

# The Social Control of Corporate Criminals

## Shame and Informal Sanction Threats

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In October 1996, Archer Daniels Midland Company (ADM), which calls itself the supermarket of the world, agreed to plead guilty to “anti-competitive conduct” (price-fixing) and to pay a \$100 million fine, the largest ever levied against a corporation for criminal conduct. ADM had conspired with Japanese and Korean producers of lysine, a feed additive, to set prices and allocate sales among competitors. In addition, ADM engaged in similar conduct in the sales and distribution of citric acid (an organic acid used in foods and beverages to enhance flavor and/or preserve prepared foods). ADM was not charged with price-fixing and was exempt from prosecution in the high-fructose corn syrup product market because of its agreement to cooperate with the ongoing investigation. However, ADM has a history of price-fixing and other criminal behavior dating back to the 1970s. In several civil and criminal cases, ADM settled lawsuits or pleaded no contest to federal charges. Although ADM’s chief executive officer (CEO) and president managed to avoid prosecution, division presidents Terry Wilson and Mark Whitacre, as well as Mick Andreas (vice chairman, executive vice president of ADM, and son of CEO Dwayne Andreas), were charged and found guilty of price-fixing. On July 9, 1999, each was sentenced to serve prison time for his participation in the conspiracy. (Simpson and Leeper-Piquero, forthcoming)

Every day, thousands of companies face similar opportunities and temptations yet manage to resist them. Why are some companies better corporate

citizens than others, and how can society ensure that corporations act responsibly? What differentiates good from bad companies rests with the managers who run them and the cultural dictates of the organizations. Good corporate citizens are firms whose managers, when confronted with corporate criminal opportunities, will be guided by a sense of right and wrong, by their understanding of how others are likely to view their behavior, and by the extent to which they think the discovery of these acts would bring shame on their companies. Good corporate citizens are companies that encourage law-abiding behavior and respond appropriately to criminal misconduct. Being a good corporate citizen is important to society because of the extensive costs of bad citizenship. Corporate crime kills and injures more people yearly than does street crime. It adds billions of dollars to the costs of goods and services in this country, and it can shake the foundation of goodwill and trust in business when large-scale cases of corporate crime are revealed to the general public (Simon 1999).

Some companies are self-motivated to be good corporate citizens, whereas others narrowly define their interests and thereby callously or deliberately threaten the welfare of employees, customers, and society at large. Our goal in this chapter is to examine the problem of corporate crime and to explore one possible avenue for controlling it. We describe our use of Braithwaite's (1989) theory of shaming to account for why some companies and their managers conform to the law, whereas others do not. Finally, we speculate on whether public policy informed by shaming theory might help to control corporate crime.

### ■ Corporate Crime

At first glance, corporate crime appears easy to define. Corporate crime is criminal behavior by corporations. However, this definition does not suffice. First, although corporations are entities recognized in law as juridic persons (having the same rights and responsibilities as individuals under the law) and thus capable of criminal and victim status, they are collections of individuals. Therefore, corporations themselves are not capable of "thinking and acting." Instead, managers think and act on behalf of corporations. Thus, even though a company can be charged as an offender, the actual actor committing the crime is an individual (or a group of individuals).

All definitions of corporate crime originate with Sutherland's (1983) description of white-collar crime as "crime committed by a person of

respectability and high social status in the course of his [or her] occupation" (p. 7; see also Sutherland 1940, 1949). In drawing scholars' attention to crimes by the wealthy and privileged, Sutherland noted that white-collar criminals tend not to be prosecuted and sanctioned within the criminal justice system. Rather, they are processed and sanctioned civilly or through regulatory agencies such as the Environmental Protection Agency (EPA).

Thus, the term *corporate crime* is somewhat of a misnomer because much of what is classified under this term is not prosecuted under criminal statutes. Still, offenses that fall under the purview of regulatory agencies and civil law also may be broadly defined as corporate "crime." Indeed, many civil and regulatory constraints on corporate behavior have criminal provisions (as does the EPA). In any case, given the difficulty of penetrating the corporate shell to find culpable parties or meeting the more rigorous standards of criminal prosecution, a civil or regulatory action might be more effective than a criminal prosecution. Clinard and Yeager (1980) acknowledge these realities in defining corporate crime as "any act committed by corporations that is punished by the state, regardless of whether it is punished under administrative, civil, or criminal law" (p. 16).

