

In this section, we discuss several theories that seem to explain some of the reasons why individuals engage in various forms of white-collar crime. First, it should be apparent that although most crimes don't pay well, white-collar crime often does come with a large payoff. Second, the individuals in white-collar positions tend to have a low likelihood of getting caught; even if they are caught, they are typically not punished severely. So given the obvious failure of traditional, formal deterrence theory in trying to explain this phenomenon, we must turn to other theoretical frameworks.

Despite its similarity to traditional deterrence, one theoretical model that has shown much promise in understanding criminal decision-making in the corporate world is rational choice theory. In a recent review of the extant research, Paternoster and Tibbetts concluded that one of the key reasons for the empirical support of rational choice theory over formal deterrence theory is that the informal pressures and controls that exist within a corporation often override any possible deterrent effect from authorities outside the organization.⁸⁰ Rational choice theory places an emphasis on accounting for such informal factors and, thus, is an improvement over models focused on formal sanctions, or lack thereof.

Additional theoretical models found to be helpful in explaining white-collar crime include the social process/learning models of differential association/reinforcement theory, which place an emphasis on the influence of significant others in individuals' decisions of whether or not to engage in illegal behavior.⁸¹ A study by Piquero, Tibbetts, and Blankenship showed that several components of the differential

association theoretical framework did, in fact, predict intentions to make unethical business decisions in a scenario presented to participants (MBA students). The scenario involved a drug that was known to cause detrimental (even fatal) side effects. However, it wasn't the perceived attitudes of peers or family or business professors that led to higher intentions to commit the unethical act of further marketing and selling the dangerous drug; it was the attitude of coworkers and the perceived beliefs of their employers/bosses that actually had a greater impact on participants' decision to commit this illegal act.⁸²

Thus, it appears that social learning theory is supported for white-collar crime but not in the same way as for most street crimes, which typically are more influenced by family or good friends. Rather, the influence of such social learning factors in predicting white-collar/corporate crime is actually more due to the differential associations and reinforcements present in the workplace environment. These findings are consistent with additional research that has examined the validity of cultural/subcultural theory in understanding white-collar crime, with the vast majority of findings supporting the use of this framework in corporate offending.⁸³ What virtually all the studies reveal is that the climate in the corporation plays a much stronger role in individuals' decisions to commit white-collar crime than do other associations or learning from significant others, such as parents, peers, and/or professors from their college years.

Another theory tested in the Piquero et al. study was that of techniques of neutralization, which are strategies used by offenders to alleviate their guilt for committing an act they

know is wrong. In this study, there were numerous such neutralization techniques examined, and it was found that several of them (e.g., denial of responsibility, appeal to higher loyalties) were highly important in decisions to engage in illegal corporate activity. The participants noted the importance of making a profit for their company as trumping any type of hesitation in making their decision, despite what friends or family would think.⁸⁴

Ultimately, the rational choice perspective has been supported as an important framework for understanding individuals' perceptions and intentions to engage in illegal business practices. Also, the social learning theories of differential association/reinforcement, as well as the concepts of techniques of neutralization, appear to be highly influential among individuals in their decisions to engage in unethical behavior when it comes to white-collar crime. These theories are consistent with the empirical validity found for cultural and subcultural models of unethical corporate decision-making.

Other theories can help explain why individuals engage in white-collar crime, but the three theories discussed in this section are the most supported models for understanding crime in the corporate realm.

THINK ABOUT IT:

1. Why do many scholars believe that rational choice theory and/or social learning theory may provide a better explanation for white-collar crime than formal deterrence?
2. How have techniques of neutralization been used to understand why individuals engage in corporate crime?