# UNLOCK REPUTATION

## The Currency of Collaboration

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### Core Message

In a fragmented, fast-moving world, success is no longer driven by performance alone, but by an institution's ability to align values, behavior, and leadership. Unlock Reputation reframes corporate reputation as the operating system of collaboration. It explains reputation as a values coded system that enables institutions to earn trust, legitimacy, and the willingness of stakeholders to work with them. The book provides readers with strategic guidance on how to achieve it.

### Guiding Principle

Reputation is the currency of collaboration. It governs whether institutions can attract allies, withstand pressure, and operate with legitimacy across society. Built on integrity rather than performance, strong reputations amplify influence, reduce friction, and create the goodwill required to navigate risk, shape outcomes, and endure over time.

### About the Author

Roy Persson is a corporate insider writing this book to help institutions adapt and survive the most challenging time in corporate history: The Reputation Era. For over 20 years has advised Fortune 500 companies on reputation, public trust, and institutional legitimacy. His work sits at the intersection of corporate leadership, public affairs, and societal accountability, guiding senior executives as they navigate regulatory scrutiny, activism, crisis, and long-term reputational risk. He has developed multi-stakeholder reputation frameworks that translate values, trust, and evolving expectations into practical guidance for leadership decision-making across complex institutional environments.

**Quote Text (Placed on the section break page):** *"We are not makers of history. We are made by history." — Martin Luther King Jr.*

## Chapter 1: The Tension of Corporate Power

### Passage 1: The Impact of Global Enterprise

**Summary Text (Not Included in Final Copy):** Corporations were built to deliver prosperity and scale, which they did spectacularly, earning a shield from scrutiny as long as stakeholders felt the benefits. But the speed at which they moved, innovated, and scaled created velocity gaps where regulation, risk management, and human understanding couldn't keep pace. Companies succeeded at their core mission while simultaneously creating consequences they couldn't anticipate, making their competence their greatest vulnerability. The prosperity that once guaranteed legitimacy now intensifies scrutiny. We now live in the Reputation Era, where reputation is the only currency left through which institutions earn permission to operate.

In 2008, the American federal government authorized $700 billion for a troubled asset relief program (TARP) for the banks that had just collapsed the American

economy.[1] In the same week, millions of households faced foreclosure.[2] The banks, it was decided, were too important to fail. The families who felt the financial impact were not. No meaningful scandal emerged. High profile executives did not receive jail time.[3] Within months, bonuses resumed. Yet from that moment forward, it was not business as usual. The ground society stood upon was becoming increasingly uneven. Modern day systems would reward the architects of collapse, while leaving ordinary people in a survival game.

Leading up to this point, scrutiny of society's largest institutions was already an ambient glow. The G7 summit, a small coalition of advanced economies coordinating on global issues, had drawn sustained public opposition across Europe since the 1980s.[4] Davos, the annual gathering of global political and corporate leaders, became a focal point for organized dissent and criticism throughout the 1990s.[5] At the same

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[1] *Troubled Asset Relief Program (TARP)*. (2026, February 13). U.S. Department of the Treasury. https://home.treasury.gov/data/troubled-asset-relief-program

[2] *Have Borrowers Recovered from Foreclosures during the Great Recession? - Federal Reserve Bank of Chicago*. (n.d.). Retrieved May 6, 2026, from https://www.chicagofed.org/publications/chicago-fed-letter/2016/370

[3] Arnold, C. (2013, July 26). After Five Years, Why So Few Charges In Financial Crisis? *NPR*. https://www.npr.org/2013/07/26/205866019/few-on-wall-street-have-been-prosecuted-for-financial-crisis

[4] Patterson, B. (2010, June 19). NEWS: The G7 summit in 1988. *The Council of Canadians*. https://canadians.org/analysis/news-g7-summit-1988/

[5] Protesters to blame Davos elite for global crisis. (2009, January 14). *Reuters*. https://www.reuters.com/article/economy/protesters-to-blame-davos-elite-for-global-crisis-idUSLE726797/

time, environmental concerns were scaling into global coordination efforts, culminating in the United Nations Earth Summit.[6] That shift was shaped in part by earlier moments when the consequences of industrial growth became visible, including the 1969 river fire in northeastern Ohio.[7]

The financial failure in 2008 would be different. It served as a unique event that fundamentally shifted how the world viewed institutions. Not because the event showed harm, but because it revealed that it was not a sudden localized episodic failure. It marked a point of clarity after centuries of accumulating structural misalignment. It was the shocking force of compounding corporate velocity. It struck both physically and emotionally. Its reach landed beyond local communities, propagating globally. The lesson provided more than an understanding that velocity carries consequences, it taught the world that those consequences were already deeply embedded into nearly every facet of their lived experience. The problem was no longer in someone else's backyard, or river. The issue was no longer a societal challenge that would manifest in tragedy on someone else's clock. The reality became

[6] US EPA, O. (n.d.). *Products of the 1992 Earth Summit* [Speeches, Testimony and Transcripts]. Retrieved May 6, 2026, from https://www.epa.gov/archive/epa/aboutepa/products-1992-earth-summit.html

[7] Rotman, M. (n.d.). *Cuyahoga River Fire: The Blaze That Started a National Discussion*. Cleveland Historical. Retrieved May 6, 2026, from https://clevelandhistorical.org/items/show/63

clear, inescapable, and hard to ignore. The systems that provided society with growth and prosperity were both highly unstable and uneven.

Banks had leveraged risky assets as fuel to expand mortgage lending which increased homeownership and home prices.[8] These actions injected society and economic systems with prosperity. But what was under the foundation of these homes was risk, far greater than a weak credit rating. It was systemic risk, where consequence could be shifted downward while elevating protection upward. Systemic risks that emerged from velocity gaps. The speed capital moved at was outpacing every guardrail designed to oversee it. Information was moving faster than understanding. Threats to communities were measurably greater than what they could absorb. Regulation and risk management was either absent, or unable to keep pace. Velocity gaps are what happens when adaptation, innovation, expansion, commercialization, and information exceeds comprehension and conformation. When these velocity gaps converge, systems become unstable. And when systems become unstable, they typically collapse. The larger and more complex the system is, the greater the consequences. Velocity gaps have always been there, for hundreds of years, but now they are magnifying and becoming globally interconnected. Global prosperity could now be seen as being directly connected to global vulnerability.

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[8] *Crisis and Response: An FDIC History, 2008-–2013*. (n.d.).

This vulnerability was not intentionally planned, the plot arranged by a malicious clandestined group of institutional actors. To the contrary, corporations were executing as they were expected to act and they were doing so with remarkable competence. Banks, like any other industry, were intentionally acting with a primary objective in mind, which is to drive shareholder returns while delivering prosperity.[9] To do so banks became engines of complex financialization strategies through the latter part of the twentieth century.[10] The corporation was perfectly designed to do this, but what they were not designed to do was absorb the social consequences of those strategies. Corporations had proven that innovation, scale, and reach could deliver extraordinary economic resilience and shareholder returns. As they scaled it was assumed that business competence would naturally include self-governance features that would prioritize societal stewardship. That assumption, which was already under pressure from anti-corporate protests and escalating environmental concerns, shattered with the rise of home foreclosures resulting from the 2008 financial crisis.

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[9] editor, P. R. F. B. P. R. is a copy, Economics, F.-C. with E. in, Finance, P., & policies, over twenty years of experience in the classroom L. about our editorial. (n.d.). *The 2008 Financial Crisis Explained*. Investopedia. Retrieved May 6, 2026, from https://www.investopedia.com/articles/economics/09/financial-crisis-review.asp

[10] Ki, Y. (2018). Large Industrial Firms and the Rise of Finance in Late Twentieth-Century America. *Enterprise & Society*, *19*(4), 903–945.