What most distinguishes corporate crime from other types of crime is that the corporate employee is committing the act primarily to benefit the company or to further organizational goals. An automobile executive who embezzles \$1 million from her employer to finance a vacation home is committing a white-collar crime but not a corporate crime. If, however, she were to knowingly overestimate the company's quarterly earnings by \$1 million to maintain the "fiction" of corporate profitability, then she would be participating in a corporate crime. When a chief financial officer (CFO) fails to file his or her own tax return, the CFO is committing a crime but not one that would count as a corporate offense. If the CFO fails to file a corporate tax return to avoid paying \$500,000 to the Internal Revenue Service, then he or she is committing a corporate crime. In this chapter, we recognize the distinction between personal and company benefits when defining corporate crime.

### ■ Shaming as a Means of Crime Control

In his influential book, *Crime, Shame, and Reintegration*, Braithwaite (1989:56-58) explains why a model of punishment that emulates the family's functions will be more effective at controlling bad behavior than will a

system based solely on punishment. He argues that people will adjust their behaviors in response to punishment only (1) when punishment is delivered by authorities who are respected and respectful and (2) when offenders or potential offenders have a stake in conventional society and care about how others view them. When these two conditions are met, punishment or its threat should effectively deter crime because miscreants will experience shame. Thus, punishment is more likely to deter future misconduct under the following scenario:

In the presence of his wife, arresting officers listen politely to the suspect's story. After questioning him, they believe that there is enough evidence to arrest him, and they let their intentions be known. They read him his rights, and given that he has been cooperative, they choose not to put handcuffs on him. They tell his wife where they are taking him and what she needs to do next.

According to the theory, because the suspected offender is married (evidence of societal bonds) and treated with respect and dignity by criminal justice authorities, he will be more easily shamed than will an offender who has few ties to the larger society and who feels humiliated or unjustly treated by authorities.

Although Braithwaite's ideas about shame and punishment developed from his studies of white-collar crime, few studies have further explored the corporate crime-shame relationship beyond Braithwaite's (1989) original work (Braithwaite 1995; Fisse and Braithwaite 1983; Makkai and Braithwaite 1994; for an exception, see Levi 1998). Does shaming (or its threat) better deter crime when the object of shame is the corporation or when it is the responsible manager? And does shaming based in threats to informal systems of control (e.g., family, workplace) work better than threats based in formal legal sanctions (including civil, criminal, and regulatory interventions)? We felt that if we knew the answers to these questions, we might be able to point the way toward more effective remedies for corporate crime. The study we designed to test our hypotheses is described shortly, but first we explain Braithwaite's theory of shaming in greater detail.

#### □ *Punishment and Shame*

The shame-inducing aspects of punishment are far from new to the field of criminal justice. Placing offenders in stocks and pillory, branding adulterers

with a scarlet letter A, and marching thieves and murderers through the public square on their way to execution were punishments intended to solicit public scorn and contempt. Such practices were used to minimize the status of the offenders by tearing down their reputations and, in some cases, were used to dehumanize so as to justify more brutal punishments (Andenaes 1974). When punishment became rationalized and more divorced from public scrutiny, its primary goals changed from such retribution to prevention, deterrence, and incapacitation. On the whole, the shift away from irrational and brutal punishments has been a positive development. However, Braithwaite (1989) argues that a consequence of this shift has been the uncoupling of shame from punishment, rendering deterrence less effective. In the current system, offenders are "determined" guilty or not guilty in a formal adversarial courtroom in which each side tries to prove guilt or innocence. Punishments are then rendered and served in relative anonymity.

Still, as Braithwaite (1989) notes, shaming is an element in contemporary punishment. Formal justice processing produces two types of shaming:

- *Disintegrative shaming*: The offender is isolated or humiliated. Defiance on the part of the offender is a possible result.
- *Reintegrative shaming*: The community conveys its disapproval of the offending act, but its reaction is tempered with forgiveness of the offender. Consequently, the offender is embarrassed or feels guilty about disappointing others and is deterred from future offending.

As Braithwaite suggests, reintegrative shaming is more effective if the goal of punishment is to encourage offenders to observe the community's norms: "The nub of deterrence is not the severity of the sanction but its social embeddedness. Shame is more deterring when administered by persons who continue to be of importance to us; when we become outcasts, we can reject our rejectors, and the shame no longer matters to us" (p. 55).

#### □ *Shaming and Social Control*

Braithwaite's (1989) theory of reintegrative shaming draws heavily from social control theory. Interdependency and communitarianism are key elements in Braithwaite's theory and, in social control theory, are gauges of one's bond to society (Hirschi 1969) and societal integration (Durkheim 1893):

- *Interdependency*: This is the extent to which individuals are enmeshed in relationships with others. Bonds reflect ties to others based on affection and caring as well as commitments to prosocial organizations and actions (Hirschi 1969).
- *Communitarianism*: This is the promotion of mutual concern and trust in a society through deeply embedded interdependencies. Communitarian societies, such as Japan, emphasize community over individual interests (egoism).

Interdependency and communitarianism are linked to shame and shame susceptibility in two ways: interdependent persons are more susceptible to shaming, and because individuals within communitarian societies are subject to extensive interdependencies, shaming is more widespread and potent in such societies.

Applying these concepts to corporate crime, we expected that persons who are more interdependent, as indicated by demographic characteristics (e.g., age) and social bonds (especially their attachments and commitments to significant others or institutions), would be more easily shamed and less apt to engage in corporate crime. Similarly, we anticipated that an individual's integration into a company is analogous to one's integration into society. In both situations, concern for the collective should enhance shaming. In other words, managers presumably care about the potentially negative impacts that their illegal acts could have on their employers.

### ■ Applying Shame Theory to Corporate Offending

To explore these issues, we designed a study using a survey. Among the participants were corporate managers along with M.B.A. students at a large urban university. We anticipated that the answers to the survey questions would help us to understand when managers are likely to violate the law and what types of controls inhibit offending. These were our expectations, drawing from Braithwaite's (1989) theory:

- Managers who are older, married, working, and female will be more interdependent than their counterparts and hence more susceptible to shaming.
- Managers who are attached and committed to significant others and conventional lines of activity will be more interdependent than their counterparts and hence more susceptible to shaming.
- Managers who strongly believe in the morality of the law will be more susceptible to shame than those who do not.

- Where defiance exists, shaming will be less effective (see also Sherman 1993).
- Public shaming will be more effective than private shaming.
- Shaming will be enhanced when shame is directed toward the offending managers *and* their companies.

If Braithwaite is right, then managers who are susceptible to shame will be less willing to engage in corporate crime than will managers who are insensitive to shaming.

The surveys described scenarios involving three types of corporate crimes: *price-fixing*, *environmental emission violations*, and *bribery*. Our goal was to accurately describe situations in which managers might be tempted to violate, or pressured into violating, the law. For example, a firm might be described as losing money or operating in a market that is declining. Similarly, a scenario might describe a manager who has been ordered by his or her supervisor to violate the law or a situation in which the depicted manager believes that the criminal act will be viewed positively by top management. The scenarios also provide descriptions of the types of controls that operate within the firms to discourage corporate criminal conduct. A firm might have an ethics code or mandatory ethics training. It might have random audits or a hotline to anonymously report corporate misconduct. The scenarios also indicate how well those corporate controls are operating. For example, a scenario might depict that a manager was reprimanded for engaging in a similar type of corporate crime. In another, the manager might be fired. In all instances, the manager is depicted as violating the law.

Each crime description is followed by a series of questions that ask about the ethics of the act, respondents' perceptions of the likelihood and consequences of its discovery (including shame) for the manager and the company, and how each respondent would act under similar circumstances. Because our primary interest is in learning about the conditions under which shaming is a successful punitive strategy, we explore the conditions under which respondents said that they, like the manager, would violate the law.

The characteristics of the sample respondents are described in Table 8.1. Most are male, in their mid-30s, white, and of U.S. nationality. They are well educated (the majority hold some type of graduate degree or have one year of graduate studies), married, and have on average 12 years of business experience. Because these respondents tend to be seasoned managers, their responses to scenario conditions should give us a good understanding of why some managers will comply with the law whereas others will offend. Also,

TABLE 8.1 Characteristics of Survey Respondents (N = 78)

Respondent's gender	Male = 52 Female = 25 Missing = 1
Respondent's race	White = 71 Asian = 5 Hispanic = 1 Missing = 1
Respondent's age	Mean age = 35 years Range = 22-65 years
Respondent's education	B.S./B.A. degree = 24 One year of graduate school = 24 Graduate degree = 29 Missing = 1
Marital status	Married = 45 Single = 31 Divorced = 1 Missing = 1
Years of business experience	Mean experience = 12 years Range = 0-39 years
Nationality	U.S. = 60 Other = 11 Missing = 7

because the scenarios depict important characteristics of corporate cultures, we can learn what types of companies are susceptible to crime ("bad citizens") and which are not ("good citizens").

To understand whether corporate managers' behaviors are inhibited by the threat or experience of shame, it is important to identify which items on the survey correspond to Braithwaite's (1989) theory. From the vignettes, the following items indicate key ideas from the theory:

- corporate culture (act is common in firm/industry);
- defiance (illegal act challenges an unfair law);

- internal controls (ethics code, training, audits, and hotline); and
- operation of internal controls (firm takes no action, employee is severely reprimanded, or employee is fired).

We expect that when corporate cultures support illegal activity (i.e., managers are bonded to a corporate culture that encourages crime) or when managers feel that laws are unfair (i.e., defiance), the respondents should indicate that they would be more likely to commit corporate crime. On the other hand, when companies have effective internal compliance programs (i.e., those that take ethics seriously and respond appropriately to violators), corporate offending should be less likely.

Recall that Braithwaite's (1989) idea of interdependency suggests that persons who are embedded in interpersonal relationships, whereby they depend on others and others depend on them, will care more about what people think about them and thus be more susceptible to shame. If Braithwaite's theory is correct, then respondents who are older, female, and married (indicators of greater embeddedness) will be less likely to commit corporate crime than will younger, male, and single respondents. The survey also asked respondents to evaluate how likely and costly it would be if they were to be discovered to be engaging in corporate crime by their families, business associates, and friends. We expect that those who think that discovery is likely and consequential will indicate lower offending intentions than will those who estimate less certain and severe informal sanctions. Finally, social control theory predicts that persons with strong bonds to societal norms will be deterred from criminality. With this in mind, we asked respondents to rank the corporate offenses along three ethical dimensions of Reidenbach and Robin's (1990) Multidimensional Ethics Scale:

- moral equity (e.g., act is just/unjust, fair/unfair, morally right/wrong, acceptable/unacceptable to family);
- relativism (e.g., act is culturally or traditionally acceptable/unacceptable); and
- contractualism (e.g., act violates or does not violate an unspoken promise or unwritten contract).

If the act is perceived to be highly unethical within all of these dimensions, then the social control element of Braithwaite's theory predicts that the manager will not commit the crime.

## ■ Survey Results

In Table 8.2, we summarize our important findings by putting an asterisk next to the survey items that consistently predicted a manager's decision to engage in corporate crime. Items without an asterisk failed to affect the offending decision. Because the theory predicts interactions between interdependency and susceptibility to shame (i.e., shame works better for those who are more interdependent), we divided the sample of respondents into persons who can be classified as either low or high interdependency based on their social bonds to significant others.<sup>1</sup> We then tested the theory to see whether shaming deterred corporate crime better according to interdependency levels. Results are reported in Table 8.3. Variables that predicted corporate offending intentions are noted with one asterisk. Theoretically inconsistent predictions are noted with two asterisks.

Looking first at results displayed in Table 8.2, the most consistent evidence in support of Braithwaite's (1989) theory is found in the public versus private shaming prediction (refer to the "Informal controls at the firm" entries). When an employee is severely reprimanded at work for his or her misconduct, the lesson learned appears more salient than if the same employee were fired or if the firm were to do nothing. This suggests that punishment that is public yet tempered with forgiveness (i.e., reintegrative) is a more effective deterrent than permissiveness (i.e., failure to punish) or punishment that is harsh (i.e., disintegrative). Yet, as demonstrated in Table 8.3, the effect is consistent regardless of ones' degree of interdependency. Persons who are low on interdependency as well as those who are high on interdependency take workplace reprimands seriously. Although this is not what Braithwaite's theory would predict, it might be that our measures of interdependency are biased toward the upper end (i.e., most respondents in our sample are highly interdependent people) and, therefore, we do not have the type of sample that would reveal the predicted differences.

