
Real Time Expert[®] Poll

Corporate Political Activism

**Goldman Sachs Political Contribution Policy Announcement
September 8, 2016**





A word cloud on a white background featuring various corporate names and political issues. The words are arranged in a cluster, with some overlapping. The colors of the text include gold, dark red, brown, green, and dark blue. The words are: Starbucks, McDonald's, Comcast, ChickfilA, Taxes, Apple, American Airlines, Hobby Lobby, PayPal, Climate Change, Guns, Abortion, and Gay Marriage.

FreeSpeech
Starbucks
McDonald's
Comcast
ChickfilA
Taxes Apple
American Airlines
Hobby Lobby
PayPal
Climate Change
Guns
Abortion
Gay Marriage

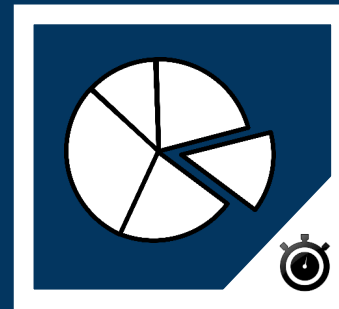
Our Mission

To provide an objective voice and immediate feedback when companies become politically active.

What is Corporate Political Activism?

“A public position taken by an organization, or its executives, on a divisive political issue, election, or legislation.”

How it Works



Company Takes Stand

Company announcement will be chosen about 6 times per year based on newsworthiness and interest level of the panel.

Expert Panel Surveyed

Panelists grade the company's management of the stand and give brief open-ended reactions.

Results Sent to Media

Responses are aggregated and reported to the media within 4-6 hours.

Follow-up Interviews

Reporters follow-up with individual panelists.

The Panel

Expert panelists are from 39 universities in 8 countries. They represent both liberal and conservative political leanings, and specialize in diverse topics such as corporate reputation, social impact, communications, politics, and economics.

Tamar Avnet

Yeshiva University

Mike Barnett

Rutgers Univ.

Jos Bartels

Tilburg Univ. (Netherlands)

Sharon Beatty

Univ. of Alabama

Aronte Bennett

Villanova Univ.

Marya Besharov

Cornell Univ.

CB Bhattacharya

ESMT (Germany)

Dora Bock

Auburn Univ.

Tom Brown

Oklahoma State Univ.

Vanessa Burbano

Columbia Univ.

Archie Carroll

Univ. of Georgia

Rick Clancy

Univ. of North Carolina- Chapel Hill

Alin Coman

Princeton Univ.

Timothy Coombs

Texas A & M

Chiara Cordelli

Univ. of Chicago

Peter Dacin

Queen's Univ. (Canada)

Jeff Dotson

Brigham Young Univ.

Shuili Du

Univ. of New Hampshire

Pam Ellen

Georgia State Univ.

Jenn Griffin

George Washington Univ.

Sherryl Kuhlman

Univ. of Pennsylvania

Alex Kull

Univ. of San Diego

Dan Laufer

Victoria Business School (New Zealand)

Tom Lyon

Univ. of Michigan

Jeanette Mena

Univ. of South Florida

Kevin Money

Univ. Of Reading (U.K)

Rowena Olegario

Univ. of Oxford (U.K.)

Neeru Paharia

Georgetown Univ.

Vontresse Pamphile

Northwestern Univ.

Davide Ravasi

City University (U.K.)

Stephanie Robinson

North Carolina State Univ.

Simona Romani

LUISS Guido Carli (Italy)

Laura Schons

Mannheim Univ. (Germany)

Sankar Sen

Baruch College

Nancy Sirianni

University of Alabama

Craig Smith

INSEAD (France)

Scott Swain

Clemson Univ.

Tillman Wagner

WHU (Germany)

Rupert Younger

Univ. of Oxford (U.K.)

Alex Zablah

Univ. of Tennessee - Knoxville

Inaugural Study (September 7, 2016)

