

Will the Supreme Court decision in *Citizens United v. Federal Election Commission* change the way corporate managers are selected and promoted?

Now that the Republican primaries are in high gear, with large amounts of corporate and individual money pouring into PAC's (Political Action Committees) and Super PAC's, it may be time to consider the possible effect of the Supreme Court ruling in *Citizens United v. Federal Election Commission* on the selection and promotion of top corporate executives. I think the law of unexpected consequences may be at work again.

A few years ago, I was working in the corporate planning offices of a large and very well-known US company. Every year, officers of the company were asked to write a series of blank checks, each in the maximum amount then allowable for an individual contribution to a candidate for political office. The total number of checks one was expected to write were roughly related to the size of that officer's salary and, particularly, to the most recent cash bonus. Senior management would bundle the checks and give them to the campaigns of selected politicians.

I was not happy with this system but agreed to write the suggested number of checks with the proviso that I retain the right to designate the recipients. I don't know what effect this had on my standing with the senior officers of the company because no one ever discussed it with me. Probably not good.

Under the new rules mandated by the Supreme Court, the top several officers in a large company, and possibly some of the Directors, will make all decisions regarding the allocation of corporate funds for broadcasts supporting and opposing candidates for local and national political office. The amounts could be quite large, likely to be much more substantial than the amounts previously raised by bundling. Many companies also allocate large sums to lobbying activities but the purposes are probably more closely linked to corporate goals. While many allocations will be calculated to advance corporate and stockholder interests, I think it is reasonable to make the assumption that many allocations will also be made based on the particular ideological preferences of senior officers.

If this is likely and where the amounts involved are large, then top executives will begin to consider personal political preferences as an additional and important factor in the decision making process involved in selecting and promoting senior executives. Senior officers with strong ideological preferences will be much more likely to select successors with similar preferences. I don't think this was a consequence anticipated in the *Citizens United* decision.

Over the last sixty-five years, since the Second World War, prejudices within corporate ranks based on race, sex, age, national origin, religion and political preference have been gradually disappearing. Opening up top corporate jobs to a much larger pool of talent has to be good for each company and good for the country.

When I was asked to give senior officers of my employer a blank check, I did not like being forced to choose between going along with the system or objecting and thereby risking my

prospects for advancement. And, I did not feel that my particular political persuasion was anyone else's business.

Now, with the new Supreme Court decision, senior management is likely to again become interested in the ideological persuasion of candidates for advancement to the top jobs. This will reawaken old prejudices, reduce the size of the pool from which managers are drawn, and reverse some of the progress made during the last half century.

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