



Theft is Not a Problem

By Kevin Lynch

What??? How can you possibly say theft is not a problem??? I imagine this is what you are thinking about now. It is true that theft, both internal and external, account for about 80% of all the losses in retail. It is true that retail companies lose about \$26 billion annually to theft. However, I repeat that theft is not a problem...it is the symptom of a larger problem.

People do not steal because they are just born to steal. In every facet of life where there is criminal activity, there are other factors that create the situation in the first place. Nobody is just born to steal. We are not DNA coded to steal. There is no theft gene. Perhaps you could make a case that a kleptomaniac is someone who is born to steal, but we are talking about the norm, not the rare exception. \$26 billion was not stolen from retail companies by kleptomaniacs. People steal for a variety of reasons. Every person who is inclined to steal has a desire to steal. We cannot control the desires that exist. However a desire to steal alone does not give one carte blanche to steal.

When we look at the retail world and theft we look at what is called the Theft Triangle. The Theft Triangle consists of three components that must exist for any person to attempt to steal from a retail store. Without the triangle completed, people will not steal. The Theft Triangle consists of: Motivation, Opportunity, and Lack of Detection. Each point in the triangle becomes the problem. The theft is the symptom that shows you there is a bigger problem at hand.

Motivation

The motivation to steal is driven by many different factors, some we may be aware of and some we may not be aware of. Both shoplifters and employees must have a motivation to steal from your store. Most people operate under the assumption that most people who steal have the motivation of need. However, most studies have shown that, generally, neither shoplifters nor employees steal out of pure need. The products they steal are rarely just the essentials of life, like food and water. These people will take the things they desire and covet the most.

How can you control the motivation of an employee to steal? Well, studies have also shown that the most common reason given by employees as to why they decided to steal from an employer was because they felt they were done wrong by the company and/or manager in some fashion. Poor employee morale is the biggest motivator for employee theft. Employees will rationalize in their minds why it is not "really" stealing at all to take \$20 out of the cash register. They will consider it what they are actually owed because of the poor treatment they received in some fashion. That poor treatment may be a legitimate problem or it may be just a perception on the part of the employee, but in the end, when the employee is making a decision to be compensated for their troubles, it doesn't really matter. Perception is reality in this case.

Since we know that the majority of employees who steal do so because they feel they were done wrong, we now know that we actually have quite a bit of control over whether an employee decides to steal or not. When managers realize they influence employees to steal or not steal just by the way they are managed, and they learn the best management techniques to encourage appropriate behavior on the part of employees, they will start to realize how important their role is and how much impact they have on their business.

How can you control the motivation of a shoplifter to steal? This is tougher and you have less control over their motivation. However, there is some element of revenge on the part of shoplifters at times. While rare, there are the shoplifters who steal from your store because they feel they were treated wrong in some fashion by the company. Perhaps it was the result of being out of stock of a highly desired item, perhaps it was the result of a return policy they did not like, or perhaps it was even the result of a rude employee. While you have very little influence over shoplifters' motivation to steal, it can be assisted some by making sure all employees are trained properly in how to deal with customers in all situations.

Opportunity

For any person to steal there must be an opportunity. Opportunity is the ease and availability of product or money to steal. The opportunity will usually be presented when individuals fail to take proper steps in following company policy to help safeguard merchandise and money.

Clearly, there is always some opportunity that can present itself for any person in almost any retail store. People who are planning on stealing are not just waiting for any split second to get away with stealing. The challenge for any store is to give the impression that there really is no good opportunity to steal at any time. Ultimately, this is the concept behind many physical security devices, including CCTV cameras and Electronic Article Surveillance (EAS) devices. The common belief is that if customers and employees look up and see cameras in a store, they will not feel that the opportunity is present. If they see EAS tags on merchandise, they will not feel that the opportunity is present. However, even though these devices do each provide some measure of deterrent, they are not an absolute prevention device. As with any static security device, there are ways to work around them, and the ways around them are pretty obvious and do not require to much effort on the part of the person who wants to steal.

In many ways opportunity is actually an illusion. It is about creating a perception. Managers must create an environment in their store so anyone who is thinking about stealing believes that there are alert and attentive employees in the store who will take action when they observe any unusual activity. Employees who are thinking about stealing must believe that any manager or employee may see them attempt something, and that person will take action by stepping in to stop the theft or by reporting them. Customers who are thinking about stealing must believe that there are attentive employees nearby who are paying close attention to their actions.

Lack of Detection

As we started discussing above, the best way to reduce opportunity is to create an illusion. The illusion is that the person who is thinking about stealing will be detected. This is why physical security devices alone are very limited in preventing theft. If an individual has no fear of being detected, then they know they have all the time in the world to try to work around the physical security device. The lack of detection is the primary reason why fitting rooms are such a popular place for shoplifters to try to steal.

Now, when we talk about lack of detection, people sometimes confuse that with building a reputation by trying to create fear of the consequences. The potential consequences do not scare people into not stealing. The reality is that any person, employee or shoplifter, already knows that if they get caught stealing they can go to jail. But, theft remains a constant in the world of retail.

So why don't the scare tactics work? For one thing, as I just said, people already know the risk they face. The fact that someone else got caught doing the exact same thing is nothing new to the thief. They know that if they get caught they run the risk of going to jail. Scare tactics are just blowing smoke if the person, at the time they decide to steal, is confident that they will not be detected. Most people believe they are smarter than the last guy. They think they are sneakier and have better instincts. They will look at the guy who got caught as being dumb, rather than a lesson they should learn from. As a result, the people will still steal if they feel they are not going to be detected.

When it comes to detection, people are not really afraid of the consequences. They are actually more afraid of the unknown. If they don't know exactly how a situation will be dealt with, that is more frightening than knowing that you are going to jail. The fear of the unknown is really why recidivism rates tend to be very high for larceny crimes. Once people get into the criminal justice system, they quickly realize that the consequences are really not that bad. People rarely spend time in jail for retail theft. It usually takes multiple cases of being arrested for shoplifting to do any jail time. Or it requires being caught with an excessively high dollar total of merchandise or money, several thousands of dollars worth. Considering the average shoplifter and employee who steal do not take several thousand at a time, and do not have a long criminal history behind them, they are not going to spend time in jail in most cases. However, they still fear getting caught. They still fear the unknown. They still just worry about being detected. And if they believe they will be detected, they are highly unlikely to steal.

The Big Picture

When you really look at the big picture you find that theft is not really a problem. It is the sign of other problems in your business. When you find you have theft issues going on, you are really missing out of dealing with the Theft Triangle. You may unknowingly be providing motivation for your employees to steal. You may unknowingly be providing ample opportunity for employees to steal. You may unknowingly be ensuring that they are confident that they will not be detected when stealing. To do a good job at preventing theft you need to focus on the Theft Triangle much more than the theft itself.