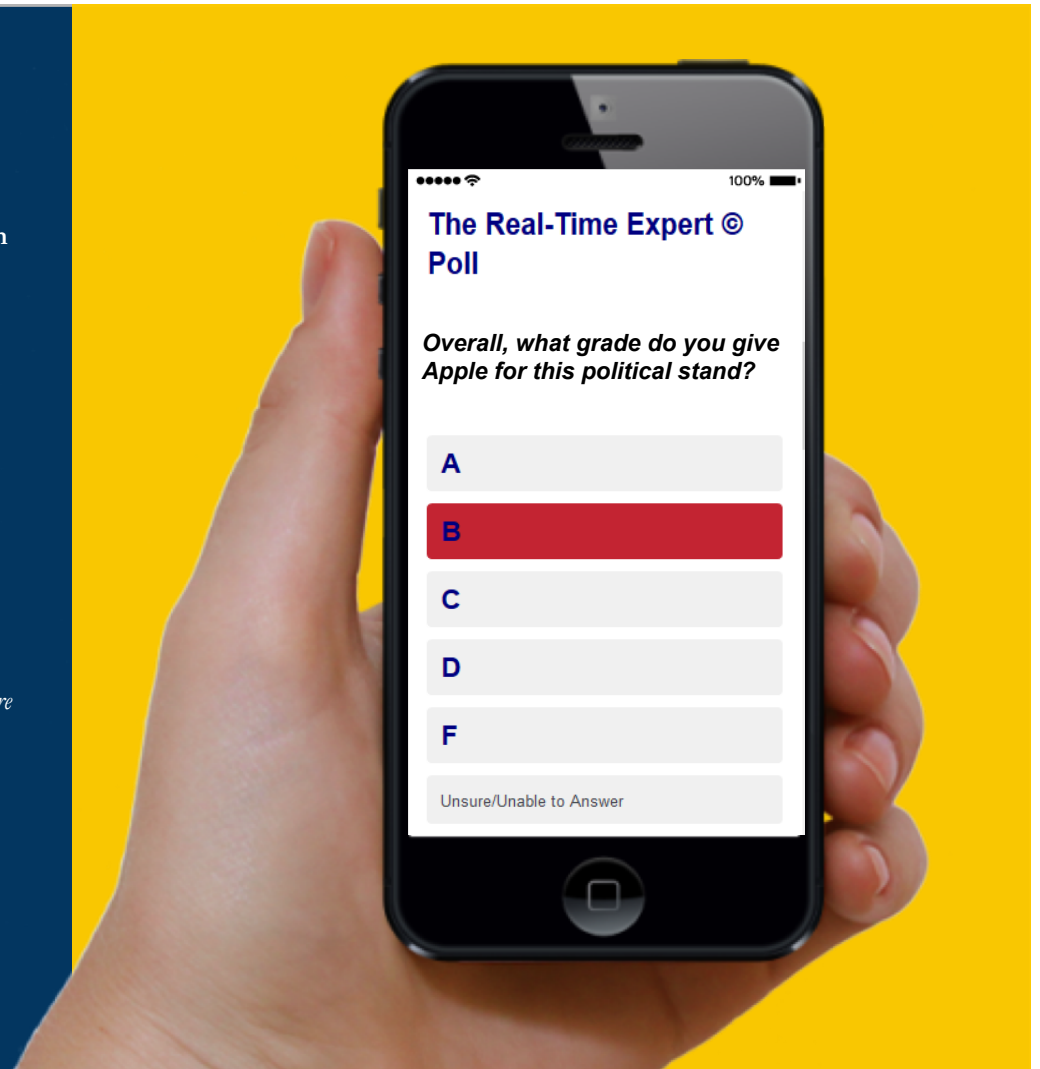
Goldman Sachs has enacted a set of policies that will effectively ban the firm's partners from contributing to certain campaigns, including the Trump-Pence ticket. The policies restrict contributions to the Trump-Pence ticket because Mike Pence is a state official running for federal office, but do not restrict donations to Clinton-Kaine because Tim Kaine is not considered a local official under Goldman's rules.

Politico reported on an internal email which included the rule.

"Restricted Persons are prohibited from engaging in political activities and/or making campaign contributions to candidates running for state and local offices, as well as sitting state and local officials running for federal office... The policy change is also meant to minimize potential reputational damage caused by any false perception that the firm is attempting to circumvent pay-to-play rules, particularly given partners' seniority and visibility... All failures to pre-clear political activities as outlined below are taken seriously and violations may result in disciplinary action."

Goldman's CEO, Lloyd Blankfein, has not said for whom he will vote in 2016, but he donated to Clinton when she ran against Obama in 2008.

Goldman Sachs has declined to comment to the media.