Millions of foreclosure signs were staked out in front of homes. Looking out the front window, communities didn't see the word foreclosure, they saw a chilling modern day understanding. *"In the modern world, what corporations do with their power matters more to our society than it ever did before.*" That visibility began to reshape the interpretation of institutional power. And it raised a question that would define the coming era, "*How can corporations operate at a scale without losing the ability to foresee and manage the potential consequences of that scale?"*

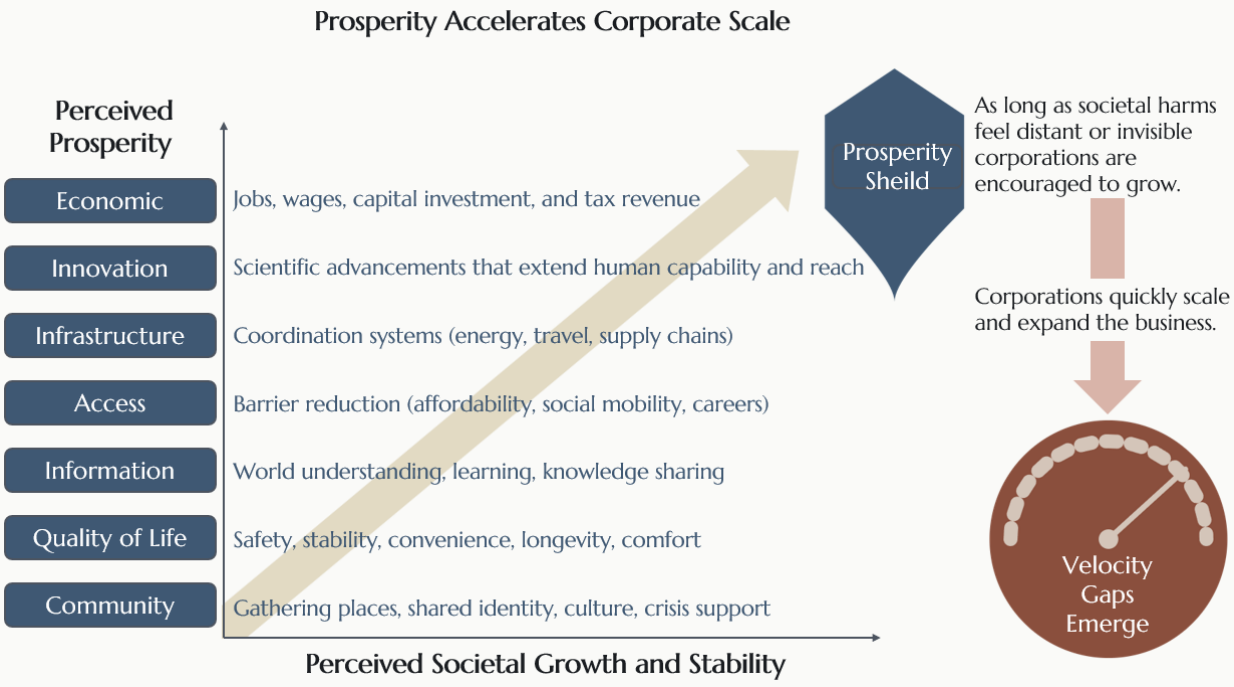
Institutions have failed before. But 2008 was different in scale and velocity. It was the first time a collapse happened globally and instantaneously, exposing velocity gaps across every interconnected system at once. The signals that the reputation operating system was failing were becoming increasingly visible for about 100 years before the 2008 mortgage crisis sent its shockwaves through society. Ironically, the earliest cracks in the system were commonly taught in history books for nearly 500 years. How could signals that eventually led to a global financial meltdown accumulate for centuries, yet remain invisible? It remained out of sight, because these signals of breakdown were camouflaged by perceived prosperity. This becomes a uniquely defining quality of the 2008 financial crisis. It was more than a breaking point, it gave the signals of reputational failure clarity. It revealed that the systematic engineering of prosperity did not include the required mechanics to mitigate or prevent

consequence. And when consequence is visibly greater than prosperity, scrutiny always follows.

What unfolds is the greatest paradox of the modern era. Corporations are being held to standards of accountability, to shield society from consequence, which they were never purposefully designed to meet. While simultaneously being asked to do what they were designed to do, act as engines of scale. To achieve this scale firms prioritize efficiency, optimization, speed, cost reduction, and profit seeking maximization. Corporations built the scale that society demanded, granting prosperity which advanced societal wellbeing. The tension arrives when corporations succeed at their core mission, while creating consequences they could not always anticipate. Leaving businesses to face stakeholder scrutiny for societal externalities they did not intentionally design. Companies are failing precisely when they are succeeding. Their competence has become their vulnerability. As a result, modern day business success carries risk which is often delayed and not easily detectable, but the risk is always present. This is the contradiction at the center of modern day corporate life. The relationship between institutional trust and performance not only began to separate, but the gaps between the two further accelerated.

But this paradox holds an ironic twist within it. Corporations are highly innovative, masters of delivering significant levels of convenience and quality products at rapid

scale. They do more than solve problems, they unlock technologies that propel society forward. When corporations deliver prosperity, they are given more than a continued permission to operate, they are granted a shield from scrutiny. Two conditions create the prosperity shield. First, stakeholders must feel prosperity through a range of societal benefits such as jobs in their communities, access to goods and services, and innovative solutions to problems to name a few. Second, consequences must feel distant or invisible. Once corporations possess a prosperity shield they naturally seize the opportunity to expand, scaling the business further. As a result, corporations accelerate through increased adaptation, innovation, expansion, commercialization, and information gathering. This rapid scale expansion becomes the foundation for velocity gaps, which is when institutions move faster than systematic comprehension and conformation. As witnessed throughout history, and more specifically in the 2008 financial crisis, when these velocity gaps converge, systems become unstable. And when systems become unstable, they typically collapse. The irony becomes clear, the prosperity shield becomes a foundational step to potential societal consequence and scrutiny. Companies once heralded as heroes succeeded long enough to then become the villains within the same plot.




Prosperity should not be viewed as the culprit, it should be understood as an essential component of societal structure. It should be further understood as a multifaceted societal benefit ecosystem, one that corporations have played an important role in creating for over 1000 years. The corporation was purposefully designed to be powerful engines of technological advancement, transforming advances in science, medicine, and infrastructure into solutions that reach deep into society. As society advanced, so too did the prosperity that corporations delivered. From pharmaceutical breakthroughs that extend life expectancy to digital platforms that democratize access to information and financial services, they moved scientific possibility into lived reality. They've also proven to be highly effective at delivering economic prosperity through the jobs, wages, and capital investment which sustain livelihoods and bolster

communities. Prosperity is felt through enormous infrastructure that makes modern life operable at scale through energy networks, logistics systems, supply chains, and digital networks that connect billions of people and enable instant coordination across time zones. The reach of this prosperity feels both instantaneous and limitless, delivering access and reach through global distribution that reduces friction between supply and demand, expanding participation across geographies that once would have been unreachable.

These outcomes of modern day prosperity did not emerge from small systems. They required capital concentration, global coordination, and operational complexity that only large enterprises could sustain. Consider the transformation that has occurred in just the last century. Back in the 1600s, global trade was dominated by sailing ships operated by companies like the British East India Company, where voyages required months, enormous capital risk, and close alignment with state authorities.[11] Over time, the rise of market liberalization, capital mobility, and modern information systems scaled trade and innovation globally. By connecting markets, standardizing systems, and enabling cross-border exchange, corporations dramatically reduced the barriers of time and distance. Today, complex medical innovations developed in one country can be deployed globally within years, or even months. This compression of time and

[11] *East India Company | History, John Company, Battle of Plassey, Definition, & Facts | Britannica*. (n.d.). Retrieved May 6, 2026, from https://www.britannica.com/topic/East-India-Company

distance is what makes modern life possible and what fundamentally shaped how society became dependent on the prosperity that corporate scale creates.

