THE EFFECTS OF CRIME ON THE RETAIL BUSINESS SECTOR IN THE MATJHABENG MUNICIPALITY, FREE STATE

By

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DECLARATION

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_____

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Student

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1.1 TITLE

The effects of crime on the retail business sector in the Mathjabeng Municipality, Free State.

1.2 INTRODUCTION

Mathjabeng is a Sesotho word meaning "where nations meet," and is centrally located in the Free State and South Africa. Mathjabeng Municipality consists of the following towns: Welkom, Virginia, Odendaalsrus, Allanridge, Ventersburg and Hennenman, see Figure 1.1 and 1.2

Figure 1.1 Free State Municipalities (Google Maps, Online: 2014).

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Figure 1.2 Mathjabeng Municipality (Google Maps, Online: 2014).

The driving force behind the economy of Mathjabeng was once the mining industry (Mathjabeng Municipality, online: 2014), but nowadays businesses, especially those in the retail and manufacturing sectors, are the driving forces for economic development. Amongst the factors determining the investment climate and private sector development, the exposure to crime to these sectors plays a significant role.

The retail sector deals with a high number of people (customers) every day, whether the retail business is to be present in shopping malls, convenience stores or warehouses. One of the significant impacts on retail business that ultimately affects the status and standing of the business is crime. If crime has affected the assets of the business, subsequently it leaves more liability and debt for the business. When a definite business has been struck by retail crime, the final effect might lead to a downfall.

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Retail crime will always be a vital element in society, and there are different types affecting a business Crimes against businesses are extensive; therefore, one needs to break those crimes down into different categories. The categories are employees, non-employees (customers), as well as cyber criminals.

Employee Crime is when employees are in a position to steal both money and merchandise (The Huffington Post, 2013: Online). The second employee crime is white-collar crime which occurs when an employee diverts money from a business account to another account, therefore, it can be complicated and hard to detect.

Crimes committed by non-employees may be subdivided into shoplifting, burglary and breaking into the business. Shoplifting is a concern, and problem, for most small-business owners. Goods may be stolen in a variety of quantities ranging from small to large. The shoplifter may come in all ages, races and genders, and the shoplifters may stuff items into pockets, purses, baby carriages or bags (Clarke, 2002: Online). The second crime by non-employees, and a primary concern for businesses, is when the business is closed for the day and burglary and breaking occur.

The third main crime is cybercrime; businesses using tablets or computers that are linked to the World Wide Web to conduct business or to keep records. The business may become a target for cybercriminals internally (employees) as well as externally from the business. Theft and fraud may occur as hackers may steal the customer list or credit information (Clifford, 2011: 4).

Crime against local shops is the most burdensome. Abuse from customers, shoplifting and anti-social behaviour are challenges that retailers and their staff have to face on a daily basis. Retail crime is not, as is often thought, a “victimless” crime but involves direct as well as indirect cost. This cost might include: the reporting of crime, claiming insurance, replacing stock and equipment, as well as recovering from trauma from an incident at work, due to crime.

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Additional cost may be experienced by employers when their employees are victims of crime at work, because they are forced to pay the contractual wage rate of the victim, regardless of whether productivity is taking place or not (Fischer & Janonski, 2000:61). The employee may also be affected by retail crime; the employee face emotional and/or physical impact , it might reduce his/her quality of life, when the victim of a robbery has suffered physical injuries; he/she may feel vulnerable, shocked, insecure, distrustful for many weeks after the incident and may be unable to sleep properly (Morell, 2007: Online).

The emotional cost of crime to the victims may manifest itself in the need for support services such as counselling; the resources consumed in such services have an opportunity cost in terms of accommodation, staffing and other operation costs. A monetary value (or a rand value) could or should not be placed on the suffering of any individual victim of crime, only the victim can know how he/she has been affected or what that means to him/her personally. The impact of retail crime has an influence in various ways which may include the location of the business; the time of year, as well as security measures that have an effect on the crime rate.

Effective ways of combating retail crime are: patrolling security guards, sufficient outside lighting as well as outdoor CCTV cameras. Another way of combating crime is an SMS instant alert to retail staff or managers when crime is occurring in the vicinity (Sklansky, 2006: 92). According to Michael Broughton (Director at the Consumer Goods Council) messages will contain specific information on methods adopted by criminals regarding incidents which include armed robberies, burglaries, vehicle hijackings and cash-in-transit heists. Other warning messages will include details about suspicious vehicles or individuals in the vicinity (IOL NEWS, Online: 2006).

Retailers' level of consciousness concerning the problems that retail crime establishes for their business has never been higher, with reports of violent, brazen and aggressive criminal behaviour increasing each year, and fighting the problem takes more than a keen eye and support from the South African Police Services (SAPS).

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Operational strategies must be put in place; employee training must be consistent, and the local SAPS as well as security services (for example ADT Security) must be in the loop when a pattern is determined. There is no simple solution; securing merchandise and installing deterrent devices may be known to reduce sales and even frustrate shoppers and in limited cases, retailers are forced to resort to increasing prices on their merchandise to make up for what they lose to thoughtless, selfish and unconscionable criminals.

The following sections provide a statement of the problem, as well as the research questions and objectives to be pursued. The methodology of the investigation, as well as the statement of the problem, is thoroughly presented.

1.3 STATEMENT OF THE PROBLEM

When the above information was considered it became clear that the problem could be identified as follows: Crime certainly has an impact on the retail business sector in the Mathjabeng Municipality, Free State.

The following section outlines the research questions of the study:

1.4 RESEARCH QUESTIONS

The primary research question for this study is: What are the effects of crime on the retail business sector in the Mathjabeng Municipality, Free State. In order to answer this main research question, the following specific research questions were investigated:

1. What are the types of crimes most frequently experienced?
2. Which crime constraints business growth?
3. What are the costs of crime for businesses?
4. What are the measures implemented to reduce retail crime?
5. What is the influence of crime on business morale?
6. What are the psychological and social effects and reactions of crime on employees in a business?

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1.5 RESEARCH OBJECTIVES OF THE STUDY

The main research question of this study was to gain a good understanding of the impact of retail crime on businesses. The specific objectives relating to specific research questions are to determine:

1. The types of crime experienced most frequently;
2. Enquire about the ways in which crime constrains business growth;
3. Ascertain the cost of crime for businesses, both in money and resources;
4. The measures implemented to reduce retail crime;
5. How crime affects business morale; and
6. The social and psychological factors and reactions concerning the employees of a business.

1.6 DEMARCATION OF THE STUDY FIELD

The study field used in this dissertation was that of Business Management Science in Welkom, located in the Mathjabeng Municipality. The population included 80 small and 130 medium businesses registered at the local branch of the Chamber of Commerce. The study focused on formal businesses operating in the retail sector (no street vendors or informal businesses).

The factors that determined the decision of the sample were that it should be easily accessible, financially affordable and less time-consuming.

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1.7 RESEARCH DESIGN AND METHODOLOGY

1.7.1 Research design

Research design refers to an arrangement of procedures and methods of a research study that include sampling, data collection, analysis and interpretation of results. Research design provides guidelines and structures to the research process in order to prevent haphazard methods (Blumberg et. al, 2011:47).

A research design confines the researcher in an empirical world and connects him/her to specific locations, persons, factions, institutions and organisations of relevant interpretive materials (Mouton, 2001: 107). The researcher employed a survey strategy implementing methods explained by Creswell (2008: 260) for data gathering, amongst others, questionnaires. The literature study used in this study was a quantitative approach (Marshall & Rossman, 2012: 44).

The researcher employed a survey strategy or pilot study to determine some of the desired outcomes. The research method that was used in this study were a structured questionnaire for quantitative data. There are three groups of data that may be used, namely primary, secondary and tertiary data. The researcher used all categories to ensure that a considerable quantity of data was collected, in order to make well - informed research conclusions (Saunders et. al, 2012: 50-54).

The respondents were notified that any information they supplied would be treated with strict confidentiality, and that the results would be used for research purposes only. Useful information was also obtained from various publications such as newspapers, journals, the internet, and textbooks.

The following paragraphs describe the research methodology.

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1.7.2 The research methodology

Research methodology may be described as a strategy or plan that outlines how the investigation will be conducted within the research design (Creswell, 2003: 5-11). The research approaches that were used were literature study as well as a quantitative approach.

1.7.3 Empirical Research

The research is descriptive in nature and includes an emergent design, which could be regarded as an extension of grounded theory. This means that in the early stages of the study, new information may lead to the purposes or methods e.g. sampling, methods of data collection (Denzin & Lincoln, 2008: 14). Grounded theory is particularly useful when theory is generated by (or grounded in) the data that are collected from the sample used. Once the researcher has categorized the data, the data may then be utilized to generate theory. This research envisages constituting a contribution to current knowledge and is termed basic research, which includes quantitative research.

1.7.4 Quantitative research

This survey was also conducted by making use of a questionnaire to obtain information from respondents relating to crime on business growth. The questionnaires were distributed to the respondents, which included the managers and employees of retail stores. In this way, questionnaires could be administered with more ease and were simpler to analyse.

The data was processed into a spreadsheet and the analysis done accordingly. The research instruments mentioned, were used because they provide a broad overview of representative samples of large populations, such as the one being researched in this study (Mouton, 2001: 93), and are discussed in the next section.

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1.7.5 Population and sampling

In this study the total population comprised of 210 business owners, top management, supervisors, as well as employees of retail businesses in the Mathjabeng Municipality – Welkom. The first 10 businesses on the list were used as a pilot study, leaving 200 businesses on the list. From the 200 questionnaires that were distributed 70 responded. The total number of elements from which a sample is usually drawn, is known as a population; however financial constraints, as well as time constraints, make it difficult to cover the entire population (Marshall and Rossman, 2012: 107).

1.8 Pilot Study

The trustworthiness (or validity) of the questionnaires was tested by doing a pilot study, which was taken from the sample (businesses were selected to participate in the pilot study). A pilot study was done with 10 businesses in the Mathjabeng area. Interpretive validity was obtained by asking participants (employers and employees) to comment on the interpretations of the researcher, after the questionnaires had been completed.

1.9 Validity and Reliability

Validity is the extent, to which a test measures what it is hypothetical to measure; there are three basic approaches to validity of tests and measures. The different types of validity are content validity, construct validity, and criterion-related validity. The tendency towards consistency found in different measurements is referred to as reliability (Dahlberg & McCaig, 2010:85).

The researcher needs to try, as far as possible, to eliminate, neutralize or dispense with all the potential sources of error so that the concluding results may not be contaminated.

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1.10 DATA COLLECTION

This study was undertaken in the field of Business Management Science in Welkom, located in the Mathjabeng Municipality. The population included 80 small and 130 medium businesses registered at the local branch of the Chamber of Commerce. Not all the questionnaires that were handed out were received back. 70 Questionnaires were received back.

The data from managers and employees was coded using the constant comparative method described by Marshall and Rossman (2012:107). This method is used, because it is associated with grounded theory. It requires that chunks or units of meaning from the data are identified and coded. The final report was compiled based on the data captured from quantitative research.

The questionnaire was structured in line with the research problem, the primary and secondary objectives, and the research questions of the study. The structured questionnaire is divided into eleven parts (see Appendix for the final questionnaire).

1.10.1 Sections in the questionnaire

Section A: In this section the respondents were asked their biographical information, for example in which suburb their business is located.
Section B: This section was based on how they experience crime in their businesses.
Section C: Questions in this section were posed to find out about the crime related incidents that takes place in their business.
Section D: This section was based on crime prevention and reduction in the business.
Section E: This part was based on how employees were affected by retail crime and workplace violence.
Sections F and G: In these sections questions were posed to discover about staff training on retail crime incidents, as well as the visibility of security at businesses.

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Sections H – J: Questions in these sections were posed to find information regarding the store layout, the environmental factors, as well as administrative control practices.

Section K: This part was based on white-collar crime and fraud that are taking place in businesses.

1.11 DATA EDITING, CODING AND TABULATING

1.11.1 Data editing

The first step in data processing is editing. Cooper and Schindler (2008:415) confirms that editing is the process of investigating the data collected from questionnaires to differentiate mistakes and exclusions and to see that they are modified and ready for tabulation

1.11.2 Data Coding

Coding is essential for the effective analysis, and through it the numerous replies may be concentrated to a small number of divisions which contain the diagnostic statistics essential for investigation. Coding evaluations should, usually, be taken at the planning stage of the investigation (Cooper & Schindler, 2008:416). This makes it promising to pre-code the questionnaire choices (Cooper & Schindler, 2008:416). In turn it is useful for computer formulation, as one may straightforward key punch from the original questionnaires.

1.11.3 Data entry

The next phase is to capture the data into a form ready for analysis. The data for this study was captured onto an excel spreadsheet, and processed as such.

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1.12. DEFINITION OF TERMS

The terms defined in this study:

Stakeholder

These are all the groups (owners, employers, employees, customers, communities) affected by retail crime.

Retail Business

Retail business may be defined as the trading of merchandise (goods) and services from businesses and individuals to the final-user. Retailers form part of an integrated system called the supply chain; the retailer buys merchandise in bulk directly from manufacturers or through a wholesaler, and then sells the merchandise in smaller quantities to the consumer for profit (Byrd & Megginson, 2009:250). A retail business may be located in fixed locations like shopping malls, residential streets, and streets with few houses, or may be available online.

Fraud

Fraud is a purposely practice, in order to secure unfair or unlawful gain. As a legal concept, fraud is both a public offence and a criminal wrong (SAICA, April 2013: Online).

White-Collar Crime

Financial motivation is one of the reasons for white-collar crime taking place in the business. It is normally a non-violent crime committed for illegal monetary gain. Within the field of criminology, white-collar crime initially was defined by sociologist Edwin Sutherland in 1939 as "a crime committed by a person of respectability and high social status in the course of his occupation" (Ferguson 2010:13).

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Retail Crime Prevention Strategies

When businesses act against potential losses to protect its long-term profitability it is called retail loss prevention. Another concept for retail loss prevention is "asset protection," There are various ways in which retailers may enforce retail crime prevention, such as tagging all merchandise in the store with a security tag, as well as CCTV cameras (Byrd & Megginson, 2009:445).

Post-Traumatic Stress Disorder

Post-Traumatic stress disorder (PTSD) is a severe anxiety disorder that may develop after exposure to any event such as a robbery at a retail store, which resulted in psychological trauma. This event may involve committing suicide, depression or the individual's inability to cope (Ford, 2009:1).

1.13 DIVISIONS OF CHAPTERS

The study was divided into the following six chapters:

- Chapter 1 indicated the scope of the study and research methods used. It included an introduction, problem definition, objectives, and a description of the methodology (including the literature study, the scope of the study and the sampling procedure).
- Chapter 2 explored the demarcation of retail crime
- Chapter 3 explored the after- effects and remedies of retail crime
- Chapter 4 outlined the methodology of the empirical study, the design of the questionnaire, the sample design, the sample size as well as the processing of data.
- Chapter 5 gave an analysis and evaluation of the empirical information on crime as a hampering factor to business growth.
- Chapter 6 presented a summary of the most important findings of the study, a discussion of the conclusions reached and suggestions for future study.

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1.14 LIMITATIONS OF THE STUDY

The intended study consequently made no simplistic claims, but rather attempted to set off the problem in all its complexity. It came to the researcher's attention that the South African Police Services (SAPS) could record only those crimes that come to their attention. Some incidents reported to the SAPS are not recorded as a notifiable offence; either because they may not fall into a notifiable offence category or because there may be insufficient evidence that a crime has taken place. Any attempt to analyse the causes of crime in general, and then draw a simple conclusion, faces problems. This is especially true of the South African situation where reliable data and crime statistics are very limited.

1.15 CONCLUSION

Chapter one discussed the introduction, the significance of the study, and focused on the preliminary literature. The researcher described the statement of the problem, developed the research questions and formulated the objective of the study. The research design and methodology were outlined, as were sampling and data analysis techniques and the demarcation of the study.

The next Chapter focuses on literature on retail crime.

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CHAPTER TWO

DEMARCATION OF RETAIL CRIME

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2.1 INTRODUCTION

The Free State is a diverse and dynamic South African province with many opportunities and challenges. Therefore, one of the prospects of government is to develop the Free State, and especially the Mathjabeng Municipality, as a competitive region to push economic growth and endorse cohesive governance. This vision backs the government's main objectives of decreasing levels of poverty and unemployment by the year 2014. Unfortunately, the estimate of crime or criminal setups is not an easy mission, and therefore, it makes retail crime at times unpredictable.

Retail crime is expensive to any business, and businesses need to take all aspects into account in their business operations. It is not only a cost to the business or society, but may be painful for those in retailing that are occasionally also subjected to violence. Retailers are becoming aware that they are not only the victims of crime committed by 'outsiders' (burglars or shoplifters), but also by their own employees. Retail crime includes 'all crime and disorders committed by or against businesses, and may be targeted against employees in a business, against a single business owner, or it may be part of a broader pattern of crime which unfavorably influences a number of businesses in the same zone, or in the same geographic area (Bamfield 2012:153). There will never be a perfect solution to combat crime in stores and elsewhere in the businesses supply chain. Retailers are constantly evaluating and seeking all new aspects of security. It is impossible to create crime statistics, which distinguish crimes in terms of their locality as well as target group.

No obtainable data exists on financial damages for any of the crimes that are listed in this chapter; the cost of burglaries and shoplifting depends on the items stolen, while the cost of acts of intended damage to business property depends on the nature of the business property damaged.

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This chapter then focuses on the different types of retail crime, the causes of retail crime, implications of retail crime, the South African retail crime situation and how it compares to that of the rest of the world.

2.2 TYPES OF RETAIL CRIME

There are many types of retail crime; for example it could be theft by employees (also known as white-collar crime and fraud), theft by customers, theft within the supply chain, burglary, criminal damage, vandalism as well as the fact that retailers suffer from more general criminal activity as well (Byrd & Megginson, 2009:451). Within each category, there are many particular means of committing the crime, which will receive attention in the next sections.

2.2.1 **Employee theft**

Employee theft is widespread, and the problem is different for businesses of all sizes. This kind of theft hinders productivity and profitability in several ways. Small businesses cannot operate efficiently if their employees are stealing merchandise, and supervisors are not properly monitoring and controlling employee theft. Employee theft includes taking or stealing of anything of value from a business by an employee, and may include stealing merchandise, retaining receipts, taking cash out of the till, voiding a sale after a customer has paid, overcharging a customer or short-charging. Employee theft may also range from false mark-downs on merchandise, coupon and voucher stuffing, or giving credits for non-existent returns, or exchanging as well as sliding a product through a lane without charging the customer (Weisburd, 2011:11).

Employee theft of goods and merchandise involves a higher risk for retail businesses seeing that employees are the ones responsible for stocking and selling the merchandise. Therefore, merchandise may easily be placed in the employee's locker or be taken home.

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Managers and supervisors are not always present when merchandise arrives at the store. In such instances, it makes it easier for employees to steal. It may also happen that the managers themselves, in especially stores selling electronics, are often the culprits of employee theft (Hayes & Rogers, 2003:80).

A common type of theft is when employees remove money from a cash register, or the petty cash at the end of the day, which indicates that money, may go missing without anyone being aware of it, especially if different employees are allowed to work with the same cash register, or if there is more than one person with access to cash in any business (Greenberg, 2002:89).

2.2.2 **White-collar crime**

White-collar crime is a type of crime generally committed by individuals not working in the business, or by salaried, professional individuals, or by employees of a business. This type of crime is non-violent, but it accounts for far greater financial losses than street crime, and is also a serious problem for business owners. White-collar crime may be seen as a direct result of the capitalist society in which it flourishes, and has been defined by Edwin Sutherland as “a crime committed by a person of respectability and high social status in the course of his occupation” (Sutherland, Edwin H. 1949).

Those crimes most often considered as white-collar crimes (Weisburd, 2011: 46, 47) may include:

- Bank fraud: This is to participate in an arrangement of activity where the purpose is to deceive a bank’s funds.
- Bribery: When goods, money or valuable information or item are obtainable with the intent to effect the actions and decisions of the taker.
- Embezzlement: A person entrusted with money or property appropriates it for his or her use and benefit.
- Forgery: When a person sanctions a false or worthless document such as a cheque or counterfeit security with the intent to defraud the recipient.

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- Insurance fraud: Wherein a person gain earnings from an insurance company through dishonesty.
- Tax evasion: A person commits fraud when he/she fails to pay tax.

The above issues highlight the fact that many different types of white-collar crimes exist that are practiced by “white-collar” criminals, and sometimes they overlap with corporate crime because opportunities to commit cybercrime, bribery, fraud and corruption are more available to white-collar employees (Weisburd, 2011: 47).

2.2.3 **Customer Theft**

Shoplifting is thought to be the largest single element of retail crime, accounting for 43% of the total crime costs. Its nature and pattern varies, but retailers are often most vulnerable during periods of high customer concentration (Consumer Goods Council, Online: 2011), for instance, public holidays like Easter and Christmas. Items such as alcohol, electronic goods, and clothes are stolen more frequently because they may then be sold on the street and in local pubs and more money is spent at stores as customers spend time away from their ordinary environments (Consumer Goods Council, Online: 2013).

