

# **Applying the theory of planned behaviour to the problem of employee theft in small businesses**

**BN NENEH**

Department of Business Management, University of the Free State  
*brahilder@gmail.com*

## **Abstract**

Employee theft has been widely noted as a momentous threat to the survival of small businesses. Consequently, understanding this volitional behaviour in the context of small businesses has been of interest to both academics and practitioners. However, there is a dearth of evidence on the application of behavioural theories in understanding employee theft intentions in small businesses. Consequently, the extended theory of planned behaviour (TPB) was used in this study to examine the intentions to engage in employee theft.

Participants were recruited using convenience sampling, while quantitative questionnaires were administered as the research instrument. Using a sample of 265 employees from 68 small businesses in the Mangaung Metropolitan Municipality, this study identified three factors (attitudes towards theft, perceived behavioural control, and moral norms) significantly associated with the intentions to engage in employee theft. Employees with a negative attitude towards theft and a high moral norm were less likely to develop an intention to engage in employee theft, while employees from businesses with less stringent measures against employee theft (i.e. low perceived behavioural control) were more likely to develop an intention to steal from their employer. The study recommends the need for taking these behaviours into consideration when recruiting employees.

## **Key phrases**

*attitudes towards employee theft, employee theft intentions, moral norms, perceived behavioural control, small businesses, subjective norms, theory of planned behaviour (TPB)*

## **1. INTRODUCTION**

All around the world, employee theft has been identified as one of the most popular workplace deviances that have been proven to be a common problem facing many

businesses. Employee theft is defined by Moorthy, Chee-Yew Ng, Chelliah, Yew and Suat (2013:257) as “the theft of anything of value from the employer by an employee or accomplice”. Every year thousands of employees are detained for stealing from their employers and co-workers. Statistics depict that approximately 95% of employees steal from their employers (Gershon 2014:Internet). Likewise, over 75% of all employees steal from their employers at least once, while others do so more repeatedly (Neneh 2015a:Internet). Nearly a third of all employee theft is always never noticed, as the person(s) most trusted by business owners usually has the greatest opportunity to steal (Faulkner 2007:Internet).

Employee theft puts a huge strain on the affected businesses and their shareholders as firm profits decline, while the return on investments for investors is reduced (Kelkar & Emilus 2016:4). Every year, the cumulative loss from employee theft for businesses around the globe amounts to several trillions of United States (US) dollars, which leaves some businesses bankrupt and many others struggling for survival (Kennedy & Benson 2016:257). Consequently, in South Africa, millions of rands that could be used to reinvest and grow the business are lost to employee theft.

Employee theft does not only affect business owners and managers. It also affects the community in that it lowers charitable giving, while consumers bear the cost of higher prices (Bailey 2006:802; Dabil 2005:12; Wehbe 2013:Internet).

Regardless of the accuracy of statistics and the estimation of the causes of loss by employee theft, businesses suffer ten times more because of employee theft than other forms of theft that occur within businesses, and only a few businesses are exempted from employee theft (Chapman 2014:Internet). Consequently, many businesses will continue to be negatively affected by employee theft if nothing is done to address the situation.

Even though employee theft is an ongoing, predominant, and costly problem for businesses of all sizes (Bataineh 2010:2), its negative impact is more devastating for small businesses as employee theft has been noted to be a major threat to their survival and failure (Cant, Wiid & Kallier 2013: 5775). Statistics from the US suggest that about 30% of small business failures are a direct consequence of employee theft (Hatten 2011:419). While similar statistics might not be available for other regions, there is a general consensus that small businesses find it difficult surviving past the first five years of operations (Kennedy & Benson 2016:262; Neneh 2015b:271).

As such, employee theft can only put more pressure on the possible survival of small businesses irrespective of their location. This is concerning as small businesses have been touted as a possible engine for economic growth and job creation in many nations (Neneh & Smit 2013:3044). Thus, any factor that affects the survival of small businesses also affects the continuous growth of the economy and, therefore, needs remedial action.

Most small business owners often try to avoid employee theft by endeavouring to hire and retain trustworthy employees; however, some end up having to confront the reality that someone perceived as trustworthy has been the one to steal from the business (Kennedy & Benson 2016:258).

