporting Season: Annual Meeting and Corporate Governance Trends’, *The Harvard Law School Forum on Corporate Governance*, 7 January. Available at: https://corpgov.law.harvard.edu/2025/01/07/the-2025-annual-meeting-and-reporting-season-annual-meeting-and-corporate-governance-trends/ (Accessed: 17 March 2025).

Briloff, A.J. (2007) ‘Google’s SOS to the SEC’, *Accounting Today*, 21(2), p. 6,30+.

Browser Market Share Worldwide (2025) *StatCounter Global Stats*. Available at: https://gs.statcounter.com/browser-market-share (Accessed: 16 March 2025).

Büchel, J. and Rusche, C. (2020) ‘Competition in the digital economy: An analysis of gatekeepers and regulations’.

Castells, M. (1999) ‘Information Technology, Globalization and Social Development’.

Christophers, B. (2015) ‘The limits to financialization’, *Dialogues in Human Geography*, 5(2). Available at: https://doi.org/10.1177/2043820615588153.

Corredoira, R.A. *et al.* (2022) ‘The Changing Nature of Firm R&D: Short-termism & Influential Innovation in US Firms’. Rochester, NY: Social Science Research Network. Available at: https://doi.org/10.2139/ssrn.4071191.

Davies, R. *et al.* (2014) ‘Measuring the costs of short-termism’, *Journal of Financial Stability*, 12, pp. 16–25. Available at: https://doi.org/10.1016/j.jfs.2013.07.002.

Davis, G.F. (2008) ‘A new finance capitalism? Mutual funds and ownership re-concentration in the United States’, *European Management Review*, 5(1), pp. 11–21. Available at: https://doi.org/10.1057/emr.2008.4.

Davis, G.F., Diekmann, K.A. and Tinsley, C.H. (1994) 'The Decline and Fall of the Conglomerate Firm in the 1980s: The Deinstitutionalization of an Organizational Form', *American Sociological Review*, 59(4), p. 547. Available at: https://doi.org/10.2307/2095931.

Davis, L.E. (2016) 'Identifying the "financialization" of the nonfinancial corporation in the U.S. economy: A decomposition of firm-level balance sheets', *Journal of Post Keynesian Economics*, 39(1), pp. 115–141. Available at: https://doi.org/10.1080/01603477.2015.1116370.

Davis, L.E. (2017) 'Financialization and Investment: A Survey of the Empirical Literature', *Journal of Economic Surveys*, 31(5), pp. 1332–1358. Available at: https://doi.org/10.1111/joes.12242.

Deeg, R. and Hardie, I. (2016) '"What is patient capital and who supplies it?"', *Social & Economic Revue*, 14(4), pp. 627–645. Available at: https://doi.org/10.1093/ser/mww025.

Dharmapala, D., Foley, C.F. and Forbes, K.J. (2010) 'Watch What I Do, Not What I Say: The Unintended Consequences of the Homeland Investment Act'. Rochester, NY: Social Science Research Network. Available at: https://doi.org/10.2139/ssrn.1337206.

Dore, R. (2008) 'Financialization of the global economy', *Industrial and Corporate Change*, 17(6), pp. 1097–1112. Available at: https://doi.org/10.1093/icc/dtn041.

Dyck, A. and Zingales, L. (2004) 'Private Benefits of Control: An International Comparison', *The Journal of Finance*, 59(2), pp. 537–600. Available at: https://doi.org/10.1111/j.1540-6261.2004.00642.x.

EDGAR Filing Documents for Google IPO (2004). Available at: https://www.sec.gov/Archives/edgar/data/1288776/000119312504124025/0001193125-04-124025-index.htm (Accessed: 21 February 2025).

Edmans, A., Fang, V.W. and Lewellen, K. (2016) 'Equity Vesting and Investment'. Rochester, NY: Social Science Research Network. Available at: https://doi.org/10.2139/ssrn.2270027.

Epstein, G. (2006) *Financialization and the World Economy*. Available at: https://www.semanticscholar.org/paper/Financialization-and-the-World-Economy-Epstein/a8d941a2104eeefcac47d0bd49f5270823607826.

Epstein, G. (2019) 'The asset management industry in the United States', *Economic Commission for Latin America and the Caribbean* [Preprint].

Equity RT Amazon (2025). Available at: https://0-www-equityrt-com.innopac.wits.ac.za/global/#/markets/stock/AMZN:USN/holdings/holdings-detail (Accessed: 17 March 2025).

