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**Exploring a motivational approach to curb employee theft in FMCG
retailing in South Africa**

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**Exploring a motivational approach to curb employee theft in FMCG
retailing in South Africa**

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Executive summary

Employee theft is a source of shrinkage that is influenced by the challenging economic environment, impacts everyone in the business and, together with overall shrinkage, has a severe impact on retailers amidst the challenging environment. To understand how to curb shrinkage, it is important to get a better understanding of the causes of shrinkage. Therefore, this study aims to contextualise the prevalence and causes of employee theft in fast-moving consumer goods (FMCG) retailing in South Africa and explore motivational strategies to curb employee theft.

This cross-sectional study follows an interpretivist philosophical approach and is qualitative in strategy. A focus group discussion was held with six employees, and semi-structured in-depth interviews were conducted with 15 managers and 16 employees of FMCG retailers in South Africa. Codes, categories, and themes were extracted from the primary data and quality checks were employed to assure trustworthiness and rigour.

Low salaries, broader economic and social factors, peer pressure or influence from work colleagues, limited opportunities for growth, the role of management, and broader organisational factors were identified as potential drivers and motivation of employee theft. The interview findings also reflected a range of opinions regarding the perceived status of retail employees, career paths in retail, and overall experiences of working in FMCG retailing in South Africa. The participants suggested that employee theft can be reduced by fostering a positive working relationship with management, two-way communication and knowledge sharing, incentives and rewards, career growth and guidance, appreciation and recognition, teamwork, inclusion and instilling a sense of belonging, improved working hours and salaries, and a work environment conducive to growth and development. The authors outline recommendations to help retailers instil a sense of value, inclusion, recognition, and motivation among employees.

Key concepts and definitions

Shrinkage: Shrinkage reflects ‘the difference between the revenue the business should have received (basis inventory and purchases), and the amount actually received’ (The Smart Cube, 2014:12). Generally, shrinkage is categorised under employee or internal theft, customer or external fraud (e.g., shoplifting), vendor or supplier fraud, and administrative or process error (Bailey, 2006; Beck, 2016).

Employee theft: Hollinger and Clark (as cited by Chen and Sandino, 2012:968) ‘defined employee theft as the unauthorised taking, control, or transfer of money and/or property of the formal work organization that is perpetrated by an employee during the course of occupational activity’. Examples include stock theft, data theft, gift card theft, sweethearting, and time theft (Hadjiyannis, 2022a).

FMCG retailing: ‘Fast-moving consumer goods are purchased frequently, consumed rapidly, priced low’ and ‘have a high turnover when they’re on the shelf at the store’ (Kenton, 2023). Key examples include ‘packaged food, toiletries, beverages, stationery, over-the-counter medicines, cleaning and laundry products, plastic goods, personal care products, as well as less expensive consumer electronics’ (CFI Team, 2023).

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Introduction to the study

The focus of this study addresses the need to better understand the prevalence and impact of employee theft in fast-moving consumer goods (FMCG) retailing in South Africa and how to possibly curb employee theft.

Background and rationale for the study

Shrinkage is a long-standing and often increasing concern for retailers around the world, and the FMCG industry is no exception (Beck et al., 2003). Global retail shrinkage accounted for 1.23% of retail sales in 2014 (Doyle, 2016) and was mostly caused by employee theft (39%), shoplifting (38%), and administrative errors (16%) (D'Onofrio, 2015). The cost of retail shrinkage in Europe is equivalent to 2.05% of the sector's annual turnover, with shoplifting, employee theft, and fraud being the main sources of criminal-related shrinkage (Das, 2019). A 2019 United Kingdom survey found that participants had an average shrinkage rate of 1.42% and ascribed it to external theft (34.6%), administrative errors (25.3%), and internal theft (22.1%) (Centre for Retail Research, 2019). The average retail shrink rate in the United States was 1.4% in 2021, which was mainly attributed to external theft, including organised retail crime (37%), employee/internal theft (28.5%), and process/control failure (25.7%) (National Retail Federation, 2022). Crime-related losses in Australia and New Zealand represented 0.88% of revenue between July 2021 and June 2022, and were largely driven by customer theft (53%), employee theft (24%), and customer fraud (14%) (Profit Protection Future Forum, 2022).

Statistics pertaining to retail shrinkage and employee theft in Africa, especially South Africa, are scarce and outdated. The 2008 global retail theft barometer reported that South Africa and Thailand had the third highest shrinkage rate (1.59% of sales) of the 36 countries included in the survey (Bamfield, 2008). The 18 South African retailers that participated in the survey identified employee theft (35.7%), customer theft (34.4%), and supply chain or vendor fraud (9.2%) as the main sources of shrinkage (Bamfield, 2008). In 2011, the Middle East/Africa region, consisting of Morocco and South Africa, reported the highest shrinkage (1.71% of sales) of the five regions covered by the study (Bamfield, n.d.). The 2011 global retail theft barometer identified shoplifting (37.2%) as the largest source of the regions' shrinkage, followed by employee theft (36.2%) and internal error (18.9%) (Bamfield, n.d.).

Excessive shrinkage entails negative consequences (e.g., financial implications) for retailers, employees, and consumers (Costa, 2018), further exacerbating the already challenging economic environment characterised by increased cost of living and high operating costs. In turn, the challenging economic environment is a key determinant of increased shrinkage, especially retail theft (Costa, 2018; D’Onofrio, 2022).

Doyle (2017) advised that a detailed analysis is required to identify the causes of shrinkage before measures can be designed to effectively manage shrinkage. For example, measures that aim to reduce employee theft will be more effective if they address the causes of employee theft (Kelkar and Emilus, 2016). Furthermore, Cant and Nell (2012: 445) indicated that, ‘Only when the retailer knows what the reason for dishonesty and negative attitudes are can he attempt to find ways to improve the situation.’

Research objective and areas of exploration

The primary objective of this study is to propose a motivational approach to curb employee theft in FMCG retailing in South Africa. To achieve the research objective, the study addresses the following areas of exploration (AoE):

- AoE 1: Determine the perceptions of different organisational levels (managers and employees) regarding the extent and impact of employee theft on the business;
- AoE 2: Uncover the potential drivers and motivation of employee theft;
- AoE 3: Determine the sense of belonging and level of engagement of employees within the business; and
- AoE 4: Explore motivational or preventative, as opposed to punitive, strategies that could help curb employee theft.

Literature review

The retail industry, especially FMCG retailing, is an important contributor to gross domestic product and employment (Brits, 2021), and can progressively contribute to economic growth and transformation (NPI Governance Consulting, 2018; Wholesale & Retail Sector Education and Training Authority and Cape Peninsula University of Technology, 2015). However, there are several challenges, including employee theft, that prevent the industry from reaching its full potential.

This literature review contextualises South Africa's retail sector by discussing the size, contribution, and challenges associated with the sector. Thereafter, it synthesises theories and previous studies pertaining to the drivers of employee theft and measures to reduce employee theft amongst this particular market and retail segment.

Contextualising South Africa's retail industry

South Africa has the biggest retail industry in sub-Saharan Africa and is among the leading retail markets worldwide (Innovate, 2016). Considering current prices, South Africa recorded retail trade sales of nearly R1 262 billion in 2022, a 7.2% increase from the retail sales generated in 2021 (Statistics South Africa, 2023). More specifically, sales generated by FMCG retailing accounted for approximately 70% of the retail industry's total sales in 2021 (Who Owns Whom, 2023). NielsenIQ (2022a) estimated that FMCG retail sales increased by 12% to R523 billion between June 2021 and 2022. However, when accounting for inflation, it is evident that South Africa's real retail trade sales declined in the second and third quarters of 2022 (South African Reserve Bank, 2023).

Total employment in the retail trade industry declined slightly from 808 532 employees in 2015 to 795 841 employees in 2018 (Statistics South Africa, 2020). Most of these employees were female (53%), highlighting the industry's contribution to South Africa's gender equity goals. More recent statistics consider the broader wholesale and retail trade industry, which employed 3.163 million people in June 2022, accounting for 20% of the country's total employment (Statistics South Africa, 2022).

Despite the industry's initial resilience, the decline in sales volume, retail confidence, and business conditions indices in the fourth quarter of 2022 confirm that the retail sector is heavily burdened by the challenging trading environment (Bureau for Economic Research, 2022). The most prominent demand side challenges are customers' diminishing disposable income and increased price sensitivity owing to high inflation and rising interest rates (Bureau for Economic Research, 2022; NielsenIQ, 2022b; South African Reserve Bank, 2023). The most pressing supply side challenges include escalating electricity constraints, logistical barriers, high fuel costs, and increased operating costs (Bureau for Economic Research, 2022; South African Reserve Bank, 2022, 2023; Who Owns Whom, 2023).

Furthermore, retailers worldwide are hampered by employee theft (Cant and Nell, 2012; Kelkar and Emilus, 2016), with South Africa's retail industry being no exception. Employee theft can be a substantial contributor to shrinkage and has a negative impact on several stakeholders across the retail value chain (Cant and Nell, 2012; Kelkar and Emilus, 2016; Su et al., 2023). For example, it leads to increased costs and reduced profit margins for retailers (Cant and Nell, 2012), higher prices for consumers (Bailey, 2006), and reduced income or possible job losses for the remaining employees (Mishra and Prasad, 2006).

Potential causes of employee theft

Understanding why employee theft takes place in the first instance is an important component towards gaining a better understanding of how to curb employee theft (Bailey, 2006). The following theories from the psychology and criminology literature, as well as some additional aspects identified from literature, provide possible explanations for the occurrence of employee theft in FMCG retailing.

Not being able to meet society's cultural expectations: According to Merton's strain theory, people are likely to commit a crime due to their inability to meet certain cultural expectations of society (Braithwaite, 1980) – these expectations can also be attributed to forces outside of their control. Strain is then experienced and, as individuals attempt to meet these expectations, they have to continuously manage and adapt to this strain (Mason and Smithey, 2012). Although criticised by some scholars (Besnard, 1987; Kornhauser, 1978), strain theory has been widely cited and has even been described as among the most noteworthy of all the major psychological theories (Featherstone and Deflem, 2003). Featherstone and Deflem (2003) also explained that social barriers owing to characteristics of the socio-economic structures inhibit people to achieve cultural goals determined by society, which causes strain and pressurises people towards deviant behaviour. Macroeconomic components (e.g., high inflation interest rates, volatile exchange rates, and sluggish economic growth) can place additional strain on households. Cant and Nell (2012) concurred, pointing out that when confronted with hardships associated with a downturn in the economic environment, some employees revert to theft as a means to increase their income.

Marginalisation of workers: Marginalised workers are employees who are paid low wages, have a low status, and find it difficult to grow in a retail hierarchy. These employees have low levels of organisational commitment and may thus have a more favourable attitude towards stealing. Moreover, other studies (e.g., Cant and Nell, 2012; Gross-Schaefer et al., 2000) have identified low salaries and underpayment as significant contributors to retail employee theft, especially concerning low-level employees. Additional aspects that contribute to the likelihood of theft include managerial misconception, wages, unequal benefits, social inequity, and greed (Korgaonkar et al., 2021). Continuous exposure to unfavourable working conditions can lead to harmful behaviour, including employee theft (Hadjiyannis, 2022b).

