

An offender's perspective of what motivates and deters white-collar criminals in the South African workplace

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Abstract

The aim of this study was to investigate the motives of white-collar criminals so as to gain a better understanding of white-collar crime and develop measures that can help to reduce it. The study involved face-to-face interviews with white-collar offenders imprisoned at a correctional centre in South Africa. The data collected provided evidence to support the existing theory relating to the motives for white-collar crime; however, a previously unreported theme of race emerged as a key motivator among the respondents. Race was further identified as a key justification for committing the crime. Suggestions from the respondents to employment relations practitioners on how best to mitigate the risks were also collected and reported. The deterrents that were identified as most effective by the respondents revolved around four themes, namely reports and signing authority, working environment, education and matching roles and responsibilities.

Key words: white-collar crime, employee motives, South Africa

1 Introduction

The Association of Certified Fraud Examiners (2010) found that a typical organisation loses 5% of its annual revenue to commercial crime globally; this is equivalent to a combined global loss of more than \$2.9 trillion. The effect of white-collar crime on business is so extensive that companies stand to increase shareholder value through relatively small decreases in internal fraud and white-collar crime (Schnatterly 2003). Farrell and Franco (1999) concluded that organisations have the opportunity to proactively reduce the likelihood of commercial and white-collar crime by understanding the dynamics behind workplace crimes, investigating the sources as well as exploring possible deterrents that could be employed. Consequently there is a strong business case for preventing white-collar crime.

The creation of a working environment that has the ability to reduce the likelihood of commercial crimes and, in turn, curb the negative effects associated with them, is therefore beneficial. To this end, business owners and senior management must be educated on intuitive and pragmatic measures that can effectively alleviate commercial crime (Farrell & Franco 1999). Coffin (2003) noted that white-collar criminals themselves are often the best source of advice in the fight against commercial crime because they have first-hand experience of commercial crime. They understand the initial temptation and the reasons why they thought they could get away with the crime,

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and can suggest measures that they or their employers could take to avoid such temptations in future. This paper explores the motives for and possible deterrents to white-collar crime from the perspective of convicted white-collar criminals.

2 Literature review

Johnstone (1999) noted that the phrase “white-collar crime” was first introduced by Edwin Sutherland in 1939, to describe “a crime committed by a person of respectability and high social status in the course of their occupation”. However, it can be argued that it is not only people with “high social status” who are prone to committing white-collar crimes. Minnaar-Viejeran (2000) contradicts Sutherland’s definition, arguing that white-collar criminals are drawn from a broad spectrum of society and not only from the wealthy and elite. Picard (2008) adds that Sutherland’s definition of white-collar criminals also implies that they are dishonest businesspeople working for legitimate companies, which cannot be classified as criminal organisations. Since anyone has the potential to be a commercial criminal, there is no single specific stereotype or profile that fits all such criminals. Farrell and Healy (2000) maintain, however, that the perpetrator is usually a trusted employee who resembles the “guy next door”. Minnaar-Viejeran (2000) concludes that greed, need and addiction to money prompt the criminal to act illegally, and also claims that white-collar offenders are normally, but not necessarily, of fairly high intelligence.

The “fraud triangle” put forward by Ramos (2003) reveals that three conditions are present when white-collar crime occurs, namely incentive, opportunity and rationalisation. Firstly, Ramos (2003) finds that any employee within an organisation might have an incentive or be under pressure, and therefore have a motive to commit fraud. Bressler (2009) adds to Ramos’s findings, asserting that the pressure referred to could be financial in nature, and could possibly be associated with the need for money to make ends meet or the need to feed an addiction, such as drug addiction. Secondly, Ramos (2003) notes that the opportunity for white-collar crime to take place exists when there is an absence of controls, a lack of effective control or where management has the authority to override the controls. Kelly and Hartley (2010) support this view, noting that internal controls such as those that separate cash handling functions from record-keeping functions need to be enforced to eliminate the opportunity for an employee to commit fraud.

