Psychopathy and white collar crime: A review of literature

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Abstract

Psychopathy has become a highly researched personality disorder in order to better understand criminal and violent behavior (Hare, 1993). Measures of psychopathy have proven to be useful tools in predicting outcomes of institutionalized populations by predicting future dangerousness (Hare, 1999). While several experts in the field of psychopathy allude to the idea of the successful psychopath and their presence in the corporate world (Hare, 1993; Babiak & Hare, 2006), very little research has been done in this area. Little empirical research is available for “white collar” psychopaths; there are indications that the personality structure and propensity for unethical behavior are probably much the same as the criminal psychopath (Hare, 2003). Babiak (1995) used the context of an organization going through chaos as the backdrop to an example of a successful industrial psychopath. In such circumstances, these psychopaths use their manipulation skills to effectively manage the discrepant views of supporters and detractors to enhance their movement up the career ladder. Although there is abundant speculation regarding the similarities of personality characteristics between the industrial psychopath and the incarcerated offending psychopath, empirical research in this area remains minimal. This article is an attempt to bring together different studies related to the relationship between psychopathy and white collar crime.

Keywords: white collar crime, psychopathy, literature review
Abstrakt

Psikopatia është kthyer në një çrregullim personaliteti shumë të hulumtuar në mënyrë që të kuptohet më mirë sjellja kriminale dhe e dhunshme (Hare, 1993). Matjet e psikopatisë kanë provuar të jenë mjete të nevojshme për të parashikuar përfrundime të popullsive të institucionalizuara nga parashikimi i rrezigueve të ardhshme (Hare, 1999). Ndërkohe shumë ekspertë në fushën e psikopatisë përmendin tërthor azi idenë e psikopatit të suksesshëm dhe praninë e tij në botën e korporatës (Hare, 1993; Babiak & Hare, 2006), por shumë pak kërkimime janë bërë në këtë fushë. Pak kërkim empirik është i disponueshëm për psikopatitë “e jakave të bardha”, ka tregues që struktura e personalitetit dhe tendenca e natyrshme për sjellje jo etikë janë po aq të ngjashme me psikopatin kriminale (Hare, 2003). Babiak (1995) përdori kontekstin e një organizatë që është drejt kaotikes si sfond i një shembulli i një psikopatit të suksesshëm industri. Në rrethana të tilla, këta psikopatë përdorin aftësitë e tyre të manipulimit për të menaxhuar në mënyrë efektive shikimet joapajtuese të mbështetësve dhe gojëve të liga në mënyrë që të rrisin lëvizjen e tyre lart në shkallën e karrierës. Pavarësisht se ka shumë spekulime mbi ngjashmëritë e karakteristikave të personalitetit mes psikopatit industrial dhe psikopatit kriminel të burgosur, kërkimë empirik në këtë fushë gjej me minimal. Ky artikull është një përpjekje për të sjellë së bashku studime të ndryshme që lidhen me marrëdhënien e psikopatitë dhe kriminale të jakave të bardha.

Fjalë kyçe: krimi i jakave të bardha, psikopatia, rishikim literature

Апстракт

За да се разбере подобро кривичното и насилното однесување, психопатијата стана многу истражувана растројство на личноста (Харе, 1993). Мерките на психопатијата се покажаа како корисни алатки во предвидувањето на последиците од институционализирано население преку предвидување на идните опасности (Харе, 1999).

Иако неколкумина експерти од области на психопатијата алуираат на идејата за успешен психопат и за нивното присуство во корпоративниот свет (Харе, 1993; Бабиак и Харе, 2006), сепак, многу малку истражување се направени во оваа област. Неколку емпириски истражувања се достапни за психопатите „бела јака“, постојат индикации дека структурата на личноста и склоноста за неетично однесување веројатно се многу слични на кривичните психопати (Харе, 2003). Бабиак (1995) го употреби контекстот на една организација која минува низ хаос како последица на успешноста на индустрискиот психопат. Во такви околности, овие психопати ги користат своите вештини за манипулации за ефикасно управување со различен поглед на поддржувачи и противници за подобрување на нивното напредување во карирата. Иако има многу шпекулатации за сличностите на карактеристиките на личноста мегу индустрискиот психопат и затворенит навредлив психопат, емпириското истражување во оваа област останува на минимално ниво.Оваа статија е обид да се поврат различни студии кои се однесуваат на односите мегу психопатијата и криминалот „бела јака“.
Introduction

In 1939 Edwin H. Sutherland not only coined the term “white collar crime,” he brought to light its importance as a basis for sociological inquiry. By illuminating the existence of crimes related to business or crimes of the elite, he gave rise to a new direction of research. Sutherland (1940) stressed the prevalence and harm of white collar crime, suggesting a need for more research in order to better understand its etiology. Still today, the prevalence and impact of white collar crime dramatically exceeds that of common street crime, with one in three American households being the victim of some form of white collar crime (Kane & Wall, 2006). Also, recent high profile cases such as Martha Stewart, Kenneth Lay, and Enron have brought white collar crime to the public’s attention. Nonetheless, white collar crime still remains under-researched. Even less researched are psychological explanations or personality traits of white collar criminals. In his discussion of white collar crime, Sutherland (1940) indicated that psychological explanations of crime are inadequate. By suggesting the psychological normality of white collar criminals, he dismissed the utility of such explanations. Sutherland suggested that white collar crime cannot be explained at the individual level. Instead, he intimated that the proper unit of analysis should be the organization. Although the majority of research on white collar crime followed Sutherland’s anti-psychological position, recent examinations have challenged this contention by identifying psychological correlates of white collar offending (Blickle, Schlegel, Fassbender, & Klein, 2006; Alalehto, 2003; Collins & Schmidt, 1993; Walters & Geyer, 2004; Mon, 2002; Ben-David, 1991; Szockyj & Geis, 2002; Collins & Bagozzi, 1999; and Terpstra, Rozell, & Robinson, 1993).