Nonetheless, one way for employers to implement preventive strategies for combating employee theft is by understanding the factors that craft such behaviours among employees. Employee theft, like other volitional behaviours, is preceded from prior intentions by employees to engage in employee theft (Bailey 2006: 806; Moorthy, Seetharaman, Jaffar & Foong 2015:66).

Consequently, it is possible to understand why employees engage in employee theft by applying known theories that have been used to examine the occurrence of other volitional behaviour. One such popular theory is the theory of planned behaviour (TPB) which has increasingly shown to be a valuable theory for understanding volitional behaviours, including shoplifting and employee theft (Bailey 2006:807).

It is, however, surprising that despite the popularity of the TPB, its application in understanding the phenomenon of employee theft is almost non-existent, and the limited available evidence of its use is concentrated among employees of large retail businesses in the developed world (Bailey 2006:802; Kelkar & Emilus 2016:1).

Given the familial nature of small businesses, the strong emotional ties, and the personal employment relationship of small business employees with the business owner (Kennedy & Benson 2016:220; Seaman, McQuaid & Pearson 2014:524), it is uncertain if what motivates the behavioural intention for employee theft in small businesses can be the same as that in big businesses. Consequently, the application of the TPB in examining employee theft behaviour in the context of small businesses can provide novel insights in understanding the phenomenon.

## 2. WHY DOES EMPLOYEE THEFT OCCUR?

In understanding the causes of employee theft, it is vital to examine the many reasons that have been identified by extant literature (Brooks 2014:Internet; Shamma 2014:Internet; Tonglet 2002:337; Umasky Law Firm 2012:Internet). These reasons range from inequity, fairness and justice, pre-planned theft, availability of opportunity, work climate, negligent business controls, and level of cognitive moral development. Theories such as the equity theory and the organisational justice theory have also been used to explain the occurrence of employee theft.

The equity theory suggests that employee theft can be attributed to employees' perceived differences between their efforts and compensation (Kelkar & Emilus 2016:7). When employees feel disadvantaged, they will attempt to right the wrong in their favour by stealing to restore the balance and justify their compensation equity. Alstete (2006:833) observed that employees who steal from employers often feel they were underpaid for the efforts they have put in to achieve their job and usually have no feelings of guilt when they steal. Also, the perception of unfair treatment may cause employees to steal so as to make up for the perceived injustice (Durham 2016:Internet).

Similarly, the organisational justice theory posits that employees usually judge the behaviour of the firm (in terms of fair payments, equal opportunity for promotion and personnel selection procedure) and subsequent attitude that comes from it. When employees feel that they are not being treated fairly, and their pay is lower than what they deserve or their efforts are not appreciated, they will give themselves an unofficial raise by stealing from their employers.

Furthermore, the work climate can promote employee theft in several ways. For example, if employees believe that the company lacks strict enforcement policies or are dissatisfied with certain aspects of the organisational policies, some employees will resort to stealing from their employers (Hollinger & Clark 2013:Internet). Likewise, researchers (Coenen 2016:Internet; Turvey 2013:7) added that employees are more enticed to steal if the opportunity presents itself.

Additionally, the level of cognitive moral development, which is the interaction between personal and situational factors also explain why employees steal from their employers.

Employees with a high level of cognitive moral development will be less likely to participate in employee theft (Kelkar & Emilus 2016:8).

### **3. THE THEORY OF PLANNED BEHAVIOUR**

The theory of planned behaviour (TPB) which is an extension of the theory of reasoned action was developed by Ajzen (1991:181). The TPB focuses on an individual's intention to engage in a given behaviour at a specific time and place. Based on the TPB, intention can be predicted by three cognitive variables namely attitude, subjective norms and perceived behavioural control (Ajzen, 1991:188).

Attitude towards behaviour is defined as the extent to which an individual has a favourable or unfavourable assessment of the behaviour in question. Subjective norm is defined as "the perceived social pressure to perform or not to perform a given behaviour" (Solesvik, Westhead, Kolvereid & Matlay 2012: 448).