Moyes, Lin and Landry (2005) indicate that fraudulent activity becomes a strong possibility when lines of accountability are blurred, internal controls and accounting systems are ineffective, and audit committees do not correct reportable conditions. Furthermore, Kelly and Hartley (2010) warn organisations not to put too much trust in long-serving employees, as over time they gain more autonomy and authority and thus have easy access to monetary assets, coupled with a thorough understanding of how the system works – all factors that enable fraud to be successfully committed.

Ramos (2003) concludes that those involved in white-collar crimes are able to rationalise a fraudulent act as being consistent with their personal code of ethics. Similarly, Rossouw, Mulder and Barkhuysen (2000) find that offenders are often able to justify their illegal deeds, thus preventing them from developing feelings of guilt that could deter them from perpetrating further fraud. It is therefore not unusual to find that people perpetrate fraud repeatedly. Bressler (2009) claims that employees justify their actions by thinking the company “owes them”; they either believe they are unappreciated or underpaid, or they shift the blame onto the organisation or their line manager. Rossouw et al (2000) observe that offenders tend to shift the blame to other

people by maintaining that they were manipulated (through circumstances), thus presenting themselves as victims rather than as perpetrators.

There is much evidence to support both the need and the greed theories of motivation, and as a result it is accepted that both motives are present, although not simultaneously (Minnaar-Viejerer 2000; Rossouw et al 2000; Tappan 1947; Braithwaite 1985).

Rossouw et al (2000) put forward the notion that what drives individuals to commit fraud is the pressure of the circumstances in which they find themselves, so that they commit white-collar crimes simply in order to survive. A distinction is made here between individuals who commit white-collar crimes for purposes other than basic human needs, such as to obtain food and accommodation, and those who are prompted by other motives. Copes and Vieraitis (2009) state that some offenders steal money in order to feed their addiction, while others use the money to support a conventional life. The South African Police Service (2010) has found that poverty is strongly connected to one of the most basic human needs, namely food.

Clouse (2001) reminds us of the movie *Wall Street* (1987), starring Michael Douglas, in which he states "Greed is good!" However, greed may encourage embezzlement and crime. Tappan (1947) and Braithwaite (1985) note that greed is a major motive and the biggest causal factor of white-collar crime. Minnaar-Viejerer (2000) supports these arguments by stating that the common denominator among all white-collar criminals is greed and that this affects professionals from all walks of life, including the political, medical, judicial and business fields in South Africa.

From the employee's perspective, Hillison, Pacini and Sinason (1999) find that greed or the need to be successful often pushes employees to commit commercial crimes. Minnaar-Viejerer (2000) supports Hillison et al (1999) in finding that greed and relative deprivation go hand in hand. These offenders believe that they deserve a better standard of living and strive to attain the same standard of living as their neighbours or friends.

Clouse (2001) believes that commercial criminals spend money extravagantly as it is not really their own, and they know where they can get more when they need it. These criminals rarely save money and, if anything, tend to get greedier over time. Clouse (2001) offers insight into the need and greed motives by suggesting that the need motive often kick starts criminal activities; however, when the need or financial pressure has been alleviated, greed takes over and drives subsequent fraudulent activities.

Heath (2008) observes that the higher the rank an employee holds within an organisation, the more commercial crimes he or she is likely to perpetrate since executive/management level staff have more decision-making authority and more control. Lower-level employees tend to commit less serious crimes, simply because they are not trusted with large sums of money and their work is more closely supervised.

Chen and Tang (2006), as well as Tang, Chen and Sutarso (2008), suggest that the love of money may lead to unethical and scandalous behaviour, and is significantly correlated with "Machiavellianism" or a person's tendency to deceive or manipulate others for personal gain, with tolerance of risk linked to greed. Tang (2007) emphasises that the love of money is not exactly the same as materialism. There are some who wish to be rich (affective), others who budget their money carefully (behavioural) and others who believe that money is a sign of success (cognitive). Heath (2008) corroborates Tang's (2007) findings, maintaining that while everyone likes money,

some people seem to like it more intensely than others, and concludes that, in the case of white-collar criminals, the intensity of their passion for money simply seems to outweigh the possible consequences of their actions.

Members of staff with expertise in certain fields commit corporate fraud as they know their companies well enough to know where loopholes exist and are able to take full advantage thereof (Wright 2007).