Beyond creating goods and services, corporations have demonstrated remarkable capacity for community and social support during moments of crisis as well. When disasters strike, modern corporations often possess the operational capacity to act faster than governments can mobilize. During Hurricane Katrina, large retailers like Walmart restored supply chains and delivered essential goods more rapidly and effectively than federal agencies could.[12] During COVID-19, companies compressed years of digital transformation into months, with McKinsey research showing that organizations discovered they could move up to 40 times faster than they believed possible before the crisis.[13] They shifted to remote work in weeks, migrated operations to the cloud, reconfigured supply chains, and supported vaccine distribution, food security, and medical supply protection. When the 2024 Hualien earthquake struck Taiwan, killing at least 17 people and causing widespread damage, Foxconn donated $80 million in relief and mobilized its logistics network to support affected

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[12] *Wal-Mart's Response to Hurricane Katrina: Striving for a Public-Private Partnership*. (n.d.). HKS Case Program. Retrieved February 6, 2026, from https://case.hks.harvard.edu/wal-mart-s-response-to-hurricane-katrina-striving-for-a-public-private-partnership/

[13] McKinsey & Company. (n.d.). *How COVID-19 has pushed companies over the technology tipping point—And transformed business forever*.

communities.[14] These moments show what corporations can accomplish when they commit resources and capability to collective societal welfare.

This is the prosperity that stakeholders demanded from corporations as they scaled. Stakeholders recognized corporations were engines of economic growth, community stability, technological advancement and infrastructure enablement. Companies became the conduit between invention and impact, the drivers of growth and societal stability. Many of the advancements enjoyed on a day to day basis would not be possible without the evolutionary success provided by corporate scale.

Yet it is precisely this unprecedented evolutionary success that leads to the contradiction at the center of modern corporate life. The same scale, reach, speed, and coordination that enable extraordinary progress have amplified missteps and ethical blind spots. The positive impact these companies offer society is in a state of conflict, challenged by perceptions of corporate greed and well-documented negative externalities on communities and the environment. A skeptical public has become accustomed to a range of corporate scandals. Canonical examples of fraud, such as Enron in 2001, unfolded in full public view. While lesser-known overcharging schemes by Corporate Travel Management that led their founding executive Jamie

[14] *Taiwan receives earthquake relief donations from 30 countries | Taiwan News | Apr. 6, 2024 20:01*. (2024, April 6). https://taiwannews.com.tw/en/news/5137664

Pherous to step down.[15] The impact of the corporation in the Reputation Era goes well beyond making products that meet market needs. The impact extends deeply into systems that deliver prosperity, which can also contribute to producing velocity gaps that deteriorate the modern world. Successful delivery of prosperity, that once guaranteed legitimacy, has become the backdrop for crisis inducing scrutiny. This is the context of the Reputation Era, a time where corporate success does not reduce scrutiny, it intensifies it. The more powerful corporations become, the more society expects them to safeguard the power they create.

The 2008 financial crisis ushered in the Reputation Era because it made the gaps between corporate competence and corporate accountability not only visible, but hard to ignore. The Reputation Era would redefine corporate risk from concerns of scandal or moral failure, to systematic structural instability. The financial crisis became an undeniable proof point that when systems that move faster than they can be governed, they create negative externalities that accumulate until they become visible. And once externalities are attributed to an institution, society begins asking harder questions. Are the benefits fairly distributed or concentrated? Is power being exercised responsibly or exploited? Are people being treated with dignity or as

[15] *CTM MD Pherous steps down amid accounting turmoil*. (2026, February 2). https://www.businesstravelnewseurope.com/Management/CTM-MD-and-founder-resigns-amid-accounting-turmoil

disposable? Are the costs of growth being shouldered by those who profit, or transferred to communities and ecosystems that bear no responsibility for creating them? These questions, once raised, do not fade away. They accumulate over time, creating pressure that narrows the space in which a corporation can operate. Partnerships begin to dissolve, credibility weakens, and regulatory tolerance shrinks. A company's license to operate becomes increasingly conditional. What began as scrutiny gradually transforms into constraint, and these constraints shape delegitimizing vulnerability that can become an existential crisis to the business itself.

Today's society, growing ever more conscious and globally connected, wakes to the Reputation Era's most unavoidable question: *"Can I trust companies with the increasing influence and power that the modern corporate ecosystem provides?"* This question defines the architecture of corporate legitimacy in the modern era. A question that lands because corporations are now more powerful than they ever have been before. A question that will rise more frequently and aggressively because corporate power is more visible and easily contested. A question that arrives because today's systems feel fractured, uneven, and highly unstable. This is a world where only one currency is left through which legitimacy is continuously negotiated and earned. The most valuable currency of the modern era is reputation. What was once viewed merely as a communication tool or brand asset has now become something far more

vital to the longevity of an institution. In the Reputation Era this is the only currency that can be used to ensure that an institution maintains its license to operate.

## Passage 2: Making the Reputation Era

**Summary Text (Not Included in Final Copy):** Over two thousand years, corporations evolved from local civic organizations into global forces shaping geopolitical systems. With each era, from Ancient Rome through the Industrial Revolution to today, corporate scale and power expanded faster than society could build legitimacy mechanisms to oversee them, creating persistent velocity gaps. Early corporations earned legitimacy through competence and proximity, but as they grew larger, faster, and more complex, the relationship between performance and accountability fractured. Visibility through journalism briefly restored faith, but digital fragmentation and simultaneous collapse of regulatory, journalistic, and democratic institutions left reputation as the only mechanism through which legitimacy could be evaluated. The Reputation Era marks a structural condition where corporate power is unprecedented and unmediated, demanding a new form of legitimacy that goes beyond competence alone.

The question of whether companies can be trusted with their influential scale results from changes that have been building over 2000 years. It evolved through a series of structural expansions that reshaped the institutional incentives, the speed they

operate at, the reach of their influence, and how consequences from their decisions are distributed. These changes would take place over centuries, all of which would contribute to the most significant evolution in corporate history. Over the past 100 years the rules of how legitimacy is granted to business, the reputation operating system, would fundamentally change.

To understand the Reputation Era, it is not enough to examine the present moment. The conditions that define it were constructed gradually, across different periods of economic and institutional development. What changed was not the fundamental purpose of the corporation, its purpose would always be to produce prosperity. What evolved with each era was the introduction of new capabilities and new mandates that would introduce new velocity gaps. With each velocity gap the relationship between performance and accountability would separate. With each velocity gap, the potential for societal consequences emerged. With time these shifts started to produce a consistent visible pattern. Corporate capacity expanded faster than the systems designed to interpret, oversee, and legitimize that expansion. The result was not immediate breakdown, but accumulating strain. A strain that constricts institutions in the modern era. To see how this pattern formed, we need to step back and examine how corporate legitimacy systems were built, what assumptions they carried, and where they began to fracture.

The pattern begins in ancient Rome. This period, the Ancient Civic Era, marks the first time corporations received legal recognition as entities (collegia and universitates) that could exist independently of the individuals who composed them.[16] These early corporate forms organized trades, religious orders, and civic works. What distinguished this era was the fusion of economic and civic mandates. Corporations generated prosperity while maintaining roads, managing public works, and structuring social order. Scale mattered fundamentally. Geographic reach was limited. The speed of commerce was constrained by physical distance. A merchant who profited from the community also lived in it. Consequences of the merchants' decisions were visible. As a result, proximity served as a mechanism for accountability.

Legitimacy flowed from the alignment of performance and prosperity. If a corporation organized economic activity and contributed to collective welfare, it earned the right to continue operating. This assumption held because distance between power and consequence was minimal. Those organizing economic activity naturally understood their role in organizing society. In this time period the market and community were not treated as separate domains.. This is because the reputation operating system of the Ancient Civic Era recognized that visibility was direct and impact was local. This would not hold up thousands of years later.

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[16] Patterson, J. L. (1983). The Development of the Concept of Corporation from Earliest Roman Times to A.d. 476. *The Accounting Historians Journal*, *10*(1), 87–98.

Much of what was expected from, and how corporations acted in society, remained largely the same for 1000 years. That is, until the Medieval Guild Era. At this point, corporations evolved into formalized guilds and chartered towns, they became more sophisticated in how they created prosperity. These institutions showed their ability to translate economic activity in societal structures by creating rapidly growing urban centers. Guilds brought together merchants and craftspeople within specific trades. They established rules around production, apprenticeship, training, pricing, and market participation.[17] But what made guilds transformative was not its economic organization, it was the creation of class structures based on skill rather than birth.[18] A person could rise from peasant to master craftsman through competence and learning. While common in modern society, this was a revolution of its time. For the first time, economic position became linked to occupation and ability rather than solely to land ownership or lineage. Guilds determined who could learn, who could earn, and who could advance. They created structured wages, standardized training, and controlled access to participation within the urban economy.

