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Know-how for tomorrow

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Part 1

What We Can Learn from Black Sheep

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If only there were a simple way of knowing whether or not a person will behave correctly! A foolproof checklist for candidates, for example, with key questions on trust and integrity. So that when you evaluate the answers, you determine a personality type that conforms to the rules – or not, as the case may be. A personality type that remains fixed in all future situations and phases of life. Sadly, however, such a method does not exist. Nonetheless, certain measures can provide effective protection against misconduct.



Honesty, trust and integrity. That's what employers expect from their employees. Not too much to ask, really, is it? (Image: 123RF)

Every day, Swiss companies suffer damage from cyber criminals, blackmailers, manipulators, industrial spies, fraudsters and many other miscreants. In the course of my work, the type of offenders with whom I most frequently deal are persons who have embezzled or misappropriated assets, or unlawfully “fleece” the companies they work for in some other way.

Around half of these offenders joined forces with others in their crimes. In cases of corruption, this percentage is higher. Financial crimes are less common, but the damage they cause can quickly reach exorbitant levels.

Recognising causes in order to fight back

It goes without saying that recognising specific triggers and causes of misconduct is imperative in order to implement effective control mechanisms. Because in the event of a crisis, knowing which type of offender you are dealing with will enable you to spot the clues, assess risks and protect yourself in a targeted manner. Recognising patterns will enable you to interpret anomalies correctly – before the damage is irreversible. An experienced fisherman once said: “If you want to catch fish, you have to understand as much as possible about the type of fish in question. The more you know, the greater your chance of success.”

Why is it that organisations behave correctly in some areas, and wrongly in others – despite the same workforce? Why do some institutions persist in breaking certain rules, even when the workforce has been replaced entirely? Edwin H. Sutherland, one of the 20th century’s foremost criminologists for white-collar crime, asked himself similar questions.

Naturally, there’s nothing wrong with conducting standard checks on job applicants to ensure their certificates are genuine, they don’t have a criminal record and to view their social media activities. But the efficacy of such controls is limited.

In a long-term study which began in 1996 and continued up to this year, the Association of Certified Fraud Examiners – the world’s largest organisation for fighting economic crime – discovered that 95% of all convicted fraudsters had no previous history of convictions for professional misconduct. So if you examine their criminal records, you’ll be highly likely to find a clean sheet.

White-collar criminals are generally well integrated

In roughly two thirds of all the cases I have examined in the last years, I have repeatedly heard the same claim: “I found him/her to be a person of integrity. Of all people, they were the one I would have considered least likely to commit such a crime.” Research also strongly indicates that typical white-collar criminals are actually more conscientious than exemplary managers – their level of diligence, organisation and discipline are higher than average, and they follow a detailed plan in all they do. In short, they are better able to translate their visions into action.

White-collar criminals have a deep thirst for social acceptance; they are more socially desirable than their peers, and they have a higher level of manipulative intelligence.¹ Their limited ability to control their impulses goes hand in hand with a pronounced risk affinity. Research shows that people with higher Machiavellian intelligence are more likely to be chosen as leaders.² In addition, most of these people have contributed largely to the success of the companies they work for. The “Dark Triad”³ is a key word here.

White-collar criminals are extremely cunning

So the question for HR professionals is: to what extent does our own particular business model call for socially desirable, conscientious narcissists with a high risk affinity? Particularly when the persons in question also display above-average psychologically manipulative intelligence? When I conduct in-house training courses, people are often surprised to hear that filtering out such characters is actually disadvantageous for most job positions. Recent studies corroborate this fact. In any case, a selection procedure of this nature would be morally questionable – and possibly also violate data protection laws. And at the very least, it would be a Sisyphean task.

Because typical white-collar criminals are particularly skilled at seeing through established testing methods. Even without knowing the specific diagnostic questions, offenders intuitively know what to reply. So even experienced forensic psychologists find it challenging to make a precise diagnosis.

Prevention and raising awareness

It would be foolhardy and irresponsible to claim that assessments and integrity tests can reliably evaluate the future probability of white-collar crime. Genetic tests are equally futile. Forensic experts and scientists agree that basically every human being is capable of breaking the rules.⁴

Finding preventative measures, therefore, is a question of finding the causes and triggers of misconduct. In order to develop effective defence mechanisms, we should learn as many lessons as possible from past cases. These will lay the groundwork for understanding triggers and the people who fail to conform. Not only will this make prevention easier, but it will also help to raise more awareness and facilitate investigations.

List of sources:

- ¹ Journal-Paper: Blickle et al.
- ² Journal-Paper: Murphy
- ³ Journal-Paper: Delroy L. Paulhus & Kevin M. Williams
- ⁴ Journal-Paper: Levi & Schuchter; Furnham, A., Hyde, G. & Trickey, G. (2013). *Do your Dark Side Traits Fit? Dysfunctional Personalities in Different Work Sectors. Applied Psychology. Advance online publication*; Ones, D. & Viswesvaran, C. (2001). *Integrity Tests and Other Criterion-Focused Occupational Personality Scales (COPS) Used in Personnel Selection. International Journal of Selection and Assessment, 9 (1/2), 31-39*; Berry, C. M., Sackett, R. R. & Wiemann, S. (2007). *A Review of Recent Developments in Integrity Test Research. Personnel Psychology, 60, 271-301*; Ones, D., Viswesvaran, C. & Schmidt, F. L. (2003). *Personality and Absenteeism: A Meta-Analysis of Integrity Tests. European Journal of Personality, 17, 19-38*



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