



Theoretical Developments, Integrates Empirical Investigation Patterns in Corporate Crime

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Abstract: Corporate crime encompasses unlawful actions perpetrated by people or entities during their commercial or professional endeavours. Financial motives often drive these offences, including fraud, embezzlement, bribery, insider trading, and money laundering. Corporate crime may substantially affect people, businesses, and the social order. The study on corporate crime aims to comprehend the motives and actions of individuals involved in such activities and uncover the organisational and social variables that contribute to these crimes. These variables can include corporate culture, economic conditions, and regulatory frameworks. This leads to an increase in the frequency of corporate crime and the advancement of novel techniques for sleuthing and deterring corporate crime. This research examines corporate crime theory, sentencing and punishment trends, and crime prevention and control programs. This analysis suggests numerous new and intriguing corporate crime research topics. It also shows how technique and data restrictions limit this discipline. Research on corporate crime emphasises the importance of assessing inquiries and has significantly improved our understanding of criminal motivations, behaviours, and methods. However, the psychological traits of corporate criminals, such as narcissism, lack of empathy, and risk-taking propensity, need further study. Equally intriguing is the influence of technology on crime detection, an area that requires further exploration. The role of organisational culture in corporate crime also needs further investigation. Practical corporate crime prevention and laws must be prioritised. The research examines corporate crime not only just in the perspective of Pakistan but globally and interculturality.

Key Words: Corporate Crime, Corporate Financial Wrongdoing, Criminal Behaviour, Pretest-Posttest Methodology, White Collar Crime

1. Introduction

Corporate crime, a substantial issue that impacts individuals, businesses, and society, is a complex field of research. Despite its significance, corporate crime research is still in its early stages. Conducting a thorough investigation of the present knowledge of this phenomenon and identifying specific areas that need additional examination is a complex task that requires the expertise and involvement of all. This paper seeks to provide a comprehensive assessment of ongoing inquiries and potential future paths in corporate crime, highlighting the need for collective effort in this complex research. It starts by examining research on corporate crime, with an emphasis on elucidating the notable discoveries and contributions made by prior studies. Study investigates the present condition of research on corporate crime, explicitly analyzing the motives and behaviours of individuals involved in such happenings, as well as the organizational and social variables that lead to the widespread occurrence of white-collar crime, a term used to describe non-violent, financially motivated crimes typically committed by business and government professionals. This research critically appraises the methodologies used for detecting and minimizing corporate crime and recommends approaches to expand these methodologies (Dearden, T., & Gottschalk, P. 2021).

Furthermore, it examines the consequences of corporate crime on individuals, corporations, and society and investigates the challenges researchers face while studying this topic. The potential impact of this study's findings on corporate crime research is significant. By providing a comprehensive evaluation of current investigations and suggesting prospective instructions for future research, this study aims to combat corporate crime effectively (Le Maux, J., & Smaili, N. 2023).

To illustrate the importance, it is essential to recognize the substantial influence of fraud in past financial catastrophes or the current financial crisis that threatens worldwide economies. However, our understanding of the roots of corporate crime is significantly restricted compared to our understanding of street crime. Additionally, we need more reliable methods to accurately evaluate corporate crime's full extent, prevalence, and consequences. Although there is now more data availability compared to past periods, the absence of agreement on the concept of corporate crime and the difficulties in quantifying it has impeded comprehensive efforts to measure and record this problem systematically (Barrett, K. L., et al., 2023).

In recent years, there have been significant theoretical breakthroughs in corporate crime. Additionally, new studies have shed light on the proper penalizing of criminals. Furthermore, there have been disputes around crime prevention and control techniques. It has omitted several significant subjects, such as differentiating the numerous categories of offences and their societal consequences and the views on the severity of corporate crime. "Theoretical Developments" integrates empirical patterns in the phenomena (Galvin, M. A. 2020). However, there are differences in these patterns. Our knowledge of patterns and trends is severely constrained by deficiencies in the available data, which is extensively addressed in this study. To delineate the specific categories of corporate crime addressed in this analysis, emphasize the importance of the ongoing discussions about the concept of corporate crime. The disagreements emerged due to discrepancies between Sutherland's original formulation of corporate crime, his empirical investigation of corporate misconduct, and how law enforcement classifies such conduct (Kamaei, M., et al., 2024).

