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How would business school students respond if they suspect the boss at work of white-collar crime?

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ABSTRACT

In this article we study business school students' action orientation and follower syndrome when they suspect the boss at work of white-collar crime. Business school students are relevant for this research, as they will occupy positions in the future where they can commit financial crime, prevent crime, or become victims of such crime. Our student responses are particularly interesting, since the students actively had elected a class on financial crime rather than more traditional business school classes. Students responded that they would inform a colleague of their suspicion, and they would not raise their suspicion with the boss. Students do not suffer from the follower syndrome in their self-reported scores in the questionnaire. We found no statistical relationship between the extent of the follower syndrome and the extent of action orientation among students.

Keywords: White-collar crime; survey research; whistleblowing; business school students; retaliation.

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INTRODUCTION

Most business school students will learn about white-collar crime in their professional lives in the future. Some will feel the temptation of committing white-collar crime as executives.

Some will become victims of white-collar crime, either personally or organizationally. Some will be in a position to detect and examine suspicions of white-collar crime as accountants, auditors, compliance officers, bank employees and similar roles. Therefore, opinions of business school students attending a financial crime class in Norway in the spring of 2018 is interesting as they expressed their assumed behavior in case they found out that the boss was a white-collar criminal.

Sutherland (1939) who coined the term white-collar crime defined it as crime committed by a person of respectability and high social status in the course of his or her occupation. This definition is a well-known and influential description of what we call the offender-based approach to defining white-collar crime (Friedrichs et al., 2018). The definition emphasizes that white-collar crime is financial crime by privileged individuals in society who abuse their legitimate access to resources to violate laws (Craig and Piquero, 2017; Schnatterly et al., 2018). White-collar crime is financial crime committed by privileged individuals in a professional context where offenders have legitimate access to resources based on powerful positions and personal trust (Logan et al., 2017). Categories of financial crime include fraud, corruption, theft, and manipulation. Dimensions of white-collar crime include financial motive, organizational opportunity, and personal willingness in the theory of convenience (Gottschalk, 2017).

We address the following research question in this article: *How would you respond if you suspect your boss of white-collar crime?*

THEORETICAL REVIEW

Our theoretical review is concerned with perspectives on leader and follower in the research literature. Glasø and Einarsen (2008) studied emotion regulation in leader-follower relationships. They found that negative emotions such as disappointment, uncertainty, and annoyance are typically suppressed, while positive emotions such as enthusiasm, interest, and calmness are typically expressed or faked. When leaders and followers referred to experienced or expressed emotions, the most highly scored emotions were “glad”, “enthusiastic”, “well”, and “interested”. The reported level of emotion regulation was higher for leaders than for followers.

According to Glasø et al. (2006), emotional control can be defined as a process in which individuals influence the emotions that they experience, when they arise, and how they perceive and express them. In this line of reasoning, people can modify their emotions and the emotional expressions connected with them. Emotional control in the workplace is called emotional labor or emotion work. Emotion work takes place in face-to-face or voice-to-voice interactions, and its purpose is to influence other people’s perceptions, emotions, attitudes and behavior.

Obedience theory has the potential to explain follower behavior. Obedience theory is related to the fraud triangle that consists of pressure, opportunity and rationalization (Baird and Zelin, 2009; Hollow, 2014). The pressures to commit crime are often overt requests of management, but can also be based on perceptions from reward and incentive structures.

An even stronger argument for follower behavior can be found when obedience theory is linked to self-control theory. Self-control theory proposes that individuals commit crime

because of low self-control. Except in rare cases of mass fraud such as the Enron scandal, not all elite individuals within a given organization or industry will commit crime. Hence, although the elite at the top of their profession and corporation differentially associate with the people of equal status in their own and other corporations, not all corporate elites commit crimes and behave in an overtly deviant manner (Hansen, 2009).

