

Understanding “Criminogenic” Corporate Culture: What White-Collar Crime Researchers Can Learn from Studies of the Adolescent Employment–Crime Relationship

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Abstract A prominent theory of white-collar crime holds that organizations have distinctive cultures which are more or less tolerant of law violation for the benefit of the firm. This explanation purports to account for why college-educated, relatively affluent, and seemingly conventional persons can commit crime when they are employed in white-collar occupations. The vexing paradox of “why good people do dirty work” can be resolved by positing that some organizations turn a blind eye to ethical and legal infractions if it benefits the firm, thereby creating a culture of rule breaking which is learned just as any other business practice is learned. Another theoretical view posits that firms with a tolerant view toward business ethics may attract people with “loose” ethics, which itself leads to corporate and white-collar offending. The second view harmonizes with the notion of “assortative mating”—that people are attracted to those environments with which they are more compatible by disposition. The difference between these two views is not trivial. One posits that the ethical climate of an industry or firm has a causal impact on the occurrence of white-collar crime; the other is compatible with the view that the relationship between culture and crime is spurious. Using as a case study research within another criminological tradition—the relationship between youth employment and delinquency—we argue that disentangling causation from selection should be a research priority for the study of white-collar crime.

Introduction

Real interest in the scientific study of white-collar crime can reasonably be traced back to the work of sociologist Edwin Sutherland. On December 27, 1939, at a joint meeting of the American Economic Association and the American Sociological Society (which, due in no small measure to its unfortunate acronym, later became the American Sociological Association), Sutherland presented a presidential address

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entitled “The White Collar Criminal.” In this address and his subsequently published paper, Sutherland (1940) made several important observations: (1) “respectable” middle- and upper-class persons commit acts which are costly both financially and in terms of loss of life and limb and should thus be considered “crime”; (2) these acts of white-collar crime are committed as a result of one’s involvement in a business or occupation; (3) white-collar crime is more prevalent in some industries than others; (4) within branches of the same industry or business, some firms are more involved in white-collar offenses than others; (5) neither conventional street crime nor white-collar crime can be attributed to factors such as poverty or economic deprivation, or to the socio- or psychopathic attributes of involved individuals; (6) the factors that explain lower- or working-class crime are the same as those that account for white-collar offending; and (7) all crime must be learned and this learning takes place through contact with others and their “definitions” of the law.

In his presidential address, Sutherland also noted why then-existing theorists of criminal conduct (which proffered explanations based on notions of poverty and individual psychological or personality deficiencies) were led astray in their own theoretical work. The problem, he explained, was that the samples upon which empirical criminology was based were biased—they included only certain types of criminal offenders (crime “in the street”) while excluding others (crime “in the suite”), and hence any theoretical deductions based upon such observed empirical data were invalid. With respect to the causes of both types of offending (“regular” street crime and white-collar/corporate crime), Sutherland alluded to what a truly general theory of crime would consist of—the concepts of differential association and social disorganization (or what he later termed “differential social organization”)—but he did not spell out such a theory either in his 1939 presidential address or his paper that was published the next year. Rather, he spent nearly the next 10 years working on his general theory of crime—a theory that would encompass both conventional street crime and white-collar offending—which appeared in his seminal book *White Collar Crime* (Sutherland 1949).¹

There were two empirical regularities about white-collar crime that Sutherland had to account for: (1) some types of industries seemed to be more fertile ground for crime than others, and (2) within certain industries, some firms or organizations were more involved in illegal actions than others. In other words, just as at the individual level, there were “acute” offenders at the corporate level—a small number of companies that accounted for an unusually large proportion of the total number of white-collar crimes committed. Moreover, he had to account for these empirical regularities without resorting to characteristics of the individuals involved (e.g., their personal wealth or any deficient mental/attitudinal trait).² To explain the

¹ Geis and Goff (Sutherland 1983: p. x), in an introduction to a later edition of Sutherland’s book, wrote that Sutherland only added the last chapter on the theory of white-collar crime because he believed the book to be too statistical.

² Sutherland’s antipathy toward personality or “type of person” theories of crime is well documented in the literature (Laub and Sampson 1991).

pattern of offending both across and within types of businesses, Sutherland argued that responsibility lay within the practice of business itself. That is, some industries (and some firms within industries) possess a set of norms or cultural proscriptions that are "favorable to the violation of law," and crime flourishes within these industries and firms regardless of the individual attributes of those holding positions within them. Put differently, white-collar crime is produced because there is a culture within an industry or within a firm/business that provides both the normative approval of illegal acts and a structure of incentives to reward compliance with these norms as well as punishments for noncompliance. In Sutherland's (1983: 245) own words:

White collar criminals, like professional thieves, are seldom recruited from juvenile delinquents. As part of the process of learning practical business, a young man with idealism and thoughtfulness for others is inducted into white collar crime. In many cases he is ordered by managers to do things which he regards as unethical or illegal, while in other cases he learns from those who have the same rank as his own how they make a success. He learns specific techniques of violating the law, together with definitions and situations in which those techniques may be used. Also, he develops a general ideology. This ideology grows in part out of the specific practices and is in the nature of generalization from concrete experiences, but in part it is transmitted as a generalization by phrases such as "We are not in business for our health", "Business is business", and "No business was ever built on the beatitudes." These generalizations, whether transmitted as such or constructed from concrete practices, assist the neophyte in business to accept illegal practices and provide rationalizations for them.