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[17] Ogilvie, S. (2014). The Economics of Guilds. *Journal of Economic Perspectives*, *28*(4), 169–192. https://doi.org/10.1257/jep.28.4.169

[18] *Medieval Guilds—World History Encyclopedia*. (n.d.). Retrieved May 6, 2026, from https://www.worldhistory.org/Medieval_Guilds/

The prosperity the corporation would provide society in the Medieval Era evolved significantly, but what did not change, materially, was its reach and proximity. Guilds operated within defined geographies. A guild's legitimacy was rooted in the community it served. The master craftsmen knew the apprentices and guild halls typically existed in just one city. Accountability remained both local and visible. When a guild maintained standards, those standards were enforced by neighbors and competitors who could see the work. Like the Ancient Civic Era, this local embeddedness made legitimacy straightforward. The guild that organized economic activity fairly, maintained quality, and contributed to community welfare earned the right to continue their business operations.

The next corporate evolution, in the 1600s, occurs 500 years later. The Chartered Era provided a blueprint for instability that would repeat consistently right up to the 2008 financial crisis. However, the velocity gap that emerges in this era doesn't take place at a bank, it transacts on merchant trading ships. Historical accounts typically spotlight the Dutch and British East India Trading Companies as the beginning of the modern corporate form, this framing holds merit in many ways. These companies supported advanced overseas trade and colonial expansion networks that combined private capital with state authority to manage risk and scale commercial ventures.[19]

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[19] Oppon, A.-R. (2021). To what Extent did the Private Hybridity of The East India Company Result in Lack of Accountability? In A. Sarat & D. Prabhat (Eds.), *Privatisation of Migration Control: Power without*

They introduced organizational features that remain foundational today such as joint stock ownership, which allowed capital to concentrate without individual investors bearing total liability. Continuity beyond individual investors also meant the enterprise could persist regardless of who owned it.[20]

But what truly distinguished the Chartered Era was a fundamental shift in how corporate power became mobile. Now corporations spanned jurisdictions, crossing oceans, to govern overseas territories. They also functioned as hybrid entities, part commercial enterprise and part governing authority, empowered to manage overseas territories, raise armies, collect taxes, and negotiate on behalf of the state.[21]

Advances in mobility, which repeated through history, is a corporate velocity gap. Its ability to undermine and threaten legitimacy would endure to the modern era. The mobility of corporate power spanning continents combined with a role to act as a governance structure, rendered accountability at best confused, and at worst completely unaccounted for. Who is responsible for a corporation operating in a

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*Accountability?* (pp. 77–90). Emerald Publishing Limited. https://doi.org/10.1108/S1059-43372021000086B006

[20] Ransom, R. L., & McKenzie, J. D. (2025). The East India Company and the British Empire. In R. L. Ransom & J. D. McKenzie (Eds.), *Imperial Wars in the Modern Era: The Struggling for Territory* (pp. 33–35). Springer Nature Switzerland. https://doi.org/10.1007/978-3-032-07701-1_5

[21] *Armies of the East India Company | National Army Museum*. (n.d.). Retrieved May 6, 2026, from https://www.nam.ac.uk/explore/armies-east-india-company

distant territory as both merchant and governor? The home nation? The colonial authorities? The corporation itself? There was no accountability structure that could reach across jurisdictions to verify that power was being exercised responsibly. From this point onward, corporations were no longer confined to organizing local economic activity. Mobility gave them reach, making them instruments capable of shaping global trade, redrawing geopolitical maps, and establishing complex resource distribution across continents. Power escaped local oversight and the assumption that local accountability structures could suffice had broken, this structural problem would echo through each subsequent era, right into the modern era.

The Industrial Era marks the next evolution of the corporation. Advances in technology accelerated the speed at which goods, capital, and information could move, introducing early forms of what would become persistent velocity gaps. By the 1800s, large corporations, including textile manufacturers, steel producers, and railroad operators, concentrated labor, capital, and machinery at unprecedented scale.[22] Breakthroughs in energy and transportation connected regions that had previously been isolated, compressing distance and redefining coordination across

[22] Temin, P., & Chandler, A. D. (1978). Chandler's The Visible Hand. *The Bell Journal of Economics*, *9*(1), 297–303. https://doi.org/10.2307/3003631

markets. The transcontinental railroad, built within decades, did not simply expand commerce. It reshaped expectations around scale, speed, and reach.[23]

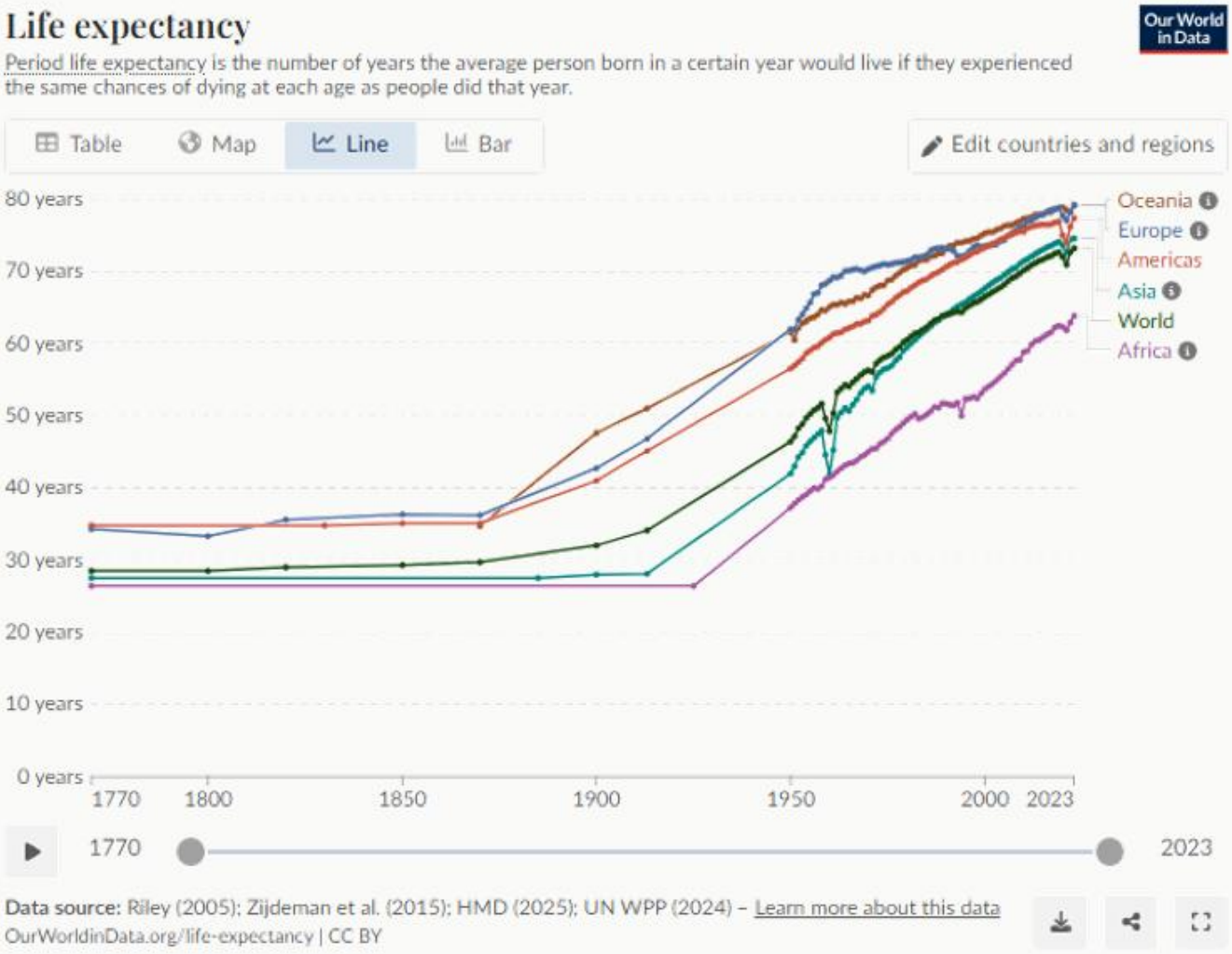
A new form of misalignment emerged in the form of a regulatory velocity gap. Corporations scaled rapidly, often faster than negative externalities could be understood and governance could adapt. Waves of innovation increased not only the capacity to connect, distribute, and scale, but also the capacity to compound consequences. What appeared in the Industrial Era as physical acceleration in transportation and logistics would, centuries later, surface as structural fault lines in financial systems leading up to the 2008 mortgage crisis.