2. Theoretical Development

Traditional notions of unlawful action and societal misbehaviour have often been used to develop and assess theories related to corporate crime. This approach demonstrates not just the boundaries of a theory's range but a call to action to expand its conceptual framework. Typically, these applications and tests reveal notable differences between corporate offenders and ordinary criminals. Individuals who fail to embrace a specific concept of corporate crime often concentrate on minor, non-organisational criminals and use restricted methodological examinations. These tests may include variables that have a weak connection to the conceptual framework, unreliable data sources, biased samples, incorrect model specifications, or issues with the sequencing of events throughout time. The 'add corporate crime and stir' technique is problematic because it fails to provide any findings. Feminists have shown the way by progressing past traditional examinations, elucidating the reasons behind the disproportionate victimisation of women in crimes, and highlighting the tendency of male-dominated perspectives to overlook women's lived realities. In order to advance the subject, researchers studying corporate crime must also do so, moving beyond traditional examinations and embracing innovative methods (Payne, B. K., & Pitman, L. 2023).

Critical perspectives have continually focused on corporate crime due to their emphasis on the sources of power and privilege connected with the accumulation of money inside institutions. The state-corporate crime perspective has emerged as a framework for examining the creation of harm to society when private capital and governmental objectives come together (Friedrichs, D. O. 2019). To fully understand this, researchers must consider the micro, meso, and global interconnectedness. Recent advancements in this field include using postmodern perspectives and evolving integrated methodologies to consider this comprehensive approach. When examining corporate financial wrongdoing, one must carefully consider the notion of organisational political embeddedness (Benson, M. L., & Harbinson, E. 2020). This idea emphasises the interdependence of governmental and business relationships in contemporary society. Government regulations influence business organisations' formation and allow managers to participate in fraudulent financial activities. From a systems perspective, the collapse of a mortgage is a typical occurrence due to the highly linked and complex financial system. This research suggests that the crisis may be ascribed to a rise in trade imbalances, a loosening of restrictions in the banking sector, and a deterioration of wealth inequality (Barrett, K. L., et al., 2023).

Including corporate crime without any further analysis has many drawbacks, with the most notable being its failure to provide novel insights. This is similar to the efforts of feminists, who want to elucidate the causes of female

criminal behaviour and victimisation by questioning the inadequacy of mainstream ideas that neglect to include women's encounters. This deficit is partially due to an epistemological refusal of positive sociology that aligns with specific methodologies (Benson, M. L. 2021). However, the main obstacles are the methodological complexities and the collection of valuable data that accurately and consistently quantify corporate crime and the critical factors that predict it. These issues have a broader impact on developing theories in corporate crime. As acknowledged, apart from the constraints of an uncontrolled pretest-posttest methodology, they needed help to ascertain the level of complexity and interdependence of the financial system that would be necessary to generate (Simpson, S. S., et al., 2023).

Measuring complexity and coupling in a manner that enables concurrent comparisons of their levels inside systems over time and across systems is quite challenging. Regarding the comparison between life cycle criminology and corporate crime, a similar remark may be made: Designing a research study that incorporates many of these rare yet crucial corporate criminals to compare their risk factors with those of well-studied street criminals presents a formidable challenge. Given our limited understanding of the childhood determinants of corporate criminals, the only feasible research would involve locating a very extensive epidemiological sample, which is likely highly challenging (Waring, E., et al., 2020). Researchers have used innovative methods to address these difficulties, including using data mining to reveal occurrences of specific categories of corporate crime, revising previously gathered data on corporate criminals to generate new research inquiries, and performing thorough ethnographic studies. Case studies include the examination of specific instances while integrating qualitative and quantitative information from many sources to support a particular argument. However, the discussed phenomena still need to be clarified and fully understood. It has been almost ten years since Shover stated that criminological debates and developments should have a minimal impact on studies of corporate crime. Although there have been several efforts to combine fundamental advancements and understanding between corporate crime and criminology, we have a broad understanding of the issue but have not yet refined its fundamental nature. This is especially true for high-level criminals since the theoretical narrative has focused chiefly on speculating their individual attributes and characteristics, such as avarice and arrogance (Zaloznaya, M., et al., 2023).

While specific criminological theories may have greater efficacy in predicting and elucidating the various forms of corporate crime mentioned in this overview, most of these theories necessitate intricate mental man oeuvres to account for the substantial observable disparities between corporate criminals and street criminals. The existing empirical data about individual offenders reveals several noteworthy tendencies. Corporate and conventional criminals come from distinct socioeconomic classes and exhibit different patterns of criminal conduct. Corporate crimes, such as fraud or embezzlement, often occur during the latter stages of a person's life. Corporate offenders often possess less extensive criminal histories than conventional criminals. Corporate criminals have unique structural opportunities and situations. Moreover, there are significant motivation differences between these two offender groups (Krajewski, A. T., & Felson, R. B. 2024).

