Can Employees Shape Corporate Political Responsibility in an Era of Democratic Backsliding? Evidence from the Capitol Insurrection

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Abstract. Following the Capitol Insurrection on January 6th, 2021, U.S. companies faced intense pressure to cease campaign contributions to Members of Congress who contested the 2020 presidential election results ("Objectors"). Despite a recent rise in corporate activism research, few have examined antecedents to the reallocation of corporate political spending, as opposed to corporate speech, in alignment with such espoused firm values as the championship of a functioning democracy. Adopting a stakeholder-centric lens, I show that publicly traded U.S. companies dominated by employees with demonstrated support for Members of Congress who voted to uphold the 2020 election result (rather than the Objectors) substantially reduced corporate campaign contributions to Objectors since the Insurrection. Such employee stewardship transcends corporate hierarchy, extends to less scrutinized avenues of corporate political giving, and significantly constrain firms' ability to maintain lobbying access when such strategic goals of corporate political activities conflict with employees' demand for value congruence.

The storming of the U.S. Capitol on January 6th, 2021, created mounting pressure on corporations to sever ties with the 147 Republican Members of Congress who contested the 2020 electoral college vote counts (hereafter "Republican Objectors"). Out of the 280 Fortune companies that had made campaign donations to Republican Objectors in the 2019-2020 election cycle, 123 such companies subsequently pledged to either pause all campaign donations to reassess their candidate selection criteria (87 companies) or specifically freeze donations to Republican Objectors (36 companies) (Hernandez & Yellin, 2021).

This unprecedented collective effort by major U.S. corporations to demonstrate their championship of democratic ideals—through the unconventional promises to withhold campaign contributions—followed rising demands from corporate stakeholders on companies to engage in contentious socio-political discourse that lies beyond firms' core capabilities or market specialization, such as publicly condemning anti-LGBT legislation or voter disenfranchisement (Bondi et al., 2023; Hambrick & Wowak, 2021; Jia & Bo Yang, 2023; Li & DiSalvo, 2023; Werner, 2017; Wowak et al., 2022). However, what distinguishes the present context from longer-run trends towards the incorporation of corporate social responsibility (CSR) criteria into companies' market conduct, or the more recent wave of corporate activist speech, is that stakeholders now increasingly expect companies to behave in a politically responsible manner (Lyon et al., 2018; Mellahi et al., 2016; Sun et al., n.d.), i.e., aligning corporate political *resource allocations* with the values that companies espouse and that their stakeholders cherish.

Stakeholders' demands for *corporate political responsibility* challenge the traditional paradigm of corporate political activities (CPA). These activities, such as corporate campaign contributions, are seen as a means for firms to cultivate connections with powerful legislators across the partisan aisle to expand companies' lobbying access, obtain regulatory advantages, and ultimately boost firm performance (Dorobantu et al., 2017; Hillman et al., 2004; Schuler et al., 2002). However, such a pragmatic approach to corporate campaign contributions may become increasingly untenable when strategically important politicians are opposed by critical stakeholder groups due to socio-political disagreements. This constraint may be especially binding in the current non-market landscape, where a transnational rise in political polarization and threats of democratic backsliding heightens the salience and social impact of corporate political activities (Blake et al., n.d.; McCarty et al., 2016).

Mirroring the American public's polarized response to the Capitol insurrection, companies with more Democratic-leaning stakeholders were more likely to announce a pause in campaign giving specifically to Republican Objectors after January 6th, 2021 (Li & DiSalvo, 2023). Nonetheless, many firms refrained from promising any adjustment to their campaign contribution strategies post-Insurrection. Moreover, an increasing number of corporations have reneged on such pledges or otherwise resumed giving to Republican Objectors over time (Li & DiSalvo, 2023; Poliquin & Hou, 2023).

Building upon these prior studies in the Capitol Insurrection context, as well as a growing literature highlighting socio-political value congruence with *organizational ideology,* i.e., the revealed political preferences of employees, as an antecedent for corporate social responsibility and corporate activism (Gupta et al., 2017; Gupta & Briscoe, 2020; Hambrick & Wowak, 2021; Wowak et al., 2022), this paper seeks to answer the following question: can employees who have demonstrated a revealed preference for democratic norms and institutions hold companies accountable for substantively and durably reducing campaign contributions from Republican Objectors after January 6, 2021, beyond paying lip service to the urgency of safeguarding democratic institutions? More broadly speaking, how do companies navigate the delicate balance of managing stakeholders' expectations for corporate political responsibility while continuing to cultivate political connections and lobbying access via corporate political spending?

To these ends, I examine all publicly traded U.S. companies with political action committees (PACs) by year-quarter during 2019-2022. Conceptualizing the Capitol Insurrection on January 6th, 2021, as a pivotal event that amplified the salience of corporate PAC contributions to Republican Objectors as a negative signal of firms' commitment to democratic ideals, I hypothesize that firms with proportionally more "pro-institution" employees—i.e., those who had previously donated to Democratic or Republican Members of Congress who voted to uphold, rather than overturn, the 2020 presidential election results—would be more likely to reduce PAC contributions to Republican Objectors following the Insurrection.

I estimate difference-in-differences models with firm fixed effects and 2-digit NAICS sector-by-year-quarter fixed effects, and cluster all standard errors by firm. I find that firms with greater shares of pro-institution employees—from both political parties—became less likely to make PAC contributions to Republican Objectors after the Capitol Insurrection. These effects are precisely estimated, sizable, and durable. Firms that differ on employees' revealed preference for pro-institution Members of Congress exhibited no differential pre-trends in PAC contributions to Objectors prior to 2021. Moreover, employees' pro-institution leanings continue to be a significant predictor of corporate PAC abstention from Republican Objectors even after controlling for companies' historical tendencies to donate to Members of Congress across the partisan and ideological spectrum, any corporate PAC pledges post-January 6th (Li & DiSalvo, 2023) and Twitter-based proxies for consumers' political orientation (Li & DiSalvo, 2023; Schoenmueller et al., 2023).

Extended analyses illuminate the mechanisms and scope conditions for such employee influence on corporate political responsibility; specifically, lobbying-based cross-pressure (Kim et al., 2020), visibility of corporate political spending (Jia et al., 2023), and corporate hierarchy (Hambrick & Mason, 1984). First, following the Capitol Insurrection, firms dominated by pro-institution employees became less likely to make PAC contributions even to specific Republican Objectors who may be strategically valuable for corporate lobbying; the marginal effects of employees' pro-institution orientation on corporate PAC abstention is in fact *stronger*, not weaker, for influential Republican Objectors. Second, firms dominated by pro-institution employees did not circumvent employee pressure by substituting to alternative, often less scrutinized, avenues of political giving in support of Republican Objectors in lieu of corporate PAC contributions; in fact, these alternative forms of corporate political giving also tended to fall in companies with relatively more pro-institution employees. Third, both executive and non-executive employees' revealed preferences for pro-institution legislators predict greater likelihood of corporate PAC abstention from contributing to Republican Objectors, suggesting that such employee influence is not exclusive to the corporate upper echelons.

Leveraging the Capitol Insurrection as a lightning event that underscored the salience of corporate political responsibility (Lyon et al., 2018), I show that employees' revealed preference for pro-institution politicians was a key predictor for substantive reduction in corporate campaign contributions to Republican Objectors after January 6^{th}, 2021. Such employee influence may transform corporate political spending from merely a means to buy lobbying access and non-market competitive advantages into a new avenue of corporate activism. Under the contemporary non-market landscape, marked by intensified political polarization and growing concerns for democratic backsliding (Blake et al., n.d.; McCarty et al., 2016), corporate political activities face twin objectives that are increasingly at odds: the need to maintain lobbying access to powerful (but potentially controversial) legislators, alongside rising demands for corporate political spending to be congruent with stakeholders' values (Lyon et al., 2018; Mellahi et al., 2016; Sun et al., n.d.).

Background and Theory

Corporate Political Activities: Traditional Paradigm and Emerging Challenges

Corporate political activities have been extensively studied in the non-market strategy literature (Dorobantu et al., 2017; Hillman et al., 2004). Within in the U.S. context, significant attention has been given to campaign contributions made through corporate political action committees (PACs), which are legal entities facilitating corporations to make campaign donations to electoral candidates (Ansolabehere et al., 2003; Hillman et al., 2004). Existing research conceptualizes corporate campaign contributions as a means for firms to buy access to elected officials for the purpose of lobbying (Kalla & Broockman, 2016; Kim et al., 2020; Tripathi et al., 2002), ultimately helping to shape firms' non-market environments to gain competitive advantages (De Figueiredo Jr & Edwards, 2007; Richter et al., 2009).

To understand how corporate PACs maximize the returns to their contributions, prior studies have primarily focused on the allocation of such contributions based on recipients' legislative influence, and hence potential impact over regulations pertinent to firms' market activities, such as membership in powerful congressional committees, leadership positions in Congress, seniority, majority party status, and geographic constituencies (Hillman et al., 2004; Schuler et al., 2002). Legislators' partisan affiliations or political ideologies have been largely studied through the lens of alignment with firms' strategic objectives, such as whether a Member of Congress is pro-business or champions a specific industry, but otherwise corporate PACs are known to seek connections to influential legislators across the partisan aisle (Hillman et al., 2004). Beyond these institutional antecedents, researchers have explored heterogeneity in the allocation of, and returns to, corporate PAC contributions based on salient firm characteristics such as firm size and age, industry concentration, dependence on government contracts, and exposure to government regulations (Hadani & Schuler, 2013; Schuler et al., 2002).

While this traditional paradigm has generated many valuable insights, it can fall short in explaining the strategic dilemmas that many companies face today regarding their political activities due to a lack of theorizing over the role of corporate stakeholders. As societal expectations of companies' civic duties have evolved over recent years (Hersh, 2023), the definition of a "socially responsible" firm has become increasingly expansive and complex. Large companies nowadays encounter growing pressure from stakeholders, activists, and the public to weigh in on contentious socio-political issues that may extend beyond their core capabilities or specialization, such as publicly condemning anti-LGBT legislation or voter disenfranchisement (Bondi et al., 2023; Hersh, 2023). At the same time, corporate political activities face a new level of scrutiny (Jia et al., 2023). Campaign contributions, lobbying, and other forms of corporate money in politics are often viewed with suspicion not only due to concerns about undue influence over public officials but also because they may be perceived as corporate endorsements of controversial political figures or policy proposals (Hsieh & Wu, 2017; Jia & Bo Yang, 2023).

A Turning Point: The U.S. Capitol Insurrection on January 6th, 2021

Despite growing calls for companies to align their political activities with their stated social values, large-scale concession to such demands was a rarity prior to the attack on the U.S. Capitol on January 6th, 2021. The Capitol Insurrection marked a significant departure from the past. 123 of the largest companies in the United States, which had previously made campaign contributions to Republican Objectors, responded by publicly committing to overhaul their PAC strategies by either pausing contributions to all federal candidates or specifically distancing themselves from Objectors in future contributions (Hernandez & Yellin, 2021).

This collective effort by major U.S. corporations to demonstrate their championship of democratic ideals—through the unconventional promises to withhold campaign contributions—was unparalleled in recorded history. Never have we witnessed so many leading firms utilizing public promises to withhold their campaign contributions in order to take public stances such salient, contentious socio-political issues as the Insurrection. Remarkably, the American public remained divided over the deadly attack on the Capitol, with a plurality of Republicans refusing to condemn it as a violation of U.S. democracy (Smith et al., 2021).

Which companies initially heeded the calls for them to take public stances against the Capitol Insurrection? Mirroring broader political polarization, firms dominated by Democratic-leaning (rather than Republican-leaning) employees and consumers were more likely to announce a freeze in PAC contributions specifically targeting Republican Objectors, rather than a blanket pause in contributions or staying silent, after January 6th, 2021 (Li & DiSalvo, 2023). Nonetheless, many firms refrained from promising any adjustment to their campaign contribution strategies in the aftermath of the Insurrection (Hernandez & Yellin, 2021). Moreover, there is growing cynicism of corporate PACs returning to "business as usual" as an increasing number of corporations have reneged on such pledges or otherwise resumed giving to Republican Objectors over time (Li & DiSalvo, 2023; Poliquin & Hou, 2023).

Corporate Political Responsibility: A Stakeholder-Centric Synthesis of CPA and CSR

In the aftermath of the storming of the U.S. Capitol, what ultimately determined substantive and durable reallocation in corporate political *resources* to align with firms' espoused support for democratic norms and institutions? Unlike much of the existing scholarship on corporate political activities (CPA), another branch of non-market strategy research, focusing on corporate social responsibility (CSR) and more recently corporate socio-political activism, has been keenly aware of the importance of value alignment with stakeholders (Dorobantu et al., 2017; Hambrick & Wowak, 2021; Henisz et al., 2014). The composition and preferences of stakeholders can shape firm adoption of socially responsible business practices, as well as corporate or CEO engagement on contentious socio-political public discourse, in part because doing so confers companies competitive advantages in the attraction of customers, talent, and investors (Hong & Kostovetsky, 2012; Hurst, 2023; Liaukonytė et al., 2023).

Synthesizing these related but distinct strands of non-market strategy scholarship, we argue that corporate stakeholders play a critical role in fostering "corporate political responsibility," i.e., making corporate political activities accountable to the values that firms claim to champion and that stakeholders hold dear (Lyon et al., 2018; Mellahi et al., 2016; Sun et al., n.d.). When companies are tasked with exercising their civic duty to address grand socio-political challenges, especially those beyond their core competences, the "right thing to do" can often be ambiguous, and yet silence can become increasingly untenable (Hersh, 2023). Entrenched societal fractures along partisan or identity fault lines across many other advanced industrialized democracies further complicate matters (Blake et al., n.d.; McCarty et al., 2016). Facing these strategic dilemmas, firms may increasingly look to their core stakeholders for guidance and stewardship on whether and how to venture into previously uncharted territories of corporate political advocacy (Hersh, 2023; Li & DiSalvo, 2023).

Our synthesis of CPA and CSR/activism research, coupled with our focus on the role of stakeholders in shaping corporate political *resource allocations*, provides theoretical contributions to the field of non-market strategy. Research on traditional forms of corporate social responsibility is largely centered around firms' market activities, such as personnel policy, supply chain management, and sustainability practices (George et al., 2023; Kaplan, 2019). The more recent surge in research on corporate activism has primarily focused on how stakeholders' socio-political preferences influence their perceptions of, or ability to shape, companies' public *rhetoric* on contentious issues or figures (Bondi et al., 2023; Burbano, 2021; Li & DiSalvo, 2023; McKean & King, 2021). In contrast, there is limited existing evidence that stakeholders can transform companies' long-term political resource deployment, particularly to align more closely with firms' espoused values those championed by stakeholders (Li, 2018). The stewardship exercised by stakeholders over corporate political activities, should it exist systematically, can foster genuine corporate political responsibility and shape the role of business in society (Henderson, 2020; Lyon et al., 2018). At the same time, it can impede companies' ability to cultivate political connections and secure regulatory advantages via conventional corporate political spending, especially when the policymakers or issues that firms seek to lobby are opposed by critical stakeholders on ideological grounds (Li, 2018).

Hypotheses

To examine the impact of stakeholders on (re)aligning corporate political resource allocations with corporate political responsibility, we leverage the Capitol Insurrection as a pivotal event that heightened the salience of U.S. companies' withholding of campaign contributions from Republican Objectors as a signal of their commitment to democratic ideals. Drawing upon prior work that highlights organizational ideology, i.e., the political orientation of employees, as a key antecedent for corporate social responsibility and activism (Gupta et al. 2017; Gupta and Briscoe 2020; Hambrick and Wowak 2021; Wowak et al. 2022), this paper seeks to address the following questions: Can employees' revealed preference for legislators that support democratic norms and institutions explain which companies substantively and durably reduced campaign contributions from Republican Objectors after January 6, 2021? If so, what are the material implications and boundary conditions of such employee-imposed constraints on corporate political spending? Formally, our baseline hypothesis is as follows:

H1 (Baseline Hypothesis): Firms whose employees demonstrated comparatively greater support for Democratic or Republican legislators who upheld the 2020 presidential election results were more likely to refrain from making PAC contributions to Republican Objectors after the storming of the U.S. Capitol on January 6^{th}, 2021.

We focus on employees for two main reasons. First, employees may serve as particularly effective monitors of corporate campaign contributions, and hence better equipped to assess value congruence of such contributions, due to their information advantage vis-à-vis other stakeholders, such as consumers who tend to be less vested or embedded to keep abreast of corporate political activities (Li, 2018; Panagopoulos et al., 2019). Second, employees are a critical resource for financing corporate political action committees (PACs), which are legal vehicles that allow U.S. corporations to make direct campaign donations to electoral candidates (Li, 2018).

Beyond examining the impact of employees' preference for pro-institution legislators on the realignment of corporate PAC contributions after January 6^{th}, 2021, we delve into the strategic implications and boundary conditions regarding the role of employees in fostering corporate political responsibility. We first consider cross-pressure stemming from the strategic needs of corporate lobbying. While abstaining from making PAC contributions to Republican Objectors may satisfy employees who value democratic norms and institutions, it could come at potentially undermine firms' ability to secure valuable lobbying access through PAC contributions to specific Republican Objectors with significant policymaking influence crucial for companies' market activities (Kim et al., 2020). To navigate this strategic dilemma, companies dominated by pro-institution employees might attempt to "have their cake and eat it too" by ceasing PAC contributions only to Republican Objectors who offer relatively low values of political connections from a lobbying perspective, while continuing to contribute to select Objectors deemed strategically indispensable. Put differently, we hypothesize that:

H2 (Lobbying-Based Cross-Pressure): The impact of employees' pro-institution orientation on the likelihood of corporate PACs disassociating from Republican Objectors would be marginally smaller for Objectors who are influential legislators.

Next, we examine the role of corporate hierarchy in employee influence in corporate PACs' abstention from contributing to Republican Objectors after the Insurrection. Specifically, we aim to assess whether such influence, if present, is solely attributable to the corporate upper echelons (Briscoe et al., 2014; Hambrick & Mason, 1984). On the one hand, executives, unlike rank-and-file employees, have direct control and oversight over the allocation of corporate political spending; on the other hand, non-executive employees participate in the fundraising process for corporate PACs and may indirectly influence corporate PACs as a result (Li, 2018). We therefore conjecture that:

H3 (Corporate Hierarchy): The pro-institution leanings of executives should have a more significant impact on corporate PAC abstention from contributing to Republican Objectors than those for non-executive employees. However, the latter should also predict lower probabilities of corporate PAC giving to Objectors.

Finally, we acknowledge that corporate PAC contributions may constitute an easy test for employee influence, not only due to employees' direct role in financing such contributions but also because of the transparency and high visibility associated with this specific form of corporate political giving (Li 2018). Alternative, often less scrutinized, avenues of corporate political giving may elude employee attention or even serve as covert channels through which companies maintain strategic ties with influential legislators whom employees oppose on ideological grounds (Jia, Markus, and Werner 2023). To explore this possibility, we hypothesize that:

H4 (Covert Political Giving): Companies dominated by pro-institution employees were more likely to substitute to covert channels of political spending in support of Republican Objectors or their political allies.

Data and Measurement

To test our hypotheses, we gathered data from various sources on publicly traded U.S. companies with active political action committees (PACs). To create a panel data set specifically for this subset of firms, we focused on all firms (identified by GVKEY's) that appeared in Compustat's North American Annual Fundamentals dataset for 2019-2022 (Wharton Research Data Services, 2023). From this initial list, we conducted a fuzzy match process based on parent company names to link them with corporate PACs that were active during the 2021-2022 election cycle. We collected the latter data from OpenSecrets' database on committees and PAC contributions to federal candidates or other recipients for this period (OpenSecrets, 2023). Where necessary, we manually corrected any discrepancies in our fuzzy matching output. Our final dataset includes 803 U.S. publicly traded companies linked to their respective corporate PACs.

Main Outcome variables. For each of these companies, our main outcome variable is whether a given corporate PAC in our sample contributed to the campaigns of Republican Objectors in each year-quarter during the 2021-2022 election cycle. To measure this, we first collected all corporate PAC contributions made to candidate campaigns during this cycle as compiled by OpenSecrets (OpenSecrets, 2023), then focusing specifically on those contributions that were given to Republican Objectors based on recipient candidates' names (Yourish et al., 2021). For our baseline analyses, we aggregate corporate PAC contributions (or lack thereof) to all Republican Objectors in each year-quarter. In some of our extension analyses we break these measures down by individual Republican Objector.

Explanatory variables. Our hypothesis tests are centered around the political leanings of corporate stakeholders, specifically employees and consumers. The U.S. Federal Election Commission legally requires individual donors to publicly disclose any itemized campaign donations made to congressional candidates, including donors' names and self-reported employment. We can deduce employees' support for Members of Congress from different parties or intra-party factions (as they relate to the Capitol Insurrection) based on employees' personal campaign donation histories, which can proxy employee-donors' long-term revealed political leanings (Bonica, 2014; Gupta et al., 2017; Li, 2018).

Specifically, in the context of the Capitol Insurrection, we focus on Members of Congress who were in office on January 6th, 2021, for roll-call votes to certify the 2020 electoral college vote counts. On that day, 147 Objectors voting to overturn one or more of the electoral college vote counts, leaving all 270 Democratic Members and 115 other Republican Members (who we will refer to as "Republican Non-Objectors") with no objections to the 2020 presidential election results (Smith et al., 2021). Given this breakdown, for each employee donor, we calculated the share of their donations to Democratic Members of Congress who were in office on January 6th, 2021, during the period of 2011-2020. Similarly, we computed the proportion of each employee donor's campaign donations to Republican Members of Congress who voted for election certification.

We then averaged individual-level proportions of donations to Democrats and to Republican Non-Objectors, respectively, across all employee donors within a particular firm, giving equal weight to each employee. For some of our heterogeneity analyses, we also disaggregate these measures based on individual employee-donor's executive status, based on employees' self-reported occupations in their publicly disclosed campaign donation records (OpenSecrets, 2021).

