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Gottschalk, P., & Kamaei, M. (2023). Understanding business offending: survey research in Iran. *Journal of Financial Crime*.
<https://doi.org/10.1108/JFC-10-2022-0246>

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Understanding Business Offending: Survey Research in Iran

ABSTRACT

Understanding business offending reflects the extent to which white-collar crime makes sense to respondents in the current survey research. Making sense implies a number of factors that influence understandability. An understandable act is not necessarily acceptable or justifiable. At a university in Iran, criminal law and criminology students answered a questionnaire regarding their extent of understanding of business offenders. The respondents found it on average understandable that top executives and other privileged individuals abuse their positions to commit financial crime when they have problems with their personal finances, when the business struggles financially and faces the threat of bankruptcy, and when they offer bribes in corrupt countries to obtain business contracts. The extent of understandability varies with a number of propositions in convenience theory.

INTRODUCTION

It might be understandable that top executives and other privileged individuals abuse their positions to commit financial crime when they have problems with their personal finances. It might also be understandable that top executives and other privileged individuals abuse their positions to commit financial crime when the business struggles financially and faces the threat of bankruptcy. A potential explanation for the extent of understandability can be found in the fourteen propositions in convenience theory (Gottschalk, 2022).

Convenience theory is an emerging theoretical perspective to explain the phenomenon of white-collar crime where convenience was first introduced as a core concept by Gottschalk (2017). Recently, the theory has been reviewed (e.g., Chan and Gibbs, 2020; Hansen, 2020; Oka, 2021; VasIU, 2021; VasIU and Podgor, 2019) and applied by several scholars such as

Asting and Gottschalk (2022), Braaten and Vaughn (2021), Dearden and Gottschalk (2020), Desmond et al. (2022), Qu (2021), Stadler and Gottschalk (2022), and Sterri and Borge (2022). A combination of motive, opportunity, and willingness determine the extent of white-collar crime convenience as illustrated in the structural model in Figure 1.

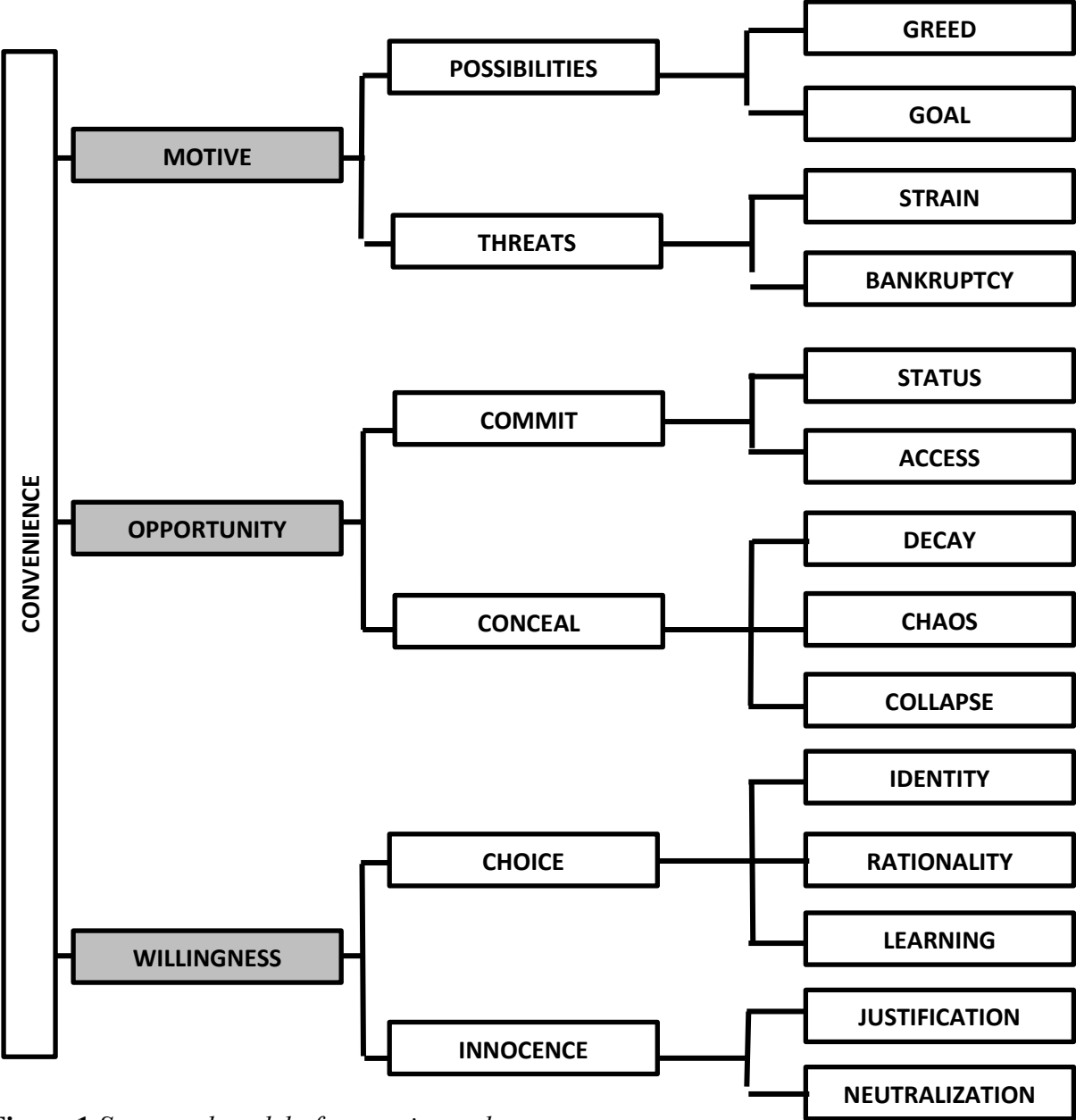


Figure 1 *Structural model of convenience theory*

In the financial motive dimension, profit might be a goal in itself or an enabler to exploit possibilities and to avoid threats. Possibilities and threats exist both for individual members of

the organization as well as for the organization as a whole. It is convenient to exploit possibilities and to avoid threats by illegitimate financial means (Gottschalk, 2022).

In the organizational opportunity dimension, convenience can exist both to commit white-collar crime and to conceal crime. Offenders have high social status in privileged positions, and they have legitimate access to crime resources. Disorganized institutional deterioration causes decay, lack of oversight and guardianship cause chaos, while criminal market structures cause collapse (Gottschalk, 2022).

The personal willingness for deviant behavior focuses on offender choice and perceived innocence. The choice of crime can be because of deviant identity, rational consideration, or learning from others. Justification and neutralization cause the perceived innocence at crime. Identity, rationality, learning, justification, and neutralization all contribute to making white-collar crime action a convenient behavior for offenders (Gottschalk, 2022).

This article addresses the following research question: What determinants of understanding of white-collar crime can be identified based on propositions in convenience theory? The empirical study presented in this article links respondents' self-reported extent of understanding of the white-collar crime phenomenon to potential determinants in convenience theory.

SURVEY RESEARCH

At a branch of the Islamic Azad University in Iran, 300 students were invited to respond to an online survey. The graduate students in criminal law and criminology were in a criminology class at the university. The questionnaire had items as listed in Table 1. Only 41 students visited and provided answers to the questions, thereby representing a response rate of 14 percent. Even in answering questions related to white-collar crime, Iranian students do not

want to participate by expressing their opinions about issues that might be controversial in the local culture, national society, and regime management.

At the time of the survey, university classes were not held for political reasons since there were demonstrations (Linge, 2022). The survey administrator would expect a much higher response rate if the students could have been reminded in person in class by asking and encouraging them to answer the questionnaire. Now it had been an online survey on the Internet without any follow-up by the survey administrator while week-long protests went on in the country.

