

# Does individual personality contribute to the occurrences of white collar crime? A qualitative study

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**Abstract:** This article aims to address the factors contribute to the occurrence of white collar crime in Malaysia among Royal Malaysia Police' officers who have the experience handling the cases before. This paper adopt qualitative method by applying the case study approach via semi-structured interview among five police officers form Commercial Crime Investigation Department (CCID), Royal Malaysia Police (RMP). The semi-structured interview was focus on the factors might contributed to white collar crime. The data is analysed by using computer-aided qualitative data analysis software Atlas.ti version 8. It was concluded that characteristic of the individual was one of the factors contributed to the occurrence of white collar crime. According to convenience theory, the characteristic of individual was fall into personal behaviour which was has related to behavioural aspect. There were seven characteristics included such does not know the punishment, careless, educated, ego, habit, lack of integrity and professional. The study contributed the body of knowledge in understanding the occurrences of white collar crime. This present study also might be useful for the government, policy maker and organizations in increasing their awareness towards the crime. This qualitative study provided the opinion, views, and beliefs of the participants toward the occurrence of white collar crime. Therefore, by identifying the factors that contributed to the crime might extend the area of the study in white collar crime study. Besides, the solution suggested by the participants also useful for to curb the occurrence of white collar crime.

**Keywords:** white collar crime, individual, behaviour, qualitative, cases study

## 1. Introduction

The issues on white collar crime have been growing at a rapid rate nowadays. The cases of white collar have extensively increased, and it incurred high cost. Then, it becomes unbearable costs to the organization. According to MyGee and Byington (2009), this crime has no boundaries and affects all businesses no matter what the organization's country, industry and size. Besides, white collar crime not only harm the well-heeled financial speculators, but it also affect the couple and individual citizens with few if any assets beyond modest saving accounts and the victims of white collar crime also suffer death, others serious injuries and exposed to unsafe working condition which might cause long term illness and financial loses (Moore & Mills, 1990). Moore and Mills (1990) further indicate the primary and secondary costs of white collar crime. The primary costs of white collar crime appear in term of physical, psychological and monetary suffering while secondary costs are diminished faith in a free economy and in business leaders; loss of confidence in political institutions, processes and leaders and erosion of public morality. Since the white-collar crime being so widespread, it is important for organization to become aware of the criminological and behavioural elements that be presented in offenders' actions. However, it is not easy to address the issues. More effort and enforcement are needed to curb white collar crime from occurring.

White collar crime is a crime that cannot be inevitable for businesses in all industries all over the world including Malaysia itself. According to Global Economic Crime and Fraud Survey Report (2018), 41% of all companies have faced economic crime in the last two years, up from 28% in 2016. The three common types of economic crime experienced by the organization by the last two years were conduct/misconduct (45%), asset misappropriation (41%) and bribery and corruption (35%) (Global Economic Crime and Fraud Survey Report, 2018). The other types of white collar crime in

Malaysia include misappropriation of property, breach of trust, cheating/fraud, forgery/credit/automated teller machines (ATM) card fraud, counterfeiting currency, defamation, product piracy, product counterfeiting, cyber-crime, offences of communication and multimedia industries, banking/financial fraud, loan sharking, securities fraud/listing offences/insider trading, commodities fraud, money laundering, insurance fraud, maritime fraud, offences of company, tax evasion, customs and smuggling offences, immigration and human trafficking offences, bribery and corruption, exchange control violation, consumer fraud, pollution offences and occupational offences (Lim Hong Shuan, 2005).

According to Lim Hong Shaun (2005), in 1994, there were 4,229 white collar crime cases with a total losses were estimated at RM 153.8 million. While in 2003, the white collar crime cases increase to 11,714 with total losses estimated at RM 579 million and in 2004 the white collar crime cases decreased to 9,899 cases with the amount losses up to RM 836.29 million (Lim Hong Shuan, 2005). In 2015, 19,553 of cases have been opened for investigation with 14,127 involving cheating, 2,612 cases involving breach of trust, 953 of Ah Long cases, 148 cases involving forgery and 84 cases involving misuse of property with estimated total of RM2.43 billion in 2016 with the percentage of increase up to 100% (Ilah Hafiz Aziz, 2016). From the statistics, it shows that the cases of white collar crime were incurred high cost and the cases were remain unchanged. To address these issues, Malaysian government through its agencies has taken various initiatives where the department or responsible agencies have their own responsibilities in handling the cases of white collar crime. For example, under Commercial Crime Investigation Department (CCID), Royal Malaysia Police (RMP), they were responsible in handling cases such as:

- offences under the Penal Code such as criminal breach of trust, criminal misappropriation of property, cheating and forgery (include ATM/credit card fraud), false accounting, counterfeiting currency and criminal defamation;
- cybercrime under the Computer Crime Act 1997 such as hacking, e-mail fraud, Internet fraud, ATM/credit card fraud;
- product piracy under the Copyright Act 1997 and Optical Disc Act 2001 such as pirated VCD/DVD and computer software;
- money laundering under the Money Laundering Act 2001; and
- loan sharking under the Money Lenders Act 1951 (Amendments 2003)

It was believed that they also taken any other actions and precaution in handling the cases of white collar crime, but the cases remain, and it is questionable. Therefore, by conducting this study, it shows that one of the factors that contributed to white collar crime was characteristic of the individual. Meaning to say that the individuals themselves who have certain characteristics or behaviour that inclined them to involve in such crime. In the part of past studies, scholars have conducted many studies on the occurrence of white collar crimes. It was also found that the factor likes individual was found to be related to white collar crime. Hence, this study is conducted to extend previous studies on white collar crime by investigating the factors contributes to the occurrence white collar crime.

## 2. Literature review

As far as study concern, the occurrence of white collar crime might come from various factors. In this study, one of the factors being pointed out was personal characteristic which were characteristic of individual themselves. Previous study also discussed many factors related to white collar crime. Among individual factor being tested by previous scholar such Big Five model to assess personality traits of individuals who engage in tax evasion by Lesha and Lesha (2012) and Alalehto (2003). Alalehto (2003) used the qualitative method in which the individuals were interviewed and asked questions about their co-workers from five different regions in Sweden. Based on the interview, he found that individuals who high on extroversion, disagreeableness, or neuroticism were likely to engage in white collar crime. Besides, Alalehto (2003) suggest there are three types of white collar crime offenders which include positive extrovert, who is driven into economic crime by his manipulative and egocentric characteristics and desire for control; the disagreeable business man who act on suspicion and envy and uses deceitful tactics; the neurotic, characterized by high level of anxiety, low self-esteem, anger and hostility which making them susceptible to persuasion, and engage in this crime. Lesha and Lesha (2012) also supported that businesspeople with extrovert personality may take risk to achieve higher rate of success status and they may push themselves to engage in criminal behavior if need to fulfill a desire even it is risky behavior. Accordingly, these authors regard that an individual who involve in white collar crime was a person who have extrovert personality where they have high confident, ego, deceitful are mostly likely to involve in such crime.

Study by Blicke, Schlegel, Fassbender and Klein (2006) among 150 managers in German organizations and 76 white collar criminals from 14 correctional institutions in four German states who had convicted of high level of white collar crime shows that business white collar crime is predicted by gender (male higher than female), low-behavioral self-control, high hedonism, high narcissism and high conscientiousness (Blicke et al., 2006). Based on the results, authors concluded that high-ranking white-collar crime in business combine low integrity with high conscientiousness.

Combination of low integrity and high conscientiousness direct the individual to commit the crime in the organization because, this individual have low self-control and feel that they will do anything illegally as long as they achieved their personal gain. With high conscientiousness, they will find out the way to commit white collar crime by abusing their power and trust. Reiss and Biderman (1980) indicated that white collar crime involves of law violation that attached and involve the use of a violator's position of significant power, influence or trust in the legitimate economic or political institutional order for illegal gain, or to commit an illegal act for personal or organizational gain.

To support the study, a convenience theory which illustrated by three dimension such economic dimension, organizational dimension, behavioral dimension. According to Gottschalk (2017c, 2019), the theory of convenience is appropriate to explain the phenomenon of white collar crime in term of personal benefit which is occupational crime and organizational benefit which is corporate crime. Both crimes are occurred in the organization where the offenders have the financial motive behind it.

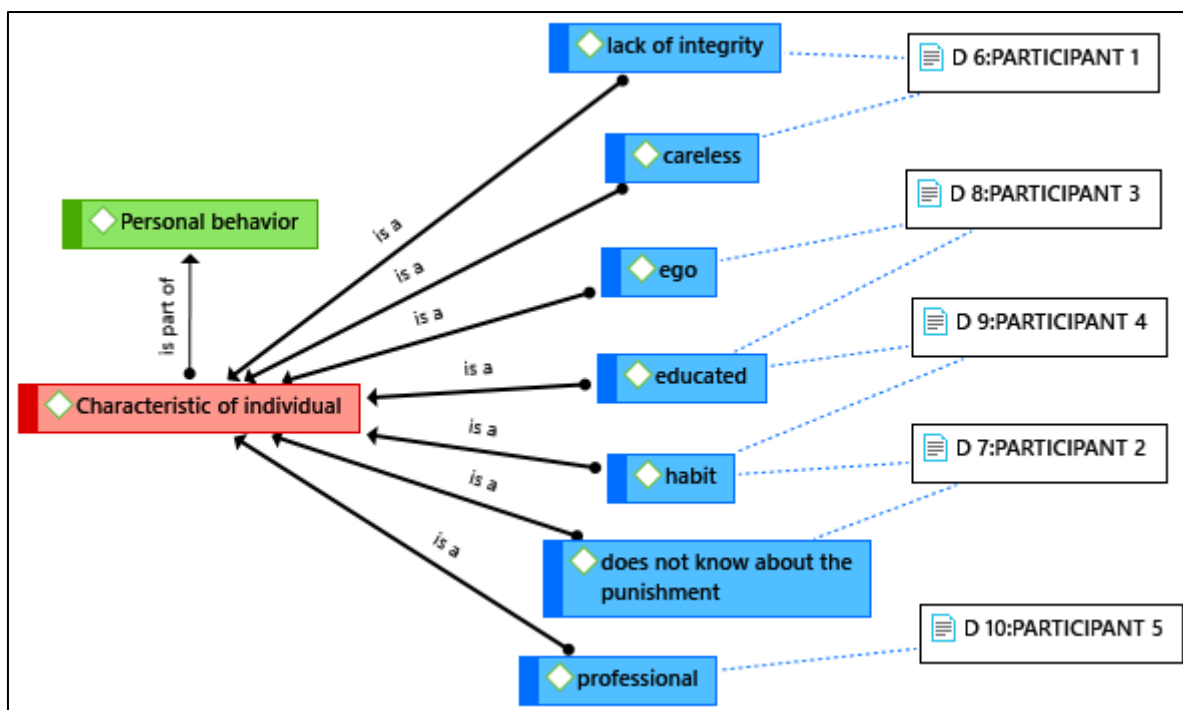
### **3. Methodology**

To explore the occurrences of white collar crime, a qualitative method implemented and adopting a case study design as to allow the researchers to understand how people describe and view on concepts, explain the issues from macro to micro scope and help researchers to differentiate between the social world and their own life experience or respondents' experience on the issues, help to understand apparently illogical behavior and help to explain apparent discrepancies from various views. A semi-structured interview was used as an instrument and to this study which involved five officers from Commercial Crime Investigation Department (CCID), Royal Malaysia Police (RMP) to share their experience and perception towards the occurrence of white collar crime. The participants selected are from those who have experience in handling white collar crime cases and most of them have more than 5 years' experience.

In order to use this approach, a suggestion to undergo the process of data analysis from Cresswell (2009) have been followed such the audio recorded from the interview session have been transcribed and organize for the next step; the researcher read through interview transcript and sort the information following the interview protocol; the coding process done by using Atlas.ti 8 software to come out with themes and categories; the themes, description and categories were drawn and discuss in the result and discussion are discuss in the data analysis section. After all the process end, the network diagram generated from the software will be presented as to show theme and sub-themes and will be discussed in results section.