This perceived social pressure to perform an action could be influenced by significant others such as family, friends or co-workers. An individual will have a strong intention to engage in a particular behaviour if they believe that the behaviour is positive and that their significant others approve of such a behaviour (Lee, Chiang, Hwang, Chi & Lin 2016:81). The attitude towards a behaviour and subjective norms both combine to influence an individual's intention to participate in a particular activity (Yazdanpanah & Forouzani 2015:344).

Perceived behavioural control reflects an individual's perception of how easy or difficult it would be to perform a particular behaviour. This relative ease or difficulty includes perceived skills, resources, and the opportunities that the individual has available (Solesvik et al. 2012:5; Lee et al. 2016:82). In addition to the direct influence of perceived behavioural control on behavioural intention, it also has an indirect association with behavioural intention via its association with a person's attitudes towards a given behaviour. The TPB can also be used to predict behaviour that is not completely volitional by integrating the perceptions of a person's control over the performance of that behaviour (Lee et al. 2016:83).

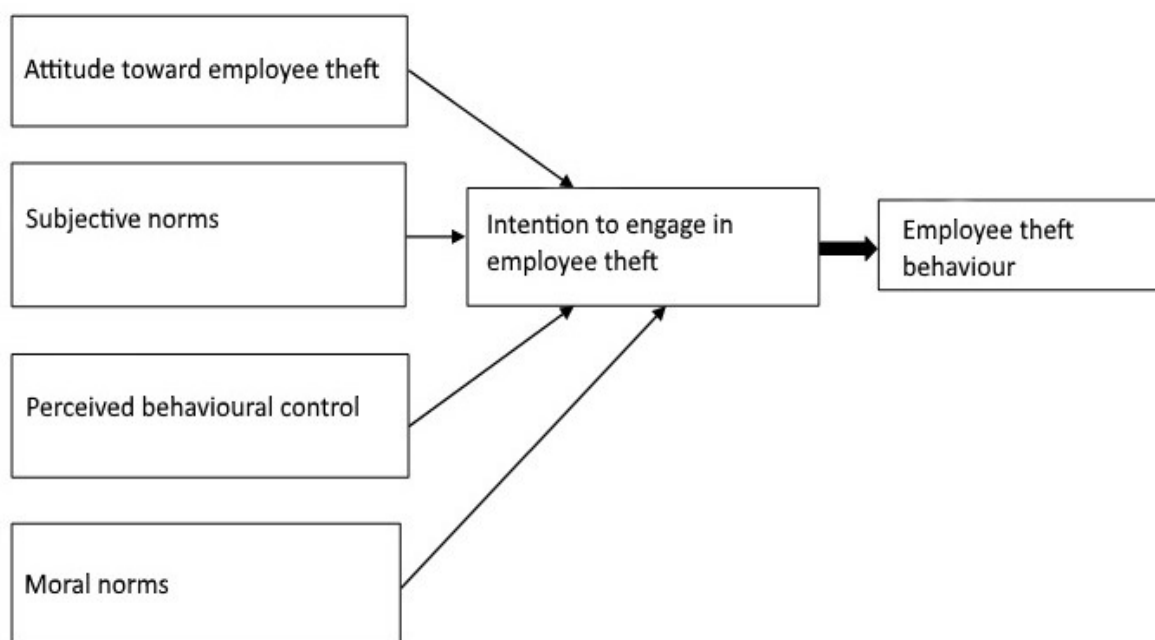
### **4. THE PROPOSED MODEL AND PROPOSITIONS**

Given that employee theft is a volitional behaviour which is most likely to be prejudged by a person's attitude, beliefs and available opportunities to engage in theft, applying the TPB to

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employee theft can help to identify factors that are likely to contribute to it, and thus help small business owners to develop more effective solutions that can be used to reduce or eliminate it.

Figure 1 depicts the application of the TPB in the context of employee theft. In line with extant studies (Bailey 2006:803; Cooke, Dahdah, Norman & French 2016:148; Kelkar & Emilus 2016:2; Malebana & Swanepoel 2015:92) that have applied the TPB to other behaviours, this model postulates that an employee's intention to engage in theft is prognostic of the actual behaviour of engaging in employee theft.