Out of 41 responding students, 7 students answered “Yes” to the question: “Have you ever completed a college level course in which white-collar, corporate, or organizational crime were the subject?” The remaining majority of 34 respondents did therefore not have any educational familiarity with the topic of white-collar crime. However, the Yes-respondents were not very different from the No-respondents as the Yes-respondents had only participated in a meeting titled “White-collar crimes and the position of Iran’s criminal law” that was held virtually by the Law Student Scientific Association affiliated with the management of cultural and social support of the university. In this virtual meeting, which was held in 2021 via the Instagram of the Law Student Association, a lawyer and a member of the university faculty presented their views.

RESEARCH RESULTS

The scale for the statements in Table 1 was assigned from completely agree (1) to completely disagree (6). The average on the scale is 3.5, which means that responses below that number indicate agreement, while responses above that number indicate disagreement. This threshold is applied in the table, where the average responses for the extent of understandability at the bottom of the table indicate that the students found it somewhat understandable that top

executives and other privileged individuals abuse their positions to commit financial crime when they have problems with their personal finances, and when the business struggles financially and faces threats such as bankruptcy. They also found it somewhat understandable that bribes are offered in corrupt countries to obtain business contracts.

Along the motive dimension of convenience theory, respondents disagreed with all propositions regarding individual and corporate possibilities as well as individual and corporate threats. Along the opportunity dimension respondents agreed with all statements regarding commitment of crime based on status and access, and regarding concealment of crime based on decay, chaos, and collapse. Along the willingness dimension of convenience theory, respondents agreed with statements regarding choice based on identity, rationality, and learning, while for innocence they only agreed regarding justification and not regarding application of neutralization techniques to get rid of guilt.

To what extent do you disagree or agree with these statements?	Agree Disagree	Score	Response
POSSIBILITIES: INDIVIDUAL 1 Chief executives and others in privileged positions can benefit from financial crime at work to achieve their personal goals	1 2 3 4 5 6	4.22	Disagree
POSSIBILITIES: CORPORATE 1 Financial crime by top executives and others in privileged positions can help organizations achieve their business goals	1 2 3 4 5 6	4.24	Disagree
THREATS: INDIVIDUAL 2 Chief executives and others in privileged positions can benefit from financial crime at work to avoid personal bankruptcy	1 2 3 4 5 6	4.63	Disagree
THREATS: CORPORATE 2 Financial crime by top executives and others in privileged positions can help organizations avoid bankruptcy	1 2 3 4 5 6	3.61	Disagree
COMMIT: STATUS Persons in top positions have the opportunity to commit financial crime at work because of their status	1 2 3 4 5 6	2.12	Agree
COMMIT: ACCESS Persons in top positions have the opportunity to	1 2 3 4 5 6	2.66	Agree

commit financial crime at work because of their access to resources			
CONCEAL: DECAY Persons in top positions have the opportunity to conceal financial crime at work where there is institutional deterioration	1 2 3 4 5 6	2.61	Agree
CONCEAL: CHAOS Persons in top positions have the opportunity to conceal financial crime at work where there is lack of oversight and control	1 2 3 4 5 6	2.12	Agree
CONCEAL: COLLAPSE Persons in top positions have the opportunity to conceal financial crime at work where the corporate environment has criminal market structures	1 2 3 4 5 6	2.71	Agree
CHOICE: IDENTITY Top executives and others in privileged positions might be willing to commit financial crime at work because they identify too strongly with the business	1 2 3 4 5 6	2.00	Agree
CHOICE: RATIONALITY Top executives and others in privileged positions might be willing to commit financial crime at work because they make a rational assessment	1 2 3 4 5 6	1.95	Agree
CHOICE: LEARNING Top executives and others in privileged positions might be willing to commit financial crime at work when they learn criminality from others	1 2 3 4 5 6	1.71	Agree
INNOCENCE: JUSTIFICATION Top executives and others in privileged positions might be willing to commit financial crime at work because they justify their actions	1 2 3 4 5 6	1.88	Agree
INNOCENCE: NEUTRALIZATION Top executives and others in privileged positions might be willing to commit financial crime at work because they get rid of guilt	1 2 3 4 5 6	3.85	Disagree
UNDERSTANDING 1 It is understandable that top executives and other privileged individuals abuse their positions to commit financial crime when they have problems with their personal finances.	1 2 3 4 5 6	2.73	Agree
UNDERSTANDING 2 It is understandable that top executives and other privileged individuals abuse their positions to commit financial crime when the business struggles financially and faces threats such as bankruptcy.	1 2 3 4 5 6	3.15	Agree
UNDERSTANDING 3 It is understandable that chief executives and	1 2 3 4 5 6	2.51	Agree

other privileged individuals abuse their positions to commit financial crime by offering bribes in corrupt countries to obtain business contracts.			
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Table 1 *Measurement instrument for convenience propositions*