This culture of favorable attitudes toward law violation, as well as the associated incentive and penalty structure, would then be learned by those employed within the organization like any other set of norms or business practices.

Now the question may be raised as to why corporate culture or the various neutralizations and rationalizations for misconduct that are learned as part of one's business position were considered as causes of white-collar crime in the first place? The answer to this is provided by Sutherland in the first two sentences of the long passage from *White Collar Crime* just cited. He notes that the ranks of white-collar criminals are not recruited from juvenile delinquents, but that as yet white-collar offenders are filled with idealism and thoughtfulness and must therefore be inducted into crime. In other words, the white-collar offender was formerly good (or else he would not be white-collar) and must somehow be "turned." It was not that business attracted bad people, but that "thoughtful" people were turned into criminal offenders. Borrowing from Everett C. Hughes (1962), Vaughan (1992: p. 124) argued that one of the "enduring puzzles" for white-collar crime scholars is to explain why "good people do dirty work," why seemingly upstanding members of the community and business world resort to crime and regulatory infractions resulting in financial and frequently physical damage to others? The answer was that the organizational climate or culture of businesses turned normally good people bad.

Not all scholars have dismissed the possibility that personality traits or an individual's psychological makeup are unimportant for understanding white-collar/corporate crime. Gross (1978: 67), for example, has argued that those who "make

it to the top of large-scale organizations” have distinctive personal characteristics such as ambitiousness, shrewdness, and moral flexibility. The latter is defined as the ability of the manager, out of professional self-interest, to change his/her own moral beliefs should they conflict with those of the organization. Coleman (1987), Weisburd et al. (1991), and Wheeler (1992) have also put forth theoretical accounts of white-collar crime that attribute it in at least some part to the psychological characteristics of managers and executives such as love of risk, aversion to failure, and a strong ambition or desire to be both materially and professionally successful. More recently, Gottfredson and Hirschi (1990) have offered a general theory of crime that accounts for both street and white-collar offending in terms of a stable individual characteristic they label self-control, which is essentially the ability of persons to resist quick and easy gratification and to think in terms of long-term consequences. They have argued that, like street criminals, white-collar and corporate offenders are on average more impulsive than nonoffenders, as shown by their tendency to grab immediate rewards at the expense of later costs.

If it is acknowledged that white-collar and corporate crime may be due to organizational features such as a firm’s culture or to personality/individual characteristics such as one’s attraction to risk or tendency to act impulsively (or both), then it must also be recognized that there is the inevitable possibility that certain persons may be attracted to certain industries or firms. For example, those who have a greater tolerance for risky behavior may be attracted to firms or industries that have a history or culture of “cutting corners” or conducting their business activities right up to and just over the line of illegality. Those who are impulsive or ambitious may be attracted to companies that reward meeting financial goals at the expense of sound business ethics. Long ago, Gross (1978: 65) noted that there may be such a selection process at work in the creation of corporate crime:

Since we maintain that organizations are criminogenic, we are led to examine the question of whether there exists in organizations *a set of selective processes* which propel certain kinds of persons to positions of influence, or which require of those in positions of influence kinds of behavior which, under conditions of difficulty in goal attainment, may result in crime (emphasis added).

If there are assortative mating processes or “selective processes” at work, and firms with lax moral cultures attract those with less demanding systems of personal morality, then a daunting inferential problem is created for those who wish to ascribe white-collar/corporate crime to the cultural features of the organization. A form of “selection bias” is introduced because it is hard to separate the effect of the culture from the personal attributes of those attracted to such a business culture in the first place. The problem of selection bias is, then, a serious issue for white-collar crime scholars who wish to make a causal inference about the effect of particular features of corporations, such as their moral or ethical climate. In this essay, we hope to illustrate this inferential problem, show how it is an issue with other criminological questions, such as the causal impact of adolescent employment on involvement in

delinquency and other problem behaviors, and what scholars in these other areas can contribute to the study of white-collar crime.