Fixed effects. As detailed in the next section, we employ a difference-in-differences research design that, in the baseline analyses, accounts for all time-invariant firm attributes (e.g., baseline propensities for corporate PACs to contribute to Republican Objectors) and all year-quarter common trends within a given sector (e.g., electoral turnovers and other changes in the macro non-market environment, and sector-wide market fluctuations and potential diffusion of socio-political activist stances). We define sectors based on the first two digits of each firm's primary NAICS code (Wharton Research Data Services, 2023). In extended analyses where we analyze corporate PAC contributions to individual Republican Objectors, we employ analogous fixed effects by firm-Objector dyads and fixed effects for each year-quarter within each sector with respect to a given Objector.

Additional firm covariates. Since many standard market or non-market control variables would be absorbed by the fixed effects included in our estimation procedure or might be measured post-treatment (such as firms' financial performance in 2021-2022), we focus for now on three sets of control variables below. First, companies with different historical patterns of corporate PAC contributions may have different counterfactual trends in contributions to

Republican Objectors after the Capitol Insurrection, even holding other factors constant. For instance, companies that have historically made greater PAC contributions to Republican Objectors may have been subject to higher media scrutiny and greater societal pressure after January 6, 2021 (Hernandez & Yellin, 2021). Alternatively, as the Republican Party gained electoral momentum during the 2021-22 congressional election cycle, corporate PACs' tendencies to shift their contributions to the expected winners of that midterm election season (including many Republican Objectors) may also depend on their historical PAC contribution patterns. To allow for such potential path dependencies in corporate PAC contributions that we cannot capture with our fixed effects, we calculated each corporate PAC's average percentage of contributions to Democratic Members of Congress, Republican Members of Congress who voted to certify the 2020 presidential election result, and Republican Objectors during 2011-2020, using OpenSecrets' database of corporate PAC contributions to federal candidates (OpenSecrets, 2023).

Second, we recorded whether each firm announced a PAC pledge shortly after the Capitol Insurrection, committing to either pause all federal contributions or specifically those to Republican Objectors (Hernandez & Yellin, 2021). We refrain from including these pledges as controls in our preferred specifications as they are determined post-treatment: stakeholders' partisanship, including that of employees, is a strong predictor of whether Fortune 500 companies publicly pledged to withhold PAC contributions from Objectors after January 6th, 2021 (Li & DiSalvo, 2023). Nevertheless, to account for any public monitoring effects that may have resulted from these pledges, we conducted a robustness check where we estimate the direct effects of employees' pro-institution leanings, including additional control variables that allow for companies to have different trajectories in PAC contributions to Republican Objectors based on their public PAC pledges (or lack thereof) after January 6th, 2021.

Finally, we acknowledge the possibility that other, non-employee, stakeholders may have also played a role in shaping corporate PAC contributions to Republican Objectors following the Insurrection. As a robustness check, we constructed a Twitter-based proxy for their political sentiments that is similar to recent measurement advances in quantitative marketing research (Li & DiSalvo, 2023; Schoenmueller et al., 2023). Specifically, for each firm in our sample, we collected its Twitter handle and obtained its followers using an academic license to Twitter's API in early 2021 and in early 2023. Due to the API's rate limit, we could not create an all-encompassing mapping between each corporate Twitter follower and every Member of Congress' Twitter account. As a result, we focused on the overlap in follower networks between firms and three prominent Members: Senators Elizabeth Warren (Democrat), Mitt Romney (Republican Non-Objector), and Ted Cruz (Republican Objector). These three Senators were selected because they are relatively well known, have similar sizes of Twitter followings, and represented three distinct congressional factions in relation to the events on January 6th, 2021.

This Twitter-based measurement strategy for consumers' political orientation is far from ideal since, unlike campaign finance data (which provide some basis for detecting employment status), we cannot verify whether individual followers of corporate accounts are indeed consumers. Nonetheless, Twitter-based proxies of consumer political orientation may illuminate the "political brands" that companies publicly project to external stakeholders such as consumers, and has been shown in prior work to correlate with self-reported partisanship in proprietary consumer survey of large brands (Schoenmueller et al., 2023). Similarly, the partisanship of corporate Twitter followers is a significant predictor of companies publicly pledging to withhold their PAC contributions from Republican Objectors after the storming of the U.S. Capitol on January 6th, 2021 (Li & DiSalvo, 2023).

Alternative corporate political spending. In extended analyses, we consider other, often less scrutinized, channels of corporate (or firm-affiliated) campaign contributions to Republican Objectors or the latter's allies, all of which are constructed using OpenSecrets' databases on campaign contributions from committees, corporate treasury funds, or individuals (OpenSecrets, 2023). First, we compiled data on corporate PAC contributions to Republican Objectors' leadership PACs. While leadership PACs cannot finance candidates' own campaigns, they can be used to support those of one's political allies and are an important means for Members of Congress to ascend in their political ranks (Heberlig & Larson, 2005). Second, we collected data on corporate treasury donations to the Republican Attorneys General Association, a prominent 527 (political non-profit) organization that was implicated in the Capitol Insurrection (Strickler & Cavazuti, 2021). Importantly, unlike corporate PAC contributions, employees do not participate in the fundraising of corporate treasury donations to 527 organizations, thereby removing one direct channel of influence in this particular form of corporate political spending (Li, 2018). Third, although our measurement of employees' political leaning critically depends on the latter's own campaign donation histories, we acknowledge the possibility that some of employees' own donations do not reflect sincere ideological preferences, but rather emerge from employers' strategic needs to cultivate political connections with influential policymakers (Richter & Werner, 2017; Stuckatz, 2020). To measure such "bundled" employee donations to Republican Objectors in lieu of corporate PAC contributions, we also calculate the percentage of employees' direct donations in each year-quarter that went to Republican Objectors as opposed to other Members of Congress.

Additional candidate covariates. To further illuminate the boundary conditions of employee influence on corporate PAC contributions to Republican Objectors in the aftermath of January 6th, 2021, we conduct heterogeneity tests based on three measures of the values of political connections to individual Republican Objectors from a lobbying standpoint. First, I used LobbyView's database to measure prior lobbying contact, specifically, whether a firm has lobbied on any bills sponsored by a given Republican Objector prior to 2021 (Kim, 2018). Second, I hand-collected data on which Republican Objectors had ever been leaders for the Republican Party in the House or the Senate during 2021-2022; they are Kevin McCarthy (then Leader of the House Republican Conference), Steve Scalise (then House Minority Whip), Elise Stefanik (Chair of the House Republican Conference), Gary Palmer (Chair of the House Republican Policy Committee), and Rick Scott (then Chair of the National Republican Senatorial Committee). Finally, I hand-collected data on which Republican Objectors were members of important congressional committees during 2021-2022; these include Appropriations, Rules, and Ways and Means in the House, and Appropriations, Finance, Foreign Relations, and Armed Services in the Senate (Berry & Fowler, 2018).

Empirical Design

In our baseline hypothesis test, we employ the following difference-in-differences design:

$$I(No\ PAC\ Contributions\ to\ Objectors)_{it}$$

$$= \beta_1 \%EmpD_i \times I(Post_t) + \beta_2 \%EmpRNonObj_i \times I(Post_t) +$$

$$= \beta_3 \%PastPACD_i \times I(Post) + \beta_4 \%PastPACRNonObj_i \times I(Post_t) +$$

$$= \mathbf{X_{it}}\Gamma + \alpha_i + \tau_{st} + \epsilon_{it}$$

Equation 1

Here, i denotes each of the publicly traded U.S. companies which we have linked to their corresponding political action committees (PACs), and t represents a year-quarter during 2019-2022. The outcome variable here is an indicator for whether firm i's PAC made no campaign contributions to Republican Objectors in year-quarter t.