Consistent with shaming theory, and as shown in Table 8.2, we find that older respondents are less likely to engage in corporate crime than are younger respondents. However, when we examined whether this was related to one's level of interdependency (as the theory suggests), we found that it was not (Table 8.3). And none of the other indicators of interdependency identified in the theory (i.e., sex, marital status) had an impact on offending.

Our study also challenges the idea that shaming the corporation is as important or effective as shaming the individual manager. At least according to our survey results, managers do not adjust their corporate offending

TABLE 8.2 Relationship Between Survey Items and Managers' Offending Decisions: Consistent and Inconsistent Findings

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Crime types
Environmental Protection Agency
Price-fixing * (+)
Bribery * (+)
Characteristics of the company or industry
Illegality is a common practice in the firm
Illegality is a common practice in the industry
The law is unfair
The firm is experiencing declining sales and revenues
The firm is experiencing growing sales and revenues
The industry is economically healthy
The industry is economically deteriorating
The industry is losing ground to foreign competitors
The act will save the company a small amount of money
The act will save the company a large amount of money
The act will modestly increase the firm's revenues * (+)
The act will greatly increase the firm's revenues * (+)
Characteristics of the manager and/or manager's situation
The manager is ordered by a supervisor to violate the law * (+)
The manager decides to order an employee to violate the law
The act might result in a promotion and salary bonus
The act might result in increased co-worker admiration
The act might result in a positive impression by top management
Informal controls at the firm
Ethics code
Mandatory ethics training
Hotline
Random audits
No action taken against employee who acted similarly * (+)
Employee severely reprimanded * (-)
Employee recently fired
Perceived benefits of corporate crime by respondent
Act is thrilling and/or will advance career * (+)
Ethics scales
Moral equity * (-)
Relativism * (-)
Contractualism * (-)
Shame
Sense of personal shame * (-)
Sense of shame if tarnished reputation of firm
Likelihood that act would tarnish reputation of firm

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(continued)

TABLE 8.2 (Continued)

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Feel bad if reputation of firm tarnished
Feel bad if personally shamed
Informal controls
Scale including family, friends, and business associates as well as employment costs * (-)
Respondent characteristics
Age * (-)
Marital status
Gender

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NOTE: Variables followed by an asterisk (\*) predict corporate offending. Variables followed by a plus sign (+) increase corporate offending. Variables followed by a minus sign (-) decrease corporate offending. Items left blank have no effect.

intentions even when their acts bring shame to their companies (refer to the "Shame" entries in Table 8.2). Most respondents reported that their actions would affect the reputations of their firms and that this could be seriously consequential (i.e., illegal acts by managers do have negative consequences for companies, and when illegality is discovered, firms' reputations might be jeopardized). Yet, this fact did not appear to affect the decision to engage in the criminal act. On the other hand, personal shame (i.e., feeling guilty if others found out what the managers had done) does matter. Thus, there is nothing in our findings to suggest that managers will act lawfully because their firms' reputations could suffer. Personal consequences (i.e., how the managers will be affected by the shame) are what drive these shaming effects, *not* concerns that the reputations of their firms could be damaged.

Another prediction of the theory that is not substantiated among this group of respondents has to do with the "defiance effect." Recall that Braithwaite (1989) predicts that persons who feel that laws are unfair or who believe that they are unfairly treated by legal authorities will not be "shamed" by punishment. Instead, they might become defiant, rejecting both the law and legal authority. Although we have only one measure that explores this possible effect (i.e., law is unfair), it does not have the positive effect on offending that the theory predicts. On the other hand, when we explored whether defiance depended on one's level of interdependency, we found that persons with fewer bonds were more defiant than those with stronger ties to family, friends, and colleagues. However, neither effect was statistically significant.

