The organization did it
Individuals, Corporations and Crime

Maurice Punch

Corporate and white collar crime, edited by John Minkes and Leonard Minkes, Sage Publications, 2008

Edwin Sutherland, 1983

Corporations have committed crimes …. They are deliberate and have a consistent quality …. The criminality of the corporations, like that of professional thieves, is persistent

Corporate violence

The emphasis on "corporate violence" reveals that corporations can kill and managers can murder (Mokhiber, 1988, Punch, 2000)

The organizational component in corporate crime

Organizational deviance is consistent with normal organizational routines. The deviant behaviors are not produced by dramatic or aberrant actions of a few isolated individuals, but instead are an integral part of the organization. Deviance thus exists alongside legitimate organizational activities and frequently serves to advance important organizational goals

Are organizations criminogenic?

1. There is a tendency to view organizational life in general and business activity in particular as essentially rational and under control. But that is not always the case

2. It is not organizations that set policies and take decisions but people. In a way that is correct: organizations do not exist outside of the collective efforts of individuals. Yet, this is based on a highly individualized view of social reality in institutions. As Goss puts it, *"Organizations, though inventions of biological persons and thus totally dependent upon the continuous activity of such actors, nevertheless may take on lives on their own"*

What happens when people become members of an institution or organization?

- A demand of conformity to group norms
- Individuality may be suppressed and a new identity may be adopted
- Collective behaviour may lead to distortions in decision-making through processes such as group think and **cognitive dissonance**
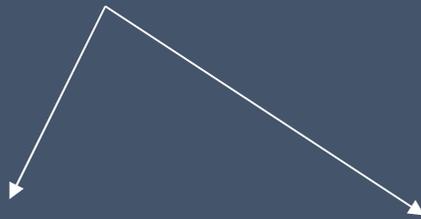
MOM- Motive, Opportunity, Means

Executives are provided with a range of motives (competition, rivalry, power, status, market share, profits, quarterly returns, innovation,etc.)

Executives encounter enhanced opportunities for deviance as they reach the boardroom level

The organization forms the means through which the crime is committed

The organization can be

The offender the victim

The moral dilemma in business

CASE STUDY: British Airways/Virgin

A group of managers decided on a deviant solution to an issue and recruited a team to conduct a covert conspiracy; the team decided to hack into Virgin's computer to steal the passengers'list and to distribute black propaganda on Virgin's financial situation (Punch, 1996)

Conspiracies conducted for the organization

- PRICE-FIXING
- CARTEL FORMING
- INDUSTRIAL ESPIONAGE
- BRIBERY AND INDUCEMENTS USED TO OBTAIN INSIDE INFORMATION ON TENDERING FROM OFFICIALS

What features can be said to distort conduct to the extent that managers seek a deviant solution?

Goals and pressure

Given the competitive nature of capitalism and the need for business organizations to achieve goals in various ways, it is inevitable that companies set goals and exert pressure on personnel. But, as Gross observes "*whatever the goals may be, it is the emphasis on them that creates the trouble*". Some managers rise to the occasion and achieve the targets, others retreat and step out or are moved out, but others turn to rule-bending and rule-breaking either for the organization or for self

The company as total institution

In some ways a company can come to dominate a manger's life personally, professionally, socially and financially. This can produce the company man (sic) who is deeply loyal to the firm. It is possible that when the BA conspirators were selecting a "dirty tricks"'s team, those they approached felt they could not refuse out of commitment to the company

Motives and rationalizations

The corporate environment can provide motives for deviance (related to competition, rivalry, etc) and generate "vocabularies of motive" which justify and rationalize law breaking (such as denial of harm and of responsibility or condemning the condemners)

Corporate leaders

Some senior executives display dominance, despotism, ruthlessness and unbridled egoism: they can intimidate subordinates to break rules. In extreme cases, the thirst for power leads to abuse of that power and to pathological processes: the company can become the neurotic arena for power battles and leadership struggles which nearly destroy the company