

Casting Call: The Expanding Nature of Actorhood in U.S. Firms, 1960-2010*

Patricia Bromley
Stanford University
485 Lasuen Mall
Stanford, CA 94305
pbromley@stanford.edu

Amanda Sharkey
University of Chicago Booth School of Business
5807 S. Woodlawn Ave.
Chicago, IL 60657
sharkey@chicagobooth.edu

Forthcoming, *Accounting, Organizations and Society*

February 2017

* Corresponding author is Patricia Bromley at pbromley@stanford.edu. We are grateful for comments and suggestions from Christof Brandtner, Hokyung Hwang, Greta Hsu, Royston Greenwood, Brayden King, Michael Lounsbury, John W. Meyer and Jim Westphal, as well as audiences at the MIT-Harvard Economic Sociology Seminar, the Harvard Business School Organizational Behavior group, and participants in the SCANCOR institute on institutional theory. We would also like to thank Chris Cornillie, Marina Fang, Minjae Kim, Katie Leu, Nick Romriell, and Claire Zhou for excellent research assistance.

Casting Call: The Expanding Nature of Actorhood in U.S. Firms, 1960-2010

It is an unexpected twist of history that today we routinely discuss firms in the United States as coherent actors with an autonomous “self.” Although court decisions dating back to the 19th century granted corporations some of the same legal rights and protections afforded to individuals, firms were not envisioned as independent actors in the sense that the term is used today. Instead, firms were contexts for action or instruments for achieving owners’ goals and interests, which have been variously described along a spectrum ranging from benevolent to dangerously selfish (Gomory and Sylla 2013). Skeptics argued that firms were tools of powerful elites that would subvert the public good (Mills 1956) or stifle individual creativity and innovation (Whyte 1956). Proponents argued that firms provided the optimal structure for raising capital (Gordon 2004), managing production (Trachtenberg 2007), or minimizing transaction costs (Coase 1937; Williamson 1981). In these views, firms were vehicles for serving other masters; they did not possess an essence of their own. More recently, however, scholars have proposed that firms increasingly act and are treated as actors in their own right (see, e.g., Coleman 1974; Strandgaard Pedersen and Dobbin 1997; King, Felin and Whetten 2010; Meyer 2010; King 2015). In this paper, we provide rare empirical evidence documenting firms’ increasing displays of actorhood, and the expansion of characteristics of actorhood to include a growing array of dimensions. Drawing on a content analysis of annual reports from a sample of large U.S. public firms between 1960 and 2010, we find that an increase in firms’ depictions of themselves as actors in numerous domains is associated with several cultural shifts, especially the trend towards managerialism and the explosion of hard and soft law. Overall, our study suggests that the internalization of inconsistencies associated with expanding actorhood creates entities that are rather paradoxical: Organizations increasingly display their capability for autonomous, rational action on many fronts while, at the same time, becoming more enmeshed in a web of responsibilities to multiple, diverse stakeholders.

Annual reports are a key source for investigating the nature of firms because of accounting's symbolic and ideological properties (see, for example, Hopwood 1984; Burchell et al 1985; Meyer 1986). Thus, although annual reports are typically examined in terms of economic information, we join a number of others who draw attention to their expressive, rhetorical, and entity-forming nature (for an overview of research perspectives, see Stanton and Stanton 2002). We conceptualize annual reporting as playing a dual role. First, accounting and reporting are central to constructing organizations as actors. Accounting practices (including reporting) define, legitimate, and institutionalize firm boundaries, while projecting an image of rationality and function. They do this by specifying what counts as inside and outside the firm, and providing rules for integrating often conflicting demands (Boland 1982). In the words of Espeland and Hirsch, accounting practices are "one of the strategic fronts on which the battle over the definition of the corporation is waged" (1990: 79). Second, reporting transmits or reflects evolving cultural definitions of what a firm is and should do. The portrayal of a firm in annual reports is responsive to changing social values and expectations, so as to signal legitimacy (Richardson, 1987; Brown and Deegan, 1998). As we will discuss, a legitimate firm is depicted an actor – a bounded, rational, and responsive entity – and communication plays a key role in helping constitute this construction of organizations (Graves et al, 1996; Preston et al, 1996). That is, through the act of communicating a depiction of the firm as an actor, reporting plays a central role in building this constructed reality (Hines 1988). Overall, accounting is one of the most influential vehicles for the on-going (re-)construction of organizations in line with expanding cultural definitions of being a proper actor.

The term "actor" is rarely defined (Hwang and Colyvas 2013), but we use it here to denote the possession of several related characteristics: identity, sovereignty, and the capacity for purposive action. Our definition builds on the work of Meyer (2010: 3), who writes: "An actor, compared with a mundane person or group is understood to have clearer boundaries, more articulated purposes, a more elaborate and rationalized technology. An actor is thus much more agentic – more bounded, autonomous, coherent, purposive and hard-wired – than a person." Somewhat surprisingly, given the widespread use of the term "actor" in reference to firms, there is a dearth of empirical evidence related to the historically situated

processes that have over time shaped the extent of actorhood afforded to firms. As Westphal and Zajac (2013) observe, although it is now commonplace to accept that agency is socially constrained by existing institutions, less attention has been paid to the socially constituted elements of agency, particularly at the macro level. Relatedly, King et al. (2010: 291) lament, “Not much effort has been made to explain the underlying assumptions of what it means [for an organization] to be an actor. Consequently, our organizational theories have weakly theorized the very unit of analysis that defines our domain of study.” Thus, it bears asking whether societal expectations that specify what legitimate firms should look like and what activities they should undertake have shifted over time; more specifically, we observe an expansion of actorhood over time.

Understanding expanding actorhood among firms is important because, in acquiring the traits of modern actors (i.e., bounded, autonomous, purposive entities with distinct identities on a growing set of dimensions), companies take on characteristics that are poorly accounted for by the dominant conceptions of the firm. As an example, explanations focused mainly on power or function struggle to account for the rise in corporate responsibility (CR) that has occurred over the past several decades. Explanations rooted in the functionality of CR are unsatisfying because evidence of its financial and/or reputational benefits is mixed at best (Margolis and Walsh 2001). At the same time, power-based accounts, which might explain the rise of CR as stemming from the personal interests of powerful CEOs, are weak; for the rise in CR to be a simple manifestation of growing benevolence among CEOs seems unlikely. Rather, part of the shift has to do with pressures firms face, or believe they might face, from parties such as social movement organizations (Soule 2009), the public, or government. The fact that these audiences call for responsibility and sustainability implicitly reveals that they see firms as actors endowed with agency and control over their actions. A great irony of contemporary actorhood emerges as firms respond to pressures on multiple fronts: As the realms of expected agency and control expand (e.g. to include not only profit, but also equality and environmental damage) actual autonomy and sovereignty is diminished [see Bromley and Meyer (2015) for a more detailed discussion].

Similarly, the study of corporate culture is a burgeoning area of organizational research. As we show later, firms increasingly emphasize having a unique corporate identity, culture, and values. The early descriptive use of ‘culture’ as a phrase to identify differences between American and Japanese firms has evolved over time into something that is now perceived as another strategic tool that can be manipulated. Both the idea of a coherent firm culture and the intention to purposefully deploy identity for instrumental ends are tied to expansions in actorhood.¹ Although firms no doubt serve economic purposes and are often used as vehicles of power, these views alone fail to fully account for the expansion in the complexity and nature of their structures and practices.²

To empirically examine the changing nature and extent of actorhood among firms, we analyzed text and images from 300 annual reports representing 80 large, public U.S. companies over the period 1960 to 2010. We chose this empirical approach for several reasons. Most importantly, annual reports are part of a symbolic repertoire that firms use to construct identity and convey actorhood (for a similar approach, see Glynn and Abzug 2002). Annual reports and accounting practices reflect an assumption that the numbers capture ‘the organization’ as a concrete and whole creature (Hendricksen, 1970). In processing human economic activity, accounting does not straightforwardly capture an objective reality, instead in establishing definitions of firm boundaries and rules for internal integration, it socially constructs firms as imagined whole entities (Miller, 1994; Kurunmäki 1999). Our approach contributes to a body of research linking to sociological theories of organization, showing that institutional cultural pressures shape reporting (e.g. Covalleski & Aiken 1986; Meyer 1986; Mezas 1990). Going further, we also argue that changes in reporting institutionalize an expanding conceptualization of what it means to be a proper organization; one rooted in ideas of actorhood (Meyer 2010; Bromley & Meyer 2015). That is, the representational and

¹ We thank an anonymous reviewer for noting this point; and more generally observing that the rise and expansion of dimensions of actorhood, such as firm culture, are not isolated, but emerge as intertwined historical processes that can be analyzed in their own right.

² Related to our approach, a body of research points to the institutional sources of the elaboration of firm structures, purposes, and practices, often using phrases like institutional pluralism, multiple logics, or competing logics (e.g. Kraatz and Block 2008; Greenwood et al 2011; Thornton et al 2012).

constitutional properties of annual reports are intertwined, representations construct a reality (Preston et al 1995).

While the legal requirements of disclosure and economic purposes of reporting dictate that annual reports focus heavily on financial information, firms increasingly use these reports to communicate to a growing audience of interested parties about a wide array of topics (see e.g. the cases in Lee & Parker 2014). These public symbols, made for outside consumption, reveal the socially legitimate position of a firm in society (Richardson, 1987; Brown and Deegan, 1998). Thus, reports are a unique genre that both construct and constrain firm actorhood, allowing for displays of identity and agency that go beyond legal requirements but also limiting the claims that can be made and defining firm boundaries. Annual reports are also valuable because all public companies are legally required to file them, which allows us to obtain comparable data on a wide range of firms as far back as a half century ago. Data on annual reports is consistently available from 1960 on, revealing significant changes in the nature and extent of actorhood over recent decades.

Our conceptualization of the firm as an actor contrasts with the view of a firm as merely a “legal fiction” (Fama 1980) or a “nexus of contracts” (Jensen and Meckling 1976). Firms encompass more than those characterizations convey; our collective imaginations have imbued them with rights and responsibilities, as well as a normative status beyond that granted by laws alone. For example, if seen as a mere legal artificiality, the expansive displays of identity and culture (including, for example, many corporate responsibility exercises and human resource practices) that go on today appear a-rational, as they outpace any known financial benefit. Yet entire industries and a huge amount of business and management training is premised on the idea that firms (with managers enacting their essence) can and do act rationally, can plan and control, and have unique cultures. In addition, the view of the firm as an actor emphasizes the responsibilities that accompany the rights and autonomy presumed of firms as actors, integrating a great many contradictions within organizational boundaries. Narratives in which the firm primarily serves as a vehicle through which powerful elites enact their wishes often downplay such cultural

constraints (e.g. Perrow 2009). Of course, in depiction and in practice, individual firms differ in terms of how close they come to the cultural archetype of a firm; we examine this variation in our empirical tests.

Our examination of annual reports reveals a shift in how firms have represented themselves between 1960 and today. Expressions of identity, sovereignty and agency are on the rise, consistent with the idea that society increasingly views firms as actors on a wide range of dimensions. More generally, the fact that we observe variation in depictions over time and between companies underscores the fact that actorhood is not fixed or inherent; rather it is better thought of as existing on a continuum involving ongoing construction and expansion. That is, the nature of actorhood is expansionary, and so its content is continuously evolving. Increasing depictions of the firm as an actor and the expanding dimensions of actorhood correspond to a larger cultural trend toward rationalization. Audiences in modern, rationalized societies favor firms that display signs of their reliability and responsibility (Hannan and Freeman 1984), all of which are endemic to the modern notion of actorhood. Firms respond accordingly, and displays of modern actorhood grow with various indicators of cultural rationalization, such as the growth in managerialism and an explosion of hard and soft law. These rationalizing cultural pressures redefine firm boundaries, enabling and requiring attentiveness to a growing range of issues and deepening the sense that proper firms are both agentic and responsible.

THE MEANING AND CHANGING NATURE OF ACTORHOOD

Organizational Sociology

As we noted earlier, organizational scholars today often use the term “actor” to refer to firms in a way that implicitly conveys several related characteristics, especially purposiveness, identity, and sovereignty. A core point in our analysis is that the nature of actorhood is expanding; a growing number of audiences and issues must be addressed for a firm to be considered a proper actor (see also Bromley & Meyer 2015). We now discuss the core aspects of actorhood in more detail.

First, and perhaps most importantly, contemporary actors are, by definition, constituted by their ability to act purposively and autonomously. They make means-ends calculations and behave with intention

as they work towards goals (Thompson 1967). Moreover, action is expected to take a particular form; proper actors are rational, not erratic or self-destructive (Brunsson and Sahlin-Andersson 2000). A firm that leaves its fate to the gods, acts against its own interests, or, makes few attempts to tame broader industry or societal forces that impact its prospects for achieving its goals, is less of an actor.