Poll Items

1. Overall, what grade do you give [company] for this political stand?

(Scale: A, B, C, D, F)

2. Evaluate the political stand on each dimension:

- a) **Leadership** *the political stand is proactive, setting a standard for peer companies to follow*
- b) **Consistency** *the political stand is consistent with the central and enduring values of the company*
- c) **Transparency** *the company is forthcoming in describing the motivations behind the political stand*
- d) **Materiality** *the political issue is substantively relevant when key stakeholders are deciding whether or how to interact with the company*

(Each dimension rated on 1-5 scale, Extremely Inaccurate-Extremely Accurate)

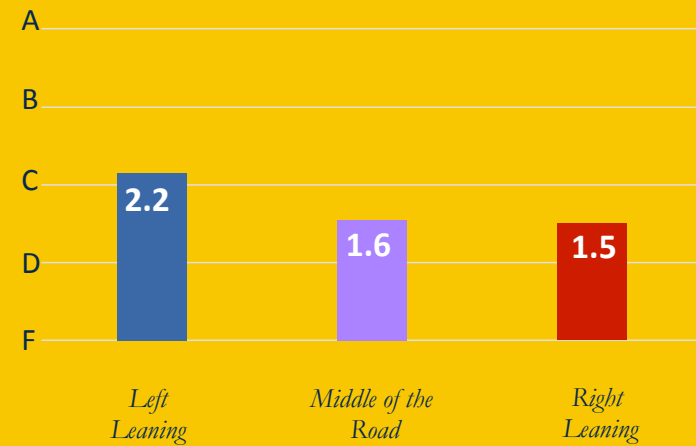
3. If you have additional comments, write them here. (Responses are anonymous unless you choose to sign your name)

Topline Results

C-

The panel gives the company an overall grade of C- for the way they are handling the political issue. Grades were generally low regardless of political leaning. However, the company was graded somewhat higher by left-leaning panelists.

Grade by Political Leaning



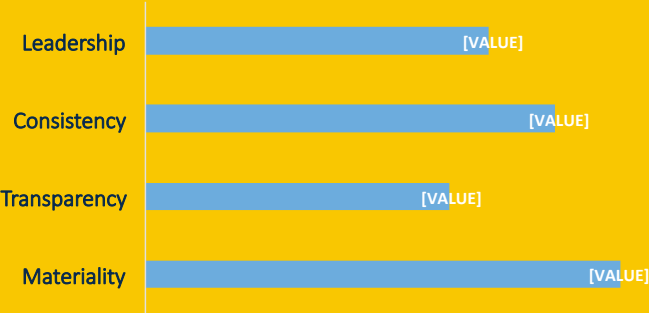
n = 27; grades based on mean response using standard GPA scale (A=4.0, B=3.0, etc.).

Topline Results

The panel rates this as materially relevant for stakeholders. It also awards elevated marks for the consistency of the policy with its core values.

However, the panel finds fault with Goldman Sachs’ transparency and gives somewhat low scores for leadership on the issue.

Performance on Key Dimensions



Topline Results

The most consistent theme in panelist reactions is that the company needs to be forthcoming in its motivations.

Anonymous comments reveal considerable skepticism about the policy.

I think the action is probably prudent, if perhaps ill-timed on the part of the firm. I don't really doubt that the company is pleased that this will keep partners from donating to the Trump campaign, but by not resigning from office, Governor Pence brought this on the ticket.

While the action lends itself to the media's penchant for misleading headlines, the justification seems to have less to do with the company's core values and more to do with not losing future business due to 'pay to play' violations. I thought that the secondary justification ("minimize potential reputational damage") was less credible because the appearance of allowing contributions for some parties but not others probably leads to even greater reputational damage with a broader audience.

The timing and scope of the rule gives an appearance of political favoritism.

Goldman Sachs should elaborate more on this decision. I believe it will be perceived as favoritism towards the democrats, especially in light of the CEO's previous donation to Clinton's campaign.

Decision seems somewhat contrived and results in unequal treatment to one set of candidates.

This is very consistent with what history often characterizes as backdoor, lack of transparency approaches that certain investment banking and management companies have employed to turn the tide in their favor. Certainly not illegal and clearly employing well thought out strong language and justification that promotes a "law-abiding" image. However, I would be hard pressed to believe that they do not know what the consequences of these rules are. Again, historically, based on exposed cases, my opinion is that skirting around legal boundaries while being calculative and fully aware of and understanding various consequences seems to often be a modus operandi among certain firms in the industry. But is that the case here? My opinion would be that these new rules do not necessarily appear inconsistent with those practices.

The idea of limiting reputational threats from contributions is forward thinking... [but] the execution is lacking because of the loop holes and appearance of favoring a ticket. The idea is sound but needs consistency. I can understand the fear of being link to Trump but the policy needs to be even-handed.

About Our Sponsor

Drexel LeBow's Institute for Strategic Leadership advances an evidence-based perspective to leadership. The Institute believes that clear, verifiable support will help leaders diagnose preconceived ideas and assumptions that may not be accurate, and replace them with practices that have been proven to be effective. It generates evidence – based knowledge through research grants, curriculum development, and corporate outreach.



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