

An Analysis of the Application of Criminological Theories in Managerial Decision-making: The Case of Uber

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Abstract: This paper uses Uber as a case study to explore the application of criminological theories in managerial decision-making. In recent years, the intersection of business operations and criminal behavior has garnered significant attention, particularly in emerging technology-driven industries like ride-sharing. This study delves into the theoretical frameworks offered by criminology to understand and analyze managerial decisions within Uber, a company known for its disruptive business model and occasional legal controversies. By examining the application of criminological principles such as rational choice theory, strain theory, and social control theory, this research aims to shed light on how these theories can inform managerial decision-making processes. Through a comprehensive analysis of Uber's practices, policies, and responses to various challenges, this study provides insights into the effectiveness of criminological perspectives in guiding decision-making practices within contemporary organizations.

Keywords: Criminological theories, Uber, Management decision-making

1. Introduction

As a crucial component of enterprise operations, management decision-making plays a key role in shaping the direction of enterprise development, resource allocation, and problem-solving. Effective management decision-making enhances enterprises' performance and competitiveness and promotes innovation and sustainable development [1]. However, the management decision-making process is often accompanied by a variety of potential risks, such as decision-making bias due to insufficient information and legal and ethical issues, which may negatively impact the enterprise and even lead to irreversible losses.

Applying criminological theories in managerial decision-making has important background and research implications [2]. Firstly, with the increasing complexity and globalization of the business environment, firms face more internal and external threats, such as fraud, corruption, and insider theft. Criminological theories provide an in-depth understanding of these issues, including knowledge of criminal motives, behavioral patterns, and preventive control measures. Secondly, managerial decisions need to consider various potential risks, and criminological theories provide a new perspective to assess and manage these risks, thus helping organizations develop more effective decision-making and risk-management strategies. Therefore, studying the application of criminological theories in management decision-making helps to strengthen enterprises' ability to prevent internal and external threats and improve their governance and competitiveness.

This paper conducts a methodical exploration of how criminological theories can be applied to managerial decision-making within the context of Uber, a leading entity in the ride-sharing sector faced with unique operational challenges and legal complexities. Utilizing a qualitative research methodology, this study analyzes publicly available data, including case studies, legal documents, and corporate communications, to assess the relevance and applicability of key criminological theories—namely rational choice theory, strain theory, and social control theory—in shaping the strategic decisions made by Uber's management. The findings reveal that these criminological frameworks not only offer valuable insights into understanding the underlying motives behind corporate behaviors and decisions but also provide a structured approach to mitigating risks associated with legal and ethical misconduct. Furthermore, this research highlights the potential for criminological theories to enhance corporate governance and ethical standards, thereby suggesting a paradigm shift in how organizations can approach decision-making in an era dominated by rapid technological advancements and societal expectations. The implications of this study extend beyond the ride-sharing industry, offering a lens through which the application of criminological theories can be considered in the broader context of corporate decision-making and governance.

2. Basic Concepts and Development of Criminological Theories

2.1. Developments in Criminology

Criminological theories aim to understand criminal behavior's causes, dynamics, and patterns. These theories have evolved and been influenced by various disciplines such as sociology, psychology, and biology. The development of criminological theories can be traced back to the late 18th and early 19th centuries with the works of classical theorists such as Cesare Beccaria and Jeremy Bentham, who emphasized the rationality of human behavior and the importance of deterrence in crime prevention [3].

In the early 20th century, we witnessed the rise of positivist criminology, which focused on the biological, psychological, and social factors contributing to criminal behavior. Scholars like Cesare Lombroso and Enrico Ferri proposed theories suggesting that criminality is determined by biological or psychological traits [4].

In the mid-20th century, sociological theories gained prominence, emphasizing the role of social structures, institutions, and processes in shaping criminal behavior. The Chicago School of Sociology, led by theorists such as Robert Park and Ernest Burgess, introduced concepts like social disorganization and differential association, highlighting the influence of social environments on crime [5].

Contemporary criminological theories continue to evolve, incorporating interdisciplinary perspectives and addressing emerging issues such as white-collar crime, cybercrime, and terrorism. These theories provide valuable frameworks for understanding and addressing various forms of criminal behavior in modern society.

2.2. Introduction to Major Criminological Theories

Rational Choice Theory: Rational choice theory posits that individuals engage in criminal behavior after weighing their actions' potential benefits and costs. According to this perspective, individuals are rational actors who seek to maximize their utility, and they choose to commit crimes when they perceive the benefits to outweigh the risks or costs [6].