A crime that is also very much on the increase is the deliberate return of goods for reasons other than genuine defects in the product; typically, a customer purchases an outfit for a special occasion and then, after wearing it willfully damages and returns it, seeking a full refund.

2.2.4 Other retail crimes

According to Jones, Hillier, Comfort and Cozens (2004:257) the following crimes could also occur in a retail industry:

- Theft within the supply chain: This occurs at many stages in the chain, from warehouses and distribution centers, in transit and upon delivery. It, usually, occurs on a relatively small and localized scale, but there are also large-scale

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and well-organized criminal operations, often involving the theft of high-value goods.

- Violence against staff: While incidents of serious physical assault are relatively infrequent, verbal abuse, threatening behaviour, and intimidation routinely place emotional burdens on employees and managers, and may lead to staff resignations, which force the retailer to bear the expenses of recruiting and training of new staff.

2.3 CAUSES OF RETAIL CRIME

There are various causes of retail crime, and they are not limited to the damage they cause businesses but also to the worldwide economy.

2.3.1 Causes of employee theft

It has been found that employees do not actually steal from their employer because of a need, but more often they steal because an opportunity has presented itself to do so. Subsequently employees will only steal from their employer if they are aware that they will not be caught out. Employees commit fraud when combinations of the following three factors are present (Fischer & Janonski, 2000:314):

- situational pressure (usually a financial need);
- perceived an opportunity to commit and conceal a crime; and
- to rationalize the dishonest act

Retail crimes may also be committed in an instance where some employees steal for status or to cover extra expenses. Employees that engage in theft may be identified to be of a relatively young age, which are facing economic pressures, and are emotionally unstable (Fischer & Janonski, 2000:314). The inadequacy or inequity of compensation is also shown to influence employee theft through feelings of deprivation, as well as weak internal control systems that often provide employees with the opportunity to take something not belonging to them, while some analysts

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believe that most people will steal if given the opportunity (Fischer & Janonski, 2000:315).

Employee theft, is when opportunities become imminent in the event where management have no control or record-keeping in their business and allow employees access to equipment and other company assets, but “opportunity” is perceived to be seen as the leading cause of employee theft (Byrd & Megginson, 2009: 454).

The size and structure of the organization also seem to be related to theft. As the business expands and the degree of supervision decreases, theft increases. It seems to be related to issues of proximal circumstances, as discussed by Greenberg (2002:89), where workers tend to steal more often in impersonal situations or where the victim is not well known to the thief. The perception also exists that the likelihood of being caught out is lower in large organizations.

Retail theft is often carried out in supermarkets, chain department stores and small retail businesses, and it is believed that in instances where rewards are less than the effort, employees may resort to theft. A form of mistreatment of individuals has been identified as a correlation of workplace theft, pay dissatisfaction or perceptions of compensation inequity (Byrd & Megginson, 2009: 207). Subsequently it is found that satisfied employees steal less, and perceived unfairness of compensation is an important factor contributing to higher levels of employee theft (Byrd & Megginson, 2009:241).

2.3.2 Causes of customer theft

Customer theft is mainly caused by poor inventory control. It is believed that direct customer contact with products may lead to shoplifting, while insufficient video surveillance and security guards on the premises may also provide customers with an attractive location to exit a store without paying for goods (Dunne & Lusch, 2007:263). The main reason for customer theft is due to the deterioration of the global economy resulting in unemployment, which is causing people not to be able to

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afford goods and services, because they do not have an income, their families are struggling, and therefore the only alternative is to take from others.

2.3.3 Other causes of retail crime

Factors that also cause retail crime receive attention in the next section.

2.3.3.1 Overnight security

Burglars are tempted to commit a crime when a business have insufficient overnight security and keeping stock in containers that are left unattended may be seen as an invitation for those who might like to steal it

2.3.3.2 Business policies

Inadequate business policies and disorganized accounting operations may lead to poor inventory control. In a business, it should be documented that all products should be carefully controlled and entered into the inventory system at their arrival. According to Saleemi (2007) a business with a disorganized administration system of the latest item check-in and sales receipts can cause confusion. A system of standardized documents should be able to indicate actual numbers on file, even when employee changes are made. The economic recession, as well as labour unrest, has had a profound impact on retailers' sales, and retailers were forced to cut down on staff, and therefore minimize costs. Thus, managers and businesses were faced with the daunting task of having to do "more with less" (Solidarity: Online: 2013).

2.4 THE IMPACT OF RETAIL CRIME

Security challenges are one of the biggest factors the retail sectors are faced with globally, and it is in direct proportion to the business ongoing growth, both in size and complexity. A high rate of retail crime may have many adverse implications (Libor Krkoska and Katrin Robeck, Online: 2006), which are the following:

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- a negative impact on investment that may discourage or delay both local and foreign investment, and therefore the growth of a business is also affected.
- it leads to business financial losses, arising from plundering, arson, theft, and fraud.
- It also decreases temporary (from injury) or permanent (from murder) departure of workers from the labour force. Subsequently loss is not just the present output, but the output that should have occurred in the remaining years of an individual's working life.
- relocation of the business itself, to an area not exposed to crime.

The above issues highlight the fact that retail crime forces otherwise productive individuals to exit the labour force occasionally because of violent injury to themselves, or because of social unrest in the community. It also shows that retail crime may have an impact on the broad socio-economic and political processes, and the outcome of misrepresentations such as lingering unemployment and high levels of disparity.

2.4.1 Financial impact

It is believed that organized retail crime activators have quickly learned that tough economic times present a ripe business opportunity to be able to sell goods at less-than-retail prices. As consumers disperse to discount chain stores, some have also turned to less traditional retail markets such as street sellers, flea markets, pawnshops and online auction sites to cash in on lower prices. Such sales may fuel additional thefts from retailers, thus disadvantaging the retail business (Finklea, 2012:7).

Even in the instance of the 2010 Soccer World Cup as well as the Marikana mine strike, retailers were disadvantaged, due to people stealing inventory to sell on the black market or at soccer stadiums. Financial losses and retail theft incidents add to this already crippling figure. Owners invest money and time in investigating these

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crimes and reacting to merchandise loss, while the growing civil liability surrounding theft events, add to the financial impact suffered.

Theft and loss of merchandise pose the following multi-dimensional implications for retailers; increasing and costlier losses, inability to quickly pass on or absorb these financial losses, as well as increasing legal risk for incompetent retail crime and loss control efforts (Bamfield, 2012: 189).

E-commerce catalogues, and home shopping networks are all competing for customers in the same market, therefore challenging the traditional retail store format. In order for them to remain relevant and profitable in this technological age, and given the long- term implication of retail crime on the community and business, and the potential high volume and costs of business crime, it is clearly of the significance of the private sector to help build safer communities (Ignatus, 2011: 92-97)

Telkom telecommunications network copper cable theft has an adverse impact on businesses, and sometimes entire neighbourhoods may be disconnected from the Internet and landline telephone for days, if not weeks, due to copper theft. Businesses need then to rely on more expensive and often less practical mobile alternatives, and it also affects service delivery to customers (Financial Mail, November 2006).

2.4.2 **Financial cost due to white-collar crime**

White-collar crime is a major financial concern because the victims are not just the business itself, those involved in crime (Benson & Simpson, 2009:4). Crimes related to the process of accounting for income and expenditure are very serious matters, have adverse consequences for a business, and fraud could appear in many areas of financial statements where assets and liabilities are likely to be misstated.

White-collar crime could also affect the cash flow of a business during a period of theft, cash which had been channeled towards the fraudulent employee, instead of the business itself and thus it could have an effect on business; causing businesses

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to have problems with the purchasing of material, salary payments as well as supplier payments (Cuddy, 2012: Online). Repayments of loans are often affected when cash is depleted, and whenever the business does not possess enough money to purchase materials. Salaries and the future of the business may in a short period be in jeopardy, and then businesses are not always able to buy goods on credit.

2.4.3 Human and social cost of retail crime

Financial costs are only one side of the problem; businesses need to consider the human and social costs associated with retail crime after burglaries and other non-personal incidents (Burrows, 2006:25). The impact of criminal intent is quite often not restricted to the individuals directly involved. It is known that some retail outlets, newsagents, local post offices and others act as important focal points within neighbourhoods, where conversations about crime may affect residents' perceptions about the region.

Retail crimes have a tremendous influence on the development and survival of a retail business, which means that commercial premises face a greater risk of criminal victimization (Clarke, Online: 2002). Small business enterprises are more likely to experience multiple or long lasting victimization. In suburbs where there is a greater fear of violence and intimidation, retailers have a greater turnover of staff and higher absentee rate. In some instances, employees accept this exploitation as 'part of the job', a misunderstanding that retailers are working hard to challenge.
Smash-and grabs, hold-ups as well as after-hours breaking in at retail stores, contribute to the overall perception of a particular store being regarded as dangerous (Clarke, Online: 2002).

Due to the global economy making such a slow recovery, as well as rising crime in businesses, it may lead directly to job losses. Therefore, stores that are located in the heart of the community that are forced to close have potentially devastating consequences for local people, since the loss of vital services occurs. Perceptions of retail crime are undoubtedly shaped by what people witness in their local stores and hear from other members of their community, including employees. Illegal or criminal behaviour is connected to social damage. Therefore all behaviour that cause

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harm to other people or society as a whole need to be stopped, managed, and controlled. Retail crime affects front line store staff that has to deal with the related violence and physical/verbal violence directed at them by criminals, even if there is no direct clash.

Employees should be generally aware of the potential for violence and abuse in any given situation where someone is determined on breaking the law, and the psychological implications may be enormous; employees have to take time off from work as the direct result of the incidents, or even change occupations to avoid the day-to-day stress of shop work (Ivancevich et all., 2011:246).

Another implication is that the witnessing of a shop thief being detained not only affects employees, but also customers within that store who observe the event. These impacts upon the entire retail environment in increasing the perception of violence increases the fear of crime. Many larger retailers may employ more security staff to deal with these problems, but the smaller retailer does not have this luxury because he/she just cannot afford it.

2.4.4 Implications to Public Health and Safety

A great deal of items generally sold by retail crime groups are disposable items or health and beauty products, for example, infant formula, diabetic test strips, and over-the-counter medications, and could lead to public health and safety issues related with the theft and resale of these items (Finklea, 2012:12).

When consumable goods are stolen, they may be sold to fencing operations that “clean” the products; and such cleaning processes may involve the repackaging of goods (sometimes incorrectly relabeling them) and altering expiring dates before selling the goods back to other retailers or to the general public (Finklea, 2012:8) . This merchandise may be stored for unlimited periods of time in warehouses that are not climate-controlled and may jeopardise the health of people who consume this merchandise that they believe to be safe, but has actually been tampered with. To reduce the above issues, efficient management of worker a health is a significant

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factor in lowering the magnitude and severity of work-related injuries and illnesses and their associated costs.

2.4.5 Indirect implications due to retail theft

There are indirect implications related to retail crime which may include the disruption cost to business, as well as lost working hours. These are due to employees taking time off work, equipment loss, temporary closure of the business, medical expenses, loss of employees, and increased insurance premiums. The business is also forced to deal with the opportunity costs of crime (Fennelly, 2013: 109), when businesses may experience limiting growth or employees numbers, or reduce trading hours, to minimize risk of crime.

The visible cost of crime businesses encounter range from indirect negative financial implications, and these ancillary costs average about ten times the initial expenses incurred (Fennelly, 2013: 109 -110). It is imminent that all the above-mentioned factors have a demoralizing effect on the retail business, often eventually forcing them out of business. Unfortunately many declining inner city areas in South Africa and housing estates retail outlets, often provide an important focus for communities, and their closure may initiate, or further accelerate, a spiral of social and economic decline.

2.5 RETAIL CRIME TRENDS IN SOUTH AFRICA

The SA Police Service (SAPS) crime statistics for the 2012/2013 financial year had some positive, but mostly negative news for the business sector. The previous Minister of Police Minister Nathi Mthwetha announced the following crime results: (SABC NEWS, online: 2013):

- **Increase in Commercial Crime:** Commercial Crime (Fraud) has reduced by 45.5% over 9 years, increased by 10.1% during the past 4 years, and further increased by 0.6%during the past financial year.
- **Increase in Burglary Non-Residential:** Burglary non-residential has increased by 1.1% over 9 years, reduced by 2.0% during the past 4 years, and again increased by 1.7% during the past financial year.

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- **Decrease in Shoplifting:** Shoplifting reduced by 12.0% over 9 years; 17.8% during the past 4 years. A 3.9% decrease during the past financial year (2012/13).

Table 2.1: Crime for the Welkom Mathjabeng Police Precinct in the Free State for the Period April to March 2006 – April 2013

Crime Category – From March - To April	2005 2006	2006 2007	2007 2008	2008 2009	2009 2010	2010 2011	2011 2012	2012 2013
Truck hi-jacking	0	0	1	0	1	1	0	0
Robbery at business	0	0	17	43	68	76	48	49
Burglary at business	421	476	305	411	376	427	452	403
Stock theft	2	4	8	19	19	22	19	27
Commercial crime	310	288	288	322	418	565	469	633
Shoplifting	529	426	374	407	428	462	335	361

(Source: SAPS, Online: 2013)

Table 2.1 indicates that commercial crime was at a high during April 2012 and March 2013. It increased by 34% between 2011/2012 and 2012/2013, while shoplifting shows that the highest incidents took place during the period March 2005 to April 2006; it did however decrease to 361 incidents from March 2012 to April 2013.

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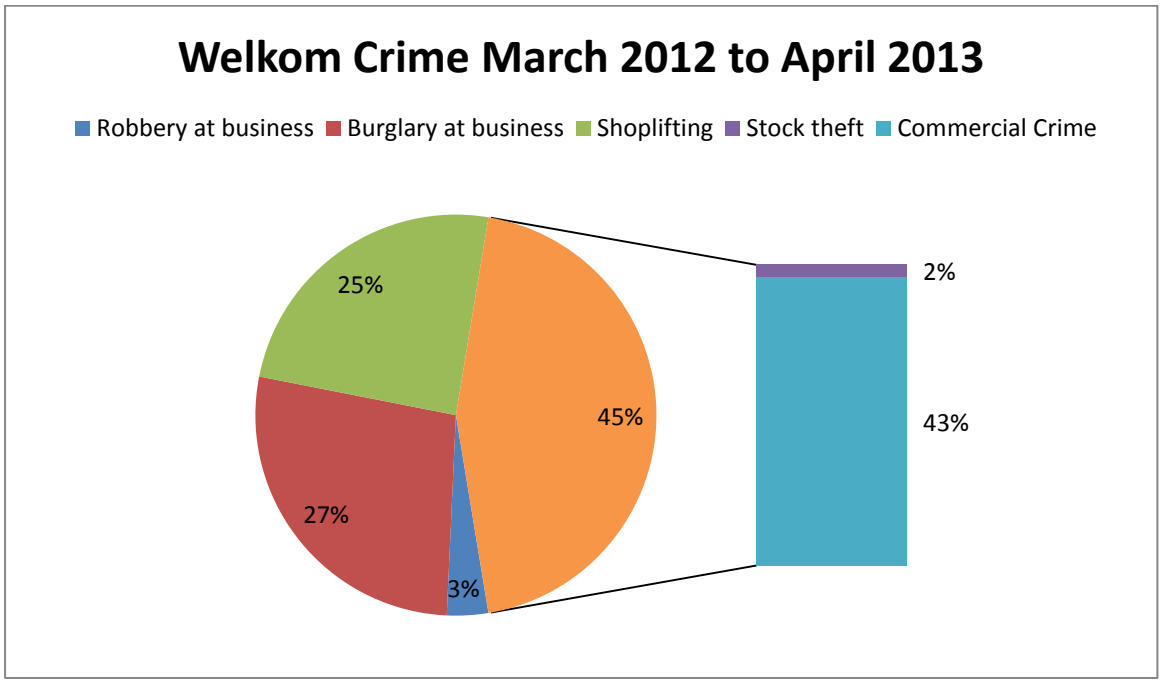
Figure 2.1: Crime for RSA Police Precinct in the Free State for the Period March 2012 to April 2013



Source: (SAPS, online: 2013)

Figure 2.1: The biggest cause of retail crime from March 2012 to April 2013 was commercial crime, while the second largest reason was burglary at business. According to the Consumer Goods Council, the highest number of armed robbery incidents appears to be on a Sunday, while the highest number of burglary incidents happens on a Tuesday. The highest financial impact for both armed robberies and burglary onslaughts was experienced on a Tuesday. Between the nine provinces of South Africa, the highest risk day per calendar month is the eighth day of the month (Hosken, 2008: Online), while Sunday is known to be the day of the week on which most of the incidents arise.

According to the Consumer Goods Council, the most popular timeslots for crime between 19:59 – 20:59 or 06:59 – 07:59, and burglars prefer somewhat quiet stores and minimal customers when they attack; therefore, they attack on Sundays close to opening or closing times (Hosken, 2008: Online).

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The political environment, and retail crime poses a serious hazard to businesses in South Africa, placing managers under financial pressure, impacting on their business decisions and, in some cases, instigating business owners to leave the country. According to the latest results from Grant Thornton's International Business Review (IBR) into the views and expectations of over 12000 businesses surveyed in total per year across 40 economies, some of the highlights from IBR Tracker for 2012 are as follows:

- a total of 49% of South African businesses were affected by crime;
- 74% of people immigrate due to crime;
- the political uncertainty had a growth of 23%;
- Red tape and lack of skilled workforce remain greatest business constraints in SA (Grant Thornton, Online: 2012);

Business owners are probed every quarter whether they or their staff has been directly affected by a threat to personal security (housebreaking, violent crime, road rage, and hijacking). Subsequently, consumers being concerned about their safety are thus making use of safer shopping centers where guards and closed-circuit television surveillance are noticeable (Grant Thornton, Online: 2012).

2.6 SOUTH AFRICAN COST OF CRIME

Retail crime and the cost of doing business is felt across many areas and is far from being 'victimless'. There are various consequences and these consequences are not only felt by the businesses but are widely felt by employers, employees, customers and the wider community. Crime occurs not only in the central business districts but also in the smaller areas.

Retail shops are found to be the prime targets for criminals, as many shoppers carry large amounts of money and other valuable personal items such as mobile phones and others. Shopping centers, malls, as well as banks are targeted by criminals due to the large amounts of money and valuable merchandise they carry. The cost of crime to the consumer, as well as the retail sector is quite high (including efficiency losses), according to Michael Broughton of the Consumer Goods Council of SA (Hi-

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Tech Security Solutions, 2009). Businesses are also indirectly affected by crime, as more security costs are incurred, which include alarm systems, electric railing, secure parking areas as well as armed guards.

2.7 GLOBAL COST OF CRIME

The cost of crime in South Africa is similar to that of Brazil, Russia, the Philippines and Peru, but higher than that of Morocco, Turkey, China, the Ukraine and Poland (Mail and Guardian, April 2007). Shoplifting, employee or merchant deception, organized retail crime and administrative errors, cost the retail industry more than $112 billion globally.

Table 2.2 Crime Comparison Between New York, NY and Johannesburg

	NY	JHB
Level of crime	52.36	90.93
Crime increasing in the past 3 years	48.15	74.44
Worries home broken and things stolen	42.59	84.27
Worries being mugged or robbed	48.58	87.50
Worries car stolen	37.50	80.17
Worries possession from car stolen	53.85	86.80
Worries being attacked	45.37	81.10
Worries being insulted	52.36	68.82
Worries being subject to a physical attack because of your skin colour, ethnic origin or religion	41.20	69.25
Problem people using or dealing drugs	60.85	72.44
Problem property crimes such as vandalism and theft	53.37	87.64
Problem violent crimes such as assault and armed robbery	50.00	90.45
Problem corruption and bribery	53.80	94.62

Table 2.2 – (Numbeo, Online: 2014)

Comparing the crime levels between Johannesburg (SA) and New York City (US) one can clearly see that there is a huge difference between the different crime levels, according to Table 2.2.

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The crime level is 52.35 in NY while in Johannesburg the crime level is 90.93. There is also a high level of corruption in Johannesburg than in NY. The comparison between Johannesburg and New York reveals that it is safer in New York than in Johannesburg South Africa, see Table 2.2 (Numbeo, Online: 2014).

2.8 THE IMPACT OF CRIME ON THE ECONOMY

Retail crime impacts on the economy through its effect on 'business confidence', which includes the subjective feelings of investors and managers that influence on decisions for businesses to expand, contract, or change direction, according to a Grant Thornton report. In so far as crime does have an indirect impact on these perceptions, it will do so through directly experiencing criminal activities by business people, as well as experiencing crime in communities and in the country as a whole. (Grant Thornton, Online: 2012).

2.9 THE IMPACT OF LABOUR UNREST

South African labour unions may easily mobilize thousands of people to demonstrate or take part in a mass action. The retail sector is often affected by labour union unrest. Other sectors that may also be influenced are the civil service as well as the transport industry. Service delivery is another form of protest that should be carefully monitored, and normally flares up in the township areas (poorer neighborhoods) when basic services are not received for a period of time. The protests often result in the burning of tyres and road blockages. Protests in South Africa are generally peaceful, but may sometimes have an impact on the retail industry when protestors raid businesses.