**FIGURE 1: Application of the extended TPB in understanding employee theft**

Source: Authors' own adaptation of the TPB by Ajzen 1991

With regards to attitudes towards behaviour, extant research on the TPB has mostly classified attitudes as either positive or negative. Positive attitudes are considered as attitudes that favour the occurrence of a given behaviour, while negative attitudes are unfavourable for engaging in the behaviour (Kelkar & Emilus 2016:3). A positive attitude towards a given behaviour promotes the notion that it is beneficial or enjoyable to engage in the given behaviour (Gstaettner, Rodger & Lee 2017:2). Thus, following from the TPB,

individuals with a positive attitude towards employee theft will have a strong belief it will be beneficial for them to engage in employee theft. Such positive beliefs can be easily understood from the perspective of the equity and organisational justice theories discussed above. Consequently, such individuals are likely to have a strong intention to engage in employee theft. As such, this study hypothesises that:

**H1:** There is a significant association between an employee's attitudes toward employee theft and the intention to engage in the behaviour, whereby individuals with a positive attitude towards employee theft will have the strongest intentions to engage in employee theft.

Unlike perceived attitudes which are an individual's own assessment of a given behaviour, subjective norms often result from social pressures. For example, if an individual finds that other people around him/her are engaging in a given behaviour or if the person is pressured by close family members and friends to engage in a behaviour, it is most likely that the individual will succumb to the external pressure and engage in the behaviour (Cheung & To 2016: 263; Gstaettner et al. 2017:2; Ham, Jeger & Ivković 2015:739). As such, if significant others pressure an employee to engage in theft, or if the employee constantly witnesses others stealing from the employer and going scot-free, it is more likely that the employee might also engage in employee theft. As such this study hypothesises that:

**H2:** There is a significant association between an employee's subjective norms toward employee theft and the intention to engage in the behaviour; whereby employees that experience a high social pressure to engage in employee theft will have the strongest intentions to steal from their employers.

With regards to perceived behavioural control, the TPB suggests that individuals are likely to engage in a given behaviour if they find that it is easy to perform the activities associated with the behaviour (Yazdanpanah & Forouzani 2015:344). Also, in the case of volitional behaviours, individuals will be more likely to engage in the behaviour when there is little volitional control over the behaviour (Fielding, McDonald & Louis 2008: 320). As previously indicated, employee theft will be rife when employees perceive that there are not strict measures in place to combat the behaviour (Hollinger & Clark 2013:Internet). Consequently, they will find it easy to steal and thus will be more likely to engage in employee theft. As a result, this study hypothesises that:

**H3:** There is a significant association between an employee's perceived behavioural control toward employee theft and the intention to engage in employee theft, whereby employees who find it easy to steal will have the strongest intentions to engage in employee theft.

Even though the above mentioned three dimensions of the TPB have been highly successful in predicting human behaviours, the theory has increasingly evolved over the years with extant research showing that the TPB can always be extended with relevant factors to provide a more inclusive picture of factors that contribute to a given behaviour (Cheung & To 2016: 261; Yazdanpanah & Forouzani 2015:344). In the case of employee theft, moral norms are considered a valuable antecedent of such behaviour as a person's moral standing often guides whether or not they engage in deviant behaviour (Bailey 2006:806; Kelkar and Emilus 2016:16). Consequently, the TPB in this study is extended with a moral norms' dimension. Moral norm refers to a person's belief of moral correctness or incorrectness about engaging in a particular behaviour (Kelkar & Emilus 2016:16). Moral norms stipulate criteria (e.g. equity, fairness, and wisdom) for moral judgements and thus are considered as a set of rules and expectations that shape what a person sees and how they decide to act (Nielsen and McGregor 2013:474). Moral norm plays a pivotal role in shaping a person's attitudes and behaviour (Steg & Vlek 2009:311), especially when such behaviour is morally construed (Yazdanpanah & Forouzani 2015:345). An individual with high moral norms will possibly refrain from engaging in employee theft given that moral norms account for an individual's personal convictions of standing for what is seen as morally right behaviour, while at the same time refraining from what is believed to be morally wrong. It is, therefore, not surprising that employees with high levels of cognitive moral development will be less likely to engage in employee theft as discussed above. Hence this study hypothesises that:

**H4:** Moral norms will have a significant association with the intention to engage in employee theft such that employees with high levels of moral norm will have low intentions to engage in employee theft.

The empirical aspects of this study focused only on the retail sector. The retail sector was selected because employee theft has been noted to be more pronounced in the retail sector. In South Africa, employee theft accounts for nearly 70% of all retail shrink and sadly only one in 40 employees are caught stealing, while 39 employees who steal go unnoticed (Seldon 2014:Internet).



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Also, Govender (2013:1) established that approximately 37% of all the losses incurred by South African retail businesses are linked to employee theft. Moreover, as already discussed, prior evaluations of the TPB in employee theft has been in large businesses in the retail sector, so by focusing on small businesses in the retail sector, it is possible to compare findings for large and small businesses in the retail sector.

## 5. METHODOLOGY

### 5.1 Sample and data collection

A questionnaire survey approach was used to collect data from employees of small businesses operating in the retail sector in the Mangaung Metropolitan Municipality in the Free State province of South Africa. Following the National Small Business Act of South Africa of 1996, as amended in 2003, small businesses in the retail sector are classified as businesses having fewer than 50 employees, with a maximum annual turnover not exceeding R13 million (Agupusi 2017:179).

Convenience sampling was used to administer data gathering by hand delivery at the convenience of the respondents by the researcher. Convenience sampling represents a type of nonprobability sampling in which people are sampled because they are a convenient source of data for the researcher (Rogelberg 2017:230). One key advantage of convenience sampling is its ability to obtain data from a difficult to reach population (Rogelberg 2017:231). In the context of this study, employees from small retail businesses were quite difficult to reach for two reasons.

Firstly, many employees were not willing to participate in the study due to the sensitive nature of the topic. This is not surprising when dealing with the subject of employee theft, thus leading researchers in this domain to resort to convenience sampling (Moorthy *et al.* 2013:260).

Secondly, buy-in from business owners was required in order to assure the potential respondents of the purpose of the study and the fact that their responses will not be used against them in any way by their employer. As such, a convenience sampling was the most suitable and cost effective approach to obtain participating businesses.

Given that there is no database of all small retail businesses in the Mangaung Metropolitan Municipality, the researcher depended on the yellow page directory for information on small

retail businesses in the region. A total of 189 small retail businesses were identified. From this number 100 small retail businesses that were easily accessible to the researcher were contacted and 68 gave consent for their employees to participate in the study. The employees were then recruited through their employers.

Due to the sensitive nature of the subject under investigation (i.e. employee theft), the researcher ensured that all the ethical principles (inform consent form, voluntary participation, risk mitigation) vital for carrying out a human subjects research were followed. A total of 350 questionnaires were handed out to employees from the 68 small businesses, of which 265 valid questionnaires were returned, resulting in a response rate of 75.7%.

## 5.2 Variables and measures

The five main variables (attitude toward retail theft, subjective norms, perceived behavioural control, moral norms and the intention to engage in retail theft) used in this study were measured using multi-item scales drawn from prior studies. The items were measured on a five-point Likert type scale anchored from 1= strongly disagree to 5 = strongly. Where necessary, items were rotated accordingly, prior to conducting the analysis (see Table 1). Attitude toward retail theft was measured using three items adopted from prior studies (Emilus 2011:64; Kelkar & Emilus 2016:16; Tonglet 2002:344).

Subjective norm was measured using two items extracted from Kelkar and Emilus (2016:17). Perceived behavioural control was assessed using two items developed by Tonglet (2002:340).

Moral norm was measured using the three items obtained from Kelkar and Emilus (2016:16). The intention to commit employee theft was assessed using three items that have been used in several prior studies (Kelkar & Emilus 2016:17; Peace Galletta & Thong 2003:162). The reliability of these factors is presented in Table 1. The Statistical Package for the Social Sciences (SPSS) software was used to analyse the data.