Social Control Theory: Social control theory suggests that individuals are inherently prone to deviance, but social bonds, attachments, and commitments regulate their behavior. Developed by theorists such as Travis Hirschi, social control theory emphasizes the importance of socialization, relationships, and institutional constraints in preventing criminal behavior [7].

Strain Theory: Strain theory posits that individuals may turn to crime as a result of experiencing strain or pressure caused by the disjunction between societal goals and the means available to achieve them. Scholars like Robert Merton argue that when individuals cannot attain culturally prescribed goals through legitimate means, they may resort to illegitimate avenues such as crime [8].

These theories offer distinct perspectives on the causes and mechanisms of criminal behavior, providing valuable insights for understanding and addressing crime in society. Through empirical research and theoretical refinement, criminologists continue to explore and develop these frameworks to combat crime and promote social justice effectively.

3. Risk analysis in management decision-making

In managerial decision-making, conducting a comprehensive risk analysis is paramount to organizational success and sustainability. This section delves into the various risks and challenges that decision-makers may encounter, such as fraud, internal theft, and information leakage. Drawing upon scholarly research, we elucidate how these risks can significantly impact organizational security and efficiency.

Firstly, fraud represents a pervasive risk within organizational contexts, characterized by deceptive practices aimed at personal gain or to the organization's detriment. Research by Albrecht, et al. [9] highlights that fraud schemes often involve manipulating financial records, misrepresenting assets, or corruption among personnel. Such fraudulent activities lead to financial losses, tarnish the organization's reputation, and erode trust among stakeholders.

Secondly, internal theft poses a substantial risk to organizational integrity and profitability. Studies by Cornish and Clarke [6] underscore the prevalence of employee theft across various industries, ranging from petty theft of office supplies to more sophisticated embezzlement schemes. Internal theft results in direct financial losses and engenders a toxic work environment characterized by suspicion and mistrust among employees.

Furthermore, information leakage represents a significant risk in the digital age, particularly concerning sensitive data and intellectual property. Research by Greenberg [10] emphasizes the increasing frequency of data breaches and insider threats, whereby unauthorized access to confidential information can lead to financial losses, legal ramifications, and reputational damage. Moreover, the proliferation of cyber-attacks underscores the critical importance of safeguarding organizational data through robust cybersecurity measures and employee training initiatives.

In summary, the risks associated with fraud, internal theft, and information leakage can profoundly impact an organization's security and efficiency. By recognizing and mitigating these risks, decision-makers can proactively safeguard organizational assets, foster a culture of transparency and accountability, and enhance overall operational resilience in an increasingly complex business landscape.

4. Application of criminological theories to managerial decision-making

In contemporary organizational management, applying criminological theories has gained traction in understanding and addressing various forms of misconduct and unethical behavior. This paper examines the utilization of criminological theories in managerial decision-making processes, focusing on three key theoretical frameworks: Rational Choice Theory, Social Control Theory, and Strain Theory. By analyzing these theories, this paper aims to provide insights into how they can be effectively employed to prevent and mitigate improper conduct in managerial decision-making contexts. Additionally, this study explores strategies for optimizing organizational culture, enhancing employee accountability and belongingness, and mitigating the impact of management pressure on decision-making errors, drawing upon concepts from criminological theories.

Rational Choice Theory: Rational Choice Theory posits that individuals make decisions based on a rational assessment of costs and benefits. In managerial decision-making, this theory suggests that understanding the incentives and disincentives associated with certain behaviors can help prevent and reduce misconduct. By aligning organizational incentives with ethical behavior and implementing effective deterrents for unethical conduct, managers can create an environment conducive to responsible decision-making [6]. For instance, offering rewards for ethical behavior and imposing disciplinary measures for misconduct can influence employees' decision-making calculus, discouraging unethical actions.

Social Control Theory: Social Control Theory emphasizes the role of social bonds and norms in regulating individual behavior. Fostering a robust organizational culture characterized by shared values, standards, and expectations can enhance employees' sense of responsibility and belongingness, reducing the likelihood of misconduct [7]. By promoting open communication, transparency, and accountability, organizations can cultivate a supportive environment that reinforces ethical conduct and discourages deviant behavior [11]. Moreover, establishing peer monitoring and feedback mechanisms can further strengthen social control mechanisms, as employees are more likely to conform to group norms in the presence of social scrutiny [12].

