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Group 1 Security is a specialist in Retail Asset Protection providing solutions to both large and small retailers nationally, and are a preferred supplier for the Australian Retail Association.

“Treating your staff like the valuable asset they are will have a dramatic impact on reducing theft.”

# Is your style of management responsible for your staff stealing?

In the past I've written articles regarding employee theft and what can be done to prevent it. For those who aren't aware, there are four principals that need to be present for staff, and/or customer, theft to occur: motivation, rationalisation, opportunity and capability.

The category most businesses will focus on is opportunity, and for good reasons – of the four principles, opportunity is the easiest one to control. You can lock things up, place items under CCTV, restrict the number of units on show, and the list goes on.

Another category businesses can have a certain amount of impact on is 'rationalisation', also known as justification. This is where once the staff member has stolen an item, they rationalise to themselves why it was okay. This rationalisation may include things such as: 'Well, if I don't take it my family won't have any food to eat' or 'If I don't take it I'm going to miss another mortgage payment and the bank will foreclose', etc.

Obviously these rationalisations relate to survival and, as such, you could be the best boss in the world, treating all of your employees like superstars, and they will still steal from you.

That being said you would be amazed at how many interviews I have carried out where there was a recurring theme of rationalisation for stealing. Although the words may have varied from person to person, they all fit under the banner of being 'used and abused' by the business.

Now I need to be crystal clear at this point that theft of any kind cannot be condoned, however when you interview some of these employees and they start to tell you how they have been treated, it becomes fairly obvious why they did it.

A company I once worked with had a very high staff turnover due to theft/fraud and, no matter how many people you caught, there seemed to be an ever-increasing line of staff to interview regarding stealing from the company.

Now being able to stand back and look at the business, combined with answers provided by staff, it is quite evident that the volume of theft could have been dramatically reduced just by treating staff better.



This business was notorious for making junior staff work frequent overtime for no pay, and for placing staff far too young, with zero experience or training in management, into management roles. It had also developed a culture where, if staff received a call from senior management, they automatically assumed they were in trouble for something.

On the flip side, I have also worked with businesses that genuinely cared for their staff, promoting work life balance, providing workplace training, implementing solid succession plans, and actually praising staff for work well done.

While both types of employer had theft issues, the former had a far greater amount of opportunistic theft – and staff who weren't backwards in coming forward about why they stole the money/products. Even at the point of dismissal most appeared somewhat perplexed, as they felt the business had still taken more from them than the other way around.

So when you look at implementing a fraud prevention program, or loss prevention policies and procedures, you should also consider looking at how your team is managed. For larger organisations this responsibility will lie with your HR team, and while HR will look at staff turnover (leaving/quitting) as part of a benchmark for staff satisfaction, they should also be talking to the loss prevention department and getting feedback regarding the reason(s) staff give for stealing.

You'll find the answers provided during an investigation are far different from ones given by a staff member, who is leaving of their own accord, during an exit interview with their manager or HR representative present.

However, for smaller businesses that don't have the luxury of an HR team, employee engagement is critical. By engagement I mean include them in what's going on and empower them where appropriate. There's nothing like giving ownership to an employee to improve staff morale and loyalty to yourself and the business.

It's also important to point out that it's not always about money: quite often your staff are simply looking for some form of recognition and/or appreciation. The areas you may consider involving your staff in can include asking for input regarding placement of stock, promotional ideas or even the allocation of holidays.

Other ways you can gain loyalty are by acknowledging staff birthdays, running in-house competitions and providing training, and even just giving a good old-fashioned public pat on the back for a job well done.

Treating your staff like the valuable asset they are will have a dramatic impact on reducing theft within your business and, on the flip side, you will more than likely see an increase in productivity, reduction of sick leave, greater staff retention, and improved safety results. ■