Table 1 shows the results of the factor analysis on extended TBP factors. The overall KMO measure (0.829) and Bartlett's Test of Sphericity ( $p < 0.01$ ) indicated the appropriateness of the data for analysis. Using the principal component analysis with Varimax rotation, the data loaded into five factors with a cumulative variance of 79.165%. It is also observed from Table

1 that the Cronbach's Alpha values for all the factors were above 0.8, which is well above the acceptable value of 0.7 among social science researchers.

**TABLE 1: Factor analysis and reliability of variables**

	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5
<b>Attitude toward retail theft</b>					
To me, stealing from my employer is bad	0.992				
To me, stealing from my employer is dishonest	0.972				
To me, stealing from my employer at work is foolish	0.834				
<b>Subjective norms</b>					
Most people who are important to me would not approve of me stealing from my employer		0.853			
Most people who are important to me will look down on me if I stole from my employer		0.782			
<b>Perceived behavioural control</b>					
The control systems in place at work make it easy for other employees and me to steal from the business			0.818		
There are many opportunities at work for other employees and me to steal from the business			0.775		
<b>Moral norms</b>					
I would feel very guilty if I stole something at work.				0.825	
Stealing from my employer is against my principles.				0.752	

	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5
I strongly believe that taking stealing at work is morally wrong				0.721	
<b>The intention to engage in employee theft</b>					
I might steal merchandise or cash at work in the future					0.817
If I had the opportunity, I would steal merchandise or cash at work.					0.766
I would never steal merchandise or cash at work <sup>§</sup>					0.732
Eigenvalues	3.226	1.847	1.732	1.470	1.063
% of Variance	29.358	22.457	11.165	8.866	7.319
Cumulative % of Variance	29.358	51.815	62.980	71.846	79.165
Cronbach Alpha	0.984	0.864	0.914	0.814	0.841
Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy	0.829				
Bartlett's test of sphericity	Chi-square	2019.570			
	Sig.	0.000**			

\*\*Sig at 1% ; §Rotated item

Source: Authors' own compilation from survey data

## 5. RESULTS

Most of the respondents (63%) were female, with 53.2% being married and 46.8% unmarried. The majority of the respondents were between the age group of 20-30 years (64.9%). The most predominant ethnicity reported by the respondent was black (66.4%),

followed by white (26.8%). Lastly, in terms of the educational qualifications, 57.7% of the respondents had qualification less than a matric. The descriptive aspects of their behavioural attributes are presented in Table 2.

**TABLE 2: Descriptive statistics and correlation matrix of main variables**

	Mean	SD	(1)	(2)	(3)	(4)	(5)
(1) Attitude toward employee theft	4.70	0.94	1				
(2) Subjective norms	4.87	0.22	0.42**	1			
(3) Perceived behavioural control	2.93	0.82	-0.086	-0.049	1		
(4) Moral norms	4.73	0.57	-0.140	-0.018	0.25**	1	
(5) The intention to engage in employee theft	2.76	0.45	-0.36**	-0.102	0.27**	-0.31**	1

\*\*Sig at 1%; SD = Standard deviation

Source: Authors' own compilation from survey data

In Table 2, it is observed that the majority of the respondents had a negative attitude towards employee theft (mean=4.70) as they viewed thievery activities at work to be associated with a negative image such as being bad, dishonest and foolish. Similarly, the subjective norm score of 4.87 is quite positive since it depicts that most people close to the respondents see employee theft as a negative activity and, therefore, would not approve of employee theft.

The perceived behavioural control mean score of 2.93 suggests that many small businesses owners have put in places measures to make it difficult for employees to steal. With regards to moral norms (mean=4.73), it is also encouraging to see that most employees have a high moral standing as they view stealing from their employees to be morally wrong and conflicting with their moral principles. Lastly, it is observed that the intentions to engage in

employee theft are also low (mean=2.76) which should be a relief for many small business owners.

Also established was that attitudes toward employee theft had a positive correlation with subjective norms suggesting that both the employees and the people closed to them shared similar views regarding employee theft.

Moreover, attitudes towards employee theft showed a significant negative correlation with the intentions to engage in employee theft. Perceived behavioural control was shown to have a positive association with both moral norms and the intention to engage in employee theft. Lastly, moral norms showed a significant negative correlation with the intentions to engage in employee theft.