Leaders tend to be more domineering and assertive, and less social avoidant, distrustful and exploitable than followers. Glasø et al.'s (2010) study shows that 30 percent of the leaders exhibit elevated profiles of personality characteristics regarding interpersonal problems, on a level comparable to that of a sample with psychiatric patients, thus, indicating that severe problems may arise in social interactions between leaders and followers.

Leaders can employ different behaviors, actions and practices that they direct at followers in order to make them cooperate. Bullying and harassment by leaders are examples of a practice reported to happen on a regular basis in many work organizations. Bullying and harassment are carried out deliberately to cause humiliation, offence and distress (Hoel et al., 2010).

Dark sides of leadership are associated with counterproductive work behaviors, misconduct and crime. At the same time, characteristics of followers can make the situation even worse.

For example, narcissistic employees have been found to be less satisfied with their jobs

Narcissistic followers ruthlessly pursue aggrandizement of the individual self, even at the price of diminishing others and at the risk of sacrificing interpersonal bonds. Narcissistic followers tend to score their supervisors more negatively than non-narcissistic individuals (Mathieu, 2013). Negative consequences of narcissistic individuals in the workplace are mostly related to damages in interpersonal relationships. Followers high on neuroticism rated their leaders lower on positive leadership. Followers' perception of their leaders such as trust and satisfaction, fear and respect, influence their willingness to participate in misconduct (Salter et. al., 2009).

Baird and Zelin (2009: 1) applied obedience theory to explain why followers commit crime because of leaders' authority:

Perceived need or pressure often comes from personal financial problems or living beyond one's means, but it can also come from direct pressure from someone in authority in the workplace and the threat of losing one's job for failure to go along with the boss's scheme. Obedience theory posits that individuals may engage in behaviors that conflict with their personal values and beliefs if they are subjected to pressures to obey someone in authority. According to this theory, the individuals rationalize this behavior by essentially placing full responsibility on the authority figure rather than taking any individual responsibility for the action themselves.

Based on this literature review, we suggest the following research hypothesis: *A stronger follower syndrome is associated with reduced likelihood of reporting when the boss at work is suspected of white-collar crime.*

RESEARCH METHOD

Most business schools have courses on business ethics, but few business schools have courses on white-collar crime. Most white-collar crime courses are taught in schools of criminal justice. We are in a business school in Norway where there is an elective class on white-collar crime focusing on offenders based on the theory of convenience (Gottschalk, 2017). We conducted a survey among the students by handing out a questionnaire in class, thereby providing a hundred percent response rate among 31 students. These responses are particularly interesting, since the students actively had elected this class on financial crime rather than more traditional business school classes.

The questionnaire applied Likert scales from strongly disagree (1) to strongly agree (6) on statements regarding what students as employees would do, and how students as followers would perceive themselves. There were six reporting statements in the questionnaire:

1. I immediately raise my suspicion with my boss
2. I inform a colleague of my suspicion
3. I blow the whistle on my boss to the relevant person
4. I will never shut up about my suspicions
5. I do not care about consequences for myself
6. I will express loudly my disappointment over the boss.

Nineteen statements in the questionnaire measured items for the follower syndrome:

1. I am weak and let myself be guided by the boss
2. I am without my own will and let myself be guided by the boss
3. I am convinced the boss is always right
4. I do not think I will be harmed by what the boss does
5. I always trust my boss and therefore do nothing
6. I fear my boss and therefore do nothing
7. I am naïve about what is actually going on
8. I am unaware of what is actually going on
9. I am fascinated by the boss's personal charisma
10. I want to be intensely loyal to my boss
11. I suppress my disappointment over my boss
12. I suppress my uncertainty about my boss
13. I suppress my irritation over my boss
14. I will always be obedient to my boss
15. It is never my responsibility what the boss does

16. I always adapt to what the boss does
17. Self-control is important to me to avoid trouble
18. I want to keep a good relationship with my boss anyway
19. I always want to avoid the dark sides of my boss

The first ten statements are based on Bucy et al.'s (2008) research article, where they distinguish between leaders and followers in white-collar crime. While leaders involve themselves in financial crime because of greed and fear of failing, followers can become engaged because they are too weak and without own will. Followers are fascinated by the boss's personal charisma (Aguilera and Vadera, 2008; Fanelli and Misangyi, 2006).