Correlation analysis is applied here to identify convenience propositions that can be linked to understandability. There are fourteen propositions and three understandability statements in Table 1 where significant variability can be related in the form of correlation. We find the following statistical significance at the requirement of $p < .01$ as indicated by ** in SPSS statistics:

- UNDERSTANDING 1. It is understandable that top executives and other privileged individuals abuse their positions to commit financial crime when they have problems: *Bankruptcy, Status, Chaos, Collapse, Identity, Rationality, Learning, and Justification.*
- UNDERSTANDING 2. It is understandable that top executives and other privileged individuals abuse their positions to commit financial crime when the business struggles financially and faces threats such as bankruptcy: *Bankruptcy, Collapse, and Neutralization.*
- UNDERSTANDING 3. It is understandable that chief executives and other privileged individuals abuse their positions to commit financial crime by offering bribes in corrupt countries to obtain business contracts: *Bankruptcy, Collapse, Rationality, Learning, Justification, and Neutralization.*

Bankruptcy and collapse are the two convenience propositions that are present in all understandability perspectives. Therefore, we find that respondents who agree more to the statements that “financial crime by top executives and others in privileged positions can help organizations avoid bankruptcy” and “persons in top positions have the opportunity to conceal financial crime at work where the corporate environment has criminal market structures” also

agree more to the statements that financial crime by top executives and other privileged individuals understandable.

To predict respondents' extent of reported understandability, regression analysis is applied.

Then the following propositions are significant at the $p < .05$ level:

- UNDERSTANDING 1. It is understandable that top executives and other privileged individuals abuse their positions to commit financial crime when they have problems: *Goal and Strain that can explain 34% of the variability in understanding as the adjusted R square is .339.*
- UNDERSTANDING 2. It is understandable that top executives and other privileged individuals abuse their positions to commit financial crime when the business struggles financially and faces threats such as bankruptcy: *Rationality that can explain 38% of the variability in understanding as the adjusted R square is .375.*
- UNDERSTANDING 3. It is understandable that chief executives and other privileged individuals abuse their positions to commit financial crime by offering bribes in corrupt countries to obtain business contracts: *Goal, Decay, Rationality, and Neutralization that can explain 43% of the variability in understanding as the adjusted R square is .434.*

A combined understanding measurement was computed by calculating the average of understanding 1, 2, and 3 for each respondent. Then the following convenience propositions became significant: *Goal, Decay, Rationality, and Neutralization that can explain 56% of the variability in understanding as the adjusted R square is .556.*

FACTORS OF CORRUPTION FORMATION IN ORGANIZATION

The consequences of administrative corruption are mainly manifested in the form of problems and anomalies such as "abuse of job positions, bribery", embezzlement and creating

dissatisfaction for clients and related people in an organized group. Various researches have been carried out about the needs and income of the people in the society, especially the administrative workers, that with the passage of time and the excessive increase in inflation in recent years(Shabani et al.,2020), not only the level of income has not been able to overcome the needs of the people, but also the downward movement towards the root Material needs tell.

In general, economic crimes in organizations and offices are formed under two factors:

1) Personality factors: In an administrative organization, a good personnel structure along with a healthy office environment will prevent the destruction of the personality of people and receiving bribes, which is one of the obvious examples of violations that occur among the employees of an office with a personality disorder, and A person commits the crime of bribery based on his personal or material deficiencies.

