

Essay on employee theft and control measures

[Business](#), [Company](#)



Arguably, employee theft is a big problem for all types of firms, particularly small business organizations where their profit margins are very meager. In fact, research shows that small businesses go down a lot more to employee theft than the way they make profits. Certainly, there is a lot of possibility that employees in an organization will be tempted to enrich themselves using company's resources, but excellent internal control systems can reduce it. Therefore, employers should implement measures that detect, and deter employees from stealing physical items and embezzling financial resources. U. S Chamber of Commerce reveals that employee theft cost American companies approximately \$20 billion to \$50 billion per annum. This figure is very alarming; putting in mind that employee theft is a global crisis. In order to pay this, every working woman and man in America make a payment of more than \$400 annually. Furthermore, statistics show that 75% of all employees in their career steal from their employers, of which half of them steal more than once. On the other hand, in the retail industry dishonest employees steal approximately \$26 billion (Myers, 2000). The ACFE (Association of Certified Fraud Examiners) analyzed data based on sex, age, education, as well as corporate position of fraudsters among the employees. Statistics showed that employees over the age of 60 causes the company a lot of losses. Three quarters of these employees is well-educated male above the age of sixty years.

It is a pity because, most businesses in United States has shut down, while others will stop to continue due to employee theft. Generally, employee theft refers to use, misuse, and stealing of employers resources without permission. Some of the things employees steal include money, time,

supplies, company property and merchandise, information, as well as overcharging customers and taking the extra money (Pedneault, 2010).

Employees in companies steal from their employer, not because of need, but because of the opportunities that present itself. Facts show that the probability of employee's theft increases if the chance of been caught is extremely low. Another reason why employees steal is low morale at the organizations workplace. It is for this reason that production of most companies reduces. Additionally, some organizations mistreat their employees; and for this reason, employees decide to steal as a way of revenging on their mistreatment (Myers, 2000).

On financial grounds, most companies make many profits, but underpay their employees. Hence, the employees feel they do not receive equal remuneration as the work done. Therefore, the only way to pay for their hard work is through stealing. Businesses and other large cooperation have minimal consequences for theft cases; hence, the employees will continue stealing knowing there are no well-stated policies and procedures to punish them. Lack of inventory control, is another reason for increased case of employees theft (Pedneault, 2010). Most employers do not have preventive measures to control the theft cases, putting employees in a position to steal. Morals too play a crucial role as the cause of employee theft. Some employees steal because they believe it is right thing to do. From research, most of the causes of employee theft are blamed on the employer. In theft detection, it is crucial to understand its causes, as well as having information on chances of theft cases in the company.

Employee theft takes away a lot from the organizations; hence, employers are advised to launch a zero tolerance policies and programs as regards to employee theft. The policies should be well communicated to employees, especially on the consequences against employees' theft (Botton, 1998). Furthermore, as an employer, it is essential to take preventive and security measures to reduce the risk and temptations of employees' theft. Generally, the company should work on the preventive measures before it loses its assets.

Conversably, as an employer it is crucial to select employees carefully. The employers need to use background information in counter checking employees' personal details. The background information shades light criminal records, theft instances of applicant, as well as educational verification. In accomplish this procedure, organization should have well equipped and independent human resource department. In most cases, employees' present fake documents to the employers, this is the first indication of dishonesty individual (Myers, 2000).

Certainly, supervision on employees on regular basis will shy them off from stealing from their employers. The best suggestion on this issue is to install overt or covert video equipment to oversee employee actions. The suggestion is necessary, as it is a way of catching employees who steal, or prevent them from stealing. Improving accounting systems in the organization help in prevention of employee theft. In fact, accountants should have separate accounting activities. For example, one of the employees should not be distributing pay-cheques and payroll.

Furthermore, employees should be kept out of accounting processes, either by separating duties or using access codes in accounting systems (Pedneault, 2010).

The organization should establish guidelines specifically meant to deal with employee theft. The guidelines makes the employees be aware of the stated consequences on theft issues. For example, the consequences should include prosecution and firing of employees caught stealing. The success of this conditions and consequences depend on employee awareness.

Moreover, the employer should be conducting surprise audits; this will reduce the risk of stealing, as well as limiting the opportunity to steal (Botton, 1998).

Conclusively, employee theft has tremendously increased in the recent past. It is high time the employer implements various measures to prevent and control employee theft. As an employer, there are facts and realities that should be understood before setting the guidelines on employee theft. He realities and facts include majority of employees will steal because of opportunity, most employs theft go undetected, every business experiences employees theft, and one-third of bankruptcy issues in an organization is caused by employee theft.

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