

# Covert video surveillance applications for employee theft detection: why is this ...

[Sociology](#), [Human Rights](#)



Do covert video surveillance applications, effectively contribute to traditional overt methods of employee theft detection, and why is this approach controversial? A study within the workplace of a UK national retail superstore. Research Proposal Employee theft is a pervasive and expensive problem to businesses; it is considerably hard to detect and precise numbers on the scale of the problem are generally difficult to attain (Beck and Peacock, 2009). Professor Joshua Bamfield published his estimate on the Centre for Retail Research website, that the cost to UK retailers resulting from employee theft during 2011 was £1, 765 million (Bamfield, 2012). The magnitude of employee theft, and its associated cost burden on an international level, was highlighted following the latest worldwide shrinkage survey. The Global Retail Theft Barometer 2011 survey was conducted throughout 43 countries. This included participants from leading retailers in all business sectors with combined sales of \$948 billion. The survey showed a value of \$119 billion towards a range of shrinkage issues, but perhaps the most staggering amount was the 35% or \$41. 65 billion from this shrinkage figure, which was thought to result from employee theft (Bamfield, 2011). Companies have attempted to address the impact of this internal threat to their business assets, by considering all the crime prevention methods available to them. Of course, there is a plethora of preventative measures used by organisations in their effort to prevent employee theft in today's workplace. However, since employees normally conduct their unscrupulous activities in secret, traditional crime prevention measures are sometimes insufficient to identify the culprit (Tackett, 2008). Employers will occasionally turn to a surreptitious approach to tackle this problem. However, it is a

company's use of covert video surveillance that continues to be a contentious issue, with regard to the opening of the Pandora's box of '... intrusion to privacy that this approach constitutes' (Thomas, 2003: 58). It is this context that forms the bedrock of study, and a framework from which the researcher aims to contribute to the existing criminological research, albeit limited, area of Covert Video Surveillance (CVS) in the workplace.

**Research Problem** The use of a CVS approach by an organisation is cloaked in controversy, specifically, the debate around the rights of privacy towards those individuals being surreptitiously observed. Thomas adds '... Some [critics] go further and also view it as a form of entrapment' (Thomas, 2003: 58). Both Government agencies and private companies use CVS, as a targeted means to detect crimes that have a high probability of being carried out, at a specific time or place. Unfortunately, there are those employers who use CVS unscrupulously without regard to 'an employee's reasonable expectations of privacy' (Tackett, 2008: 8). There appears to be conflicts of interest between the pressure to apprehend an employee committing repeated theft, and an individual's right to privacy at work. Some employers fail to understand the importance of the governance required prior to using CVS, either through ambivalence or neglect of procedures. There are also cases where some companies will deploy covert cameras in such areas of the business, where employees have a reasonable expectation of privacy, such as staff rooms and changing rooms, for example (UNISON, 2004). However, many organisations do abide by a code of conduct and take employee rights to privacy seriously when deploying CVS. Ebeling and Gibbs (2008: 68) identify the purpose of a literature review as 'to justify why a

particular new study should be undertaken based on previous research'. Based on this premise, a provisional review was conducted towards identifying and interpreting the existing body of work on the extent of employee theft (Department of Criminology, 2009/10a). This revealed that this issue was a significant problem that affects all businesses (Beck and Peacock, 2009). Also, that Loss Prevention Managers (LPM's) have expressed concerns about the levels of employee theft, and rank the problem as the highest importance. However, they spent the largest portion of their time, 'responding to current issues' (Hayes, 2003: 13). This seems to be consistent with other findings. Further evaluation on the topic of CVS reveals there is a high level of ethical debate surrounding this practice. Interpretation of this literature, found the principal area of existing work is structured around the medical institutions application of CVS, and specifically covers the ethics around discreet observation of children vulnerable to parent abuse, whilst under controlled treatment in the hospital. A theme that seems to be common in many medical articles is '... the use of CVS as a medical diagnosis tool has been the subject of much ethical controversy since the practice first began in Britain in the 1980s' (Connelly, 2003: 22). Evaluation of subsequent sources of literature in this area reveals little criminological inquiries regarding the ethics surrounding the use of CVS, within the context of employee theft of the kind to be covered with this proposed study. Notably, a study using CVS as a primary data collection method in covertly observing potential shoplifters, failed to mention any ethical issues at all in surreptitiously observing unwitting shoppers (Dabney, Hollinger and Dugan, 2004). Further review identified that there are both strong opponents and

advocates to this particularly invasive approach. Most critics are those involved in the protection of human rights. For example, Connelly argues that 'the institutionalisation of covert video surveillance (CVS), that is, hidden cameras, to observe [a suspected crime] is morally questionable' (Connelly, 2003: 21). The majority of advocates are in the main, from employing organisations; where their perception of wide powers to observe employees, often result in infringements to privacy. Researchers studying the role of intruder alarms and CCTV in detecting commercial burglary, reported that the evidence showed the use of silent alarms combined with hidden cameras as a detection measure, can dramatically reduce commercial burglary (Coupe and Kaur, 2005). These findings are questionable due to the lack of attention to rights of privacy within the study. The review identified that strict governance of covert surveillance has been implemented to deal with the potential intrusion to the privacy aspects of this approach. The Police, MI5 and other governmental agencies involved in covert surveillance, are strictly controlled by The Regulation of Investigatory Powers Act 2000 (RIPA). This was introduced to retain the right to privacy of an individual from the population under targeted government surveillance. This Act does not specifically include CVS per se; however, it is broadly covered within the regulations general provision 'surveillance and covert human intelligence sources', more precisely, 'directed surveillance' (RIPA, 2000: 30). The Act does not adequately relate to a private company's use of CVS, and this uncertainty afforded employers wide powers when observing their employees. This resulted in certain organisations deploying CVS with little or no control mechanisms, and employee's rights to privacy were often

infringed. Apprehended employees considered the intrusion of privacy aspect, which resulted in, court actions against their employer. However, the inadequate representation of private companies within the Act resulted in the courts maintaining the article ' for the purpose of preventing or detecting crime' (RIPA, 2000: 37) with many cases held in favour of the employer (see, for example, McGowan v. Scottish Water, [2004] UKEAT 0007\_04\_2309). In an attempt to bring private organisations use of CVS under control, and restrict their broad powers afforded to them by ambiguities within RIPA, the Information Commissioner produced guidance in the form of the Employment Practices Code (ICO, 2011). Under section 3. 4 of this code, CVS in the workplace is specifically covered, with recommendations being offered to employers as good practice in dealing with a covert approach. This code emphasises the responsibilities of employers when they consider implementing CVS within their premises. The salient points are: CVS must be pre-authorised by senior management; there must be reasonable justification and it should only be used as a last resort; it should be strictly targeted at obtaining evidence within a set timeframe, and must be removed once the investigation is complete (ICO, 2011). The review highlighted how the controversy surrounding CVS lies with proportionality, justification and authorisation; ensuring that CVS is not abused towards targeting employee theft incidents. Therefore, the area of study will be structured around the contentious use of CVS in the workplace; its relationship to other overt methods of preventing employee theft, and whether this approach contributes to the company's overall detection rate. The study will also examine employers' rationale in deciding on this sensitive technique. In

addition, it will consider whether the whole issue lies around proportionality and whether CVS is carried out in appropriate circumstances, and with justifiable reason. It will look at organisational control mechanisms in complying with the employment practices code, and consider LPM's duty-bound ethics, together with their attitude towards respecting the employee's privacy when deploying this approach. In response to these findings, and the researcher's longstanding personal interest within the field of CVS, the proposed research will investigate the following provisional question: