


Editorial

# The Organization of Corporate Crime: Introduction to Special Issue of Administrative Sciences

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Corporate crimes seem endemic to modern society. Newspapers are filled on a daily basis with examples of financial manipulation, accounting fraud, food fraud, cartels, bribery, toxic spills and environmental harms, corporate human rights violations, insider trading, privacy violations, discrimination, corporate manslaughter or violence, and, recently, software manipulation. Clearly, the problem of corporate crime transcends the micro level of the individual ‘rotten apple’ (Ashforth et al. 2008; Monahan and Quinn 2006); although corporate crimes are ultimately committed by individual members of an organization, they have more structural roots, as the enabling and justifying organizational context in which they take place plays a defining role. Accounts of corporate fraud, misrepresentation, or deception that foreground individual offender’s motivations and characteristics, often fail to acknowledge that organizational decisions are more than the aggregation of individual choices and actions, and that organizations are more than simply the environment in which individual action takes place (Huising and Silbey 2018). “Corporate crime is organizational crime, and its explanation calls for an organizational level of analysis” (Kramer 1982, p. 79).

Organization studies have therefore become increasingly preoccupied with explaining organizational dysfunctional and antisocial behavior, misconduct, and deviancy (Greve et al. 2010), known as “the dark side of organization” (Linstead et al. 2014), and also has an important contribution to make to our understanding of corporate crime and its prevention. On the other hand, administrative and organization sciences studying the administration, management, leadership, cultures, and governance institutions of organizations, as well as their interactions with the behavior within these organizations, should address corporate crimes as an object of study, as failures and rogue processes can inform organization theory.

The multiple aspects and causes of corporate crime call for a multidisciplinary and interdisciplinary approach and a variety of perspectives. Corporate crime has been predominantly studied in criminology, economics, and law. In addition, insights from psychology, sociology, anthropology, business ethics and political science, high reliability and safety science, and information and technological sciences are highly relevant. Many of these have links with organization science. In criminology, Edwin Sutherland (1949) is usually named the “founding father” of corporate and white-collar crime scholarship, introducing the notion that crime happens not just in the streets, but also “in the suites”, in his Presidential Address to the American Sociological Association in 1939; although corporate crime scholarship dates back much further and has European roots (Hebberecht 2015; Huisman et al. 2015). Criminology, “the body of knowledge regarding crime as a social phenomenon [including] . . . processes of making laws, of breaking laws, and of reacting towards the breaking of laws” (Sutherland and Cressey 1960, p. 3), studies white-collar crime, “crimes of the powerful”, elite crime, and corporate and organizational crimes. Within this spectrum, we define corporate or organizational crimes as illegal or harmful acts, committed by legitimate organizations or their members, primarily for the benefit of these organizations (Van Erp and Huisman 2017). This broad conceptualization parallels Greve et al.’s (Greve et al. 2010, p. 56) definition of organizational

misconduct, as “behavior in or by an organization that a social-control agent judges to transgress a line separating right from wrong; where such a line can separate legal, ethical, and socially responsible behavior from their antitheses”, in the sense that it encompasses formally criminalized acts as well as a range of harmful acts that use creative compliance and exploit legal loopholes, particularly in the global economy. Corporate crimes may also incur individual gain, but the term corporate crime is usually reserved for crimes in which this is only a secondary motive or outcome, as opposed to white-collar crime, namely, “crime committed by a person of respectability and a high social status in the course of his occupation” (Friedrichs 2010), primarily for the benefit individuals. As the concept of corporate crime better grasps the organizational and structural aspects of these forms of misconduct than the more individually-oriented term white-collar crime, ‘corporate and organizational crime’ has been chosen as the primary perspective for this special issue.

