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# Dr. Alexander Stein: The Psychology of Integrity and Corruption | The FCPA Blog

*Dr. Alexander Stein*

8–9 minutes

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A recent FCPA Blog [post](#) written by [Bart Soenens](#), a tenured academic researcher at the University of Gent in the Netherlands and [Jeroen Michels](#), a policy analyst at the Organisation for Economic Co-operation and Development in Paris, posed the question “what exactly is the nature of human morality?” They also asked “are we hardwired for corruption or for integrity?”

As a practical matter and in the rush to thwart or respond to some crisis or malicious incident, these and other related considerations are usually overlooked. It’s a fair generalization to say that most compliance and anti-corruption professionals probably don’t devote much of their work day to actively linking the psychological development of babies and the infantile roots of morality and ethics to policy and enforcement measures.

But the psychological drivers, archaic origins, and psycho-social underpinnings of ethics and moral conduct are crucially relevant. They infuse virtually every facet of human affairs and, however imperceptibly, inform the work of legal, compliance, and anti-

corruption professionals, as well as, practice leaders in counter-fraud, insider threat risk management, cybersecurity, law enforcement, the judiciary, corporate governance, and social policy. In addition and however provocative this may sound to many, all of this also pertains equally to fraudsters, malicious insiders, hackers, con-men, grifters, cheaters, liars, and the rogues gallery of other corrupt individuals and bad actors.

No one person or group has a monopoly on morality or virtuousness. Indeed, much of human history is a catalogue of conflicts, often expressed with horrifyingly unconscionable amorality, over whose system of ethics or code of behavior is more right. The reasons people manufacture to condone and rationalize their own attitudes and behaviors or to condemn others' are nearly limitless.

Whether considering integrity or corruption, people are the central element; yet the complexities of the psychological dimensions are serially marginalized, over-simplified, and underestimated. That is as clear a statement as I can make of the nodal problem. It is in itself as pernicious and intractable as the problems of venality, malice, avarice, corruption, fraud and, perhaps worst of all, indifference. No investments or expenditures of money, time, effort, and expertise will lead to successful solutions unless and until psychologically sophisticated and accurate accountings of the stakeholders and situations are brought to bear. To continue otherwise is, by analogy, like contemporary epidemiologists hoping to cure a virulent contagion yet ignoring available technology and understanding of microscopy and immunobiology and approaching the problem as if trapped in the 18th Century.

For those working at the front line against corruption, injustice, and

wrong-doing, it's important to understand that, while every culture (indeed, every family) has established definitions and practices governing morals and ethics shaped by philosophy, theology, and social conventions, there is no unified theory of the psychology of morality. There are many, myself included, who strongly disagree with evolutionary research psychologists who suggest that people are born with some in-built genetic driver for prosocial fairness or share an intrinsic, perinatal moral intuition. In my professional view, 'hard-wiring' is anathema to psychology, a branch of science uniquely qualified to decode mental ideation—for example, the acquisitive frenzy propelled by an internally generated fantasy need for more in order to feel or avoid feeling something else — as distinct from biological instinct — an unequivocal autonomous imperative of needing more and having enough in order to survive.

People are equally capable of corruption *and* integrity. Not one or the other. Malfeasance and dishonesty are neither the simple opposites of integrity and morality nor are they necessarily behavioral indicators of asocial pathology, characterological deformity, or moral failing. Human psychology is not binary or polar; a core aspect of mental functioning involves the management — or as is often the case, mismanagement — of multiple concurrent contradictory, conflictual, and incompatible thoughts, feelings, and impulses.

My definition of ethics is the capacity to exercise restraint irrespective of one's capacity to act. Over-valuation of the psychological origins of any individual's ethics misunderstands (or willfully subordinates) how malfeasance typically occurs in organizations. In my experience helping corporate leaders defend

against, navigate through, or recover from cases of fraud or other white-collar incidents, and forecast and mitigate malfeasance risks, one of my first orders of business is, invariably, to assess the complex matrix of dynamic human factors which unwittingly abetted or facilitated the event. Rare is the situation in which one malicious actor operating completely alone — a true lone wolf — will successfully defeat corporate culture, governance, compliance, ethics, and malicious incident defense policies and protocols. Bad actors' wily opportunism includes recognizing and exploiting situational blind-spots and vulnerabilities. Unintentional collaboration or collusion by both passive and active facilitators within the organizational system, irrespective of anyone's ethics and integrity, is a characteristic signature of all corporate malfeasance.

Behavior that violates established ethical principles and practices needs first to be understood as a symptom—an outburst which encodes both obvious intentionality *and* obscure, potentially disguised, motivational origins. To see amorality or unethical action only as actually relating to morals and ethics is to misunderstand the fractal nature of psychological distortion and displacement. In addition, nothing burns righteous moral outrage hotter than the injustice done to those fixated on honor and fairness. The truer determinant of authentic integrity is not a valorization of fairness and empathy but the ability to modulate and emotionally process lacerating disappointment, inequity, and other traumatic disturbances without succumbing to indignation or vengeance.

Attention must be paid when any individual, perhaps especially but not exclusively a person of influence, responsibility, and reputational and economic power, acts in malicious self-interest,

however self-justified, with apparent disregard or indifference to broader ramifications. These might be the generating elements for the commission of a fraud, corrupt act, or to willfully harm.

Everyone is fallible and entitled to their human responses; wealth and power are certainly no inoculation against being furious, cruel, or self-serving. But leaders have special responsibilities to understand themselves so as to recognize and exercise options which encompass and align with both their humanity and their position in the world.

From a pragmatic perspective, compliance, risk management, and other affiliated professionals will be measurably better equipped to deter or resolve ethical lapses through deeper, more sophisticated awareness and understanding of the multidimensional psychodynamic forces and potential vulnerabilities at play in the organization, not by proposing policies and programs intended to reinforce or incentivize individual moral inclinations.

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*Dr Alexander Stein is the founder of [Dolus Advisors](#), a NY-based consultancy that employs expertise in human risk forecasting — actionable insight in human behavior and its drivers — and the psychodynamics of fraud, corporate ethics, compliance, and organizational culture to help companies proactively mitigate and defend against white-collar and cyber malfeasance risks.*