2.10 SUMMARY

The year 2012/2013 has brought with it a new set of challenges and opportunities for businesses and their employees. There are various factors that influence retail crime. These factors may include the economic situation, the 2010 Soccer World

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Cup and 2013 Africa Cup of Nations, as well as the recent labour unrest in 2012/2013.

Retail crime also affects employees that have to deal with the related violence and physical/verbal violence by criminals. Even if there is no direct clash, retail staff are always generally aware of the potential for violence and abuse.

Retail business experience losses due to crime and has to incur costs to ensure safety and security. These costs are often indirectly discounted by lower salary increases or retrenchments. Retail crime hinders economic growth, which also impacts on the labour market as well as lower investment (foreign as well as local). This is often reflected in the lower availability of, and creation of jobs.

Businesses suffer financial losses from retail crime and theft incidents occurring at their premises. Investigating the theft will cost money as well as time. This will subsequently also have civil liability surrounding the events. All these factors add to the financial impact suffered. As mentioned above white-collar crime is a major source of financial concern to any retail business, mostly because the victims are not just the business itself, but also the employees that are left behind. They need to do their own work as well as that of the culprit who committed the crime, and although retail business owners could lose out financially, the employee can also suffer emotionally due to work stress. There will never be a perfect solution to combat crime in stores and elsewhere in the business supply chain.

This chapter provided a basis and framework for the demarcation of retail crime. Chapter three will focus on the after- effects and remedies.

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CHAPTER THREE

THE AFTER – EFFECTS AND REMEDIES OF RETAIL CRIME

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3.1. INTRODUCTION

As concluded in chapter two, the effects of retail crime comes in many varieties and the impact on the business community may be substantial with felonies alternating from traditional business crimes such as burglary and shoplifting, through to internally committed crimes such as employee fraud and theft. It is therefore believed by many business owners that crime is out of control, and workers and managers live a life of fear.

There are various factors that exuberate the fear or crime hysteria, which are for instance the media, syndicates, employees, the community at large, statements of politicians, the South African Police Services as well as an ineffective criminal justice system. As in all unfortunate situations in the aftermath of retail crime, many South African citizens suffer from post-traumatic stress syndrome (PTSS); they are desensitized and experience damage to their self-esteem. Most of the victims suffer from depression (Health24, June 2013: Online), and as a result they have become paranoid. As a result many businesses and workers are commencing to take the law into their own hands.

Retail and organized crime have no direct victims. It is however; incorrect to view the situation as victimless, because of the fact that the actual crime has a negative effect on retail business and it has been experienced that certain specific consequences could intensify over time. Therefore the risk should be identified, and an audit should be done to prevent it in future (Fischer & Janonski, 2000: 115).

Setting in place sensible measures to protect businesses and employees from being victims of assault and violence also falls under ‘duty of care. Businesses are prerequisite to deliver adequate training, employ security measures, or carry out regular risk assessments The different types of after- effects of retail crime, as well as the prevention thereof, will subsequently be discussed.

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3.2 SOCIAL EFFECTS OF RETAIL CRIME

The effect of retail crime is fundamentally felt by all members of society to some degree. The South African Government has acknowledged that South Africa has a high level of violent crime, and due to that it has a negative impact on the country's economy (City Press, June 2013: Online). The government's green paper on policing, indicate that violent crime is preventing South Africans from contributing socially in the country (City Press, June 2013: Online).

A fourth quarter Grant Thornton International report for December 2013 indicates that: 66% of South African business managers state that they themselves as well as their staff have been affected by the risk to personal safety from 2012 to 2013. The above figure is 14% higher than the number recorded in December in 2012 (52%), and it is 20% higher than 2010. (Grant Thornton, Online: 2014).

According to Andrew Hannington, CEO of Grant Thornton, Johannesburg is "poverty well known to be the essential reason of criminal activity and South Africa's struggling economy, weak currency, and striking unions have no doubt a direct impact on this rising figure" He further mentioned that "the constant effect that crime has on South Africa as a whole is totally distasteful. A lot more emphasis needs to be given to this plague now, to ensure that crime does not continue to impact on our everyday lives (Grant Thornton, Online: 2014).

The social effects of retail crime being experienced are less substantial; some effects may include pain and suffering as well as a reduced quality of life for employees and employers. Furthermore it may also have traumatic effects on family and could cause a disturbance in the family. The behaviour of victims could eventually be altered and negatively shaped by retail crime. Behavioural responses might include substance abuse like alcohol, avoidance of people, fragmentation of social relationships, situations associated with the crime, and social withdrawal as well as desertion from work (Phillips, 2001a: 138-44).

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3.2.1 Community effects

The social effect of retail crime in a community also discloses itself in the sense of freedom that each society member loses after experiencing the trauma. Suspicions among community members might cause tension between business owners and the public.

Property values may decline in certain areas of a town, which is portrayed by abandoned buildings and cars, unkempt vacant lots, broken windows, as well as shops that are abandoned. All these in turn tend to attract the homeless, and as a result it increases criminal activity (Linden & Rockoff, 2006: Online). The fear of crime in these areas gradually increases, and negative economic and social ambiances spread into the adjacent town to ultimately affect the very social fibre of the community.

Shoplifting has become a social issue in need of a community response, because the act of shoplifting means that someone actually steals from all of us. Community response to shoplifting is essential for the future welfare of our society. It is a well-known fact that shoplifting is one of the most common retail crimes occurring daily, and it occurs everywhere in the world. When caught out people assume that the only problems that occur, affect themselves. The criminals are not aware of the larger implications of such actions. Shoplifting has been treated as a retail industry-specific problem exclusively felt by the retail victims themselves. Although it is true that shoplifting's most visible costs are to the retail industry itself, it is clearly not exclusively a retail industry problem, as many would like to believe. The most ordinary effects of shoplifting are (Greenberg, 2002:76):

- the inconvenience and invasiveness of security measures to consumers when shopping in stores;
- higher unemployment when stores are forced to close;
- loss of local government income, resulting in higher taxes for everyone;
- the added burden on the SAPS as well as the courts;

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- the corruption of the youth and the future, when dishonesty is not effectively addressed at its most fundamental level.

To counteract the incidence of shoplifting, most retailers are forced to increase prices, and this measure unfortunately causes consumers to shop elsewhere to buy similar items at a discounted rate. This has the effect that consumers have to spend more time on travel and added to this is the fuel consumed or simply an increased volume of people making use of the public transportation system.

It could also happen that loss of customers could force some stores to close down. This deprives the community of a retail source and adds to the social and economic effect of retail crime.In the instance of a local business situated in a crime-rife area, it could disadvantage any community in numerous ways, as youths tend to flock around retail premises, displaying anti-social behaviour, intimidating customers and discouraging them to shop in such locations.

Anti-social incidents like the Marikana mine unrest in 2012, as well as the repeated xenophobic attacks directed against foreign and local business owners may force them to close their premises for a period of time or even permanently and therefore reduce the community quality of life. In effect are the social consequences of retail crime difficult to quantify, though it could be just as real as its financial costs (Pontell & Gees: 2007:70)**.**

While it is difficult to enumerate the many effects of crime, it is substantial more difficult to measure these effects to estimate costs. Injury, illness, disability, and death resultant of psychological suffering, are all common by-products of certain types of retail crime (Benson & Simpson, 2009:40). Social consequences have the potential of causing serious social phenomena and devastating financial effects on a business.

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3.3 FINANCIAL EFFECTS OF RETAIL CRIME

Retail crime costs businesses, consumers, government agencies, and stockholders considerable amounts of money each year. The financial effects of crime may be divided into certain areas such as prevention cost, correctional cost, as well as the loss of opportunity because of potential labour being held in correctional facilities.

Businesses need to spend money on crime prevention, such as anti-theft or anti-burglary equipment, while government expenditures may include expenses for relevant campaigns, as well as on education directed to providing a safe society. The cost of precautions against crime could include external security measures such as electrical fencing, alarm systems, and secure parking, as well as hiring of armed guards, and systems to prevent employee theft and fraud, such as elaborate accounting and internal surveillance systems (Fischer & Janonski, 2000: 114).

Security costs are very likely to disadvantage small businesses more than large firms, given that security costs are likely to be higher for small firms as a proportion of overall expenditure. Small businesses are likely to operate in markets where prices count a great deal while bigger businesses, on the other hand, are probable to benefit from some degree of pricing power (Sennewald & Christman, 2008:13). High security costs also tend to affect exports and imports, because they tend to affect pricing in a negative manner.

3.4 THE PHYSICAL EFFECTS OF RETAIL CRIME

At the time of a retail crime, victims such as employees are probable to undergo a number of physical reactions to the event. These reactions may include an increase in the adrenalin in the body and may experience the following reactions: numbness, increased heart rate, hyperventilation, shacking, tears (Ivancevich, 2011: 243).

The after - effects of crime executed on victims sufferers could range from physical consequences, including insomnia, appetite disturbance, headaches, muscle tension, nausea and decreased libido. Physical injuries resulting from victimization in a business situation may not always be immediately apparent (Crime Solutions,

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Online: 2013), therefore victims could suffer from a range of physical damages, including abrasions and bruises, a broken nose, cheekbone, or jawbone, and damage to or loss of teeth.

Physical injuries experienced through retail crime, could be permanent, and can have an effect on the psychological recovery, since the physical scars serve as a constant reminder of the crime that took place.

3.5 PSYCHOLOGICAL EFFECTS OF RETAIL CRIME

Many people develop psychosomatic symptoms after a retail crime situation, and consequently abuse substances to cover the emotional and psychological state they experience because of the occurrence. One of the impacts can be that the victims might not return to work (Ivancevich, et all. 2011: 243). This affects a human being in such a way that it is difficult to come to terms with the fact that loss and injury had been caused by the premeditated actions of another human being. Terrorist attacks and business armed robberies are the forms of retail crime most likely to cause long-term physical and psychological effects for employees and customers alike.

Exploring the lifetime prevalence of exposure to traumatic events in a representative population of South African citizens, Williams (2012) found that most South Africans, approximately 75%, have experienced at least one traumatic event in their lifetime. The type of trauma exposure that was most often reported was exposure to a traumatic event affecting a close other, for example the unexpected death of a loved one. The second-highest type of exposure reported was seeing someone being murdered or injured.

Post-traumatic stress disorder (PSTD) is an emotional illness triggered by trauma, as a result of a dramatic event such as crime, but not all the victims of crime will develop PSTD. There might be some physical changes that can occur, and if it’s left untreated, emotional illness may manifest. Substance abuses are one of the effects if left untreated.

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Criminal victimization and having one's life endangered were reported by more than 20% of a survey that was done on PSTD. According to the results of this study the bulk of South Africans have experienced multiple traumas and were therefore thought to be at significant risk of psychological distress (Williams, 2012: 7).

3.5.1 Psychological after- effects of retail crime

Retail crime victims may suffer immediate physical or financial problems associated with being a victim, the victimization does not stop after the actual crime is committed, and victims could actually suffer after the actual crime has been committed. The misery from being a crime victim may continue throughout the criminal justice system process; in many instances the victim is cross-examined by the police and questioned by family, friends and others in such a negative manner that is suggests the victim somehow did something to increase his/her chances of becoming a victim.

Dr Eugene Allers, former President of the South African Society of Psychiatrists (SASOP), believes that, when crime and motor-vehicle accidents are taken into consideration, up to 6 million South Africans could suffer from post-traumatic stress disorders while; Cassey Chambers, Operations Director at SADAG, believes that "people don't know where to go to get help, or are too scared to seek it, the stats we have are still not an accurate reflection of what is actually happening in reality." (SACAP, Online: 2013).

Physical and mental problems are the long term after – effects and could lead to a long-term financial burden on the victim; for instance, having to visit psychologists and physical therapists is very costly. The constant fear that remains behind after a crime, could lead person to remain suspicious and even paranoid (Hoel& Cooper, 2000: 101-118).

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Victims of violent retail crime could suffer most from the after- effects of fear, they may constantly have an on-going sense of fear, causing them to be aware that their attacker will come back to harm them. Unfortunately such fear may cause a crime victim to completely change his/her lifestyle and look at the world in a more sceptical and pessimistic way; the after - effects of fear often initiate phobia, stress, anxiety, all causing psychological problems (Williams, 2012: 7).

3.5.2 Psychological reactions

Psychological reactions take the form of emotional and cognitive problems that may transpire under conditions of job stress, while other symptoms that may occur are isolation, boredom, frustration, depression and anxiety (Bartholomew, Henderson & Marcia, 2000: 17). When these symptoms occur, it may worsen the job stress. A cashier that was held at gunpoint may become depressed and withdrawn, and therefore is less able to cope with job problems in ways that would improve his/her working conditions and enhance his/her mental outlook.

The psychological impact (stress or anxiety) usually leads to a higher employee turnover (more people are quitting, due to the stress), as well as a decrease in productivity. Employees as well as employers experience occupational stress, and retail crime, are likely to enhance the problem, and it could lead to more workplace pressure. Fear of crime may produce negative feelings of anger, outrage, frustration, violation and helplessness.

Other physiological reactions may be that retail crime victims are easily startled, low self-esteem and have lack of concentration (Ferraro and LaGrange, 2000; Warr, 2000). Furthermore, some of these emotions may extend to distrust in people as well as dissatisfaction with life itself (Miceli et al., 2004: 776-789). The psychological effects of criminal victimization could appear on a scale of being non-existent, too extreme in nature, and may range from having short to long-term effects.

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Petersen and Walker (2003: 68) suggest, "Psychological distress may result in incapacity to manage with the world around us, and if severe enough it may lead to psychological disorders such as depression and posttraumatic stress disorder (PTSD)".

In this section it thus becomes apparent that certain consequences of business crime are more difficult to determine, but the experience of any business owner, employee or manager is that the emotional effects of a victim are perhaps the most problematic, because people are susceptible to many stress-related complications and psychological problems. Unfortunately for some people who experienced a retail crime situation, it could be an ordeal that takes years to resolve.

3.6 ALLEVIATING RETAIL CRIME

Any course on retail loss prevention concentrates on issues responsible for decreasing inventory losses inside retail stores. Therefore loss prevention professionals are able to manage in-store security programs that emphasize the reduction of inventory losses due to shoplifting, fraud, corruption and employee theft. The security industry, as well retail loss prevention managers must interact with warehouse staff and store customers when wilful deceit or negligence occurs.

Business owners should realize that costs could escalate because of crime, and since all businesses are vulnerable to some extent risks safety precautions must be taken, and management needs to have remedial actions in place. Although successful retailing is defined by change, only those businesses that are able to make adjustments in order to meet changing consumer demands stand a chance of long term survival (Thoughtworks, Online: 2014). If retailers can address consumers' concerns about their personal safety while shopping, it will no doubt be to their long-term benefit. Therefore it is clear that retailers should ensure that shoppers need not feel that their lives are in jeopardy because they have to take a trip to the local mall.

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Preventing theft is a constant challenge for retailers, and the industry knows that it must put systems in place to prevent or daunt internal theft. In order to be effective, loss prevention systems should be directed to reduce the opportunity, desire, and motivation for theft. Recommendations from a study by Coetzer (2000: 6) indicate that it is important for architects and security officials to work together when new business complexes or shopping malls are being planned. It is also easier and more cost-effective to incorporate a security system into a new building design; furthermore designers and security officials must compromise between the aesthetics of a building development, security and safety.

The planning of surveillance and access control to the premises and buildings must be planned ahead. Cognisance should be taken of elements such as the securing of personnel and property, as well as the safety of the public (Coetzer 2000: 6). Numerous shop owners are trying to find ways to decrease the levels of crime in their areas in an attempt to bring customers back to their outlets. One of the largest risks facing the retail sector is probably the decrease in consumer confidence about personal shopping safety (Kirk 2001: 2)

Basic loss prevention methods involve making use of proven methods for hiring, training, and supervision of employees and managers, and if retail stores have suppliers that are clearly implemented it could decrease the occasion, desire, and motivation for employees to steal.

3.6.1 Methods of prevention

There are many straightforward methods that may be implemented in any loss prevention program. One effective method is by posting rules and regulations on a notice board concerning what may and may not be entered into the cash register. Employees should not be allowed to handle purchases of fellow employees. Therefore retail stores should appoint a management person to handle such transactions (Fischer & Janonski, 2000:8). Employees should not be given the occasion of scanning merchandise bought by other employees through their cash register.

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Retail stores may ensure merchandise safety needs marking merchandise with a security tag or a sensor, which could go a long way to eradicate losses. An effective deterrent against employee crime is the use of preventative measures; therefore retail owners should serve as an example to their employees. Employees are generally aware of executive “perks” that they are receiving at a business detriment. Therefore only when managers set a commendable example, can they expect their employees to behave accountably.

Some other important preventions business management could make use of are developing and sustaining internal controls, and screening job applicants. The more rigid a business’s internal controls, the higher the cost. Some important components of internal control are (Bressler & Bressler 2007: 23-36):

- separate duties for each employee;
- establish and adhere to strict accounting measures;
- publish and enforce a code of ethics;
- encourage employees to take leave;
- rotate employees; and
- form strong internal audit committees.

Employees are more likely to commit theft if they feel a business treats its employees unfairly, and especially if they feel personally maltreated. Therefore businesses should attempt to cultivate a mutually caring environment (Hartog & Verburg, 2004: 55-78). Employers strive for a desirable workplace, characteristics such as a high percentage of full–time jobs, low management turnover, employee child-care centers, as well as psychological, drug, alcohol, and financial counseling, could help any employee before he or she decides to commit theft or commit fraud.

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3.6.2 Prevention methods for retail business

Businesses may take an active role in decreasing criminal occasion in and around their property by participating in a variety of crime prevention initiatives. Every business needs to play a part in addressing crime effectively. The following measures are given by the SAPS and Business against Crime to prevent crime (Business against Crime, Online: 2013):

- install a burglar alarm,
- consider CCTV (Closed Circuit Television);
- install lighting, for more visibility
- consider devices which could serve to prevent people breaking into your premises with vehicles;
- indicate and mark equipment, as well as display signs, elucidating this to lay off thieves;
- have regular stocktakes;
- keep as little cash as possible on the premises;
- remove money from the premises overnight. Businesses should leave the till open and empty at night;
- display prominent signs saying, for example ‘no money left on premises.
- when visiting the bank to collect or pay in money, vary route and time;
- Compile an emergency response plan to a major incident such as an armed robbery, and make sure staff knows what to do in the event of emergencies.

3.6.3 EMERGENCY RESPONSE PLAN

Evacuation route maps should be posted in each work area and the following information should be marked on evacuation maps; as may be seen in Figure 3.1:

- Emergency exits
- Primary and secondary evacuation routes
- Location of fire extinguishers
- Fire alarm pull stations’ location
- Assembly points

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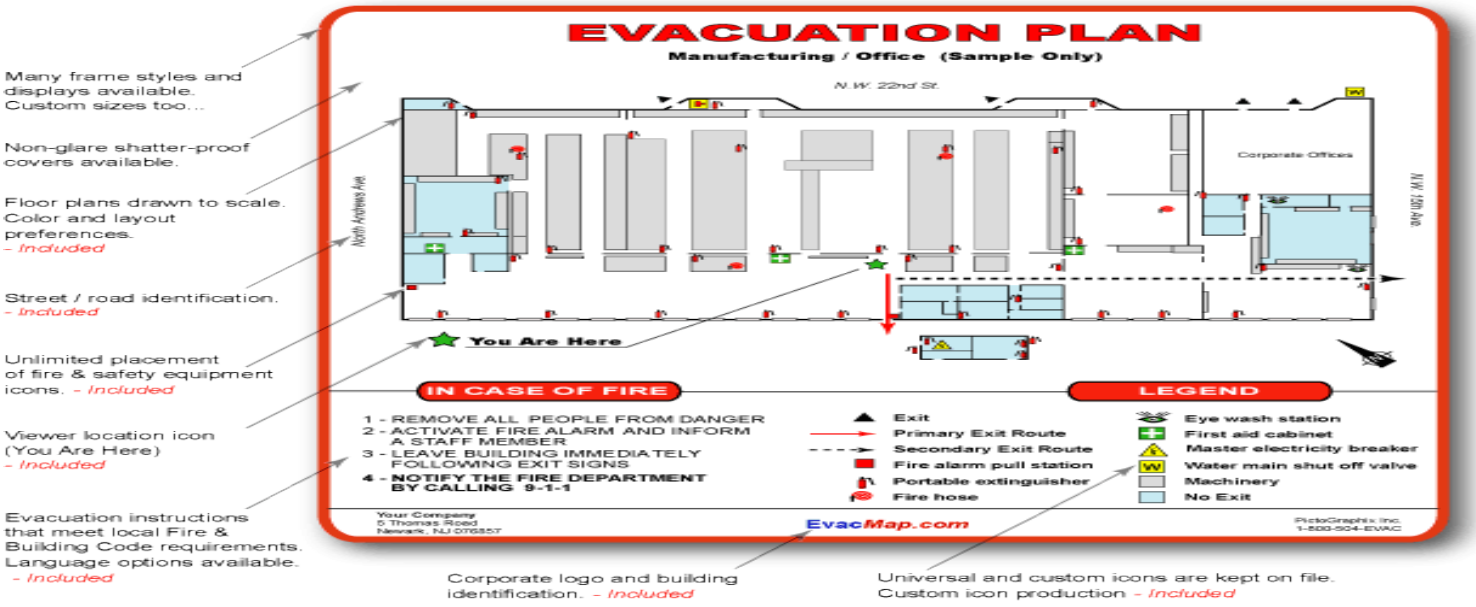
Figure: 3.1: Office Building and Workplace Evacuation Plan



Source: (Evacmap, Online: 2014).

