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## **WORKPLACE DISHONESTY**

**By Richard C. Hollinger, Ph.D**

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### **Good Managers Make the Critical Difference**

If you ask people for whom they work, their first response is predictably the name of the business, company, or organization that writes their paycheck. However, if you probe more deeply, you quickly discover that on a cognitive basis, people work for other people, not a faceless corporation. As such, many dishonest employees believe that they are not actually stealing from their employers; instead, they justify their actions as a way to get back at or punish their incompetent or unfair store manager.

In fact, social science research shows that the single most influential person determining a sales associate's decision to commit dishonest acts against their employer may actually be a store manager, an assistant manager or a department supervisor.

Virtually every study of employee attitudes toward the work place that I have examined over the past thirty years concludes that a worker's attitude toward their employer is the single most significant predictor of all manifestations of employee deviance and dishonesty. Moreover, individual attitudes toward the firm are most significantly affected by personal opinions regarding their immediate supervisor. In other words, one's supervisor is often thought to represent the personal embodiment of the entire company. Good managers yield positive opinions of the company, whereas bad managers can produce just the opposite effect.

### **FOLLOWING MANAGEMENT'S LEAD**

The sociologist, Theodore Kemper, wrote in 1996 Social Problems article, "When the organization as an entity, or in the person of a supervisor, has defaulted on the obligations of the organization to its members, reciprocal deviance can result." By "reciprocal deviance" Kemper refers to employee rule breaking behavior that is retributive or punitive in nature, primarily intended to reconcile supervisory failures to recognize merit with promotions or pay raises. Even more detrimental effects to the firm can occur when upper level management is discovered actually engaging in unethical or dishonest behavior, especially when this deviance becomes

widely apparent and well known to the workers. Kemper calls this phenomenon, “parallel deviance” whereby employees imitate or mirror the questionable or unethical standards set by their superiors. Ten years later in 1978 study, David Altheide and his co-authors confirmed the existence of reciprocal and parallel deviance when they discovered that employee theft is often used as a devise to get back at their bosses.

John Clark and I reported in our 1993 book, *Theft by employees*, that unhappiness with one’s supervisors was the most important dimension of the eight different factors of job dissatisfaction that we examined in predicting both employee dishonesty and counterproductive behavior. Specifically, retail employees who steal either property or time from the firm are more likely to believe that their immediate supervisors are

- Unsuccessful at getting people to work together,
- Unfriendly,
- Unhelpful at getting my job done,
- Incompetent at his or her own job, and
- Unconcerned about the welfare pf those working under them.

No study has yet shown that these conclusions are different from what we observed twenty years ago. In fact, the effect of bad managers on worker attitude and dishonesty may be even stronger.

## **STUDENTS IN THE CLASSROOM**

In order to determine whether this findings are still applicable to the world we work, I regularly ask students in my classes each semester if they have ever taken something of value from their present or past employers. I also ask them to tell me what they think about their jobs, especially their supervisors. Being careful not to tip them off to th extensive scholarly literature on the effect of job dissatisfaction discussed above, usually my students confirm exactly what these many years of research has discovered. Namely, examples set by managers are critical in establishing the ethical tone of the workplace. In fact, the impressive knowledge and unique insight that these young people posses about the nature of the retailing workplace will probably keep me supplied with material for columns for years to come. You see these 18 to 25 year olds virtually all work in retail stores and restaurants.

Although the student’s comments about their work usually emphasize a consistent theme, I still learn something unique from these young people each time we hold this discussion. For example, the other day I discovered a particularly articulate young man who was not ashamed to confess that he had often stolen at work and even bragged about his dishonest exploits at a local fast food restaurant to the entire class. He reported that he hated his immediate supervisor so much that he wanted to get her fired. His logic was that if he ate enough food, gave away store merchandise to his friends, and even skimmed from the cash register on a daily basis, eventually the restaurant that he worked at would become so unprofitable that the manager would have to be replaced. This is not the first time that I have heard my students talk about specific examples or reciprocal or parallel deviance in the retail workplace.

## A FORMULA FOR WINNING

Therefore, employee attitudes about their managers and immediate supervisors are critically important to creating a “culture of honesty” in the workplace. Even if we select the best people available and train them properly, subsequent interactions with unfair, incompetent, and insensitive managers may unintentionally give the already disgruntled employee the reason that they need to justify and rationalize dishonesty, deviance, and theft against your company. If this isn’t “shooting oneself in the corporate foot” I am not sure what would constitute a better example. Bad managers have to be identified, retrained or replaced to create the most positive, supportive, and profitable work environment possible. Preventing dishonesty is just “icing on the cake.”

But do not just take my word for it. IN his best selling new book, *Winning*, former GE CEO Jack Welch makes essentially the same argument. Even if you may disagree with Welch’s personality and management style, it is nice to see that well supported and understood even by those outside the loss prevention community.

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