$\%EmpD_i$ and $\%EmpRNonObj_i$ represent the shares of firm i's employees, as individual campaign donors, who historically supported Congressional Democrats or Congressional Republicans who did not vote against the certification of the 2020 electoral college votes, respectively. $\%TwitterD_i$ and $\%TwitterRNonObj_i$ represent the proportions of firm i's Twitter followers who also followed Senator Warren or Senator Romney, respectively.

Our baseline control variables, $\%PastPACD_i$ and $\%PastPACRNonObj_i$, represent the percentages of firm i's historical PAC contributions given to Congressional Democrats or Congressional Republicans who upheld the legitimacy of the 2020 presidential election result. We interact these variables with $I(Post_t)$, an indicator for year-quarter t being post-2020 (and after the Capitol Insurrection).

In some robustness checks, we include additional control variables denoted by $\mathbf{X_{it}}$. These can include any corporate PAC pledges that firms in a CNN survey administered in the immediate aftermath of the attack on the U.S. Capitol on January 6th, 2021 (Hernandez & Yellin, 2021), and/or Twitter-based proxies for consumers' revealed preferences towards Democratic and Republican Non-Objector Members of Congress. Each of these control variables is also interacted with a post-Insurrection indicator.

Finally, we have firm fixed effects α_i, which absorbs time-invariant measures of stakeholders or PACs' political leanings and any PAC pledges firms made at the beginning of 2021. Similarly, we include, τ_{st}, a year-quarter t fixed effect for each 2-digit NAICS codes sector s, which absorbs all sector-specific common shocks such as shared market fluctuations or industry-wide propensities to engage in corporate political advocacy. Standard errors are clustered by firm.

Recall that **H1** states that firms with stakeholders who are relatively more supportive of Democratic Members of Congress or Republican Members who did not feed into election denial would be more likely to withhold corporate PAC contributions from Republican Objectors following the Capitol Insurrection. Formally stated, **H1** conjectures that $\beta_1 + \beta_2 > 0$.

Although causal attribution is challenging in our context, as the political orientation of stakeholders is far from randomly assigned for firms, we strive to mitigate potential confounding factors via the inclusion of firm and sector-time fixed effects. Our firm fixed effects ensure that companies' baseline propensities to support Republican Objectors, whether due to instrumental reasons (such as certain Objectors being home-state representatives or chairs of key congressional committees) or non-instrumental motivations (such as ideological congruence with stakeholders), do not affect our estimates. Additionally, our sector-specific fixed effects help to eliminate any sector-wide market or non-market shocks that could either bolster or weaken firms' commitment to cease funding the campaigns of Republican Objectors after January 6^{th}, 2021. The parallel-trends assumption underlying our regression specification posits that. Despite differences in stakeholders' political preferences (our key explanatory variables of interest), historical corporate PAC contribution pattens, and PAC pledges that some firms made in response to the Capitol Insurrection (the latter two are our main firm- and time- varying control variables), firms within the same sector should have the same counterfactual trends in their propensities to make PAC contributions to Republican Objectors following the Capitol

Insurrection. We present a placebo test for this assumption in the next section, along with our main results.

Baseline Analyses

Table 1 contains summary statistics, and Table 2 presents the estimation results corresponding to **Error! Reference source not found.**. All columns include firm and sector-by-year-quarter fixed effects, and all results are clustered by firm. In column (1), we begin with our explanatory variables of interest—employees' pro-institution leanings as revealed by their past campaign donation histories—along with baseline controls for differential post-Insurrection effects of historical percentages of corporate PAC contributions to different types of congressional candidates. We find that the percentages of firm employees who have historically donated to Democratic or Republican non-Objector Members of Congress both predict a greater reduction in the likelihood of corporate PAC contributions to Republican Objectors after January 6th, 2021. Formally speaking, in relation to **H1**, we can confidently reject the null hypothesis that $\beta_1 + \beta_2 = 0$ (p-value less than 0.001).

It is noteworthy that despite the polarized public reactions to the Insurrection (Smith et al., 2021), firms whose Republican-leaning employees are relatively less inclined to support Objectors, as opposed to non-Objectors, were also more likely to abstain from giving PAC contributions to Objectors following the assault on the U.S. Capitol, all else constant. This finding implies that employees—irrespective of their partisan affiliations—whose personal campaign contribution patterns demonstrate a stronger regard for democratic institutions may have played a more active role in holding companies accountable for not funding the campaigns of legislators who cast doubts about the legitimacy of the 2020 presidential election result.

Additional Controls. Even when we introduce additional control variable, employees' pro-institution leanings continue to predict corporate PACs abstaining from contributing to Republican Objectors after the Capitol Insurrection. In column (2), we allow any public corporate PAC pledges made at the beginning of 2021 in response to the Capitol Insurrection to independently affect propensities for corporate PACs to contribute to Republican Objectors after January 6th, 2021. In column (3), we add Twitter-based proxies for consumers' political orientation. Column (4) combines both sets of additional control variables. Throughout these columns, we continue to reject the null hypothesis that $\beta_1 + \beta_2 = 0$. Nonetheless, our preferred baseline specification is column (1) as corporate PAC pledges were determined post-treatment (Li & DiSalvo, 2023), and that Twitter-based proxies of consumers' pro-institution leanings suffer from significant measurement errors and are highly correlated with our campaign finance-based measures of employees' political orientation.

Substantive significance. In addition to being precisely estimated, the estimated effects of employees' pro-institution leanings are sizable. Based on column 1 of Table 2, a one-standard-deviation increase in the percentage of employee donors who lean Democratic (23.3%) translates into a 36.1% reduction in corporate PACs' likelihood of contributing to Republican Objectors following the Capitol Insurrection, relative to the baseline probability of 49.7% among all firm-year quarters since the beginning of 2021. Similarly, a one-standard-deviation increase in the percentage of employee donors who support Republican non-Objectors (19.4%) translates into a 17.8% reduction in corporate PACs' likelihood of supporting Republican Objectors following the Capitol Insurrection.

While these results largely arise from the extensive margin—whether a corporate PAC made any contributions to Republican Objectors in each year-quarter—we can also show that companies with relatively more pro-institution employees significantly reduced their total PAC contributions (if any) to Objectors after the Capitol Insurrection. In Table 3, we estimate the same set of regressions as shown in Table 2, except that we replace the original outcome variable with the sum of corporate PAC contributions to Republican Objectors in each year-quarter, transformed by log(+1). As show in Table 3, employees' pro-institution leanings predict sizable reduction in corporate PAC giving to Objectors after the Insurrection.

Furthermore, the effects of employees' pro-institution leanings on corporate PACs withholding contributions from Republican Objectors after the Insurrection appear to be more than ephemeral. To show this, we test for whether the estimated effects of the percentages of employees that had donated to Democrats or Republican Non-Objectors differed in 2021 versus 2022, with the latter being a midterm election year. As shown in Table 4, we cannot reject the null hypothesis that employees' pro-institution orientation predicted a higher likelihood of corporate PACs abstaining from contributing to Republican Objectors in 2022 as it did in 2021.