The majority of armed robberies in stores take place by making use of information provided by an employee or contractor working within that store. Very few armed robbers face the risk of being apprehended, or risk their lives if they are not well advised when the cash is available, and where it is.

E-commerce is also another way of protecting cash, your premises, as well as your employees.

3.7 E-COMMERCE

E-commerce consists of the trading of products electronically over the Internet. There are many safety advantages that may be linked to direct marketing, but the consequential advantage of E-commerce is that consumers can shop and trade in the comfort of their own homes or do not need to take the risk of becoming victims of all types of organized crime. (Laudon & Traver, 2008, p. 156).

Consumers could use a direct channel; direct marketing could offer the consumer an extraordinary and invaluable service. Many South African citizens' fear of crime and victimization prevents them from adding another aspect to the traditional retail-

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shopping channel; retailers should encourage faster and easier access to consumers, since then they do not have to wait for the consumer to visit them (Silverstein, 2002: 3).

Marketing to customers has become an increasingly complex task; retailers should consider adapting their approach to reach all consumers, including those who are safety-conscious (Rodriguez, 2009: 3). Direct marketing has a definite role to play in retail marketing strategies, and retailers have to be more open to the advantages that direct shopping may hold, both for them and for their customers. It could provide an answer to the safety strategies related to shopping at retail stores, as well as those related to travelling to and from shopping areas.

Businesses offering E-commerce need to protect and reassure their customers, hackers are stealing credit cards and other sensitive information from E-commerce sites. It is imperative to know how to protect your E-business sensitive customer data. There are several methods that can prevent fraud and keep a business site safe (Schiff, Online: June 2013):

1. Employ an address and card verification system. Businessess should enable an address verification system (AVS) and require the card verification value (CVV) for credit card transactions to reduce fraudulent charges. Some banking institutions also send an sms to varify the online shopper details.
2. Require strong passwords . Customers require a minimum number of characters and have to use symbols or numbers. Complex and longer logins will make it harder for criminals to breach a business site from the front-end.
3. Provide security training to employees**:** Employees should never email sensitive data or reveal private customer information online, as none of these communication methods is secure and can easily be hacked.

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3.8 GOVERNMENT INTERVENTION INVOLVING RETAIL CRIME

The Government of South Africa in conjunction with the South African Police Service has already prioritized violent contact crimes. The Department of Community Safety monitors the performance of the police in achieving their targets and providing services to vulnerable victims. The South African Government have two respected policies to address crime and violence namely the National Crime Prevention Strategy of 1996 (NCPS) as well as the 1998 White Paper on Safety and Security. Strategies have been formulated and to some degree implemented to incorporate the Criminal Justice System (CJS). The South African Government has acknowledged crime combating as one of its top five priorities, President Jacob Zuma called for tougher action against crime (SAPS, online: 2010). The joint efforts of business and government could assist the South African Police Service (SAPS) to reduce crime and for a safer South Africa, there should be an effective strategy on an understanding of the sequence of crime, violence, and distrust that characterizes many communities.

Retail crime is outpacing the ability of the SAPS to combat it. Criminals increasingly sell stolen goods online and transport stolen merchandise across the border to avoid tougher criminal penalties. The SAPS cannot always pursuit criminals, and criminals are conscious of the fact. Robberies take place from store to store, where thieves steal below the felony threshold at each store, thus risking little more than a misdemeanor charge and small fine. Even if they are caught, they usually spend limited time in jail or serve probation, and are soon free to steal again (South African Government, online: 2013).

When retail crime is forced out of the marketplace, everyone should gain; consumers, legitimate on-line sellers, as well as retailers.

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3.9 SUMMARY

The various effects of retail crime are felt by all members of society. The social effects of retail crime are less tangible. These kinds of effect may decrease the quality of life for employers as well as employees. Retail crime costs businesses, consumers, government agencies and stockholders considerable amounts of money, for example prevention cost as well as the loss of opportunity because of potential labour. Businesses need to spend money on crime prevention, while government expenditures should include expenses for relevant campaigns to prevent retail crime. Retail crime may have a life-altering effect on the lives of victims, influencing occupations, daily activities, relationships and emotions.

Victims have a misperception and think they are resistant to crime; as an alternative their lives seem to revolve around the solution of the criminal event. Furthermore, some victims may have a need for criminal intervention and expression of remorse, or a simple conversation post-sentencing, in order to recover.

Mental and physical problems are continuous after- effects that crime victims suffer over a period of time, and the after- effects could result in long-term financial costs for the victim. The constant fear that lingers, even though being a victim of a minor crime, could still cause a person to become paranoid. Stress is the most common problem of everyday life, and both employees and employers experience stress, which retail crime could enhance leading to even more stress in the workplace. Employee theft and shoplifting are continually rising, but shoplifting seems to be taken as the main issue when identifying loss.

South Africa, as well as the rest of the world is starting to use E-commerce, and the advantage is that consumers do not need to leave their homes to risk shopping, or becoming a victim of retail crime. As part of combating crime, retailers are constantly evaluating all new aspects of security from the latest and improved surveillance and product placement, to human resource practices and employee training. This chapter provided a logical basis and framework of the focus on the after - effects and remedies of retail crime.

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Chapter 4 will outline the methodology of the empirical study, the design of the questionnaire, the sample design, the sample size, as well as the processing of data.

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CHAPTER FOUR

RESEARCH METHODOLOGY

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4.1 INTRODUCTION

The first objective of this literature study was to describe the demarcation of retail crime (Chapter 2). The second was to evaluate the after - effects and remedies on the business (Chapter 3). This chapter will eventually provide the reader with some views on research design, incorporating issues such as quantitative research. Discussion regarding issues such as: pre-testing (pilot study), sampling approach, the questionnaire layout, data analysis and interpretation. All together is this research based on ethics and confidentiality is also provided.

Chapter four focus on the research methodology and design of the study. The population sample was identified and the sampling techniques are described. The research approach (quantitative) is justified, and the literature study is explained. Methods of data collection and data collecting instruments; including questionnaire for quantitative approach are discussed. Data analysis methods are outlined. Validity, reliability as well as the pilot study is established. Demarcation and limitations of the study, ethical considerations, and the time frame are outlined by the researcher.

The research design and methodology are subsequently discussed.

4.2 RESEARCH DESIGN AND METHODOLOGY

The structure of the research methodology explains how the evidence will be gathered to answer the research questions (Leedy & Ormrod, 2005: 95-97).

4.2.1 RESEARCH DESIGN

The research design focussed on how to collect and analyse evidence in the investigation of the effect of crime in retail business in the Welkom Mathjabeng Municipality. Leedy and Ormrod (2005: 93 – 96) defines research design as the manner in which the study will proceed.

In order for information to be without any mistakes, or to be appropriate, the researcher needs to compromise between the cost and quality, as well as between the research design and time constraints (McDaniel & Gates, 2010: 76). There are different types of research design such as exploratory, casual, and descriptive research design.

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Descriptive research design is aimed at clarifying the features under which the business operates, while casual research design assesses the relationship between two variables. Exploratory research design aims at finding information (McDaniel & Gates, 2010:78). A descriptive method was employed in this research study to establish, the effect of crime in the retail business, in the Welkom Mathjabeng District.

4.3 POPULATION

Salkind (2006: 64) defines population as the total possible number of respondents in the research project. The characteristics of the population must be identified by the researcher, and the rationale for selecting it as unit must also be stated. The population is crucial for responding to the research questions with precision.

The target population should not be taken lightly by researchers, to the detriment of the research outcome (Zikmund & Babin, 2010: 415-417). Defining the entire population implies that all organisations within that particular industry and area should be identified. The researcher has to decide on respondents within the organisations.

The target population investigated are businesses within the retail sector industry in the Mathjabeng Municipality, Welkom. The respondents are business owners, senior managers and employees of all races, ages and gender. A total of 70 questionnaires were completed.

4.4 ONTOLOGY

Ontology is a reality, determining whether a claim or assumption that the researcher holds about the existence of the phenomenon under investigation (Creswell & Clark, 2008: 77) may be subjective or objective. Subjective reality is the view that exists in the mind of the researcher as an idea or claims, while objective reality is a view that a researcher holds based on hard evidence.

Ontology addresses also the research question in the sense that the research design needs to indicate the knowledge and ideas that will be provided by the researcher (Creswell & Clark, 2008:77). The type of research design (exploratory, descriptive

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or casual) may also be obtained from ontology, based on the knowledge of what exists.

Research design for this study is based on the objective reality of ontology, as the literature study revealed the influence of crime in the retail sector in Welkom. In other words, the research problem exists in reality, and not in the mind of the researcher.

4.5 EPISTEMOLOGY

Epistemology is the theory of knowledge, which the individual possesses which may either be subjective experience (which exists in the mind only) and/or objective knowledge (which is a result of his/her experiences), and is due to other means of obtaining information such as research studies and learning (Denzin & Lincoln, 2008: 347). Epistemology also refers to the issue of what may be known from what exists, and how it will be known. In other words, what knowledge may be obtained from the identified problem, and what techniques will be used to obtain the knowledge.

Epistemology is a guideline for the researcher regarding which methods to use in data gathering. The epistemology of this research study was determined by both objective knowledge, as well as subjective experience of the respondents. The research design in this study was guided by objective and subjective knowledge of the top managers, supervisors as well as employees, about the impact of crime in the retail business sector. Quantitative methods to obtain knowledge from respondents were employed.

4.6 RESEARCH PHILOSOPHY

The way people think about the collection of knowledge, and the interpretation of the experience, as being admissible, is known as research philosophy (Saunders et al., 2012: 83-84). The commonly used research philosophies are positivism, realism and interpretive. Positivism stems from the premise that theories developed from research may generalise and predict the outcome, while interpretivism states that social science is dynamic (Creswell & Clark, 2008: 45,46) and cannot be generalised, and therefore each situation must be treated uniquely.

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4.7 METHODOLOGY

Methodology is a strategy that narrates precisely what the researcher performed, and how the performance was carried out. The most important thing about methodology is the justification of the methodology used (Hennink, Hutter & Bailey, 2011: 274). The following fundamental methodologies may be used; survey, experiment, or observation (McDaniel & Gates, 2010: 78).

A survey strategy is used for this research study as the purpose is to probe the underlining perception about the impact of crime on the retail business sector in Welkom. The rationale was that the researcher held a pragmatic assumption about the effect of crime on the retail business sector in Welkom.

The survey was appropriate for a descriptive research design, which was adopted in this study. Survey methodology would allow the researcher to interact with the respondents, in order to collect objective as well as subjective knowledge. This research was conducted in two phases.

In phase 1, the researcher presents a research proposal to the business chamber of the Mathjabeng Municipality to ask permission to conduct the study and perform a literature study on the effects of retail crime on a business (Chapter 2-3);

In phase 2, the researcher determines the criteria for evaluating the effects of retail crime by using a conceptual framework. Firstly a questionnaire was constructed; secondly a survey was conducted by dispatching the questionnaires via E-mail to 210 businesses in the Mathjabeng Municipality. The data obtained from the questionnaires on the perceptions of the effects of retail crime was analysed (Chapter 5), and then evaluated to draw insights and conclusions about the effects of retail crime. The analysis was organised using a conceptual framework (Chapter 6).

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4.8 METHODS

Methods are techniques and procedures used for data gathering, such as focus groups and questionnaires (Creswell; 2003: 8). The researcher should clearly indicate the method of data collection used, as well as the rationale for using the method (Hennink et all; 2011: 75). There are different types of questionnaires such as structured (close-ended questions), semi – structured (close ended and open-ended questions), or unstructured (open –ended questions).

A questionnaire was used employed for collecting data, and in order to get an underlying knowledge of the research. A questionnaire with close – ended questions was administered to business owners, supervisors and employees in order to obtain sufficient data to strengthen the research quantitative data (Struwig & Stead; 2001: 151).

4.8.1 QUANTITATIVE RESEARCH

A quantitative, descriptive survey is used to investigate the effects of retail crime on business. Quantitative research (Hussey & Collis, 2003: 47) is a prescribed unbiased, methodical process to gain information and explain variables. It is also a decisive research design containing regulated data – collection procedure (Struwig & Stead, 2001:4).

The design is quantitative in nature in the sense that the strategies collected and data measured are in a numerical format. Measuring is simply the allocation of numbers to objects or events according to predetermined rules.

4.9 QUESTIONNAIRE DESIGN

A questionnaire is a research method comprising of a sequence of questions its intention is gathering information from respondents. The advantages of questionnaires are that they are inexpensive, do not oblige much attempt and frequently have regulated answers that make it simple to compile data. By using questionnaires as method instrument frequently it will also include the validity of the results (Saunders et al. 2012: 483).

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4.10 AMBIGUITY AND BIAS

Fundamental ambiguity and bias is flaunted in the research field of ethics (Rossouw, 2004: 30-31). Ambiguities originate from two sources, namely the phase of the research occurrence as well the nature of ethics. Rossouw (2004: 30-31) states that the intrinsic ambiguity ought to be justified for in the research approach, by using open-ended questions.

For the purpose of this research, a closed questionnaire is used, rather than an open-ended questionnaire..

4.11 CONCERNS FOR RELIABILITY AND VALIDITY

Reliability means that a particular technique would provide the same results if applied repeatedly under the same conditions to the same participants (Leedy & Ormrod; 2005: 97-99). Total reliability does however not ensure that the applied measures measure what they are supposed to. One could in fact get the same wrong answer consistently. The measure in such a case would be reliable but not valid. As mentioned before in the research methodology, validity refers to the extent to which the measure sufficiently expose the accurate significance of the hypothesis under attention (Creswell & Clark, 2008: 109). Validity in this research is ensured by:

- Including only personnel who have been exposed to the retail crime, as they were likely to understand the questions;
- Formulating unambiguous test items

Data was gathered from subjects who were relatively credible and dependable for a reliability test, and responses were tested for validity and reliability.

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4.12 TYPES OF DATA

Three main sources of data that may be used for a research study, namely, primary, secondary and tertiary data (Saunders et al., 2012: 50-54). Data directly acquired from first-hand sources, by ways of investigation, observation, or experimentation is known as primary data (Welman & Kruger, 2001: 35).

Secondary data comes from sources that did not witness the happenings, and are publications from primary data (Saunders et al., 2012: 50-54). Tertiary data is developed to assist with primary data findings, or secondary literature topics. The categories might intersect, as research data flows from primary sources to tertiary sources. Data becomes more accessible as it flows from primary sources to tertiary sources (Saunders et al., 2012 50-54).

All the categories of data were used to ensure that sufficient data was collected, in order to make well-informed research conclusions. Primary data was gathered from respondents through empirical research. Secondary data was gathered from secondary sources like journals, internet as well as newspapers. Tertiary data was collected from indexes, abstracts and dictionaries (Saunders et al, 2012: 50-54).

4.13 DEMARCATION AND LIMITATIONS OF THE STUDY

This study was undertaken in the field of Business Management Science in Welkom, located in the Mathjabeng Municipality. The population included 80 small and 130 medium businesses registered at the local branch of the Chamber of Commerce, therefore a total population 210 businesses.

The study focuses on formal businesses, operating in the retail sector (no street vendors or informal businesses). Deciding the determination sample was that it should be easily accessible, financially affordable and less time-consuming.

The intended study consequently made no simplistic claims, but rather attempted to set off the problem in all its complexity. The researcher is employed full time, thus time constraints and lack of funds prevented him from visiting all businesses.

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Any attempt to analyse the causes of crime in general, and then draw a simple conclusion, faces severe problems. This is especially true of the South African situation, where reliable data and crime statistics are very limited; therefore this study was based on the 2007-2013 crime data gathered by the SAPS.

4.14 ETHICAL CONSIDERATIONS

Participation in this research was voluntary. Participants were informed of the reason of the study, and it was assumed that participants who completed the questionnaire gave their informed consent. All information was strictly confidential and anonymous. The likelihood of being exposed to any risk by participating in this study was minimal.

The researcher, therefore, ensured that the phenomenon investigated presented no physical or physiological harm to the participants. The latter was allowed to state their objectives, and they were not enticed into participating at a monetary fee.

The researcher undertook not to falsify the research results and data, it was dealt with anonymously.

4.15 TIMESCALE

A timescale outlines in which period the research study may be completed, and may also be cross-sectional, meaning it may be in a short time, especially in an academic year, where there are time constraints. The timescale may also be longitudinal, where longer time is needed for conclusive evidence to be gathered.

This research study was scheduled for a cross-sectional timescale of two years, as the researcher's study was academic, there were financial constraints, and time was a factor in retrieving information.

4.16 PILOT STUDY

A pilot study is a technique for testing data gathering instruments and research methods for validity before committing to a full study. The pilot study was done with 10 businesses in the Mathjabeng area. The first 10 business from the list was selected for the pilot study.

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Specialists in the field of statistics were consulted on the feasible effectiveness of the method. Due to the extent of the questionnaire, the 'pre-testers' were asked to see if the respondents' responsiveness could be maintained, and if they felt the survey had a natural flow. After receiving feedback and comments adjustments were made which led the final questionnaire that was given to businesses to complete.

4.17 QUESTIONNAIRE LAYOUT

The questionnaire that the stakeholders of businesses were asked to complete consists of two sections. The first section (Section A) deals with the biographical and geographical credentials of the respondents and even though the biographical background may not be central to this study, it did assist in analysing the data in a holistic manner.

Section B to Section D focused on three areas namely; business crime experiences, crime related incidents, the prevention and detection of crime in the business.

Sections E focus on the influence of workplace violence on staff members and the after - effects of crime.

Sections F-K focus on the internal aspects of the business. It consists of:training of staff, security, the store layout, stock replacement, environmental factors, and administration aspects, as well as white-collar crime and fraud.

4.18 LITERATURE STUDY

The research is based on existing theories or models. A literature study was carried out in order to find relevant theories and/or models to this research title. The advantage of a literature study is to determine, assess, and read theories and models that are relevant and recent to the subject of the study. This is to avoid repetition of a research study that has already been conducted (Mouton, 2001: 143-175). Literature study is also a method to find, and assess records that hold information specifically to the particular research study (Struwig & Stead; 2001: 38).

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One of the advantages of using a literature study is to find data that is strange and linked to the research; develops new concepts, as well as new methods. Journals, theses, internet, as well as dissertations are the primary sources of information (Welman & http://assets.thoughtworks.com/articles/retail_agility_21st_century.pdf, 2002: 42).

A list of relevant literature to be studied was compiled, as well as a second list for further consideration. Intensive reading of the literature sources followed.

4.19 EMPIRICAL STUDY

Empirical research study is a technique of gathering data from individuals for research purposes. According to Jackson (2011: 12) empirical research is a method of orderly observation, with the intention of testing theories and refuting or producing theories or models. An empirical research study was consequently used to test the impact of retail crime.

The quantitative methods are characterised by making use of a numerical value to represent the data collected. There are different kinds of quantitative research designs, namely experimental, non – experimental and quasi – experimental (Welman & Kruger, 2001: 69-90).

Quasi-experimental research is an empirical research undertaken to assess the causal impact of an intervention on its target population. This research design shares similarities with the traditional experimental design but do lack the element of random assignment or control. The quasi-experimental designs naturally sanction the researcher to regulate the assignment to the treatment condition, but using some criterion other than random assignment (Jackson; 2011: 144-150).

Non-experimental research designs do not comprise a alteration of the circumstances, or experience of the participants, and there is no planned treatment of the subject (Welman & Kruger, 2001: 84). Therefore, the non-experimental research design used in this research study is justified by the fact that data is collected in the natural environment of the business owners, managers and employees (Welman Kruger, 2001: 84). Quantitative methods have measurable attributes, with the disadvantage that the respondents or subject (owners, managers and employees) may not return the questionnaire (Wiid & Diggines, 2009: 86).

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``````````````````````4.20 DATA GATHERING INSTRUMENTS AND DATA GATHERING

The questionnaire was utilized to collect data on employees and employers' perceptions of retail crime. It was distributed to personnel of the businesses in the Mathjabeng Municipality Business Chamber. Participants were asked to tick their selected response options on the provided questionnaire, and to supply additional information to clarify options where necessary. English was used for communication purposes. Feedback from the questionnaires was automatically collated, and displayed in group/cluster format by the programme utilized.

A questionnaire was distributed, through which the researcher might have unintentionally signalled agreement or disagreement to the respondents' responses (Leedy & Ormrod, 2005: 146).