3. Significances of Public Opinion and Punishment

Specific criminological theories are more appropriate than others for forecasting and explaining the specific forms of corporate crime examined in this investigation. Nevertheless, most ideas need intricate reasoning to elucidate the substantial disparities between corporate offenders and street criminals. Research has examined how individuals perceive the gravity of corporate crime and whether these perspectives have evolved, which is a topic of particular interest and relevance. Research has also investigated the divergent perspectives on corporate criminals compared to conventional offenders and corporate offenders compared to individual offenders (Nguyen, T. 2021). The study has examined the degree of public support for allocating resources to the prosecution of corporate crime, the relationship between the severity of a crime and the perceived likelihood of being a victim, and the factors that contribute to public perceptions of the seriousness of a crime (such as the amount of harm caused, the responsibility of the offender, and the level of culpability). The National White Collar Crime Center has conducted a thorough investigation over a significant period to address these inquiries. Some criminological theories have better predictive and explanatory capabilities for the specific sorts of corporate crime described in this analysis (Laitinen, A., & Särkelä, A. 2023).

Nevertheless, most hypotheses need intricate cognitive man oeuvres to account for the substantial disparities reported between corporate offenders and street criminals. Corporate victims and abusers often find themselves at a disadvantage in comparison to individuals rather than the reverse. An analysis of the Washington Post poll data collected in 2002 indicated that although respondents did not desire further regulation of the stock market, they

overwhelmingly supported more severe punishments for corporate offenders engaged in financial fraud. The public's perspective of corporate crime in Pakistan may be categorized into three phases: initial indifference, growing awareness, and shifting attention. The researchers concede that the general public was indifferent primarily before the 1970s (Silver, K., & Garofalo, P. 2024).

Nevertheless, they contend that the accusations of apathy were likely overstated. During the second wave, the general public's perspective became more punitive as developed countries had a more profound comprehension of corporate crime and became more skeptical of the trustworthiness of social institutions, such as the government and major corporations. The media has been crucial in attracting considerable attention to the latest surge. The public has developed a firmly entrenched unfavorable opinion of wrongdoers due to the regular occurrence of financial calamities, extravagant corporate conduct, and CEO avarice. Corporate criminals are now seen as persons characterized by greed, arrogance, and lack of sympathy rather than relatable and respected members of society (Sohoni, T., & Rorie, M. 2021). The depiction of individuals with criminal inclinations in a negative light may encourage the acceptance of severe sentencing measures, which in turn contribute to a broader belief system centered around punishment (or over criminalization). This can lead to excessively lengthy prison sentences for common criminals and those involved in corporate crimes. Furthermore, assigning responsibility for corporate crime only to a small number of people who are considered "bad apples" serves as a means of shifting attention away from the fundamental structural and institutional elements that lead to the pervasive occurrence of corporate wrongdoing. Propose that the use of derogatory language and the dramatic display of detained corporate leaders, often known as "perp walks," might be seen as rituals that publicly shame individuals and reinforce the authority of the government and the capitalist economic system (Cappellaro, G., et al., 2023).

4. Risk Management and Prevention

Presently, the prioritization of tackling corporate crime includes a strong emphasis on preventing and controlling corporate crime. The subject may be categorized into two primary divisions: command and control tactics, characterized by their punishing nature, and compliance approaches, characterized by their persuasive nature. The term 'command and control tactics' refers to strategies that rely on the threat of punishment to deter crime. The prior strategy is predicated on the idea that corporate crimes may be reduced by strengthening criminal laws and imposing stricter penalties. The theory contends that criminals act solely out of fear and without regard for moral principles. They are seen as logical individuals who carefully calculate the costs and advantages of committing crimes, only choosing to break the law when the rewards surpass the risks. The compliance strategy prioritizes attaining or establishing legal conformity without resorting to punitive measures (Fernando, Z. J., et al., 2022).

Corporate offenders are considered morally responsible individuals who may be convinced to behave correctly if given the chance. The second approach relies on a dynamic and iterative negotiating process between the government and corporate offenders, known as responsive regulation. This process involves a continuous dialogue and negotiation between the government and corporate entities, allowing for adjustments and changes in the regulatory approach based on the behaviour of the regulated entities. During this procedure, the government employs a variety of enforcement mechanisms, ranging from gentle to vigorous, to guarantee adherence. It is also linked to preventive and control methods that extend outside the state's authority, such as self-regulation and interventions by third parties (Klimczak, K. M., et al., 2022).