Placebo test. Since our focal event—the attack on the U.S. Capitol—was a common shock (i.e., no staggered events or treatment reversals), we also conduct a placebo test to verify that firms whose stakeholders exhibited less support for Republican Objectors were no more likely to withhold PAC contributions from (future) Objectors in the 4th quarter of 2020, one quarter prior to the Insurrection. In the first column of Table 5, we reproduce the baseline regression estimates in column 1 of Table 2. We contrast that with a placebo test in the second column of Table 5, where we replace the original outcome variable with an indicator of whether a corporate PAC abstained from contributing to Republican Objectors one quarter ahead of the treatment period (i.e., Q4 of 2020). A comparison of these two columns shows that the percentages of employees who historically donated to Democrats and Republican Non-

Objectors, respectively, are significant predictors only after the Insurrection, not before. Similarly, the third column of Table 5 reproduces the extended regression estimates in column 4 of Table 2, and the next column of Table 5 presents a parallel placebo test where we lead the outcome variable by one quarter. Again, there is no significant evidence of differential pre-trends in the likelihood of corporate PACs abstaining from contributing to (future) Republican Objectors, consistent with our parallel-trends assumption.

Extended Analyses

Thus far, we have demonstrated that employees who have revealed preference for pro-institution Members of Congress appeared to have held companies accountable for not funding the campaigns of Republican Objectors after the storming of the U.S. Capitol on January 6^{th}, 2021. In this section, we conduct three sets of additional analyses to further shed light on the mechanisms and boundary conditions for such employee influence on corporate political responsibility.

Lobbying-based cross pressure. To test whether companies dominated by pro-institution employees ceased making PAC contributions only to Republican Objectors who provide relatively low values of political connections for said firms **(H2)**, I analyze heterogeneity in corporat PAC contributions (or lack thereof) to individual Republican Objectors. Specifically, I test for whether, following the Capitol Insurrection, the percentages of employees that had donated to Democrats or Republican Non-Objectors predicted marginally lower increase in the propensities for corporate PACs to abstain from giving to specific Republican Objectors who might be strategically important for firms from a lobbying standpoint. Recall our three measures of such valuable political connections: 1) prior lobbying contact with a given firm (Kim, 2018),

2) congressional leadership, and 3) membership on powerful congressional committees (Berry & Fowler, 2018).

Table 6 displays the estimation results corresponding to heterogeneity tests using each of these three measures of the values of political connections to Republican Objectors. Surprisingly, in all three cases, there is no evidence that pro-institution employees' influence on corporate PACs' abstention from contributing to Republican Objectors diminished in cases where the latter had disproportionate legislative influence that could affect firms' lobbying success. As shown in column 1, the marginal effects of the percentages of employees who supported Democrats or Republican Non-Objectors are *stronger*, not weaker, for specific Republican Objectors whom firms had prior lobbying contacts. In columns 2 and 3, respectively, we find that companies with higher percentage of employees who had donated to Democrats were even *more* likely to stop contributing to Republican Objectors who were leaders of the Republican Party or members of powerful congressional committees; there are no detectable marginal effects based on the percentage of employees who had donated to Republican Non-Objectors.

Taken together, these findings imply that when employee demands for companies to (re)align their political spending with their espoused socio-political values are sufficiently widespread or intense, employees may create a binding constraint for companies' ability to buy lobbying access and regulatory advantages via corporate political spending. One possible explanation for this set of findings is that corporate PAC contributions to powerful Objectors (e.g., those who are congressional leaders) might have been scrutinized by employees due to said Objectors' relatively high visibility, and also weighed more heavily in employees' assessment of value congruence with employers due to the higher socio-political impact of corporate PAC contributions to influential Objectors than those made to less influential ones. As a result, pro-institution employees' resistence to corporate PAC contributions to Republican Objectors might have been even greater for high-profile Objectors in Congress.

Corporate Hierarchy. To test whether the baseline findings are entirely driven by the upper echelons within companies, or whether rank-and-file employees played a role as well **(H3)**, I test whether executives' and non-executive employees' pro-institution orinetation independently affects corporate PACs' withholding of contributions from Republican Objectors after the Insurrection.

Table 7 presents the corresponding estimation results. In column 1, I instead only the percentages of executives who had donated to Democrats and Republican Non-Objectors, respectively, as the explanatory variables of interest. Both strongly predict a greater probability of companies abstaining from contributing to Republican Objectors following January 6th, 2021. In column 2, I include analogous explantory variables, but for non-executive employees. All else constant, a greater share of Democratic-leaning rank-and-file employees also reduces the likelihood of any corporate PAC contributions to Republican Objectors after the Insurrection; the estimate for rank-and-file employees who support Republican Non-Objectors exhibits the same sign but is not statistically significant. Finally, in column 3, I include measures of pro-institution leanings for both executive and non-executive employees. The estimates for executives continue to be statistically significant. Those for non-executive employees are not independently disguished from zero, but this could result from the high degree of correlations between revealed ideological preferences among executives and non-executives (the percentages of executive vs. non-executive employees who had donated to Democrats have a Pearson corelation of 0.683; it is 0.525 for those supporting Republican Non-Objectors). Furthermore, we cannot reject the null hypothesis that the joint estimated effects of executives' support for Democrats or Republican

Non-Objectors are statistically distinct from those for non-executive employees (p-value of 0.365).

To summarize, companies whose upper echelons have historically supported pro-institution legislators across the partisan aisle were, all else constant, more likely to withhold PAC contributions from Republican Objectors following the storming of the U.S. Capitol. Similarly, firms dominated by pro-institution rank-and-file employees, particularly those who lean Democratic, similarly shunned Republican Objectors at a higher rate since the beginning of 2021. Though the effects for executives are more precisely estimated, there is no strong evidence to suggest that employees' influence on corporate political responsibility in the aftermath of the Capitol Insurrection was solely driven by those at the top of the corporate hierarchy.

Alternative, Less Scrutinized, Avenues of Political Giving. To test whether companies dominated by pro-institution employees sought to bypass employee pressure by covertly supporting Republican Objectors via alternative, often less scrutinized, avenues of political giving **(H4)**, I focus on three such covert channels of political giving: a) corporate PAC contributions to so-called "leadership PACs" (rather than principal campaign committees) of Republican Objectors; b) coordinated or "bundled" campaign donations directly from employees to Objectors in lieu of corporate PAC contributions (Richter and Werner 2017); and c) corporate treasury donations to the Republican Attorneys General Association.

Table 8 presents the corresponding estimation results, with each column focusing on one of the three alternative avenues of corporate political giving to Republican Objectors as the outcome variable. Column 1 shows that companies dominated by Democratic-leaning employees were less likely to make any PAC contributions to Republican Objectors' leadership PACs; the estimated effect for the percentage of employees who supported Republican Non-Objectors exhibits the same sign though is not statistically significant. The same qualitative pattern emerges for corporate treasury donations to the Republican Attorneys General Association, as shown in column 2. In column 3, we find no statistically significant effects of employees' pro-institution leanings—measured using their campaign donation histories prior to 2021—on any shift in their campaign donations towards Republican Objectors (as opposed to other Members of Congress) since the Insurrection. Both estimates are in fact negative though not precisely distinguished from zero.

Taken together, the results presented in Table 8 suggest that companies dominated by pro-institution employees did not systematically circumvent employee demand by substituting to supporting Republican Objectors via less scrutinized avenues of political giving than corporate PAC contributions. In fact, there is modest evidence to suggest that employee influence in fostering corporate political responsibility may extend across (visible) domains of corporate political giving. On the one hand, such employee influence may lead to a greater alignment between corporate political spending and firms' espoused values across the board. On the other hand, it may also create binding constraints on companies' ability to maintain covert connections to strategically important but politically controversial legislators.