### **4. Findings**

For this research, five participants were interviewed who were officers from Commercial Crime Investigation Department (CCID), Royal Malaysia Police (RMP) which have the experience in handling white collar crime cases. The participants involve were three males and two females with the age between 36 to 41 years old. Most of them have more than 10 years' experience in the organization. Besides, four from five participants have more than 5 years' experience in handling white collar crime and only one of them have 6 month experience because had just been transferred from other departments. During the interview, participants were asked about the factors that involve in white collar crime and reasons why an individual involve in this crime. As shown in Figure 1, the theme developed as personal characteristic and sub-theme as the characteristic of individual was generated from the respond of the participants during the interview session. The characteristic of individual consists of careless, lack of integrity, ego, does not know about the punishment, educated, habit and professional as shown in figure 1.1. The discussion on each characteristic discussed as follow.



**Figure 1.1 Characteristics of individual**

During the interview session, participants were asked about their opinion on what factor involve in white collar crime cases. They were asked about their opinion and views on what kind of individual involve in white collar crime, their characteristics and reason behind their involvement in white collar crime.

One of the characteristics mentioned by participant was careless as it inclined an individual to commit in whit collar crime. When the researcher asked the opinion of the what type of individual who involve in white collar crime, participant one, a female pointed as “...careless.. all the thing also contributed...”. Besides careless, participant two, a male, believed that the person or individual who involve in this crime likely not know about the punishment or penalties that they have to faced. He said as “..but maybe normal people like not all person will know that.. ya I will get fine.. maybe cannot imagine how bad the sentence is.. maybe those facts will affect the person to commit white collar crime...”.

Another characteristic stated by participant three and four was educated. They believed that the person have the knowledge and information on what he/she doing as participant three, a male said that “...you have the knowledge of IT, and you have the PR you got to know how to speak..”, while participant four, a male noted as “...the perpetrators are indeed educated...” and he also added “...most of those who commit this crime .. educated people .. smart .. mastermind .. wise people...”. Next, out of five participant, participant three, a male noted that ego was one of the characteristic of individual involve in white collar crime when he said “...you combine to your self.. you doesn’t know.. don’t ask around.. that’s mean ego..”.

The presentation of the result continue when participant two and four have the similar believed that an individual who likely to involve in white collar crime cases has made it as one of their habit. That was the behavior that keep by someone like those participants claimed as by participant two, a male “...they keep doing fraud, it’s a habit.. its becomes their job.. is their job to cheat people.. these one case, these type of people as many case against them, and their way of cheating right, signature...” and participant four noted as “...maybe he/she did that, he/she got more income, so it became a habit .. there are also things like that...”.

Integrity was one of the moral priciple that everyone should have. However, if the individual lack of the integrity, it may influence them to involve in such crime. Participant one, a female argued that “...no integrity..” as one of the characteristic of individual involved with white collar crime. Besides, professional also one of the characteristic of individual that involved in white collar crime as admit by participant one and five. Participant one, a female asserted “...sometimes that person, is like a professional .. sometimes a lawyer, the directors of any company .. sometimes there is an accountant ...”, while participant five, a female said as “...the pressure of life is not so...not to say insufficient...because he is a professional ..”.

#### 4. Discussion and conclusion

The results of the study provide meaningful understanding on the factors contributed to white collar crime in term of personal characteristic. Researchers have found several characteristics of individual that involve in white collar crime as indicated in previous section such careless, lack of integrity, ego, does not know about the punishment, educated, habit and professional. Most of the participants have their own experience, views and opinion toward the occurrences of white collar crime. The results presented might differ from previous studies on individual factor and white collar crime as conducted by Lesha and Lesha (2012); Alehlato (2003) and Blickle et al., (2006) but still focusing on individual characteristics. The convenience theory which is the conceptual model of crime occurrence that can help to explain the result of this study. This theory was useful to explain the behaviour of the individuals who involve in this crime.

In conclusion, the issues of white collar crime were the important matter that need to be highlight among the individuals either inside or outside the organization. Everyone should play the role in combating this crime. By identifying the factors that contribute to the occurrence of white collar crime will help the government, policy maker and organizations to plan and take the initiative in combating this crime. Characteristic of individual that being discussed in this study play a significant role in identifying the individuals that have the potential involve in this crime. Finally, as an individual, we should avoid the manners that might hinder their performance themselves and the organization cause white collar crime might bring huge impact if it is still practiced and remain.

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