Even though there has been some research focusing on personality and white collar crime, this area of inquiry still remains largely unexamined. Sociological explanations of crime have focused mainly on structural explanations, organizational criminality, or opportunity, while ignoring individual differences (Freidrichs, 2007).

Most criminological research does not include personality traits in studies of white collar crime. Therefore, it is important to examine how individual differences, such as personality, might compliment other perspectives or explanations. For example, given the same structural forces, organizational climates, and opportunity, do certain personality traits increase the likelihood of individuals engaging in white collar crime? If so, what specific traits are the most relevant? Additionally, do these traits coalesce into a unified syndrome? While such questions remain largely unanswered, there are conceptual and empirical justifications to expect personality does matter, and that a specific constellation of traits may characterize those who are most likely to engage in white collar crime.

One promising possibility is that psychopathic personality traits are related to white collar offending. Psychopathy is a personality disorder that has been robustly associated with antisocial and criminal behavior (Hare & McPherson, 1984; Walters, 2003; Hare, 1996; Serin, 1991; Guy et al., 2005; Porter et al., 2000). While psychopathy has heretofore been examined primarily as a correlate of “street” crime, it may also be related to white collar crimes. For instance, some scholars have suggested the existence of the “successful psychopaths” (Babiak & Hare, 2006; Babiak, 1995; 1996) or “organizational psychopaths” (Boddy, 2006). These individuals presumably possess psychopathic personality traits, such as manipulativeness and callousness, which they share with their “street” criminal counterparts. However, they are likely to be less impulsive and without notable criminal histories. Despite this compelling link, empirical support for the association between psychopathy and white collar crime remains virtually nonexistent.
A literature review

White Collar Crime

Sutherland (1949) defines white collar crime (WCC) as “a crime committed by a person of respectability and high social status in the course of his occupation” (p. 2). While this definition was meant to capture a broad range of offenses not traditionally studied by criminologists, it brought about much disagreement among researchers regarding how to define WCC (Shapiro, 1990; Sutherland, 1949; Coleman, 1987; Friedrichs, 2007). These contentions have brought three major types of definitions of WCC (United States Department of Justice [USDOJ], N.D.). According to the USDOJ (N.D.), these three major definitions include those that define WCC according to the characteristics of the offender, definitions based on the offense type, and those that are based on the culture of the organization. Similarly, Friedrichs (2007) suggests criteria that differentiate between types of WCC based on setting, level of offender, offender’s status, victim, harm, and legal aspects. In 1996, initiated by the National White Collar Crime Center (NW3C), a group of WCC researchers met with the intent of developing an agreed upon working definition. Ultimately they found consensus for one definition of WCC:

White collar crimes are illegal or unethical acts that violate fiduciary responsibility of public trust committed by an individual or organization, usually during the course of legitimate occupational activity, by persons of high or respectable social status for personal or organizational gain. (Helmkamp, Ball, & Townsend, 1996: 351) This definition expanded upon Sutherland’s (1949) by including crimes that are not necessarily committed during the course of some occupation. Although, this most recent definition still incorporates the status of the offender as part of the definition. This, however, can make measurement and operationalization of WCC problematic. This is especially true when using official records of WCC (e.g., UCR), which do not account for status of offender, and therefore, research using such data must define WCC by offense type (USDOJ, N.D.).

Friedrichs (2007) provides a typology of WCC, which includes: corporate crime; occupational crime; governmental crime; state-corporate crime, crimes of globalization, or finance crime, and enterprise, contrepreneurial, techno-, or avocational crime. According to Friedrichs, corporate crime is crime done for the benefit of the corporation by individuals associated with that corporation. He suggests that occupational crime includes acts committed during the course of one’s occupation with the intent of financial gain. Government crime involves harmful activity committed solely by government entities, where state-corporate crime includes acts by government and corporate entities in conjunction with one another. Finally, enterprise, contrepreneurial, techno-, and avocational crime include marginal forms of WCC, which capture those crimes that resemble white collar crime (e.g., tax evasion), but are not committed through the course of an occupation. Although these typologies help to provide some uniformity, operational definitions of WCC have varied across studies. For example, several studies have used broad definitions of WCC to include acts that are not violations of criminal law (Sutherland, 1949; Clinard & Yeager, 1980; Michalowski & Kramer, 1987; Simpson & Koper, 1997). Weisburd, Chayet, and Waring (1990) used official crime records of specific types of WCC such as embezzlement, mail fraud, false claims, credit fraud, bribery, tax evasion, securities fraud, and antitrust violations. Other studies have measured WCC as intentions to offend using vignettes (Elis & Simpson, 1995; Simpson & Piquero, 2002; Piquero, Tibbetts, & Blankeship, 2005; Piquero, Exum, & Simpson, 2005; Paternoster & Simpson, 1996). This latter method is effective because obtaining valid data on
actual offenses is markedly difficult. For example, because WCC is not likely to lead to arrest and incarceration, prison samples are biased. Although not ideal, vignettes provide some insight into WCC.

Regardless of the definitional and methodological inconsistencies, research is important in order to develop effective policy focusing on the prevention of WCC. The harm that WCC results in is far reaching in scope and extends beyond the physical and monetary repercussions of conventional “street” crime (Moore & Mills, 1990; Friedrichs, 2007). Costs of WCC, both direct and indirect, have been said to be over 1 trillion dollars annually. This conservative estimate is about 50 times higher than the costs of street crime (Lynch & Michalowski, 2006). Physical harm resulting from WCC is also much greater for WCC. Workplace disease and injury alone has been estimated at 3 million per year, while the number of workplace deaths per year is about 55,238 (Reiman, 2004). This means that, compared to estimates for street crime, individuals are 2.4 times more likely to be killed and 13 times more likely to be injured as a result of preventable workplace accidents (Lynch & Michalowski, 2006). The revelation regarding the harmful extent of WCC may explain the recent development and application of theories to explain WCC.