Strain Theory: Strain Theory posits that individuals may engage in deviant behavior in response to perceived strain or stressors. In managerial decision-making, high levels of management pressure or job-related stress can impair cognitive functioning and judgment, increasing the likelihood of decision-making errors and unethical behavior [13]. To mitigate the adverse effects of strain on decision-making, organizations can implement strategies to reduce job-related stressors, provide adequate resources and support for employees, and promote work-life balance [8]. Additionally, fostering a culture of psychological safety, where employees feel comfortable expressing concerns and seeking assistance, can help alleviate the negative impact of strain on decision-making [14].

In conclusion, applying criminological theories offers valuable insights and strategies for enhancing managerial decision-making processes and preventing organizational misconduct. By leveraging Rational Choice Theory to align incentives with ethical behaviors, Social Control Theory to optimize organizational culture, and Strain Theory to mitigate the impact of management pressure, organizations can foster environments conducive to responsible decision-making and ethical conduct. Moving forward, further research and empirical studies are needed to explore the effectiveness of implementing criminological principles in real-world organizational settings and to identify additional strategies for promoting ethical behavior among employees.

5. Case analysis

2017 Uber faced global scrutiny over allegations of widespread illegal surveillance and privacy infringements. Reports revealed Uber's use of a tool called "Greyball" within its application, designed to deceive regulatory authorities and law enforcement officials by monitoring their activities. Furthermore, Uber was accused of violating user privacy policies by tracking their location information without explicit consent.

This case serves as a compelling example to analyze the application and effectiveness of criminological theories in real-world managerial decision-making. By examining the events surrounding Uber's unethical practices through the lens of criminological theories, we can gain insights into the underlying motivations, decision-making processes, and potential ramifications.

One relevant criminological theory applicable to this case is rational choice theory. Rational choice theory posits that individuals weigh the costs and benefits of their actions before making decisions. Uber's decision to implement Greyball reflects a calculated choice to evade regulatory scrutiny and gain a competitive edge. By understanding the rational calculations behind such decisions, managers can anticipate and address similar ethical dilemmas in their organizations.

Additionally, strain theory offers insights into the societal pressures and constraints that may drive individuals or organizations towards deviant behavior. In the case of Uber, intense competition within the ride-sharing industry and regulatory challenges may have created strains, leading the company to resort to unethical practices in pursuit of success. By recognizing these external pressures, managers can implement strategies to mitigate strain and foster a more ethical organizational culture.

Moreover, social control theory suggests that individuals conform to societal norms due to social bonds, relationships, and institutions. However, in Uber's case, the company's disregard for user privacy and regulatory compliance indicates a breakdown in social controls. Managers must prioritize building strong internal controls and fostering ethical leadership to prevent similar lapses in organizational conduct.

Furthermore, the case underscores the importance of ethical decision-making frameworks within organizations. By integrating criminological perspectives into managerial practices, companies can develop comprehensive risk management strategies and uphold ethical standards. This proactive approach mitigates legal and reputational risks, cultivates trust among stakeholders, and enhances long-term sustainability.

In conclusion, the Uber case provides valuable insights into the application of criminological theories in managerial decision-making. By analyzing the motivations, behaviors, and consequences within the context of criminological frameworks, organizations can navigate complex ethical challenges, uphold integrity, and foster a culture of compliance and responsibility.

6. Strengths and Limitations of Criminological Theories in Business Management and Development

Using criminological theories in managerial decision-making offers a multifaceted perspective for understanding and addressing complex organizational challenges. This analysis examines the advantages and limitations of applying criminological theories in managerial decision-making, using the case study of Uber, a prominent player in the ride-sharing industry. By exploring the interplay between criminological principles and managerial practices within Uber, this study aims to provide insights into the efficacy and potential pitfalls of integrating criminological perspectives into organizational decision-making processes.

6.1. Advantages

Understanding Deviant Behavior: Criminological theories provide valuable frameworks for understanding deviant behavior within organizations, such as fraud, misconduct, and unethical practices [15]. For instance, rational choice theory elucidates how individuals may engage in criminal behavior within the organizational context based on cost-benefit analyses. Applying this theory to Uber's case may help elucidate the motivations behind driver misconduct or fraudulent activities.

Risk Assessment and Prevention: Criminological theories offer tools for assessing and mitigating organizational risks. Strain theory, for example, helps identify sources of strain within the organizational environment that may predispose individuals to engage in deviant behavior [13]. By recognizing these strains, organizations like Uber can implement targeted interventions to alleviate stressors and prevent potential misconduct among employees and stakeholders.