The regression analysis evaluating the hypothesised associations is presented in Table 3.

**TABLE 3: Regression analysis**

Variable	The intention to engage in employee theft		
	Beta	T-value	P-value
Intercept		6.785	0.000**
Attitudes towards employee theft	-0.343	-4.615	0.000**
Subjective norms	0.108	1.642	0.102
Perceived behavioural control	0.332	3.876	0.000**
Moral norms	-0.213	-2.873	0.004**
R <sup>2</sup>	0.515		
Adjusted R <sup>2</sup>	0.493		
Durbin Watson	1.950		
F -Value (sig)	9.921 (0.000)**		

\*\*Sig at 1%

Source: Authors' own compilation from survey data

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Table 3 shows the relationship between the intention to engage in employee theft and variables of the proposed extended TPB (ART, SN, PBC and MN). The results show a significant F-value ( $p < 0.05$ ) suggesting that the overall model is significant. A significant negative association is observed between the attitudes towards employee theft and intentions to engage in employee theft ( $\beta = 0.343$ ,  $p < 0.01$ ).

This indicates that employees who perceived stealing from their employer as a beneficial activity had significantly higher intentions to engage in employee theft compared to those who had negative attitudes towards employee theft. These findings support the proposition in hypothesis H1, as employees with a positive attitude towards employee theft had the strongest intentions to engage in employee theft. The outcome is consistent with evidence from the implementation of the TPB in the context of larger retail enterprises (Kelkar & Emilus 2016:22).

With regards to subjective norms, the results showed no significant association between subjective norms and the intention to engage in employee theft ( $\beta = 0.108$ ;  $p > 0.05$ ). This finding does not support the propositions in hypothesis H2 and is contrary to general expectations as postulated in other studies (Bailey 2006:805; Kelkar & Emilus 2016:23).

A possible explanation for the non-significance in the results is based on the fact that a part of information that subjective norms contain is already present in the desirability of performing a particular behaviour (Ham, Jeger & Ivković 2015:744), wherein personal considerations tend to surpass the influence of subjective norm, thus resulting in a very weak or insignificant influence on behavioural intention (Ajzen, 1991:187; Lima, Osmanb, Salahuddinc, Romled & Abdullahe 2016:408).

The results with regards to perceived behavioural control depict a significant positive association ( $\beta = 0.332$ ;  $p < 0.01$ ) between perceived behavioural control and the intention to engage in employee theft. The results show that employees who perceived that it was easy to steal from their employers were more likely to have a stronger intention to engage in employee theft. These findings support the postulation in hypothesis H3. The finding is contrary to evidence from big retail firms which showed no significant association between perceived behavioural control on the intentions to engage in retail theft (Kelkar & Emilus 2016:22).

Lastly, moral norms showed a significant negative association with the intention to engage in retail theft ( $\beta=-0.213$ ;  $p<0.01$ ). The negative association suggest that employees with high morals norms had lower intentions to engage in thievery activities in the workplace. This supports hypothesis H3. The findings are also consistent with evidence from large retail businesses in the developed world (Kelkar & Emilus 2016:22). Similarly, Cant et al. (2013:5776) have shown that the moral behaviour of an employee in a small business influences their ethical behaviour in the workplace.

## 6. LIMITATIONS OF THE STUDY

The key limitations of this study are twofold. Firstly, the small sample size and the specific focus on small businesses in the retail sector limit the generalisation of the findings to all small businesses. It is vital for future studies to apply the TPB in different geographical locations, using small business from other industries in order to clearly ascertain the usefulness of the TPB in predicting the behavioural intention to engage in employee theft. Employee theft is a huge concern for small businesses, and the dearth of research in identifying the factors that account for this behaviour in small businesses definitely calls for a need for further studies in this domain. Secondly, given the sensitive nature of the subject of employee theft, one cannot possibly rule out the fact that some respondents could have been susceptible to social desirability bias, whereby they provide socially desirable responses indicating that they do not have the intention to engage in employee theft. Nonetheless, this study tried to minimise any effects of social desirability by assuring the respondents of the confidential manner in which their responses will be treated.