But the scale and speed at which companies operated in the Industrial Era also led to increasingly tangible prosperity as well. This logistics transformation shrank world distances. Raw materials, goods, and people moved faster and farther than ever before. Like earlier corporate forms, Industrial Era corporations reshaped where people lived and how cities grew, while becoming an increasingly vital component of national economies. Prosperity widened as parallel advances in medicine and public health led to breakthroughs in sanitation, vaccination, and surgical practice. These advances contributed to declining mortality rates and longer lifespans in

[23] Fukuyama, F. (n.d.). *Trust: The Social Virtues and the Creation of Prosperity*. Free Press. (Original work published 1995)

industrializing societies.[24] The evolution of the corporation made it a force capable of shaping not only economic outcomes, but the pace and direction of societal change. Despite the ability for some corporations to scale beyond existing policies and governance frameworks, communities embraced corporate expansion because the prosperity was real, immediate, and highly transformative.

[24] Dattani, S., Rodés-Guirao, L., Ritchie, H., Ortiz-Ospina, E., & Roser, M. (2023). Life Expectancy. *Our World in Data*. https://ourworldindata.org/life-expectancy




The regulatory velocity gap became increasingly visible as companies moved across more regions and jurisdictions. Governance struggled to keep pace, if they could at all. Companies began to operate in “grey spaces,” expanding faster than oversight and governance mechanisms could be established. The speed at which corporations could move, innovate, and enter new markets outpaced the ability of regulatory systems to respond. That power, once constrained by local oversight and structured governance

systems in earlier eras, became far more difficult to contain. While the prosperity was undeniable, so was the velocity gap that enabled it. This structural misalignment would accumulate for centuries, eventually leading to moments of systemic global consequence.

Additional misalignments would continue in the New Dawn Era. A time where the most advanced corporations began to scale beyond what any single person could either oversee or fully comprehend. By the early 1900s, the corporate problem was no longer about learning how to build big, it was about having a full informational picture about what was built. From this point forward it would become increasingly commonplace that a manufacturing decision, that was made in a corporate headquarters, could ripple across factories, supply chains, and communities that executives would never visit, or potentially even knew existed. The information required to understand the full scale of consequences of those decisions simply could not travel that far backward through the organization.[25] Corporations were showing the earliest signs that rapid, highly accelerated scale would have informational blind spots. This resulted in corporations making decisions that created harm, but could not be fully anticipated in places, or future times, they could not see. This information velocity gap, where decisions are made without access to their consequences, would

[25] *Digital History*. (n.d.). Retrieved February 8, 2026, from https://www.digitalhistory.uh.edu/disp_textbook.cfm?smtid=2&psid=3166

become the blueprint for what would repeat throughout the next century, most visibly in the banking system that would be shocked by the mortgage crisis a hundred years later.

But blindness, in an ironic twist, creates an opportunity. Journalists began investigating what corporations either could not see, or thought the broader public did not understand. Ida Tarbell, a journalist, spent years tracing Rockefeller's Standard Oil decisions that led to significant economic and workforce consequences.[26] Ida pioneered muckraking journalism, which brought distant, hard to understand, harms, like monopolies, into visibility.[27] For the first time, the societal consequences of corporations had broad public witnesses. Visibility was magnified beyond those directly afflicted. Visibility forced a new dynamic, corporations had to answer to a new set of reputational stakeholders, the media, regulators, and an increasingly informed public. Maintaining legitimacy required dialogue with a broader set of stakeholders.

Visibility was the most powerful force unleashed in the New Dawn Era because it revealed that competence no longer guaranteed legitimacy. A company could be

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[26] *Ida Tarbell | American Experience | PBS*. (n.d.). Retrieved May 6, 2026, from https://www.pbs.org/wgbh/americanexperience/features/rockefellers-tarbell/

[27] *The Woman Who Took on the Tycoon*. (n.d.). Retrieved May 6, 2026, from https://www.smithsonianmag.com/history/the-woman-who-took-on-the-tycoon-651396/

efficient, profitable, and innovative, and still face scrutiny for consequences it had not foreseen. The decoupling had begun. At this point it was becoming understood that competence delivered prosperity, but competence was also recognized as delivering hidden consequences. It would take the global reach of the 2008 banking crisis to bring this lesson back to shocking reality. With each decade leading into the Reputation Era, visibility of negative externalities would only increase and expand. Scrutiny followed, society would begin asking a harder question. "*Can our corporations be trusted to safeguard our society?"* The historical baseline for protests against global institutions at G7 and Davos a century later had been set. The reputation operating system, which had functioned for centuries on the assumption that competence and legitimacy moved together, was beginning to show its first cracks.

The next evolution takes only fifty years. The second half of the twentieth century marks the Unbounded Era. A time where corporations reached significant global expansion, defined by increased physical scale, capital mobility, global geographic reach, and information technologies which created complex interconnected business, social, economic, and political systems. Advances in computing, digital communication, and the internet fundamentally altered how corporations operated and how they were perceived. Corporations were making the world a highly interconnected place, if one economic system or supply chain failed the consequences

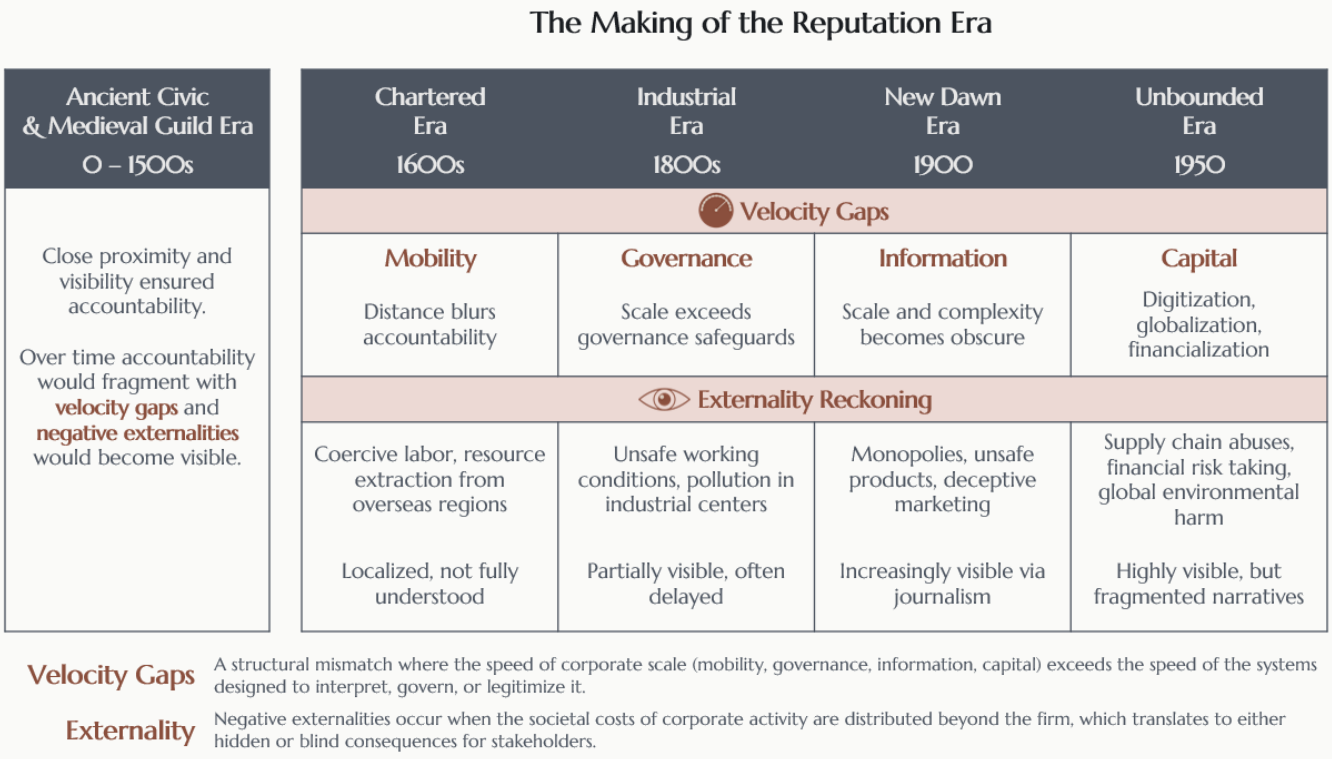
could be catastrophic. Because scale was also increasingly becoming "blind", the extent of the fallout could be predicted, but never fully understood until the consequences occurred.