Second, the possession of an identity is another central indicator of one's status as an actor (Whetten and Mackey 2002). As Gioia et al (2010) have explained, "No concept is more essential to understanding the notion of a "self" in society than the idea of identity" (p. 46). Organizational identity is constitutive; it embodies the core theory of what the entity can and should do (Whetten and Mackey 2002) or the "essential" character that constitutes an organization (Czarniawska-Joerges, 1994). The possession of an identity, which simultaneously situates an entity in a general category and emphasizes uniqueness, also implies autonomy and defined boundaries (Brunsson and Sahlin-Andersson 2000). That is, for a firm to have an identity that is distinct from other firms, one must assume (in theory, not in practice) sharply defined borders demarcating where the uniqueness begins. Identity is also related to the sense of agency and capacity for purposive action described earlier in that this "sense of self" serves both to guide a firm's behavior and to shape outsiders' expectations of the firm (King et al. 2010).

Finally, being an actor in the pursuit of goals involves a great deal of attentiveness to the external environment, where material and cultural resources reside (Pfeffer and Salancik 1978). Being a proper actor, as opposed to an irresponsible or amoral one, requires responsibility toward other actors, balancing self-interested goals with the interests and capacities of external stakeholders. Calls for firms to act responsibly and with accountability toward various parties – investors, the government, employees, and activists – implicitly assume that both autonomy and the capacity for purposive action reside within the firm; in short, that the firm is a sovereign actor (King et al. 2010). In an earlier era, firm actorhood may have been focused more narrowly around their role as economic entities, but today they ought to show control, agency, identity and action on a wider range of dimensions. Crawford (2015: 229) eloquently notes that even self-interests are constructed as "plural and malleable recognitions." Notably, firms are not expected to respond to all stakeholders equally and not all groups count as stakeholders (a point to which

we return in discussion), but over time the general pattern is one of expanding numbers and types of relevant audiences with which a firm must concern itself. A substantial part of the expansion of firm actorhood comes from the growing expectation that firms should pay attention to social issues, but, as our analyses will show, the trend goes beyond increases in corporate responsibility and includes notions such as planning and risk management.

Corporate Personhood and the Law

Sociological conceptions of actorhood are distinct from the evolution of legal corporate personhood. Certainly, the law is a key vehicle through which societal conceptions of firms are institutionalized; for instance, an early key Supreme Court case protected private charters from many kinds of state interference (in *Trustees of Dartmouth College v. Woodward*) and more recently the Court struck down of limits on campaign contributions by corporations (in *Citizens United v. Federal Election Commission*).³ However, even while defining corporations as entitled to some of the rights and protections of natural persons (see, e.g., *Santa Clara County v. Southern Pacific Railroad Co.*), prevailing legal views of corporate personhood assert the firm is an artificial creature of the state or a nexus of contracting relationships among individuals – visions of the firm as a ‘real’ (but socially constructed) entity beyond the law are uncommon.⁴ As Pollman (2011, p. 1666) describes, in dominant corporate law

³ The process of legally defining firm rights and responsibilities has a long, multi-faceted and complex history. In one of the foundational cases defining corporations as an entity with distinct legal rights, Chief Justice Marshall famously claimed that a corporation is “an artificial being, invisible, intangible, and existing only in contemplation of law” (*Trustees of Dartmouth College v. Woodward* 1819, p. 636). Since that time, scholars have carefully examined a great many cases that both limit corporate personhood and expand it (see, for example, Winkler 2006 for cases related to free speech, Manning 1984 and Johnson 2012 for corporate responsibility, or Walt & Laufer 1990 for criminal liability).

⁴ In legal scholarship, theories of the firm generally come in three forms; one main view treats the corporation as an artificial entity or a concession of the state, a second central conception looks at the firm as an aggregate of persons, and a third, less common perspective, considers firms to be real entities in their own right (e.g. Schane 1986, Pollman 2011). Sociological conceptions of actorhood contribute to ‘real entity’ discussions of corporate personhood by fleshing out the cultural bases for why and how understandings of the firm as an actor emerge, what exactly it means to be a ‘real entity’ beyond the rights and responsibilities determined by law, and specifying firms vary in their ‘realness’.

conceptions, “the firm is the common party that contracts with all of the firm’s inputs and outputs. Corporations are ‘simply legal fictions that serve as a nexus for a set of contracting relationships among individuals’ (Jensen & Meckling 1976, p. 310).” Thus, despite the importance of the law in enshrining certain rights and responsibilities of corporations, a drawback of looking to legal decisions alone is that they overlook the rights and responsibilities that firms often exercise in practice, going beyond what is mandated by law.

Mainstream legal views do not mesh with conceptions of firms as real entities that exist to varying degrees in ways that are independent of their legal status (Pollman 2011). In contrast to the ‘legal fiction’ view of corporate personhood, our actorhood argument rests on variation; we do not assert all firms are ‘real’ or ‘fictional’, rather we argue that a culturally constructed model of what a ‘real’ firm is (i.e. an actor) has emerged and we expect the actual activities involved to exist on a continuum that departs from this model to varying degrees. For example, a shell corporation is less of a ‘real’ firm than one like General Electric or Microsoft, although they may have roughly similar legal rights (e.g. to own property, sue and be sued and enter into contracts). Understanding firms as actors includes, but goes beyond, legal ideas of corporate personhood, providing a basis for expecting firms to express their status as autonomous, purposeful entities in ways that go beyond obvious economic gain or the interests of powerful elites (e.g. many corporate responsibility activities, displays of capability for rational action in response to the perceived expectations of multiple stakeholders and in its own interests, and control through planning and risk management). Importantly, however, annual reports, and particularly elements that are not required by law as we focus on here, offer unique insight into the core issue of expansion of actorhood beyond legal standing.

Actorhood in Annual Reports

In this paper we emphasize how, in depicting themselves as proper actors beyond their status as legal entities, firms increasingly make broad identity claims, highlight displays of internal and external control, and emphasize responsibility to a growing array of stakeholders – overall, the nature of actorhood

is expansionary. Our focus on these facets of actorhood is consistent with the work of King et al. (2010), who argue that the concept of an organizational actor is undergirded by two core assumptions – that of external attribution (i.e., society holds organizational actors accountable and responsible for their actions) and that of intentionality (i.e., organizational actors are capable of purposive action, which is guided by identity). A few concrete examples from our data illustrate how these characteristics of actorhood manifest themselves in annual reports. Baker Hughes, an oilfield service company, describes their “core values of integrity, teamwork, performance and learning” (2010: p. 12). These “core values” are brought up nine times in the report, have been approved by the board, and are elaborated in a one-page discussion, using phrases such as “Integrity: We are a responsible corporate citizen committed to the health and safety of people, protection of the environment, and compliance with laws, regulations, and company policies” (p. 46). In addition to claiming distinctive values and status as a bounded citizen, the report signals responsibility to health, safety, and the natural world, implying the capacity for purposive action on these dimensions.

Similar discourse emerges in a range of industries. Abbott Laboratories, a pharmaceutical company, says, “We view our commitment to global citizenship as another opportunity to improve lives around the world” (2010: p. 36). In their 2010 report, Goodrich Corporation, a supplier of aerospace components, systems and services to the commercial and general aviation airplane markets, emphasizes abstract principles of firm culture, leadership, and continuous improvement; which connote identity, autonomy, and purposiveness, illustrated in Figure 1. General displays of being a good corporate actor are so prominent that we gain little sense of what the firm actually produces until page ten of Goodrich’s report.

[Insert Figure 1. Goodrich Annual Report 2010]

These multi-faceted displays of modern actorhood stand in contrast to how firms portrayed themselves in the 1960s, when their annual reports emphasized production and financial outcomes almost exclusively. It is not the case that firms in this earlier period entirely lacked the characteristics of actors, but rather that

both the breadth and depth of firms' claims of actorhood were more limited. Earlier firms focused on reporting their production activities and financial outcomes, making fewer assertions of rational action overall and making assertions in fewer domains relative to the nature of contemporary reporting. As an example of how this manifested itself in annual reports, consider the 1960 annual report of Goodrich Corporation relative to the description of the 2010 report described above. In 1960 photographs of Goodrich's key products are prominently featured on the front of the report, followed immediately inside by a summary of financials, as shown in Figure 2. The firm's culture and values are never mentioned explicitly and are difficult to surmise, aside from a sense that the firm looks favorably on modernization, consistent with the ethos of the time.

[Insert Figure 2. Goodrich Annual Report 1960]

CULTURAL RATIONALIZATION AND THE FIRM AS ACTOR

We argue that a cultural transformation whereby society has grown increasingly "rationalized" is a major cause of the increasing construction of the firm as an actor. Weber (1927) used the concept of rationalization to refer to a process whereby means-end (rational) calculation, rather than tradition, values or emotion, was increasingly viewed as the appropriate justification for human behavior. Building upon this definition, Drori, Jang and Meyer (2006: 202) refer to rationalization as "the explicit organization of clearly defined social entities and their roles, relationships, and activities around clear and general rules and toward clear and general purposes." *Cultural* rationalization, expanding especially in the period since World War II, involves both the systematic expansion of knowledge, and, related, a broadening recognition of a wide range of human rights and capacities (e.g. with the rise of social sciences and business schools, as well as the civil and human rights movements) (Meyer and Bromley, 2013). Thus, in rationalized societies individuals are assumed to have the capability and responsibility to act in a way that is simultaneously rational and strategic (i.e., based on actual or perceived understandings of available knowledge) and attentive to the empowerment of other individuals (i.e., human rights and capacities).

In parallel, individuals in rationalized societies created collective structures that are intended to reflect the same principles; namely, organizations that are envisioned as autonomous entities efficiently pursuing their own self-interested goals while attending to pressures from diverse stakeholders (Dobbin, 1994; Meyer and Jepperson, 2000; Drori, Meyer and Hwang 2006, 2009; Meyer 2010; Hwang and Colyvas, 2013). Applied to the business world, processes of cultural rationalization shape both who counts as stakeholders and what relevant audiences, such as shareholders, customers, employees and regulatory bodies, expect in terms of the goals that are considered suitable for firms and the means through which firms might pursue them. Accordingly, firms devote a great deal of energy to conveying characteristics that are consistent with the principles of rationalization, doing so by making identity statements, as well as incorporating policies, practices and structures that signal sovereignty and responsibility, regardless of whether such practices or structures are known with certainty to achieve desired outcomes (Meyer and Rowan, 1977).

Scholars across a wide range of research traditions within organizational theory have acknowledged society's preference for organizations that display characteristics associated with rationalization. For example, some variants of neoinstitutional research emphasize rationalization as a core cultural trend constituting modern actors, including organizations (Dobbin, 1994; Meyer and Jepperson, 2000; Drori, Meyer and Hwang 2006, 2009; Meyer 2010; Hwang and Colyvas, 2013). In addition, population ecologists decades ago posited, "The modern world favors collective actors that can demonstrate or at least credibly claim a capacity for reliable performance and can account rationally for their actions" (Hannan and Freeman 1984: 153). Similarly, social movement scholars and stakeholder theorists have argued that firms should be thought of as social actors (King et al 2010; Whetten and Mackey 2002).

Rise of Managerialism

Three concrete manifestations of the overarching cultural change seem most relevant to the transformation of older organizational structures (e.g., a manufacturing firm organized primarily around an assembly line and oriented toward enriching its owner) into the more socially complex entities we now call

“actors” (e.g., a firm with its own identity and the capability for agentic and autonomous action in things like planning and controlling resources). First, schools of management appeared in the late 19th and early 20th century and rapidly proliferated, representing one manifestation of the increasing emphasis on scientific knowledge and knowledge-seeking that is a hallmark of culturally rationalized society. Creators of the first business schools “succeeded in articulating a new public account of the role of management in society by locating it within three institutions that had recently come to be seen as pillars of this new social order: science, the professions, and the university” Khurana (2007: 49). Professors at the new business schools conducted scientific experiments (e.g., Mayo and the Hawthorne experiments) that began to form the basis for new theories of management.

New disciplines within management emerged, reflecting ideas of managerial agency that formed the foundation for legitimating the firm’s own ability to act purposively to achieve goals. For example, the entire field of strategy, which is premised on the idea that superior financial performance hinges on a manager’s insightful scanning of the environmental landscape and charting of a course for action, rather than mere good fortune, perhaps best encapsulates the link between the rise of managerial education and the expanded nature and extent of actorhood afforded to the firm. In addition, a variety of other managerial theories simultaneously advocate attentiveness to the external environment, resulting in the displays of responsibility and accountability to others that are hallmarks of actorhood, while dramatizing managerial abilities to control everything from employee behaviors (e.g., through the establishment of organizational culture or the provision of proper incentive systems) to outcomes such as innovation, which in earlier years might have been treated as more serendipitous but now is treated as something to be learned in a class, or the firm’s reputation (e.g., through reputation management and creation of a corporate identity).

These schools turned out an ever-increasing number of credentialed professional managers, who specialized in rationalized decision-making, planning, and coordination, in contrast to the older imperative authority of traditional professions or owners at the top of a hierarchy (Prethuis, 1962 (1978); Sahlin-Andersson and Engwall, 2002). The traditional professions (e.g. doctors, lawyers, academics) and substantive experts (e.g. industry specialists) came under the influence of these newly minted experts, who

were trained in general managerial knowledge that is assumed to transcend most any setting. Whereas leaders of old-style firms might have been principals, in the economic meaning of the term, top managers in contemporary firms are agents who balance the interests of many stakeholders more than they exercise raw power.⁵ In one sense, the authority or autonomy of managers as decision-makers unto themselves or directing action from the top of a hierarchy declines, as accountability, regulatory, and quasi-regulatory functions devolve to customers, non-profits, shareholders and other audiences and gatekeepers (Ayres and Braithwaite, 1992; Gunningham & Grabosky, 1998; Coffee 2006). In another sense, however, the managerial role is increasingly central to firms-as-actors, not as directing action from the top of a hierarchy, but as being responsible for recognizing and integrating multiple pressures within the same entity. In other words, managers are the carriers of firm actorhood; they are responsible for navigating the multitude of outside pressures to which firms' respond and bringing these into a single entity while pursuing the firms' goals.