The relationship between management and staff is recognised as being important to the successful operation of a company. Opportunities to commit fraud can arise when an employee reaches a certain level of trust within an organisation, or when internal controls are weak or non-existent (Hillison et al 1999). Moorthy, Seetharaman, Somasundaram and Gopalan (2009) support Hillison et al (1999) in finding that misplaced trust, lax hiring and supervision, and a failure to implement basic financial controls can create an environment ripe for internal theft and fraud. Hillison et al advise internal auditors to assume that anyone is capable of fraud and therefore to exercise professional scepticism, particularly since fraud is typically committed by those we trust. Christopher (2003) corroborates this, noting that often an employer or manager is surprised to learn that an employee whom they considered to be loyal and hard-working is the employee who was actually defrauding them.

3 Methodology

To answer the question of what the motives for and possible deterrents to white-collar crime would be from the perspective of white-collar offenders, we define "white-collar offenders" as individuals who have been found guilty by the South African legal system of one or more of the following forms of commercial crime: (1) bribery of bank or government employees; (2) credit card or cheque fraud; (3) misappropriation of funds; (4) mismanagement of funds; (5) payroll or vendor fraud; (6) possession of false identification documents.

A purposive sampling technique was adopted to reach members of the population (Zikmund 2003). The researchers had access to all correctional service facilities within the Gauteng region. For the sake of convenience, however, the sample was exclusively compiled from convicted white-collar offenders located at the Johannesburg Correctional Centre (Gauteng, South Africa). A sample of 29 white-collar offenders that met the population criteria was obtained. The sample was made up of 13 male respondents and 16 female respondents who varied in age and race.

A qualitative, semi-structured interview was used and the primary research instrument was supplemented with observation techniques to add depth to the interviews, which were fine-tuned, specifically through observations of tone and body language.

Psychologists aided the researchers both in selecting and in making contact with the respondents. After obtaining the appropriate consent from the respondents, an appointment was scheduled and a security escort into the prison was arranged so that the researchers could conduct the interviews. The sentences of the selected offenders ranged between 6 and 15 years, with some offenders serving multiple sentences that were running concurrently. All personal data, such as names, company names or any other identifiable information, were kept confidential. The data were grouped into themes to identify patterns of common motivations, loopholes and profiles of the offenders.

Social desirability bias was reduced by attempting to create an open and natural interview environment. The nature of the sample criteria used for this study ensured

that only serious offenders or those who had received a jail sentence were included in the study. “Lesser” offenders were excluded, since the researchers acknowledged that not all white-collar offences result in the guilty party serving jail time.

4 Results and discussion

An overview of the characteristics of the respondents is set out in Table 1.

Table 1
Respondent characteristics

Gender	Age	Race	Profile of crime	Environment	Industry	Position	Crime
Female	25	White	Greed	Internal	Banking	Financial Accountant	Misappropriation of funds
Female	26	White	Greed	Internal	FMCG	Financial Manager	Other
Female	32	White	Need	Internal	Stock Brokerage	Book Keeper	Misappropriation of funds
Female	33	Black	Need	Internal		Self	Cheque fraud
Female	34	White	Need	Internal	Manufacturing	Financial Accountant	Vendor fraud
Female	34	Black	Need	External		Self	Other
Female	36	Black	Need & racial motive	Internal		Self	ID fraud
Female	38	White	Need	Internal		Self	Vendor fraud
Female	38	White	Need	Internal	Commodities	Financial Accountant	Vendor fraud
Female	41	White	Need	Internal	Manufacturing	Financial Manager	Vendor fraud
Female	42	Black	Need	Internal	Construction	Payroll Clerk	Payroll fraud
Female	43	Indian	Greed	External	Commodities	CEO	Misappropriation of funds
Female	44	White	Greed	External		Self	Other
Female	50	White	Greed	Internal	Lawyer firm	Financial Director	Misappropriation of funds
Female	52	White	Need	Internal	Security	Payroll Clerk	Payroll fraud
Female	54	White	Need	Internal	Manufacturing	Payroll Clerk	Payroll fraud
Male	21	Black	Need & racial motive	External		Self	ID Fraud
Male	27	Indian	Greed	External		Self	Misappropriation of funds
Male	33	White	Greed	External		Self	Credit fraud
Male	35	Black	Greed	External		Self	Credit fraud
Male	35	Black	Greed & racial motive	Internal	Manufacturing	Financial Manager	Cheque fraud
Male	37	Coloured	Need	External		Self	Other
Male	40	White	Need	Internal	Retail	Financial Accountant	Misappropriation of funds
Male	40	Indian	Need	External		Self	Misappropriation of funds
Male	47	White	Need	External	Insurance	Other	Misappropriation of funds
Male	50	Black	Need & racial motive	Internal		Self	ID fraud
Male	50	Coloured	Need	External		Self	Credit fraud
Male	52	Black	Greed	External	Property	CEO	Misappropriation of funds
Male	59	White	Greed	External	Property	Other	Misappropriation of funds

The majority of respondents (35%) had been found guilty of “misappropriation of funds”, which included siphoning off funds by electronic means from employer’s accounts or trust funds, diverting salaries of ghost employees and diverting supplier payments. The

remaining categories of crimes were comparatively represented by the sample: vendor fraud (14%); payroll fraud (10%); ID fraud (10%); credit card fraud (10%); cheque fraud (7%) and other (14%).

With regard to the financial situation of respondents, 17 (59%) of the interviewees claimed to have been in a desperate financial situation with 59% (or 34% of the sample) being females who were either single parents or had addict partners (drugs or gambling). Respondents who reported committing crimes simply to support their families' basic requirements were classified as committing crime to sustain a "need"; while respondents who reported committing crimes to achieve an affluent standard of living were classified as committing crime for "greed".

The majority of employed respondents held positions in the financial sector (financial accountant 14%, financial director 3%, financial manager 10%, bookkeeper 3%, CEO 7%, and payroll clerk 10%). The sample was, however, primarily composed of unemployed respondents, who accounted for 45% of the sample. Of this group, (80%) of the respondents were linked to criminal syndicates that facilitated white-collar crime.

The profiles of respondents were categorised by personality as introverted (or insecure), and extroverted (or self-assured). This was done in accordance with their responses and the observations of the researchers.

The majority of the respondents (76%) could be described as "extroverts and self-assured offenders". They were observed as being highly intelligent, resourceful and strategic. They had the ability to recall comprehensive invoice details from memory, relying heavily on their own cognitive abilities to conceal and carry out crimes, while being able to identify opportunities and evaluate means of concealing evidence to avoid being discovered. They spoke freely about their experiences and most had very charismatic personalities, which invited trust, earned, however, through manipulation. They were accorded unconditional trust by superiors and when their crimes were uncovered, the managers were devastated.

The minority of respondents (24%) could be described as "introverts and insecure offenders". They were observed as being emotionally insecure, possibly even emotionally unstable, and in some cases they disclosed suicide attempts or abusive histories (physical, verbal or mental). They tended to favour working alone, and expressed discontent towards their superiors.

All of the respondents preferred to engage in unlawful activities alone, as it reduced the risk associated with being caught. Furthermore, respondents tended to believe that it was acceptable to commit commercial crime as it was non-violent, and expressed views such as: "Everyone is doing it, so why can't I?", or "If our bosses can do it, why can't we?" Some of the offenders admitted that they were nervous when they first started engaging in illegal activities, but said that they became bolder as the amount of money stolen increased. The majority (76%) of the respondents expressed regret for what they had done to themselves and to their families. The remainder did not regret committing the crime but only expressed regret at being caught. Some of the respondents (52%) believed that the risk of being caught was acceptable, as they felt that the worst-case scenario would be that they would be asked to pay back the stolen money, and at no time did they think they would face a prison sentence.

4.1 Motives for white-collar crime

Three primary motives were identified: (1) need, (2) greed and (3) race. The racial motive varied between respondents and respondent profiles and was not always present. The racial motive (when present) was accompanied by either a need or a

greed motive. Furthermore, all the respondents agreed that they had stolen in an attempt to attain the lifestyle or quality of life that they aspired to. The findings thus support the claims of Braithwaite (1985) and Minnaar-Viejerer (2000), namely that white collar criminals exist along a spectrum ranging from those in strong financial situations to those living in poverty, and accordingly the motivation connected to the crimes also moves along a spectrum from “dire need” to “absolute greed”.

The need motive and the associated financial pressures as put forward by Rossouw et al (2000) and corroborated by the findings of Ramos (2003) and Bressler (2009) were clearly evident in the findings. This was borne out by the findings of Copes and Vieraitis (2009), who suggest that either personal or family financial pressures encourage individuals to commit crime.

In addition, respondents who had committed a crime to satisfy a “need” emphasised the fact that they would never have committed the crime had it not been for the financial situation in which they found themselves, namely they were earning too little to support their families, were supporting partners battling addiction or were single parents. They also felt they had a right to afford a better life and despite working hard, showed no signs of progressing. While searching for ways to supplement their income they were introduced to criminal syndicates that were looking for loopholes to exploit.

The greed motive suggested by Hillison et al (1999) and Clouse (2001) as well as Minnaar-Viejerer (2000) emerged as one of the findings of the study. Many respondents noted that they had aspirations. A desire for success and material possessions was among the factors that were reported to have led some respondents to commit white-collar crime. In terms of the greed motive the findings of this research contradicted the findings of Tappan (1947) and Braithwaite (1985), who found greed to be the primary motive behind white-collar crime. The findings suggest that both need and greed are significant motives in explaining white-collar crime, with the need motive emerging slightly more strongly in the sample.

Interestingly though, many respondents were observed to have moved from a need motive to a greed motive. This occurred when respondents began engaging in illicit activities when their financial situations were desperate, but once the financial pressure had been relieved, the greed motive took over and respondents continued to commit fraudulent activities. The offenders were opportunistic and exploited opportunities when they recognised them. Some respondents reported a desire for acceptance from their families and others so that they could raise capital to launch legitimate businesses.

Where a racial motive was present, it was generally accepted by the respondents that justifying fraudulent activities on the basis of historical race-related events was a satisfactory validation. Black respondents targeted white-owned businesses because their families had been exploited under apartheid or taken advantage of and underpaid. Many white respondents, in turn, also felt discriminated against through Black Economic Empowerment (BEE) policies and turned to crime to compensate for the perceived social injustice caused by BEE and affirmative action.

The presence of the racial motive and the process of rationalisation underpinning it supports the observations of Rossouw et al (2000), namely that while the racial motive may be seldom encountered, its dynamic of rationalisation mimics the kind of rationalisation found globally. The respondents tended to shift the blame to other people by maintaining that they had been manipulated (through circumstance), thus presenting themselves as victims rather than as perpetrators. Regardless of race, there was a tendency on the part of the respondents to use the circumstance to justify and rationalise criminal behaviour in line with their own personal ethical standards.

Some respondents noted that they would not have stolen from their own race group; but others noted that the race of the manager or owner had little bearing on the crimes committed. The extent of a racial motive was therefore reported as fluctuating among respondents; it was only observed in some cases and was not a pervasive motive in all white-collar crime.

4.2 Situational factors in white-collar crime

Many of the situations uncovered in the study related to the existence of opportunities to commit crime. Many respondents noted that they enjoyed the trust they were accorded (and felt empowered); however, there was often little open communication in the relationships, with superiors being perceived as unapproachable. These findings support those of Hillison et al (1999), Moorthy et al (2009) and Hillson et al (1997), who suggest that managers have a tendency to “misplace trust” and, in so doing, relinquish or delegate signing authority, which ultimately creates an environment ripe for internal theft and fraud.

The findings of this research contradict those of Heath (2008), who suggests that the lower-level employees commit less serious crimes simply because they are not trusted with large sums of money and their work is more closely supervised. This interesting departure provides fresh insight into the “white-collar” profile, and suggests that white-collar crime is committed by individuals who have opportunity (or access). Thus, in organisations where there is widespread relinquishment of management authority, there are more individuals who have opportunities to commit white-collar crime.

In many instances respondents also reported that there was little or no segregation of duties, with the findings of the study supporting those of Moorthy et al (2009) as well as Hillison et al (1999), who note that a working environment where there is scant segregation of duties and few basic controls provides ample opportunity for white-collar crime.

PriceWaterhouseCoopers (2009) provides a possible explanation for the failure to ensure segregation of duties, noting that owing to financial difficulties, organisations are forced to reduce costs and explore new efficiencies. Reducing staff numbers and reducing the extent of the segregation of duties mean that there is less monitoring of suspicious transactions and fraudulent activities could result.

Failure on the part of management to adequately check reports such as bank statements, payroll reports and supplier statements was identified in the study as a significant internal loophole that exists in a number of organisations. Respondents admitted being able to simply alter the recipients’ bank account details. Failures of assessment or control that allowed fraudsters to operate for extended periods without repercussions were described as a management failure and the result of an inadequate management function. The failure of management to discharge its responsibilities was widely cited as an instance of negligence where competent and responsible management practices would largely have prevented or discouraged the crimes. In this respect the findings of this research support those of Moorthy et al (2009), who recognised “lax” management supervision and attentiveness as factors that contribute to an environment ripe for internal theft and fraud.

Respondents who were not employees of the target company also reported that in many instances they were recruited to appropriate documents and company information, such as identification documents or sales reports. The appropriated information was then subsequently sold to third parties and criminal syndicates, who used the information for their own fraudulent purposes.

A number of the respondents reported that they had installed illicit software applications such as spyware and trojans on company networks, which provided criminal syndicates with access to company networks, allowing them to remotely appropriate information or manipulate company-specific systems in an attempt to defraud third parties. These revelations corroborate the findings of Hillison and Pacini (1997), who stress the importance of promoting secure information systems, noting that fraudulent schemes may have far-reaching negative consequences for both the organisation from which the information is stolen and third parties against whom the information is often used.

4.3 Deterrents

The deterrents that were identified as most effective by the respondents fall into four groups, namely: (1) reports and signing authority, (2) working environment, (3) education and (4) matching roles and responsibilities.

4.3.1 Reports and signing authority

The failure of basic management functions such as reports and signing authority was recognised both as a loophole and as a deterrent. Respondents noted that if managers were seen to examine reports with proficiency and manage the approval process, this alone would act as a deterrent to white-collar crime. This finding supports those of Tootle (2008), who asserts that management failures in fundamental processes such as the review of financial reports encourage white-collar crime in the workplace and if addressed would help to limit the phenomenon. Furthermore, Wilson (2007) advises that managers should be wary of openly trusting employees to the extent that they are given the tools to commit white-collar crimes. This is to say, managers are advised to trust employees in a controlled manner, which empowers employees without removing the barriers to the commission of white-collar crime or providing them with the means to commit such crimes.

4.3.2 Working environment

The working environment was noted as a possible deterrent to white-collar crime. Respondents suggested that pleasant and personal working environments would deter white-collar crime, specifically as resentment would be limited and a personal workplace culture would mean that sudden lifestyle changes would be observed.

The majority of the respondents would have welcomed guidance from, say, a psychologist to advise them in their time of need and desperation. A professional such as a psychologist would also be able to speak to management on their behalf and act as a mediator. Respondents admitted to being embarrassed and not having the courage to approach their employers for assistance and also felt that their managers did not care about the problems of their employees. Finally, the respondents would have liked to have had a financial adviser contracted by their employers whom they could consult in order to develop a debt repayment plan. The concept of the creation of an open and personal workplace is supported by Seetharaman, Senthilvelmurugan and Periyannayagam (2004), who observe that the workplace environment provides an "area of observation" where an employee's sudden lifestyle changes can be observed, and in so doing deters workplace white-collar crime.

In addition, Albrecht, McDermott and Williams (1994) and Seetharaman et al (2004) suggest that a workplace environment that openly acknowledges the presence of fraud by implementing whistle-blowing mechanisms creates a deterrent to white-collar crime.

Furthermore, the need for ethical managers is stressed as pivotal in deterring white-collar crime. Managers are seen to be responsible for creating a culture of integrity and should be role models in this respect. Kelly and Hartley (2010), moreover, find that employees are more likely to notify their manager or employer of any fraud that could be taking place within their organisation if they perceive management as ethical.

4.3.3 Education

Education concerning the nature of white-collar crime and the associated criminal consequences of engaging in fraudulent activities was reported to be a significant deterrent against white-collar crime in the workplace.

Offenders claimed that if they had been aware of the consequences of fraud, they might not have committed the crimes they were sentenced for. The offenders further claimed that a lack of knowledge about the severity of the criminal consequences of fraud contributed towards their committing the crimes. This supports the assertions of Near and Miceli (1985) and Rossouw et al (2000), whose advice is that organisations should highlight the negative consequences of perpetrating white-collar crime through workplace education. It is furthermore suggested that disclosing historic criminal activities is an effective educational tool that may make potential criminals more cautious and reluctant to pursue their plans.

4.3.4 Matching roles with responsibilities

It was suggested that the roles and responsibilities of employees should be better managed. Respondents specifically suggested that the responsibilities of employees should be matched to their roles, authority level and income. Furthermore, respondents suggested that responsibilities (duties) should be segregated, thus creating structural barriers to white-collar crime. The findings of Plavsic, Dippel and Hussain (1999), McCuaig (2005) and Tootle (2008) are supported in that it is agreed that a single person should not be able to load and release any payment to any vendor or employee. If that is permitted, the structural barriers to fraud are removed.

Scenarios where individual employees are responsible for the entire payment system should be avoided. While it is appreciated that the organisation, when attempting to reduce costs and promote efficiencies, may combine roles, the pursuit of efficiency should not be at the expense of a safe working environment. Thus, segregation of duties should be maintained at all times.

5 Conclusion

The findings of the study revealed that, besides the traditional motives of greed and need, a racial dimension contributes significantly to explaining the motives that drive employees to commit white-collar crime in the South African workplace. The continued prevalence of this racial motive or rationalisation must be borne in mind by human resource practitioners and business leaders when addressing the issues of the workplace environment, especially in those instances where there are racial differences between the employee and the potential target of a crime. The emphasis must therefore be on ensuring a harmonious workplace environment where employees feel they can express themselves so that resentments are not allowed to build up to the extent where they can be used to rationalise or justify the commission of a white-collar crime.

Internal fraud was found to be more likely in workplace environments that did not ensure segregation of duties, and had managerial shortcomings; while external fraud

was found to be orchestrated by crime syndicates that use vulnerable employees to defraud third parties. Managers were urged by the respondents to be on the lookout for loopholes for fraud and not to relax systems and processes merely for the sake of expediency.

Employment relations practitioners would do well to heed the advice of respondent white-collar criminals to provide more robust education programmes on the nature and consequences of white-collar crime and provide support for employees to prevent the continued high incidence of such crime. This advice from the criminals supports the argument and assertions of Kohlberg (1969; 1973), namely that the most fundamental motive for behaving ethically is the avoidance of punishment.

Further, in an effort to promote a crime-free workplace, attention also needs to be given by employment relations practitioners to understanding and addressing the human element, not as it ought to be, but as it actually is, with all its imperfections. Thus the reality that it may take very little to rationalise and justify the commission of a white-collar crime must be recognised and addressed head-on by HR practitioners and business leaders.

Finally, the findings of this study emphasise the need for ethical leadership (Brown & Trevino 2006), where leaders proactively encourage ethical behaviour on the part of their followers and create a culture of integrity by acting as role models for their employees. Ethical behaviour in this context includes the overt demonstration of respect and understanding for all employees, regardless of their background. From a practical standpoint, this understanding may be shown through the utilisation of professional psychologists and financial advisers to provide practical support to employees so that they can handle their personal problems with dignity. In addition, steps such as providing both ethical and functional training, installing robust controls such as the proficient examination and use of management reports, and ensuring that an appropriate reward system is put in place are vital if leaders are to ensure that hard-earned company income is not severely compromised by employees who took the gap instead of guarding it.

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