Criminological Theories and WCC

Attempts to understand WCC have employed a wide range of theoretical perspectives, with most studies employing macro-level, social psychological, and rational choice perspectives. A review of these theoretical perspectives, along with a presentation of empirical evidence of each, follows below in order to provide the reader with a better understanding of their application to WCC.

Broadly speaking, social structural explanations suggest that characteristics such as race, class, and gender, promote WCC through means of exploiting inequality in capitalist societies (Lynch & Michalowski, 2006; Messerschmidt; 1997; & Friedrichs, 2007). The powerful (i.e., wealthy, white males) are able to use their position in society that reduces effective regulation and control, while deflecting attention from the harm that their behavior causes (Lynch & Michalowski, 2006). Additionally, laws and agencies that are constructed to regulate corporate entities do so in a way that is either ineffective or only protects those with power (Saha & Mohai, 2005; Streteisky & Lynch, 1999; 2001; Burns & Lynch, 2002). Marxist perspectives also suggest that the state is controlled by those with capital, and therefore laws promote the interests of the powerful and maintain the status quo (Lynch & Michalowski, 2006). Barnett (1981) suggests that the state and corporations share an interest in promoting profit, which places constraints upon the state’s ability to effectively regulate corporate entities. Therefore, it follows that in capitalist nations a lack of effective regulation, positions of power, and an increase in competition among corporations creates a society where profits are placed above the welfare of workers, consumers, and citizens. This, in turn, creates opportunity for individuals and corporations to engage in WCC (Hagan & Parker, 1985; Barnett, 1981).

Empirical examinations of structural and Marxist perspectives have substantiated their ability to explain crimes of the powerful. More importantly, empirical support has underscored the notion that the legal system favors elites and large corporations through its neglect of and ineffective legal sanctions on corporate crime (Yeager, 1987; & Burns & Lynch, 2002). For example, as a result of strong political resistance from higher echelons of society, Saha and Mohai (2005) found that the regulation of toxic dumping diverted illegal dumping from upper class areas to impoverished, minority communities.
Additionally, Burns and Lynch (2002) analyzed fines meted out by the National Highway Traffic Safety Administration between 1970 and 1997 and found that this form of punishment has a limited effect on deterring automobile manufacturers form recidivating, especially large corporations. Michalowski and Kramer (1987) noted that corporations are able to avoid regulation and maximize profits by moving production to other nations where their actions are not regulated. They also suggest that even though the state is aware of these injurious acts they have not found an effective way to regulate U.S. corporations in other nations.

In addition to looking at structural location within or across societies, structural explanations have also focused on offender status within the organization. For example, Hagan and Parker (1985) examined security violation cases and interviewed the prosecutors of those cases. They found that individuals who held higher positions in acorporation were punished less severely than lower status employees. They also concluded that individuals who are in positions of power (i.e., the employers) take advantage of the resources their position offers to engage in WCC. Weisburd, Waring, and Wheeler (1990), employing similar methods, also find support for a class-based bias in judicial sentencing decisions, although they find that those in higher class positions (i.e., managers and employers) are more likely to receive harsher penalties.

Similar to structural explanations and Marxist theories are the conceptions of structural strain and Durkheim’s (1933) anomie. Durkheim (1933) suggests that anomie occurs when cultural norms fail to keep up with social change. Political, economic, and technological advancements increase wants and desires. Norms that once regulated these desires fail to do so, and until cultural norms are able to catch up with the prevailing social structure, a state of normlessness exists. In this anomic state, corporations have nothing to inhibit deviant means of obtaining these newly created goals. Additionally, structural strain suggests that a state of anomie exists when the ability to obtain goals valued by society (i.e., success, profit) are not achievable. In this situation individuals will resort to innovative (criminal) ways to obtain these materialistic goals (Merton, 1938).

Messner and Rosenfeld (1994) elaborate on strain theory and suggest that a dominant economic institution will have positive associations with WCC. Their Institutional Anomie Theory suggests that economic institutional power promotes material gains and weakens the effect of noneconomic institutions that promote alternative, noneconomic goals and social norms causing a state of anomie. This results in an individualism and unconventional means to gain monetary rewards. This is especially applicable to WCC, where norms that once regulated illegal or unethical behavior lag behind cultural values that promote economic success.

As suggested by Friedrichs (2007), anomie can be appropriately applied to WCC given the elevated levels of competition and celebration of success. For example, Keane (1993) found support for strain theory in a study of large corporations. It was shown that financial strain was a key factor in corporations offending. When pressures to gain profits are high and these goals are blocked by competition, legal regulation, or market fluctuations, normless environments are created. Accordingly, this situation will increase the likelihood that corporations will use innovative tactics to obtain its goals. Organizational theories of WCC focus on the organization or corporation as a rational actor, guided by internal and external climates and patterns of behavior (Friedrichs, 2007). Similar to strain theories, organizational theories also focus on norms governing corporations. This is explained as individuals enter the organization, their personal beliefs and intentions are altered by the climate of the organization. Individuals therefore adapt to the policies and procedures of the organization. Accordingly, Vaughan (1999) stated “Formal organizations are designed to
produce means-ends oriented social action by formal structures and processes intended to assure certainty, conformity, and goal attainment” (p.273). Therefore, individuals become committed to the organization conforming to its culture and climate.

Vaughan (1998) using the 1986 space shuttle disaster as an example, shows that criminal behavior becomes normalized in deviant organizations in their pursuit of goals. She suggests that deterrent actions targeting deviant behavior is ineffective when organizations are in a state that normalizes deviance by placing success over costs. Simpson and Koper (1997) found that several organizational characteristics were related to criminal behavior. For example, they found that past organizational offending predicts future offending and that some corporate strategies are conducive to offending (e.g., companies profiting from one dominant product).