**TABLE 8.3** Corporate Offending Intentions for Respondents Classified as Low and High Interdependency: Consistent and Inconsistent Findings

	<i>Low Interdependency</i>	<i>High Interdependency</i>
Bribery		
Manager is ordered		
Law is unfair		
Act will greatly increase revenue	* (+)	
Employee severely reprimanded	* (-)	* (-)
Employee fired		
Sense of personal shame		
Sense of shame if reputation of firm tarnished		** (+)
Likelihood act would tarnish reputation of firm		
Feel bad if reputation of firm tarnished	** (+)	
Feel bad if personally shamed	* (-)	
Moral equity (ethics)	* (-)	* (-)
Relativism (ethics)	* (-)	
Contractualism (ethics)	* (-)	
Bonds to significant others	* (-)	
Act thrilling or career advanced	* (+)	* (+)
Age		
Marital status		
Sex		
Religion		* (-)

NOTE: Variables followed by one asterisk (\*) predict corporate offending. Variables followed by two asterisks (\*\*) predict corporate offending in a theoretically inconsistent direction. Variables followed by a plus sign (+) increase corporate offending. Variables followed by a minus sign (-) decrease corporate offending. Items left blank have no effect.

A few other findings are noteworthy. First, looking at the types of crime that respondents considered, some corporate crimes seem more palatable than others. For example, respondents were somewhat more willing to fix product prices than they were to engage in bribery or environmental violations. However, only the former difference (between price-fixing and EPA offending) was substantial. There also is clear evidence that ethical reasoning drives managers' actions. When corporate criminal acts are thought to be fundamentally wrong, unacceptable to significant others, and violations of informal contracts, managers are much less likely to engage in them.<sup>2</sup> Furthermore, the survey results clearly demonstrate that social bonds are related

to offending decisions. However, in an interesting twist, bonds (as measured by informal controls) are more of a crime-inhibiting influence for those who have fewer of them (Table 8.3). That is, persons who are classified as low on interdependency (i.e., they think that significant others are not as likely to discover the illegality or are not apt to respond negatively if discovered) nevertheless take these considerations into mind when making decisions on engaging in criminal acts.

Although it is clear that this study does not find strong support for Braithwaite's (1989) theory, there are several reasons to be cautious about these results. First, even though the vignette technique gives researchers a great amount of control over the conditions to which respondents are exposed, it also imposes conditions that might be arbitrary—not salient or meaningful to study participants. Thus, the technique trades researcher control for more detailed descriptions of factors that might affect managers' offending decisions but are not included in the study. Second, several of our measures simply do not capture the extent and richness of Braithwaite's concepts. For example, we do not measure communitarianism, and although multiple measures of concepts are preferable to single indicators, our indicator of defiance falls into the latter category. Last, as noted previously, this sample of respondents is not as variable on some of our key independent variables as we would like. For example, because most are relatively well integrated, there might not be enough poorly integrated respondents to accurately test Braithwaite's hypotheses about the interaction between shame and interdependency.

### ■ Policy Considerations

One goal of criminological theory and research is to inform criminal justice policy. Braithwaite (1989) suggests that his theory, as applied to corporate offenders, has several policy implications. One intervention that makes sense is for firms to incorporate internal systems of control that build on the ideas of interdependency and communitarianism. To the extent that managers are well integrated into a "team" in which ethical behavior is valued and ethical discussions are commonplace, deviations from this normative standard should be rarer and easier to discover when they do occur, and offenders should be more easily shamed if they transgress. As the theory reminds us, punishment does not have to be harsh to deter. This policy is consistent with our research results that show how reprimanding the miscreant produces

greater deterrence than does firing the miscreant. It is reinforced by data showing that sanctions directed toward individuals are more effective than those directed against firms and that corporate crimes are less likely when the managers are embedded in relationships with significant others.

The theory and our findings also point to the importance of building compliance systems that reinforce managers' ethical standards. We found that managers were significantly less likely to consider committing corporate crimes when they believed that these acts were highly unethical. Given that ethical concerns often are treated as irrelevant and inappropriate subjects for discussion within corporate America (Kram, Yeager, and Reed 1989; Jackall 1988), it seems clear that open and frank communication about ethical standards is a must for firms that are serious about combating corporate crime. It also will give strength and recourse to employees who feel pressured into committing crime because they were ordered to do so by their supervisors.

