

# Why Do Employees Steal?

**M**any, many years ago, when I worked as a loss prevention investigator for Lerner Stores, most of my work was focused on store operations audits, ranging from how the store was opened, to how to make change properly, to counting out the register or cash drawer, to how trash was disposed of, to how refunds and exchanges were handled. Of course we also investigated internal theft, which included not just out and out theft, but such variations as “sweetheart” deals (trading discounts with employees of other stores), false returns, buying something on discount and having a friend return it for a full refund (without the receipt, of course), to playing with the layaway system, as well as shoplifting rings and other major causes of loss.

## An Eye-Opening Response

Whenever we caught an employee stealing, no matter what the method, there would be the inevitable interview phase with the errant employee. Once, dealing with a tearful adolescent, I asked in frustration, “Didn’t your mother ever tell you not to steal?” I was amazed when she answered, “But, I wasn’t shoplifting.” Did she think that only shoplifting counted as stealing? Apparently, yes,

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and as I came to find out, she wasn’t the only one. In all my future employee-theft interviews, I never ceased to be amazed when I got that answer or a variation thereof, whereupon I’d have to explain that “[blank]” certainly was considered stealing.

After about a dozen or so of these interviews in various stores in my Northeast territory, during my audits I asked the store managers what house rules regarding loss prevention they reviewed with new hires, and was repeatedly told, “None.” So gee, why was it such a surprise when an employee thought it was okay to steal?

On my next new store opening, I gathered all the newly-hired store staff, cashiers, salespeople, and managers, where I reviewed what constituted theft, as well as the consequences of stealing or

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of not reporting a theft that one witnessed or became aware of. I also illustrated the problem using one \$5 per day theft by one person, 5 days per week, 50 weeks per year. That figure came to \$1,250 (\$5 x 5 days x 50 weeks), which was a healthy sum back in the 1970s. Further, multiply that amount by the number of employees in that store and the dollar loss was really high. I then explained that in order to make up for those losses, the store would have to cut back on employee discounts, not give raises, not hire extra people when needed, plus other ramifications. It gave them a different perspective.

## My “Three Commandments”

Years later, I was hired by the human resources manager of Mr. Goodbuys, a chain of stores specializing in home-improvement supplies (the pre-cursor to Home Depot and Lowe’s) to conduct pre-employment security interviews. If they got past HR, they came to me; if they got past me, they were hired.

Once we got through the interview phase, we discussed security and loss prevention, including what constituted stealing. That’s when I gave forth my “Three Commandments:”

1. Thou shalt not steal.
2. If you do steal, when (not *if*, but *when*) you are caught, you *will* be fired; you might also be prosecuted.
3. If you see (or find out about) another employee stealing and do not report it, you are just as guilty as the thief, and you will be fired as well.

After a few months of conducting the security screening interviews, I received a call from the HR director. They’d caught an employee stealing. My stomach was all a-flutter. I asked if it was someone I had approved. It hadn’t been, but the employee who reported him was.

## Don’t Assume Employees Know

So, why do employees steal? Forget the demographics—age, gender, social or economic status, whatever. In many cases, it’s *because nobody told them they can’t*. Sounds like a no-brainer, right? There’s at least one person reading this who’s rolling his eyes and thinking, “Well, duh!” But think about it. When new employees are hired and someone from the company goes over the rules and policies, does anyone ever tell the new hire, “Thou shalt not steal” or the other of my “Three Commandments?”

Of course, there will be some employees who take it with a grain of salt and disregard it. But if you can prevent even one employee from stealing or encourage even one employee to report a theft, isn’t it worth the time? ■