Conclusion

In the aftermath of the storming of the U.S. Capitol on January 6th, 2021, an unprecedented number of large U.S. companies publicly pledged to overhaul their campaign contribution practices in response to the event, including many that specifically vowed to withhold future contributions from Republican legislators who voted against certifying the 2020 presidential election results, i.e., the Republican Objectors (Hernandez & Yellin, 2021). Despite corporate America's expressed support for democratic norms and institutions, corporate political action committees (PACs), the primary means through which U.S. companies legally contribute to candidate campaigns, varied greatly in their subsequent track records of disassociating from Republican Objectors during the 2021-2022 election cycle. To what extent did the political orientation of such key stakeholder groups as employees determined corporate PACs' abstention from supporting Republican Objectors? Furthermore, insofar as such employee influence was prevalent, what are the implications for corporate political activities and corporate social responsibility in non-market environments marked entrenched political polarization and growing concerns for democratic backsliding (Blake et al., n.d.; McCarty et al., 2016)?

Our paper aims to address these questions by examining the relationship between organizational ideology (Gupta et al., 2017; Gupta & Briscoe, 2020)—specifically, employees' revealed preferences for pro-institution legislators—and patterns of corporate PAC contributions by publicly traded U.S. companies during the 2021-2022 election cycle. We conduct a series of difference-in-differences analyses of quarterly corporate PAC contributions from all publicly traded U.S. companies over 2019-2022, conceptualizing the Capitol Insurrection as a salient event that amplified the signaling value of corporate PACs' disassociations from Republican Objectors as companies' expressed support for democratic norms and institutions. We find that companies whose employees, as individual campaign donors, have historically given more to Democratic or Republican Members of Congress who voted to uphold (rather than overturn) the 2020 presidential election results demonstrated substantive and durable reductions in corporate PAC contributions to Republican Objectors following the Capitol Insurrection. Furthermore, employees' ability to (re)align corporate political spending with democratic ideals holds even in cases where specific Republican Objectors are strategically valuable for firm lobbying; it extends similarly to alternative, less scrutinized, avenues of corporate political giving in support of

Objectors; and it is attributable to the influence from the corporate upper echelon as well as, to a lesser extent, rank-and-file employees.

By integrating a stakeholder-centric lens, often underexplored in existing research on corporate political activities (CPA), we illuminate employees' political orientation as a key antecedent in the (re)alignment of *corporate political resources* (in this case, corporate PAC contributions) with firms' espoused values (in this case, the support for democracy and election integrity). Although prior work has highlighted the role of organizational ideology in facilitating socially responsible *market* conduct and corporate *speech* in support of activist goals (Gupta et al., 2017; Gupta & Briscoe, 2020), our study is among the first to demonstrate its impact on fostering corporate political responsibility (Henderson, 2020; Lyon et al., 2018; Mellahi et al., 2016; Sun et al., n.d.). Furthermore, we show that employee stewardship not only transform corporate political spending into a novel avenue of corporate activism, but also significantly constrain firms' ability to secure valuable political connections and lobbying access. Future studies can further delve into how companies navigate these intricate strategic trade-offs when faced with cross-pressures between the instrumental goals of their corporate political activities and stakeholders' demand for socio-political value congruence and, consequently, the changing performance and social impact of corporate political activities in politically turbulent times (Blake et al., n.d.; McCarty et al., 2016).

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Tables

Table 1: Summary Statistics

Variable	Unit	N	Mean	St. Dev.	Min	Max
Post-Jan 6	Qtr.	16	0.5	0.516	0	1
% Past Dem. PAC Contributions	Firm	755	0.427	0.218	0	1
% Past Rep. Non-Obj. PAC Contributions	Firm	755	0.377	0.179	0	1
% Dem. Employee Donors	Firm	754	0.526	0.233	0	1
% Rep. Non-Obj. Employee Donors	Firm	754	0.342	0.194	0	1
% Dem. Exec. Donors	Firm	743	0.442	0.275	0	1
% Rep. Non-Obj. Exec. Donors	Firm	743	0.441	0.239	0	1
% Dem. Non-Exec. Donors	Firm	749	0.565	0.239	0	1
% Rep. Non-Obj. Non-Exec. Donors	Firm	749	0.296	0.203	0	1
% Warren Twitter Followers	Firm	406	0.419	0.084	0	0.667
% Romney Twitter Followers	Firm	406	0.267	0.052	0	0.46
No Pledge	Firm	803	0.183	0.387	0	1
Blanket Pledge	Firm	803	0.093	0.291	0	1
Objector Pledge	Firm	803	0.042	0.201	0	1
Zero PAC Contribution to Objectors	Firm-Qtr.	12,848	0.60	0.49	0	1
Total PAC Contributions to Objectors ($)	Firm-Qtr.	12,848	6,573.55	20,399.83	0	607,500
Any PAC Contributions to Objectors' Leadership PACs	Firm-Qtr.	12,848	0.12	0.32	0	1
Corporate Donations to RAGA ($)	Firm-Qtr.	12,848	831.27	7,378.24	0	205,000
% Bundled Employee Donations to Objectors	Firm-Qtr.	11,232	14.07	23.77	0	100
Party Leader	Cand.	147	0.034	0.182	0	1
Important Committee Member	Cand.	147	0.245	0.431	0	1
Prior Lobbying Contact	Firm-Cand.	109,221	0.008	0.091	0	1

Variable	Unit	N	Mean	St. Dev.	Min	Max
Zero PAC Contributions to Individual Objector	Firm-Cand.-Qtr.	1,747,536	0.984	0.126	0	1

Table 2: Effects of Stakeholders' Political Orientation on the Withholding of Corporate PAC Contributions to Republican Objectors Post-Capitol Insurrection

	(1) Zero PAC Contributions to Objectors	(2) Zero PAC Contributions to Objectors	(3) Zero PAC Contributions to Objectors	(4) Zero PAC Contributions to Objectors
% Dem. Employee Donors x Post-Jan 6	0.434*** (0.106)	0.347*** (0.097)	0.513** (0.177)	0.384* (0.165)
% Rep. Non-Obj. Employee Donors x Post-Jan 6	0.257* (0.119)	0.225* (0.109)	0.459* (0.212)	0.415* (0.201)
% Past Dem. PAC Contributions x Post-Jan 6	-0.252** (0.083)	-0.222** (0.072)	-0.304* (0.147)	-0.222 (0.116)
% Past Rep. Non-Obj. PAC Contributions x Post-Jan 6	-0.373*** (0.087)	-0.284*** (0.074)	-0.586*** (0.147)	-0.398** (0.123)
Objector Pledge x Post-Jan 6		0.164*** (0.026)		0.148*** (0.031)
Blanket Pledge x Post-Jan 6		0.232*** (0.032)		0.2*** (0.036)
Non-Pledge x Post-Jan 6		0.393*** (0.039)		0.359*** (0.046)
% Warren Twitter Followers x Post-Jan 6			0.359 (0.222)	0.417* (0.185)
% Romney Twitter Followers x Post-Jan 6			0.107 (0.323)	0.033 (0.279)
Firm F.E.	Y	Y	Y	Y
Sector-Year Quarter F.E.	Y	Y	Y	Y
N. Clusters (Firm)	753	753	406	406
Sample Size (Firm-Year Quarters)	12,048	12,048	6,496	6,496

Notes: Standard errors are clustered by firm; * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

Table 3: Effects of Stakeholders' Political Orientation on Total Corporate PAC Contributions to Republican Objectors Post-Capitol Insurrection

