

CMY3702 Crime Typologies Oct/Nov 2017 Exam Summary Explanation on White- Collar Crime (25 marks)

written by

monique9



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TCMY3702 Crime Typologies Oct/Nov 2017 Exam Summary

Explanation on White-Collar Crime

- 1. Discuss various theoretical explanations of white-collar crimes.**

THEORETICAL EXPLANATION WHITE-COLLAR CRIMES – 25

ETHICAL EXPLANATION:

• Hirschi and Gottfredson

- Explained in the same way as conventional crime –
- the motive of **QUICK BENEFITS** with **MINIMAL EFFORT**.
- strive for **SHORT-TERM GRATIFICATION**, no account of **LONG-TERM CONSEQUENCES** of actions.
- **Aggression, impulsiveness and indifference to the opinions of others.**
- human behaviour is motivated by **SELF-INTEREST**
- pleasure is sought & pain is avoided.

• Sutherland's theory of differential association:

- Crime is learnt behaviour in a social setting
- views the workplace as the **social setting** in which new employees are educated into criminal activity by other employees.
- In organisations obsessed with profit, rules are set aside and laws broken in order to achieve success.

- Most companies have a **code of conduct**
- maintaining a positive ethical climate by holding individual workers responsible for their actions.
- employees who commit fraud = **relieved of their posts and handed over to the law.**
- Tendency to **protect the public image** of the company by dismissing the person or by insisting on partial or full restitution.
- In this process companies lose millions of rand per year
- They are unwilling to make their losses known because embarrassment to them and also undermine public confidence in the company.

1. PSYCHOLOGICAL EXPLANATION:

Three causative factors for corporate crime are identified:

<u>Pressure:</u>	highly competitive market tempts individuals to take shortcuts & break certain rules , to be successful.
<u>Opportunity:</u>	Large companies which reward innovative ideas despite how they are achieved, this provides the opportunity to transgress the rules.
<u>Predisposition:</u>	A company where poor business ethics favour the breaking or sidestepping of rules and laws , creates a predisposition to commit corporate crime.

INTERNAL CAUSATIVE FACTORS:

• **Individual characteristics:**

A low IQ **obviously not** individual characteristics applicable to someone who works in disciplined fashion for years to achieve high position

• **Moral argument:**

People who operate at a high level of cognitive moral development are more independent and behave in a way that corresponds with their own internal convictions (Right/wrong)

Note: People who function at a lower level of cognitive moral development tend to conform to group norms.

• **Machiavellism:**

- Manipulation of others for personal gain
- bullying subordinates, exploiting and misleading colleagues

- use any means crimes such as theft and fraud to achieve their goals.

AN EXPLANATION BASED ON CAUSATIVE FACTORS:

The misdemeanours of corporate criminals can be explained in terms of the following three variables:

- **Moral argument (internal causative factors)**
 - **Machiavellianism (internal causative factors)**
 - **A locus of control (internal and external)**
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- internal locus of control believe they can affect outcomes
 - relatively resistant to the influence of others.
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- external locus of control believe that they cannot influence the situation but that external circumstances can.
-
- People guilty of corporate crimes tend to have an external locus of control.

Supports Sutherland's argument that such offenders are more susceptible unlawful behaviour such as fraud, particularly if the top structure of the company is in favour of such definitions.