Explosion of Hard and Soft Law

Second, an equally striking explosion of law has redefined the boundaries of what a firm can and should do (Schneiberg and Bartley, 2008). Many of the new laws during the period that we examine pertain to issues of rights and equality, which we noted above as representing a core tenet of cultural rationalization. These developments in the legal world press responsibility for societal issues onto firms, shifting ideas about what a firm is and should do away from a more limited focus on financial and production objectives and towards something more like a corporate citizen (in theory if not in practice). Structures and practices within firms, as well as firms' representations of themselves, change dramatically to incorporate society's

⁵ Our view diverges from depictions of managers in economic theory as the "agents" of owners who were "principals" (e.g. for the agency theory of the firm see Jensen and Meckling 1976 or Fama and Jensen 1983) and also from earlier organization theory that emphasized managerial power is conditioned on social structural factors such as elite networks and inter-organizational relations like board interlocks (e.g. Davis 1991, Davis and Greve 1997, Davis et al 2003). A core distinction is that we emphasize in many instances managerial interests are either uncertain and/or constructed by the external environment rather than existing a priori; managerial goals often relate to balancing the interests of multiple stakeholders (beyond their individual interests).

shifting ideas about the appropriate role of firms in addressing these issues. Dobbin (2009), for example, outlines the rise of human resources professionals and the accompanying expansion of activities like diversity training, as well as changes in hiring practices. In order to be viewed as legitimate, firms must publicly demonstrate that they have acted responsibly and accountably on these dimensions, as in, for example, expanding arenas of risk management (Power 2007). In an earlier era some large firms may have been what we now call socially responsible on certain dimensions (e.g. providing more secure employment; see the discussion of company towns in Davis 2009), but such actions were at the discretion of owners rather than institutionalized and sometimes legally codified expectations of all firms.

Modern displays of responsibility, of course, may not reduce actual inequality in society, as Edelman (1992) observes with the rise of Equal Employment Opportunity offices in large firms or as Kaley, Dobbin and Kelly (2006) show in their examination of various organizational practices intended to improve diversity. An unintended consequence of firms making these displays, however, is that they bolster their status as actors in at least two ways. First, displays of responsibility are consistent with how actors are supposed to behave in the sense of respecting individual rights and upholding principles that are agreed upon as important to society. Second, in a more subtle manner, these displays convey agency and purposiveness, which are hallmarks of modern actorhood, by implicitly acknowledging that firms have some power to influence outcomes such as social inequality or environmental degradation.

Finally, soft-law pressures normatively drive firms to incorporate other matters of general social concern even beyond the force of hard law. For example, Briscoe and Safford (2008) document the spread of same-sex partner benefits among large firms in the absence of legal requirements and despite the substantial cost of this practice. Sometimes actions such as those occur as firms respond to social movement-like pressures, for example in areas of Fair Trade certifications or overseas labor practices (see, e.g., Bartley, 2007). At times firms may face direct pressures from different social-movement organizations, but many of the areas firms display attentiveness to, such as education or housing, are rarely linked to any particular activism and may be linked to a more general rise of rationalized organizing, including expanding nonprofit sectors in general and governance practices such as ratings,

rankings or certifications (Bromley & Meyer 2015). Thus, we use the phrase “soft law” broadly, to include both active advocacy and the generalized moral force of rationalized organizing, especially in areas of the public good. The general point is that firms respond to the overall expansion of social problems where it is expected that humans can find a solution. As the public good domain becomes more organized and left less in the hands of the gods or a centralized government authority, new issues are pressed into firms.

These trends, the expansion of business knowledge, hard law, and soft law, are related in two ways. First, together they can be thought of as stemming from a general process of cultural rationalization (Meyer and Jepperson 2000). Second, the rise of managerialism on the one hand and the growing set of legal and societal obligations that firms face, on the other, are self-reinforcing. As management as a discipline increases in prominence, managerial solutions are increasingly seen as appropriate for addressing societal issues that once might have been viewed as the purvey of the family, church, or the government, and therefore they find application in a variety of areas beyond traditional production. At the same time, as obligations to address societal issues are pressed on firms, they spur the development and application of new management techniques (e.g., mentoring programs and performance evaluations for employees) and even new types of for-profit organizations (e.g., education-related venture funds).

Between-Firm Differences in Exposure to Cultural Rationalization

The growing importance of managers, as well as the explosion of hard and soft law, can be observed at both the societal level and at the firm level. Although cultural shifts that unfold over time on a macro level likely influence all firms to some extent, there is variation in how much companies are exposed or linked to these external changes. Firms vary in the extent to which they celebrate managerialism and face pressures to conform to dominant models of the firm. Those that are more exposed to such pressures should be more likely to display the characteristics associated with modern actorhood. Similarly, firms vary both in how much they are affected by legal changes, in terms of hard laws, and the soft law pressures, in terms

of ratings, rankings, standards, and certifications. Firms that are exposed to more pressures on these fronts should be more likely to make displays of actorhood.

It is difficult to definitively disentangle the effects of societal-level rationalization from other processes or trends that occurred over the same timeframe in the context of a single-country study. Thus, while we conduct descriptive regressions that show an association between societal-level measures of managerialism and the rise in hard and soft law, on the one hand, and firm displays of actorhood, on the other hand, we test our core arguments by exploiting cross-firm variation in exposure to these rationalizing pressures. Thus, we put forth an overarching proposition, which we test with more specific hypotheses:

Proposition 1: Greater linkages to external cultural rationalization processes are associated with an increase in firms' portrayals of themselves as actors.

Hypothesis 1a: Increased managerialism is associated with an increase in firms' portrayals of themselves as actors.

Hypothesis 1b: Greater attentiveness to ratings, rankings, or awards as well as legal compliance, standards and certifications is associated with an increase in firms' portrayals of themselves as actors.

DATA AND METHODS

The Setting: A Short History of Annual Reporting in the U.S.

We examine changes in actorhood over time using data from 300 annual reports representing 80 U.S. firms between 1960 and 2010. Our decision to study self-portrayals of actorhood in annual reports is driven by several theoretical and methodological considerations. First, annual reports contain a nuanced set of indicators of actorhood that are not solely driven by changing legal requirements. Naturally, the law represents an important venue through which the firm has come to be constructed as an actor (as it shapes reports and, more broadly, in establishing the rights and responsibilities of corporations). But an

examination of, for example, court rulings would not provide the same insight as an analysis of annual reports because it would overlook dramatic shifts that are not mandated by law (e.g., displays of corporate culture and identity or of emphases on rational action via planning). Legal definitions of corporate personhood do not rule out a ‘legal fiction’ view of the firm, and thus fall short of a richer view of actorhood. Second, firms create annual reports, which underscores the active role that firms take in navigating societal expectations. In addition, annual reports are useful for pragmatic reasons; all public companies have been legally required to produce one for a long period of time. Thus, a benefit of this source is that we can gather a relatively comparable sample across many firms over time, versus other data sources that are less widely employed by different types of firms or that represent more voluntary activities. But reports are also valuable to us because there is a wide margin for what additional information can be included. The content reflects what the firm perceives as the concerns of numerous stakeholders, including investors, customers, employees, the government, and local communities.

A drawback of studying annual reports is we likely greatly underestimate the full extent to which firms become actors. On the reporting front alone, due to their legal requirements, annual reports are biased towards financial emphases. Given the role of accounting systems as central to activities of coordination and control in organizations (Covaleski and Aiken 1986), reports are also likely biased towards emphasizing these dimensions of actorhood rather than other facets, such as displays of identity. Firms produce a great many other reports and conduct many other activities that convey aspects of actorhood and are not captured by our data. The Coca-Cola Company, for instance, keeps an on-line archive of “Annual and Other Reports” on their website (Coca-Cola Company 2013). This includes their Annual Report, an Annual Review (which highlights major achievements of the year, such as in 2012 winning an award for “Creative Marketer of the Year” and receiving over 1.3 million tweets per quarter), and a total of 81 different Sustainability Reports written for markets around the world. We expect we vastly underestimate the scope of the transformation of firms into actors relative to what we might find in other sources that are less bound by financial reporting requirements (e.g. websites, corporate responsibility reports, or job descriptions). In this study we opt to accept a conservative bias in our findings in favor of obtaining comparable data for

many firms over time, but future studies using alternative research designs would be valuable (which we discuss in more detail later).

It is noteworthy that large amounts of time and money go into producing annual reports. A survey by the National Investor Relations Institute (2013) reported that large firms (defined as those with a market capitalization of over \$10 billion) spent an average of \$81,597 on producing their annual report in 2012, while mega firms (market capitalization of over \$25 billion) spent \$143,778. Over a third of respondents in their survey noted that the Chief Executive Officer, the Chief Financial Officer, the Investor Relations Officer, and Legal Counsel all played a “significant” role in developing reports. Nearly 80 percent of reports in the NIRI survey include a letter from the Chief Executive Officer (CEO), 71 percent include a list of directors and officers, many discuss company strategy (41%), market segmentation (28%), or include corporate social responsibility or environmental social and governance information (21%). These statistics attest to the significance of the annual report as a vehicle for representing the firm to important constituencies.

Federal law governing financial reporting dates back to the 1930s (See Lee & Parker 2014 for a more detailed discussion, especially of the 1900 to 1950 period). In the wake of the market collapse that triggered the Great Depression, Congress created reporting requirements and a mechanism for the public to examine reports about publicly traded companies. The two foundational legal instruments are the Securities Act of 1933, which requires issuers of securities to file financial information with the federal government, and the Securities Exchange Act of 1934, which authorizes the Securities and Exchange Commission (SEC) to act as a regulatory body over the financial industry (Lydenberg 2012). Examination of some of these early reports indicates they were short and rather dry; they were typically just a few pages long, consisting simply of a few tables of financial data.

Overall, there has been a gradual expansion of reporting requirements from the 1960s through the 1990s (Transparency Policy Project 2013). For example, in the 1960s a wave of mergers, followed by a series of unexpected share-price collapses culminated in the Williams Act of 1968, which required disclosure of cash tender offers that would change ownership of more than 10 percent of company stock.

In 1978 and 1979, the SEC issued rules requiring new disclosures concerning the independence of board members, board committee oversight of company operations, and failure of directors to attend meetings. Under the Securities Enforcement Remedies and Penny Stock Reform Act of 1990, the SEC can use violations of any securities laws to force corporations to make full disclosures in their reports.

In 2002, annual reports became a source of widespread public interest after the collapse of the energy giant, Enron, which generated a dramatic leap in legally obligated reporting elements with the Sarbanes-Oxley Act.⁶ Pethokoukis (2008) describes, “When Congress hurriedly passed the Sarbanes-Oxley bill back in 2002, it was the most sweeping securities and corporate governance reform since the New Deal....Companies also have to disclose more information, including full reporting on the effectiveness of their internal financial controls.” As a result of these legal changes, we examine trends before and after this period in our analyses. These reforms drove a sharp rise in financial reporting and generated speculation that reports will become dry “10-k wraps” with few visionary statements due to fear of litigation (National Investor Relations Institute 2013).

Even more recently, the Dodd-Frank Wall Street Reform and Consumer Protection Act became law in 2010, the final year of our study. The legislation set out to reshape the U.S. regulatory system in a number of areas including but not limited to consumer protection, trading restrictions, credit ratings, regulation of financial products, corporate governance and disclosure, and transparency. In cases of noncompliance, the SEC has the power to invalidate the election of directors and decisions made at the shareholders' meeting, which can necessitate issuing a revised annual report. Public companies that fail to comply with all the requirements can face enforcement proceedings, and throughout this history, firms have faced class-action lawsuits from shareholders for making misleading claims in their annual reports. Our measures of actorhood are not, however, directly required by any mandatory reporting requirements.

⁶ The Sarbanes-Oxley Act seeks to address corporate misconduct by, among other things, requiring chief executive and chief financial officers to personally certify the accuracy of the financial information contained in quarterly and annual reports. The certification must state that the officers have read the report, and confirm it contains no misstatements or omissions and that it is a fair presentation. An officer who knowingly makes a false certification will be subject to fines of up to \$5 million and a prison sentence of up to 20 years.

The Sample

Our dataset consists of annual reports from S&P 500 firms collected at approximately ten-year intervals over the period 1960-2010. Our final sample consists of 300 reports gathered from 80 unique firms, with an average of 3.75 reports per firm. We focused on large public firms (S&P members) because their reports are available over a long period of time and they represent an important part of the economy. To consider adaption/selection processes and the possibility of survivor bias, we drew three random samples of 25 firms each – 25 firms that were continually listed on the S&P from 1965-2010, 25 firms listed in 2010, and 25 firms listed in 1960. For the firms continuously listed, we obtained annual reports in ten-year increments (or as close to each decade as we could find).⁷ For the firms listed in 2010, we gathered their annual reports back to either 1960, or the founding of the firm if it was later than 1960. For the firms listed in 1960, we collected annual reports at decade intervals going forward as far as the firm existed. We examined models for each of the subsamples and found similar results.