Simpson and Piquero (2002) found that organizational variables, such as instructions from supervisors to offend and the possibility of gaining optimal positions over competitors, predicted offending by business managers. Other studies have found additional support for organizational theory, showing that organizations engage in illegal activity based on situational variables such as: market climate, organizational profitability, decentralization, and top management team characteristics. (Daboub, Rasheed, Priem, & Gray, 1995; McKendall & Wagner, 1997; Baucus & Near, 1991; & Hill, Kelley, Agle, Hitt, & Hoskissin, 1992).

It has also been suggested that organizations are not the proper unit given their inability to learn, act with intent, and possess motivations to commit crime (Cressey, 1989). On the contrary, individuals can evince such characteristics, and therefore may be a more appropriate unit of analysis in the study of WCC.

Several studies have employed a broad range of individual level theories to explain WCC, such as neutralization (Piquero, Tibbets, & Blankeship, 2005), differential association and social learning (Piquero et al., 2005; Jones & Kavanagh, 1996; & Vowell & Chen, 2004), social control and bonding (Lasley, 1988; Nagin & Paternoster, 1994; & Watkins, 1977), general strain theory (Langton & Piquero, 2007), and deterrence/rational choice theories (Weisburd, Waring, & Chayet, 1995; Nagin & Paternoster, 1994; Paternoster & Simpson, 1996; Piquero, Exum, & Simpson, 2005; & Vaughn, 1998).

Differential association and social learning theories suggest that individuals learn criminal behavior in the same manner that normal behavior is learned (Akers & Sellers, 2004; Sutherland, 1947). For example, organizations may provide definitions (e.g., inflating stock values is an acceptable practice) and reinforcements (e.g., bonuses) conducive to WCC. Despite the appeal and apparent applicability of social learning theories to WCC (Friedrichs, 2007), relatively few studies have utilized this perspective. Vowell and Chen (2004) found that variables representing social learning and differential association (i.e. number of friends that cheat and definitions favorable to cheating) were strong predictors of cheating behavior. Jones and Kavanagh (1996) found that peer and managerial influences played a role in unethical decision making. Using vignettes, Piquero et al. (2005) found that respondents were more likely to endorse the manufacturing and marketing of a drug that was to be recalled when superiors and coworkers held the same beliefs. However, they also found support for techniques of neutralization among older respondents when confronted with offending opportunities that involved profits. These studies support the notion that social learning theory provides a viable explanation of WCC. Other social psychological theories have been proffered as well.

General strain theory posits that blocked goals will lead to frustration within the
individual, who will then use innovative means to obtain those valued goals (Agnew, 1992). Given the high value placed on monetary success in the business world it seems appropriate that general strain theory be applied to WCC. Langton and Piquero (2007) tested general strain theory among a group of convicted WC offenders. They found that strain was positively related to financial motives for offending. They also found that strain was positively associated with securities violations and tax fraud. Their findings suggest that strain may explain certain types of WC offending but not all.

Other explanations of WCC draw from social control and bonding theories. Bonding theories reverse the traditional position of theories that attempt to explain why some individuals engage in crime by asking why it is that individuals do not engage in crime (Hirschi, 1969). Accordingly, bonding theories assume that all individuals are prone to criminal behavior, and informal social control inhibits such criminal tendencies. Because WCC occurs within the realm of an organization with strong social ties and networks, bonding theories may be applicable (Friedrichs, 2007). Bonding theory, as applied to WCC, suggests that corporations with strong, positive social networks promote informal social control among its employees. For example, Lasley (1988) found that individuals with stronger attachments to supervisors and co-workers, higher levels of commitment to rules, and an increased sense of accountability and worth to the company were less likely to engage in WCC.

Another theoretical perspective that has been applied recently to WCC is control balance theory (Piquero & Piquero, 2006). Tittle’s (1995) control balance theory suggests that an imbalance of control (control surplus or control deficits) will result in autonomous and repressive forms of deviance, respectively. While Tittle’s theory has not been widely tested, it has been examined in an attempt to explain corporate deviance. Piquero and Piquero (2006) investigated the ability of control surpluses to explain exploitative behavior in corporate settings. According to Tittle (1995), surpluses of power result in the actors attempt to extend that surplus by expressing “autonomous” acts, which are exploitative and domineering in nature. Piquero and Piquero (2006) used vignettes to capture the extent to which respondents would engage in price fixing when placed in a situation which depicted them as the exploiter. Additionally, they measured the control balance of a sample of upper-level business students and found that respondents who had a surplus of power were more likely to indicate that they had intentions to engage in price fixing.

Of the individual-level theories, rational choice/deterrence has received the most attention among WCC researchers (Makkai & Braithwaite, 1994; Weisburd, Waring, & Chayet, 1995; Nagin & Paternoster, 1994; Paternoster & Simpson, 1996; Piquero et al., 2005; & Vaughn, 1998), likely because WCC is seen as a calculating and rational decision (Friedrichs, 2007). Additionally, individuals in corporations are trained to make decisions based on maximizing profits, and as such are presumed to be rational decisionmakers. Most studies that have tested the theoretical propositions of rational choice theory as applied to WCC find support for the theory (Paternoster & Simpson, 1996; Nagin & Paternoster, 1994; Piquero, Exum, & Simpson, 2005). For example, Paternoster and Simpson (1996) found that individuals were less likely to commit WCC when confronted with formal sanctions, moral commitments, and organizational factors. Nagin and Paternoster (1994) and Piquero et al. (2005) found that there is an interaction between individual differences (self-centeredness and desire-for-control, respectively) and the likelihood of being deterred by perceived risk. More specifically, Nagin and Paternoster (1994) found that individuals who are self-centered are less likely to weigh the costs of engaging in WCC, where Piquero et al. (2005) found that desire-for-control was positively related to sanction threats and negatively related to perceived benefits.
However, other studies have not found support for rational choice or deterrence in WCC research (Vaughn, 1998; Weisburd et al., 1995). For example, Vaughn (1998), as mentioned above, did not find support for rational decision making or effective deterrence among individuals in a struggling organization. Additionally, Weisburd et al. (1995) did not find support for specific deterrence. They found no differences in recidivism between those who were and were not incarcerated for their white collar offenses. These studies question the rationality of WC criminals suggest that they are not easily deterred by perceived sanction threats. Thus, the efficacy of deterrence as it applies to WC crime remains unclear.