EquityRT (2025). Available at: https://0-www-equityrt-com.innopac.wits.ac.za/global/#/markets/stock/GOOG:USN/holdings/holdings-detail (Accessed: 17 March 2025).

Erturk, I. *et al.* (2008) *Financialization At Work: Key Texts And Commentary*.

Evans, R.B. *et al.* (2024) 'Phantom of the Opera: ETF Shorting and Shareholder Voting'. Rochester, NY: Social Science Research Network. Available at: https://doi.org/10.2139/ssrn.3345799.

Facebook to Acquire Instagram (2012). Available at: https://investor.atmeta.com/investor-news/press-release-details/2012/Facebook-to-Acquire-Instagram/default.aspx (Accessed: 19 February 2025).

Feldman, N.E. *et al.* (2018) 'The Long and Short of It : Do Public and Private Firms Invest Differently?', *IDEAS Working Paper Series from RePEc* [Preprint]. Available at: https://doi.org/10.17016/FEDS.2018.067.

Fernandez, R. *et al.* (2020) 'The financialisation of Big Tech'.

Fichtner, J. (2019) 'The Rise of Institutional Investors', in, pp. 265–275.

Fichtner, J. and Heemskerk, E.M. (2020) 'The New Permanent Universal Owners: Index funds, patient capital, and the distinction between feeble and forceful stewardship', *Economy and Society*, 49(4), pp. 493–515. Available at: https://doi.org/10.1080/03085147.2020.1781417.

Fine, B. and Saad-Filho, A. (2017) *Thirteen Things You Need to Know About Neoliberalism*. Available at: https://doi.org/10.1177/0896920516655387.

Fligstein, N. and Goldstein, A. (2022) 'The Legacy of Shareholder Value Capitalism', *Annual Review of Sociology*, 48(Volume 48, 2022), pp. 193–211. Available at: https://doi.org/10.1146/annurev-soc-030420-120827.

Fligstein, N. and Shin, T. (2007) 'Shareholder Value and the Transformation of the U.S. Economy, 1984-2000', *Sociological Forum*, 22(4), pp. 399–424.

Founders' IPO Letter (2004) *Alphabet Investor Relations*. Available at: http://abc.xyz/investor/founders-letters/ipo-letter (Accessed: 21 February 2025).

Fried, J.M. and Wang, C.C.Y. (2018) 'Short-Termism and Capital Flows'. Rochester, NY: Social Science Research Network. Available at: https://doi.org/10.2139/ssrn.2895161.

Friedman, M. (2020) 'The Social Responsibility of Business is to Increase Its Profits: [SpecialSections]', *New York Times, Late Edition (East Coast)*, 13 September, p. MC.2.

Friel, S. *et al.* (2024) 'Financialisation: a 21st century commercial determinant of health equity', *The Lancet Public Health*, 9(9), pp. e705–e708. Available at: https://doi.org/10.1016/S2468-2667(24)00187-7.

Froud, J. *et al.* (2005) *Shareholder Value and Financialization : Consultancy Promises, Management Moves*. Routledge. Available at: http://uhra.herts.ac.uk/handle/2299/7739 (Accessed: 9 March 2025).

Glass, M. and Vanatta, S. (2020) 'The Frail Bonds of Liberalism: Pensions, Schools, and the Unraveling of Fiscal Mutualism in Midcentury New York'. Rochester, NY: Social Science Research Network. Available at: https://doi.org/10.2139/ssrn.3540161.

Google Open Source (2023) *Google Open Source*. Available at: https://opensource.google/about (Accessed: 20 February 2025).

Google SEC Form S-1 (2004). Available at: https://www.sec.gov/Archives/edgar/data/1288776/000119312504142742/ds1a.htm (Accessed: 7 February 2025).

Google to Acquire DoubleClick – News announcements – News from Google – Google (2007). Available at: https://googlepress.blogspot.com/2007/04/google-to-acquire-doubleclick_13.html (Accessed: 20 February 2025).

Gopalan, R. *et al.* (2014) 'Duration of Executive Compensation', *The Journal of Finance*, 69(6), pp. 2777–2817. Available at: https://doi.org/10.1111/jofi.12085.

Graham, J.R., Harvey, C.R. and Rajgopal, S. (2005) 'The economic implications of corporate financial reporting', *Journal of Accounting and Economics*, 40(1), pp. 3–73. Available at: https://doi.org/10.1016/j.jacceco.2005.01.002.