Organization studies have a long tradition of studying misconduct and deviance in organizational contexts (Linstead et al. 2014). This scholarship initially addressed misconduct at the workplace. Numerous crimes or unethical acts may be committed within organizations by its employees, such as theft, aggression, falsely calling in sick, falsifying reports, or other kinds of fraud or unethical behavior at the workplace (Biron 2010). These forms of deviance have frequently been addressed in organization science as the “dark side” of organizations (Linstead et al. 2014). In analogy, criminologists analytically distinguish workplace and occupational crimes—crimes with organizational members as victims or misconduct by employees against the organization—from corporate crime, which tends to focus on acts harmful to victims outside of the organization (Clinard and Quinney 1973; Van Erp and Huisman 2017).

In organization psychology, misconduct in organizations tends to be approached from an individualist rotten apple perspective (Linstead et al. 2014), although some research has started to explain individual misconduct at the workplace from more structural causes, such as the negative reciprocity that employees may display towards abusive management (Biron 2010), and the influence of ‘toxic leadership’ (Lipman-Blumen 2005; Pelletier 2011). Following numerous revelations and corporate scandals, organization studies have shifted their attention from rotten apples, towards studying ‘rotten barrels’ and ‘rotten orchards’ (Scholten and Ellemers 2016; Zyglidopoulos and Fleming 2016); and have provided accounts of the social organization of institutionalized deviance (Vaughan 1999; Gray 2013). The sociology of deviance acknowledges the difference between individual deviance in an organizational context, and organizational deviance rooted in the system itself (Vaughan 1999), by addressing the institutional structures and power relations that may generate unethical organizational behavior. What criminologists call corporate crime, however, such as industrial hazards (Vaughan 1999, 2002; Perrow 1984), workplace unsafety or corporate manslaughter (Gray 2013; Almond and Gray 2017), and labor exploitation and modern slavery (Crane 2013), is sometimes seen as outside the realm of organization studies, which have not been particularly preoccupied with the victims of organizational deviance. The obvious organizational aspect in these harms and the fact that they clearly surpass individual intentionality warrants more attention in organization science.

This special issue of Administrative Sciences focuses on the organizational and administrative aspects of a broad spectrum of corporate and organizational crimes. In addition to the macro-level factors (such as regulation, enforcement, and market conditions) and the micro-level factors (such as CEO’s narcissistic traits or individual greed) as motives for white-collar crime, meso-level factors related to organizations and their administration (such as organizational structure, culture, and management and leadership) play a major role in the explanations for corporate crime. Organizations provide individuals with positions, incentives, networks, rules, routines, perceptions, and beliefs, which structure opportunities for crime. Thus, organizational factors can explain how misconduct in organizations is defined, perceived, normalized, organized, and facilitated on the one hand, and controlled and prevented on the other hand. In parallel, this introduction discusses the relation between organizations and corporate crime along three lines, the role of the organization as ‘cause’ of corporate crime, its role as ‘cure’ for corporate crime, and, lastly, the ‘organization of’

the crime, referring to the instrumental and social means that organizations offer (cf. [Rosoff 2007](#); [Punch 2000, 2003](#); [Wheeler and Rothman 1982](#)).

### 1. The Organization as Cause

Following the idea that crime is not only a matter of bad apples but also bad barrels, criminologists have embraced the study of organizational factors as causes of corporate crime ([Zyglidopoulos and Fleming 2016](#); [Huisman 2016](#)). Corporate organizations form the institutional context for corporate offenses, as organizations provide the motives, opportunities, and means for corporate crime ([Punch 2000, 2003](#)). Thus, an organizational perspective is an important part of the explanatory theories of corporate crime. Although some critical criminologists argue that all corporations are inherently and 'pathologically' disposed towards bending the law in the interest of profit maximization ([Tombs and Whyte 2015](#); [Gross 1978](#)), it is widely accepted that some organizations are more crime-prone than others; organizations have 'criminogenic' features related to specific characteristics of the organizational strategy, structure, and culture ([Huisman 2016](#)).