Questionnaire results strengthen validity of the research outcome. The questionnaire has 11 sections. It focuses on crime experiences, crime incidents, crime prevention and reduction, training and security of personnel, store layout, stock replacement, environmental factors, administrative aspects, as well as white – collar crime and fraud.

4.21 DATA ANALYSIS

The 70 completed questionnaires were then coded and captured; the data capture was thoroughly informed on all classifications of data, as well as on the pre-determined code rules, to be used. It was captured on an Excel spread sheet.

The data collected was analysed in accordance with the propositions outlined in Chapter One.

4.22 EXPLORATORY DATA ANALYSIS

The use of exploratory methods is proposed to disclose patterns in sets of data, and its purpose is to uncover the shape and nature of the data. Tables, as well as graphs and pie charts, were utilised to depict the profile of respondents. They proved useful in determining the general perceptions of individuals within the retail business sector.

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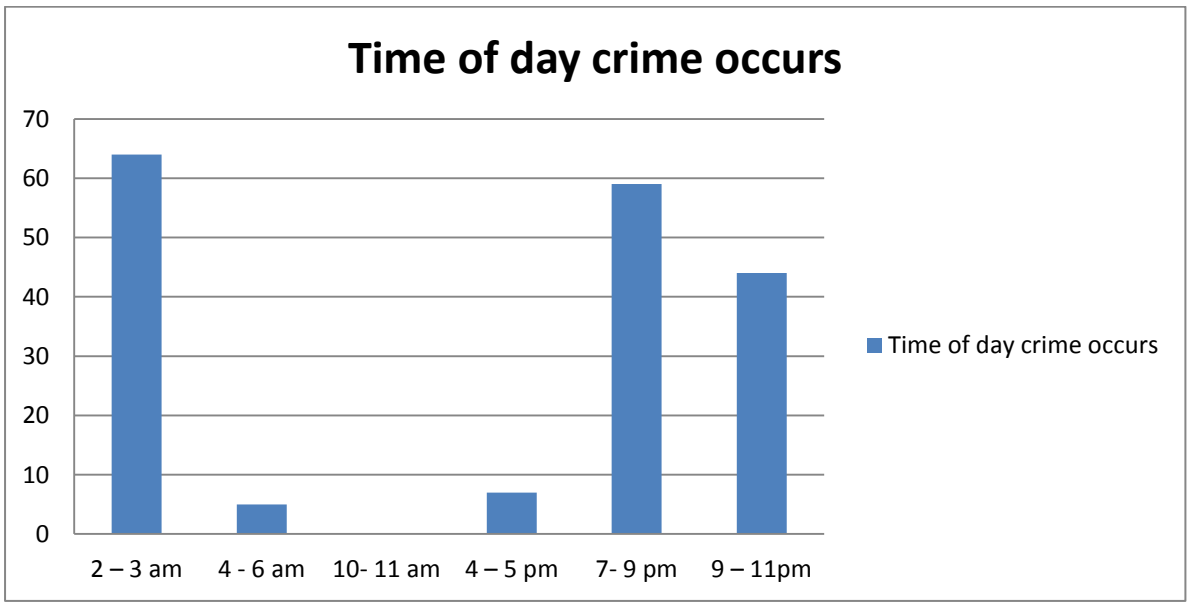
There are important concerns relating to the validity of the results obtained from a study, one reason may be that the study itself was not conducted out in a properly controlled manner. Another reason why the findings to some extent are short in validity is that it cannot promptly be applied to everyday life. The data analysis is shown in bar graphs as well as pie charts.

4.23 BAR GRAPHS AND PIE CHARTS

Bar graphs show the number of nominal data which possesses a specific attribute. They depict the frequency of each type of data points as a block growing vertically from the horizontal axis. Bar graphs most often signify the number of interpretations in a given classification, such as the number of living in a four bedroom house. Bar graphs may be used to exhibit the proportion of data points, but the pie chart is often used for this purpose. Bar graphs (See Figure 4.1) are especially valuable to indicate how nominal data alternate over time, while stacked bar graphs (component bar graphs) add information to standard bar graphs by demonstrating various types of data in a single bar. Each block is divided into segments whose heights indicate the proportion of observations falling into a given category. Since it deals with groups, these graphs are used for nominal data (Origin Lab, Online: 2013)

Bar Graph: Figure 4.1



Stacked bar graphs (Figure 4.2) are useful for associating the influences of different groups to the total value of a variable (OriginLab: Online: 2013). They may also

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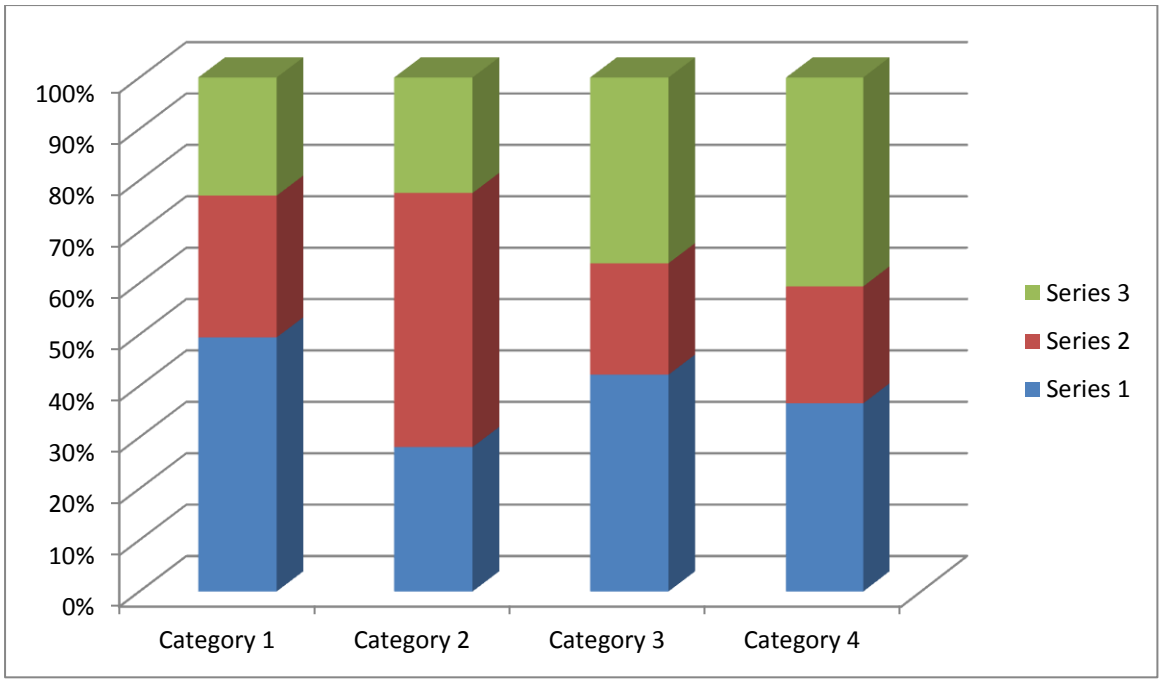
match two matching nominal data sets under distinct conditions, especially at different times.

Stacked bar graphs: Figure 4.2



Pie charts (Figure 4.3) are circles segmented into a number of “slices.” The area of each signifies the relative proportion data points falling into a given group. Pie charts are the favoured method for graphing both nominal data and percentages.

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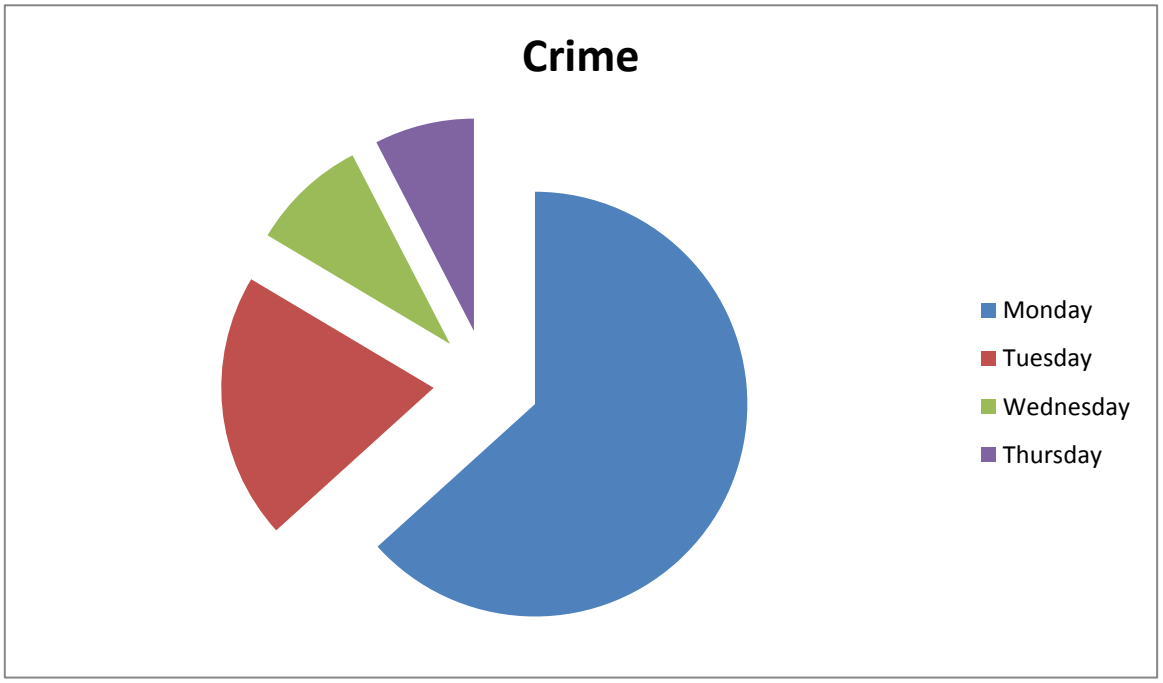
Pie Chart Figure 4.3



The rationale for using these descriptive statistics is to give a general, transparent and simple image of the responses of the respondents (Struwig & Stead, 2001: 158).

4.24 CONCLUSION

This chapter provides a logical basis and framework, which will be used in the empirical analysis to be completed in chapter five. This chapter elaborates on the issues surrounding the research process. A detailed description is given of the research objectives, research design and methodology, data collection techniques, informed consent, confidentiality, and protection of participants during the execution of the research.

Demarcation of the study is affirmed, and limitations and ethical considerations are identified. Time scale is stated as cross – sectional. The data collecting instruments namely a questionnaire were used. A pilot study is used to test the validity of the questionnaire, while triangulation is employed to increase the trustworthiness of the research conclusion. Chapter five focuses on data presentation, analysis and interpretation.

A detailed summary and recommendation on the the findings will follow in chapter six.

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CHAPTER 5:

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

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5.1 INTRODUCTION

This chapter presents and discuss the results of the empirical study. The detail findings and analytical reviews together with the methodology of the empirical study, is discussed. Graphical and tabulated analysis, together with detailed commentary, forms the backbone.

It must be clearly noted that of two hundred and ten questionnaires (Refer to Appendix A) that were issued to retail businesses in the Mathjabeng area.

5.2 FINDINGS

5.2.1 DEMOGRAPHICS

From the seventy businesses that were targeted as part of the empirical study, 94% (66 businesses) are in the retail industry, while only 6% (4 businesses) are in the industrial industry. See Figure A.1 for a breakdown of the businesses that were part of the empirical investigation.

Figure A.1: The type of Industry (n=70)

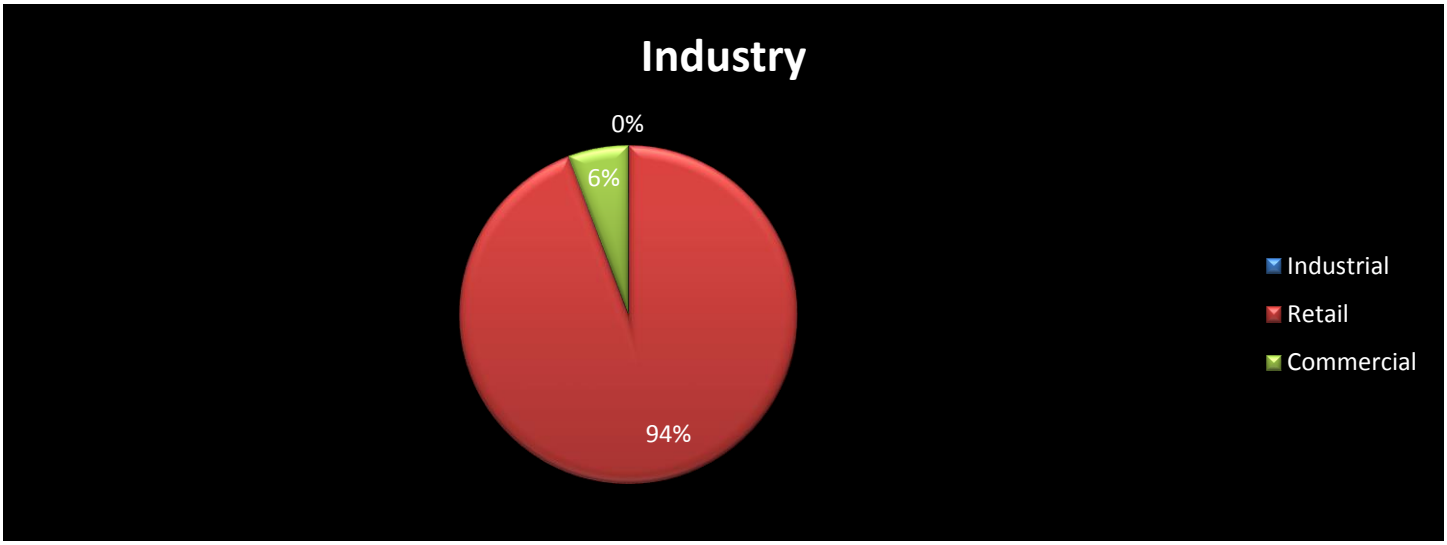

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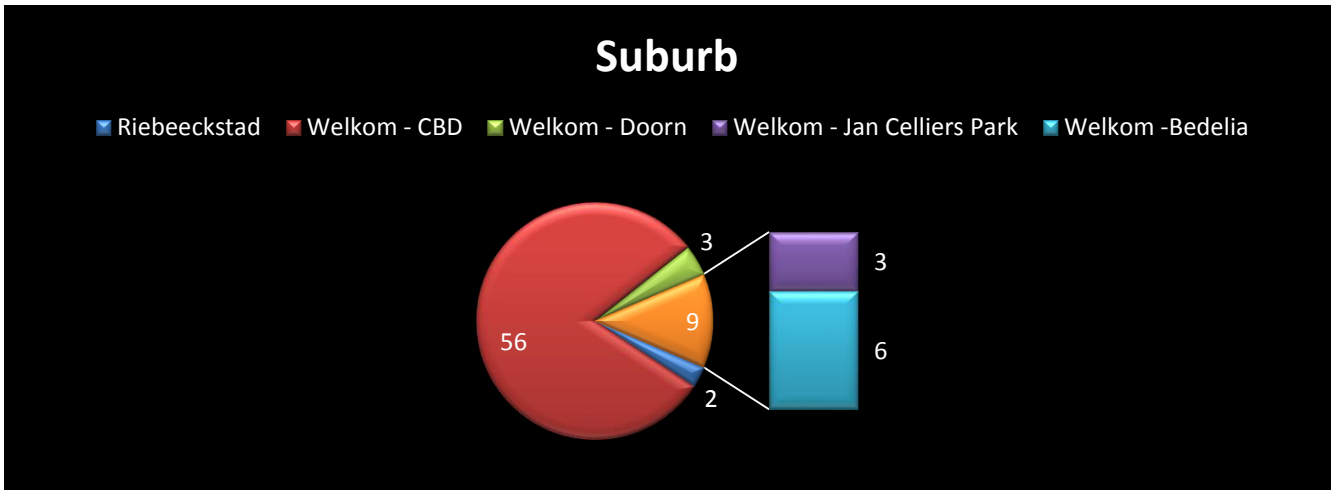
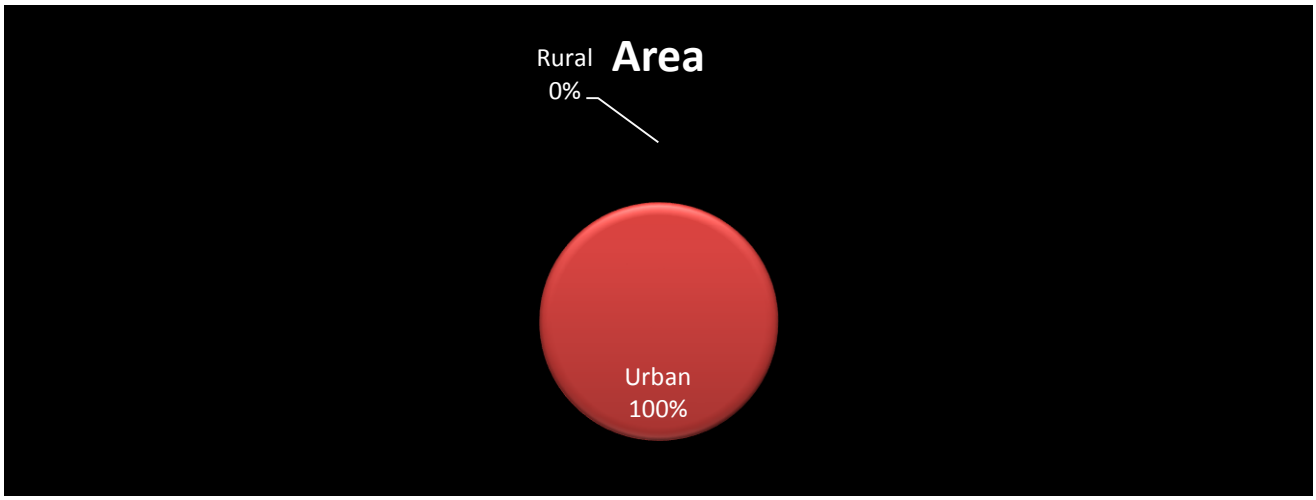
Figure A. 2: In which Suburb are the businesses located: (n=70)



The majority of businesses that were targeted in the Mathjabeng district are located in Welkom Central Business District. Six businesses are located in the suburb Bedelia (Welkom), three in Jan Celliers Park (Welkom), and three in the suburb Doorn (Welkom). Respondents of only two businesses completed the questionnaire in Riebeeckstad.

Figure A. 3: Urban or Rural Area? (n=70)



All of the respondents in the Mathjabeng District that completed the questionnaire (100%), are located in an urban area, (see Figure A.3) for the breakdown.

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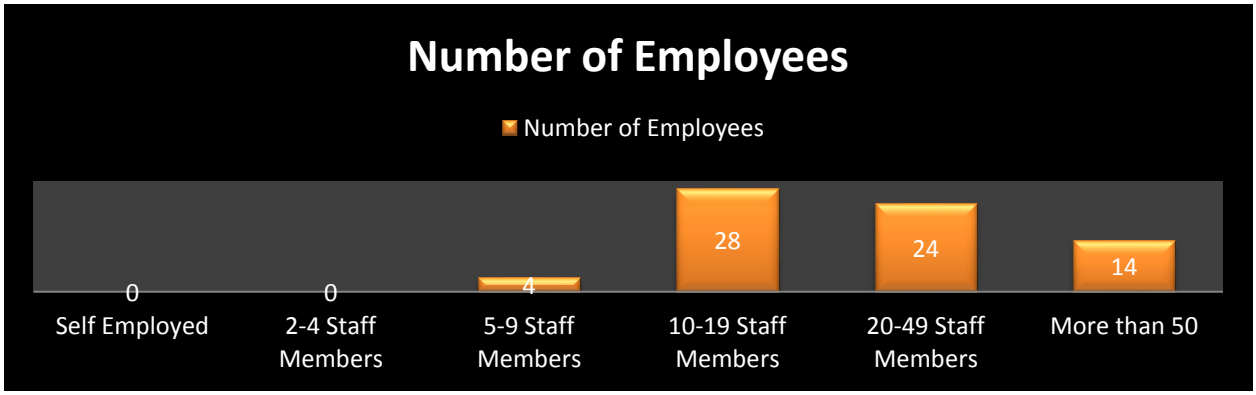
Figure A. 4: The position at work (n=70)

Figure A. 4 reveals that 61% staff members that completed the questionnaire were managers of the business, 20% were heads of department, while 13% were permanent staff members. Only 6% of the casual workers was given a questionnaire to complete.

Figure A. 5: The number of employees in the business (n=70)



Twenty - eight businesses have more than 10 but less than 20 employees, while four businesses have between 5 and 9 employees. Twenty - nine businesses have between 20 and 49 staff members. Fourteen businesses that responded have more than 50 employees. None of the businesses is self-employed, or has less than 5 employees.

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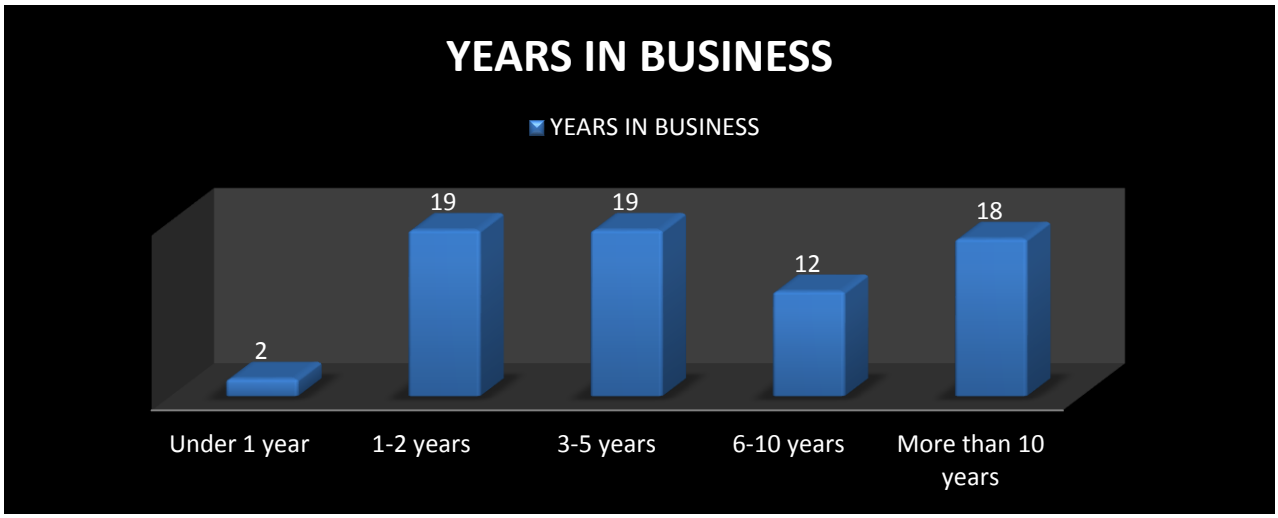
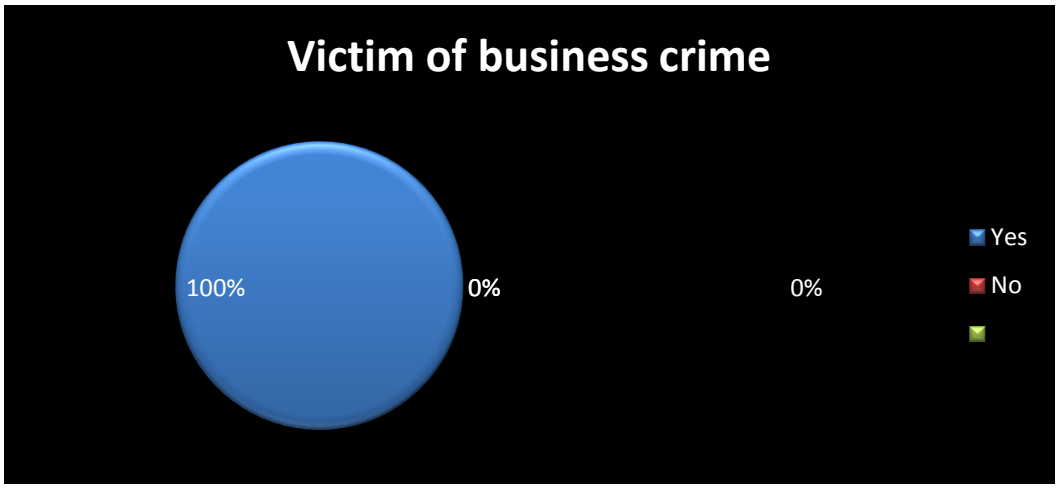
Figure A. 6: The number of years in business (n=70)



Only two of the seventy businesses have been in operation for less than one year, while nineteen businesses have been operating for more than 2 years, but less than one year. Nineteen of the businesses have been active for less than 5 years. Sixteen businesses have been doing business for less than 10 years, while only eighteen for more than 10 years**.** See Figure A. 6 above.

5.2.2 BUSINESS CRIME EXPERIENCE

Figure B.1 Victims of business crime (n=70)



From the findings of respondents it was clear that all of the businesses in the study were a victim of crime (See Figure B.1).

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Figure B.2: The reasons for not reporting business crime (n=70)

Managers and heads of department responded that they do not report crime to the police due to the fact that most of them do not have confidence in the police response. Most employees/employers state they cannot trust the police, or when they call the police they take their time to investigate. 13% of the respondents (Figure B.2) declare that they are unable to contact the police. 4% are of the opinion that it will have a negative influence on their publicity (Figure B.2) and that their insurance cost will increase. 9% are of the opinion that they did not need to report the crime because there were no losses or damages incurred.

Figure B.3: Business crime experience in the past 12 months (n=70)

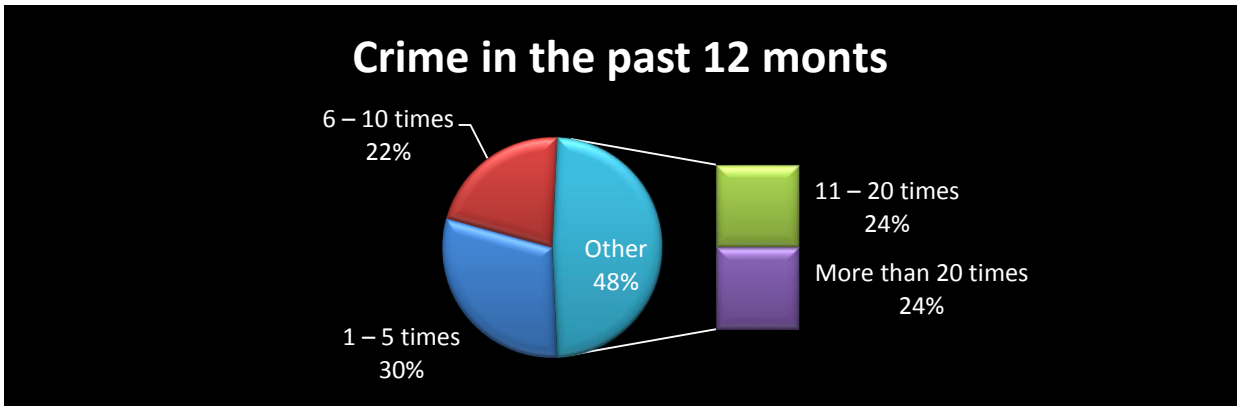

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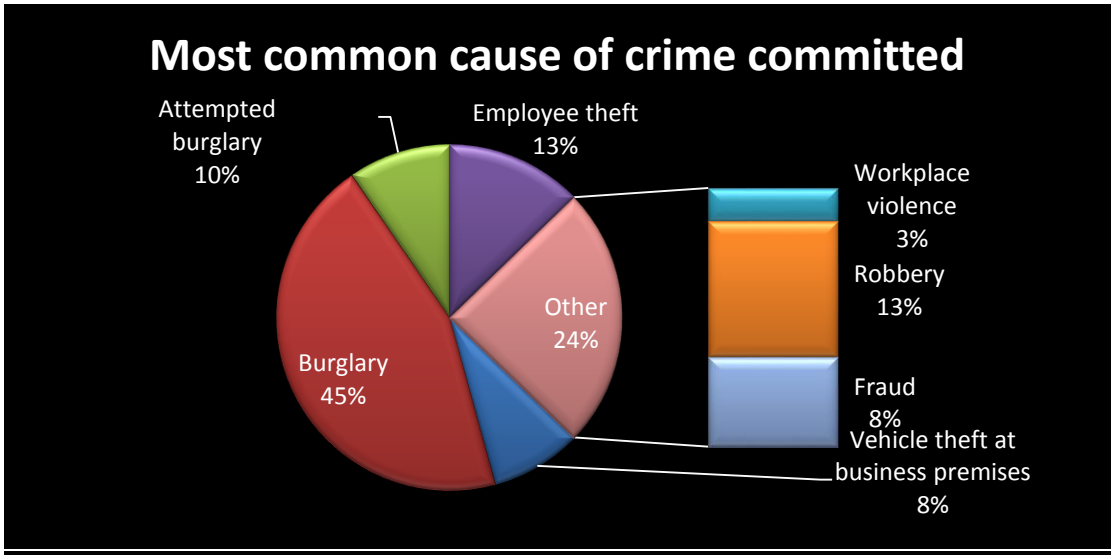
Figure B.3 reveals that of the 70 businesses that did experience crime, 24% experienced it more than 20 times the past year. 24% of the businesses declared that they experienced it between 11 and 20 times the past year. 22% of the business managers and heads of department said their businesses experienced it between 6 and 10 times, while 30% of the businesses experienced it between 1 and 5 times the past year.

Figure B.4: The most common cause committed (n=70).



Burglary and robbery remain the common causes of crime in businesses. 45 % respondents stated that burglary is their most common crime, while 13 % mentioned robbery. 8% feel that fraud and vehicle theft at the business are paramount in their businesses. Respondents from only 3% stated that they experienced workplace violence (See Figure B.4).

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5.2.3 CRIME RELATED INCIDENTS

Figure C. 1: The total cost of crime per business per year. (n=70)

Of the findings for the total cost of crime per business per year, 33 (47%) businesses' total cost of crime is between R10 000 and R 50 000. 16 (23%) is between R50 000 and R100 000. 12 (17%) are more than R100 000. Business managers from most of the businesses mentioned that the cost of crime also includes insurance cost, replacement of new equipment, as well as extra security cost (see Figure C. 1).

Figure C. 2: The types of merchandise employees are stealing? (n=70).

Employees are more likely to steal electrical equipment and clothing, according to the survey done. Canned food and dairy products are products also likely to be

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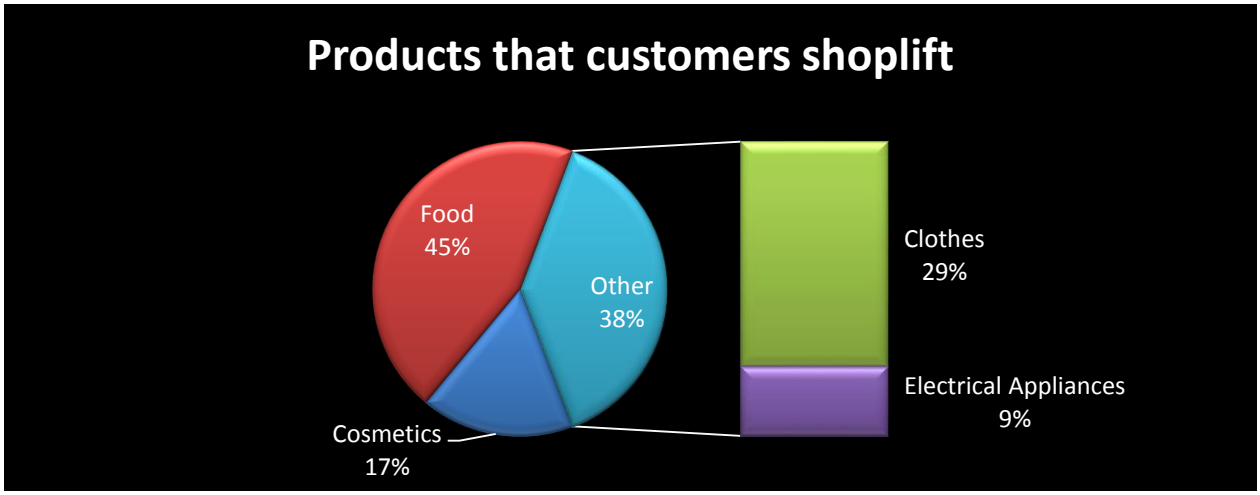
stolen by employees. Respondents stated that baby products are also favourite targets due to the high cost of these products (see Figure C. 2).

Figure C.3: Causes of employee theft (n=70).

The most common cause of employee theft is financial need. According to the respondents 43% of all employees steal due to financial need, 32 % steal due to work pressure, feeling that the owner is doing well and they have to do the work. Managers and heads of department are of the opinion that it is due to the fact that employees are emotionally unstable.

Figure C.4: What products are customers keen to shoplift? (n=70)



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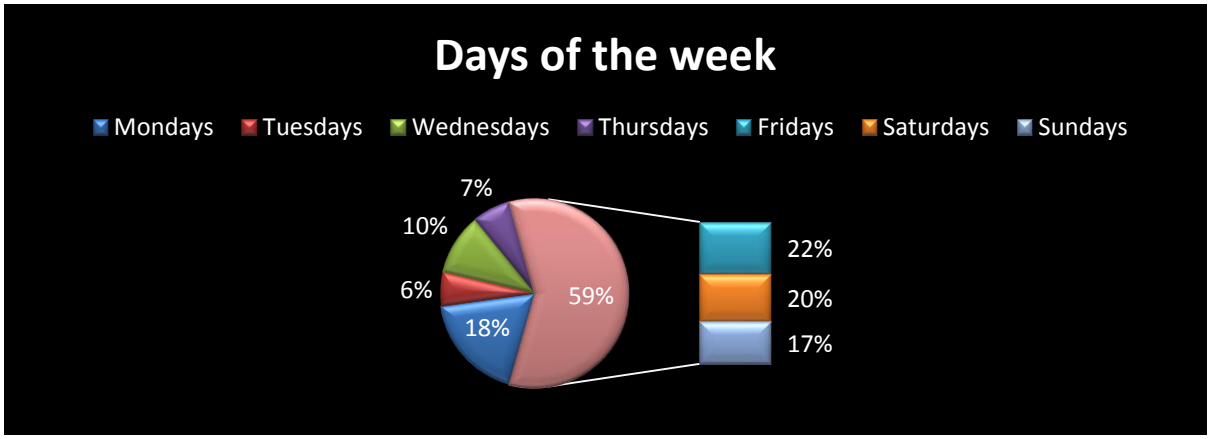
Respondents stated that food remains the product that is most likely to be stolen from their premises, because it is a basic product needed by everyone. Cosmetics and clothing theft also remain high because they are easy to steal. Theft of electrical equipment is the lowest. Respondents are of the opinion that it is difficult to steal the latter, due to the size (see Figure C. 4).

Figure C.5: The common causes of customer theft (n=70)

According to the respondents 59% of all shoplifting is due to high unemployment. Managers and owners are of the opinion that due to the high cost of living and the global economic crisis, people cannot provide for their families; they steal to survive.

Figure C. 6: Which days of the week does crime often occur (n=70)



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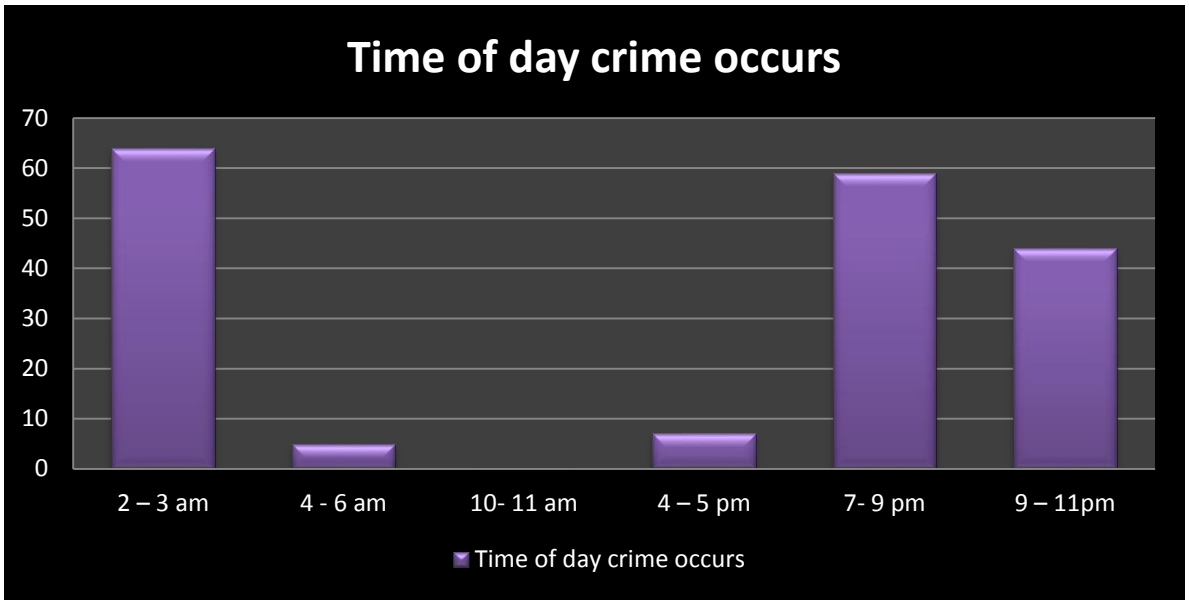
According to business owners and managers Fridays and Saturdays are the days of the week that crime occurs most. More money is made by business owners during the weekend. Sundays and Mondays are also days that are seen to be quiet days for business, which makes businesses vulnerable. Business owners and managers are of the opinion that violent crimes, most notably murder, assault, and business breakings are more probable to take place on Fridays and Saturdays rather than on any other day of the week. The assumption for these patterns is that family, friends as well as associates spend time over weekends and holidays, with a subsequent increase in alcohol consumption at those times (see Figure C.6).

Figure C.7: What time of the day does crime occur? (n=70)



Findings indicate (Figure C. 7) that the violent crime rates for adults tend to increase in the evening, peaking between 9 p.m. and midnight. Managers and heads of department are of the opinion that youth violent crime rates are higher in the course of the end of the school day and supper-time.

Similarly, they are of the opinion that violent crimes among youth may be more likely to occur during times when they assemble in somewhat large groups (i.e., during the school hours, or hours immediately after the school close).

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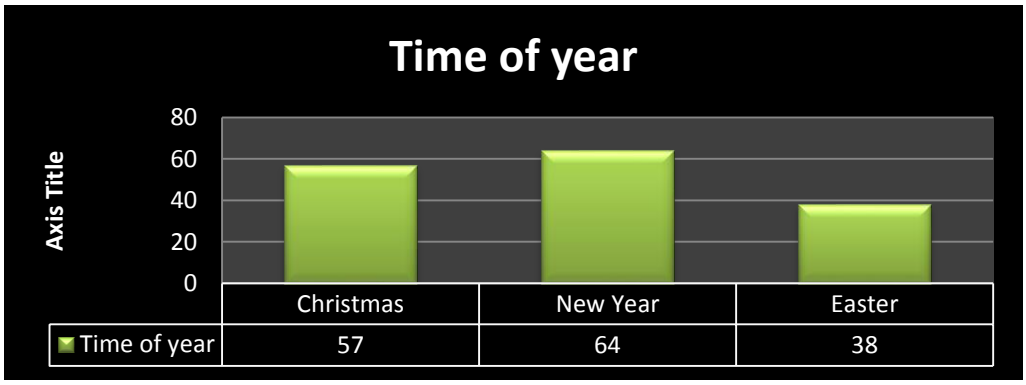
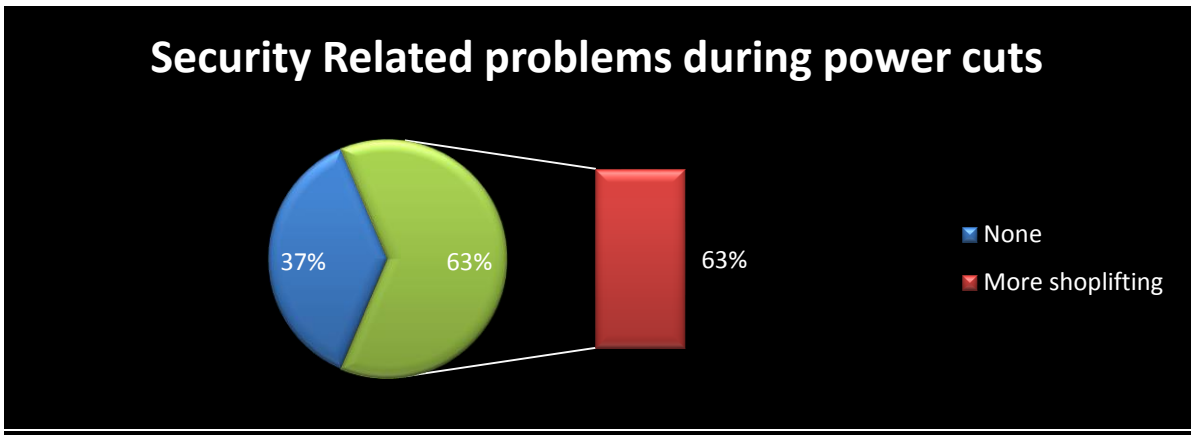
Figure C.8: Which time of the year does crime increase?. (n=70)



Crime generally increases during Christmas and New Year; managers and heads of department assume that holidays bring with it an increase in crime rate. Criminal action normally starts to escalate the week of Christmas, peaks during end of December, and dies down in the month of January (See Figure C.8).

Figure C. 9: Security related problems during load-shedding? (n=70)



63 % respondents believe that during a power cut shoplifting is more likely to occur, they believe that it is easier to steal products then, while 37% of the respondents stated no problems at this stage, assuming the security in their businesses is increasing, and there is no opportunity to steal anything (see Figure C. 9).