While these explanations have shown some success in explaining WCC, they ignore individual differences and assume that under the same circumstances and situations, different individuals will behave similarly. However, some relatively recent investigations have empirically examined the influence of psychological characteristics on WCC, and revealed that specific traits are related to WCC (e.g., Walters & Geyer, 2004; Collins & Bagozzi, 1999; Alalehto, 2003; Blickle et al., 2006; Board & Fritzon, 2005; Piquero, Exum, & Simpson, 2005; Terpstra, 1993).

Personality Traits and White Collar Offending

Broad dimensions of personality have gained acceptance among psychologists, such as the Big Five personality traits, which include Agreeableness, Neuroticism, Extroversion, Conscientiousness, and Intellect (Goldberg, 1993; 1990). Research on the use of measures of broad personality traits and their application in personnel selection and screening has also received attention among researchers (Detrick & Chibnall, 2006; Marcus, Hoft, & Riediger, 2006; & Salgado, 2003). Given the success that personality measures and integrity tests have in predicting productive and ethical work behavior (Hough & Oswald, 2000), research focusing on personality and WCC seems warranted.

While research in this area remains underdeveloped, a few studies have examined broad measures of personality and their relation to WCC. Alalehto (2003), for example, used the Big Five model to assess personality traits of individuals who engage in tax evasion. Alalehto relied on a unique method for collecting qualitative data, in which individuals were interviewed and asked questions about their co-workers. It was found that certain personality traits based on the Big Five model increased the likelihood that individuals engaged in economic crime. For example, he found that individuals high on extroversion, disagreeableness, or neuroticism were more likely to engage in WCC.

Based on these findings, Alalehto (2003) suggests that there are three types of WC offenders. This typology includes the positive extrovert, who is driven into economic crime by his manipulative and egocentric characteristics and desire for control; the disagreeable business man who acts on suspicion and envy and uses deceitful tactics; and the neurotic, characterized by high levels of anxiety, low self-esteem, anger, and hostility, making them susceptible to persuasion, and in turn engages in WCC. These findings are broad and suggest that several specific personality constellations may characterize individuals who engage in WCC. Other studies have focused on additional traits or different conceptualizations of personality. The following section will explore these studies within the context of Alalehto’s (2003) typologies. Costa and McCrae (1992) describe individuals who score high on Extraversion as having a preference for large groups, and they are typically the center of attention given their talkative and social tendencies. They also characterize individuals high on Extraversion as being very assertive and socially dominant. The positive extrovert, according to Alalehto (2003), would use their outgoing social skills as a
manipulative tool in order to get what they want, and achieve the social prowess they desire. Other studies have found empirical support for the socially outgoing white collar criminal. For instance, Ben-David (1991) found that WC criminals, as defined by Sutherland, tend to be more outgoing than fraud offenders, who did not fit the status requirements of Sutherland’s definition. This study also showed that “Sutherland’s white collar criminals” tend to be more cunning and domineering than the general population. Also, in the same study it was found that WC criminals tend to be more assertive, aggressive and extroverted than criminals convicted on property and sex offenses. Collins and Schmidt (1993) found that WC criminals tend to score higher on scales measuring social extraversion and extra-curricular activity involvement than non-WC offenders. They suggest that business people who are gregarious tend to be more social involved. In turn, this social involvement leads to an increased status within a company where there are higher levels of competition and more criminal opportunities. Excitement-Seeking as a facet of Extraversion is a personality trait characteristic of individuals who crave exciting or thrilling behavior (Costa & McCrae, 1992). Business people with this personality type may take risks in order to achieve higher rates of success or status. This may push such individuals to engage in criminal behavior if necessary or simply out of the need to fulfill a desire for risky or stimulating behavior. Few studies, however, have focused on the relationship between WCC and excitement-seeking, although, risk-taking (a construct similar to Excitement-Seeking) was found to be related to greater likelihood to engagement in fraud and pilferage (Mikulay & Goffin, 1998).

While empirical examinations of risk-taking or -seeking personalities are relatively scarce, indirect evidence of the influence of this trait can be garnered from studies employing self-control, as risk-seeking is a major component of self-control. Simpson and Piquero (2002) used scenarios to assess intentions to engage in corporate crime. They found that managers who endorse the situation as being exciting are more likely to engage in WCC. Alternatively, Szockyj and Geis (2002) found that individuals convicted on charges of insider trading tended to be more risk aversive given that the information used was a “sure thing.” However, they did conclude that individuals who were in possession of insider information took risks based on the fact that they supplied it to others, which increases the likelihood of being caught. Therefore, it is possible that risk-taking or excitement-seeking is a characteristic of white collar offenders, although more research is needed.

While empirical evidence seems to support the relationship between the risktaking aspect of self-control and WCC, other aspects of the theory have not been so successful. For example, Simpson and Piquero (2002) did not find general support for the General Theory based on behavioral measures of self-control (with the exception of the risk-taking aspect as mentioned above) in explaining WCC. Other tenets of the theory remain equivocal, such as its proposition that street and WC offenders are essentially the same (Walters & Geyer, 2004)\(^1\). Other aspects of self-control, such as impulsivity, a preference for simple tasks, and physical tasks, have not been subject to much empirical investigation. However, it seems unlikely individuals holding influential corporate positions will possess such characteristics. That is, some types of WCC appear to be complex and require a certain level of sophisticated knowledge. However, such suppositions have yet to be empirically examined.

Similar to low self-control is the Conscientiousness factor of the FFM. Costa and McCrae (1992) describe those high in Conscientiousness as being driven, disciplined, organized, dutiful, and motivated. Alternatively, they suggest that individuals low on Conscientiousness lack competence, organization, and the ability to follow through on tasks.