2) Organizational administrative factors: Organizational culture is one of the best ways to recognize people, and due to its effective and strong nature, it can be effective on the behavior of the members of the office, and plays an important role in restraining the internal behavior of employees and preventing administrative corruption by them. does

Organizational culture, which has a close link with the general culture of the society, is an important factor in the formation of organizational behaviors and personal health of employees in that organization, and this culture includes customs and ethical standards and adherence to the principles, beliefs and laws that govern that priority. which, if optimized, can improve administrative health.

Although the Iranian society is a society with religious and national orientations, both of which consider administrative corruption as an ugly and reprehensible phenomenon, but nevertheless, we see that unfortunately the spread of bribery in the society has blocked the path of many social and national developments and cost It has imposed a huge burden on the

country's national funds and finally on the people, one of the most important of which is the widening of the class gap between the rich and the poor.

Perhaps one of the reasons that is understandable for students that senior managers and other privileged people abuse their position to commit financial crimes is that, considering the economic conditions that have occurred in recent years, they mean understandable, tangible. The fact that these crimes are committed by the managers of the organizations. Because corruption has become a habit and economic crimes are specialized crimes and are often committed by white-collar workers and government employees who dominate the commission of these crimes.

DISCUSSION

These results can now be compared to previous results by the authors in Norway and India as listed in Table 2. In the survey in India, a distinction was made between individuals benefitting from crime in terms of occupational crime (India-I) and organizations benefitting from crime in terms of corporate crime (India-C). Iranian and Indian students as respondents have more similar responses when compared to Norwegian students. Iranian and Indian students agree that business goals can be so important that financial crime is understandable. They also agree that decay in the form of institutional deterioration make financial crime understandable.

Convenience statements	INDIA-I	INDIA-C	NORWAY	IRAN
MOTIVE-POSSIBILITIES-INDIVIDUAL			X	
MOTIVE-POSSIBILITIES-CORPORATE	X	X		X
MOTIVE-THREATS-INDIVIDUAL			X	
MOTIVE-THREATS-CORPORATE			X	
OPPORTUNITY-COMMIT-STATUS	X			
OPPORTUNITY-COMMIT-ACCESS	X	X	X	

OPPORTUNITY-CONCEAL-DECAY	X	X		X
OPPORTUNITY-CONCEAL-CHAOS			X	
OPPORTUNITY-CONCEAL-COLLAPSE				
WILLINGNESS-CHOICE-IDENTITY			X	
WILLINGNESS-CHOICE-RATIONALITY	X		X	X
WILLINGNESS-CHOICE-LEARNING		X	X	
WILLINGNESS-INNOCENCE-JUSTIFICATION	X	X		
WILLINGNESS-INNOCENCE-NEUTRALIZATION		X		X

Table 2 Comparison of India (individual and corporate) with Norway and Iran

The extent of crime seriousness was measured by three statements. The first statement addresses the motive of solving personal economic problems by financial crime, while the second statement addresses the motive of solving corporate economic problems by financial crime, and the third was concerned with corruption. The measurement of crime seriousness occurred by application of the term understandability that reflects the extent to which white-collar crime makes sense to the respondent. Making sense implies a number of factors that influence understandability. First, the knowledge aspect is concerned with insights into law violations. Next, the sense-making implies that the respondent is able to understand the causality of crime that is an understanding of why crime is committed. The term understandable refers to the respondent's extent of agreeing that an offender might be understood, and that the offense might be explainable given the described situation of threat. Furthermore, understanding reflects comprehension, awareness, insight, and judgment. An understandable act is not necessarily acceptable or justifiable in the sense that the situation might justify wrongdoing or even make the offender entitled to such wrongdoing. Yet it can be recognizable, explainable, and even tolerable. Tolerance reflects the extent to which an act is permissive and excusable. To tolerate is to endure someone or something unpleasant or disliked.

CONCLUSION

This exploratory research on convenience propositions that can influence the extent to which people understand that top executives and other privileged individuals abuse their positions to commit financial crime, suggested a few statistically significant factors: goal achievement, organizational deterioration, rational choice, and neutralization of guilt. However, there are a number of limitations that might be addressed in future research. The term “understandable” might be interpreted differently among respondents and might thus need more explanation. The very limited sample size is a problem. Regression is fine, but the causalities have to be explained in terms of theoretical reasoning.

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