As systems became interconnected, visibility also increased dramatically as well. In the Unbounded Era corporate actions, once obscured by slow-moving news cycles and buried deep within organizational walls, became more visible through increased news and media exposure across a full range of reputation stakeholders such as employees, consumers, investors, regulators, and the public at large.[28] But this did not hold for long. Within this same time period the information system itself fractured. Digital platforms and algorithmic sorting split audiences into different realities. Now corporations became visible for negative externalities, but this visibility came without consensus. Media, activists, regulators, and the public all saw the same actions through different lenses. The information velocity gap that had briefly narrowed became scrambled. Shared understanding of corporate consequences was dissipating.

Another shock to stability during the Unbounded Era came in the form of financial and political frameworks, spearheaded by concepts like Milton Friedman's shareholder

[28] Cabral, L. (2016). Media exposure and corporate reputation. *Research in Economics, Special Issue on Industrial Organization*, *70*(4), 735–740. https://doi.org/10.1016/j.rie.2016.07.004

primacy.[29] This framework redirected corporate decision-making away from stakeholder balance and toward short-term financial profit maximization. It shortened time horizons, prioritizing immediate returns over long-term consequence management. Financial deregulation accelerated capital flows and merger activity.[30] The change in corporate incentives set the stage for advanced financialization techniques that increased tolerance for risk taking.




[29] Friedman, M. (2007). The Social Responsibility of Business Is to Increase Its Profits. In W. C. Zimmerli, M. Holzinger, & K. Richter (Eds.), *Corporate Ethics and Corporate Governance* (pp. 173–178). Springer Berlin Heidelberg. https://doi.org/10.1007/978-3-540-70818-6_14

[30] Bruck, C. (1989). *The Predators' Ball: The inside story of Drexel Burnham and the rise of the junk bond raiders*. Penguin Books.

The result was 500 years of systematic misalignment. Information systems fragmented into incompatible narratives. Capital moved at velocities that regulation could not contain. Corporations operated at scale where visibility could not fully penetrate. No shared reality existed to evaluate what corporations were doing. Mechanisms for institutional trust were deteriorating. The reputation operating system, which had already fractured in the New Dawn, had broken completely. But nobody knew it yet, that is until the 2008 financial crisis would make this reality clear.

This set the stage for the Reputation Era, a moment unlike any other in corporate history. Corporations had accumulated unprecedented power, reach, and influence through exponential growth that dwarfed even the most recent Unbounded Era. Yet this moment of maximum corporate power coincided with maximum institutional delegitimization. Every mechanism that had once mediated corporate legitimacy fractured simultaneously.

Regulation could not keep pace with corporate velocity. Journalism fragmented across competing narratives and lost institutional authority.[31] Democratic institutions lost credibility. Digital platforms shattered shared reality into incompatible versions. Corporations became hyper-visible, but no single institution could mediate what that

[31] Di Martino, E., Galeazzi, A., Starnini, M., Quattrociocchi, W., & Cinelli, M. (2025). Ideological fragmentation of the social media ecosystem: From echo chambers to echo platforms. *PNAS Nexus*, pgaf262. https://doi.org/10.1093/pnasnexus/pgaf262

visibility meant. In previous eras, when scale outpaced legitimacy mechanisms, society had time to build new ones. Regulation would eventually catch up. Journalism would eventually expose consequences. Democratic institutions would eventually mediate disputes. But in the Reputation Era, all of these failed at once. There was no fallback. There was no arbiter. There was no shared agreement on what corporate actions actually meant.

Into this vacuum, reputation emerged as the only remaining mechanism through which legitimacy could be negotiated. It is not a communication strategy or a brand asset. It is the signal through which society evaluates whether corporate power is being wielded responsibly. Reputation became what every stakeholder watched, including employees, consumers, investors, regulators, activists, and the public, to determine whether an institution deserved permission to operate.

Reputation became the only mechanism left through which that power could be evaluated. But what reputation reveals, when it has no filter and no institutional mediator, is not just how decisions are made. It is what those decisions actually cost. The Reputation Era's structural condition created a peculiar vulnerability. Corporations operated at a scale where consequences could be neither fully anticipated nor fully hidden. Some societal harms emerged from complexity too vast to foresee, while others were foreseen and deliberately concealed. The distinction of

incidental harm and malicious harm matters to executives, but to stakeholders the difference does not excuse accountability. This gap between what institutions claimed they could understand and what they actually knew has marked the delegitimizing landscape that defines the modern era.

## Passage 3: The Externality Reckoning

**Summary Text (Not Included in Final Copy):** As corporations scaled in power and precision, so too did the societal consequences of their decisions. Historically moments of harm were tolerated, obscured, or diffused in pursuit of economic growth and societal advances. A growing societal consciousness, driven by mass media, increased corporate visibility exposing the negative externalities corporations have on society. The result was a continued erosion of institutional trust, reshaping how legitimacy is judged. Visibility in the communication era translated to scandal through the Reputation Era, leading stakeholders to no longer assume good faith; they increasingly expected corporate foresight, mitigation, and accountability for the negative externalities they imparted upon society.

The consequences of corporate scale are no longer invisible or distant. What corporations do ripples across labor systems, communities, and ecosystems in ways that stakeholders can now observe, measure, and attribute in real time. This visibility has fundamentally shifted how society evaluates institutional power. Consequences

that were once diffuse, delayed, or difficult to trace are now immediate and measurable. They accumulate in public view, shaping perception before corporations can respond.

This natural rise in scrutiny dampens the prosperity shield that once protected corporate expansion. Recall that corporations earned legitimacy as long as stakeholders felt the benefits of growth and consequences remained invisible. But visibility changes the equation. As consequences become undeniable, stakeholders no longer assume that competence and scale equate to trustworthiness. The shield that once granted corporations permission to expand without question now requires constant defense.

Not all consequences, however, are the same. Some harms emerge from scale and complexity faster than understanding can follow. These are blind consequences, outcomes that could not have been fully anticipated at the moment of innovation or decision. Others are foreseen and deliberately managed in service of commercial outcomes. These are hidden consequences, harms that corporations knew about and chose to conceal or minimize. The distinction mattered once, when institutions mediated meaning and could differentiate between unlucky and unethical. This distinction, now, offers little protection in a world where institutional trust has fractured.

Both types of consequences devastate legitimacy equally, but for different reasons. Hidden consequences are perceived as malicious intention through a deliberate choice to prioritize commercial objectives. Hidden consequences, once brought to light, are associated with crisis inducing scandals.[32] Blind consequences are different; they reveal structural negligence, not a calculated plot. Yet in an environment saturated with institutional skepticism, the distinction between the two becomes almost academic. Society has accumulated so many documented cases of hidden harm, so many scandals where companies knew and acted anyway, that the default assumption has shifted. Stakeholders now generally assume consequences are known and ignored, choosing to scale anyway. Skepticism leads to the notion that concealment is the rule, not the exception. Even an unforeseeable harm translates to negligence and accountability failure. And when a single "honest" misstep happens, as they usually do, it triggers stakeholder paranoia that all harm is deliberate and malicious.