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Conceptually, most successful individuals in corporate or business settings would require traits associated with high Conscientiousness, and has been suggested to be related to WCC (Blickle et al. 2006; & Collins & Schimdt, 1993). Collins and Schmidt (1993) found that a group of convicted WC offenders tended to exhibit characteristics of low Conscientiousness when compared to a group of white collar workers not convicted of WCC. However, their construct of Conscientiousness was based on shared subscales of three separate measures. Blickle et al. (2006) reevaluated this relationship between WCC and Conscientiousness, using the NEO-FFI (Costa & McCrae, 1992) and found that convicted WC criminals scored higher in Conscientiousness than a group of noncriminal WC employees.

Reviewing the extant literature on the relationship between personality and WCC, there appears to be some support for the positive extrovert typology suggested by Alalehto (2003). WC criminals tend to be gregarious and outgoing; they thrive on situations in which they can use their outgoing, aggressive, and assertive nature to their benefit, by promoting themselves and their abilities through networking; they maintain the ability to locate and impress those with decision-making power. This, in turn, places them in positions that grant more opportunities to engage in criminal activity, which may ultimately increase their social status and supply the excitement and attention that they crave. While the extrovert is one type of individual who, in the course of their occupation, may engage in criminal behavior given the opportunity, the disagreeable business man is prone to WCC through different means. The disagreeable business man type suggests that this individual is inflexible and not easy to get along with (Alalehto, 2003). According to Alalehto, these individuals are highly competitive and resort to dishonest and cunning behavior when things do not go their way, or when their status is threatened. Similarly, Costa and McCrae (1992) suggest that individuals who score low on Agreeableness tend to be self-centered or egocentric, narcissistic, egoistic, lack empathy for others, and are antagonistic. Several of these traits have been suggested to characterize the personality that is consistent among individuals who maintain WC positions.

For example, Narcissistic personality has long been associated with business type individuals. Even more so, narcissism has been suggested to be a desirable and almost a necessary trait for success in the business world. Lasch (1979) suggests that narcissism is a prerequisite for success stating:

For all his inner suffering, the narcissist has many traits that make for success in bureaucratic institutions, which put a premium on the manipulation of interpersonal relations, discourage the information of deep personal attachments, and at the same time provide the narcissist with the approval he needs in order to validate his self-esteem. (p. 43-44)

While the narcissism has been alluded to as a common trait among executives, only one study has directly examined its relationship to white collar crime. Blickle et al. (2006) found that convicted WC criminals had significantly higher rates of narcissism than a group of non-criminal WC executives.

Other studies have found that traits similar to narcissism and characteristic of the disagreeable business man are associated with WCC (Piquero, Exum, & Simpson, 2005; Terpstra, Rozell, & Robinson, 1993; & Collins & Schmidt, 1993). Conceptions of narcissism (Paulhus & Williams, 2002) and disagreeableness (Costa & McCrae, 1992) describe individuals who are egocentric, dominant, and controlling. Accordingly, Collins and Schmidt (1993) found that convicted WC criminals tended to be more suspicious of others and are more controlling than WC non-criminals. This suggests that the WC criminal is an individual who feels a need to be in control and whose suspicions make it difficult to work with others. Another aspect of the disagreeable individual is that they tend to prefer competition as opposed to cooperation, which is captured in the compliance subscale (Costa & McCrae,
A competitive personality may be desirable in a business or corporate setting and some have suggested that a disagreeable personality is necessary for success in these types of settings (Costa & McCrae, 1992). Although, Terpstra et al. (1993) found that business students who have a highly interpersonal competitive personality were more likely to endorse decisions to engage in insider trading. Ben-David (1991) also found that WC criminals had competitive personalities, although it was suggested in this study that competitiveness is a common trait among upper- and middleclass communities.

Supporting the typology of the disagreeable business man, a few studies have found that WC criminals tend to have personality traits such as being deceitful (Collins & Schmidt, 1993), and Machiavellian (Jones & Kavanagh, 1996; Rayburn & Rayburn, 1996; & Verbeke, Ouwerkerk, & Peelen, 1996). More specifically, Jones & Kavanagh (1996) found that across situations of different levels of dissatisfaction with work and peer influence, individuals who were Machiavellian were more likely to engage in unethical behavior. The characterization of those who engage in WCC as being Machiavellian and manipulative suggests that these individuals see victims as a means to end, with a callous and unemotional concern for their victims. Considering both the disagreeable and the extrovert typologies, the common thread seems to be a sense of competition for status and through the use of manipulative, cunning, or deceitful means the acquisition of that goal. The literature tends to suggest that the WC criminal seems not to be impulsive or lacking self-control, but rather opportunistic and calculating. Given their competitive and egocentric nature, their engagement in WCC tends to be self-serving, while lacking remorse for those the harm that their actions cause. Therefore, an overlap between these two WC criminal personality types is apparent. One that might not seem to fit so well is the third personality type, the neurotic.

The WC criminal characterized as the neurotic suggests that such individuals may be prone to engage in criminal behavior given their low-self esteem, anxiety, and insecurity. Individuals who score high on Neuroticism tend to be guilt-prone, anxious, and depressed, with an increased likelihood of experiencing severe forms of negative affects (Costa & McCrae, 1992). Accordingly, these individuals may feel pressured into committing white collar criminal acts in the event that they feel guilty or responsible for poor performance. Ben-David (1991) found that when compared to the normal population, WC criminals tend to experience elevated levels of guilt, anxiety, and low self-confidence. Such offenders are consistent with Alalehto’s (2003) neurotic. In addition, neurotic individuals tend to be easily frustrated and angered (Costa and McCrae, 1992) and they may be particularly sensitive to external stressors and demands. Some evidence suggest that individuals who possess an external locus of control, and therefore are more affected by their environment, are more likely to engage in WCC (Jones Kavanagh, 1996; & Terpstra et al., 1993). Although indirect, this provides some support for the neurotic WC offender.