In the course of developing and conducting the coding, we made every effort to reduce error and followed well-developed methodologies for content analyses (Krippendorf 2012). We checked the reliability of questions across reports with widely varied characteristics (e.g. firm age, size, and industry) as we developed the coding, making adjustments or omitting questions when raters did not agree on how to respond to a question. For coding, we randomly assigned each report to one of five research assistants, so that potential coder bias was distributed unsystematically rather than clustered in particular firms or years. We trained each researcher by co-coding a report with them, then having each person independently

⁷ There were several mergers and acquisitions among the firms we analyzed and in these cases we researched each instance individually. Typically, our large sampled firm was clearly the dominant party in a merger or acquisition and we kept it as a constant case (e.g. the name didn't change, our firm was substantially larger than the other firm, or in reading firm histories one is depicted as existing as a coherent entity over the period of the merger and the other is depicted as absorbed even if the firm identifier, gvkey, changed). To be consistent with this approach, in rare instances our sampled firm was not dominant, so we considered it a 'death' and dropped it from the sample. In a handful of merger cases it was not possible to determine a dominant firm and both were listed on the S&P, so we expanded our sample to include both parties.

code another report and compare results amongst themselves and with us, discussing any differences to calibrate the interpretation of each question. Once we had finalized the coding protocol, it took researchers approximately sixty to ninety minutes to code each report. As a final reliability check we had four coders analyze the same report, 94% of the time three out of four coders obtained the same response and 65% of the time there was complete agreement across all four coders.

Dependent Variable

The key dependent variable in our analysis is the extent to which a firm is portrayed as an actor. It is not immediately apparent how to measure this multifaceted concept, but our aim was to capture core aspects of actorhood that we discussed earlier; namely, identity, sovereignty, and the capacity for purposive action. To do so, we collected the following 12 indicators: (a) the extent to which the report discusses a firm's unique culture, identity, or values (coded on a 0 to 3 scale where 0 represents no discussion at all and 3 represents more than 2 pages of discussion); (b) the number of pages discussing the firm's history; the number of times the words, or any variation, (c) manage, (d) plan, (e) stakeholder, (f) citizen, (g) risk appear; and whether the report mentions responsibility to (h) customers, (i) investors, (j) the public or broader society, (k) local communities where it operates, or (l) employees.

As the different concepts underlying actorhood are related (e.g., sovereignty implies some degree of capacity for purposive action), it is difficult to allocate each of these items to only one of the core aspects of actorhood listed above. Generally speaking, however, we view items (a) and (b) as relating to identity while (c), (d), and (g) speak both to the capacity for purposive action and to notions of sovereignty. For example, it makes little sense to speak of risk, planning, and managing if one does not believe s/he will have any control over future outcomes (for a discussion of risk, see Power, 1997). Items (e), (h), (i), (j), (k), and (l) which denote responsibility to various parties, also speak to the breadth of capacity for purposive action and, secondarily, sovereignty. Firms can only be held responsible to others if they have a capacity for purposive action as well as some degree of sovereignty (King et al. 2010). Finally, item (f), use of the term citizen, denotes the idea that organizations are increasingly viewed as citizens in the sense that the

term is used for people – to indicate membership in a community and the existence of a set of rights and obligations that follow automatically from membership (Coleman 1974).

We aggregated these indicators to form an actorhood index. We chose to capture the core construct of interest with an index for two reasons. First, as noted above, the mapping of our indicators to the concepts underlying actorhood is not one-to-one; several of the measures could be used to capture multiple aspects modern actorhood. Thus, individually studying each of the three concepts that undergird actorhood is difficult to do without making some relatively arbitrary decisions in allocating indicators to concepts. Second, parallel to survey research, any single item in our protocol likely contains measurement error despite extensive reliability checking and coder training. To be conservative in our approach, we included multiple items to measure the core concepts underlying actorhood, and we combined hand-coded items with computer-generated word counts.

The process by which we arrived at the indicators that comprise the index was iterative. We first selected items on theoretical grounds based on their face validity, putting together those that we viewed as linked to the concept of firms as actors. From there we examined the inter-item correlations (assessed using Cronbach's alpha) and the uni-dimensionality of the concept (assessed using the Eigenvalues from factor analysis), making adjustments to strengthen the index's alignment with the latent concept of actorhood. A key change was to omit a variable for whether the report contained an organization chart (as an illustration of boundedness/sovereignty) as this item was less connected to other measures. Although organization charts are commonplace in practice, an inspection revealed that only three percent of annual reports contained a chart versus 35 to 85 percent of occurrences on other dichotomous variables in the index.

Through this process, we arrived at the 12 items described above. Empirical tests supported the decision to combine the items: Cronbach's alpha, a measure of internal consistency of the index, is a satisfactory 0.743. A factor analysis reveals a unidimensional latent concept, there is one factor with an Eigenvalue substantially higher than all others, and it explains 73 percent of the variance. Conceptually, we had no *a priori* reason to believe any single item deserves more weight than others. Thus, we used the approach that Bloom and Van Reenen (2007) employed in their measurement of the concept of management

practices. We took z-scores of the items above and averaged across them. The z-score is useful because it converts items measured on different scales into comparable units, and it gives equal weight to each item. As a robustness check, we experimented with creating an index using factor analysis (which gives more weight to items that are more highly correlated with the underlying factor) rather than averaging the z-scores (which gives equal weight to each item). Results of the analyses shown later in the paper are highly similar to those reported when run with these alternative measures.

Independent Variables

To provide initial support for our arguments, we examine the relationship between firms' displays of actorhood and three indicators of societal-level rationalization. The three items are:

- a) Societal managerialism: Number of business degrees per 1,000 population (National Center for Education Statistics, 2011)
- b) Hard law: Number of civil and criminal cases commenced in District Courts (Federal Judicial Center, 2013)
- c) Soft law: Number of public good nonprofits and advocacy organizations (National Center for Charitable Statistics, 2013)

The items are highly correlated, so, in addition to entering them individually into regression models predicting actorhood claims, we combine them into a single index of cultural rationalization. To do so, we used the same method of summing and averaging the z-scores as we used for our dependent variable.

We then provide more fine-grained tests of our overall theory by making predictions about several factors at the firm level as well. To test hypotheses 1a and 1b, we include measures of firm linkages or attunement to the external environment through indicators from our coding of the reports. The two measures of exposure to external cultural shifts are:

- Managerialism (H1a). Taking inspiration from Chatterji and Hambrick (2007), who used the prominence of a CEO's photograph in annual reports as an indicator of their self-perceived importance to the firm, we use a count of the number of photos of managers in an annual report as

an indicator of the perceived importance of managerialism. The more managers are celebrated, the more we would expect firms to become actors, as managers are the key carriers of organizational actorhood. The language in the coding document was: “How many pictures include managers (e.g. headshots of leaders, pictures of the boardroom, people in suits)?”

- Whether any of the following were discussed: ratings, rankings, awards, compliance with the law, standards and certifications (H1b). This was measured as a dummy variable on the basis of two questions from our coding protocol. The exact questions were: “Does the report mention receiving rankings, ratings, awards or the like (exclude winning contracts)? (0=no, 1=yes)” and “Does the report indicate that the company meets any laws, external standards, or certifications (voluntary or involuntary; excluding an auditor’s certification of the report)? (e.g. Weyerhaeuser 2010 Sustainable Forestry Initiative, Forest Stewardship Council, Program Endorsement of Forest Certification) (0=no, 1=yes)”.⁸ We combined the results of these two questions into a single dummy variable indicating that answer to either of these questions was “yes.” A complete list of the rankings, ratings, or awards mentioned in the reports and a complete list of the laws, standards, or certifications mentioned is available from the authors.

In addition to these arguments, a number of other factors may be at work. We include as controls the number of pages in a report (logged), as well as the proportion of pages in the report that focus on finance (both obtained from our coding). These controls are important because reports have gotten longer over time and because practitioner-oriented literature and news reports suggest that the recently growing emphases on complete disclosure tends to expand financial reporting and diminish emphases on mission and vision, which convey actorhood (e.g. Pethokoukis 2008; NIRI 2013). At the firm level, we hold size constant using the number of employees and net sales (both from Compustat, logged to correct for

⁸ It would be useful to distinguish between the pressures involuntary hard laws and influences from voluntary soft laws. Unfortunately, reliability checks demonstrated that coders were unable to consistently distinguish between standards, certifications, and laws, but it would be a useful path to pursue in the future.

skewness). Following standard practice in organizational research, we also controlled for firm age using data obtained from the Center for Research in Security Prices (CRSP 2013). Further, macro-economic changes that move firms towards abstract forms of profit-making (especially finance), along with the decline of unions, may drastically shape social expectations of firms (Davis 2009). We account for these effects by running robustness checks that include unionization, measured by the percent of the non-farm workforce that is unionized (Hirsch et al. 2013), as well as finance as a percent of GDP (Bureau of Economic Analysis 2013). In addition, we examined linear time predictions, dummies for each decade, and time breakdowns pre- and post-Sarbanes Oxley based on our reading of the history of annual reporting requirements.

Table 1 presents descriptive statistics for the variables used in the analyses, and correlations are shown in Table 2.

[Insert Table 1. Descriptive Statistics]

[Insert Table 2. Correlations]

Given the structure of our data (reports within firms) we use fixed effects models to control for all time-invariant characteristics of firms. We also examined results using multilevel models to examine time-invariant measures for industry and founding date; our findings are similar.

RESULTS

Descriptively, there is strong evidence that depictions of firm actorhood are expanding. Figure 3 illustrates changes over time in our actorhood index, as well as the twelve items that constitute it. Linked to the concept of identity, firms more often discuss a unique culture, identity, or values; discussions of the firm's history are on the rise; and the word "citizen" appears more often. Linked to emphases on purposive

action, as well as sovereignty, the words “manage”, “plan”, “risk”, and “stakeholder” appear more often. Reflecting the importance of navigating external pressures in the rational pursuit of interests, firms also increasingly discuss responsibility to investors, customers, employees, the public, and local communities.

[Insert Figure 3. Trends in Actorhood Emphases over time]

In Table 3, which reports the results of fixed effects models predicting the extent to which firms depict themselves as actors in their annual reports, we examine whether these descriptive trends are robust to controls for a variety of firm-level factors. As a small number of items in the Actor Index increase most dramatically in recent decades, we initially examined time trends (both linear and using decade dummies) and compared these to models that instead used the cultural rationalization index. A comparison of overall model fit (using AIC and BIC) and the total variation explained indicated that the measure of cultural rationalization produced a stronger overall model than either linear year or time dummies. (Results available from authors). Thus, in Table 3, we focus on models with substantive indicators of a cultural shift; we return to the matter of time trends in our robustness checks.

[Insert Table 3. Fixed Effects Models of Cultural Rationalization on Actorhood Emphases]

The controls in model 1 show that longer reports tend to contain more displays of actorhood. The proportion of pages related to finance has a positive but non-significant effect on the portrayal of firms as actors. Despite popular rhetoric that annual reports are becoming “10-k wraps”, it does not seem to be the case that increased emphases on financial disclosure, as measured by the proportion of pages in a report dedicated to financial information, dampen a firm’s ability to emphasize its status as an actor. Likewise, the number of employees and firm age appear to have little effect. Firms that are larger in terms of net sales emphasize dimensions related to being an actor more, although this association disappears after controlling for time and other substantive variables in subsequent models.

In model 2 we add a control for the year a report is released. As expected, this variable is positive and significant, indicating that emphases on actorhood increase over time and suggesting that the descriptive trends presented in Figure 3 hold even when controlling for factors such as the length of the report. In models 3-6 we replace this general time trend with three distinct indicators of cultural rationalization and an overall index, all of which are highly correlated with time (over 0.9). As expected, the number of business degrees held per 1,000 persons (model 3), the number of civil and criminal court cases commenced each year (model 4), and the number of advocacy and public good nonprofits registered with the Internal Revenue Service (model 5) are positively associated with portrayals of actorhood, with the effect of the business degree variable being relatively more substantial as indicated by the magnitude of the improvement in BIC/AIC. These items are conceptually related indicators of macro-cultural rationalization, and they are highly collinear, so we combine them into an index. As model 6 shows, the Cultural Rationalization Index is positive and significant. The link between cultural rationalization and actor emphases remains strong net of controls, and net of the measures of firm external embeddedness we consider next.