Organizational strategies provide employees with incentives to perform, which can turn into motivations for fraud in firms prioritizing short term profit over long term profit and imposing unrealistic growth targets on personnel. Unattainable targets are often associated with strain ([Merton 1938](#); [Agnew et al. 2009](#)), due to the perception that legitimate means are insufficient to meet economic goals, and that illegal means are the only option to realize ambitious targets ([Huisman 2016](#)). Strain is often experienced at the middle-management level, when middle managers are pressurized to realize goals set by top management, without providing appropriate means. Many studies find positive relations between economic strain and corporate crime (see [[Huisman 2016](#)] for an overview). The Volkswagen Diesel fraud is a recent and grave example of corporate fraud stemming from the combination of Volkswagen's extreme growth targets and its inability to develop the technological innovations required for meeting sustainability standards in ways that would still satisfy consumers ([Ewing 2017](#)).

Organizational 'structures' and 'information' and 'decision-making' procedures may result in irrationalities, group think, flawed risk perceptions, or secrecy with regard to misconduct ([Vaughan 1999](#); [Mills and Koliba 2015](#); [Van De Bunt 2010](#)), in various ways. Firstly, the complexity of an organization is seen as a potential contributing factor to misconduct and fraud. Complex organizations are, in general, more difficult to control and generate a diffusion of responsibilities, which may create ambiguity with regard to desired behavior or opportunities for offenses. Complexity may regard the geographical dispersion of firms with many production sites, firms with many layers of hierarchy, a specialized division of labor, or with more interdependent subunits working on pieces of a larger and more complex task. In highly decentralized multinationals, local units may feel detached from the mother corporation and feel justified to engage in local corruption to satisfy specific local needs or to adapt to local practices. These forms of complexity offer more autonomy to subunits and complicate control, which is also being more costly than in less complex organizational structures. Both Nick Leeson's fraud at Barings Bank, and more recently, the Libor fraud, are examples of corporate frauds where geographic and cultural distances between the Hong Kong and the London headquarters in the case of Barings, and between the Rabobank headquarters in the Netherlands and the 'rogue' Rabobank traders in the London City in the Libor case, contributed to the fraud.

With regard to information processing, scholars have also addressed limitations in the organizational capacity and professionalism as explanations for corporate crime. Corporate crime can stem from incompetence, omission, negligence, mismanagement, failed risk awareness, or group think ([Huisman and Van Erp 2013](#); [Huisman 2016](#)). Important parallels exist between the criminological scholarship addressing these failures and the scholarship on mistakes, accidents, and disasters in organization sociology and the sociology of deviance ([Vaughan 1999, 2002](#); [Gray and Silbey 2014](#); [Palmer 2012](#); [Perrow 1984](#)).

In addition to the structure of the firm itself, the structure of the firm's environment is a relevant organizational aspect that matters for the explanation of corporate crime, such as the degree of competitiveness, the growth or decline of the industry; the regulations and professional norms of the industry; and the informal social control in the industry, including opportunities for reporting by external witnesses (Van Erp and Loyens 2018). Also, the potential facilitating roles of professional consultants, such as lawyers, accountants, tax advisers, and banks in facilitating corporate crime, is an area of research in which organizational studies of professions can provide important insight.

Organizational hierarchies are related to corporate crime in several ways. Firstly, there are opportunities and flaws inherent to the leadership position itself, related to the status of top managers and the narcissistic character elements attributed to leaders. High-status positions may induce feelings of invulnerability, entitlement, overconfidence, hubris, and excessive optimism about risk (Graffin et al. 2013; Chatterjee and Hambrick 2007). Leadership research has drawn attention to the risks related to 'heroic' and 'celebrity' CEO's, the leaders who perceive rules as 'for other people', as they see themselves as innovators of rules rather than subjected to rules; parallel to the saying that "managers do things right, but leaders do the right things" (Arnulf and Gottschalk 2013). Arnulf and Gottschalk argue that the recognition of heroic leadership status in the general public may have a stimulating effect on the psychological traits that could increase the likelihood of engaging in white-collar crime; an observation shared in criminology, where media have been found 'cheerleading' offending firms (Rosoff 2007). Media attention may increase success and admiration, which may strengthen the sense of importance and entitlement already inherent in leadership positions, and may bring narcissistic personality traits to the fore. In fact, 'superstar' CEO's are found to engage significantly more often than less celebrity CEO's to encounter criminal prosecutions or dismissal by shareholders (Graffin et al. 2013). These factors not only explain individual behavior of corporate leaders, but also apply to corporations themselves, as high-status manufacturing firms are more likely to commit corporate crimes than low-status firms (Mishina et al. 2010).