The tobacco industry provides a historical case of hidden consequences deliberately managed for profit. Internal documents later revealed that major tobacco companies possessed extensive scientific evidence linking smoking to cancer and addiction by the

[32] Soltani, M., Veer, E., de Vries, H. P., & A. Kemper, J. (2024). "Did You See What Happened?" How Scandals are Shared via Social Media. *Corporate Reputation Review*, *27*(3), 186–201. https://doi.org/10.1057/s41299-023-00165-z

1950s.[33] Rather than acting to mitigate harm, corporate strategy focused on suppressing research, manufacturing doubt, and prolonging regulatory inaction through coordinated campaigns.[34] Product design and marketing were optimized not merely to sell cigarettes, but to sustain addiction and recruit new users, including younger populations. When called to testify before Congress in 1994, tobacco executives claimed the evidence was inconclusive, their products were not addictive, and they were not marketing to children. Internal documents later made public told a starkly different story.[35]

The opioid crisis followed a similar pattern. Beginning in the late 1990s, pharmaceutical companies aggressively marketed prescription opioids as safe and effective treatments for chronic pain, often minimizing the risks of addiction and dependency.[36] Internal communications revealed these firms knew of the addictive

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[33] LeMaistre, C. A., Hamill, P. V. V., Guthrie, E. H., Farber, E., & Shopland, S. (with Project Muse). (2024). *Clearing the Air: The Untold Story of the 1964 Report on Smoking and Health*. University of California Health Humanities Press.

[34] Brandt, A. M. (2012). Inventing conflicts of interest: A history of tobacco industry tactics. *American Journal of Public Health*, *102*(1), 63–71. https://doi.org/10.2105/AJPH.2011.300292

[35] Cummings, K. M., Brown, A., & O'Connor, R. (2007). The Cigarette Controversy. *Cancer Epidemiology, Biomarkers & Prevention*, *16*(6), 1070–1076. https://doi.org/10.1158/1055-9965.EPI-06-0912

[36] Van Zee, A. (2009). The promotion and marketing of oxycontin: Commercial triumph, public health tragedy. *American Journal of Public Health*, *99*(2), 221–227. https://doi.org/10.2105/AJPH.2007.131714

potential long before public harm became visible.[37] Yet corporate strategy prioritized rapid market expansion and revenue growth. Sales representatives were incentivized to encourage broader prescribing. Educational materials emphasized low addiction risk and positioned opioids as compassionate care. Between 2013 and 2015, one in twelve American physicians received opioid-related marketing. Among family physicians, it was one in five.[38] As prescription volumes surged, addiction rates, overdose deaths, and community destabilization followed.[39] In both cases, corporate power was exercised with precision in pursuit of growth, while costs and consequences were externalized to society.

But not all negative externalities are deliberately hidden. Microplastics offer a counter example of blind consequences. Plastic became a transformative innovation in the twentieth century. It solved genuine problems that created societal prosperity, because it was cheap, durable, and versatile. Corporations seized the prosperity shield, optimizing production and distribution at scale. No company set out with a plot to

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[37] Alonso, J. S. (2021). Purdue Pharma Deceptive Research Misconduct: The Importance of the Use of Independent, Transparent, Current Research. *Voices in Bioethics*, *7*. https://doi.org/10.7916/vib.v7i.7786

[38] Eisenberg, M. D., Stone, E. M., Pittell, H., & McGinty, E. E. (2020). The Impact Of Academic Medical Center Policies Restricting Direct-To-Physician Marketing On Opioid Prescribing. *Health Affairs*, *39*(6), 1002–1010. https://doi.org/10.1377/hlthaff.2019.01289

[39] Hadland, S. E., Rivera-Aguirre, A., Marshall, B. D. L., & Cerdá, M. (2019). Association of Pharmaceutical Industry Marketing of Opioid Products With Mortality From Opioid-Related Overdoses. *JAMA Network Open*, *2*(1), e186007. https://doi.org/10.1001/jamanetworkopen.2018.6007

contaminate. No executive intentionally designed microplastics to pervade human bloodstreams, accumulate in organs, and possibly alter cellular function.[40] The harm was not foreseeable at the moment of innovation. This consequence emerged from scale itself. Over decades of production, plastic decomposed into particles invisible to the naked eye. Those particles entered waterways, food chains, and human bodies. Later, as measurement technology improved and research accumulated, the full scope of harm became visible. By then, microplastics were everywhere.[41]

But microplastics are no longer a blind consequence, it is now a chronic one. Once visibility emerged, the industry response was slow, fragmented, and insufficient to match the scale of harm that had already accumulated, while production continued to expand and meaningful accountability remained elusive. The harm did not resolve into reform, it embedded itself further into ecosystems and human bodies as corporations defaulted toward incremental improvements rather than fundamental transformation. This is precisely why stakeholders perceive little difference between blind and hidden consequences, because when a blind consequence becomes visible and corporations fail to act with integrity, the original ignorance ceases to matter

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[40] Preda, O.-T., Vlasceanu, A.-M., Andreescu, C. V., Tsatsakis, A., Mezhuev, Y., Negrei, C., & Baconi, D. L. (2024). Health Implications of Widespread Micro- and Nanoplastic Exposure: Environmental Prevalence, Mechanisms, and Biological Impact on Humans. *Toxics*, *12*(10), 730. https://doi.org/10.3390/toxics12100730

[41] Cverenkárová, K., Valachovičová, M., Mackuľak, T., Žemlička, L., & Bírošová, L. (2021). Microplastics in the Food Chain. *Life*, *11*(12), 1349. https://doi.org/10.3390/life11121349

and the response begins to feel indistinguishable from concealment. What stakeholders evaluate is not the moment of discovery but the pattern of action that follows it, and when that pattern resembles persistence rather than accountability, the distinction between unforeseeable harm and deliberate harm collapses entirely.

These three negative externalities underscore a defining lesson that shaped the Reputation Era. Some harms are concealed deliberately. Others emerge from scale and complexity faster than understanding can follow. In both scenarios, corporations operated with competence and precision in pursuit of their designed purpose. They optimized markets and they solved problems to deliver prosperity. Yet the consequence-awareness required to foresee and manage ripple effects was simply not fully built into corporate decision making architecture. When stakeholders began seeing the full chain from corporate decision to societal consequence, with a perceived lack of accountability, trust could not recover. Corporations in the modern era are perceived as lacking the mechanisms required to reliably manage the consequences that their accelerated scale created.

This erosion delegitimized the corporate archetype itself. A public that once assumed competence meant trustworthiness now assumes the opposite. Stakeholders expect proof of consequence-awareness, not just capability. They interpret silence not as confident self-governance, but as potential concealment. In this environment, even

well-intentioned organizations operate under presumption of scrutiny. Legitimacy, in the Reputation Era, must be actively earned rather than passively assumed. Now a single misstep can send reputation plummeting, which is a reputational inheritance of the modern era. Corporations traverse a landscape shaped not only by what they do, but by the accumulated memory of what other corporations failed to do, make decisions with integrity.

Passage 4: The Growth-Responsibility Paradox

**Summary Text (Not Included in Final Copy):** As corporations expand, their influence over economies, governments, and social systems intensifies, making them not just business entities but key societal players. With this power comes heightened scrutiny, as the public, regulators, and stakeholders demand greater ethical responsibility, transparency, and accountability. The larger a corporation becomes, the more it must answer for its impact on workers, consumers, communities, and the planet.

This memory has translated into an increasing surge of populist skepticism toward institutions.[42] But this movement misunderstands that the ascension of modern corporate power followed no master plan. It was not the outcome of a grand design engineered in boardrooms by executives with master plans. Instead, corporations

[42] Jetten, J., & Mols, F. (2021). Support for populist parties. In J.-W. Van Prooijen (Ed.), *The Psychology of Political Polarization* (1st ed., pp. 97–111). Routledge. https://doi.org/10.4324/9781003042433-9

ascended to their current scale through a series of historical events, market dynamics, economic conditions, and incentive systems that emerged precisely because societies demanded them. The memory of consequences and perceptions of significant corporate scale easily lends to the conclusion that corporations have been seizing power, despite a historical account which shows that they inherited it. Gradually, over time, it was granted piece by piece from public and governing bodies that wanted prosperity in the forms of faster innovation, better infrastructure, cheaper goods, convenience, and economic resilience. What they did not anticipate was that granting a private institution such capacities would eventually transform that institution into something that demanded a new, much more complex, system of accountability.