Organization Culture as a Cause of White-Collar Crime

While the idea that there is a culture within certain businesses or firms that not only merely tolerates but supports the violation of regulatory and criminal laws may have originated with Sutherland, it certainly did not end with him. In a study of violations in the shoe manufacturing industry, Lane (1953: p. 159) noted both the empirical regularities that any theory of white-collar crime had to account for and one such explanation based upon the normative or cultural climate within the industry:

An analysis of the rates of violation of labor relations laws in the shoe industry gives some support to the differential association hypothesis. This may be found in the fact that in some shoe-manufacturing communities none of the shoe firms violate whereas in other shoe-manufacturing communities almost half of the firms get into trouble with the law. There may be several reasons for this, but it seems fairly conclusive that one of the reasons is the difference in attitude toward the law, the government, and the morality of legality.³

In discussing two general models of organizational crime, Needleman and Needleman (1979: p. 517) used virtually the same approach as Sutherland some 40 years earlier. They noted that appeals to the characteristics of individuals are unlikely to be satisfactory and that:

Only fairly recently have sociologists become sensitive to the idea that at least some criminal behavior usefully may be viewed not as personal deviance, but rather as a predictable product of the individual's membership in or contact with certain organizational systems, typically industries or professions. Such systems are said to be *criminogenic* (citation omitted, emphasis in original) in the sense that features of their internal structures—economic, legal, organizational and normative—play a role in generating criminal activity within the system, *independent at least to some degree from the criminal's personal motives* (emphasis added).

Similarly, Braithwaite (1989) has argued that, in response to the demands of criminal law and regulatory requirements, businesses develop a distinctive normative position—either a “culture of compliance” or a “culture of resistance” to such demands (see Clinard and Yeager 1980 for a similar view). The reason there is variation in offending rates both across and within business concerns, then, is that there is variation in an ethical climate or culture (Hunt et al. 1984; Jackall 1988; Shover and Bryant 1993; Victor and Cullen 1987) which approves of such conduct, and is not due to any differences in the kinds of persons that are attracted to different kinds of firms. We would add that an important implication of this is that the learning of cultural norms of misconduct within a business or industry *causes* violation of the criminal law and regulatory rules.

³ In a related vein, Hartung (1950) argued that Sutherland's theory was one of the few viable explanations for violations in the Detroit wholesale meat industry that he studied.

The notion that the culture of the organization is an important causal factor in explaining variation in white-collar offending subsequently became a common staple in this area of criminological theorizing and research. In his analysis of antitrust violations within the heavy electrical equipment industry, Geis (1967; Geis and Meier 1977: p. 123) found fraud to be what he called “an established way of life” and that price fixing was prescribed behavior that met with approval if committed but with penalties by superiors if avoided. Similar kinds of cultural inducements to violate laws by members of business have been found in the automobile industry (Farberman 1975; Leonard and Weber 1970), the liquor industry (Denzin 1977), and the aerospace industry (Vaughan 1996, 1998). In addition to this swell of empirical studies about the importance of ethical climate or corporate culture, recent theoretical accounts of white-collar crime widely refer to the normative characteristics of organizations as a leading factor in causing corporate and white-collar crime (Hawkins 2002; Shover and Hochstetler 2006).

To be clear, criminologists interested in occupational and corporate offending have argued that an important component of any business organization is its culture or ethical climate. A business provides its employees with a set of normative guidelines that prescribe unethical or illegal behavior under certain conditions, and also establish a stock of incentives and sanctions intended to secure compliance with these norms. Empirical evidence that such norms are at work consists of the fact that some industries have higher rates of criminal and regulatory infractions than others, and within a given industry some firms offend more than others. Such empirical regularities, it is explained, cannot be due to the different motivational stances of individual actors, but to the cultural conditions existing within industries and individual firms.

The idea that it is not the characteristics of individuals but the characteristics of the situations or organizations within which individuals find themselves that foster criminal conduct has been a prominent feature of other areas of theoretical criminology. For example, those interested in studying the neighborhood origins of crime are adamant that emergent properties of communities create fertile soil for criminal conduct. That is, crime rates are higher in some neighborhoods than others not because some neighborhoods attract bad people (a compositional effect), but because people are made bad or worse because of the conditions existing within those neighborhoods (a contextual effect). For example, crime-ridden communities may lack strong social ties or social capital, or may otherwise suffer from weakened collective efficacy (Sampson et al. 1997).

Similarly, those interested in studying delinquency and youth crime have concluded for years that working too many hours during the school year, usually in “dead-end” service and retail jobs that constitute the majority of the youth labor market, is criminogenic. The argument put forth is that youth employment is undesirable not only because it pulls young people away from more beneficial social activities (e.g., studying, sports, school clubs, volunteer work), but also because the conditions under which they work are detrimental to their healthy development. In other words, youth jobs are criminogenic—they turn normally prosocial teens into antisocial ones. An alternative explanation, that intensive work during

the school year may be correlated with delinquent conduct and other problem behaviors (e.g., drinking and drug use) simply because young people at higher risk for such behaviors self-select themselves into school-time employment, has been largely dismissed until quite recently. As it turns out, in spite of extensive theorizing and decades of competent research, it is likely *not true* that employment during the school year is criminogenic. Researchers working with observational rather than experimental data made causal inferences about the effect of adolescent employment conditions and likely made an erroneous inference. As a result, public policy efforts to reduce the work hours of youth may be based on invalid social scientific research.⁴