The next three statements are based on Glasø and Einarsen (2008), who studied regulation of emotions in leader-follower relationships. They found that negative emotions like disappointment, uncertainty, and irritation are typically suppressed, while positive emotions like enthusiasm, interest and control are typically expressed in the relationship.

Statements 14, 15 and 16 are concerned with obedience as suggested by Baird and Zelin (2009). Statement 17 is concerned with self-control preventing involvement in trouble (Piquero et al., 2010). The final statements 18 and 19 say that followers want to avoid consequences of the dark sides of their leaders (Glasø et al, 2010).

Finally in the survey instrument, we asked respondents how many part-time jobs they had, how many full-time jobs they had, how many bosses they had, and how old they were.

RESEARCH RESULTS

In terms of descriptive statistics for the 31 business school student respondents, the average age was 23 years, with a minimum of 20 years and a maximum of 40 years. The average length of part time work was 3.8 years, and the average length of full time work was 1.6 years

for the respondents. The average number of bosses that respondents had experienced was 4.2 leaders, with a minimum of one and a maximum of ten leaders.

The scale for all statements in the questionnaire had a mid-point of 3.5 implying that a score below means disagreement, while a score above means agreement. As listed in Table 1, respondents disagree with most of the action statements. There were only slight agreements of 3.6 regarding the statement to inform a colleague and the statement to blow the whistle on the boss to the relevant person. Respondents would definitely not immediately raise the suspicion with the boss.

#	Action statements	Min.	Max.	Mean	Dev.
1	I immediately raise my suspicion with my boss	1	6	2.1	1.30
2	I inform a colleague of my suspicion	1	6	3.6	1.33
3	I blow the whistle on my boss to the relevant person	1	6	3.6	1.31
4	I will never shut up about my suspicion	1	6	3.1	1.48
5	I do not care about consequences for myself	1	6	2.3	1.35
6	I will express loudly my disappointment over my boss	1	6	2.5	1.36

Table 1. Actions in case the respondent suspects the boss of white-collar crime

The combination of all six statements in Table 6 might represent a scale for action orientation by the respondents. However, the scale only has a reliability of .661 that is not acceptable. By removing the first statement, the scale with remaining five items has an acceptable reliability of .709.

Respondents disagree with eighteen out of nineteen statements for the follower syndrome, since the average scores for those items are below 3.5. The only statement achieving some agreement is concerned with self-control. All the disagreement statements indicate that business school students disagree with research findings by Aguilera and Vadera (2008),

Baird and Zelin (2009), Bucy et al. (2008), Fanelli and Misangyi (2006), Glasø and Einarsen (2008), and Glasø et al. (2010) regarding follower perceptions.

Factor analysis for the nineteen statements suggests two main factors that we label submission and insecurity that have Cronbach's reliability alphas of .822 and .819 respectively with nine items and five items.

The purpose of having a multiple item scale for action orientation and two multiple item scale for the follower syndrome, was to explore a possible causal relationship as illustrated in Figure 1. We argue in the research model that less follower syndrome can cause stronger action orientation.

