Book Review of The Organizational Aspects of Corporate and Organizational Crime

Giorgio Baruchello
University of Akureyri, Iceland


Although popular movies and TV series may typically focus on gangsters and drug lords in the Americas, East Asia and Southern Europe, the most profitable criminal enterprises are to be found in the world of white-collar crime, especially in the realms of corporate business and high finance. The volume hereby reviewed, which combines and republishes a 2018 special issue of the journal Administrative Sciences, presents, analyses and discusses conspicuous examples of white-collar criminal activity within corporations and, to a lesser extent, considers ways in which this kind of activity can be countered, if not neutralised. In particular, as the book’s title explains, the organisational aspects of this criminal activity are focussed upon, thus showing once and for all that if there are “rotten apples” within an organisation, it is because their “barrels” or “orchards” or “larder[s]” are rotten too (2 & 77).

After an eloquent introduction reviewing much of the existing literature and trends on these issues, the first chapter in the book (“Toxic Corporate Culture: Assessing Organizational Processes of Deviancy” by B. van Rooij & A. Fine) tackles frankly and forcefully some of the modalities in which rotten barrels and orchards can cause otherwise healthy apples to rot. Coalescing “insights from sociology, anthropology, psychology and criminology” and drawing from notorious cases involving British Petroleum, Volkswagen and Wells Fargo, the Chapter displays and debates over corporate contexts where unlawful behaviour is almost expected on the basis of the primacy of profit, condoned or hushed-up if not positively facilitated, in spite of publicly declared ethical codes or claims of good governance, and in conscious obstruction of corrective agents and agencies (17).

The second chapter (“Corruption in Organizations: Ethical Climate and Individual Motives” by M. Gorsira et alia) continues the study of the relationship between rotten apples and rotten barrels or orchards, expanding on the results of large-scale questionnaires

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1 Professor, Faculty of Humanities and Social Sciences, University of Akureyri, Solborg v/Nordslod, IS-600 Akureyri, Iceland. Email: giorgio@unak.is
involving employees in both private and public organisations. Unequivocally, the surveys show how the more selfishly acquisitive and immoral a working environment is perceived to be, the more selfishly acquisitive and immoral each person working therein is likely to become in actual practice. It is therefore logical to conclude that, in battling against corruption, organisations must address the general ethos and atmosphere that their personnel perceive around themselves.

The third chapter (“Contextualizing Corruption: A Cross-Disciplinary Approach to Studying Corruption in Organizations” by K. Pertwi) pursues and advises, once again, “a cross-disciplinary approach” to the phenomena of corruption, bribery, collusion and other forms of corporate crime (82). Though considering alternative perspectives, its focus is set squarely on the mainstream literature concerning corrupt behaviour qua expression of self-maximising economic rationality at the “micro” level leading to damaging effects at the “macro” level (71). Its results are analogous to those of the preceding two contributions: “In structural distance, individuals are insulated from the sense of moral obligation of corruption because they see their role in it as a small part of a larger whole… In collective systemic corruption, individuals perceive their practice as no different to others so it reduces the dissonance that may surface. In this case, the rationalization that is being triggered is, for example, ‘everybody’s doing it’.” (76)

The fourth chapter (“Organising the Monies of Corporate Financial Crimes via Organisational Structures: Ostensible Legitimacy, Effective Anonymity, and Third-Party Facilitation” by N. Lord, K. van Wingerde & L. Campbell) addresses a less-studied aspect of organisational contribution to corrupt practices, namely the subsidiary role that otherwise fully legitimate corporate businesses often play in storing, managing and laundering wealth originating from blatantly illicit activities. Two elements are concentrated upon in this study, namely the use of bribery in corporate structures and the vast realm of corporate tax fraud. Selfish individuals and shady specialised branches come to the forefront qua means of apparent legitimisation of illegitimate deals, hiding the true interests and intentions at play from public sight and public scrutiny, in a major display of mindful, rational, genuinely criminal intent by well-educated and well-paid professionals.

The fifth chapter (“The Organisation as the Cure for Its Own Ailments: Corporate Investigators in The Netherlands” by C.A. Meerts) inspects another less-studied aspect of organisational contribution to corrupt practices, though apparently in reverse, i.e. the use of internal investigation and settlements. While it may seem wise and advisable that large corporate bodies may possess their own, so to speak, antibodies against corruption, the experiences explored and explained by the author suggest a perplexing conclusion: operating outside public scrutiny, judicial authority and law enforcement, companies are likely to minimise, if not condone altogether, illicit practices that may have been discovered. Thus, their criminally bent employees may end up perceiving or abusing the internal investigation procedures as yet another wall separating them from the likelihood of penal sanction. Rather than curative, then, internal investigations can turn criminogenic.

The sixth chapter (“Whistleblowing from an International Perspective: A Comparative Analysis of Institutional Arrangements” by K. Loyens & W. Vandekerckhove) explores in detail a far more popular subject in business ethics and legal studies: whistleblowing. Specifically, the authors address the interactions between actual whistleblower and the
public or private agencies (NGOs) to which they report and from which they seek assistance and protection. Comparing cases from a number of different countries, the authors conclude that NGOs tend to replace State agencies and authorities when the latter are absent or incapable, if not unwilling, to help. Also, though the tasks at issue may be the same (e.g. investigation, retaliation, protection, reintegration, prevention) in all cases of whistleblowing, different countries separate them or combine them in a great variety of manners.

The seventh and last chapter (“The Role of Collusive Dynamics in the Occurrence of Organizational Crime: A Psychoanalytically Informed Social Psychological Perspective” by S. Scrujer), or better a short note, reiterates the issue of apples and their context from yet another line of scrutiny: psychoanalytical social psychology. Interestingly, the author observes how individuals may pursue deviant behaviour that they secretly dislike for fear of being excluded by the group to which they belong and that they believe to be favourable to such a kind of behaviour. Thus, it may be true that “everyone’s doing it”, but not because of a mindful desire for self-enrichment. Rather, everyone is at it because they think that if they were not, the others would desert or punish them, even if no one actually wants to be at it at all.

The contributions to this book are interesting, well-researched and informative. They are written in a clear, competent, standard academic prose that can appeal to scholars in a great variety of fields of study. The organisation of the contributions is, however, deficient. In order to suggest a more coherent and book-like nature of the republished special issue of Administrative Sciences, the editor should have combined the introduction and the third chapter as the opening reviews of the relevant literature, then proceeded with the several studies addressing the relationship between individual motivation and organisational ethos, and concluded with the two chapters giving clues about concrete, perhaps imperfect, but well-meaning means of reducing white-collar crime within large organisations, such as internal investigation and whistleblowing. Rhetorically, while this book scores high in terms of inventio and elocutio, it is less convincing in terms of dispositio.