With research on the adolescent employment–crime relationship as a case study, we would like to offer some caution to white-collar crime researchers who may also have jumped prematurely to erroneous conclusions about the criminogenic effect of an organization's climate—in this case its cultural or ethical climate. In both the study of corporate crime and the adolescent labor market, researchers have been led to conclude on the basis of observational data that a particular environment is "criminogenic."⁵ Corporate crime researchers have concluded that certain work or business cultures have a causal effect on the level of offending by members of the business, while youth employment researchers have for years believed that working too many hours during the school year in dead-end jobs causes crime and other self-destructive behaviors. In the area of youth employment, the causal inference

⁴ This is an area of empirical research that, surprisingly enough, has been an impetus for active (yet unresolved) legislation in the US Congress. On the basis of evidence about the possible harmful effects of intensive employment, the National Research Council (1998) proposed that the federal government limits work for young people aged 16 and 17, a group that is presently allowed to work as many hours as they choose under federal child labor law (and under most state child labor laws). The NRC's recommendation formed the basis for the Youth Worker Protection Act (H.R. 3193), which was introduced in the 108th Congress (2003–2004) by Representative Tom Lantos of California. The bill was cosponsored by 31 members of the House and endorsed by the AFL-CIO, the Child Labor Coalition, and the National Education Association, among others. The bill died in committee but was resubmitted in the 109th Congress (2005–2006) as H.R. 2870, where it was also tabled without resolution. As of this writing, the bill has not yet been resubmitted in the 110th Congress (2007–2008). If eventually approved as drafted, the bill would amend the federal Fair Labor Standards Act of 1938 to limit the work intensity of 16 and 17 year olds to no more than 20 h per week during the school year (or 40 h during the summer). The choice of a 20-h work week as the threshold is not merely arbitrary. It was believed at the time that social scientific research had established a consistent, positive correlation between working more than 20 h per week while in high school and a variety of problematic and developmentally unhealthy behaviors, including crime.

⁵ The same kind of problem plagues research on the role of community or neighborhood characteristics in causing crime. In fact, one of the leading researchers in this area has written that selection bias is the "biggest challenge traditionally put to neighborhood-level research" (Sampson 2006). The inferential problem here is the same as we have identified for adolescent employment and white-collar crime research. Neighborhood researchers would like to infer that characteristics of communities influence the levels of crime in such areas. The competing explanation is that some kinds of neighborhoods may have high rates of crimes because they attract the wrong kind of people.

now appears to be invalid, and we caution that similar inferential errors may pose a problem for research on white-collar crime. This is because, just as working long hours during the school year is more attractive to underachieving students than to overachieving ones, different industries with different ethical cultures may be differentially attractive to different employees. Employees with some pre-existing personal attribute, such as impulsivity or desire for control, may self-select themselves into firms or businesses that have a tradition of tolerating the consequences of such traits. We elaborate it in the next two sections.

Research on the Adolescent Employment–Crime Relationship

Literally dozens of peer-reviewed studies in the last 25 years have investigated the relationship between youth employment and delinquent behavior. The first systematic studies of this question were conducted by Greenberger et al. (1981) and Bachman et al. (1981). Relying on data from a sample of 10th and 11th graders in Orange County, California, high schools, Greenberger et al. (1981) found that work status (a dichotomous measure of working vs. not working) was unrelated to substance use although time spent in the workplace (the product of hours per week and length of employment) was a consistent predictor of elevated substance use—particularly excessive alcohol and marijuana use. Steinberg et al. (1982) followed up the nonworkers from this study, and found that youths spending more time in the workplace 1 year later had a higher risk of cigarette and marijuana use than youths who remained nonworkers.

Bachman et al. (1981) analyzed data from the 1975–1979 cohorts of the Monitoring the Future Survey—annual, representative samples of high school seniors—finding that the number of weekly work hours predicted higher cigarette, alcohol, and marijuana use among students. Follow-up studies using more recent cohorts from Monitoring the Future have confirmed the positive correlation between work intensity and substance use (including behavior as serious as cocaine use), and have shown similarly adverse effects of work intensity on theft, interpersonal aggression, and getting into trouble with police (Bachman et al. 2003; Bachman and Schulenberg 1993; Safron et al. 2001).

In his investigation of 11th grade males from the Youth in Transition Survey, Agnew (1986) found that the number of weekly work hours was positively associated with a general delinquency scale as well as its component subscales of interpersonal aggression (fighting, gang fighting, robbery, aggression against parents) and property offending (petty and major larceny, shoplifting, trespassing, arson, vandalism). These findings were robust to a number of control variables for other work characteristics including hourly pay, skill level, job satisfaction, and length of employment (none of which were consistently related to delinquency). Steinberg and Dornbusch (1991) collected data from high-school students in California and Wisconsin, finding that longer work hours were associated with higher rates of minor delinquency (theft, carrying a weapon, vandalism, using phony ID). In a follow-up study, Steinberg et al. (1993) reported that, controlling for prior problem

behavior, nonworkers who entered the labor market 1 year later at high intensity (over 20 hours per week) reported higher levels of substance use, minor delinquency, and school misconduct than nonworkers who remained out of the labor market.