## 7. MANAGERIAL IMPLICATIONS

The findings from the study depicted three key factors (attitudes towards employee theft, moral norms and perceived behavioural control) that were significantly associated with the intention to engage in employee theft. With these findings, managers of small businesses can use several methods to help combat the occurrence or proliferation of employee theft in their businesses.

**Firstly**, a key problem for many small businesses is that most tend to overlook engaging in lengthy and effective screening processes due to the cost implications (Youngblood 2017: 263). This is a call for concern as it is imperative for small business owners and managers to



effectively screen employees with respect to their attitudes regarding employee theft. Those who show a positive attitude towards theft will be more likely to engage in theft. In most cases, small business owners and managers readily identify the vital role that the daily activities of their employees play to ensure the success of the businesses, which is why they tend to endow a lot of trust on the employees (Kennedy & Benson 2016:258).

The key challenge for small businesses is then the fact that when theft occurs, even when committed by one dishonest employee, the business owner tends to distrust all other employees and this tends to negatively affect the firm's performance (Payne & Gainey 2004:65). As such, identifying employees with positive attitudes towards theft both prior to and during employment is vital so that the business managers can take the necessary steps to ensure that their attitudes do not translate to actual thievery.

Youngblood (2017:275) argued that one of the best ways to prevent employee theft is to hire the right people by ensuring that applicants are effectively screened. As such, when screening potential employees, managers of small businesses need to evaluate their attitudes towards employee theft as a mandatory part of the screening process. Also, employee attitudes can be changed by education programs that focus on changing workplace culture by increasingly highlighting the negative consequences of employee theft (Erbschloe 2017:40).

**Secondly**, similar to screening potential employees regarding their attitudes, small business owners and managers should also screen their moral norms. By scrutinising moral dilemmas of potential employees during interviews, small business owners and managers can easily spot potential threats (Cant et al. 2013:5786) and thus only recruit morally upright employees that can easily be trusted (Kennedy & Benson 2016:258).

As shown in the correlation results, employees with high moral norms tend to detest attitudes that promote workplace thievery. If a company hires individuals with a good moral standing there is a high possibility that these morals will remain consistent over time, however, some can change if the belief system of the individual changes (Cant et al. 2013:5786). As such, since education programs that promote honesty and dedication in the workplace have shown to be useful in combating employee theft in some environments (Erbschloe 2017:40), small business owners and managers can use such programs as a good start for addressing for fighting employee theft within their organisations.

**Lastly**, small businesses have been noted to be more susceptible to employee theft because they often lack strong security measures to prevent it (Hatten 2011: 419; Kennedy & Benson 2016:257). This is a call for concern as findings from this study indicates that employees are likely to develop the intention to steal from their employers if they find that it is easy to do so (perceived behavioural control).

If small business owners were to base their decisions on evidence from large organisations which show no significant association between perceived behavioural control and employee theft intentions (Kelkar & Emilus 2016:22), they might tend to ignore the need for continuous investments in security measures which could be detrimental to their businesses. This could be explained by the view that most big companies, unlike the small firms, invest heavily in technological solutions for combating employee theft (Youngblood 2017:266). Researchers have shown that employees will steal if the opportunity presents itself or when there are less stringent policies in place (Coenen 2016:Internet; Hollinger & Clark 2013:Internet; Turvey 2013:7). Small business owners and managers should, therefore, take security measures for combating employee theft seriously, especially the use of technological security tools (Erbschloe 2017:38; Youngblood 2017:267).

## **6. CONCLUSION**

Research over the years has increasingly shown that employee theft is a growing and persistent issue with dire consequences for small businesses. As such, the phenomenon has gained the interest of practitioners and academics.

Understanding employee theft from the perspective of theft as a volitional behaviour can provide significant insights for academics and managers to better develop appropriate measures for combating employee theft. As such, this study used a sound theoretical framework in the form of an extended TPB to examine the factors that influence the intentions of employees of small businesses to engage in employee theft.

Managers of small businesses can, therefore, consider the implications of this study when developing strategies for combating employee theft in their businesses.

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