[Insert Table 4. Fixed-Effects Models of External Embeddedness on Actorhood Portrayals]

Although the results presented in Table 3 are consistent with our theory, the processes behind the observed effects of the macro-level cultural variables are, as in any such analysis of macro-level trends, unobserved and therefore open to alternative interpretations. To provide sharper tests of our theory, in Table 4 we present models that include measures of firms' linkages to or embeddedness in their external environment. These indicators speak to the paths through which culture constitutes actors. Model 1 shows that mentions of rankings, ratings, and awards as well as law, standards and certifications in a firm's report are positively and significantly associated with a firm's portrayal of itself as an actor. We interpret this measure as speaking to the influence of both legal and reputational pressures. Some ratings, rankings, awards and certifications are on dimensions that might be linked more directly to profits (e.g. innovation),

but others are fairly distantly removed (e.g. best place to work, environmentalism, supporting women and diversity). Thus, rankings and standards expand the boundaries of what might form the basis for a firm's identity, as well as provide further evidence of the firm's capacity for purposive actions on multiple dimensions. Firms that mention their ratings in their reports may be ranked more than others, or perhaps they receive higher ratings than others and so celebrate their success. Regardless of whether the firm is ranked more often, or more aware of outside evaluations, or simply does better on them, mentions of rankings are an indication that a firm is more attuned to the external environment. As commensuration of the social world proceeds (Espeland and Stevens 1998), firms become assessed on a growing array of domains. These domains provide a basis for expanding the meaning of actorhood to encompass responsibility for rights and equality and pressing firms to demonstrate purposive action on new dimensions.

Model 2 shows a positive association between emphases on actorhood and a firm's celebration of managerialism, measured by the number of images of managers in the report. We interpret this as evidence that managers are the central builders and promoters of a firm's status as an actor. Managers endow firms with their interpretation of actorhood. As Meyer describes, the status of organizations as actors is derived from the activities of professionalized persons (2010: 10): "In becoming organizations, older structures indeed acquire the properties of actorhood: clear purposes and missions, plans and strategies, sovereign decision structures, internal coordination and control systems... These structures derive their contemporary authority from the commitments of the now-professionalized and highly participatory persons who comprise them (Wilensky 1964)."

Model 3 presents a full model, showing the robustness of these associations. Finally, we note that the results reported in this table are robust to the inclusion of a basic time trend variable. (We have opted to report the models without the time trend due to the high correlation between time and the cultural index, discussed more in the robustness checks section.) Overall, these findings provide support for arguments that institutional pressures are not simply a set of constraints within which actors operate; they also serve

to constitute social entities as actors (Dobbin, 1994; Glynn, 2008; Strandgaard Pedersen and Dobbin, 2006; Meyer, 2010).

Robustness Checks and Limitations

A challenge of our study is in definitively deciphering the causal story associated with these trends. We argue that macro-level, societal characteristics construct firms as actors, but the indicators of processes that might be involved are highly collinear (i.e. the rise of business degrees, legalization, and nonprofits). Despite our inclusion of extensive controls, it is not possible to definitively disentangle the effects of these sweeping societal changes that have unfolded since the 1960s. However, our firm-level findings, which exploit variation across firms in exposure to these rationalizing pressures, suggest that these multiple rationalizing processes, manifest in managerialism plus pressures from ratings, rankings and awards, and well as hard and soft law pressures of certification, accreditation, and legal requirements – are at work simultaneously.

An additional challenge might be that our macro-cultural variables simply grow over time and any correlate of time would also be tied to our outcome. However, we now offer evidence, shown in Table 5, that our cultural rationalization index provides a stronger explanation of variation in the Actor Index than time or other potentially relevant macro-level changes. First, when considered with time, cultural rationalization remains positive and significant (model 1). Second, cultural rationalization outperforms central alternative or additional explanations to our focus on how cultural changes construct contemporary firms. Financialization and de-unionization of the economy have been discussed as playing a key role in constructing contemporary firms, albeit in different ways than we propose here (Fligstein 1987; Krippner 2005; Davis 2009). Model 2 shows there is no significant relationship between the percent of the non-agricultural workforce that is unionized and emphasizes on modern actorhood. Thus, it does not seem to be the case that some of the displays associated with modern actorhood (e.g., responsibility to stakeholders) are merely used to make more palatable the changes in the employee relationship that have accompanied de-unionization. In contrast, model 3 shows a positive and significant relationship between the percent of

Gross Domestic Product that comes from finance and the transformation of firms into modern actors. In subsequent models we seek to disentangle the effects of financialization from time and cultural rationalization. Model 4 shows that financialization has no effects after controlling for time. Similarly, model 5 shows that cultural rationalization remains positive and significant after controlling for financialization, which becomes insignificant. As additional checks, in models not reported here we considered two forms of residualization – commonly used in social science research (e.g. Kentor and Kick 2008; Jorgenson and Clark 2009; Bandelj and Mahutga 2010).⁹ This method has its critics (York 2012), but we use it here only as part of a robustness check. In all models the effects of cultural rationalization remain significant after netting out effects of time and/or financialization, but we found no effects of financialization net of time or cultural rationalization.

[Table 5. Alternatives]

Finally, we examined whether our results might reflect not the expansion of the multi-faceted concept of actorhood but rather more narrowly the rise in corporate responsibility (CR), defined as the movement for companies to contribute to the well-being of their workforce, the broader community and society in general, rather than focusing exclusively on profit maximization. We examined this possibility in two ways, which we summarize briefly here. (Results are available upon request.) First, at a descriptive level, we wanted to determine whether trends in claims of “responsibility” were increasing over time not only with respect to parties typically considered pertinent to CR efforts (i.e., employees, the general public, the local community) but also toward more traditional business constituencies (i.e., shareholders, customers). We examined this issue by running logistic regression models predicting (separately) the log odds that the report indicated responsibility toward each of the five parties that were mentioned above and included in our index of actorhood. In these models, we controlled for the length of the report and included

⁹ First, we used Stata to calculate residuals when manually typing regressions, and, second, we used the “orthog” command to automatically generate the regression and new variables.

either indicators of the decade in which the report was written or (in another set of models) a simple pre-/post-1980 indicator. Results indicated that claims of responsibility had increased over time toward three parties: the community, investors and customers. In contrast, statements of responsibility toward employees did not become more common as time progressed, holding report length constant. We find this result reassuring. First, the fact that firms increasingly indicated responsibility to shareholders and customers demonstrates that actorhood has expanded with regard to a firm's core business constituencies and that the observed rise in actorhood claims is not merely a reflection of the ascendancy of CR. Second, the fact that claims of responsibility to employees did not increase provides some indication that firms' portrayals of themselves in annual reports are not strictly propaganda. One of the most prominent labor-market related narratives that has emerged over the last 50 years involves the shift in the locus of responsibility for one's career from the organization to the individual worker (see, e.g., Arthur and Rousseau 1996; Sennett 1998), which appears to be reflected in the fact that claims of responsibility toward employees did not increase. Finally, the effect of time on claims of responsibility to the broader public was positive but not significant at traditional levels ($p=0.13$). This could indicate that firms tend to focus on responsibility toward more narrowly defined units, or it could be an artifact of the fact that many firms now produce separate CR reports.

Second, as a more rigorous test of whether our findings pertain to areas outside CR, we reconstructed the actor index to exclude components that could be interpreted as denoting corporate responsibility and re-ran the models from Tables 3 and 4 with this modified version of the dependent variable. Specifically, we removed the items indicating whether the report discussed a) responsibility to employees, b) responsibility to the public c) responsibility to the community, as well as the counts of the words d) stakeholder and e) citizen. The modified index thus still captured the key aspects of actorhood -- identity, purposiveness and sovereignty. However, it did so in way that was more narrowly focused on traditional business activities. We then re-ran the models from Tables 3 and 4, finding that the associations between all of the independent variables of interest and the modified actorhood index remained robust. In

short, these analyses indicate that the broader concept of actorhood includes, but goes beyond, the rise of CR; assertions of actorhood expand around both core business functions and more tangential social goals.

DISCUSSION & LIMITATIONS

Alternative Approaches

We focused on the content of annual reports across many firms over a long period of time, showing that the expansion of actorhood is associated with cultural rationalization. The benefit of our approach is it presents empirical evidence that sweeping changes in firms should be understood as inter-connected (e.g. the ties between increasing managerialism, the rise of planning, emphases on risk, corporate responsibility, corporate identity) and that the changes are very widespread, occurring in many different firms over a long period of time. Our design is perhaps best for gaining baseline empirical insight into a phenomenon, with the findings presented here providing a basis for future research on several fronts.

To begin, we focused on the content of annual reports, but annual reporting is itself a distinctive genre that speaks volumes about actorhood. Future research could usefully provide a detailed analysis of how changes in the form and practice of annual reporting are linked to actorhood. For example, the partial transformation of reports into marketing materials indicates both an expansion of the types of stakeholders to which firms feel accountable and an expanded vision of rational action. Report length increases dramatically, also indicating a growth in the number of things firms are expected to account for. Lee (1994) provides an excellent example of research analyzing the form of annual reports, and similarly observes that the traditional function of reporting financial results is now accompanied by activities beyond just assessing managerial performance through profits. More generally, we focus our causal arguments on how cultural rationalization expands counting and accounting practices and these expansions construct actors (for more detail see Bromley & Meyer, 2015), but the reverse process is also likely occurring. Firms that are already more actors are likely to do more reporting and to use reporting more as an expression of identity in order to continually enact their actorhood status.

Additionally, in order to allow for breadth over time, across firms, and in the items of actorhood included in our study, we sacrificed depth on these dimensions. Detailed discursive and qualitative analyses of fewer firms and/or reports would allow for insight into two immediate issues. First, because of the primarily financial nature of reports, our use of this data source likely underestimated the extent of actorhood in firms. A holistic firm-level study could establish the full spectrum of dimensions of actorhood and characterize/explain where actorhood expands and does not. For example, our robustness checks indicated that over time firms do not increasingly depict themselves as responsible to employees (after controlling for report length). With a complete cataloguing of all stakeholders, it would be possible to consider substantively where actorhood expands and why. Second, we could gain a more comprehensive examination of individual dimensions of actorhood. Deeper qualitative and discursive work could usefully address conceptual issues (e.g. how firms depict action on behalf of ‘others’ beyond our dichotomous coding of whether they indicate responsibility to different groups) and reveal how a particular dimension of actorhood evolves over time (e.g. firm culture, or the increases in emphases on management, planning, and risk seen particularly since 2000 in Figure 3). In pursuing these lines of research it will be important to situate specific instances within the general trend (for example, see Power 2007 for a related analysis of risk, and as an exemplar of the comprehensive treatment that could be given to all the various dimensions of actorhood).

Related, although our findings represent an important step toward understanding actorhood, our quantitative approach shows associations between variables and remains open to alternative explanations. Qualitative research looking at the processes through which societal influences enter firms would be useful. For example, we speculate that social movement pressures of moral suasion and direct activism are one part of the soft law pressures reshaping firms, but others might include the growing role of the media, or changing conceptions of audience. Qualitative research can detail the mechanisms through which the independent variables we identify (and others) are related to actorhood. We also noted at the outset that hard law definitions are likely to provide necessary, but not sufficient, conditions for the emergence of firms as actors. A challenging, but valuable, area of future research would be to conduct a discursive

analysis of legal decisions to explore whether decisions depicting the firm as a ‘real entity’ enter into the legal system and/or to study how legal definitions establish firms as holistic actors (beyond establishing them as a legal fiction). To usefully gain purchase on the extent to which the law is tied to actorhood, one could examine how variability in legal systems across different societies and over time is associated with variation in actorhood.

Decoupling

Closely tied to our view of actorhood as a continuum, another question that follows from our empirical findings has to do with the extent to which firms’ representations of themselves as actors match their actions. We have shown that firms increasingly portray themselves as actors, but what makes them behave in ways that are more or less aligned with their self-depictions? It is plausible that the progressive attribution of agency extends beyond actual capability, so that expanding depictions of actorhood are associated with greater levels of decoupling (e.g. see Power 1999, 2007 for how depictions of auditing and risk management outpace the reality of their ability to monitor and control firm behavior). Related, it seems likely that presentations of self are strongest in the large, public companies we study here and that private companies in various forms (e.g. LLCs, family firms), would have fewer gratuitous displays of actorhood (and possibly less actorhood in general in action as well as depiction).

Related to the issue of firm behavior, Davis’ (2009) account of the transformation of the U.S. economy during the 20th century includes persuasive arguments indicating that trends in technology as well as financialization have rendered U.S. businesses less dominant as social institutions. Directly pertinent to the facets of actorhood involving sovereignty and identity, Davis interprets the rise of conglomerates in the 1960s as having rendered the idea that corporations had any “core” or “essence” a “fool’s errand” (p. 99) and views the wave of bust-up takeovers in the 1980s as having undermined the sovereignty of public firms. Although this argument might on the surface seem contradictory to our findings, we view our results as orthogonal to, rather than inconsistent with, Davis’ thesis. That is, we find it entirely possible that firms would portray themselves as having more of the characteristics of proper actors on some fronts when in

fact their behaviors on other fronts might belie their claims; in our view they are constructed actors not real ones. It is even possible that firms may be more likely to make elaborate statements of actorhood in part because their sovereignty has come under threat from various external audiences and because firms' obvious production-centered identities no longer exist. Future work should consider a broad range of possible behaviors indicating actorhood (e.g., political contributions, lawsuits filed against firms, foundations started by firms), in addition to those mentioned above, and consider more closely the link between firms' depictions of themselves and their actual behaviors as related to actorhood.