The three personality types – the positive extrovert, disagreeable business man, and the neurotic (Alalehto, 2003) – demonstrate empirical relationships with WCC, and provide a conceptually meaningful explanation of why such individuals engage in WCC. At the trait level, there are certain personality traits that seem consistently related to WC offending. Machiavellian, narcissistic, self-centered, egotistic, angry, disagreeable, competitive, antagonistic, and anxious personality traits tend to predispose individuals to engage in WCC. A personality disorder that might encapsulate several, if not all, of these traits is psychopathy. The psychopathic personality has long been associated with common street crime (Hare, 1996), while more recently it has been suggested that psychopathic personality traits may also be common among WC criminals (Babiak & Hare, 2006).
Psychopathy

The explanation, conceptualization, and measurement of psychopathy have been highly debated topics among experts (Lilienfeld, 1994; Levenson, 1992). Nonetheless, there is some consensus regarding the personality traits that properly describe psychopathic individuals. Generally accepted is the idea posed by Hare (1993) regarding the factor structure of psychopathy. It has been suggested that psychopathy is a unidimensional construct that consists of two underlying, correlated factors; an emotional/interpersonal factor (Factor 1) and a social deviance factor (Factor 2; Hare et al., 1990).

According to Hare (1993), Factor 1 includes glibness, superficial charm, egocentricity, grandiosity, deceitfulness, manipulative, shallowness and lacking remorse, guilt, and empathy. The Factor 2 psychopathy can be characterized by impulsivity, poor behavioral controls, need for excitement, lacking responsibility, early behavior problems, and adult antisocial behavior. Distinct from common criminals, psychopathic offenders commit a greater variety and severity of crimes, without remorse, sympathy, or care for those whom they inflict harm upon (Hare & McPherson, 1984; Hare, 1993; Babiak, 1995). Psychopathy has been found to be correlated with criminal behavior, with psychopaths committing a disproportionate amount of crime (Hare & McPherson, 1984). Psychopathy has also been found to predict high rates of violent and non-violent recidivism (Hare & McPherson, 1984; Grann, Langstrom, Tengstrom, & Kullgren, 2002; Harris, Rice, Cormier, 1991; Salekin, Rogers, & Sewell, 1996), sexual assault (Porter et al. 2002), alcohol and drug abuse (Smith & Newman, 1990), and therefore is a useful tool among clinicians in risk assessment (Hare et al., 2000; Hare, 1999).

There have been several tools for assessing psychopathic personalities. The most predominant measure of psychopathy is Hare’s (1991) Psychopathy Checklist Revised, which is a semi-structured interview developed for use in forensic settings. Administration of the Psychopathy Checklist is difficult in the sense that it requires an indepth interview and review of file data. To avoid these problems, self-report measures, such as the Levenson’s Self-Report Psychopathy Scale (LSRP; 1995) and the Psychopathic Personality Inventory Revised (PPI-R; Lilienfeld & Andrews, 1996), of psychopathy have been developed. Both the PPI-R and the LSRP have been found to be successful at identifying psychopathic personality traits among non-criminal samples (Lynam, Whiteside, & Jones, 1999; Lilienfeld & Andrews, 1996). Several studies have found psychopathic traits among university and college samples (Kosson, Kelly, & White, 1997; Levenson, Kiehl, & Fitzpatrick, 1995; Lilienfeld & Andrews, 1996; Lynam, Whiteside, & Jones, 1999; Ross & Rausch, 2001). Lynam, Whiteside, and Jones (1999) validated the LSRP using a sample of university students.

Based on self-report delinquency and performance tasks they found that psychopathic traits were present among this non-incarcerated sample. Kosson, Kelly, and White (1997) assessed sexual aggression and psychopathy among a group of university students. They found that both primary and secondary psychopathy was related to sexual aggression. These studies suggest that psychopathic personality traits exist and can be studied in college samples. Evidence has corroborated the idea that psychopathy is a personality disorder characterized by extreme dimensions of normal personality traits (Lilienfeld, 1994; Edens, Marcus, Lilienfeld, & Poythress, 2006). Additionally, several studies have found that psychopathy can be successfully assessed using the FFM of personality. Specifically, psychopathy is positively related to Extroversion (Miller et al., 2001; Paulhus & Williams, 2002; Hall, Benning, & Patrick, 2004), and negatively related to Agreeableness (Lynam et al., 2005; Jakobowitz & Egan, 2006; Ross, Lutz, & Bailley, 2004; Miller et al. 2001; Paulhus
& Williams, 2002), and Conscientiousness (Lynam et al., 2005; Ross et al., 2004; Jakobowitz & Egan, 2006; Miller et al., 2001). While some conceptualizations of psychopathy suggest a negative association with Neuroticism (Hare, 1996; Cleckley, 1988), recent research indicates this is a complex relationship that warrants further examination (Ross et al., 2004; Frick, Lilienfeld, Ellis, Loney, and Silverthorn, 1999; Jokobwitz & Egan, 2006).

Several other personality traits have additionally been found to characterize psychopathic individuals. In general, psychopathy has been found to have positive associations with impulsivity/sensation-seeking (Benning et al., 2005; Daderman, 1999; Haapasalo, 1990; & Thornquist & Zuckerman, 1995; Ross et al., 2004; & Hunt, Hopko, Bare, Lejuez, & Robinson, 2005), narcissism (Paulhus & Williams, 2002; Benning et al. 2005; Lee & Ashton, 2005; Skeem, Poythress, Edens, Lilienfeld, & Cale; 2003), and Machiavellianism (Jakobwitz & Egan, 2006; Paulhus & Williams, 2002; McHoskey, Worzel, & Szyarto, 1998).