The core tension of modern corporate power lies in a paradox that cannot be resolved within current corporate architecture. Corporations were built to scale, optimize, and deliver prosperity at speed. They were not built to foresee and manage the full spectrum of consequences their decisions create across labor systems, communities, and ecosystems.[43] Yet that is now what society demands. Corporations are simultaneously expected to grow and, at the same time, to master the consequences of growth. They are expected to innovate and to anticipate all ripple effects of innovation. They are expected to move fast and to absorb the full weight of

[43] Idowu, S. O. (Ed.). (2013). *Encyclopedia of corporate social responsibility*. Springer.

what speed creates. These mandates are not only paradoxical, they are incompatible. No system designed to maximize efficiency and returns can simultaneously manage all consequences with equal rigor. This paradox is one of structure, not a matter of bad actors within political circles or executive leadership teams. It is a structural dilemma embedded in how corporations are fundamentally organized.

This paradox manifests concretely in how legitimacy is now evaluated. The criteria stakeholders use to judge companies has expanded far beyond marketing performance and economic impact to include evaluation of how corporate operations shape and impact the systems society runs on.[44] Employees evaluate conditions of fairness, safety, and dignity alongside compensation and opportunity.[45] Consumers increasingly examine sourcing, labor practices, and environmental impact in parallel with product quality.[46] Communities assess whether corporate presence contributes to local resilience or extracts value without reinvestment.[47] Regulators

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[44] Kumar, S. (2023). A Review ESG Performance as a Measure of Stakeholders Theory. *Academy of Marketing Studies Journal*, *27*(3S), 1–2.

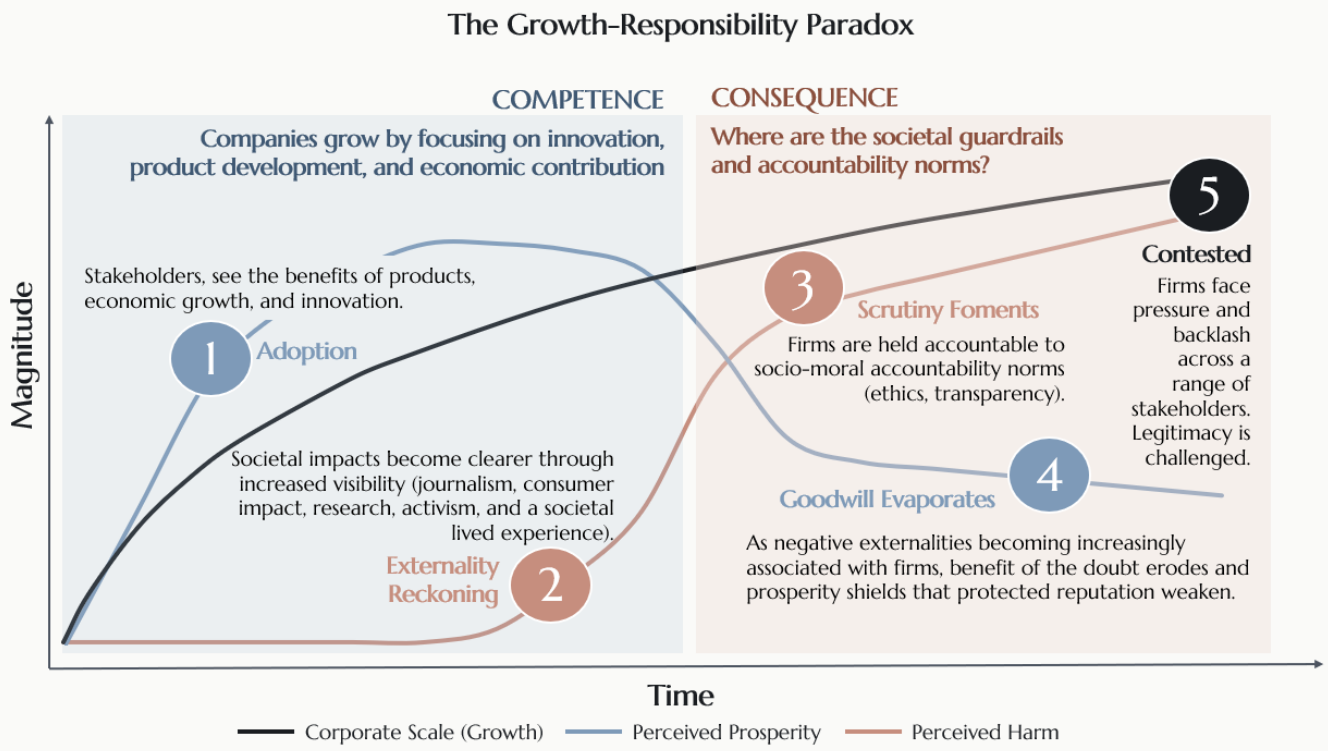
[45] Tiwari, A., & Sharma, R. R. (2019). Dignity at the Workplace: Evolution of the Construct and Development of Workplace Dignity Scale. *Frontiers in Psychology*, *10*, 2581. https://doi.org/10.3389/fpsyg.2019.02581

[46] Becker-Olsen, K. L., Cudmore, B. A., & Hill, R. P. (2006). The impact of perceived corporate social responsibility on consumer behavior. *Journal of Business Research*, *59*(1), 46–53. https://doi.org/10.1016/j.jbusres.2005.01.001

[47] Bopape, M., Nemakonde, L. D., & Fourie, K. (2021). Private companies and community collaboration: Towards building disaster resilience in Diepsloot, Johannesburg, South Africa. *Jàmbá Journal of Disaster Risk Studies*, *13*(1). https://doi.org/10.4102/jamba.v13i1.1003

and policymakers consider whether scale is being used to advance innovation responsibly or leverage corporate velocity to concentrate marketplace advantages, exploit regulatory grey space, or skirt compliance and oversight.[48] This widening lens marks a structural change in how legitimacy is earned, requiring an alignment between capability and consequence. As corporate influence expands, so does the expectation that institutions anticipate the effects of their decisions beyond immediate financial outcomes to deeper societal impact. The paradox is not theoretical. It is the daily reality that corporations now navigate.

[48] Crandall, R. W., & Hazlett, T. W. (2023). Antitrust reform in the digital era: A skeptical perspective. *The University of Chicago Business Law Review*, 2(2), 293–331. https://chicagounbound.uchicago.edu/ucblr/vol2/iss2/1/




In this paradox, reputation emerges as the only remaining currency through which legitimacy can be evaluated and managed. But reputation is not a solution to the paradox. It is a diagnostic that reveals gaps between what corporations can foresee and what they actually cause. It makes visible the structural misalignment between corporate capability and corporate consequence. And because that gap is structurally designed to create consequence from competence, reputation becomes a currency that is in chronic short supply. Put simply, stakeholders demand proof of consequence-awareness that the current operating model of corporations cannot reliably provide. Legitimacy, in the Reputation Era, requires a form of accountability that existing systems were never designed to deliver. The paradox remains

unresolved, leaving reputation as the lens through which these systematic failures become highly visible.

Ironically, there was a brief moment in history where visibility was once the force that promised to enable accountability. Information would spark an externality reckoning. Stakeholders that could see consequences would push for safeguards. For a moment, that logic held when journalism provided a shared reality of corporate abuses. It placed emphasis that regulation must catch up. Democratic institutions were empowered as mediators of disputes, the protectors of harm, the societal safeguard. But visibility has fractured. Information ecosystems splintered and institutional authority dissolved. Now corporations face a world where every consequence is potentially visible, but no shared reality exists to interpret what that visibility means or demand accountability for the knowledge gap it exposes. The challenge in the Reputation Era is not whether stakeholders can see corporate power. The challenge is whether that visibility can be translated into the kind of consequence-awareness that institutional legitimacy now demands. Reputation comes under threat in the modern era because corporate first became visible, but then became unstable. The result is a Reputation Era where power is contested continuously in a paradoxical system that lacks structure to resolve. Understanding the power shifts leading up to the Reputation Era, becomes essential to understanding the complicated dynamics of reputation in the modern era.