The misalignment that can exist between self-presentation and other behavior is akin to Goffman's (1959) distinction between the "front-stage" and "back-stage" elements of actors. Front-stage performances are polished, refined, and cleaned-up manifestations intended for audiences who will judge the actor. Behind the scenes there can be a great deal of disagreement, cynicism, and activities or intentions that audiences would find unacceptable. We can be skeptical, for instance, about how much Goodrich (illustrated in Figure 1) truly cares about giving back to local communities, while still observing a central shift over time in the legitimate role of firms in society. Further, front-stage performances often entail a great deal of effort and resources resulting in a decoupling between means and ends (e.g. firms produce elaborate, expensive annual reports often going far beyond the minimum legal requirements with little evidence of how this contributes to profits) as well as between policy and practice, as recently noted by Bromley and Powell (2012). Work that examines effects of the rise of actorhood on organizational or societal outcomes is critical (e.g. performance or inequality), but we also call for further studies examining the enactment of societal expectations. For instance, to what extent are external pressures reshaping causal theories in production and finance (e.g. as in the invention of a business case for human rights)?

CONCLUSION

One purpose of this paper was to provide empirical evidence of the expanding nature of actorhood; firms increasingly emphasize control and rational action, and do so on more dimensions. We also undertook the goal of identifying factors associated with this evolution in the nature of what it means to be a firm in

society. Our analyses of the annual reports of a sample of large, American public firms indicate that firms increasingly portray themselves as actors on a growing number of dimensions, reflecting a change in societal expectations about what a firm is and should do. Understanding this transformation is important, because, as Scott argued: “We will fail to perceive the importance of organizations for our lives if we view them only as contexts—as arrangements influencing the activities of individual actors. Organizations must also be viewed as actors in their own right, as ‘collective social actors.’” (2003: 7). Understanding that society increasingly expects firms to be actors helps make sense of practices and actions that are not well explained by theories in which firms are conceptualized as mere webs of contracts or tools of elites. We contribute to the emerging body of literature that conceptualizes firms as actors, but there is a great deal more to be explored as indicated in the discussion above.

Firms that take on characteristics of actors look different than they might if they were more narrowly production vehicles or tools of elites. The firm’s maintenance of its status as a proper actor in itself provides a rationale for certain practices and self-portrayals, producing structures that are more elaborate and less integrated than would be predicted if they solely reflected power or efficiency. A key implication for the nature of corporate reporting is that it becomes increasingly polished (meant as a tool for conveying identity not just financial information) and increasingly complex (responding to more audiences and on more dimensions). And, at least in some firms, shifts in actorhood have implications beyond self-depictions. A wealth of studies provides evidence that some firms, at least in part, serve to enact their status as actors – such as making displays of identity – and that these shifts can be consequential on many fronts. For instance, identity can be a core source of conflict (Glynn, 2000), shape strategy and decision-making (Dutton and Dukerich, 1991; Elsbach and Kramer, 1996), and influence outcomes like knowledge transfer (Child and Rodrigues, 2008), change (Chreim, 2005; Martins, 2005; Hannan et al 2006), and stakeholder relations (Brickson, 2007).

This study provides a rare quantitative glimpse into changes in the firm’s construction as an actor. A main implication is that the adoption by firms of characteristics that signal their status as actors creates a series of tensions and inconsistencies. First, actorhood generates increased complexity in firm goals and

structures. A firm that is an actor is multifaceted in a way that a firm that is solely a tool for profit and/or power is not. Proper actors respond to an array of pressures weakly related to production or finances such as behaving ethically or with transparency, respecting the environment, or ensuring the rights of employees or customers. Maintaining status as a proper actor creates another inherent paradox. As firms become modern actors with expanded responsibilities, they transform, descriptively, to look more like a network than a tightly-controlled hierarchy. They become enmeshed in a web of external influences and accountabilities with linkages to many domains, and authority shifts to reside, not with principals at the top of a chain of command, but in other actors, which are emerging all around a firm in multiple arenas. Paradoxically, the creation of more interpenetrated and externally-dependent firms with multiple responsibilities is tied to the expansion of their status as autonomous, bounded actors, envisioned with the capacity for rational, purposive action on an array of dimensions (Bromley & Meyer 2015). As firms become simultaneously more agentic and accountable on a growing array of fronts, corporate governance becomes an increasingly diffuse affair with authority is distributed across many internal and external stakeholders rather than centralized at the top of a hierarchy. Overall, our study demonstrates that institutional pressures do more than provide a set of constraints for “embedded agency”: More fundamentally, cultural shifts constitute firms as actors.

References

Abbott Laboratories. (2010). Annual Report.

Arthur, M. B. and D. M. Rousseau. 1996. *The Boundaryless Career: A New Employment Principle for a New Organizational Era*. Oxford University Press: Oxford.

Ayres, I., & Braithwaite, J. (1992). *Responsive regulation: Transcending the deregulation debate*. New York, NY: Oxford University Press.

Baker Hughes. (2010). Annual Report. Obtained from ProQuest Historical Annual Reports on 08/01/12 at: http://www.proquest.com/en-US/catalogs/databases/detail/pq_hist_annual_repts.shtml.

Bandelj, N., & Mahutga, M. C. (2010). How socio-economic change shapes income inequality in post-socialist Europe. *Social Forces*, 88(5), 2133-2161.

Bartley, T. (2007). Institutional Emergence in an Era of Globalization: The Rise of Transnational Private Regulation of Labor and Environmental Conditions1. *American Journal of Sociology*, 113(2), 297-351.

Bloom, N., & Van Reenen, J. (2007). Measuring and explaining management practices across firms and countries. *The Quarterly Journal of Economics*, 122(4), 1351-1408.

Boland, R.J. (1982). Myth and Technology in the American Accounting Profession. *Journal of Management Studies* 19(1): 109-127.

Brickson, S. L. (2007). Organizational identity orientation: The genesis of the role of the firm and distinct forms of social value. *Academy of Management Review*, 32(3), 864-888.

Briscoe, F., & Safford, S. (2008). The Nixon-in-China Effect: Activism, imitation, and the institutionalization of contentious practices. *Administrative Science Quarterly*, 53(3), 460-491.

Bromley, P., & Meyer, J.W. (2015). *Hyper-organization: Global organizational expansion*. Oxford, UK: Oxford University Press.

Bromley, P., & Powell, W. W. (2012). From smoke and mirrors to walking the talk: Decoupling in the contemporary world. *The Academy of Management Annals*, 6(1), 483-530.

Brown, N., & Deegan, C. (1998). The public disclosure of environmental performance information—a dual test of media agenda setting theory and legitimacy theory. *Accounting and business research*, 29(1), 21-41.

Brunsson, N., & Sahlin-Andersson, K. (2000). Constructing organizations: The example of public sector reform. *Organization studies*, 21(4), 721-746.

Burchell, S., Clubb, C., & Hopwood, A. G. (1985). Accounting in its social context: towards a history of value added in the United Kingdom. *Accounting, organizations and Society*, 10(4), 381-413.

Bureau of Economic Analysis (2013). “Gross Domestic Product by Industry Data.” Washington, DC: US Department of Commerce. Accessed on 12/18/2013 at: http://www.bea.gov/industry/gdpbyind_data.htm.

Center for Research in Security Prices. (2013).

- Chatterjee, A., & Hambrick, D. C. (2007). It's all about me: Narcissistic chief executive officers and their effects on company strategy and performance. *Administrative Science Quarterly*, 52(3), 351-386.
- Child, J., & Rodrigues, S. (1996). The role of social identity in the international transfer of knowledge through joint ventures. *The politics of management knowledge*, 46-68.
- Chreim, S. (2005). The Continuity–Change Duality in Narrative Texts of Organizational Identity. *Journal of Management Studies*, 42(3), 567-593.
- Coase, Ronald (1937) “The Nature of the Firm.” *Economica*.
- Coca-Cola Company. (2013). “Annual and other reports” Accessed on 08/29/13 at: <http://www.coca-colacompany.com/investors/annual-other-reports>.
- Coffee, J. C. (2006). *Gatekeepers: The professions and corporate governance*. New York, NY: Oxford University Press.
- Coleman, James. (1974). *Power and the Structure of Society* New York: WW Norton.
- Covaleski, M., & Aiken, M. (1986). Accounting and theories of organizations: some preliminary considerations. *Accounting, Organizations and Society*, 11(4-5), 297-319.
- Crawford, B. (2015) The historical and cultural construction of legitimated interests: the rise of American chambers of commerce, *Management & Organizational History*, 10:3-4, 230-250,
- Czarniawska-Joerges, B. (1994). Narratives of individual and organizational identities. *Communication yearbook*, 17, 193-221.
- Davis, G. F. (1991). Agents without principles? The spread of the poison pill through the intercorporate network. *Administrative science quarterly*, 36(4): 583-613.
- Davis, G. F. (2009). *Managed by the markets: How finance re-shaped America*. Oxford University Press.
- Davis, G. F., & Greve, H. R. (1997). Corporate elite networks and governance changes in the 1980s. *American journal of sociology*, 103(1), 1-37.
- Davis, G. F., Yoo, M., & Baker, W. E. (2003). The small world of the American corporate elite, 1982-2001. *Strategic organization*, 1(3), 301-326.
- Dobbin, F. (1994). Cultural models of organization: The social construction of rational organizing principles. *The sociology of culture*, 117-42.
- Dobbin, F. (2009). *Inventing equal opportunity*. Princeton University Press.
- Drori, G.S. and Y.S. Jang and J.W. Meyer. (2006) Sources of Rationalized Governance: Cross-national Longitudinal Analyses, 1985-2002. *Administrative Science Quarterly* 51: 205-229.
- Drori, G. S., Meyer, J. W., & Hwang, H. (2006). *Globalization and organization: World society and organizational change*. Oxford University Press.

- Dutton, J. E., & Dukerich, J. M. (1991). Keeping an eye on the mirror: Image and identity in organizational adaptation. *Academy of management journal*, 34(3), 517-554.
- Edelman, L. B. (1992). Legal ambiguity and symbolic structures: Organizational mediation of civil rights law. *American journal of Sociology*, 1531-1576.
- Elsbach, K. D., & Kramer, R. M. (1996). Members' responses to organizational identity threats: Encountering and countering the Business Week rankings. *Administrative science quarterly*, 442-476.
- Espeland, W. N., & Hirsch, P. M. (1990). Ownership changes, accounting practice and the redefinition of the corporation. *Accounting, Organizations and Society*, 15(1-2), 77-96.
- Espeland, Wendy & Stevens, M. (1998) "Commensuration as a Social Process." *Annual Review of Sociology* 24: 313-43.
- Fama, E. F., & Jensen, M. C. (1983). Separation of ownership and control. *The Journal of Law & Economics*, 26(2), 301-325.
- Fayol, H. (1949). 1916. *General and Industrial Management*. Translated by C. Storrs, Sir Isaac Pitman & Sons, London.
- Federal Judicial Center. 2013.
- Fligstein, N. (1987). The intraorganizational power struggle: Rise of finance personnel to top leadership in large corporations, 1919-1979. *American sociological review*, 44-58.
- Fligstein, N. (1993). *The transformation of corporate control*. Cambridge, MA: Harvard University Press.
- Fombrun, C. J. (2007). List of lists: A compilation of international corporate reputation ratings. *Corporate Reputation Review*, 10(2), 144-153.
- Gioia, D. A., Price, K. N., Hamilton, A. L., & Thomas, J. B. (2010). Forging an identity: An insider-outsider study of processes involved in the formation of organizational identity. *Administrative Science Quarterly*, 55(1), 1-46.
- Glynn, M. A. (2000). When cymbals become symbols: Conflict over organizational identity within a symphony orchestra. *Organization Science*, 11(3), 285-298.
- Glynn, M. A. (2008). Beyond constraint: How institutions enable identities. *The Sage handbook of organizational institutionalism*, 413-430.
- Glynn, M. A., & Abzug, R. (2002). Institutionalizing identity: Symbolic isomorphism and organizational names. *Academy of Management Journal*, 45(1), 267-280.
- Gomory, R., & Sylla, R. (2013). The American Corporation. *Daedalus*, 142(2), 102-118.
- Goffman, Erving. (1959). *The presentation of self in everyday life*. Garden City, NY: Anchor.
- Goodrich. (1960). Annual Report.
- Goodrich. (2010). Annual Report.