Enhanced Decision-Making: Incorporating criminological perspectives can improve decision-making processes by providing a broader understanding of organizational dynamics and vulnerabilities. Social control theory, which examines the mechanisms that regulate individual behavior within society [7], can inform strategies for fostering a culture of compliance and ethical conduct within Uber's organizational structure.

6.2. Limitations

Complexity of Organizational Context: Criminological theories may oversimplify the intricate dynamics of organizational behavior and decision-making processes. Organizations like Uber operate within multifaceted environments influenced by diverse factors, including market forces, technological advancements, and regulatory frameworks. Criminological theories, while insightful, may not fully capture the complexity of these contexts.

Ethical Considerations: Applying criminological theories in managerial decision-making raises ethical concerns regarding privacy, surveillance, and individual rights. For instance, while rational choice theory may offer insights into employee misconduct, its implementation may necessitate intrusive monitoring mechanisms that compromise employee privacy and autonomy. Balancing the benefits of utilizing criminological theories with ethical considerations is paramount.

6.3. Future Research Directions

Integrated Frameworks: Future research should explore integrated frameworks combining criminological theories with other disciplines, such as organizational psychology and sociology, to comprehensively understand managerial decision-making processes.

Cross-Industry Comparative Studies: Comparative studies across diverse industries can elucidate the applicability of criminological theories in different organizational contexts, thereby enhancing theoretical generalizability and practical relevance.

Longitudinal Analyses: Longitudinal studies examining the long-term impact of criminological interventions on organizational culture, employee behavior, and performance outcomes can provide valuable insights into the sustained efficacy of criminological approaches in managerial decision-making.

While applying criminological theories in managerial decision-making offers valuable insights into organizational behavior and risk management, it is essential to acknowledge the inherent complexities and ethical considerations involved. Organizations like Uber can leverage criminological theories to inform more effective and ethically sound decision-making practices by addressing these challenges and embracing interdisciplinary perspectives.

7. Conclusion

Applying criminological theories in managerial decision-making offers substantial value and practical significance for contemporary organizations. By integrating insights from criminology into managerial practices, businesses can gain a deeper understanding of human behavior, motivations, and decision-making processes within organizational contexts. This understanding enables organizations to develop more effective risk assessment, prevention, and control strategies, ultimately enhancing their operational efficiency and sustainability.

Criminological theories, such as rational choice and strain theories, provide valuable frameworks for analyzing managerial decision-making. Rational choice theory, for example, emphasizes the role of cost-benefit analysis in decision-making processes (Benson & Simpson, 2009). In managerial decision-making at companies like Uber, this theory can help elucidate the rationale behind certain strategic choices, such as pricing strategies or driver incentives. Organizations can develop more targeted and informed strategies to achieve their objectives by understanding the incentives and constraints decision-makers face.

Similarly, strain theory offers insights into how external pressures and conflicts may influence organizational behavior (Cornish & Clarke, 2014). In the case of Uber, for instance, strain theory can help explain the emergence of unethical practices or employee misconduct within the company. By

recognizing and addressing the underlying sources of strain, organizations can implement measures to mitigate the risk of such behaviors and promote a culture of ethical conduct.

Furthermore, applying criminological theories in managerial decision-making has practical implications for risk management and organizational governance. By leveraging insights from criminology, organizations can develop more robust risk assessment processes and internal controls to prevent fraud, misconduct, and other criminal behavior. This proactive approach helps protect the organization from potential harm and enhances its reputation and stakeholder trust.

Despite the valuable insights provided by criminological theories, there remains a need for further research to explore their applicability in different organizational contexts and their effectiveness in guiding managerial decision-making. Future research could delve deeper into specific criminological concepts and their implications for management practice and examine the effectiveness of various interventions informed by criminological perspectives.

Moreover, the evolving nature of technology and business operations presents new challenges and opportunities for applying criminological theories in managerial decision-making. Research in this area could explore how emerging technologies, such as artificial intelligence and blockchain, influence organizational behavior and the effectiveness of traditional criminological approaches in addressing modern-day challenges.

In conclusion, applying criminological theories in managerial decision-making offers valuable insights into understanding and addressing organizational challenges. By leveraging these theories, organizations can develop more informed and effective risk management and decision-making strategies, ultimately contributing to their long-term success and sustainability.

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