Narcissistic personality traits in corporate leaders have also been empirically associated with corporate and white-collar crime. As narcissistic leaders display overconfidence and a risk-appetite, as well as a lack of empathy and social responsibility, they may set impossible goals or engage in illegal practices when the legal practices to realize goals are insufficient (Ouimet 2010; Piquero et al. 2005). Narcissistic leaders may also perceive the organization as an extension of themselves—organizational identification that may lead managers to dismiss contradiction and search for competitive, risk-taking, winner-mentality employees (Galvin et al. 2015). Lastly, high status can induce status anxiety, namely the fear of falling and losing what has been achieved, which can motivate offenses (Weisburd et al. 1991). Thus, high status and heroic leaders may degrade into destructive or toxic leadership that may stimulate the breach of ethical or legal norms through the exploitation of vertical relationships in organizations. (Aguilera and Vadera 2008).

Success and heroic status may also create opportunities by advancing trust in a leader and putting someone beyond doubt, as is most vividly illustrated in the case of Bernie Madoff (Van De Bunt 2010), but also in other research, which points to unethical business leaders as role-models for their peers (Mishina et al. 2010; Bichler et al. 2015).

Organizational hierarchy also involves authority, control, and obedience. Authority plays a key role in influencing individuals to engage in organizational crime, as it may disengage people from social responsibilities and result in what are seen as crimes of obedience or crimes of loyalty. Haslam and Reicher (2017) argue that rather than blind obedience, organizational deviance stemming from authority should be understood as 'engaged followership', in which people are prepared to harm others because they identify with their leaders' cause and believe their actions to be virtuous. Thus, employee over-identification with an organization may result in organizational exploitative behavior, in which the relationship between the individual and the organization turns toxic, in the sense that the organization's identity subsumes and completely defines the self (Ouimet 2010; Biron 2010), and independent decision-making is compromised, as the individual blindly, narrowly,



and single-mindedly pursues what he or she perceives to be in the organization's interest. Central to this are the neutralization techniques (Sykes and Matza 1957; Stadler and Benson 2012) adopted by individuals to justify unlawful or unethical behavior and at the same time, maintain positive self-concept's (Trahan 2011). Neutralizations may include 'appeals to higher loyalties'—collectivistic business cultures may stimulate individuals to put the interests of the organization or subgroup within the organization above their own values or norms (Aguilera and Vadera 2008). Neutralizations may also result in the denial of the legitimacy of the law and enforcement or a conviction that offending is justified as 'everyone else is doing it.'. The organization may also place a cognitive barrier between the individuals responsible for, and the victims of organizational misconduct. The study of these neutralizations is an important part of organizational behavioral ethics, the empirical branch of ethics that addresses how organizations socialize individuals to adopt motives and goals, as well as norms, beliefs, and identities (Kaptein 2013). Behavioral ethics research can sometimes explain how even well-intentioned people can behave unethically in organizations when situational and social factors stimulate them to do so (Haugh 2017a, 2017b; Kaptein 2013; Feldman 2018). Even in organizations with ethical codes and compliance programmes, toxic leadership by managers may overpower the normative pressure exercised by formal organizational ethics (Biron 2010; Mitchell and Ambrose 2007). When employers preach, but not practice ethical behavior, and employees feel that they are not treated ethically, the employees are less likely to conform to the organization's ethical values (Biron 2010).