- Gordon, John Steele. 2004. *An Empire of Wealth: The Epic History of American Economic Power*. HarperCollins.
- Graves, O. F., Flesher, D. L., & Jordan, R. E. (1996). Pictures and the bottom line: the television epistemology of US annual reports. *Accounting, Organizations and Society*, 21(1), 57-88.
- Greenwood, R., Raynard, M., Kodeih, F., Micelotta, E. R., & Lounsbury, M. (2011). Institutional complexity and organizational responses. *The Academy of Management Annals*, 5(1), 317-371.
- Gunningham, N. and P. Grabosky. (1998). *Smart regulation: designing environmental policy*. New York, NY: Oxford University Press.
- Hannan, M.T. and J. Freeman. (1984). "Structural Inertia and Organizational Change." *American Sociological Review*. 149-164.
- Hannan, M. T., Baron, J. N., Hsu, G., & Koçak, Ö. (2006). Organizational identities and the hazard of change. *Industrial and Corporate Change*, 15(5), 755-784.
- Hendricksen, E.S. (1970). *Accounting Theory*. Ontario: Richard D. Irwin, Inc.
- Hines, R.D. (1988). "Financial accounting: in communicating reality, we construct reality." *Accounting, Organizations, and Society* 21(1): 251-261.
- Hirsch, Barry T., David A. Macpherson, and Wayne G. Vroman. (2013). "[Estimates of Union Density by State](http://unionstats.gsu.edu/MonthlyLaborReviewArticle.htm)." Accessed on 12/18/2013 at: <http://unionstats.gsu.edu/MonthlyLaborReviewArticle.htm>
- Hopwood, A.G. (1984). Accounting and the Pursuit of Efficiency, in Hopwood, A.G. and Tomkins, C. *Issues in Public Sector Accounting*. Phillip Allen.
- Hwang, H & J. Colyvas. 2013. *Actors, actors! actors? The proliferation of the actor and its consequences*. Paper presented at the European Group for Organization Studies Annual Meetings. Montreal, Canada.
- Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of financial economics*, 3(4), 305-360.
- Johnson, L. (2012). *Law and Legal Theory in the History of Corporate Responsibility: Corporate Personhood*.
- Jorgenson, A. K., & Clark, B. (2009). The economy, military, and ecologically unequal exchange relationships in comparative perspective: A panel study of the Ecological Footprints of nations, 1975–2000. *Social Problems*, 56(4), 621-646.
- Kalev, A., Dobbin, F. and Kelly, E. (2006) "Best Practices or Best Guesses? Assessing the Efficacy of Corporate Affirmative Action and Diversity Policies." *American Sociological Review* 71: 589-617.
- Kentor, J., & Kick, E. (2008). Bringing the military back in: Military expenditures and economic growth 1990 to 2003. *Journal of World-Systems Research*, 14(2), 142-172.

- King, B.G. (2015). Organizational actors, character, and Selznick's theory of organizations. Pages 149-175 in *Institutions and ideals: Philip Selznick's legacy for organizational studies. Research in the sociology of organizations Volume 44. Emerald Group Publishing Limited.*
- King, B. G., Felin, T., & Whetten, D. A. (2010). Perspective—Finding the organization in organizational theory: A meta-theory of the organization as a social actor. *Organization Science*, 21(1), 290-305.
- Khurana, R. 2007. *From Higher Aims to Hired Hands: The Social Transformation of American Business Schools and the Unfulfilled Promise of Management as a Profession.* Princeton, NJ: Princeton University Press.
- Kraatz, M. S., & Block, E. S. (2008). Organizational implications of institutional pluralism. Pp 243-76 in R. Greenwood, C. Oliver, R. Suddaby, & K. Sahlin (Eds.), *The SAGE handbook of organizational institutionalism.* (pp. 243-276). London: SAGE Publications Ltd.
- Krippner, G. (2005). The Financialization of the American Economy. *Socio-Economic Review* 3:173-208.
- Krippendorff, K. (2012). *Content analysis: An introduction to its methodology.* Sage.
- Kurunmäki, L. (1999). Making an accounting entity: the case of the hospital in Finnish health care reforms. *European Accounting Review*, 8(2), 219-237.
- Lee, T. A., & Parker, R. H. (2014). *The evolution of corporate financial reporting.* New York, NY: Routledge.
- Lydenberg, S. (2012). *On Materiality and Sustainability: The value of disclosure in the capital markets.* Cambridge, MA: Initiative for Responsible Investment. Accessed on 12/19/13 at: http://hausercenter.org/iri/wp-content/uploads/2010/05/OnMateriality_Final.pdf
- Manning, R. C. (1984). Corporate responsibility and corporate personhood. *Journal of Business Ethics*, 3(1), 77-84.
- Margolis, J.D. and J.P. Walsh (2001) *People and Profits: The Search for a Link Between a Company's Social and Financial Performance.* Mahwah, NJ: Erlbaum.
- Martins, L. L. (2005). A model of the effects of reputational rankings on organizational change. *Organization Science*, 16(6), 701-720.
- Meyer, J. W. (1986). Social environments and organizational accounting. *Accounting, organizations and society*, 11(4), 345-356.
- Meyer, J. W. (2010). World society, institutional theories, and the actor. *Annual Review of Sociology*, 36, 1-20.
- Meyer, J.W. & Bromley, P. (2013). The worldwide expansion of 'organization.' *Sociological Theory* 31(4): 366-389.
- Meyer, J. W., & Jepperson, R. L. (2000). The 'actors' of modern society: The cultural construction of social agency. *Sociological Theory*, 18(1), 100-120.

- Meyer, J.W., and B. Rowan. 1977. "Institutionalized Organizations: Formal Structure as Myth and Ceremony." *American Journal of Sociology*. 83(2): 340-
- Mezias, S. J. (1990). An institutional model of organizational practice: Financial reporting at the Fortune 200. *Administrative science quarterly*, 35(3): 431-457.
- Miller, P.B. (1994). "Accounting and objectivity: the invention of calculating selves and calculable spaces" in Megill, A (ed) *Rethinking of Objectivity*. Durham, NC and London: Duke University Press, pp 239-264.
- Mills, C. Wright. 1956. *The Power Elite*. New York: Oxford University Press.
- National Center for Education Statistics. (2011). "Digest of Education Statistics 2011." Washington, DC: Institute for Education Sciences, US Department of Education. Accessed on 12/18/2013 at: <http://nces.ed.gov/pubs2012/2012001.pdf>
- National Investor Relations Institute (NIRI). (2013). *Annual Report Survey 2012*. Alexandria, VA: NIRI Analytics.
- Pedersen, J. S., & Dobbin, F. (2006). In Search of Identity and Legitimation: Bridging Organizational Culture and Neoinstitutionalism. *American Behavioral Scientist*, 49(7), 897-907.
- Pethokoukis, James. (2008). "Annual Report, R.I.P." *The American: The Online Magazine of the American Enterprise Institute*. Accessed on 12/18/2013 at: <http://www.american.com/archive/2008/january-february-magazine-contents/annual-report-r-i-p>
- Pfeffer, J., & Salancik, G. R. (1978). *The external control of organizations: A resource dependence approach*. NY: Harper and Row Publishers.
- Pollman, E. (2011). Reconceiving Corporate Personhood. *Utah L. Rev.*, 1629.
- Power, M. (1994). *The audit explosion* (No. 7). Demos.
- Power, M. (2007). *Organized uncertainty: Designing a world of risk management*. New York, NY: Oxford University Press.
- Presthus, R. (1962) [1978] *The Organizational Society* New York: St. Martin's Press.
- Preston, A. M., Wright, C., & Young, J. J. (1996). Imag [in] ing annual reports. *Accounting, Organizations and Society*, 21(1), 113-137.
- Richardson, A. J. (1987). Accounting as a legitimating institution. *Accounting, Organizations and Society*, 12(4), 341-355.
- Sahlin-Andersson, K., & Engwall, L. (Eds.). (2002). *The expansion of management knowledge: Carriers, flows, and sources*. Stanford, CA: Stanford University Press.
- Schane, S. A. (1986). Corporation is a Person: The Language of a Legal Fiction. *Tul. L. Rev.*, 61, 563.

- Schneiberg, M., & Bartley, T. (2008). Organizations, regulation, and economic behavior: Regulatory dynamics and forms from the nineteenth to twenty-first century. *Annual Review of Law and Social Science*, 4, 31-61.
- Scott, W.R. (2003). *Organizations: Rational, natural and open systems*, 5th ed. Englewood Cliffs, NJ: Prentice Hall.
- Sennett, R. (1998). *The Corrosion of Character: The Personal Consequences of Work in the New Capitalism*. New York, NY: W.W. Norton.
- Soule, S. (2009). *Contention and Corporate Social Responsibility*. Cambridge University Press: Cambridge.
- Stanton, P., & Stanton, J. (2002). Corporate annual reports: research perspectives used. *Accounting, Auditing & Accountability Journal*, 15(4), 478-500.
- Strandgaard Pedersen, J. & Dobbin, F. (1997). The social invention of collective actors: On the rise of organizations. *American Behavioral Scientist* 40(4): 431-443.
- Strathern, M. (2000). *Audit cultures: Anthropological studies in accountability, ethics and the academy*. Routledge.
- Thompson, J. D. (1967). *Organizations in action: Social science bases of administration*. NY: McGraw-Hill.
- Thornton, P. H., & Ocasio, W. (2008). Institutional logics. *The Sage handbook of organizational institutionalism*, 840.
- Trachtenberg, A. (2007). *The incorporation of America: Culture and society in the gilded age*. Macmillan.
- Transparency Policy Project (2013). "Disclosing Corporate Finances to Reduce Risks to Investors." Cambridge, MA: Kennedy School, Harvard University. Accessed on 12/19/13 at: <http://www.transparencypolicy.net/investor-risks.php>.
- Trustees of Dartmouth College v. Woodward. (1819). 17 U.S. (4 Wheat.) 518.
- Tucker, A. M. (2011). Flawed assumptions: a corporate law analysis of free speech and corporate personhood in Citizens United. *Case Western Reserve Law Review*, 61, 495.
- Walt, S., & Laufer, W. S. (1990). Why Personhood Doesn't Matter: Corporate Criminal Liability and Sanctions. *Am. J. Crim. L.*, 18, 263.
- Weber, Max. 1927. *General Economic History*. New York: Greenberg.
- Westphal, J. D., & Zajac, E. J. (2013). A Behavioral Theory of Corporate Governance: Explicating the Mechanisms of Socially Situated and Socially Constituted Agency. *The Academy of Management Annals*, 7(1), 605-659.
- Whetten, D. A., & Mackey, A. (2002). A social actor conception of organizational identity and its implications for the study of organizational reputation. *Business & Society*, 41(4), 393-414.

Whyte, William H. (1956) *The Organization Man*. New York: Simon and Schuster.

Wilensky, H. L. (1964). The professionalization of everyone? *American Journal of Sociology* 70: 137-158.

Williamson, O. E. (1981). The economics of organization: the transaction cost approach. *American Journal of Sociology* 87(3): 548-577.

Winkler, A. (2006). Corporate personhood and the rights of corporate speech. *Seattle University Law Review*. 30: 863.

York, R. (2012). Residualization is not the answer: Rethinking how to address multicollinearity. *Social Science Research*, 41(6), 1379-1386.

TABLES

Table 1. Descriptive Statistics (n=300)^{a, b}

	Mean	St. Dev.	Min.	Max.
<i>Dependent Variable and Components</i>				
Actor Index	0.00	0.51	-1.01	2.00
a. Firm identity, culture or values discussed	1.22	1.13	0	3
b. N. Pages firm history	0.41	0.77	0	6
c. Word count of "manage"	37.90	44.69	0	247
d. Word count of "plan"	59.97	82.87	0	604
e. Word count of "stakeholder"	3.98	7.09	0	54
f. Word count of "citizen"	0.58	1.32	0	11
g. Word count of "risk"	18.86	35.42	0	240
h. Discusses resp. to customers	0.72	0.45	0	1
i. Discusses resp. to investors/shareholders	0.80	0.40	0	1
j. Discusses resp. to public/broader society	0.38	0.49	0	1
k. Discusses resp. to local communities	0.36	0.48	0	1
l. Discusses resp. to employees	0.84	0.37	0	1
<i>Independent Variables</i>				
N. pages (log)	3.84	0.67	1.79	5.55
Prop'n pages finance	0.56	0.19	0	1
N. employees (log)	2.96	1.21	0.10	7.65
Sales (log)	7.67	1.84	1.88	12.95
Firm Age	1.96	1.58	0.00	4.45
Report Year	1986	17	1960	2010
Finance as Pct. of GDP	0.17	0.03	0.14	0.21
Unionization (Pct. Nonfarm Workforce)	20.16	7.07	12.00	30.90
Cultural Rationalization Index	0.00	0.99	-1.35	1.60
a. N. business degrees per 1,000 pop.	1.00	0.46	0.31	1.74
b. N. civil and criminal lawsuits	187.35	88.09	68.27	318.29
c. N. advocacy and public good nonprofits	63.32	37.58	18.39	127.32
Ratings, rankings, or awards discussed	0.25	0.43	0	1
Standards, certifications, laws discussed	0.27	0.45	0	1
N. Images of Management	4.84	7.90	0	56

Notes: (a) Lettered items are the components of the preceding index. (b) Raw scores on items in each index are presented for ease of interpretation, to construct indices the items were standardized using a z-score, then summed and averaged.