Hansell (NYT), S. (2003) 'Technology Briefing | Deals: Amazon And Google Begin Ad Venture', *The New York Times*, 4 April. Available at: https://www.nytimes.com/2003/04/04/business/technology-briefing-deals-amazon-and-google-begin-ad-venture.html (Accessed: 13 February 2025).

Hansmann, H. and Kraakman, R. (2001) 'THE END OF HISTORY FOR CORPORATE LAW'.

Harvey, D. (2007) *A Brief History of Neoliberalism*. Oxford University Publishers. Available at: https://web.p.ebscohost.com/ehost/ebookviewer/ebook/bmxlYmtfXzE5MjIwNl9fQU41?nobk=y&sid=2b0bd038-7b1c-4689-9b5f-4f2ae0529a23@redis&vid=3&format=EB&lpid=lp_1&rid=0 (Accessed: 13 November 2024).

Hayes, R.H. and Abernathy, W.J. (1980) *Managing Our Way to Economic Decline*. Available at: https://maaw.info/ArticleSummaries/ArtSumHayesAbernathy80and07.htm (Accessed: 22 June 2024).

Heilbron, J., Verheul, J. and Quak, S. (2014) 'The origins and early diffusion of "shareholder value" in the United States', *Theory and Society*, 43(1), pp. 1–22.

'History of the Web - World Wide Web Foundation' (2009) *World Wide Web Foundation - Founded by Tim Berners-Lee, inventor of the Web, the World Wide Web Foundation empowers people to bring about positive change.*, 18 October. Available at: https://webfoundation.org/about/vision/history-of-the-web/ (Accessed: 30 January 2025).

Hribar, P., Jenkins, N.T. and Johnson, W.B. (2006) 'Stock repurchases as an earnings management device', *Journal of Accounting and Economics*, 41(1), pp. 3–27. Available at: https://doi.org/10.1016/j.jacceco.2005.10.002.

ICI Research Perspective | Investment Company Institute (2024). Available at: https://www.ici.org/perspectives (Accessed: 15 March 2025).

Index Scorecard: January 2025 | Nasdaq (2025). Available at: https://www.nasdaq.com/articles/index-monthly-scorecard-january-2025 (Accessed: 27 March 2025).

Investor Updates - Alphabet Investor Relations (2025). Available at: https://abc.xyz/investor/ (Accessed: 16 March 2025).

Jeff Bezos on Amazon Business Strategy - How They Succeed and Thrive in Everything (2017). Available at: https://www.bing.com/videos/riverview/relatedvideo?q=Bezos+Amazon+flywheel&mid=742AC973DD110D778480742AC973DD110D778480&FORM=VIRE (Accessed: 20 February 2025).

Jensen, M.C. and Meckling, W.H. (1976) ‘Theory of the firm: Managerial behavior, agency costs and ownership structure’, *Journal of Financial Economics*, 3(4), pp. 305–360. Available at: https://doi.org/10.1016/0304-405X(76)90026-X.

Jim Collins - Articles - The Flywheel Effect (2019). Available at: https://www.jimcollins.com/article_topics/articles/the-flywheel-effect.html#articletop (Accessed: 20 February 2025).

Jordan, B.D., Kim, S. and Liu, M.H. (2016) ‘Growth opportunities, short-term market pressure, and dual-class share structure’, *Journal of Corporate Finance*, 41, pp. 304–328. Available at: https://doi.org/10.1016/j.jcorpfin.2016.10.003.

Kay, J. (2012) *The Kay Review of UK equity markets and long term decision making*. Independent review. Available at: https://assets.publishing.service.gov.uk/media/5a7cccdbed915d6b29fa8bea/bis-12-917-kay-review-of-equity-markets-final-report.pdf.

Kenney, M. and Zysman, J. (2020) ‘The platform economy: restructuring the space of capitalist accumulation’, *Cambridge Journal of Regions, Economy and Society*, 13(1), pp. 55–76. Available at: https://doi.org/10.1093/cjres/rsaa001.

Khan, L.M. (2017) ‘Amazon’s Antitrust Paradox’, *the yale law journal*, p. 747.

Khan, L.M. and Vaheesan, S. (2017) ‘Market Power and Inequality: The Antitrust Counterrevolution and Its Discontents’, *Policy Review*, 11.

Klinge, T.J. *et al.* (2023) ‘Augmenting digital monopolies: A corporate financialization perspective on the rise of Big Tech’, *Competition & Change*, 27(2), pp. 332–353. Available at: https://doi.org/10.1177/10245294221105573.

Knafo, S. and Dutta, S.J. (2020) ‘The myth of the shareholder revolution and the financialization of the firm’, *Review of International Political Economy*, 27(3), pp. 476–499. Available at: https://doi.org/10.1080/09692290.2019.1649293.

Krippner, G.R. (2005) ‘The financialization of the American economy’, *Socio-Economic Review*, 3(2), pp. 173–208. Available at: https://doi.org/10.1093/SER/mwi008.

Krippner, G.R. (2011) *Capitalizing on Crisis: The Political Origins of the Rise of Finance*. Harvard University Press. Available at: https://doi.org/10.2307/j.ctvjk2x23.

Ladika, T. and Sautner, Z. (2019) ‘Managerial Short-Termism and Investment: Evidence from Accelerated Option Vesting*’, *Review of Finance*, p. rfz012. Available at: https://doi.org/10.1093/rof/rfz012.

Laverty, K.J. (1996) ‘Economic “Short-Termism”: The Debate, the Unresolved Issues, and the Implications for Management Practice and Research’, *The Academy of Management Review*, 21(3), pp. 825–860. Available at: https://doi.org/10.2307/259003.

Lazonick, W. (2014) ‘profits without prosperity.’, *Harvard Business Review*, 92(9), pp. 46–55.

Lazonick, W. and O’Sullivan, M. (2000) ‘Maximizing Shareholder Value: A New Ideology for Corporate Governance’, *Economy and Society*, 29, pp. 13–35. Available at: https://doi.org/10.1080/030851400360541.

Letter to shareholders 1997 Amazon.com, Inc. - Annual reports, proxies and shareholder letters (1997). Available at: https://ir.aboutamazon.com/annual-reports-proxies-and-shareholder-letters/default.aspx (Accessed: 7 February 2025).

Li, T. (2016) 'Outsourcing Corporate Governance: Conflicts of Interest Within the Proxy Advisory Industry'. Rochester, NY: Social Science Research Network. Available at: https://papers.ssrn.com/abstract=2828690 (Accessed: 12 March 2025).

Market Cap History Charts-AMZN, Meta,Alphabet (2025). Available at: https://www.financecharts.com/stocks/AMZN/summary/market-cap (Accessed: 5 March 2025).

Mayer, C. (2017) 'Who's responsible for irresponsible business? An assessment', *Oxford Review of Economic Policy*, 33(2). Available at: https://browzine.com/libraries/3004/journals/10479/issues/43641220 (Accessed: 25 August 2025).

Meta - Financials (2025). Available at: https://investor.atmeta.com/financials/default.aspx (Accessed: 16 March 2025).

Meta - Leadership & Governance (2024). Available at: https://investor.atmeta.com/leadership-and-governance/ (Accessed: 17 March 2025).

Meta - Leadership & Governance (2025). Available at: https://investor.atmeta.com/leadership-and-governance/ (Accessed: 13 March 2025).

Meta - Leadership & Governance - Corporate Governance Guidelines (2024). Available at: https://investor.atmeta.com/leadership-and-governance/corporate-governance-guidelines/default.aspx (Accessed: 19 February 2025).

Mittelman, J.H. (2022) 'The Power of Algorithmic Capitalism', *International Critical Thought*, 12(3), pp. 448–469. Available at: https://doi.org/10.1080/21598282.2022.2070858.

Nasdaq: Stock Market, Data Updates, Reports & News (2025). Available at: https://www.nasdaq.com/ (Accessed: 19 February 2025).

Online platforms: Economic and societal effects | Think Tank | European Parliament (2021). Available at: https://www.europarl.europa.eu/thinktank/en/document/EPRS_STU(2021)656336 (Accessed: 27 March 2025).

Open Source AI | Meta (2023) *AI at Meta*. Available at: https://ai.meta.com/open-source-ai (Accessed: 20 February 2025).

Orhangazi, O. (2008) 'Financialisation and capital accumulation in the non-financial corporate sector:: A theoretical and empirical investigation on the US economy: 1973-2003', *Cambridge Journal of Economics*, 32(6), pp. 863–886. Available at: https://doi.org/10.1093/cje/ben009.

Palladino, L. and Lazonick, W. (2024) 'Regulating stock buybacks: the $6.3 trillion question.', *International Review of Applied Economics*, 38(1/2), pp. 243–267. Available at: https://doi.org/10.1080/02692171.2022.2123459.