Presence of motivated offenders, suitable targets, and insufficient guardianship: The routine activity theory is 'a subset of crime opportunity theory' (Korgaonkar et al., 2021:722) and argues that crime takes place when there is the simultaneous conversion of three aspects: 'a motivated offender, a suitable target, and the absence of a capable guardian' (Purpura, 2018:192). Motivators are identified as financial gain (expensive habits, greed, and poverty), societal factors (peer pressure to steal), and beliefs (theft is not wrong, does not cause harm to others) (Korgaonkar et al., 2021). Regarding suitable targets, a store without many safeguards – for instance, minimal CCTV cameras, open at night, fewer employees – could be easier (suitable) targets for theft (Korgaonkar et al., 2021). Guardianship refers to two features: security controls (supervision, cameras, inventory tracking) and pressure from family or friends. In the latter, parents of employees may be tolerant of criminal behaviour. These two features will arguably reduce or increase the intention to engage in theft, depending on the effectiveness (security controls), and friends' and families' attitudes towards theft (Korgaonkar et al., 2021). The theory proposes that the lack of any three of these aspects (motivation, suitable targets, and guardianship) may prevent the event of a crime (Cohen and Felson, 1979).

Perceived inequality and low wages: According to equity theory, employees compare their work inputs (e.g., working hours) and outputs (e.g., wages) to those of colleagues in a similar position (Adams, 1965). If this ratio is deemed unequal, employees might resort to negative actions, such as theft, to compensate for the perceived unfairness or inequity (Banks et al., 2012; Moorthy et al., 2015). On the contrary, Chen and Sandino (2012) found that higher

relative wages are associated with lower levels of employee theft in convenience stores. Considering inequality on a broader level, employee theft is sometimes viewed as a tool to reduce social inequity by increasing remuneration (Gross-Schaefer et al., 2000).

Combination of pressure, opportunity, and rationalisation: The fraud triangle maintains that fraudulent behaviour, including theft, can occur when the following three elements co-exist: pressure/motivation, opportunity, and rationalisation (Verma, 2021). Motivation often entails financial pressures like debt, lifestyle needs, and addictive habits perceived as non-shareable (Bedford, 2022; Bertucci et al., 2021). Weak internal controls, insufficient security, and unclear policies reduce the chances of getting caught, thereby creating an opportunity for fraud (Huang et al., 2017; Mui and Mailley, 2015). The Cant and Nell (2012) study on employee theft in South Africa's retail industry corresponds with these findings, depicting that limited security measures and a low probability of getting caught are notable contributors to employee theft. Offenders often use terms like 'I don't get paid what I am worth', 'Everyone else is doing it', 'I intended to pay it back', and 'Nobody will miss the money' to rationalise their actions (Bertucci et al., 2021: 161). As per Huang et al. (2017), the characteristics and ethics of management can also be an important component of rationalisation.

Organisational commitment of employees: Commitment refers to emotional attachment, an acceptance of culture, and willingness to remain with an organisation (Korgaonkar et al., 2021). Organisational commitment is argued to influence employee attitudes, such as attitudes towards stealing. That is, positive attitudes towards stealing will likely be less prevalent among those who show affection for the organisation, whilst those who are less committed may have a more favourable attitude towards stealing and will likely be more accepting of stealing from the retailer (Korgaonkar et al., 2021).

These theories and additional aspects identified from literature highlight several personal, organisational, societal, and environmental factors as potential causes of employee theft. Some of the key drivers include low salaries, financial pressures, limited organisational commitment, peer pressure, macroeconomic conditions, and inadequate security measures.

Measures to curb employee theft

Efficient internal control systems: Several studies found that internal control systems (e.g., surveillance and audits) can help to curtail employee theft (Moorthy et al., 2015; Smith et al., 2011; Su et al., 2023). The success of these controls can be further enhanced by including employees in the design and implementation of these theft prevention measures (Kennedy, 2016), because employees are more likely to adhere to the rules if they perceive to have an influence on the rules (Association of Certified Fraud Examiners [ACFE], 2017). Other measures include training and awareness programmes focusing on loss prevention (e.g., employee theft prevention) and a secure reporting mechanism that may be linked with a reward (Doyle, 2023).

While acknowledging the importance of internal controls systems, some studies argue that relying solely on security measures and internal controls will not eradicate employee theft (Kelkar and Emilus, 2016; Moorthy et al., 2015; Traub, 1996). Increased surveillance and mistrust can cause alienation among employees and contribute to an environment that is more susceptible to employee theft (Traub, 1996). Consequently, behavioural changes (e.g., instilling a negative behaviour towards employee theft) are recommended as core measures to curb employee theft (ACFE, 2017; Kelkar and Emilus, 2016). Hadjiyannis (2022a) reported that some of the discussions at the National Retail Federation's Protect Conference referred to the role of emotional intelligence in asset protection/loss prevention leadership and 'suggested that examining and dealing with behavior, not just technical elements, is a far better approach'.

Emphasise positive behaviour: The ACFE (2017) used Skinner's reinforcement theory to explain that positive reinforcement is a more effective method than punishment to change negative behaviour into positive behaviour. Punishment is claimed to only temporarily suppress negative behaviour, because individuals tend to return to the negative behaviour once the punishment (e.g., application of a negative stimulus or removal of a positive stimulus) has been withdrawn. Reinforcement continually emphasises positive behaviour by using positive stimulus to achieve the required behaviour or removing a negative stimulus when the required positive behaviour is attained (ACFE, 2017). Nevertheless, it is advisable to address the circumstances in which the act (e.g., employee theft) takes place by creating an

environment that fosters trust and fairness (Traub,1996) or by exploring the financial difficulties experienced by employees as an example (ACFE, 2017).

Ethical leadership: Harris and He (2019) argued that employees are influenced by their work and how they are treated by their leaders. Leaders specifically exerting behaviours, such as honesty, trustworthiness, care, and fairness, are said to inhibit undesirable employee conduct (e.g., theft). Several other studies confirm the important role of leadership (e.g., managers) in fostering positive behaviour, creating a conducive work environment, and helping reduce employee theft, especially through leading by example and being approachable (Cant and Nell, 2012), fair and supportive (Everton et al., 2007), and empowering employees (Kennedy, 2016).

Additional measures that reduce employee theft by considering the pressure and well-being of employees and creating a more inclusive working environment and increased organisational commitment are outlined below.

- Acknowledging employees and providing positive feedback will increase their involvement, motivation, and loyalty (Asaari et al., 2019; Jabagi et al., 2019). Employees can also be motivated through information sharing, such as imparting product knowledge and spreading awareness (Loss Prevention Magazine, 2015).
- Communication is vital; it addresses employees' needs for their voices to be heard (Standish et al., 2021) and communication can improve employees' working relationships with management and fellow employees (Cant and Nell, 2012; Muhamedi and Ariffin, 2017). The working relationship amongst employees can be further improved by team-building activities (Machova et al., 2022).
- As per Chen and Sandino (2012), higher wages or implementing incentive-based pay schemes or bonuses will also have a positive influence on the prevalence of employee theft.

These theories and psychological mechanisms argue for aspects that may curb theft, and that may be explored to meet the objective of establishing a motivational approach to curb employee theft.

Methodology

This section defines the study's philosophical underpinning. Moreover, the research approach, data collection, and data analysis are outlined.

Philosophical underpinning of the study

This study followed an interpretivist philosophical approach, as it aimed to describe, interpret, and understand the lived experiences of the participants (Tuohy et al., 2013) and viewpoints (Kivunja and Kuyini, 2017). The interpretivist paradigm often entails a detailed exploration of a single subject (Wilson, 2010) to get a better understanding of the specific context (Carson et al., 2001). Bartlett and Burton (2007) added that this approach explores how choices are made and what the meanings behind specific actions are. This underpinning is generally associated with qualitative research (Mukherji and Albon, 2010), open-ended data collection instruments (Tshabangu et al., 2020), a small sample size (Carson et al., 2001), and active involvement or participation by the researcher (Carson et al., 2001; Wilson, 2010).

Research approach

This study followed a qualitative research approach. Leavy (2014) argued that qualitative research is a preferred approach when investigating new or under-researched topics and aiming to get a comprehensive understanding of a social phenomenon. The approach is also used when exploring sensitive topics (Hennink et al., 2011), of which employee theft is a prime example. Qualitative research generally comprises a small sample size (Hennink et al., 2011), making it possible to study participants' experiences and viewpoints (Corbin and Strauss, 2015) and the meanings they assign to specific actions and circumstances (Leavy, 2014). The data collection methods mainly include interviews, fieldnotes, documents, visual materials (Saldana, 2011), focus group discussions, and observations (Hennink et al., 2011). The descriptive data has to be analysed by identifying themes and categories (Boeije, 2010), together with the researchers' interpretation of the data (Creswell and Creswell, 2017).

Research reasoning approach

Both inductive and deductive approaches were employed during the data analysis stage. Each form of reasoning holds significant value in scientific inquiry and contributes to theory development and testing across diverse fields. Throughout the study, the theories at the

initial stage guided the data collection and analysis, hence deduction. However, the use of open-ended interviews allowed new inferences to emerge from the data, further enriching the investigation with fresh insights and perspectives, and allowing induction. By incorporating abduction into the research approach, the study was able to explore new avenues of understanding and interpretation, making it a valuable and insightful endeavour.

According to Okoli (2021), the deductive approach initiates with existing theories and employs them to draw conclusions about the data. Magnani (2011) further clarified that deduction reasoning starts with 'reasons' and looks for corresponding consequences. It is a logical inference process that begins with observations and seeks to derive the simplest and most plausible explanation for these observations, based on pre-existing hypotheses or theories. In our study, this approach was employed to examine and validate theories by scrutinising potential possibilities and drawing specific, logical conclusions from the collected data.

As explained by Sauce and Matzel (2017), inductive reasoning involves evaluating how well the evidence deduced from raw data aligns with hypotheses. This approach commences with empirical data and uses it as a foundation to build a theory. Unlike deductive reasoning, inductive reasoning draws and relies on broad generalisations from specific observations (Oussi, 2020). In other words, it begins with specific observations and then derives generalisations about those observations. Inductive reasoning is commonly employed to generate predictions or forecasts about various phenomena (Sauce and Matzel, 2017). Reichertz (as cited by Stiehler-Mulder and Cunningham, 2022:19) added that 'induction is closely related to the data and can reveal new knowledge that goes beyond existing knowledge and conclusions.' In the current study, induction helped derive 'surprising' findings from the data.

Prior to Charles S. Peirce, philosophers recognised inductive and deductive reasoning as two distinct forms of reasoning. However, in 1903, Peirce introduced a third kind of reasoning, called 'abduction', which brought a new dimension to the process of forming explanatory hypotheses and introducing novel ideas. Abduction is considered a form of 'theory-forming or interpretive inference' (as cited by Nissan, 2003:381). Peirce's original formulation of abduction has been adopted by contemporary philosophers, who now use it to refer to

‘inference to the best explanation’ (Nissan, 2003). This means that abduction serves as the means of justifying hypotheses through explanatory reasoning (Beckwith, 2018). In the context of this study, abduction entailed a dynamic process of navigating between empirical theory and theory-laden empiricism (Stiehler-Mulder and Cunningham, 2022).