Table 2. Correlation Table (n=300)

Variable	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
(1) N. pages (log)	1.00													
(2) Prop'n pages finance	0.37	1.00												
(3) N. employees (log)	0.14	-0.02	1.00											
(4) Sales (log)	0.50	0.18	0.68	1.00										
(5) Firm Age	0.22	0.14	0.10	0.26	1.00									
(6) Report Year	0.65	0.39	-0.01	0.58	0.36	1.00								
(7) Finance as Pct. of GDP	0.64	0.37	-0.02	0.57	0.34	0.99	1.00							
(8) Unionization (Pct. Nonfarm Workforce)	-0.62	-0.38	0.01	-0.58	-0.33	-0.98	-0.99	1.00						
(9) Cultural Rationalization Index	0.67	0.38	-0.02	0.57	0.36	0.99	0.97	-0.95	1.00					
(10) N. business degrees	0.68	0.38	-0.01	0.58	0.36	0.98	0.95	-0.93	0.99	1.00				
(11) N. civil and criminal lawsuits	0.65	0.38	-0.03	0.56	0.35	0.99	0.99	-0.98	0.99	0.97	1.00			
(12) N. advocacy and public good nonprofits	0.67	0.38	-0.02	0.56	0.37	0.97	0.96	-0.93	0.99	0.98	0.98	1.00		
(13) Ratings, rankings, or awards discussed	0.16	0.20	0.04	0.21	0.14	0.27	0.27	-0.27	0.26	0.26	0.26	0.25	1.00	
(14) N. Images of Management	0.02	-0.19	0.03	0.04	-0.03	-0.08	-0.09	0.09	-0.08	-0.08	-0.09	-0.08	0.14	0.09

Table 3. Fixed-Effects Regressions of Actor Index on Cultural Rationalization

	(1)	(2)	(3)	(4)	(5)	(6)
N. pages (log)	.310*** (.060)	.246*** (.055)	.204*** (.049)	.238*** (.055)	.208*** (.050)	.206*** (.051)
Prop'n Pages Finance	.114 (.156)	.054 (.158)	.051 (.150)	.076 (.158)	.060 (.153)	.056 (.153)
N. Employees (log)	-.064 (.050)	.056 (.066)	.069 (.056)	.057 (.061)	.052 (.054)	.076 (.058)
Net Sales (log)	.109** (.037)	-.037 (.058)	-.047 (.045)	-.025 (.053)	-.019 (.047)	-.048 (.051)
Age (log)	.004 (.045)	-.029 (.043)	-.056 (.041)	-.034 (.042)	-.056 (.041)	-.055 (.041)
Year		.016*** (.004)				
Degrees in Bus. (%)			.710*** (.113)			
N. Law Cases (in 1,000s)				.003*** (.001)		
N. Nonprofits (in 1,000s)					.008*** (.001)	
Cultural Rationalization Index						.331*** (.061)
Constant	-1.911*** (.206)	-1.216*** (.237)	-1.259*** (.174)	-1.422*** (.197)	-1.228*** (.190)	-.570* (.257)
<i>N</i>	300	300	300	300	300	300
<i>R</i> ²	.42	.45	.48	.46	.48	.48
<i>AIC</i>	164.93	151.99	133.33	147.75	136.65	136.05
<i>BIC</i>	183.45	174.21	155.55	169.97	158.88	158.27
<i>Df</i>	4	5	5	5	5	5

Standard errors in parentheses; * p<.05, ** p<.01, *** p<.001, two-tailed tests

Table 4. Fixed-Effects Regressions of Actor Index on Firms' Exposure to Legal and Managerial Pressures

	(1)	(2)	(3)
N. pages (log)	.236*** (.051)	.195*** (.051)	.229*** (.052)
Prop'n Pages Finance	-.031 (.138)	.114 (.154)	.003 (.140)
N. Employees (log)	.079 (.053)	.076 (.058)	.080 (.053)
Net Sales (log)	-.069 (.047)	-.056 (.049)	-.072 (.047)
Age (log)	-.055 (.038)	-.056 (.039)	-.055 (.038)
Cultural Rationalization Index	.307*** (.058)	.348*** (.060)	.318*** (.059)
Ratings, Rankings, Awards, Standards, Laws Discussed	.292*** (.051)		.275*** (.050)
N. Images of Managers		.009** (.003)	.004+ (.003)
Constant	-.615* (.256)	-.540* (.253)	-.597* (.258)
<i>N</i>	300	300	300
<i>R</i> ²	.56	.50	.56
<i>AIC</i>	88.94	127.88	88.08
<i>BIC</i>	114.87	153.81	117.71
D.f.	6	6	7

Standard errors in parentheses; * p<.05, ** p<.01, *** p<.001, two-tailed tests

Table 5. Fixed Effects Regressions of Actor Index on Cultural Rationalization, Unionization, Finance

	(1)	(2)	(3)	(4)	(5)
N. pages (log)	.228*** (.053)	.320*** (.065)	.295*** (.061)	.270*** (.058)	.222*** (.052)
Prop'n Pages Finance	.032 (.136)	.031 (.143)	.029 (.146)	-.005 (.147)	-.002 (.137)
N. Employees (log)	.031 (.050)	-.021 (.055)	.028 (.054)	.053 (.058)	.049 (.053)
Net Sales (log)	-.002 (.047)	.040 (.051)	-.013 (.050)	-.052 (.051)	-.037 (.047)
Age (log)	-.061 (.038)	-.003 (.042)	-.015 (.040)	-.030 (.040)	-.064+ (.038)
Ratings, Rankings, Awards, Standards, Laws Discussed	.285*** (.050)	.291*** (.056)	.279*** (.056)	.280*** (.054)	.286*** (.050)
N. Images of Managers	.004 (.003)	.003 (.003)	.004 (.003)	.004 (.003)	.004 (.003)
Cultural Rationalization Index	.625*** (.140)				.467*** (.104)
Year	-.023* (.009)			.017* (.008)	
Unionization (% nonfarm workforce)		-.009 (.009)			
Finance as Pct of GDP			6.333** (2.390)	-2.163 (4.971)	-7.306+ (4.016)
Constant	-.382 (.269)	-1.455** (.467)	-2.351*** (.261)	-.945 (.685)	.552 (.669)
<i>N</i>	300	300	300	300	300
<i>R</i> ²	.57	.51	.52	.53	.57
<i>AIC</i>	81.27	120.14	112.44	108.92	84.80
<i>BIC</i>	114.61	149.77	142.07	142.25	118.14
D.f.	8	7	7	8	8

Standard errors in parentheses; + $p < .1$, * $p < .05$, ** $p < .01$, *** $p < .001$, two-tailed tests

FIGURES

Figure 1. Goodrich Annual Report 2010



Culture

Our Goodrich culture has three key elements – our core values, a people-focused working environment and a strong emphasis on continuous improvement. Our four core values of ethical behavior, customer-focused improvement, accountability and teamwork, and openness and inclusion are the foundation of all that we do. The way we behave toward one another is guided by our Goodrich People Philosophy, based on principles of mutual trust and respect. Our continuous improvement operating approach fosters a focus on eliminating waste and applying innovation to drive performance.

Taken together, these interlocking “three circles” drive a unique culture that we believe is increasingly becoming a marketplace differentiator for us.

(right)
Goodrich's culture includes giving back to the community. Here a team works to build bikes for underprivileged children in Atlanta, Georgia.

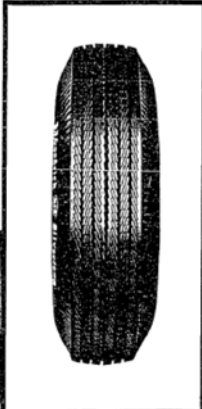








(left)
“Our recent culture survey showed that our employees are very committed to the company. They are proud to work for Goodrich and believe we have an outstanding future.”
Jennifer Pollino, Senior Vice President, Human Resources



Source: Goodrich Annual Report, 2010 (cover, p. 1, p. 2).

Figure 2. Goodrich Annual Report 1960

The B.F. Goodrich Company

ANNUAL
1960
REPORT

Annual Report

FOR THE YEAR ENDED DECEMBER 31, **1960**

The B.F. Goodrich Company

Contents

	Page
Financial Highlights	2
Message to the Stockholders	3
Consolidated Sales and Income	4
Financial Position	4
Operations in 1960	5
Financial Data	9
Charts of Financial Data	9
Statement of Financial Position	10
Statement of Income	12
Notes to the Financial Statements	13
Ten-Year Summary of Sales and Income	14
Ten-Year Summary of Year-End Financial Position	14
Accountants' Report	16
Directors and Executives	22
Divisions, Subsidiaries and Associate Companies	24

To help build the world's highest earth dam in the Trinity River in California, rocks and clay race down a mountainside at 3,000 tons an hour on B.F. Goodrich conveyor belts.

FRONT COVER PICTURES

1961 B.F. Goodrich "Silvertown" Tire delivers 25% more mileage than the BFG tires used as original equipment on 1960 cars. It is like getting an extra tire free with every set of '61 "Silvertowns".

B.F. Goodrich makes almost every kind of floor tile. Shown at top left is Bulge "Agatine" and Egg Shell White "Agatine".

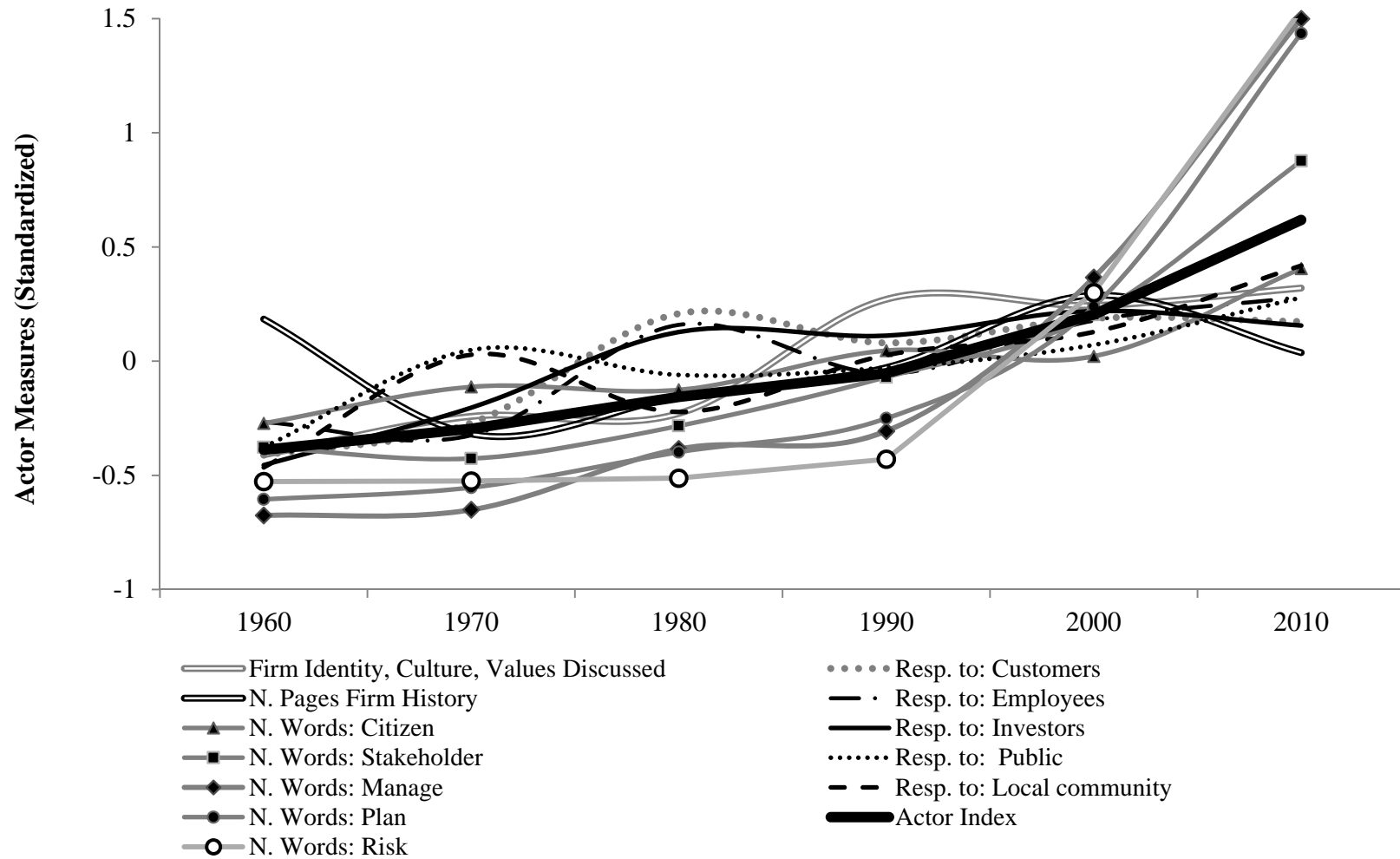
Foam rubber cushioning and "Karasol" vinyl upholstery make furniture comfortable and easy to clean. (photo at right)

(left) B.F. Goodrich makes colorful, comfortable casual shoes for every season of the year. Shown are the new "Ski-Lodge Look" casuals made in both "B.F. Goodrich" and "Hood" brands.

B.F. Goodrich sponge-rubber carpet cushion gives rugs of any age a new lease on wear, actually doubles carpet life. When you walk on it you feel like you are walking on air — and you are. (bottom photo)

Source: Goodrich Annual Report, 1960 (cover, p. 1).

Figure 3. Trends in Actor Measures and Actor Index, 1960-2010



Notes: Time trends calculated by decade. Number of cases in each decade are 1960s (n=45), 1970s (n=54), 1980s (n=48), 1990s (n=46), 2000s (n=55), 2010 (n=52).