In an attempt to develop a measure that assesses the personality traits associated with psychopathy apart from its behavioral components, Lilienfeld and Andrews (1996) empirically derived the Psychopathic Personality Inventory (PPI). The results suggest that the PPI consists of eight subscales that characterize psychopathy. As originally suggested by Lilienfeld and Andrews, the PPI is more strongly related to Factor 1 psychopathy (i.e., the interpersonal and affective dimensions), which captures the core personality traits of the disorder (Poythress, Edens, & Lilienfeld, 1998). However, more recently it has been found that the PPI is best described by three factor (Fearless- Dominance, Self-Centered Impulsivity, and Coldheartedness; Lilienfeld & Widows, 2001). Also it has been found that the Fearless Dominance (FD)2 and Self-Centered Impulsivity (SCI) factors are associated with Factors I and II of the PCL-R, respectively (Lilienfeld & Widows, 2001). In sum, psychopathy is an important construct when examining antisocial behavior and assessing risk and recidivism. While research has been successful in linking psychopathy to conventional street crime and antisocial behavior, it has yet to be applied to WCC, even though conceptualizations of WC psychopaths exist.

White Collar Crime and Psychopathy

The personality traits that seem to characterize the WC offender include Machiavellianism, narcissism, self-centeredness, egoism, disagreeableness, competitiveness, manipulativeness, antagonism, anger and hostility. Combinations of these personality traits that characterize WC criminals are captured in psychopathy. Given its cut-throat nature, psychopathic individuals may be attracted to the business world. Such traits may also be considered valuable in the corporate world, making psychopathic individuals efficient at what they do (Boddy, 2006; & Babiak & Hare, 2006). Therefore, it is possible that many of these individuals are successful when entering and pursuing business or corporate careers. This would, in turn, give psychopathic individuals the opportunity to engage in WCC, and given their nature, they would be more likely to take advantage of these situations.

The existence of psychopaths as successful business people has not been overlooked. This is especially true considering the many conceptualizations that describe these individuals, such as Widom’s (1977) successful psychopath, Babiak’s (1995; 1996) industrial psychopath, Hare’s (1993) white collar psychopath, and Boddy’s (2006) organizational psychopath.

Cleckley (1988) described several case studies of professionals, including a physician, a scientist, a business man, and a psychiatrist, who he suggested possess
psychopathic traits. While he noted that such individuals have found a way to adjust to their dispositions, he is clear that these individuals are far from real psychopaths. He described successful psychopaths as manifesting mild psychopathic characteristics with an ability to channel their psychopathology in constructive outlets. He explains that these individuals are able to function as normal members of society, maintaining predominant roles, by masking their psychopathic traits.

Hare (1993) describes the white-collar psychopath as being able to fraud and con using charm, deception, and manipulation. He suggests that there is a distinction between common WC criminals and psychopathic WC criminals concerning the motives and nature of their offending. The latter’s affinity for WCC goes beyond utility and permeates other aspects of life, including family and friends. These individuals are able to use their status and networks in way to establish trust and create opportunity to carry out self serving and injurious acts. Additionally, Hare (1993) suggests that white-collar psychopaths are able to avoid detection from the law by being calculating and discrete, and even when caught, they are not only remorseless, but do not accept wrongfulness of their actions.

Boddy’s (2006) organizational psychopathy is consistent with Hare’s (1993) description of successful psychopaths. He describes their lack of conscience, ability to appear desirable as an employee, exceptional ability to lie and manipulate others, while at the same time finding ways to gain confidence in others and targeting the weak and naive.

Both Boddy (2006) and Babiak and Hare (2006) go beyond a general description of the successful psychopath to explain how these individuals may enter and navigate through organizations. Considering the relationship between those personality traits that have been found to be associated with white collar crime and these conceptualizations of psychopathy suggests that the construct of psychopathy may capture those personality traits that are characteristic of WC criminals. More specifically, WC criminals may manifest some of the personality traits more characteristic of the emotional/affective aspect of psychopathy, such as narcissism, glibness, deception, and callousness.

Based on these conceptualizations of the successful psychopath, it is apparent that their existence is not overlooked and lays ground for the importance of future empirical examinations. While such conceptualizations are helpful in understanding what these individuals may look like, little empirical research has been conducted to support the existence of psychopaths operating in the business sector (Board & Fritzon, 2006; Babiak, 1996). Babiak (1995; 1996) conducted case studies of individuals in business settings who he describes as being industrial psychopaths. Babiak’s (1995) case study was based on co-worker interviews, direct observations, and personnel files. Based on the Psychopathy Checklist: Screening Version (PCL: SV), it was found that these individuals tended to score high on the psychopathic personality component (equivalent to Factor 1 of the PCL-R) and moderate on the deviant lifestyle component (Factor 2 of the PCL-R). Babiak (1996) draws upon his original case study and suggests a “psychopathic process” of how these individuals move through the organization. He describes the psychopath as first gaining entry into the company and then manipulating his way to the top, creating an atmosphere of distrust and hate among employees, and ultimately ruining company morale and cohesiveness. However, his small sample is representative of the inaccessibility of this population and the small number of them that do exist (1% of general population who work in organizations; Boddy, 2006). Because his findings are based on unrepresentative case studies, generalizability to larger populations is questionable.

Only one study has empirically examined the relationship between psychopathic personality traits in a business setting using a large sample. Board and Fritzon (2005) compared results from the Minnesota Multiphasic Personality Inventory across a group of
business managers, mentally ill patients, and a group classified as psychopathic disordered. They found that the business group evinced narcissistic and histrionic personality disorders. Of particular import in the current discussion is that these personality disorders share conceptual overlap with the affective/interpersonal features of psychopathy (Factor 1; Hare, 1996).

To date, there have been no studies that examine psychopathy and white collar crime directly, and only a few that have examined its existence among white collar workers (Babiak, 1995; 1996; Board & Fritzon, 2005). Empirical evidence, however, does suggest that some of these personality traits found to be correlated with WCC are also correlated with psychopathy (Paulhus & Williams, 2002; Wiebe, 2003; Frick et al. 1999; Schmitt & Newman, 1999; & Lynam et al., 2005). Such evidence provides indirect support for the link between psychopathy and white-collar criminals.
References:


