

Slack Accumulation Trajectories of State-Owned Enterprises and Publicly-Listed Companies



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This study examines how state-owned enterprises (SOEs) and publicly listed companies (PLCs) save for a rainy day, for major investments, and maintain a long-term outlook by accumulating absorbed and unabsorbed slack resources. Research about the antecedents of slack is “largely populated by untested theorizing” and assumptions (Titus et al., 2022, p. 1290) and requires a dynamic perspective (Du et al., 2021). In addition, “research in both economics and management has yet to clarify” slack accumulation in SOEs (Bruton et al., 2015, p. 102). Do SOEs (relative to PLCs) accumulate more absorbed or unabsorbed slack because of softer budget constraints, and in which conditions may the difference to PLCs be more or less pronounced? We address these issues by examining how slack accumulation varies depending on different types of ownership and industry characteristics. SOEs may pursue social or private demands – reconciling the intentions of multiple principals – often at the expense of firm profitability (Grosman et al., 2016). Furthermore, industry characteristics may shape firms’ slack accumulation behaviors and preferences for absorbed or unabsorbed slack given opportunities for deploying these resources, uncertainty, and anticipation of future resource requirements. Our study is among the first to explain changes in slack resources as the phenomenon of interest. This addresses a void in management research about the origins and drivers of slack resources. We address the origins by distinguishing between different types of slack and the drivers by examining slack change trajectories of different types of firms (SOEs and PLCs) as well as industry contingencies.

Biography:

Sebastian Fourné is Associate Professor of Strategic Management & Entrepreneurship at the Lazaridis School of Business & Economic at Wilfrid Laurier University in Waterloo (Canada). Sebastian obtained his PhD at the Department of Strategic Management and Entrepreneurship at Rotterdam School of Management, Erasmus University (NL), in 2014. Sebastian’s scholarship focuses on exploration of new technologies, decision-making under uncertainty, resource accumulation and allocation to innovation projects and foreign markets, and on the roles and collaboration of top and middle managers in corporate entrepreneurship. Sebastian’s second research stream focuses on family firms’ resource allocation, withdrawals, and their internationalization.