Mortimer et al. (1996) found that youths from St. Paul, Minnesota, who worked intensively were consistently more likely to drink alcohol during high school (see also McMorris and Uggen 2000; Staff and Uggen 2003). Cullen et al. (1997) used a sample of enrolled youths from the National Youth Survey to show that work intensity was associated with increased crime risk even after controlling for prior delinquency as well as other job characteristics (e.g., wages, job stability, and job changes). Mihalic and Elliott (1997) found that, among enrolled youths in the same survey, those nonworking respondents who entered the labor market at high intensity 1 year later reported higher levels of alcohol and drug use compared to those who entered the labor market at no more than 20 hours per week or who remained nonworkers.

Wright et al. (1997) examined the relationship between work intensity and delinquency among enrolled 12–18 year olds in the National Survey of Families and Households. Their analysis revealed that work intensity was associated with increased problem behavior (school misbehavior, official delinquency, and parent reports of substance use and aggression) after controlling for a number of delinquency risk factors. Their analysis also indicated more pronounced work intensity effects among high-risk males; that is, work intensity was criminogenic predominately among males with at least four risk factors for delinquency (e.g., parental criminality, family mobility, large household, low income, nonintact home, poor school performance).

In sum, the results from these and numerous other studies indicate that there is a robust, positive correlation between work involvement and juvenile crime and problem behavior. In addition, there is consensus surrounding the fact that work intensity, rather than working per se, is the crucial dimension for understanding this relationship. In other words, those youths who spend more time in the workplace each week have consistently higher risk of antisocial behavior. In no small measure, the foregoing empirical findings seem counterintuitive. How is it that something which appears as valuable as working for pay can produce such harmful effects as delinquency and substance use? There were two accounts offered as to why working during the school year might be harmful for adolescents. One suggestion is that intensive employment pulls young people away from more developmentally healthy activities, particularly school-related pursuits.⁶ The second, with which we will be concerned here, is that the work environment for youths is itself harmful or criminogenic (for reviews of these and other

⁶ This is essentially a control theory argument. Critics of adolescent employment have argued that by spending time working for pay, youths are pulled away from school and the educational commitments (higher education) and conventional involvements (studying, school athletics, clubs) that go with these commitments. In addition, working youth may spend fewer hours with their families, and their new-found income may free them from the close monitoring of their parents, especially if this income affords them the opportunity to pay for an automobile.

perspectives, see Greenberger and Steinberg 1986; Mortimer 2003). This latter explanation shares an interesting parallel with white-collar crime research, especially Sutherland's theoretical concepts of differential association and differential social organization.

Differential Association, Differential Social Organization, and the Adolescent Workplace

The argument that adolescent work is criminogenic was most elaborately developed by Greenberger and Steinberg (1986) in their book, *When Teenagers Work: The Psychological and Social Costs of Adolescent Employment*. They argued that the conditions under which youths work create an environment that is developmentally counterproductive. Most of the jobs in which adolescents are employed are low-end service and retail sector jobs. These jobs are repetitive, require very few skills, provide few opportunities to learn new skills or develop potential, and all too frequently involve unchallenging and unrewarding tasks. Working while in high school is also thought by critics of youth employment to involve great stress as adolescents confront the challenges of balancing expectations from parents, teachers, employers, and customers, with increasing and sometimes competing demands on their time. Moreover, these work expectations increase during a period of the life span when youth are as yet unprepared to handle many of the demands and stressors. In sum, the argument is that the conditions under which youths work are criminogenic ones—both working and working a great many hours during the school year puts them at risk for delinquent behavior.

In addition to the fact that the adolescent workplace may place undue stress on young people who are insufficiently mature to deal with that stress, the adolescent workplace is the one domain other than the school where youth come into contact with a wide circle of young people for an extended period of time. However, the adolescent workplace differs from the high school in two important respects. First, the adolescent workplace is far less age segregated than the high school, meaning that young workers are likely to come into more frequent contact with older adolescents and young adults. Second, because there are few enrollment or certification requirements for young people in the workplace, the other youth with which they do come into contact are also more likely to include high-school dropouts. Thus, working youth are likely to come into contact with individuals they would never encounter in the halls of the high school. This is to say that, for the “typical” adolescent worker (read, a suburban, middle-class white youth) in a “typical” adolescent job (read, a low-wage, low-skill, service occupation), same-age and older coworkers are likely to be less-than-exceptional role models for conventional, law-abiding behavior. Moreover, because supervisors in workplaces dominated by young people are often not much older

than adolescent workers themselves, a climate of laxity and norm flexibility may prevail.