Neutralizations often institutionalize beyond individual rationalizations to become part of deeper organizational cultures, shaping beliefs, cognitive biases, and social norms within organizations. Theories on white collar crime in criminology have originated from Sutherland's study of socialization processes, providing individuals with deviant social norms through differential association (Sutherland 1949). Organizational culture can refer to "shared values and beliefs, myths, interpretations, and meanings within an organization, and actions and behaviors, including customs, practices, norms, rituals, and implementation of control systems" (Schein 2010). 'Toxic' or 'criminogenic' organizational cultures can explain why paradoxically, it is often *conformity* to organizational norms and goals that can explain corporate deviancy (Vaughan 1999).

This special issue profiles four articles dedicated to various relations between organizational cultures and corporate crimes. The paper by Van Rooij and Fine (2018) offers an elaborate overview of the elements of toxic corporate culture, presented as an analytical framework enabling assessors to conduct a 'forensic ethnography' of organizational cultures. Van Rooij and Fine apply their analytical framework to the cases of the Volkswagen Diesel Fraud, BP's drilling in the Gulf of Mexico, and Wells Fargo's misselling of financial products to customers; these are three high profile and recent cases of corporate crime that highlight that toxic cultures were deeply embedded even in the most high-profile and high-regarded corporations—both Volkswagen and BP had reputations for corporate social responsibility. In addition to deconstructing the toxic cultural elements in these organizations, Van Rooij and Fine also pay attention to 'detoxing' corporate cultures; the steps necessary to increase ethical decision-making within organizations. These insights are not limited to ostensibly offending corporations, but may be of value to all organizations with unethical structures, values, or practices. Van Rooij and Fine argue that, although holding executives accountable is an important element of detoxing, it certainly does not end with the replacement of the responsible leaders; changing culture requires de-neutralizing the values and organizational norms that allowed rule-breaking to start.

An organization-cultural perspective may explain why behavior that may seem antisocial or irrational from an outside perspective, is often rational from the perspective of insiders. This is the central point of argumentation in Kanti Pertiwi's (Pertiwi 2018) contribution to this special issue, which consists of a critical analysis of the literatures on corruption in organizations. Pertiwi underscores the value of an anthropological perspective, which focuses on social constructions of correct and incorrect behavior in organizations, rather than departing from a predetermined norm. Contextual analyses foreground people's situated and subjective experience of norms, practices, and role identities,

and thus may help to understand corruption better than the more normative approaches that see corruption as inherently dysfunctional, she argues.

The empirical research presented by [Gorsira et al. \(2018\)](#) in this special issue, relates individual corruption to the ethical climate of organizations. Their findings suggest that organizational culture influences individual personal norms and social norms with regard to corruption; employees who perceive their organization's culture as less ethical, experience weaker personal and social norms to refrain from corruption. This research is at the core of administrative and organization science connecting individual motives to organizational culture.

Lastly, Sandra Schruijer's ([Schruijer 2018](#)) essay on collusion in organizations offers a psychodynamic perspective by describing the subtle and often nonconscious group decision-making processes in which organizational members' mutually supportive relations satisfy needs for approval and security and avoid rejection. Although collusion in itself is no crime, it may be part of a toxic culture that entails neglect, irresponsible, corrupt, or other criminal behavior, or may result in people collectively choosing the wrong course of action.

## 2. The Organization as Cure

A range of formal and informal systems of social and administrative control operate within organizations. Thus, organizations not only constitute causes of corporate crime, but also offer important opportunities for its prevention. Organizational crime can stem from an absence or poor quality of formal procedures for business conduct, as is likely in firms that put goals over means, such as firms in highly competitive markets, or newly started entrepreneurial firms that are more busy with developing and expanding the business than with risk management ([Aguilera and Vadera 2008](#)). Organization and administrative sciences as well as business ethics have extensively studied compliance, ethics, and integrity programmes and policies, identifying ingredients for successful policies and identifying compliance failures. It is not uncommon to find these failures in organizations with elaborate compliance programmes and codes of conduct—an indication that compliance systems can also be introduced as symbolic responses to external pressure, and resort to check-the-box bureaucratic ritualism and cosmetic compliance ([Merton 1968](#); [Krawiec 2003](#)). Volkswagen and Enron are just two examples of firms that had extensive compliance programmes, yet conducted massive fraud, as these programmes did not actually curb misconduct. Methodologically, there is a knowledge gap with regard to the causality relation between formal and informal control; do formal control systems make for ethical organizations, or do ethical organizations create elaborate control systems ([Apel and Paternoster 2009](#))?