The theory implies that sanctions directed toward firms will be as effective as those directed toward individual offenders. Braithwaite (1989) makes this argument for two reasons:

1. Firms that are punished for the misdeeds of employees will feel compelled to develop and implement internal compliance systems that will protect against future punishments.
2. Firms care about their good names. A soiled reputation and negative publicity are hard to overcome. Profits and employee morale are hurt. No good comes from bad publicity. Thus, firms will do whatever it takes to minimize exposure.

Although these reasons also seem compelling, our research suggests that different processes are at work. The fact that our respondents did not adjust their offending behaviors even if the firms suffered negative consequences suggests that corporate managers might be more self-interested than Braithwaite assumes. One of the current debates in the corporate sentencing literature centers around whether corporate crime sanctions (criminal or civil) should target the responsible actors or hold the corporations responsible for the acts of their employees. Our data suggest that the former might be a more effective crime control strategy.

In addition to informing policy, another goal of scientific theory is to test whether the theory has accurate predictions and to identify weaknesses. Although it certainly is too soon to suggest theoretical revisions to the theory, especially in light of the considerable research by Braithwaite and his colleagues that gave rise to the theory of reintegrative shaming in the first

place, we might have identified some areas for further specification and elaboration. First, although the theory is touted as a "general theory," it might be that the theory is not as applicable to corporate offending as it is to other types of criminality. For example, most corporate managers are highly integrated into society and into their respective workplaces, yet many violate the law. The link between interdependency and offending might not work in the same way for this group of offenders. In fact, greater integration and dependency on workplace associates and socialization into organizational norms and values might actually increase the likelihood of corporate offending if the organizational culture promotes misconduct. (Recall that offending increased when a manager was ordered by his or her supervisor to violate the law.) We also failed to find the predicted interaction between interdependency and susceptibility to shame. For all of these reasons, it might make sense to reassess how and to what extent corporations and their managers differ from other types of offenders and to see whether these differences can be integrated into shaming theory.

Second, at what point, if at all, do self- and collective interests overlap? Or, to borrow a phrase from Braithwaite (1989), what is the individual-collective tipping point of shaming effects? This issue is particularly salient in the corporate crime field because most of our definitions of the phenomenon *assume* that managers and corporate officials operate to serve corporate interests. Yet, our results challenge this notion. When respondents thought that engaging in the corporate crime would be exciting (i.e., a sneaky thrill [Katz 1988]) or that it would advance their careers, offending proclivities went up *regardless* of level of interdependency. Also, the criminal offending of our managers was unaffected by firm-directed shaming. Future tests of the shaming theory should further explore these ideas so that the merits of this approach and relevant policy implications can be considered more carefully.

### STUDY QUESTIONS

1. Why is defining *corporate crime* so difficult, and what are the issues that must be considered when defining it? Write a

definition of corporate crime that you think best addresses these issues.

2. Describe Braithwaite's theory of shaming. In your answer, be sure to distinguish reintegrative shaming from disintegrative shaming. According to the theory, who is more susceptible to shaming, (1) an offender who is young, single, and unemployed or (2) an offender who is older, married, and employed in a steady job? Why?
3. According to Braithwaite's theory of shaming, why would damage to the firm's reputation (i.e., shaming) be as important as damage to the offender's reputation in deterring corporate crime? Do the survey results discussed in this chapter suggest that shaming the company and shaming the manager are equally important? If not, which one appears more influential?
4. Our survey results suggest that companies that choose to fire corporate offenders might not deter as many future crimes as do those companies that choose to severely reprimand (but not fire) offenders. Using the principles of Braithwaite's theory of shaming, explain why adopting a policy of "reprimand but not fire" might deter more crime.
5. What policies or procedures would you recommend to reintegratively shame corporate offenders? How are these different from (or similar to) policies or procedures you might recommend to shame offenders of street crimes?

#### NOTES

1. The sample was divided into high- and low-interdependency groups using the mean value of the informal sanctions variable. This variable measures respondents' perceptions that their involvement in illegal acts would be salient to significant others (including family, friends, and business associates). Those who ranked above the mean were sorted into the high-interdependency group, whereas those who ranked below the mean were classified as low on interdependency.
2. Respondents for whom religion is important were substantially less likely to admit corporate offending tendencies than were their nonreligious counterparts. The effect is strongest among those who rank high on interdependency.

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