The adolescent workplace itself may be an environment ripe with a culture whose norms are consistent with violation of the law. Ruggiero (1984) has argued that working youth are not likely to learn the value of money as a result of where and with whom they work, but instead learn a very crass and materialistic conception both of money and employment in general. Youngsters learn that money is earned simply to support their lifestyle of leisure. In addition, they learn that workplace theft and vandalism is rampant, tolerated, and supported by other employees. Echoing this concern, Greenberger and Steinberg (1986: 140–141) argued that:

[W]orking may promote the adoption of deviant attitude and behaviors—at least in certain realms. In particular, working youngsters may become more tolerant of unethical activities in the workplace itself. They are, we know, privy to a variety of deviant, unethical, or irresponsible behaviors perpetrated by both employers and employees.

Sutherland’s (1947) theory of differential association provides a convenient way to explain how the adolescent workplace may constitute an environment conducive to misconduct. For Sutherland, deviant behavior is an expression of definitions favorable to such behavior, and these definitions are learned in association with others in intimate relationships. In studies of adolescence, conventional wisdom is that the most important relationships are with parents, teachers, and peers. However, given the amount of time that many youth commit to working, coworkers (encompassing fellow employees and supervisors) represent an additional “intimate group” that potentially provides definitions for behavior, and which may in fact compete with these other sources.⁷ In addition, the adolescent workplace constitutes a unique social and moral order unto itself, in much the same way as the organizational climate of interest to white-collar crime researchers.

In short, the adolescent workplace may alter the balance of definitions favorable and unfavorable to misconduct in the workplace. Ruggiero et al. (1982), for example, found that certain characteristics of the adolescent work environment (e.g., closeness among coworkers) were predictive of occupational deviance. Interestingly, differential associations with unconventional coworkers may also tip the balance of law-violating definitions in situations outside of work. Wright and Cullen (2000) found that coworker misconduct was predictive of a youth’s own misconduct, *both inside and outside of the workplace*. Specifically, the extent to which a youth’s coworkers engaged in a variety of deviant behaviors on the job (e.g., padding time cards, purposely short-changing customers, theft) was related to a youth’s own workplace deviance as well as his or her delinquency and substance use outside of work. Therefore, if the typical youth job is one that puts adolescents in contact with a more variable moral order and less conventional (on average) coworkers,

⁷ In terms of mere duration, we might even say that, for some working youth, coworkers are a more important source of definitions than teachers. Whereas school-going youth spend about 30 h per week in the company of teachers, about a quarter of working youth are employed full time at over 35 h per week in their senior year of high school.

then spending more time in the workplace each week will likely increase deviant behavior both at work and outside of work.

The Selection Problem and Causal Inference

Although extant literature produced an impressively consistent set of findings about the linkage between adolescent work intensity and antisocial behavior, it could not be unambiguously concluded that this linkage reflects the causal effect of employment on behavior. In other words, although empirical research leaves no doubt about the *presence* of a positive correlation between work intensity and delinquent behavior, there remains considerable ambiguity about its *causal significance*. Experimental studies could provide some insight into causal linkages because they would ensure that variation in work patterns is randomly induced (or in econometric parlance, “exogenous”). In the absence of such studies, however, it is possible that observed work effects are spurious—youth predisposed to delinquent behavior may be precisely those who are most likely to work long hours while in school. This is the problem of *self-selection*, or the idea that working adolescents (or adolescents that work at high intensity) are systematically different with respect to characteristics that are correlated with antisocial behavior. Quite simply, the selection argument contends that adolescent workplaces do not genuinely cause adolescent misbehavior, they differentially attract misbehaving adolescents. Failure to account for these characteristics results in confounding the relationship between youth work and antisocial behavior in predictable ways, introducing the problem of selection bias. Studies that attempt to address this problem by controlling a variety of variables correlated with youth employment and crime only provide valid estimates of causal work effects if all the sources of joint variation in work and crime are measured—a rather strong requirement and one that is unlikely to be met in practice.⁸ Therefore, the implication is that prior researchers may have mistaken self-selection for the causal impact of working, meaning that the adverse “work effect” so often observed in empirical research is, in fact, a selection artifact.

Indeed, there are empirical reasons to believe that youths self-select themselves into the workplace. Longitudinal research suggests that school disengagement, family withdrawal, affiliation with antisocial peers, and delinquent behavior *precede* work involvement (Bachman and Schulenberg 1993; Entwisle et al. 2000; Gottfredson 1985; Greenberger et al. 1981; Mihalic and Elliott 1997; Mortimer 2003;

⁸ It is convenient to think of youth employment (or intensive employment) as a “treatment” thought to induce some response in antisocial behavior. For individuals who work, the “treatment effect” on the outcome of interest is the difference between two quantities: (1) the observed rate of delinquency of workers with due recognition of sampling error; and (2) their rate of delinquency had they not worked. The latter quantity, called the counterfactual (because it is, quite literally, “counter to fact”), cannot be directly observed because as a matter of logic we cannot observe an individual’s delinquency in two mutually exclusive states. Thus, counterfactual delinquency must be inferred based on the delinquency rate of nonworkers. The validity of this inference depends crucially on the validity of statistical adjustments that are made to account for systematic pre-employment differences between workers and nonworkers.