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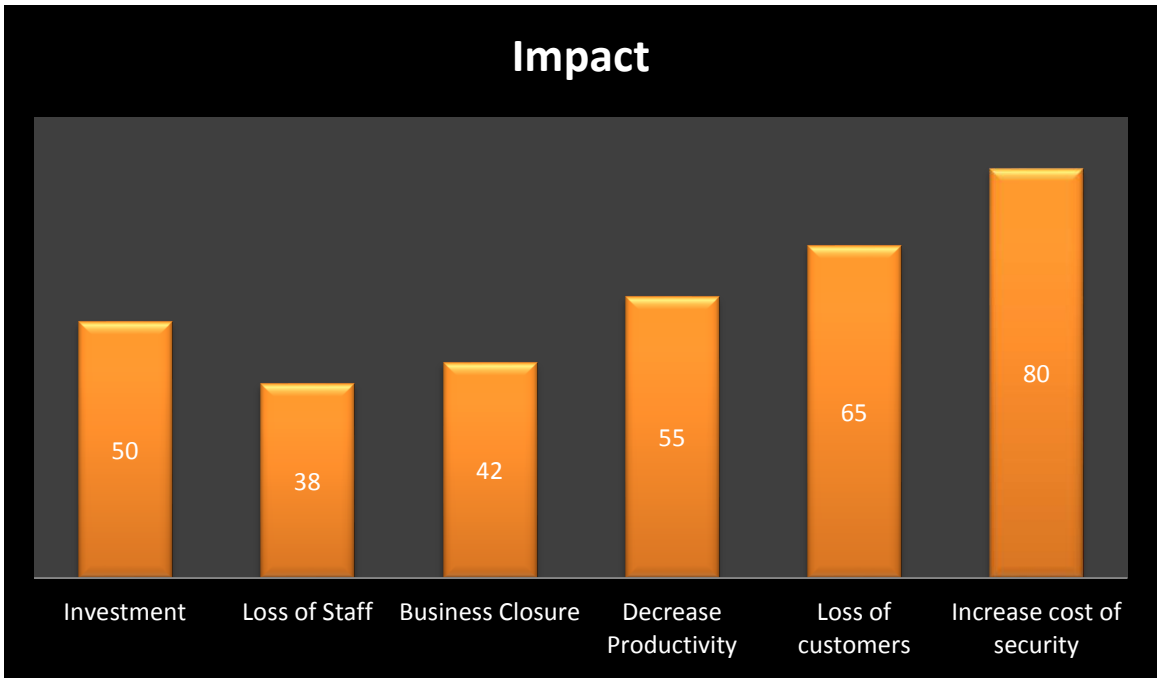
Figure C.10: The impact of retail crime (n=70)



The most common impact of retail crime is an increase in security cost, more security guards need to be employed; more CCTV cameras need to be installed. If the businesses are in high risk areas, there will be a loss in customers as well as higher possibilities of business closure. The employees will have less motivation to go to work, and as a result lose their job. See Figure C.10, for the breakdown

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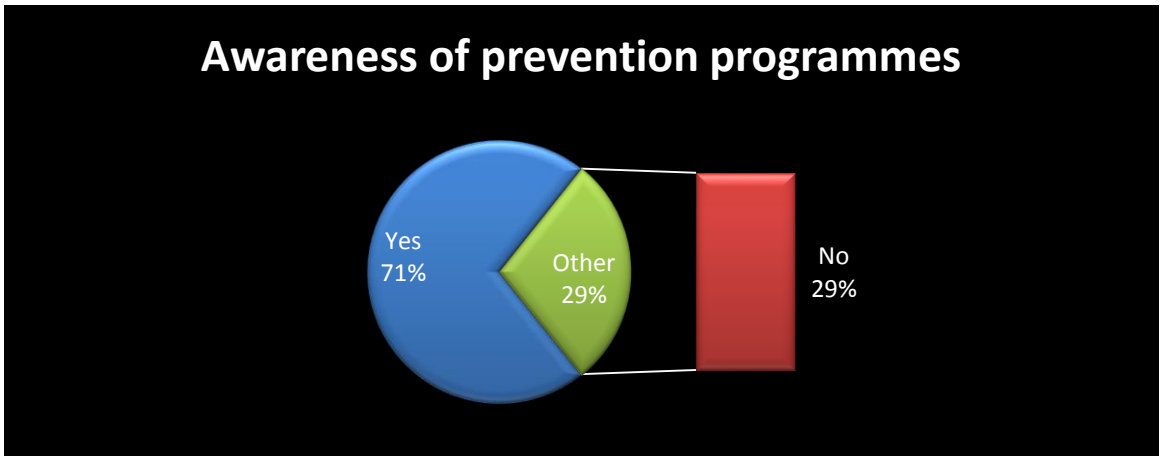
5.2.4 CRIME PREVENTION AND REDUCTION

Figure D. 1 (n = 70): Awareness of crime prevention programmes



71% of the respondents (managers and heads of department) stated that they are aware of crime prevention programmes, while 29% of the respondents mentioned that they haven't heard about prevention programmes, and do not want to know more about them (see Figure D.1).

Figure D. 2 (n=70): From which of the following organizations have you received crime prevention and reduction advice?

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Findings indicate (Figure D. 2) that most businesses receive information from the Chamber of Commerce, as well as from Security Companies, on how to prevent and reduce crime. 19 respondents said that they do not receive any information, while only 9 respondents stated that they do get their information from the police department. 7 respondents receive their information from business advisories.

Figure D. 3 (n=70): If a business crime prevention workshop were offered at a convenient time and location, would you attend?

48 (69%) respondents feel that even if there is a workshop on how to prevent crime, they still would not go. Most business owners' managers and employees regard it as a waste of their precious time and money, feeling this money may be used to increase security at their premises. 22 (31%) responded that they would like to attend. See Figure D. 3

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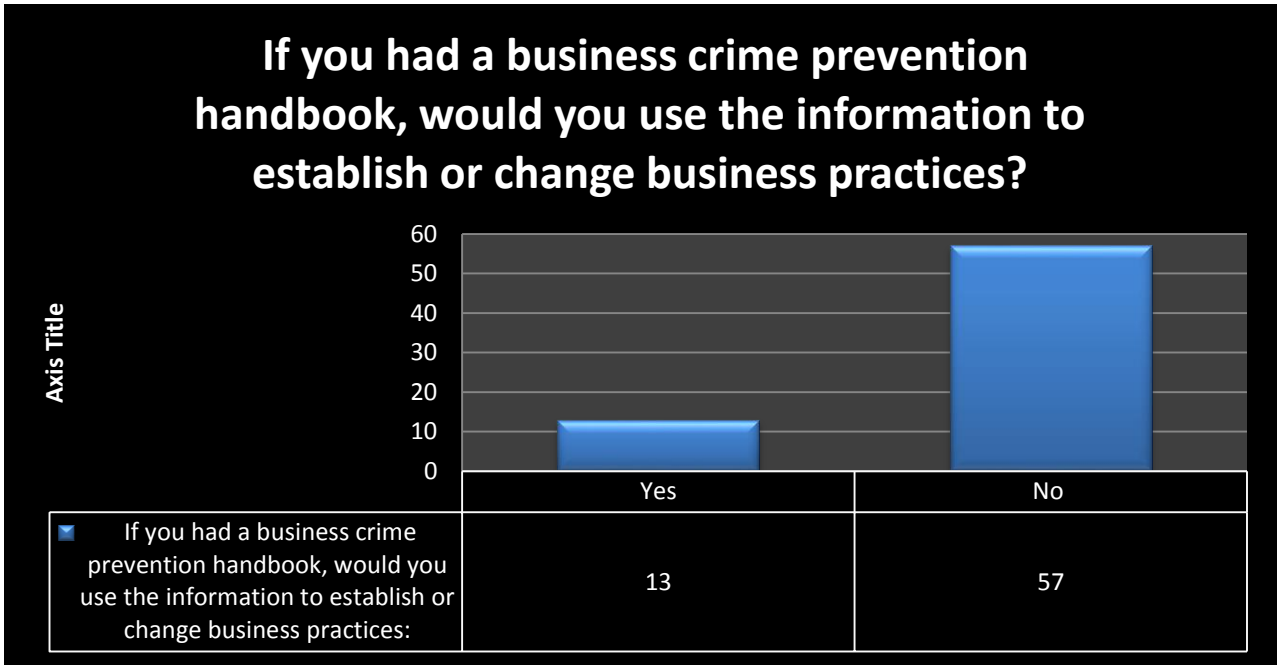
Figure D. 4: If you had a business crime prevention handbook, would you use the information to establish or change business practices? (n=70)



Fifty Seven managers and employees feel that even if there are workshops on how to prevent crime or a handbook (Figure D. 4) on business crime prevention, they still would not use it. Respondents are of the assumption that it is a waste of their time and money, and this money may be used to increase security at their premises. Only 13 respondents stated that they would like to attend, and that they would use the crime prevention handbook.

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Figure D. 5 (n=70): What do you consider to be the best deterrent to crime against your business?

51% respondents (Figure D. 6), stated that they would rather pay private security businesses to protect their business; they regard it is as much safer and feel they can rely on them. 14% of the respondents stated they would prefer faster police response, while another 22% said they would rather increase the surveillance cameras cost.

5.2.5 WORKPLACE VIOLENCE: STAFF

74% respondents stated that there is nobody responsible for security at the business premises, while only 26% mentioned somebody responsible (Figure E 1). Business managers also mentioned that there is efficient training giving to staff members to protect themselves in certain situations. If there are potentially dangerous situations there is always a buddy system that they may use. Managers and employees stated that staff members not are fully trained (Figure E 2), but there is a buddy system available (Figure E3). Someone in the business is also appointed to liaise with the local police department if necessary. See Figure E.1, Figure E. 2 and Figure E. 3 below, for the breakdown.

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Figure E. 1: Is there someone responsible for security? (n=70)

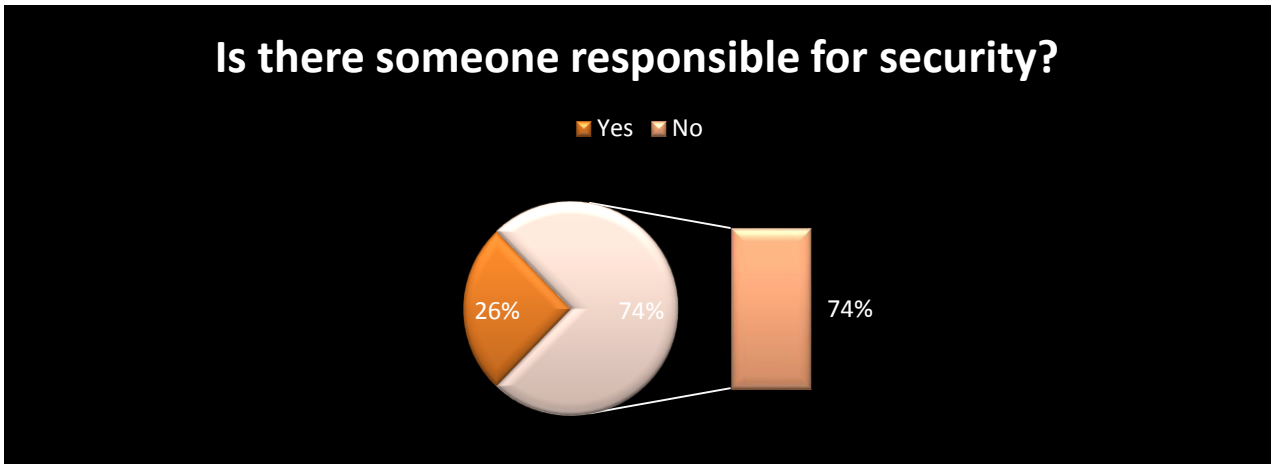

Figure E.2 (n=70): Is adequate and trained staff available to protect workers against assaults or other violence?

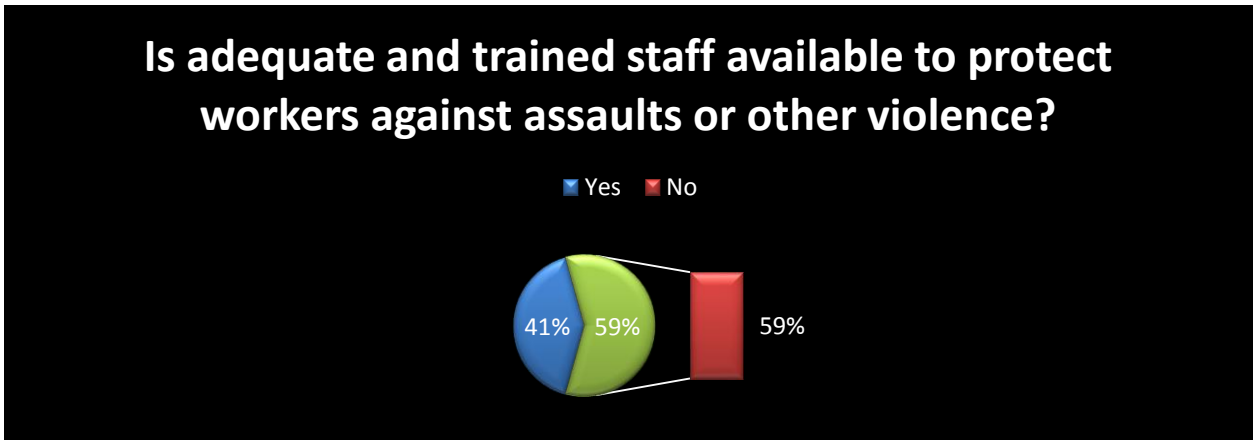

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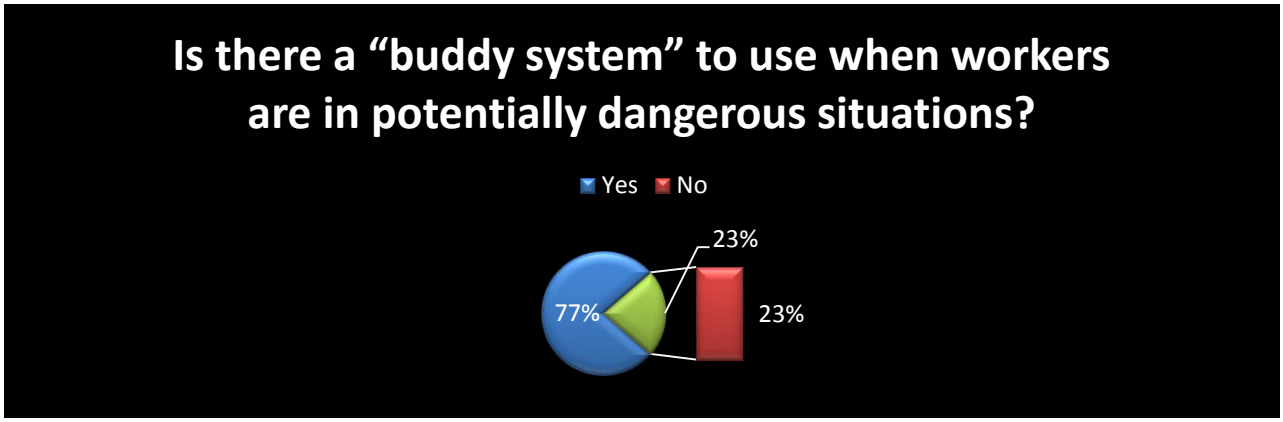
Figure E.3: Is there a "buddy system" to use when workers are in potentially dangerous situations? (n=70)



Managers/Heads of Department and employees stated security guards do not have the necessary authority to take matters in their own hands (Figure. E4). The findings above reveal that most businesses have security guards outside (Figure E5), and most of them are also in the parking area (Figure E6), but they do not always escort people to their cars (Figure E7). The most common assumption for that is that most of them do not have the necessary skill or training when it comes to difficult situations.

Figure E. 4 (n=70): Do security personnel have sufficient authority to take all necessary action to ensure worker safety?

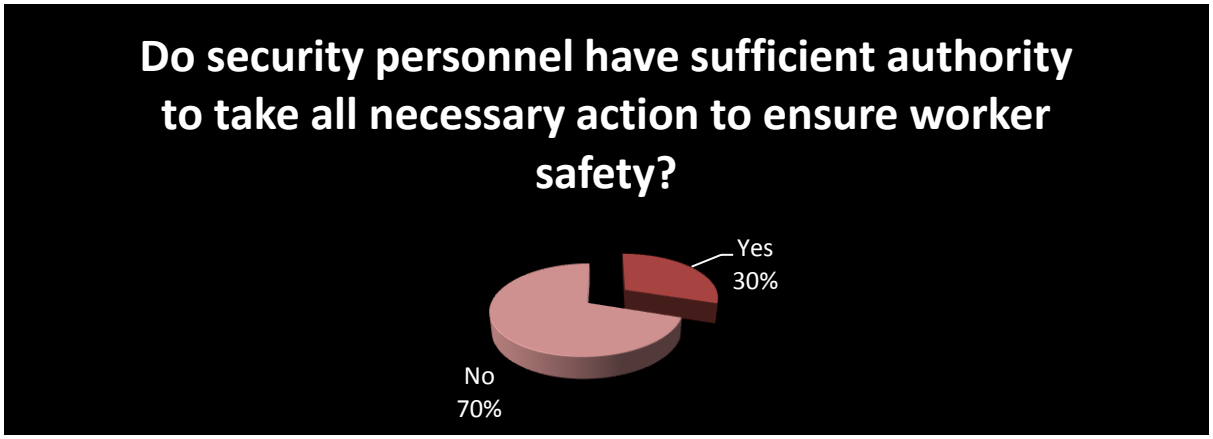


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Figure E.5: Are security personnel provided outside the building? (n=70)

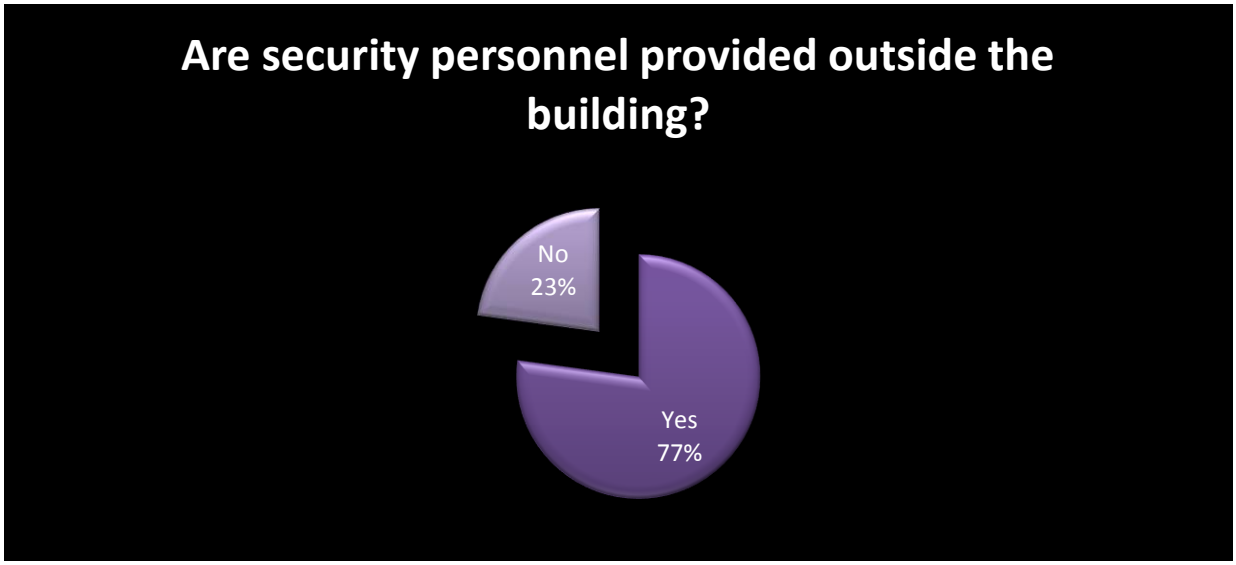

Figure E.6: Is the parking lot secure? (n=70)

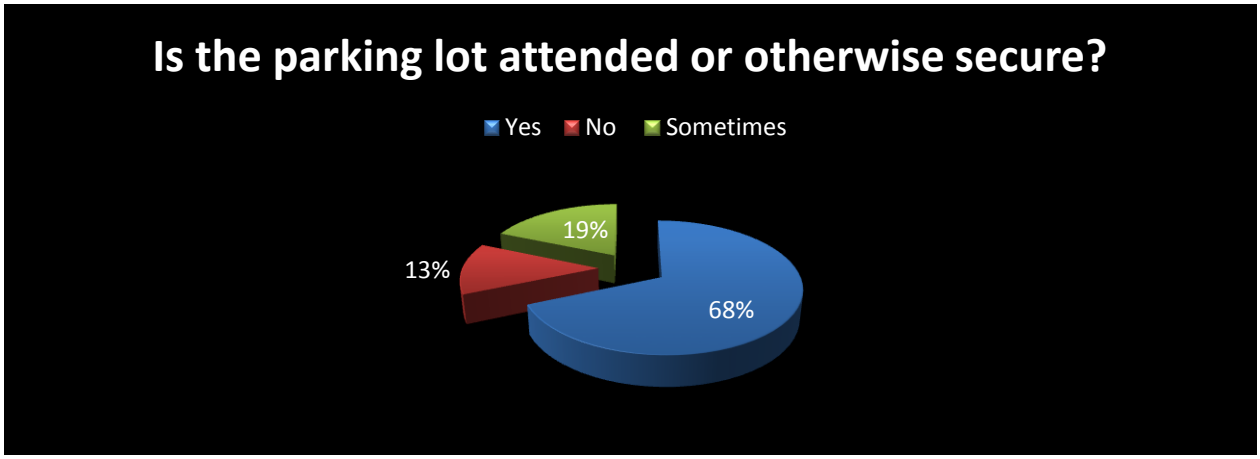

Figure E. 7: Are security escorts available to walk workers to and from the parking lot? (n=70)

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As can be seen from Figure E.8 fifty nine respondents stated they had been involved in a robbery, 23% said that they had been verbally attacked by a customer, 8% had been threatened by a weapon, while 5% were shot, or attempted to. See Figure E.8 below, for the breakdown.