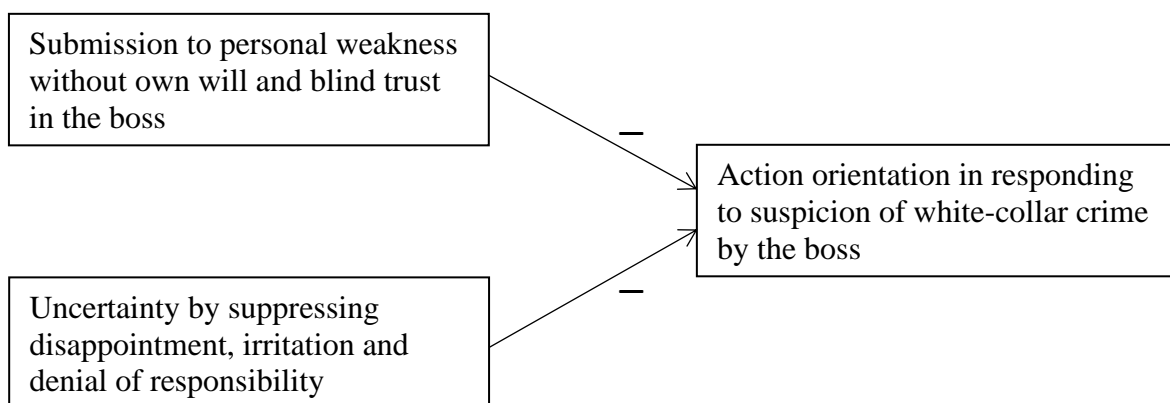


Figure 1. *Research model suggesting impact from follower syndrome on action orientation*

Statistical regression analysis for the research model in Figure 1 revealed, however, no significant relationship. We found no statistical support for the idea that students who suffer less from the follower syndrome would be stronger in their action orientation in responding to suspicion of white-collar crime by the boss.

We asked respondents about their experience in terms of part-time jobs, full-time jobs, bosses, and age. Average student age was 23 years with a minimum of 20 years and a maximum of 40 years. Part-time job experience was 3.8 years and full-time job experience was 1.6 years on average. Respondents had experience from 4.1 bosses on average. We wondered if any of

these characteristics might influence follower syndrome and action orientation. Correlation analysis indicates, however, that part-time, full-time, bosses and age have no impact on submission, uncertainty, or action orientation.

DISCUSSION

This article is based on exploratory research. There is no relevant data to complete an explanation or prediction of the likely response of employees in situations where they suspect criminal behavior on the part of their bosses. The sample of students used for this research is one of convenience. A test was not possible to determine if the students somehow might be a representation of the general population of employees in business or public organizations.

All items in the questionnaire were self-developed for this research as no sources of similar items could be identified. Future research may refine and revise items in new surveys.

One important shortcoming of the presented research design is that respondents were not really confronted with the potential costs of whistleblowing. An obvious cost element is to be terminated from the position or the organization after whistleblowing as acts of reprisals and retaliation. In practice in Norway today, there are few if any rewards for whistleblowers, while there are potentially substantial costs. To what extent responding students perceived or reflected about such costs while filling in the questionnaire is indeed quite uncertain. The respondents probably did not have anything to lose (costs) by informing someone of their bosses' criminal activity.

Future research may define the respondent's situation in terms of a vignette, where the hypothetical position and ambition of the respondent is described. For example, if the respondent is in a situation in which he or she would pursue personal career goals and is eager to receive a substantial bonus, then the likelihood of whistleblowing might be low as the costs related to blowing the whistle could be significant. Vignettes can place responding students in

real-life situations in their minds. A further improvement in future research could be to ask respondents about their knowledge of possible consequences of informing on a superiors' deviant behavior.

CONCLUSION

Based on this study, we might suggest that today's business school students will be similar in their follower behavior in future professional life. When they suspect white-collar crime by their leaders, then they will tend to inform a colleague of their suspicion, and they will tend to blow the whistle on the boss to the relevant person inside or outside the organization. They will not raise the suspicion with the suspect, and they will care about the consequences for themselves.

Respondents do not suffer from the follower syndrome in their self-reported scores in the questionnaire. A typical business school student is not weak and without own will. The student is not convinced the boss is always right. The student believes that he or she can be harmed by what the boss does. The student does not always trust the boss.

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