Ploeger 1997; Schoenhals et al. 1998; Staff and Uggen 2003; Steinberg et al. 1993). Researchers have been aware of this pernicious selection problem and have made conscientious efforts to account for pre-employment differences, usually by including observed covariates in their multivariate regression models. In doing so, they have found that the positive relationship between work intensity and antisocial behavior is markedly reduced after controlling these differences in a regression framework (Bachman and Schulenberg 1993; Mihalic and Elliott 1997; Staff and Uggen 2003) or, more recently, altogether eliminated when using more sophisticated panel models (Apel et al. 2006; Paternoster et al. 2003).

Even more recent research employing a variation on propensity score matching has confirmed that previously reported findings of a strong positive relationship between intensive youth employment and antisocial behavior is entirely a selection artifact, rather than a genuine causal effect. For example, Apel et al. (2007) constructed latent-class trajectories of substance use and delinquency from ages 12 to 15 for youths who had no history of employment prior to age 16. Within each of these trajectories, they then evaluated the effect of the transition to intensive employment at age 16 on antisocial behavior at the same age. They found that the positive association between intensive work and antisocial behavior disappeared for all groups, and that the (weighted) average effect across all trajectory groups was neither significantly nor substantively distinguishable from zero. The unambiguous conclusion from this and other research, then, is that youth who work during the school year (and especially those who work intensively) are more involved in a wide sweep of problem behaviors not, as previous researchers had concluded, due to the causal effect of adolescent employment—that working makes good kids bad—but instead due to pre-existing differences between working and nonworking adolescents. Before they even enter the labor force in high school those who eventually work long hours are at elevated risk of antisocial behavior.⁹

We suspect that similar confounding is present in studies of the effect of corporate climate on regulatory and law violation. Gross (1978) very early on noted that there is self-selection of particular kinds of people (he specifically noted the ambitious, the shrewd, and the morally flexible) into particular kinds of firms. It should not be too difficult to come up with other time-stable individual traits, such as impulsivity

⁹ Brame et al. (2004) attempted to quantify the uncertainty about the basis for valid estimates of the causal impact of adolescent employment on delinquent behavior. The purpose of their analysis was to evaluate the sensitivity of estimates of the “work effect” to plausible assumptions about (1) the effect of an unobserved “crime trait” on the probability of employment, (2) the effect of the unobserved crime trait on the probability of delinquent behavior, and (3) the prevalence of the unobserved crime trait in the population. Their sensitivity analysis was incapable of identifying the *sign* of the work effect on crime, let alone its magnitude. In other words, they could not determine with confidence whether the correlation between employment and delinquency was positive, zero, or negative. All three possibilities were consistent with the data, depending on what assumptions they were willing to adopt. Importantly, they concluded that if the unobserved crime trait increased the probability of employment and also increased the probability of delinquent behavior—and both assertions are consistent with the evidence—the estimated work effect was essentially zero and could actually be shown to be negative.

(Gottfredson and Hirschi 1990) or a desire for control (Piquero et al. 2005), that lead particular persons to select particular firms or industries as more comfortable environments within which to work. These individual traits may be positively correlated with the propensity to avail oneself of opportunities for personal or corporate gain. Along these lines, Dill et al. (1962) found that executives who discovered a lack of harmony between their values and those of the company for whom they worked were more likely to leave that company. Bass and Eldridge (1973) found that ambitious managers were more likely to make decisions that favored saving their company money than a more ethical but less economically beneficial decision. These findings suggest that the issue of selection bias is a distinct possibility in white-collar crime research.

An important book by Weisburd and colleagues (2001), entitled *White-Collar Crime and Criminal Careers*, is a unique study that incorporates information on the social backgrounds of convicted white-collar offenders. They found that their white-collar offender sample was indeed different from the typical street offender sample with respect to race, age, education, employment history, age of onset of “official” criminality, career length, and frequency of offending. However, in other important respects there was little to distinguish their white-collar offenders, on average, from the prototypical street offender. For example, an arrest history prior to the instant offense was quite common. The sample also exhibited a surprisingly heterogeneous offense history (including arrests for violent offenses), as well as the usual inverse correlation between age of onset and arrest frequency. Moreover, the “chronic” offenders (3+ arrests) in this study evidenced a history of social instability and unConventionality that well characterizes the backgrounds of street criminals, including unsteady employment, marital breakup, and substance abuse.¹⁰ For at least some white-collar offenders, then, it appears to be the case that the workplace is nothing more than one additional setting within which they put their deviant impulses into action when the opportunity arises. For these individuals, the organizational climate does not appear to provide “definitions favorable to laws violation” that do not already exist. Instead, the organization may simply provide access to the situational requisites necessary to carry out specific white-collar offenses.