Data collection

Data was collected by recording and transcribing interviews. As part of this cross-sectional study, a focus group discussion with six employees was conducted, as well as semi-structured in-depth interviews with 15 managers (including top, middle, and store managers) and 16 employees (including general employees and union representatives) of FMCG retailers in South Africa. General employees refer to cashiers, service hands, cleaners, general workers, merchandisers, shop assistants, pickers, promoters, packers, etc. Efforts were made to include participants from corporate stores and franchises, and diversity in terms of job description, level of seniority, and geographic locations. A research company, Capture Data Processing Solutions, was approached to schedule the interviews with employees in an attempt to maximise data collection efforts amidst the sensitive nature of the study.

The in-person focus group discussion took place in October 2022, while the interviews were conducted online (via Microsoft Teams or Zoom) and telephonically. The management interviews took place between July and October 2022, and the employee interviews were conducted in January 2023.

Instrument

The interview guides (see Annexures C and D) comprised open-ended questions. These guides were designed to collect data pertaining to the extent and impact of employee theft, employees’ value and level of engagement, possible drivers of theft, the societal status of people working in retail, career paths in retail, the work environment, current measures to prevent theft and the success of these measures, as well as additional measures that could be used to curtail employee theft.

Ethical aspects

The University of Reading's Research Ethics Committee approved ethics for this study. In line with the ethical requirements, respondents had to read the participant information sheet and sign the consent form (see Annexures A and B). The information sheet explained that participation was voluntary, respondents could withdraw from the study, the data will be held securely and treated confidentially, and neither the participant nor the organisation will be named in any research outputs. Moreover, it articulated that the interviews would be recorded and used to compile transcriptions, so that the report could accurately present the findings and main themes that emerged from the interviews, and that direct quotes would be used for illustration. As part of signing the consent form, the participants acknowledged that they agreed to the procedures, rights, and responsibilities outlined in the information sheet.

Data analysis

This study used thematic analysis to extract codes, categories, and themes from the interview transcriptions. According to Guest et al. (2012: 11), thematic analysis is 'the most useful in capturing the complexities of meaning within a textual dataset'. This method helps to organise, interrogate, and interpret the data (Braun and Clarke, 2021). It includes the 'examination of commonalities, the examination of differences and the examination of relationships' across the data set (Gibson and Brown, 2009:128). The researchers followed the guidance provided by Braun and Clarke (2006) and Creswell and Creswell (2018) by reading through the transcripts multiple times to become familiar with the content, generating and continuously re-visiting codes and themes to confirm accuracy, and providing information about the interrelation and meaning of the themes in the write-up.

Guided by the criteria developed by Lincoln and Guba (1985), this qualitative inquiry continually addresses credibility, transferability, dependability, and confirmability to ensure trustworthiness (Nowell et al., 2017). This study used triangulation to help ensure credibility by using more than one researcher to analyse the findings (Stahl and King, 2020). Detailed descriptions are used throughout this study so that the findings can be transferred to another context by other qualitative researchers (Stahl and King, 2020). The data was analysed by two researchers and revisited several times to help ensure dependability, while the remaining researchers validated the themes, key findings, and consistency.

Analysis and findings

This section provides a detailed discussion of the findings and themes related to the main research objective and AoEs. It entails an interpretation of the data, direct quotes from participants and, where relevant, the findings are integrated with literature.

The extent and impact of employee theft

Shrinkage (including employee theft) remains an inherent part of fast-moving consumer goods retailing

Although shrinkage occurs in all stores, the participants' feedback signalled that the composition and frequency of shrinkage and employee theft vary across stores, ranging from daily occurrences to acceptable levels, and minimal incidents. Similarly, some of the respondents noticed declining levels of employee theft, while others reported increasing or constant occurrences. The respondents (especially the managers) also referred to customer theft, administrative and system-related causes, and syndicate/organised retail crime as significant contributors to shrinkage. Quotes from managers included:

Looking at the entire shrinkage, you will take about 80% and attribute it to process failures, right, what we call in retail paper shrink: not following the correct processes, administrative issues – 80% is attributed to that. And then you would take the 20%, and you would then classify that under crime, where I think staff theft would fall in that 20%. Now, if you break that 20% up, you realise that it's really a smaller portion, because then you would then have to look at how much of your 100% crime or theft is staff theft. And we find that in our organisation, it only amounts to about four or five%.

(M11)

I knew there was but there wasn't much.

(M2)

It is definitely there, and it's happening on [a] daily basis.... I would get calls from the stores that we have found your employees stole some chocolate or some biscuits or something.

(M6)

To be honest, over time, it's always been there. It's not something that's all new within retail or other sectors.

(M11)

It's not rampant, but I think ... there's an acceptable level of shrink.

(M12)

The above findings are consistent with other studies that confirm the prevalence of shrinkage and theft in retail (Davis and Harris, 2019; Dye et al., 2018; Eminue et al., 2019; Fainos and Raphael, 2015; Moorthy et al., 2015).

Employee theft impacts everyone in the business

There is consensus among employees about the far-reaching impact of employee theft. These impacts include reduced profit margins, possible store closures, limited growth, increased costs, job insecurity for all staff members, broken trust, and a negative customer experience.

The employees shared the following:

Customer satisfaction as well, that plays a role in that as well. Because now, you'd be expecting to have a certain amount of stock only to find out that it's grown legs, and it's gone missing, and you can't deliver to the customer any more. So yeah, customer promises, its relationships get broken.

(E1)

A lot because, number one, they lose the employee, they have to hire someone else, train that person again.

(E4)

I feel like if members of staff are caught stealing also that ruins the relationship, if any exists, between like the lower members of staff and the managers, and then there is no longer trust in the business.

(E12)

It is very, very bad. I could even lose my job because of that, because they will not profit, the store will not make money.

(E14)

They are going to retrench people because as long as they keep on stealing, the company is not going to make any profit and then they're gonna [*sic*] retrench us.

(E15)

Potential drivers and motivation of employee theft

The participants explained that there is a need/survivalist component, as well as a want/opportunistic component that drives employee theft. The latter is often associated with employees working with syndicates, a phrase that was used by several participants, but fell beyond the scope of this study as it is classified under organised retail crime.

Low salaries

Most employees revealed that low salaries paid in the backdrop of high expenses could cause employees to steal from the workplace to make ends meet. Others revealed that employees might want an item, but realise they cannot afford it because of low salaries, which impacts their affordability. Quotes from employees included:

It does, because sometimes you will see that you're getting small salaries, and then our problems are too much. So, others ended up stealing because of that. Because the salaries do not fit all their needs. So, they end up deciding, 'You know what? I will rather steal because I don't have money to buy this.'

(E4)

If employee[s] get less salary, that salary is using for the transport, is using for the food in the home, is paying rent, okay [*sic*]. So, he or she didn't count lunch inside that salary and the salary already gone, paying the expenses.... So, he's going to be tempted in the stock room maybe if he or she is working in a stock room. He's gonna do something, he's gonna eat [*sic*].

(E6)

I think that the main reason that you'd find staff members stealing, it's because I feel like the staff members that do steal are stealing necessities that they wouldn't be able to afford because of the low salaries. And another thing I would say is that a lot of them are living difficult lives. And they feel like theft is the only option for them at this point.

(E12)

So, if someone has a family that contain[s] 14 people, and their 3.4 or 3.6 salary can't afford them monthly basics, so obviously they are going to do something that is not from the law.

(E14)

Several managers also pointed out that low salaries and financial pressure drive employees to steal. Salaries or wages are often insufficient for employees to keep up with their expenses, driving them to steal to meet their needs. The managers stated the following:

Maybe it's one breadwinner in a five-family member house, and then maybe that person is the only one that is providing and then, you know, the wage is small, they can't keep up with the things and everything is getting high these days. And then they can't keep up and then maybe they end up considering maybe if I can do this, maybe you know, maybe they just bank the lunch and eat on the floor, things like that. So, I think the wage plays a bigger role in that case.

(M4)

The salary, I think that's the major factor. Because if you look at people that we catch stealing, you look at the calibre or the lifestyle, you can see that you know what, it's more of a hunger problem, especially from employees. So, the salary I think does kick in there.

(M5)

I think that companies don't appreciate their people. People put in so much hard work to get like a little salary.

(M10)

If you look at the average salary or wage per hour that people get, the money that they take home. I don't want to say it is understandable, but what is the alternative out there? You know, every little, small thing, if you were in a position, and you only earned R5 000 a month and you had three, four, five, six kids to support, what would you do? I think that is the main question, how would you survive?

(M11)

The finding on low salaries also chimes with Merton's strain theory, which states that people are likely to commit a crime due to their inability to meet certain cultural expectations of society (Braithwaite, 1980). Moreover, these expectations can be attributed to forces outside of their control, such as low wages. As a result, the strain that arises from failure to meet societal expectations owing to low wages will end up driving employees to steal. The findings above also align with the principles of the equity theory, which posits that employees may resort to theft when they perceive an imbalance between their work inputs (e.g., working hours) and outputs (e.g., wages), compared to those of their colleagues in similar positions (Adams, 1965). This perception of inequity leads individuals to engage in negative behaviours, such as theft, as a way to address the perceived unfairness (Banks et al., 2012; Moorthy et al., 2015). The confirmation of equity theory in this study provides a valuable lens to understand how perceived disparities in the workplace can influence employee conduct, including instances of theft, as individuals seek to restore a sense of balance and justice in their work environment.

Furthermore, the findings confirm that low salaries can impact employees' commitment to their organisations, leading to reduced loyalty and a more favourable attitude towards theft among those who feel undervalued and unappreciated (Korgaonkar et al., 2021). The findings above also resonate with the finding by Korgaonkar et al. (2021) that wages/salaries play a role in employee theft within retail settings. Jensen et al. (2019) added that in the context of

low pay in retail settings, basic psychosocial needs, such as working conditions and reasonable treatment, have a bigger influence on employees' attitudes and behaviours. This is consistent with Chen and Sandino (2012), who argued that higher wages or implementing incentive-based pay schemes or bonuses positively influence the prevalence of employee theft. Other studies (e.g., Cant and Nell, 2012; Gross-Schaefer et al., 2000) also identify low salaries and underpayment as significant contributors to retail employee theft, especially concerning low-level employees.

Broader economic and social factors

In addition, employees indicated that living a difficult life drives some employees to steal, as stealing becomes the only way to access items they may need. More specifically, the study's findings revealed that poverty, inequality, and financial challenges might lead to desperation and thus employee theft. Most employees interviewed asserted that financial challenges at home were significant causes of employee theft. They mentioned that many were breadwinners who often struggled to make ends meet owing to low salaries. Moreover, financial challenges emanate from the demands and pressures of family and friends, especially children – the need to send children to school and meet their needs. Employees shared the below during the interviews:

To be honest, there is some poverty where people are going through, actually there is a lot of things that people are going through, that is why people steal or do those bad things.

(E3)

They have too many responsibilities, and the money is not enough to cover all of them.

(E13)

Managers highlighted that theft can arise due to poverty, the state of the economy, the prohibitive cost of living, loans to pay, unemployment rates, and day-to-day survival. Furthermore, financial pressure due to low wages or living beyond one's means, high poverty rates, and high cost of living, along with pressure to attain a higher status or level of living, can lead to theft. The managers shared:

I think the main point that one cannot ignore is the fact that we still sit with an extremely high poverty rate and unemployment rate. But saying that, you know, also looking at the actual cost of living ... living has become very expensive.

(M11)

Employee theft is largely determined by the state of the economy. That, to me, is the single biggest factor.

(M13)

The findings above suggest that although most employees did not justify stealing, poverty and financial difficulties emanating from their circumstances contribute to stealing. Mukhalipi (2021) concurred with these findings, indicating that culprits of employee theft are mainly driven by the need to acquire extra money so they can meet social needs (lifestyle). Featherstone and Deflem (2003) further supported these findings, asserting that socio-economic barriers hinder individuals from achieving culturally defined goals, leading to strain and driving some towards deviant actions. The macroeconomic factors identified in the study, such as high inflation rates, volatile exchange rates, and sluggish economic growth, can exacerbate employee strain, potentially pushing them towards theft. Cant and Nell (2012) also agreed, indicating that during economic downturns, employees may resort to theft as a means to supplement their income and cope with financial hardships. These collective insights illuminate the complex interplay of economic and social factors in influencing employee theft behaviour within the retail sector.

Peer pressure or influence from work colleagues

Employees and managers identified peer pressure or influence from work colleagues as a driver of employee theft. The employees mentioned that some might engage in theft owing to peer pressure from their work colleagues, or if they see that colleagues who are stealing from the store are not getting caught or reprimanded. Managers concurred with these findings, pointing out that peer pressure often arises from seeing others doing it. The participants stated the following:

The pressure of colleague friends, yes. They do that. Because someone can go to work while they don't know how to steal, but when they arrive at work, they get a colleague that is a professional with stealing. Then the colleague teaches them.

(E5)

Yeah, sometimes they might feel pressured because some people they don't have responsibility, maybe he or she is the last born, eating at home, mom's doing everything for him or her, and then eating the expensive food every now and then. Things that they can't even afford a brown bread. Sometimes they feel pressured, they'd be like, let me just be like her or be like him. And then bad luck, they get caught.

(E8)

For example, if someone has a friend that earns a lot of money and is living [a] high life. That person also wants to live that life, but then they can't afford [it]. Now, they have to steal and make extra cash so that they can at least try to meet that.

(E13)

I think it will be pressure. They see someone else doing it, and then those people are not getting caught. And then they're in the business like, if they see someone stole something on a Monday, and then comes another Monday, they're still there. And then they're like, okay, that means something is wrong here. That means they can also do it. And then maybe they join.

(M4)

Because now they are still young, they need ... kind of a different lifestyle, but now the salary is here, and then they want to achieve things that are a little bit more expensive. So, it goes with pressure as well, new cell phones, new clothes, everything that they can get that is really a new and trending as youngsters, that drives that as well.

(M5)

The above findings are consistent with the fraud triangle, which maintains that fraudulent behaviour, including theft, can occur when the following three elements co-exist: pressure/motivation, opportunity, and rationalisation (Verma, 2021). Our findings reveal that peer pressure from colleagues is one of the motivational factors, contributing to the presence of the first element in the fraud triangle. Employees who succumb to peer pressure felt compelled to engage in theft to gain acceptance or fit into a certain group dynamic, thereby satisfying the pressure aspect of the triangle. Additionally, the observation of colleagues stealing without facing consequences fosters an opportunity for others to emulate such behaviour, satisfying the second element of the triangle. Moreover, employees may rationalise their actions, justifying theft as a means to cope with financial difficulties or aligning it with a perceived cultural norm within their immediate work environment. As a result, the findings substantiate the relevance of the fraud triangle in explaining the employee theft and the factors influencing such unethical conduct in the workplace.

Limited opportunities for growth

Employees identified a lack of opportunities for advancement and transitioning from temporary to permanent staff as a motivator for some employees to steal. In this case, theft becomes a way of protesting limited opportunities as employees feel stuck in one position. An unclear career path and insufficient support or recognition of talent can also demotivate employees and influence. One of the managers pointed out that there are minimum requirements for certain roles (e.g., educational attainment) that can hinder career growth.

The employees stated:

Yes. Because if, let's say, someone has been working for about 10 years, and they've not been growing, then they'll come with that thing. Let me steal because I don't think they notice me, I've been here for so many years.

(E2)

Yeah, I can say it also has an influence because there's no one who does not want to grow. We all want to grow, we all want to get a better salary. So, if someone is pushing to get the growth, but there is no movement, there's nothing that is showing that maybe one day they're gonna [sic] get this, then they end up doing it themselves, taking some of the things that they were not supposed to take.

(E4)

Because all the workers they just want to see themselves in another position where they work. So, if like, with time, you don't promote people or you don't give them the positions, where they last long in a one work, they will just do that thing of maybe eating in the store because they don't grow up in a store, they didn't see them growing up.

(E6)

One manager revealed:

If somebody doesn't grow and they don't get someone else to motivate them, they think that you know what, there is no use, why am I being so honest and loyal?

(M14)

Role of management

Participants stressed that there is a higher likelihood of employee theft if managers are unapproachable or do not treat employees with respect. Theft is often a way of retaliating against the treatment received by a manager. One of the participants further revealed that it may be difficult for employees to report and take theft prevention seriously if they perceive management to be dishonest. The following are quotes from the employees regarding management's role in employee theft:

To sabotage, in some cases. If they are unpleasant with management and how they [are] treated.

(E1)

Even when you are working, there are times that people suffer. So maybe they can speak to the manager and then [at] the end of the day the manager is always like angry or something. They can't communicate with him, that leads to stealing. Maybe there is some troubles at home, maybe they don't have something to eat. Something that they can discuss with him or her, but considering his or her behaviour to them, then they feel that maybe if they can steal this, it can make them feel better.

(E7)

The second one is when they are mistreated, when they are treated badly in the company. That can also contribute to them, you know, creating a sort of reaction to management in the form of theft.

(E9)

Managers added that broken promises and a lack of trust in management can also contribute to theft. On this subject, the managers said:

Our philosophy is that shrink lies squarely with store leadership, so it lies with the manager. So, the environment for there to be theft and shrink is dependent on how the manager manages the store. We might deploy all types of security technology to support him, we might have physical security guarding the store, and all those types of things. But, ultimately, those are just resources that he or she needs to manage. Now, to your question, why would you have employees, it depends on the culture that's been created by that particular manager.

(M1)

Generally, you are just not managing the business very well. You don't communicate with people, you don't grow people and, most importantly, you don't nurture them. It's like a kind of a time bomb recipe waiting to go off. Does that influence shrinkage? Big time, big, big time.

(M13)

I think the other thing that encourages and promotes staff theft in our stores it's that, also, the people don't feel important in the stores. They feel that they are just an additional member or just part of the furniture. They don't feel important, they don't know the importance of them being in the store.

(M14)

Broader organisational factors

This builds on the role of management and includes key factors like low morale, limited communication, and recognition, as well as not being consulted and not having a sense of belonging. During the interviews, the employees shared:

And then sometimes people are too scared to ask for help. So, they think there's no one that can help them and then they take something and then they get into big trouble for it, but they could not ask.

(E8)

The managers asserted:

It can be recognition. I've worked for the company for five years, no promotion, no nothing. They don't recognise me. That leads to disengagement. So, when the team disengages, then that is where they start to not care about whatever they do. They will just do anything and say, 'You know what? I am nothing, they don't recognise me, I will never be anything.' Then that's where they start doing all these things.

(M5)

Sometimes people steal when they're disenfranchised.

(M8)

But beyond that, I think the relationship also that organisations hold with their employees is a huge determining factor in that respect.

(M9)

The aforementioned findings align with existing literature, emphasising the crucial role of communication in meeting employees' needs for a sense of voice and agency (Standish et al., 2021). Moreover, the study's outcomes underscore the positive impact of effective communication on fostering better working relationships between employees and management, as well as among fellow colleagues (Cant and Nell, 2012; Muhamedi and Ariffin, 2017). These observations also support the findings of Machova et al. (2022), who proposed that team-building activities can serve as a viable approach to further enhance working relationships among employees. Collectively, these scholarly insights corroborate the significance of broader organisational factors in shaping the dynamics of employee interactions within the organisational context.

In a nutshell, overall findings under AoE 2 support strain theory (unable to meet society's cultural expectations), marginalisation of workers, routine activity theory (motivated offenders, suitable targets, and insufficient guardianship), equity theory (inequality and low wages), fraud triangle (pressure, opportunity, and rationalisation), and organisational commitment. These theories explain the underlying drivers and motivations behind employee theft, as evidenced by the study's results.

The lived experience of different organisational levels in the retail sector

While investigating the sense of belonging, inclusion, recognition, and level of engagement, the employees and managers interviewed expressed a range of opinions regarding the perceived status of retail employees, career paths in retail, and overall experiences of working in FMCG retailing in South Africa. These are outlined in the subsections that follow.

The perceived status of retail employees

Several employees revealed that customers, family, friends, and others in the community sometimes look down on retail workers or reflect negative attitudes towards retail work. This status is mainly because of the long hours, low salaries, and perceived lower level of educational training. Positively, a few participants indicated that they are respected because they are employed and able to support their families, especially in light of South Africa's high unemployment and difficult economic circumstances. Therefore, some of the employees claimed to be proud of their job titles, while others did not:

Because of the working hours. People that are seen to work on holiday seem to have no life. So, like in retail, you [are] open throughout the whole year, 365 days a week. So, Christmas Day you are trading, in most cases, most stores, where other people are spending time with their families.

(E1)

I am very proud of my job. I even post myself wearing the uniforms through WhatsApp and Facebook. All over, I am wearing my uniform when I go to work. I'm very proud because it's the thing that I really enjoy.

(E2)

I think it is not the society looks up to. You know how it is. They don't. Because there is a lot of things going on in retail. There is lot of work, but when it comes to wages, you only get peanuts.

(E3)

There are those people who look down on us. They think maybe these people they didn't go to school, they did not want to study. They are saying all those bad things about us. And there are some good people, I don't want to lie, so it's a 50/50 thing.

(E7)

Even us, we are not proud of what we are doing, but we are forced by the situation, so there is nothing that we can do.

(E15)

Managers also suggested that society's perception of retail jobs is generally negative and people do not consider them prestigious or desirable. However, some people are aware of the importance of the industry and its workforce. Moreover, some managers expressed concern that certain retail workers do not see retail jobs as a lucrative profession, while others see the potential for career development within the industry:

I think they are well looked up to.... I don't think that everyone believes that retail is a job that they would want to do, but because retail feeds such a huge amount of families, and it is one of the biggest employers in South Africa.

(M3)

So, I will rate it [on a] scale of zero to 10, I would say 4% they are proud, 6% they are working there because there are no jobs, they need to put food on the table. But not everyone of them they are passionate about it.

(M6)

Most people in society even look down on me, they think I'm just a lowly shopkeeper, and I wasn't successful at anything else that I did, and therefore I've ended up behind the counter serving people. So, I think that there's very, very poor general knowledge out there about what we do in retailing and the fact that it's a science. It's certainly not considered a profession; it is considered with disdain.

(M13)

I would say five years ago, people didn't value anyone who works in retail, and then it has changed. Most people they value people that works in retail currently.

(M14)

These negative perceptions and associated treatment of retail workers can impact job satisfaction and motivation. Employees and managers echoed that awareness campaigns about the importance and various components entailed in a retail career can help to improve the perceived status and value of retail employees. For example, some participants mentioned that the classification of retail as an essential service during COVID-19 helped in this regard. There were also suggestions to reconsider the working hours and salaries.

Career paths in retail

While some participants expressed scepticism and negative experiences regarding the potential and requirements for career advancement in the retail industry, others believe it is possible to achieve career growth within this sector. Several participants (employees and managers) shared their experiences of commencing their journey from entry-level positions and advancing through various roles and departments by acquiring key skills while maintaining a steadfast commitment to learning. Furthermore, the respondents indicated that managers play a key role in recognising the talent of their employees, promoting them, and offering them career guidance. Some employees also mentioned the importance of hard work and dedication in obtaining a promotion, as well as showing interest and initiative to learn new skills and gain experience:

Now where I work, the manager is all about promoting his staff.

(E4)

I don't know about the other stores, but my store they are giving me advice. 'Okay, look, in order for you to get to a higher position, you must behave and do this way, this way. 123 is the thing we don't want, 123 is the things we want.'

(E9)

And within the store it's not a thing of where you can work for certain amount of years and put in that hard work and then you know that you are going to be promoted to a position.... And if there is an opening in a higher up position, the company might bring in someone who hasn't worked there at all before to fill that position, instead of promoting one of the lower ground staff members.

(E12)

On the same topic, the managers had the following to say:

Yes, definitely, there is a career path for them, as long as we give the right support, the right tools, and that inclusiveness, that diversity, there is. I'll make a typical example of myself; I started as a merchandiser, that was the year 2000. Today, I'm a regional sales manager. So, it is there.

M6

We have got through some of the programmes we have been running now, people managing stores who were cashiers, and that rise of people has been quite amazing. And once you start the process, the momentum is there.

M8

I know people here in my company that are stuck in the same position from ever since I arrived here.

M10

Other positive and negative experiences of working in retail

Positive experiences

The employees who were interviewed identified learning opportunities, face-to-face interaction with customers, and the opportunity to meet new people as positive aspects of working in retail. They also explained how these aspects can be a motivating factor for employees:

The people that I am working with, they are so friendly. My managers are so friendly. My store manager is so friendly. If I've done something, [a] mistake, yes, they will shout at me, then it is over, then we carry on. Then we are happy, tomorrow we are happy, we love. I enjoy customers. I enjoy everything in the store. I am just happy.

(E2)

It took me from nothing, to today I am something. If I might say, I've learned a lot, meeting people, things that you know now, you never knew then. Things that you learned; you came with no experience.

(E8)

I think it would be meeting a lot of different people through working there. So, like, meeting new staff members, or the members of staff and customers as well, I really enjoy that aspect of it.

(E12)

Working with people. Every day experiencing new faces. Learning about their culture. All of that.

(E14)

Negative experiences

The employees highlighted low salaries, long working hours, and occasional bad treatment from customers as negative aspects of working in retail, particularly within the generally accepted norm that 'the customer is always right'. Several employees expressed that they work long hours and have minimal time to spend with their family in an attempt to address their basic financial needs. Some of the feedback from these employees is outlined below.

Also, the difficult customers then you have to be patient and have to know how to deal with them.

(E10)

It is not enough, especially if you have family and you have other siblings that you have to support, it is little. So, when you come back, there's nothing that you can do. The only thing that you can do is take a bath and then eat and then go to sleep. You don't even have time, enough time, to spend with your family.

(E15)

They shout at you. Sometimes you're doing something, and they will be instructing you to do something, seeing that you are busy with something they will be shouting at you. Sometimes in front of customers.

(E16)

The sense of belonging and level of engagement

The participants provided positive and negative feedback regarding their sense of belonging and perceived level of engagement. For most of the employees, this was determined by the extent of the communication, approachability, inclusion, respect, and recognition received from managers. Some of the employees indicated that promotions also influence this feeling. Quotes from employees included:

I was enjoying his ways. Every day he was advising me, 'My boy, I see you [going] far. My boy, I see you growing up in the retail. You are just doing good work.' In my store, we are being recognised.

(E6)

All they care about is [the] job, job, job. How you are feeling? They don't want to know that.

(E8)

We feel like a family. There is a certain unitedness in the business.

(E9)

I don't think our managers appreciate what we are doing. Because sometimes they feel like maybe they wake up on the left side, just shout the whole day.

(E15)

Some of the managers pointed out that they attempt to instil a sense of belonging and engagement through information sharing, listening to the employees, incentives, and providing recognition. Others acknowledged that more can be done, especially regarding lower-level employees. Some of the managers' feedback comprised the following:

I don't think they involve them much. They just have to come in and work, they just have to come in and do their job. I think we are not doing enough to appreciate them, as you are saying. We as management, we are not concerned about their well-being or anything, they just have to come in, work and go home. I don't think they are taken seriously or they are included in decision-makings.

(M4)

There is a little bit of negativity or people that feel like, you know what, we are not really being appreciated, especially from the low-rank guys, those guys that load stock and all that.

(M5)

The guy receiving at the back door, he is between the cartons and the rats, and the hours. Whoever walks to the back door and says to him, 'Thank you so much. Without you we couldn't not sell one thing in our store.'

(M7)

If we need to make solutions, I go to them and I ask them, 'What do you think we should do, what would you suggest?' You know, I include them.

(M10)

We understand the value and importance of them, but I think we sometimes get stuck in the how, how do we show them that?

(M12)

They have an ear, they listen to their staff, they talk to their staff. If they have got problems at home, they call them in, they sit them down, they help wherever they can. That is why we end up as a family.

(M14)

The findings illustrate that instilling a sense of recognition, purpose, inclusion, and belonging helps create a work environment where employees feel valued, respected, motivated, and

included. Previous research confirms that such recognition leads to enhanced employee involvement and motivation (Asaari et al., 2019). This entails several benefits for businesses, including improved customer service, increased commitment, and a smaller likelihood for unethical behaviours, such as employee theft. The employees affirmed:

Everyone is going to be happy, do their work properly, like decently, there won't be any complaints or judgement.

(E3)

I am always happy when I wake up going to work, knowing that whatever I do, at least someone notices it.

(E7)

That is ... kind of motivating your employees because the minute employees feel useless, they can't give a good service to the customer, and a happy employee is a happy customer.

(E8)

They will feel very special, they will feel as part of the company. And they will make sure that everything goes well, when it comes to profits and budgets, everything will be running smoothly.

(E13)

The following were quotes obtained from the managers:

I think, if you're looked after, and you feel part of the business, and information is shared with you, and you're allowed to give feedback and input back into the business, your whole feeling towards that business is of trust, of a sense of belonging, etc. And I think if you do take that away, you're leaving someone out there cold, and then it's like they are just an employee number. And I think that will trigger people to be easily influenced to do the wrong thing.

(M3)

Our staff, they are motivated by small things. You don't have to give them gold that glitters. If you show that you care, and you put yourself in their shoes, definitely you will get a better return on investment. But if you don't, if you have that don't care attitude, you shout at them, you speak to them anyhow, you don't include them. Definitely, you are setting yourself [up] for failure.

(M6)

People want to be [a] part [of something], people want to belong.

(M9)

People want to be seen. It's a sense of acknowledgement, to know that you're not just a number, to know that there's somebody out there who knows your name, who knows who you are, and what your aspirations are. Being recognised, known, and then a sense of purpose, that we as a team are achieving something.

(M12)

The above findings align with the concept of ethical leadership, as highlighted by Harris and He (2019), who asserted that employees' behaviour is influenced by their interactions with leaders and the treatment they receive from them. Leaders exhibiting traits, such as honesty, trustworthiness, care, and fairness, are posited to deter undesirable employee conduct, including theft. These findings resonate with several other studies that also emphasise the crucial role of leadership, particularly managers, in fostering positive behaviour, creating a conducive work environment, and reducing employee theft. Notably, effective leadership is demonstrated through leading by example and approachability (Cant and Nell, 2012), fairness and supportiveness (Everton et al., 2007), and empowerment of employees (Kennedy, 2016). The integration of these ethical leadership principles is essential for promoting a culture of integrity and minimising the occurrence of employee theft within organisations.

Motivational and preventative strategies that could help curb employee theft

Nearly all the interviewed employees and managers emphasised the importance and success of internal control systems. Several other studies (e.g., Boniface, 2016; Moorthy et al., 2015; Smith et al., 2011; Su et al., 2023) have also made these findings and suggest that internal

control systems and well-managed internal initiatives can be crucial in preventing employee theft. However, some participants indicated that security alone is not enough, as some of the security measures can be circumvented or do not address all the causes of employee theft. One employee indicated that excessive security measures can be interpreted as distrust. The participants further acknowledged that there is a need and scope for motivational measures. The rest of this subsection unpacks motivational strategies that could directly help curb employee theft, or indirectly by creating a positive working environment, which is known to have lower levels of employee theft.

Positive working relationship with management

The interviews highlighted the significant influence that managers have on employees and the overall working environment. The participants (especially the employees) highlighted the need for a positive relationship between management and staff. They pointed out that a working relationship characterised by mutual respect, engagement, and trust can reduce employee theft and increase satisfaction, motivation, and commitment. Employees also highlighted the importance of being able to approach managers for guidance or help when they are experiencing difficulties, instead of resorting to employee theft. Below is some feedback from the employees:

It starts with the manager, the leader, if you are a leader, you lead by example. Whatever that you do it, just know that people that you're leading will also do that. If you are positive, the people that you are leading will be positive as well. So, I think it will really help.

(E4)

I am still saying a better relationship with your staff can make everything better.

(E7)

How [the] manager treats the staff is how the staff will treat the customer.... They need to treat their staff in a good manner, respect. So that the staff will take care of the customer.

(E11)

Like holding meetings every day. Telling them that they appreciate whatever little work we put in the business ... respecting us. Talking nicely to staff.

(E16)

Quotes from managers included:

If you have got that store manager that sits down with his staff, and he hasn't got favourites, and they all are treated equally, and he just goes around, does a simple thing like greeting people in the morning, just to acknowledge them that they are there, I think that's a good start.

(M3)

It's all about how you invest in employees. Also, on a little bit of a personal base, you know, being interested in them, forming good relations. People should want to work for you, and not just be a number.

(M11)

When I left that store, there was a fantastic relationship between management and the workers. The shrinkage was down, the turnover was up, the standards were up, the level of service to the customers, being customer-friendly and that from the frontline, everything just changed. And it was just about saying, you know, trust us, we're all in this together, there is no grey areas here, and let's work together to make it a better place.

(M15)

Two-way communication and knowledge sharing

Several employees highlighted that communication, information sharing (e.g., business performance and shrinkage statistics), and employee input or voice can increase the sense of involvement. Suggestions included frequent and informative meetings with the team and higher-ups in the company, feedback of progress, and enabling staff to contribute their ideas:

Communication is the medicine of the store.

(E6)

As well as maybe having a meeting once a week where you ask the employees themselves if they have any ideas on how they can improve the store in any way.... I do think that it would, because I feel like it would make everyone in the team, myself included, feel more included with like the higher up managers and that.

(E12)

So, we will really appreciate if we know like those kinds of things that if the shop is growing or not.

(E14)

And give some feedback also as to what worked well. Maybe what can be done to make improvements, but also to say what went well and where the staff did good things.

(E15)

Most managers emphasised the importance of respectful and relevant communication, but acknowledged that there is room for improvement, especially communicating with lower-level employees. It can help to get a better understanding of employees' perspectives, build relationships, enhance trust, foster a sense of belonging, and improve employee engagement. Some of the managers also acknowledged the importance of feedback and giving employees a voice. Examples of this feedback are outlined below.

And I think that's another motivation in itself, because somebody who starts as a cashier, and is hard-working and is a driven employee would appreciate those conversations that you are having about shrink and employee theft and, you know, creating that ownership, you know, because ultimately, then what happens, then creates this urge to want to succeed because the person then thinks 'Hang on, if we prosper as a store, I prosper too.'

(M1)

Yes, we have to give feedback on the colleagues, and it feels so good to say, 'Listen, this is what we're supposed to do. We have done so much.' But the emphasis day to day is not on hammering people on missing our targets. And it's the learning curve for everyone.

(M2)

You know, some staff open up and they will actually tell you where things are wrong. They don't maybe mention specific names, but they would say, 'You know what, you better watch and check your receiving'; or others would say 'Why don't we try things like this?' So, there's a lot of feedback that you get back from staff, if you are open to listen to them.

(M3)

I think it's that awareness as well as being able to talk to the staff and communicate with them policies and values, I think is quite important.... It is about touching each person one at a time ... it is getting back onto the shop floor, getting back into stores, talking to the staff, getting store managers to talk to the staff, it sometimes can be that simple.

(M12)

The participants (employees and managers) also identified knowledge sharing as an important component of communication. Employees shared:

Even if you have the experience, I think to go through the training is the best. Cause some other shops they don't do the same things.

(E5)

Build me so that I can build you ... the managers should build us so that we can build them.

(E14)

The managers had the following to say:

So, I managed to reduce that ... through making my team members aware and training them as per the stocktake post-mortem, we lost these items.

(M5)

Education. It's not overnight, it's a continuous journey, all the time, reinvestment area.

(M11)

At the pinnacle of managing shrinkage is communication and education.

(M13)

The above findings align with previous studies that established the importance of communication. Muhamedi and Ariffin (2017) stated that employee satisfaction and 'their perceived relationship with management is central to the successful achievement of long-term organisational goals. Furthermore, Hargie (2016) asserted that communication can help improve job satisfaction and organisations' financial performance. Effective communication is essential as it fulfils the fundamental requirement of employees to have their voices acknowledged (Standish et al., 2021). Moreover, communication plays a pivotal role in enhancing the working rapport between employees and management, as well as fostering better relationships among colleagues (Cant and Nell, 2012; Muhamedi and Ariffin, 2017). To further enhance the relationships between team members, team-building activities have been proven to be beneficial (Machova et al., 2022).

Incentives and rewards

One of the most proposed recommendations by employees was to offer employee discount and store vouchers as a measure to reduce waste and employee theft. Several respondents suggested that the store should rather give the food to employees or sell it at a reduced price, instead of throwing it away. At least two managers also highlighted the positive impact of employee discount and meal subsidies. The employees shared:

If, like, maybe the store can arrange the vouchers each and every week, then that thing will stop. Okay, that thing will stop just because that vouchers can buy those workers the lunch so that they can stop eating inside the store or whatever.

(E6)

If they get, like, maybe you are selling the meal for the customers by this rand, but they [employees] can get it for R15, I don't think they can be able to steal because people can be like, 'Okay, today I don't have my lunch box, just let me buy this, and then eat.' There is no way someone can steal.

(E8)

So, to get a staff price with some discount so that the staff can at least afford to eat something and buy something at the store.

(E13)

Because where I work, there was this manager, he was so respectful. When people ever think of stealing, they think of 'Why, why am I doing this to this guy?', because he will be giving us food for free.... Their stomach is full, so they don't even think of stealing.

(E16)

The managers shared the following insight:

Other things that we do, that I think have got an impact is things like we do meal subsidies.

(M1)

The staff member felt far more valued and didn't want this perk taken away from them, and therefore they protected that perk.

(M7)

The participants also mentioned the significance of celebrating small successes and wins, instead of only focusing on the negatives. Other incentives include rewards for outstanding performance and goal achievement. A few of the managers also mentioned existing incentives, where employees receive shares in the company. Another manager mentioned the positive outcomes associated with an equal amount of incentive versus responsibility. The employees revealed the following during the interview process:

Being recognised. Being honoured, being awarded, like, with your weekly awards. For example, cashier of the week and cashier of the month. Those small little initiatives go a long way to building a person.

(E1)

If maybe they achieve something, there must be a small group whereby they recognise that employee, the best performing employees by giving them incentive. It can be a food parcel, it can be a voucher or maybe a money. That is going to motivate them.... They are going to act positively, they are not going to do anything because they know that they are benefiting from this organisation.

(E15)

On the same topic, the managers' insight included:

If you are packing shelves faster, if you are getting merchandise out of the back areas quicker, if you are scanning at the till quicker with less over rings or under rings, and you are getting paid a bonus on that, people will excel.... If people know they could lose a bonus if they're going to do something silly, they will think twice. But when they have nothing to lose, and they are going to get a warning anyway, they might as well do something.

(M7)

Yes, absolutely, but the incentive must be very well structured, and it must be something from within the company.... There were incentives for the best shelf packer, the neatest shelves, the highest in-stock rate, the lowest shrinkage, the cleanest warehouse, the cleanest backup areas, even for the senior managers there were monthly incentives.

(M15)

Career growth and guidance

A supportive environment for career advancement can help to combat the demotivation associated with the lack of a clear career path. The findings underscore the important role that management can play in conveying clear progression pathways and fostering career growth. The employees contributed the below opinions:

If you promote a person, he is going to train well in a store, he is gonna [sic] do something that is good in a store.

(E6)

For example, if maybe the manager tells me that in order for us to promote you, you must do this and this and that. That fact that there will be a promotion serves as a sort of motivation for me.

(E9)

I do think so. And I think it would also, once again, make the staff feel more included and let them know that their hard work could pay off and like give them something better in the future.

(E12)

The managers' thoughts included:

Recognition, especially stories of where did you start, where is this person, I think helped us a lot in terms of making sure people concentrate and say 'I too, can do the same.' It's not something far-fetched. But it's all about team meetings, also individually as groups in the departments, they have got to recognise each other.

(M2)

Make sure that they are motivated to come to work... If I come to work and then I know that there is a possibility that I can be something better, I'll try and make sure that I become a better person right there and then. I'll take care of my stock because I know that next time, I'll be on the other position like maybe management position or upper.

(M4)

Appreciation and recognition

The employees suggested that managers should make them feel valued and appreciated by thanking staff members for their work, especially in front of other staff members. There were widespread indications that recognising and celebrating employees' contributions could help create a sense of belonging, loyalty, and commitment, as well as reduce the likelihood of staff participating in unethical behaviours, such as employee theft. Moreover, Jabagi et al. (2019) found that positive feedback increases motivation and loyalty. Some of the feedback from employees' interviews is indicated below.

Senior management coming down to visiting stores. So not just your local management that you've got inside your stores. Like your CEOs, your COOs, them coming down and appreciating staff, that would make a big difference as well.

(E1)

You know, as people, if someone says thanks, that means a lot to us.

(E4)

I think that if they can recognise us. Like we are working too much. And at least they can give us a back pat, like good point, you are doing well. And then how does it make you feel when they appreciate your hard work? That means I am changing someone's life.

(E14)

The managers revealed the following on the same topic:

We got so much out of that team, purely because we worked alongside them, and they could feel appreciated, and appreciation is value... Because with appreciation comes pride, and with pride comes, I don't want my store, my home, damaged. I don't want to have those bad KPIs [key performance indicators].

(M7)

If we can get the balance right between head and heart, and we can actually see people for who they genuinely are, I think we start to shift the paradigm. I think that that person will feel valued and seen.

(M8)

If people have skin in the game. If people feel like 'Hey, I'm valued, I feel good about being here and part of it, and I know they feel good about having me and my contribution is valued. I get here every day, I am valued as a human being, my contribution is valued, I feel good, and I deliver, I'm able to add value.' If people go away feeling like that, the need for them to steal, I'm not saying goes away completely ... but you do minimise it. There's no question about that, I've seen that.

(M13)

The above findings are consistent with Skinner's reinforcement theory, which posits that positive reinforcement is a more effective approach than punishment in transforming negative behaviour into positive behaviour. As per Harris and He (2019), ethical leadership significantly influences employees and how they respond to their work environment. Leaders

who exhibit traits, including honesty, trustworthiness, care, and fairness, are believed to discourage undesirable employee conduct, such as theft. Numerous studies corroborate the crucial role of leadership, particularly managers, in fostering positive behaviour, creating a supportive work atmosphere, and curbing employee theft. This is achieved through leading by example, approachability (Cant and Nell, 2012), fairness, supportiveness (Everton et al., 2007), and empowering employees (Kennedy, 2016).

According to Asaari et al. (2019) and Jabagi et al. (2019), recognising employees and offering positive feedback can significantly boost their engagement, motivation, and loyalty. Additionally, sharing information, such as imparting product knowledge and raising awareness (Loss Prevention Magazine, 2015), can serve as an effective method to motivate employees. Acknowledging employees and providing positive feedback create a sense of value and appreciation, which leads to increased dedication and enthusiasm in their work. When managers recognise employees' efforts, employees are more likely to feel motivated and committed to their organisations' goals, fostering a sense of loyalty. Furthermore, when employers actively share information, particularly about products and industry insights, it empowers employees with knowledge and instils a sense of ownership, further fuelling their motivation and overall engagement.

Teamwork, inclusion, and instilling a sense of belonging

Several of the employees indicated that employee theft will likely be lower if staff feel included and part of the team. Another employee suggested team-building activities. Moreover, managers acknowledged the importance of including staff in theft prevention measures and decision-making, as well as instilling a sense of belonging, ownership and responsibility. Employees' thoughts on the topic included:

The teamwork really counts. Teamwork [is] one of the major things that can make a workplace a very good and enjoyable place.

(E7)

We are working together as a team because, at the end of the day, to make the team, you need the communication. If you communicate, and then you do a great job together as a team.

(E8)

They must feel like they are involved in this business, that when they come to work, they must know that this is not for the manager, it's also for me. It's gonna [sic] be easy for the employee to work if I know that you know what, if I'm protecting this, it also helps me.... Because if someone is an outsider, they won't care about anything. Even if they see a customer stealing, they won't care, they're gonna [sic] say no, that's not my.... But if you make that the employees, be one team, as a manager, make them make sure that they are one team, I think it can reduce.

(E10)

We should build a good relationship together; we should work as a team.

(E16)

Furthermore, the managers revealed:

A retail store has a lot of moving parts, but the biggest one of them is employees, and the relationship with the employees.... So, it's really about including everybody and having everybody on board.

(M1)

When people are disengaged, they're concentrating on filling up their pockets, they don't concentrate on the customer now.

(M2)

Yes, it was going to make an impact on the shrinkage, because those guys are working where shrinkage is happening. If you treat them as thieves or you don't trust them, then you are going to get that. But the more you bring them closer, you include them in decision-making, they are going to add value, they are going to even tell you things that you were not aware of.

(M5)

Not everything is about a financial reward. Some of it is about recognition, motivation, feeling like they're part of it. So, look, I'm a big, big proponent of inclusion, and the fact that inclusion is directly correlated to better performance.

(M13)

Working hours and salaries

The employees suggested that salary increases will help to reduce employee theft. Another suggestion was to revisit the working hours:

I think they should just, how can I put it, give us [an] increase.... Because some people are earning plus minus 1.8 monthly ... And sometimes we don't get [a] bonus, they will tell us there is no money ... we are working for nothing.

(E14)

It's not enough for the whole month with the minimum salary in South Africa, it is not enough.

(E15)

They should also think of us that we are really, really, really working hard and they should maybe increase our income.

(E16)

Overarching: positive work environment and culture

Most employees revealed that they valued a positive, inclusive, and supportive workplace culture where management is approachable, and they feel recognised, respected, appreciated, and part of the team. They believe that this culture can reduce employee theft and improve job satisfaction, ownership, belonging, motivation, and customer service. Employees shared:

I don't see any other reason for an employee to steal if they are satisfied, trusted, and they are also happy at work.

(E9)

If they treat everyone equally, it can go down because you are happy, there is no need for you to. I don't think people can steal if they are happy. Like why are they supposed to steal if they know that they're happy here. At work, they love us, and they don't underestimate us, then I don't see a reason why people have to steal.

(E10)

So, if maybe people get motivation ... they have a good relationship, there is nothing that they are going to do because they know that it is like the home.

(E15)

Most managers concurred that employees who feel valued, informed, and included in the business were less likely to commit theft. They highlighted the importance of motivation, trust, respect, recognition, information sharing, involvement and a sense of belonging:

So, I think that the sense of belonging, openness, communication, training, that sort of stuff is needed to make staff feel at home.

(M3)

The level of trust gets built through those conversations, because you connect, and then you will learn to trust each other and it was going to work 100%, it was going to lower the amount of shrink that is caused by team members because they will feel welcome, they will feel recognised. And they can, even if they've got issues, they can talk to you directly, and then because you've got that relationship that you can actually talk, that will actually help the business as well if those things happen with the team.

(M5)

I think that if people feel valued, if people feel they can progress, if people feel that they have a voice that is listened to, and that they can be heard. And if they find work as more than just a place to earn money, but actually a place of respite or a place that they can just be themselves, and a place away from the trauma of their lives, they will be less likely to steal, that I'm convinced of.

(M8)

Small, small things, they make a difference. Give your staff ownership of the business, they will take care of the business.... Take care of your people, they will take care of your customer.

(M9)

The findings presented in this study align with the recommendation by Ikurayeke et al. (2019) that a well-designed reward programme can effectively enhance employee satisfaction and long-term retention. Additionally, the application of Skinner's reinforcement theory supports the notion that positive reinforcement is a more efficient approach in transforming negative behaviour into positive conduct. Consequently, based on the findings under AoE 3 (motivational and preventative strategies to combat employee theft), it can be inferred that concepts and initiatives related to employee engagement and a sense of belonging significantly impact factors, such as loyalty, motivation, and the occurrence of employee theft.

Synthesis

Table 1 links the themes and findings to the key interview questions. Furthermore, Figure 1 illustrates the link between the AoEs, literature/theories, interview findings, and recommendations.

Table 1: Link between the themes and the key interview questions

| Themes and findings | Key interview questions |
|---|---|
| <i>AoE 1: Determine the perceptions of different organisational levels (managers and employees) regarding the extent and impact of employee theft on the business</i> | |
| The extent and frequency vary across stores | <ul style="list-style-type: none"> • What is your opinion of the state of employee theft in the FMCG retailing sector? • What is the scope of employee theft in your store, division? Has there been an improvement recently and why? |
| Employee theft impacts everyone in the business (e.g., reduced profit margins, possible store closures, increased costs, job insecurity, broken trust, and a negative customer experience) | In your opinion, how does employee theft impact the business? |
| <i>AoE 2: Uncover the potential drivers and motivation of employee theft</i> | |
| <ul style="list-style-type: none"> • Low salaries • Broader economic and social factors • Peer pressure or influence from work colleagues • Limited opportunities for growth • Role of management • Broader organisational factors | Why do think employees steal? (Prompts/further questions pertained to wages, feeling poor, pressure from friends or family, not committed to the retailer, struggle to grow at the retailer, expensive habits, status level in society, don't think it is wrong, don't feel guilty, and comparing the risks to the benefits) |
| <i>AoE 3: Determine the sense of belonging and level of engagement of employees within the business</i> | |
| <ul style="list-style-type: none"> • Varies, but the perceived status of retail workers is generally negative • Certain retail workers do not see it as a lucrative profession, while others do | <ul style="list-style-type: none"> • What kind of status do you believe people working in retail have in society? • Do you think employees believe that retail is a lucrative career for them? |
| <ul style="list-style-type: none"> • Some participants indicated that career growth is possible, while others expressed scepticism • Managers play a key role | <ul style="list-style-type: none"> • Do you recognise talent? • Do employees think that there is a career path for them, and is there, and how is it managed? |
| <ul style="list-style-type: none"> • Sense of belonging and perceived level of engagement varies. Some participants shared examples of how this is instilled, while others acknowledged that more can be done • Important concepts that can entail several benefits • Other positive experiences include learning opportunities, interaction with customers, and meeting new people • Other negative experiences include low salaries, long working hours, limited time with family, and bad treatment from customers | <ul style="list-style-type: none"> • Do you discuss employee theft with employees and, if so, what feedback do you get? • Do you think that all employees feel that they are part of the organisation and that they contribute valuably? Why? Please elaborate. • Do you include these employees in the decision-making process? If so, how? • Do you recognise and celebrate employees? If so, how? • Do you greet employees and enquire about their well-being? • Do you think creating a community at work is important? • How often are staff meetings held and who is included? |

| Themes and findings | Key interview questions |
|--|--|
| | <ul style="list-style-type: none"> • How engaged do you feel at work? • How do you discuss business matters or how are business matters discussed with you? • Do you feel you are valued at your place of work? • To what extent do you feel you belong at your place of work? • Do you feel you have a responsibility to the place where you work? |
| <p><i>AoE 4: Explore motivational or preventative, as opposed to punitive, strategies that could help curb employee theft</i></p> | |
| <p>Internal control systems are important and successful, but should not be used in isolation</p> | <ul style="list-style-type: none"> • What measures does the store have in place to curb employee theft? • Do you think this effective? What would you add/remove? If the store removed some of the current aspects in place to curb employee theft, do you think stealing would increase? |
| <ul style="list-style-type: none"> • Positive working relationship with management • Two-way communication and knowledge sharing • Incentives and rewards • Career growth and guidance • Appreciation and recognition • Teamwork, inclusion, and instilling a sense of belonging • Working hours and salaries • Overarching: positive work environment and culture | <ul style="list-style-type: none"> • What in your opinion can be done to prevent employees from stealing at work? • Do you think employee theft would be less prevalent if employees were committed to the retailer? Why/Why not? • Do you think there is a link between the store management and employee theft? Why/Why not? |

| Aim | AoE | Literature/Theories | Interview themes and findings | Recommendations |
|--|--|--|---|--|
| The primary objective of this study is to propose a motivational approach to curb employee theft in FMCG retailing in South Africa | AoE 1: Determine the perceptions of different organisational levels (managers and employees) regarding the extent and impact of employee theft on the business | Statistics are scarce and outdated; together with overall shrinkage, has a severe impact on several stakeholders amidst the challenging environment | Extent and frequency vary; impact includes reduced profit, possible store closures, increased costs, job insecurity, broken trust, and negative customer experience | Share shrinkage statistics and overarching business performance, so that all staff members are continuously aware of the occurrence and impact of employee theft. Enable staff to provide input |
| | AoE 2: Uncover the potential drivers and motivation of employee theft | Strain theory (unable to meet society's cultural expectations), marginalisation of workers, routine activity theory (motivated offenders, suitable targets, and insufficient guardianship), equity theory (inequality and low wages), fraud triangle (pressure, opportunity, and rationalisation), and organisational commitment | Low salaries, broader economic and social factors, peer pressure or influence from work colleagues, limited opportunities for growth, role of management, and broader organisational factors | Do not solely rely on internal control systems, reactive or punitive measures. Address employee theft and behavioural changes through motivational strategies, and a positive work environment (refer to box below for more specific examples) |
| | AoE 3: Determine the sense of belonging and level of engagement of employees within the business | Concepts and activities pertaining to engagement and belonging influence loyalty, motivation, and employee theft | Mixed experiences regarding sense of belonging and perceived level of engagement. Important concepts that can entail several benefits for the business and employees | Instil a sense of belonging, engagement, recognition, and motivation among all employees. Continuous information sharing, celebrate employees' contributions and company successes, provide financial support to employees, foster a relationship- and team-centred work environment, provide career guidance and opportunities for career advancement, and implement awareness campaigns pertaining to FMCG retailing |
| | AoE 4: Explore motivational or preventative, as opposed to punitive, strategies that could help curb employee theft | Efficient internal control systems, emphasise positive behaviour (reinforcement theory), ethical leadership, communication, acknowledgement, team building, and higher wages | Relationship with management, communication and knowledge sharing, incentives and rewards, career growth and guidance, appreciation and recognition, teamwork, belonging, positive work environment and culture | |

Figure 1: Link between the study's AoEs, literature/theories, interview findings, and recommendations

Conclusion and recommendations

This section highlights the key takeaways of this research and provides recommendations based on the study findings.

Takeaways from the literature review and interviews

Employee theft is a complex and sensitive phenomenon that can be attributed to a combination of factors. The literature and interviews highlighted several personal (e.g., low salaries amidst financial pressures and limited organisational commitment), organisational (e.g., limited opportunities for growth and the role of management), societal and environmental (e.g., increasing cost of living and peer pressure) factors as potential causes of employee theft. Moreover, the findings pointed to a link between store management and employee theft, and underlined the pivotal role of leadership to foster positive behaviour, create a favourable work environment, and help reduce employee theft.

The Interviews also helped to contextualise the lived experiences and working conditions associated with FMCG retailing. Although being acknowledged as a significant source of employment across all skill levels that provides learning opportunities and the ability to interact with people, the industry is not without its challenges – especially for lower-level employees. These challenges include long hours and limited time to spend with family, low salaries, society's overarching negative perception of retail jobs, and mixed experiences regarding their sense of belonging and perceived level of engagement.

The literature review and interview participants concurred that internal control systems are an important measure to curtail employee theft, but cautioned that retailers should not rely solely on this measure. This is because some internal controls can be circumvented, only address a partial cause of employee theft, and excessive controls can lead to mistrust and hostility. In accordance with the research findings, this study suggests that motivational (as opposed to punitive) strategies will contribute to behavioural changes and a positive work environment, which will help curb employee theft. The authors further argue that employees who feel valued, trusted, motivated, included, and have a sense of responsibility and ownership are more likely to do what is necessary to reduce shrinkage (and employee theft

in particular). A motivational approach is a preventative measure that also contributes to improved employee satisfaction and well-being, customer satisfaction, sales, and turnover.