Petit, N. (2016) 'Technology Giants, the Moligopoly Hypothesis and Holistic Competition: A Primer'. Rochester, NY: Social Science Research Network. Available at: https://doi.org/10.2139/ssrn.2856502.

Porter, M.E. and Wayland, R. (1992) ‘Capital Disadvantage: America’s Failing Capital Investment System. (cover story)’, *Harvard Business Review*, 70(5), pp. 65–82.

Proxy Information - Mutual Funds | BlackRock (2024). Available at: https://www.blackrock.com/us/individual/education/mutual-funds/proxy-information (Accessed: 17 March 2025).

Rabinovich, J. and Reddy, N. (2024) *Corporate Financialization: A Conceptual Clarification and Critical Review of the Literature*. 2402. Post Keynesian Economics Society. Available at: https://postkeynesian.net/working-papers/2402/ (Accessed: 14 February 2025).

Reddy, N. and Rabinovich, J. (2022) ‘Debunking the short-termist thesis in financialization studies: Evidence from US non-financial corporations 1998 – 2018.’

Registration Statement on Form S-1 Pg 96-97 (2012). Available at: https://www.sec.gov/Archives/edgar/data/1326801/000119312512034517/d287954ds1.htm#toc287954_12 (Accessed: 19 February 2025).

Reuters (2024) ‘Goldman Sachs expects U.S. buybacks to top $1 trillion in 2025’, 7 March. Available at: https://www.reuters.com/business/finance/goldman-sachs-lifts-stock-buyback-forecast-sp-500-companies-2024-03-07/ (Accessed: 25 March 2025).

Roe, M. (2022) *Missing the Target*. Oxford University Press.

Rosenberg, S. (2003) ‘Restructuring the Economy: The Market-Based Conservative Strategy, 1981–92’, in S. Rosenberg (ed.) *American Economic Development since 1945: Growth, Decline and Rejuvenation*. London: Palgrave Macmillan UK, pp. 234–278. Available at: https://doi.org/10.1007/978-1-4039-9026-6_12.

S-8 Alphabet Class C (2024). Available at: https://www.sec.gov/Archives/edgar/data/1652044/000119312515336635/d154592ds8.htm (Accessed: 21 February 2025).

Sadowski, J. (2019) ‘When data is capital: Datafication, accumulation, and extraction’, *Big Data & Society*, 6(1), p. 2053951718820549. Available at: https://doi.org/10.1177/2053951718820549.

Sawyer, M. (ed.) (2022) ‘Financialization of the Everyday’, in *Financialization: Economic and Social Impacts*. Agenda Publishing, pp. 157–172. Available at: https://doi.org/10.1017/9781911116967.009.

SC 13G/A Zuckerberg (2023). Available at: https://www.sec.gov/Archives/edgar/data/1326801/000119312524036200/d739494dsc13ga.htm (Accessed: 15 March 2025).

Schedule 13G Zuckerberg (2013). Available at: https://www.sec.gov/Archives/edgar/data/1548760/000119312513055365/d485545dsc13g.htm (Accessed: 15 March 2025).

SEC.gov | Annual Meetings and Proxy Requirements (2025). Available at: https://www.sec.gov/resources-small-businesses/going-public/annual-meetings-proxy-requirements (Accessed: 12 March 2025).

SEC.gov | Every Vote Counts: The Importance of Fund Voting and Disclosure (2021). Available at: https://www.sec.gov/newsroom/speeches-statements/lee-every-vote-counts (Accessed: 17 March 2025).

SEC.gov | Mutual Funds and Exchange-Traded Funds (ETFs) – A Guide for Investors (2024). Available at: https://www.sec.gov/about/reports-publications/investor-publications/introduction-mutual-funds#ETFs (Accessed: 13 March 2025).

SEC.gov | Registered Funds - Total Fund Assets (2023). Available at: https://www.sec.gov/data-research/data-visualizations/registered-fund-statistics/registered-funds-total-fund-assets (Accessed: 12 March 2025).

Sneirson, J.F. (2019) 'The History of Shareholder Primacy, from Adam Smith through the Rise of Financialism'. Rochester, NY: Social Science Research Network. Available at: https://papers.ssrn.com/abstract=3383405 (Accessed: 27 March 2025).

Soener, M. (2020) 'Did the "Real" Economy Turn Financial? Mapping the Contours of Financialisation in the Non-Financial Corporate Sector', *New Political Economy*, 26(5), pp. 817–831. Available at: https://doi.org/10.1080/13563467.2020.1858775.

S&P 500 Companies by Weight (2024). Available at: https://www.slickcharts.com/sp500 (Accessed: 21 June 2024).

S&P 500 Market Cap Monthly Analysis: S&P 500 Earnings | YCharts (2023). Available at: https://ycharts.com/indicators/sp_500_market_cap (Accessed: 6 November 2024).

Stout, L. (2013) 'On the Rise of Shareholder Primacy, Signs of Its Fall, and the Return of Managerialism (in the Closet)', *Cornell Law Faculty Publications* [Preprint]. Available at: https://scholarship.law.cornell.edu/facpub/865.

Tayan, B. and Larcker, D. (2024) 'Seven Questions about Proxy Advisors', *The Harvard Law School Forum on Corporate Governance*, 13 May. Available at: https://corpgov.law.harvard.edu/2024/05/13/seven-questions-about-proxy-advisors/ (Accessed: 12 March 2025).

'Technical Debt' (2024) *Techopedia*, 13 June. Available at: https://www.techopedia.com/definition/27913/technical-debt (Accessed: 20 February 2025).

TV: William Rinehart on Big Tech and Antitrust Laws (2020) *The CGO*. Available at: https://www.thecgo.org/news/tv-william-rinehart-on-big-tech-and-antitrust-laws/ (Accessed: 16 March 2025).

Useem, M. and Gager, C. (1996) 'EMPLOYEE SHAREHOLDERS OR INSTITUTIONAL INVESTORS? WHEN CORPORATE MANAGERS REPLACE THEIR STOCKHOLDERS.', *Journal of Management Studies (Wiley-Blackwell)*, 33(5), pp. 613–631. Available at: https://doi.org/10.1111/j.1467-6486.1996.tb00811.x.

Vanatta, S.H. (2024) 'The financialization of US public pension funds, 1945–1974', *Review of Social Economy*, 82(2), pp. 261–293. Available at: https://doi.org/10.1080/00346764.2023.2270458.

Vanguard Investor Choice Stewardship (2024). Available at: https://corporate.vanguard.com/content/corporatesite/us/en/corp/how-we-advocate/investment-stewardship/investor-choice.html (Accessed: 17 March 2025).

Vos, T. and Monnens, T. (2023) 'The missing role of controlling shareholders in the short-termism debate', *SSRN Electronic Journal* [Preprint]. Available at: https://doi.org/10.2139/ssrn.4221137.

What We Learned From Meta's and Alphabet's 2023 Shareholder Meetings (2023) *Morningstar, Inc.* Available at: https://www.morningstar.com/sustainable-investing/what-we-learned-meta-alphabets-2023-shareholder-meetings (Accessed: 17 March 2025).

Whitehead, P., Hsui, J. and Lilly, E. (2024) 'PORTFOLIO MANAGEMENT', *the summary* [Preprint].

World Bank Open Data (2023) *World Bank Open Data*. Available at: https://data.worldbank.org (Accessed: 6 November 2024).

World Federation of Exchanges database. 1975-2022 (2025) *World Bank Open Data*. Available at: https://data.worldbank.org (Accessed: 4 March 2025).

Xiao, A. *et al.* (2024) 'Bridging the digital divide: the impact of technological innovation on income inequality and human interactions', *Humanities and Social Sciences Communications*, 11(1), pp. 1–18. Available at: https://doi.org/10.1057/s41599-024-03307-8.

Zoffer, J. *et al.* (2019) 'Public Markets for the Long Term: How Successful Listed Companies Thrive', *The Harvard Law School Forum on Corporate Governance*, 8 February. Available at: https://corpgov.law.harvard.edu/2019/02/08/public-markets-for-the-long-term-how-successful-listed-companies-thrive/ (Accessed: 21 November 2024).

Zuboff, S. (2022) 'Surveillance Capitalism or Democracy? The Death Match of Institutional Orders and the Politics of Knowledge in Our Information Civilization', *Organization Theory*, 3(3), p. 26317877221129290. Available at: https://doi.org/10.1177/26317877221129290.

van der Zwan, N. (2014) 'Making sense of financialization', *Socio-Economic Review*, 12(1), pp. 107–110. Available at: https://doi.org/10.1093/ser/mwt020.