	(1) Log(PAC Contributions to Objectors+1)
% Dem. Employee Donors x Post-Jan 6	-3.84*** (0.886)
% Rep. Non-Obj. Employee Donors x Post-Jan 6	-2.341* (0.993)
% Past Dem. PAC Contributions x Post-Jan 6	2.298** (0.696)
% Past Rep. Non-Obj. PAC Contributions x Post-Jan 6	3.433*** (0.736)
Firm F.E.	Y
Sector-Year Quarter F.E.	Y
N. Clusters (Firm)	753
Sample Size (Firm-Year Quarters)	12,048

Notes: Standard errors are clustered by firm; * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

Table 4: Effects of Stakeholders' Political Orientation on the Withholding of Corporate PAC Contributions to Republican Objectors, 2021 vs. 2022

	(1) Zero PAC Contributions to Objectors
% Dem. Employee Donors x Post-Jan 6	0.477*** (0.138)
% Dem. Employee Donors x 2022	-0.085 (0.137)
% Rep. Non-Obj. Employee Donors x Post-Jan 6	0.308* (0.157)
% Rep. Non-Obj. Employee Donors x 2022	-0.101 (0.159)
% Past Dem. PAC Contributions x Post-Jan 6	-0.252** (0.083)
% Past Rep. Non-Obj. PAC Contributions x Post-Jan 6	-0.373*** (0.087)
Firm F.E.	Y
Sector-Year Quarter F.E.	Y
N. Clusters (Firm)	753
Sample Size (Firm-Year Quarters)	12,048

Notes: Standard errors are clustered by firm; * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

Table 5: Placebo Test for Stakeholders' Political Orientation and the Withholding of Corporate PAC Contributions to Republican Objectors Pre-Capitol Insurrection

	(1) Zero PAC Contributions to Objectors (t)	(2) Zero PAC Contributions to Objectors (t+1)	(3) Zero PAC Contributions to Objectors (t)	(4) Zero PAC Contributions to Objectors (t+1)
% Dem. Employee Donors x Post-Jan 6	0.434*** (0.106)	0.156 (0.107)	0.384* (0.165)	0.263 (0.21)
% Rep. Non-Obj. Employee Donors x Post-Jan 6	0.257* (0.119)	0.053 (0.121)	0.415* (0.201)	0.218 (0.237)
% Past Dem. PAC Contributions x Post-Jan 6	-0.252** (0.083)	-0.152* (0.077)	-0.222 (0.116)	-0.026 (0.152)
% Past Rep. Non-Obj. PAC Contributions x Post-Jan 6	-0.373*** (0.087)	-0.185* (0.085)	-0.398** (0.123)	-0.09 (0.15)
% Warren Twitter Followers x Post-Jan 6			0.417* (0.185)	0.209 (0.241)
% Romney Twitter Followers x Post-Jan 6			0.033 (0.279)	0.171 (0.346)
Objector Pledge x Post-Jan 6			0.148*** (0.031)	-0.062 (0.033)
Blanket Pledge x Post-Jan 6			0.2*** (0.036)	-0.02 (0.04)
Non-Pledge x Post-Jan 6			0.359*** (0.046)	0 (0.07)
Firm F.E.	Y	Y	Y	Y
Sector-Year Quarter F.E.	Y	Y	Y	Y
N. Clusters (Firm)	753	753	406	406
Sample Size (Firm-Year Quarters)	12,048	9,036	6,496	4,872

Notes: Standard errors are clustered by firm; * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

Table 6: Heterogeneity Test Based on Values of Political Connections to Individual Republican Objectors

	(1) No PAC Contributions to Individual Objector	(2) No PAC Contributions to Individual Objector	(3) No PAC Contributions to Individual
% Dem. Employee Donors x Post-Jan 6	0.015** (0.005)	0.015** (0.005)	0.016*** (0.005)
% Dem. Employee Donors x Post-Jan 6 x Prior Lobbying Contact	0.092*** (0.02)		
% Dem. Employee Donors x Post-Jan 6 x Party Leader		0.032** (0.012)	
% Dem. Employee Donors x Post-Jan 6 x Important Committee Member			0.001 (0.005)
% Rep. Non-Obj. Employee Donors x Post-Jan 6	0.013** (0.005)	0.013** (0.005)	0.015** (0.005)
% Rep. Non-Obj. Employee Donors x Post-Jan 6 x Prior Lobbying Contact	0.118*** (0.033)		
% Rep. Non-Obj. Employee Donors x Post-Jan 6 x Party Leader		0.01 (0.013)	
% Rep. Non-Obj. Employee Donors x Post-Jan 6 x Important Committee Member			-0.006 (0.005)
% Past Dem. PAC Contributions x Post-Jan 6	-0.01* (0.004)	-0.01* (0.004)	-0.01* (0.004)
% Past Rep. Non-Obj. PAC Contributions x Post-Jan 6	-0.02*** (0.005)	-0.022*** (0.005)	-0.022*** (0.005)
Firm F.E.	Y	Y	Y
Sector-Year Quarter F.E.	Y	Y	Y
N. Clusters (Firm)	104223	104223	104223
Sample Size (Firm-Year Quarters)	1,667,568	1,667,568	1,667,568

Notes: Standard errors are clustered by firm; * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

Table 7: Heterogeneity Test Based on the Revealed Preferences for Pro-Institution Legislators Among Executive vs. Non-Executive Employees

	(1) No PAC Contributions to Objectors	(2) No PAC Contributions to Objectors	(3) No PAC Contributions to Objectors
% Dem. Exec. Donors x Post-Jan 6	0.398*** (0.077)		0.343*** (0.088)
% Rep. Non-Obj. Exec. Donors x Post-Jan 6	0.252** (0.088)		0.218* (0.099)
% Dem. Non-Exec. Donors x Post-Jan 6		0.287** (0.093)	0.152 (0.109)
% Rep. Non-Obj. Non-Exec. Donors x Post-Jan 6		0.176 (0.106)	0.108 (0.121)
% Past Dem. PAC Contributions x Post-Jan 6	-0.295*** (0.087)	-0.16* (0.08)	-0.326*** (0.089)
% Past Rep. Non-Obj. PAC Contributions x Post-Jan 6	-0.432*** (0.091)	-0.337*** (0.089)	-0.448*** (0.095)
Firm F.E.	Y	Y	Y
Sector-Year Quarter F.E.	Y	Y	Y
N. Clusters (Firm)	742	749	738
Sample Size (Firm-Year Quarters)	11,872	11,984	11,808

Notes: Standard errors are clustered by firm; * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

Table 8: Effects of Stakeholders' Political Orientation on Alternative Avenues of Corporate Political Giving in Support of Republican Objectors Post-Capitol Insurrection

	(1) Any PAC Contributions to Objectors' Leadership PACs	(2) Corporate Donations to RAGA ($)	(3) % Bundled Employee Donations to Objectors
% Dem. Employee Donors x Post-Jan 6	-0.131* (0.058)	-0.441* (0.211)	-10.25 (7.178)
% Rep. Non-Obj. Employee Donors x Post-Jan 6	-0.043 (0.06)	-0.181 (0.184)	-11.467 (8.514)
% Past Dem. PAC Contributions x Post-Jan 6	0.076* (0.037)	0.122 (0.16)	-11.257* (5.411)
% Past Rep. Non-Obj. PAC Contributions x Post-Jan 6	0.127** (0.04)	0.395* (0.154)	3.08 (6.551)
Firm F.E.	Y	Y	Y
Sector-Year Quarter F.E.	Y	Y	Y
N. Clusters (Firm)	753	753	749
Sample Size (Firm-Year Quarters)	12,048	12,048	10,745

Notes: Standard errors are clustered by firm; * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.