Thus, evidence from some white-collar crime research harmonizes with the view that individuals with a long-standing propensity for deviance and criminality are more likely to commit white-collar crime, possibly irrespective of the organizational and normative climates in which they are employed. This implies that white-collar crime scholarship would benefit from explicit consideration of the occupational and career choices that individuals make, particularly as they pertain to those firms and industries known to be more heavily involved in regulatory and law violations.

¹⁰ Equally interesting, we believe, is Weisburd’s (2001) finding of a great deal of heterogeneity in their sample of white-collar offenders. Only their subsample of antitrust violators appeared to fit the profile of the stereotypical white-collar offender (e.g., white, male, older, married, highly educated, high-status occupation, financially very well-off, first-time offender). Their findings as a whole seem to argue in favor of a perspective that views white-collar offenders as different in degree rather than kind vis-à-vis street offenders.

Note that it is not our intention to imply that such selection processes explain all of the apparent “climate effects” of organizations on law violation, only that processes of self-selection are very likely indeed to be relevant and are thus worthy of close attention by white-collar crime researchers.¹¹ Nevertheless, it is worth recalling that prior youth employment studies were virtually unanimous that adolescent working conditions were criminogenic, but in the last 5 years we have acquired a much better understanding of the source of the relationship between youth employment and crime. Characteristics of the adolescent workplace were indelibly confounded with characteristics of adolescent workers, *well before they began working*. Indeed, we now know that the criminogenic effect of high-intensity employment is more apparent than real because of the way that high-risk youth select themselves into high-risk work patterns. The supposed climate effect of youth work on delinquent activity appears to be nothing more than a selection effect after all.

Conclusion

Since its inception, theoretical and empirical work in the white-collar crime tradition has taken a close look at organizational culture as a key explanatory and causal variable. In the most famous statement on the topic, Sutherland (1949) proposed that a normative climate exists in certain industries or firms that implicitly approves of illegal conduct and explicitly rewards compliance with law-violating norms. He termed these proscriptions “definitions favorable to law violation,” and further proposed that said norms are learned by employees during the course of business, just as individuals would learn norms related to, say, playing basketball. Accordingly, certain organizational climates are criminogenic independent of the individuals employed in them. By virtue of mere (differential) association with deviant others in the workplace and exposure to an organizational climate implicitly supportive of deviance, otherwise upstanding, law-abiding individuals acquire attitudes and behaviors that are conducive to illegal conduct (Shover and Hochstetler 2006; Vaughan 1998).

¹¹ A version of the former perspective gained some notoriety in the work of Hirschi and Gottfredson 1987, 1989; also Gottfredson and Hirschi 1990: pp. 180–201). To be sure, their claim was that white-collar crime is not unique with respect to its causes, leaving little to distinguish it from other forms of lawbreaking, notably street crime, as well as behaviors “analogous” to crime, such as auto accidents. White-collar crime is only distinctive to the extent that its opportunity requirements are different than for street crime. They argued that their theory of low self-control was sufficiently general to account for all criminal offending, white-collar, and otherwise. Obviously, their claims were met with a good deal of resistance, as indicated by the critiques of Steffensmeier (1989) and Reed and Yeager (1996). We make no such sweeping theoretical claims in this chapter, but we hasten to add that we do see validity in the critique that white-collar crime research has not conclusively demonstrated that the organizational climate is independent of those employed in it, and that it has an effect on individual behavior independent of an individual’s underlying proclivities.

This idea shares interesting parallels with some empirical and theoretical research on the relationship between youth employment and delinquent behavior. Virtually all adolescents gain work experience before they graduate from high school, and many spend a nontrivial amount of time working each week. Moreover, an intensive work commitment has been found to have a consistently positive correlation with a variety of problem behaviors, leading some observers to comment that the work environment itself may be conducive to bad behavior (i.e., criminogenic) and leading to calls for federal action to limit youth work involvement. However, upon closer inspection, there is reason to believe that youth already inclined to be antisocial select themselves into work situations that are “intensive,” and there is little recent evidence to suggest that these work situations have genuine causal effects on delinquency and substance use.

It thus seems that youth employment researchers, until recently, have drawn conclusions that we now deem to be erroneous. Although a compelling case can indeed be made about why the adolescent workplace could be criminogenic (using similar conceptual tools employed in white-collar crime research), the reality appears to be that this correlation is, in fact, a spurious one. Youth with a measurable propensity to engage in antisocial behavior are simply more likely to work, and to work longer hours each week, and it is this propensity rather than the work environment per se that is the fundamental cause of their antisocial behavior. This important insight from research on the youth employment–crime relationship may perhaps serve as a cautionary tale for studies of white-collar crime that insist on the existence of an autonomous normative climate that causally influences individual behavior.

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