



**Murry Taylor**

Chief Operating Officer for Group 1 Security.

Murry's previous positions included State Loss Prevention Manager BIG W and National Risk Manager Retail Adventures. Murry can be contacted at mtaylor@group1security.com.au, on 0434 432 728 or at www.group1security.com.au.



# Have you hired a thief?

You could be forgiven for thinking that providing an opportunity for someone to earn a wage and provide for their family would be enough to ensure their loyalty and, in some cases, that would be correct. However, in others you'd be well off the mark.

Unfortunately, there have been too many occasions where I have seen businesses provide opportunity to newcomers in both junior and senior positions only to be ripped off by the very person they pinned their hopes on for moving forward.

The million-dollar question is how do you spot these people before they walk through your door and impact on your bottom line? Sadly, there is no definitive answer that will guarantee you never fall prey to these sorts of people, however, there are key steps you can take to dramatically minimise the risk.

The area we'll focus on in this article is the process of reviewing the potential employee's résumé.

**• Short employment periods:** When you receive a résumé, have a look at the length of time they were in previous positions. If you find the person has consistently moved from business to business within 12 months or less you need to ask the question why. They'll undoubtedly come back with an answer that sounds plausible but, for peace of mind, ask for a referee from at least the previous two positions.

**• Gaps in employment:** Whilst it's not uncommon for people to leave a job to go and travel or just take some time off, it also fits the profile of someone that has had their employment terminated, especially if there are multiple gaps between jobs. Initial questioning should concern



the reasons for the gaps. If there are gaps within roles over the previous five years, it's perfectly reasonable to ask for a point of contact from these businesses. If they are unable to provide a reasonable point of contact, then, depending on the size of the business, you can call the HR department and ask them the magic question (which we'll discuss shortly).

**• Reduced responsibilities:** Something else to look at on a résumé is the title and responsibilities of their previous positions – are their responsibilities and titles continually on the increase or is there a sudden slump? Again there could be a variety of reasons for this but, as we all know, the process in life is to move forward, so when someone's career takes a backward step there will be a reason for it and your job is to validate why.

**• Referees:** Carrying out detailed referee checks is one of the most important steps for minimising the likelihood of hiring a thief, yet it seems to be one of the areas most overlooked. You should always ask for a minimum of two referees and at least one should have been their direct manager/supervisor.

It's important to note that even if your potential employee was terminated from the company you've contacted, unless you ask a key question, you may get off the phone thinking you've hired a winner. The reason for this is there are certain

legal issues around the person's privacy and companies won't come forward and tell you, "Oh my goodness, don't hire him/her. They robbed us blind!" Instead they'll just answer the questions you ask in a very tactful manner, so the question you need to ask is, "If you had the opportunity, would you hire this person again?" If the answer is "No", then it's a very safe bet that they were either terminated or pushed out.

While this doesn't explain the reason why, it does confirm that their previous employer has no intention of ever touching them again and that in itself should raise enough red flags to warrant moving on.

**• Criminal record checks:** Quite a few businesses are now opting for criminal record checks to be carried out prior to staff being employed. While this can be an effective tool (and shouldn't be discounted), it only works if the person has been convicted of a crime.

Though I can't quote researched figures, I can say that I've been involved in more than 400 staff terminations for theft and/or fraud and only about 15-20 per cent of that number ended up being convicted. There were many reasons for this, from the business not wanting to take further action to the courts seeing it as a minor offence and letting them off with a slap on the wrist. So, to solely rely on criminal record checks can still leave you exposed. ■

## Current trends in retail loss prevention

The 2010 'Global Retail Theft Barometer' has just been released and is now in its fourth year of print – 42 countries participated in the 2010 survey, up from 38 countries in 2009.

Without going into great detail, the biggest surprise was the downward trend of unknown shrink across the globe. Unknown shrink is broken into four categories: external theft, internal theft, vendor/supplier fraud and administration error.

The global result saw shrinkage fall from 1.44 to 1.36 per cent representing a global improvement of 5.6 per cent. Out of the 42 countries that participated, 38 saw an improvement on the previous year.

Australia's shrinkage dropped from 1.5 to 1.39 per cent, a percentage improvement of 7.3 which was the fifth best reduction behind only Canada, India, Mexico and Morocco.

The top shrinkage products remain similar from country to country – cosmetics and skin care, alcohol, women's apparel, perfume, DVDs and video games were all at the top of the list.

Whilst in most countries external theft featured as the leading cause of unknown shrink, Australia bucked this trend with employee theft being the dominant cause of known shrink. Unfortunately for us, this trend has remained consistent every year the theft barometer has run in Australia.

It is a statistic Australian retailers need to be aware of and should take action about. Some areas you may want to look at are:

- Tighter controls for employing staff
- Review of current policies and procedures
- Integrated POS and CCTV
- Anonymous reporting hotline
- Third party audits.

These are just a few suggestions, but the list could go on and on. The important thing to remember is that, by improving proceedings around these areas, you'll increase the likelihood of improving your bottom line and, at the end of the day, it's your bottom line that keeps you in business.