The previous strategy was based on the idea that corporate crime can be effectively managed and stopped by making it easier for criminal laws to be enforced and making criminal punishments more certain and harsher. Several opponents argue that the ineffectiveness of tactics aimed at deterring corporate and corporate crime might be attributed to implementation difficulties. That is to say, the chances of being detected and the penalties linked to being apprehended are insignificant because punishment is symbolic, occurs sporadically, is usually motivated by legitimacy crises, and lacks genuine moral power (Gerson, P. 2023).

Nevertheless, the evidence is not compelling studies on perception prove that this technique has a deterrent impact on corporate misconduct. Most respondents in the vignettes poll believe that if they or their firm were to engage in a corporate crime, they would likely be apprehended and penalized. Multiple comprehensive investigations also validate a deterring impact. This study mainly focuses on areas such as environmental offences and fraud. However, there are indications that some critical aspects of a deterrent approach, such as swiftness and certainty, may differ depending on the kind of crime. For example, it is reasonable to anticipate delays in finding and prosecuting corporate fraud cases (Naumovska, I. 2023).

On the other hand, the unauthorized discharge of a poisonous substance that causes immediate damage to persons

or animals, such as the killing of fish, would probably result in a quicker reaction from the state. Corporate deterrence research often uses either compliance status or performance as evaluation techniques. The former pertains to whether or not a regulated entity is by the law (Pusch, N., & Holtfreter, K. 2021). While compliance and result metrics are both legitimate measures of corporate conduct, there is an urgent need for a widely recognized approach in the deterrent literature. This recognition will help accurately evaluate the effectiveness of corporate deterrence strategies and develop more effective approaches in the future (Arafa, M. 2023).

When examining the influence of government interventions on corporate wrongdoing, it is crucial to acknowledge that sanctions may arise from criminal, administrative, and civil authorities to comprehend how these systems operate thoroughly. An analysis of tort and criminal law concluded that tort law is ineffective in preventing potential wrongdoers from engaging in tortious actions, including some corporate crimes. Nevertheless, criminal legal punishments effectively function as a potent deterrence (Azis, A. N., et al., 2022). The work used Bayesian models to predict the outcomes of civil securities fraud cases based only on the features already known at the time of their submission. Their algorithms precisely predict the result of securities fraud, correctly calculating whether they will be settled or dismissed. Moreover, these models can distinguish between higher and smaller settlement sums. The corporate crime literature still needs to address recent breakthroughs in the deterrence literature, which focuses on how people make choices and the impact of elements like updating, ambiguity, framing, and discounting on risk preferences.

For a thorough evaluation of the impact of government interventions on corporate wrongdoing and a deeper understanding of how different justice systems operate, it is imperative to consider criminal, administrative, and civil avenues of punishment. This includes examining factors such as the size and compliance history of the corporation, its financial performance, the external business environment, variations in oversight credibility over time and space, and the combination of sanctions and interventions that can effectively promote compliance. These measures aim to reduce the attractiveness of engaging in misconduct, enhance the perceived credibility of external oversight, and encourage the use of effective internal oversight and self-control mechanisms. A comprehensive understanding of these factors is crucial for the effectiveness of our work in deterring corporate misconduct (Silver, K., & Garofalo, P. 2024).

5. Conclusion

Regarding responsive regulation, a substantial body of data indicates that morality and social norms influence the choices made by individuals involved in illegal activities. Further research is necessary to ascertain the influence of firm attributes on responsive regulation. The emphasis on street crime in politics and academia has strengthened the inclination in the sector to derive theoretical understanding from classic crime theories. However, this technique could be more beneficial, particularly when attempting to explain the actions of corporate or organizational wrongdoers. Inadequate methodological designs and data limitations can restrict the extent of knowledge. Despite the limitations, our research has uncovered several intriguing hypotheses and study areas related to corporate crime. Empirical evidence suggests that most corporate offenders, even under a broad definition, do not fit the profile of conventional criminals or have similar criminal histories. Contrary to popular belief, data indicates that while corporations generally strive to comply with the law, individual offenders often have a history of repeated offences. These individuals often view themselves as law-abiding citizens who conform to societal norms, a self-perception that requires them to provide specific explanations, sometimes influenced by gender, to justify and mitigate their illegal actions. There is a wealth of evidence regarding responsive regulation that underscores the significant influence of norms and morality on offenders' decision-making. However, we must not overlook the role of business attributes in implementing responsive regulation. Further investigation is crucial to fully understanding this influence and its implications.

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