Recommendations

Continuous information sharing

It is not just about having meetings and tabling company information, but examining who is included in the meetings, ensuring that the meetings are informative, and explaining how the information impacts various employees and their associated job descriptions. Managers should also provide opportunities for employee input by encouraging employees to ask questions and share ideas.

Celebrate employees' contributions and company successes

Employees' efforts, outstanding performance, and goal achievement can be acknowledged and celebrated through sincere and positive feedback (e.g., a personalised message), recognising employees in front of their colleagues (e.g., an award ceremony, post on the notice board in the staff break room or social recognition), sharing positive feedback received from customers, incentives, and rewards (e.g., food parcels, branded merchandise, store voucher, paid time off, contribution towards commuting costs, bonus, or a predetermined list that employees can choose from).

Provide financial support to employees

It is acknowledged that retailers are not exempt from the challenging economic environment, but even a small increase in remuneration or staff benefits will make a remarkable difference in the financial position of retail employees. Staff benefits could include subsidised meals or snacks, and staff discount on excess cooked food or items that are past the sell-by date.

Foster a relationship- and team-centred work environment

Employee theft will be curtailed and productivity enhanced when there is a good working relationship and people are part of a team (and recognised as such). A collaborative environment and mutual respect can be fostered by 'setting the tone at the top'. For example, managers spending time on the retail floor, connecting everyone to the goals of the

organisation, having one-on-one meetings with all employees, having an open-door policy, enquiring about employees' well-being, and facilitating team-building activities.

Provide career guidance and opportunities for career advancement

It is advisable for retailers to be proactive and transparent about career progression pathways. For example, retailers can implement internal or individual development programmes, inform employees about the possibilities and requirements for career advancements, offer mentorship, enable employees to acquire knowledge and experience other than the work they are doing, and attempt to fill certain vacancies internally.

Implement awareness campaigns pertaining to fast-moving consumer goods retailing

Retail outlets and industry associations can work together to create awareness among customers and broader society about the indispensable role, skills, and variety of career options entailed in FMCG retailing. For example, a social media campaign, roadshows, printed media in-store or a narrative reflecting 'a day in the life of a retail worker' could help improve the perceived status and treatment of retail employees and attract more people to join the industry.

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Annexures

Annexure A: participant information sheet

Information Sheet



Exploring a motivational approach to curb employee theft in FMCG retailing in South Africa

Invitation paragraph

You are being invited to take part in a research project because you are regarded an important stakeholder of this research project. Before you decide it is important for you to understand why the research is being done and what it will involve. Please take time to read the following information carefully and discuss it with others if you wish. Ask us if there is anything that is not clear or if you would like more information.

What is the purpose of the project?

The purpose of this project is to propose a motivational approach to curb employee theft in FMCG retailing in South Africa.

Why have I been chosen?

You have been chosen because your experience in retail will provide a valuable insight into the impact of employee theft in FMCG retailing in South Africa and how to possibly curb employee theft.

Do I have to take part?

It is up to you to decide whether or not to take part. If you do decide to take part you will be given this information sheet to keep (and be asked to sign a consent form). You can withdraw at any point until the end of the interview. You do not have to give a reason in the case of a withdrawal. You can contact the researcher at any time to ask questions about participation. All the data you provide will be held securely and treated confidentially (see below).

What do I have to do?

This interview might last one hour and will involve a natural conversation about curbing employee theft in FMCG retailing in South Africa.

Interviews will be recorded only for use by the research team, and transcription and will be kept in a secure place and deleted once the project is completed. Privacy and confidentiality will be rigorously maintained and neither you nor the organisation will be named in any research outputs, including any information that might reveal your identity or that of the organisation (see below)

Will I be recorded, and how will the recorded media be used?

With your permission, interviews will be recorded and then transcribed, only as a way to accurately present findings and main themes that emerge from our conversation. Material collected will only be used for the purpose of transcribing, summarising and making sense of the data by the research team. Data collected will be destroyed within three years of the project's end. The audio recordings of your activities made during this research will be used only for analysis, with transcribed direct quotes used for illustration in analysis and results section of the whitepaper and reports. No other use will be made of data without your written permission, and no one outside the research team involved in the project will be allowed access to the original recordings (see below)

What are the possible disadvantages and risks of taking part?

There are no reasonably foreseeable discomforts, disadvantages, or risks to participation.

What are the possible benefits of taking part?

You will play an important part in creating an understanding of the impact of employee theft in FMCG retailing in South Africa and how to possibly curb employee theft.

Will my taking part in this project be kept confidential?

All the information that we collect about you during the course of the research will be kept strictly confidential. You will not be able to be identified in any reports or publications.

What type of information will be sought from me and why is the collection of this information relevant for achieving the research project's objectives?

The data collected is important in achieving the research objectives as it offers the possibility to understand your experienced and understandings in detail. This project has been reviewed by the University Research Ethics Committee and has been given a favourable ethical opinion for conduct. You will be given a copy of the information sheet and a signed consent form to keep.

Thank you for taking the time to read through the information.

Contact for further information

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Frans van der Colff (Henley Business School Africa) frans@henleysa.ac.za
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Vickey de Villiers (Henley Business School Africa) vickeyv@henleysa.ac.za

Consent Form



1. I have read and had explained to me by Frans van der Colff the accompanying Information Sheet relating to the project on: Exploring a motivational approach to curb employee theft in FMCG retailing in South Africa
2. I have had explained to me the purposes of the project and what will be required of me, and any questions I have had have been answered to my satisfaction. I agree to the arrangements described in the Information Sheet in so far as they relate to my participation.
3. I understand that participation is entirely voluntary and that I have the right to withdraw from the project any time, and that this will be without detriment.
4. This project has been reviewed by the University Research Ethics Committee and has been given a favourable ethical opinion for conduct.
5. I have received a copy of this Consent Form and the accompanying Information Sheet.

Name:

Date of birth:

Signed:

Date:

Annexure C: interview guide for employees

INTERVIEW GUIDE FOR EMPLOYEES

Exploring a motivational approach to curb employee theft in FMCG retailing in South Africa

EMPLOYEE VALUE / COMMITMENT

1. How engaged do you feel at work?
2. How do you discuss business matters or how are business matters discussed with you?
3. Do you feel you are valued at your place of work?
4. To what extent do you feel you belong at your place of work?
5. Do you feel you have a responsibility to the place where you work?

POSSIBLE THEFT DRIVERS

6. Why do you think employees steal?

Prompts / further questions

Do you think it has to do with the wages? Yes – elaborate

Do you think people steal due to feeling poor? Yes – elaborate

Do you think people steal due to pressures maybe from friends or family to do it? If yes - do you think the friends / family condone (approve) this behaviour? Why?

Do you think employees that steal don't think it is wrong (yes/no / elaborate). If yes – what to them might not make it wrong? Yes – elaborate

Do you think employees that steal don't feel guilty? Yes – elaborate

Do you think employees that are not committed to the Retailer steal / are more likely to steal? Why / elaborate? Yes – elaborate

Do you think employees that struggle to grow at the retailer would steal / are more likely to steal? Yes – elaborate

Do you think people steal due to having expensive habits? Yes – elaborate

How do you think the risks taken to steal compare to the benefits that can be gained from stealing?

7. What kind of status do you believe people working in retail have in society?

Do you think the status level in society might drive people to steal? Maybe to help up their material status? Or something else? Can you elaborate?

8. In your opinion, how does employee theft impact the business?

STORE MEASURES

9. What measures does the store have in place to curb employee theft?
10. Do you think this effective?
11. What would you add/ remove?
12. If the store removed some of the current aspects in place to curb employee theft, do you think stealing would increase? Why / why not?

THEFT PREVENTION

13. Do you think stealing would be less prevalent if employees were committed to the Retailer? Why / why not?
14. How would you describe your current manager - what type of manager do you have?
15. Does your manager behave ethically in your opinion? Why / why not?
16. Do you think there is a link between the store management and employee theft? Why / why not?
17. What in your opinion can be done to prevent employees to steal at work?

Annexure D: interview guide for managers

INTERVIEW GUIDE FOR MANAGERS/FRANCHISEES

Exploring a motivational approach to curb employee theft in FMCG retailing in South Africa

SCOPE OF EMPLOYEE THEFT

1. What is your opinion of the state of employee theft in the FMCG retailing sector?
2. What is the scope of employee theft in your store, division? Has there been an improvement recently and why?
3. Where in your business is employee theft most prominent?
4. Do you think that all employees feel that they are part of the organisation and that they contribute valuably? Why, please elaborate.

POSSIBLE THEFT DRIVERS

5. Why do think employees steal?

Prompts / further questions

Do you think it has to do with the wages? Yes – elaborate

Do you think people steal due to feeling poor? Yes – elaborate

Do you think people steal due to pressures maybe from friends or family to do it? If yes - do you think the friends / family condone (approve) this behaviour? Why?

Do you think employees that steal don't think it is wrong (yes/no / elaborate). If yes – what to them might not make it wrong? Yes – elaborate

Do you think employees that steal don't feel guilty? Yes – elaborate

Do you think employees that are not committed to the Retailer steal / are more likely to steal? Why / elaborate? Yes – elaborate

Do you think employees that struggle to grow at the retailer would steal / are more likely to steal? Yes – elaborate

Do you think people steal due to having expensive habits? Yes – elaborate

How do you think the risks taken to steal compare to the benefits that can be gained from stealing?

6. What kind of status do you believe people working in retail have in society?

Do you think the status level in society might drive people to steal? Maybe to help up their material status? Or something else? Can you elaborate?

7. In your opinion, how does employee theft impact the business?

STORE MEASURES

8. What measures does the store have in place to curb employee theft?
9. Do you think this effective?
10. What would you add/ remove?
11. Do you discuss employee theft with employees and if so, what feedback do you get?
12. Do employees understand the impact of employee theft on the business, how is this shared with them?
13. If the store removed some of the current aspects in place to curb employee theft, do you think stealing would increase? Why / why not?

THEFT PREVENTION

14. Do you discuss employee theft with employees and if so, what feedback do you get?
15. What in your opinion can be done to prevent employees from stealing at work?
16. Do your employees behave ethically in your opinion? Why / why not?
17. Do employees understand the impact of employee theft on the business, how is this shared with them?
18. Do you think employee theft would be less prevalent if employees were committed to the retailer? Why / why not?
19. Do you believe that the lower end employees, cashiers, merchandisers, cleaners etc. play an important role in the organisation?
20. Do you include these employees in the decision making process. If so, how?
21. Do you recognise and celebrate employees, if so, how?
22. When there is a reduction in employee theft, is it shared and celebrated?
23. Are store/division budgets shared with all?
24. Do you greet employees and enquire about their wellbeing?
25. Do you think creating a community at work is important? (wording)
26. How often are staff meetings held and who are included?
27. Do you ever have tea with a cleaner?
28. Do you recognise talent?

29. Do employees think that there is a career path for them, and is there, and how is it managed?
30. Do you think employees believe that retail is a lucrative career for them?
31. Do employees acquire knowledge other than the work they are doing?