Corporations often attribute fraud to rogue departments or individuals ([Scholten and Ellemers 2016](#)). This reaction may stem from a truly limited view on what causes misconduct as well as unawareness of the influence of organizational culture, but may also be part of the compliance 'ritual', as Parker remarks in her research on the social meaning of deterrence of cartel laws, "the corporate elite see it as their job to define anti-cartel law into risk management strategies and internal compliance programs that their senior officers can implement—boxes that they can tick off, in order to demonstrate their positive commitment to the law, and 'manage' any breaches that do occur. They might hope that their compliance systems do work to avoid non-compliance, but they are also well aware that the existence of these systems can be used to displace any responsibility for cartel conduct that does occur to 'rogue' individuals or units within the firm" ([Parker 2013](#), p. 188). Likewise, [Haugh \(2017b\)](#) observes a 'criminalization' of compliance, in the sense that corporate compliance is increasingly adopting a criminal law approach, making use of surveillance, audits, criminal background checks, and internal sanctions. Haugh questions the effectiveness of such programmes, as ethical behavior should come from intrinsic motivation, not from monetary incentives. Indeed, formal internal control systems should be backed up by informal control within organizations to create a shared culture of integrity. Rather than strengthening deterrence, corporations should adopt compliance programmes that combat the psychological mechanisms behind corporate crime, reverse

rationalizations of violations, and allow employees to discuss compliance and ethics dilemma's in their daily work environment.

The contribution of Clarissa Meerts (2018) to this special issue adds to the debate about the nature of corporate compliance and control systems by addressing the role of corporate security investigators, such as: private investigation firms, forensic accountancy services, or in-house security departments tasked with the identification and settlement of internal norm violations within organizations. As the equivalent of external law enforcement, Meerts finds these investigators to have a significant role in deciding upon the detection, disclosure, and settlement of organizational offenses, without having a clear legal basis or a justice focus. Moreover, they contribute to a lack of transparency of corporate crime, limit general deterrence by handling offenses within corporations behind closed doors, and tend to protect the firm, which may hinder societal retribution and redress and also disproportionately blame the individual offender. Meerts's argumentation thus adds to the scholarship debating the effectiveness of 'criminal justice'-oriented compliance not by criticizing its effectiveness, but its justice component; its lack of procedural legitimacy and contribution to societal unawareness about corporate misconduct.

Yet, the latter is only one of the factors limiting the prosecution of corporate crimes. Perhaps more importantly, the reporting of corporate offenses to authorities is often disincentivized, as employees or other witnesses face serious negative consequences of reporting. Whereas many organization and administrative science scholars have addressed whistleblowing protection and whistleblower motives (Miceli and Near 2002; Lewis et al. 2014; Roberts 2014), the institutional arrangements for whistleblowing have received much less attention. The contribution of Loyens and Vandekerckhove (2018) in this special issue fills this gap with a comparative case study of whistleblowing agencies in 11 countries. Their research indicates that countries are more frequently installing dedicated whistleblowing protection agencies, and describes the tasks, means, and organization of these agencies. The degree and nature of support to whistleblowers varies. In particular, their research raises the question whether investigative tasks and whistleblower support can effectively be combined in one organization—a question with clear practical relevance.

### 3. The Organization of the Crime

The question how corporate crimes are organized is classic to criminology, but is also one that fits very well in organization sciences, as organizations provide opportunities for mobilizing the specialist knowledge necessary to commit crime; for guarding secrets; disguising illegality, and generating, hiding, and spending illegal profit—all opportunities that individuals lack. Organizations can also use their resources to delay or obstruct enforcement; through litigation against enforcement authorities; the destruction of evidence about who was responsible (including shredding of documents) or delaying detection by raid procedures, or use political contacts to prevent the force of the law applying to them (Coleman 1985). Organizations can thus be perceived not only as the cause or cure, but also as the weapon for corporate crime (Wheeler and Rothman 1982; Punch 2000, 2003); not as the environment for misconduct, but its purposive instrument. Organizational scholars know relatively little about the implementation of organizational crime within firms and its coordination (Aven 2015), and have called for more empirical research in this area (Brass et al. 1998, Greve et al. 2010; Palmer and Maher 2006).

The contribution of Lord et al. (2018) to this special issue on organizing the monies for corporate crime is a fine example of how such empirical research may uncover the misuse of legitimate organizational structures for concealing illicit proceeds of corporate crimes. Through case studies of corporate bribery in international businesses and corporate tax fraud, Lord et al. reveal how the legitimacy and anonymity of corporations provides cover for illicit practices, and how third-party professionals facilitate these. Whereas Lord et al.'s paper focuses on the misuses of organizational structures, an organization perspective can also provide understandings of the social organization of corporate crimes; the interaction and communication between participants, for example, and strategies to conceal illegal acts (Baker and Faulkner 1993; Van De Bunt 2010). The involvement in criminal acts add a specific challenge to the communication between organizational members; not only must

they share information to coordinate activities, as in all areas of organizational life, they must also keep the activity secret to avoid detection. This provides a classic dilemma between security and efficiency (Morselli et al. 2007). The Madoff fraud case is particularly illustrative, as Madoff's social and professional status and reputation functioned as a cover for his criminal enterprise, and the management and physical structure of his firm—with a 'secret' department on a different floor, and a stand-alone computer to serve the Ponzi scheme—made it possible to execute his deceit (Van De Bunt 2010). Aven's study of organizational communication in accounting fraud uses archival email data of the Enron Corporation (2015) to show that participants in Enron's corrupt projects initially communicate less than participants in non-corrupt practices. Their secretive behavior diminishes over time, which can be attributed to increased trust between participants. Thus, an interest in corporate crime draws the attention of organization scientists from the large, public, and formal organizations, often studied in organization sciences to the less visible, covert, secret, and underground aspects of organizational life (Scott 2013).

As corporate crimes are often embedded within the firm's social and professional environment, organizations often collaborate to commit and conceal crime (Bertrand et al. 2014; Lord and Levi 2017; Jaspers 2017). The corporate crime literature has primarily focused on the relations between individual motives and actions, and organizational characteristics and behaviors—the vertical relationships between organizations and their members, often with a focus on hierarchy and decision making processes. Less attention has been paid to how businesses collaborate to commit crimes, and how they commit crimes collectively rather than individually (Bertrand et al. 2014). Organizational theory adds the perspective of (social) networks (Greve et al. 2010); a perspective that can be highly valid for the explanation of interorganizational illegal activities, such as cartels (Baker and Faulkner 1993) and the crimes committed in value chains involving various related actors, such as food fraud. The role of social and organizational networks and business associations in facilitating connections between elite members and deviant organizations, as well as in disseminating deviant norms and illegal practices, is a relevant point of overlap between corporate crime and organization studies (Baker and Faulkner 1993; Reeves-Latour and Morselli 2017). This includes the interpersonal relationships between the deviant (and law-abiding) members of the corporate elites, as they interact in informal social circles that may become fertile ground for criminal activities. The social network study by Bichler et al. (2015), of the interlocks between the CEO's of firms found in violation of Securities and Exchange Commission regulation and compliant firms is an excellent example of the value of such research; although they find violating CEO's to be less well-connected than compliant CEO's, their study also points to particular industries with significant interlock (pharmaceutical and financial industry); and specific business associations that connect violators and compliant firms. As social networks can provide environments for the diffusion of deviant norms and practices, such studies have specific societal relevance. This is not only the case for the networks of the corporate elites, but also networks in everyday business, where line managers and sales persons are tasked with the realization of corporate performance targets in difficult markets, and extensive social pressure is sometimes exercised (Parker 2013).

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