Figure E. 8: Types of incidents which occurred (n=70)

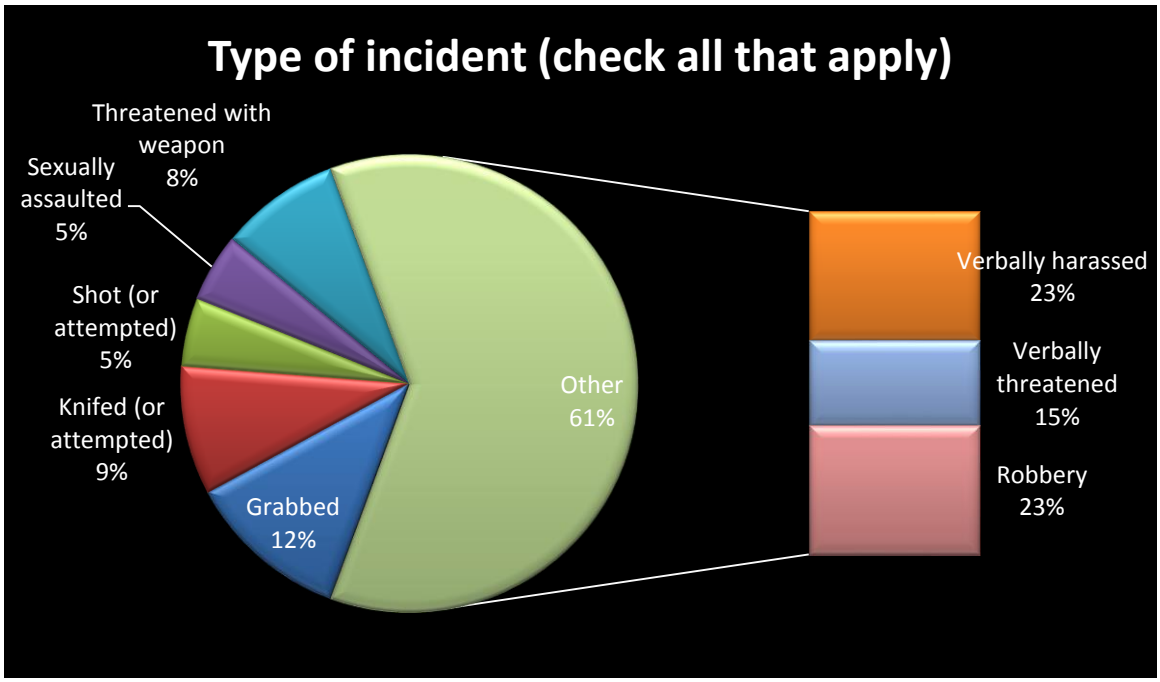
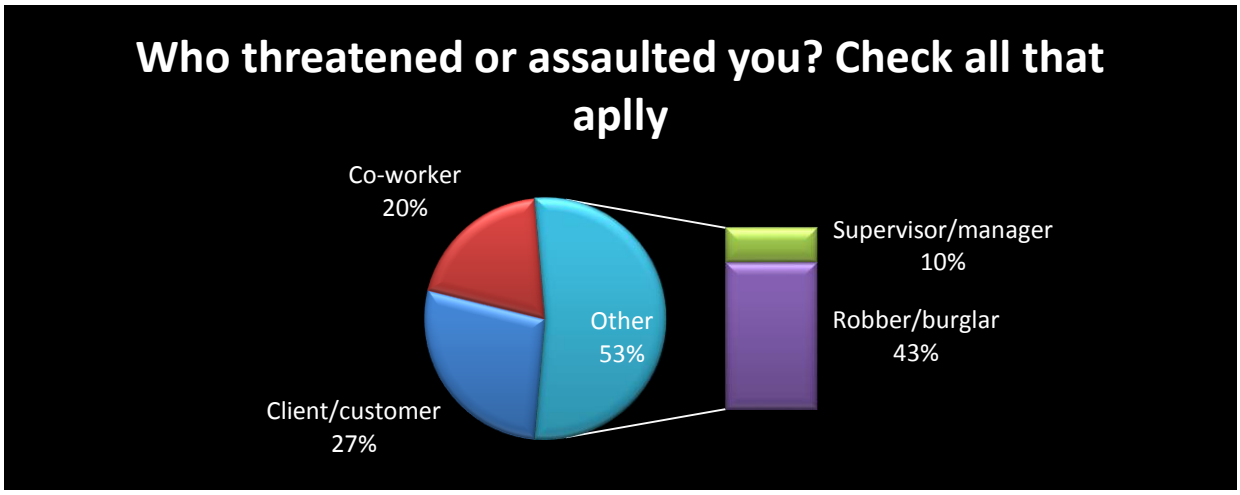


Figure E. 9: Who threatened or assaulted you? Check all that apply. (n=70)



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The questionnaires revealed that most of the attacks or assaults were made by robbers/burglars, while the second highest attacks or assaults were from clients/customers. Some of the respondents stated they were assaulted or attacked by co-workers. See Figure E.9 above for the breakdown. Regarding the question whether there were any threats before the incident occurred, 47 respondents reported no threats, while 12 respondents stated that threats were made prior the incident. Eight of the twelve respondents mentioned that they did not report the incident to their managers, while four reported the incident (Figure E.11). See Figure E.10 and E.11 below, for the breakdown.

Figure E.10: Were any threats made before the incident occurred? (n=70)

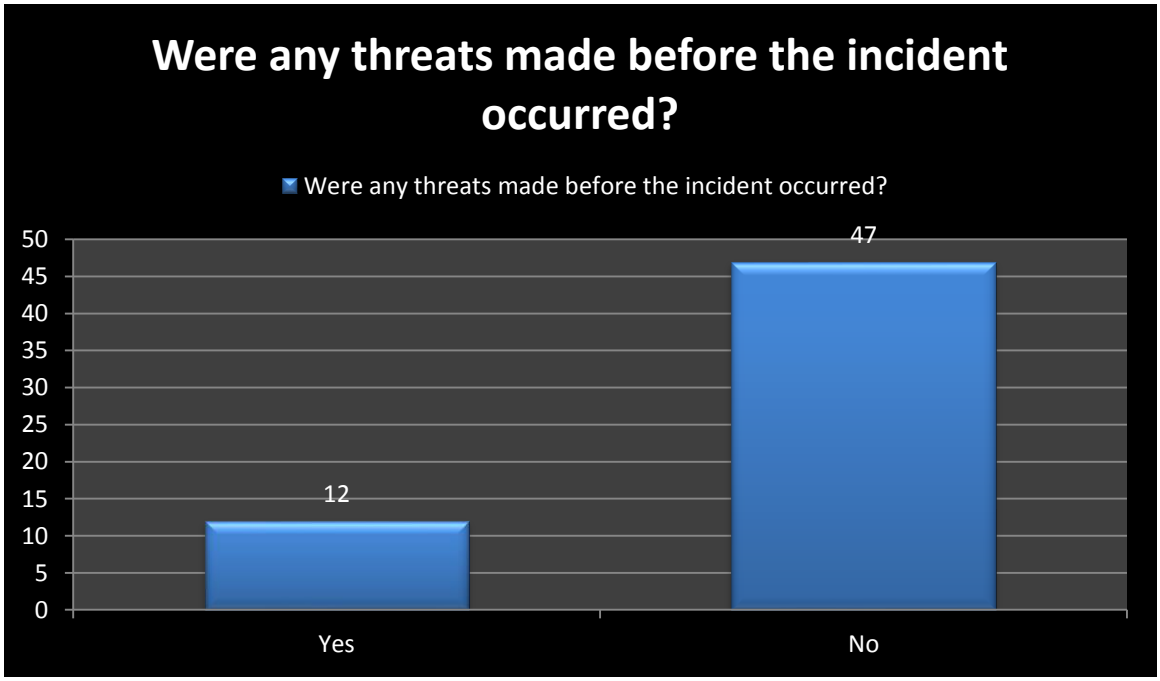

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Figure E. 11 (n=70): If yes, did you ever report to your supervisor or manager that you were threatened?

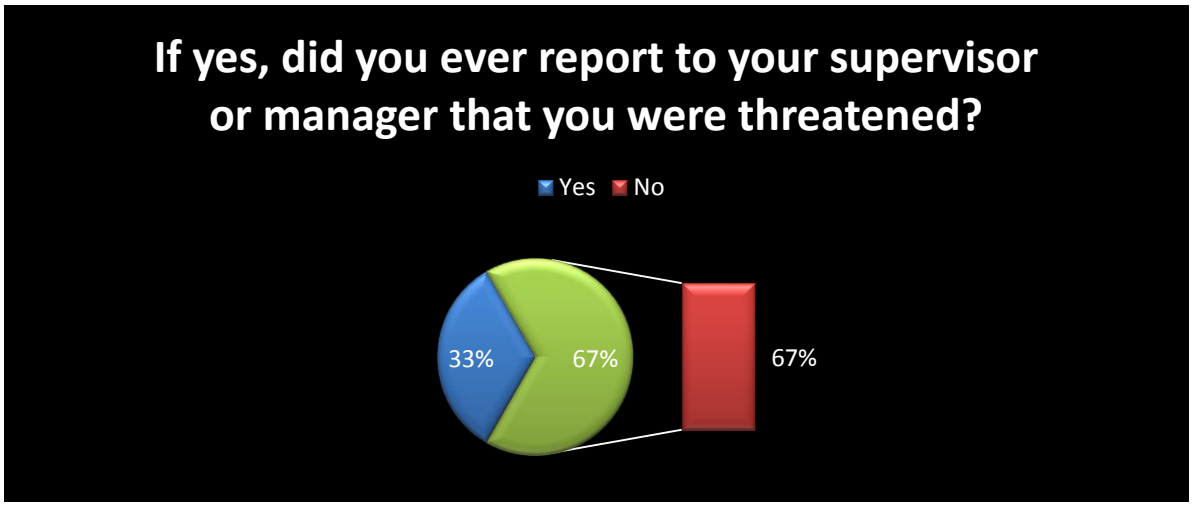
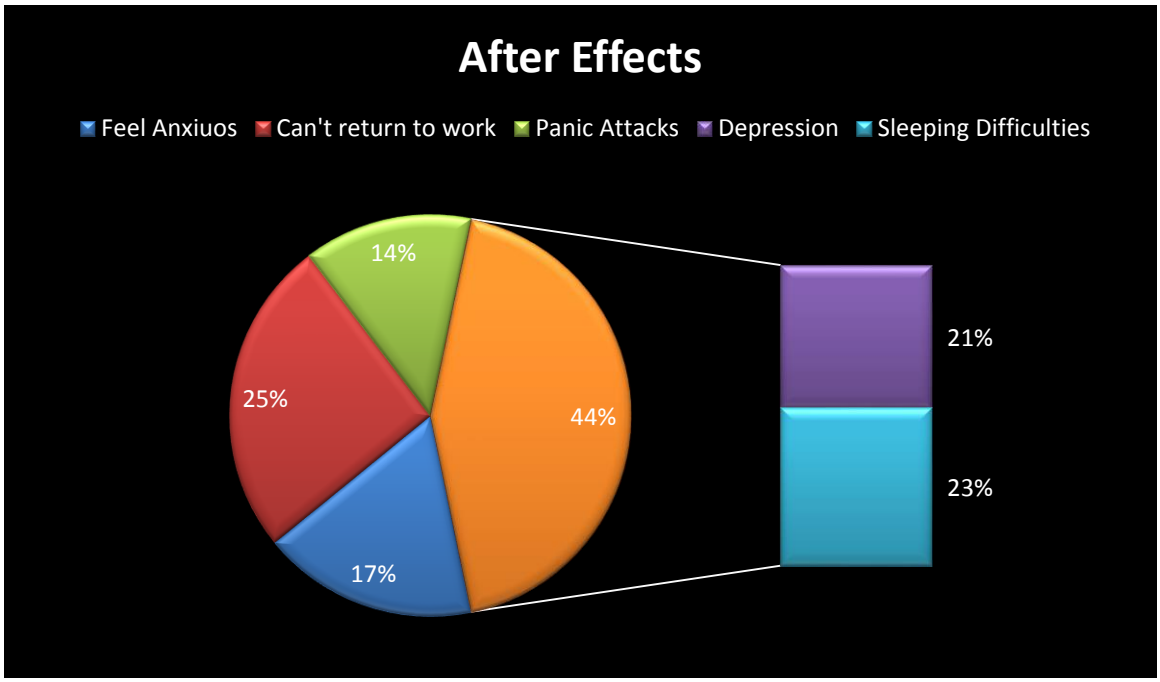


Figure E.12: The after- effects of an incident (n=70)



The most common after-effects of an incident that occurred at work are that employees cannot return to work, most of them have difficulty to sleep, while others feel anxious and have regular panic attacks. Due to the incident most of the victims also develop depression. See Figure E.12 above, for the breakdown.

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5.2.6 TRAINING

53 Employees/Heads of Department, and Managers said that adequate training is provided in emergency response, as well reporting of violent incidents, while 17 stated that they do not get adequate training. See figure F. 1 and F. 2 below, for the breakdown.

Figure F-1 (n=70) Are workers trained in the emergency response plan (for example, escape routes, notifying the proper authorities)?

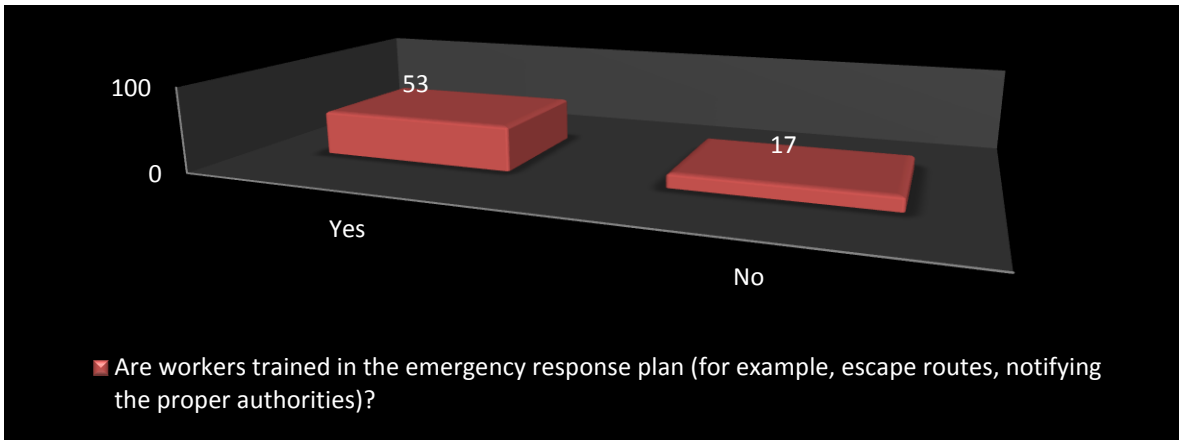
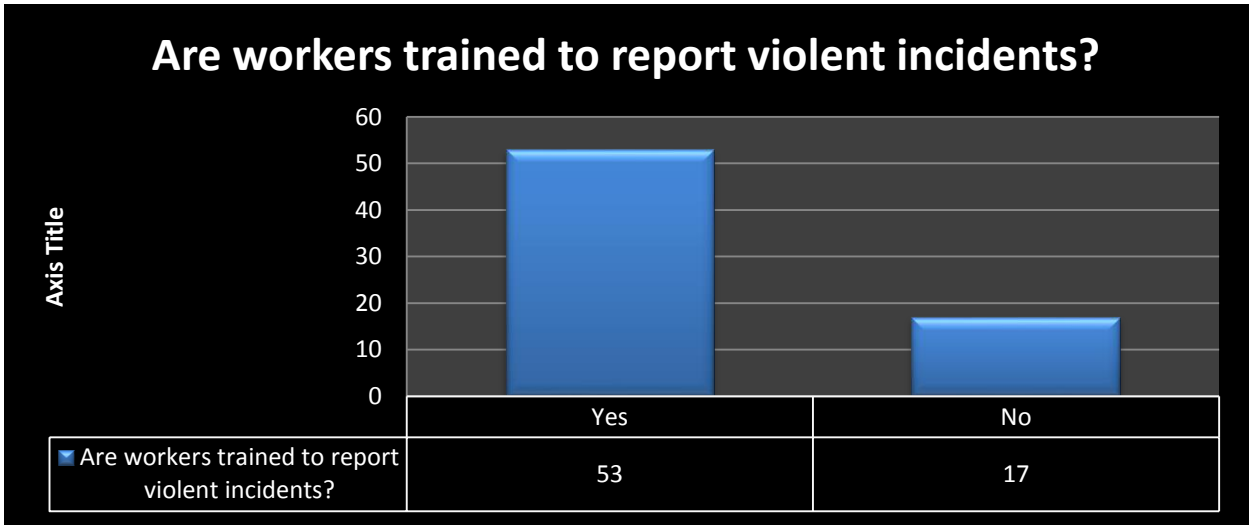


Figure F – 2 (n=70): Are workers trained to report violent incidents?



As may be seen in Figure F. 3, 51 Respondents (Managers, Employees and Heads of Department) stated that they are trained to prevent violent situations, while 11 stated that they never had training before and 8 declared that they occasionally receive training. See figure F. 3 below, for the breakdown.

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Figure F.3 (n=70): Are workers trained in ways to prevent or defuse potentially violent situations?

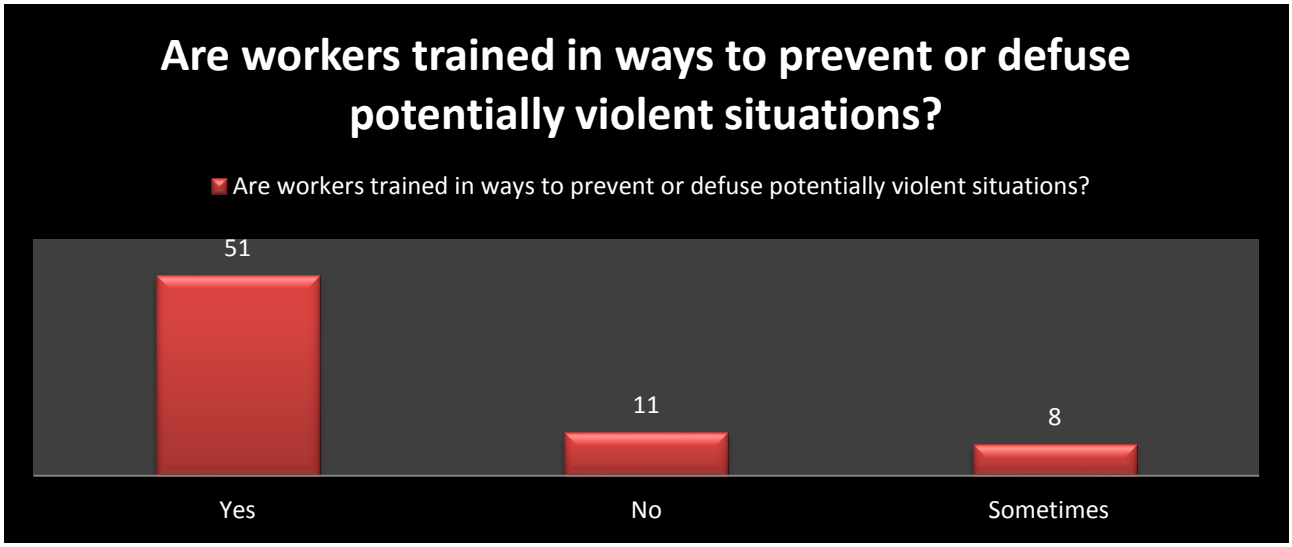

Figure F.4: Are workers trained in personal safety? (n=70)

43 Employees/Managers and Heads of Department reported that they do get training in personal safety, while 17 stated that they do not get training. (See Figure F.4 above).

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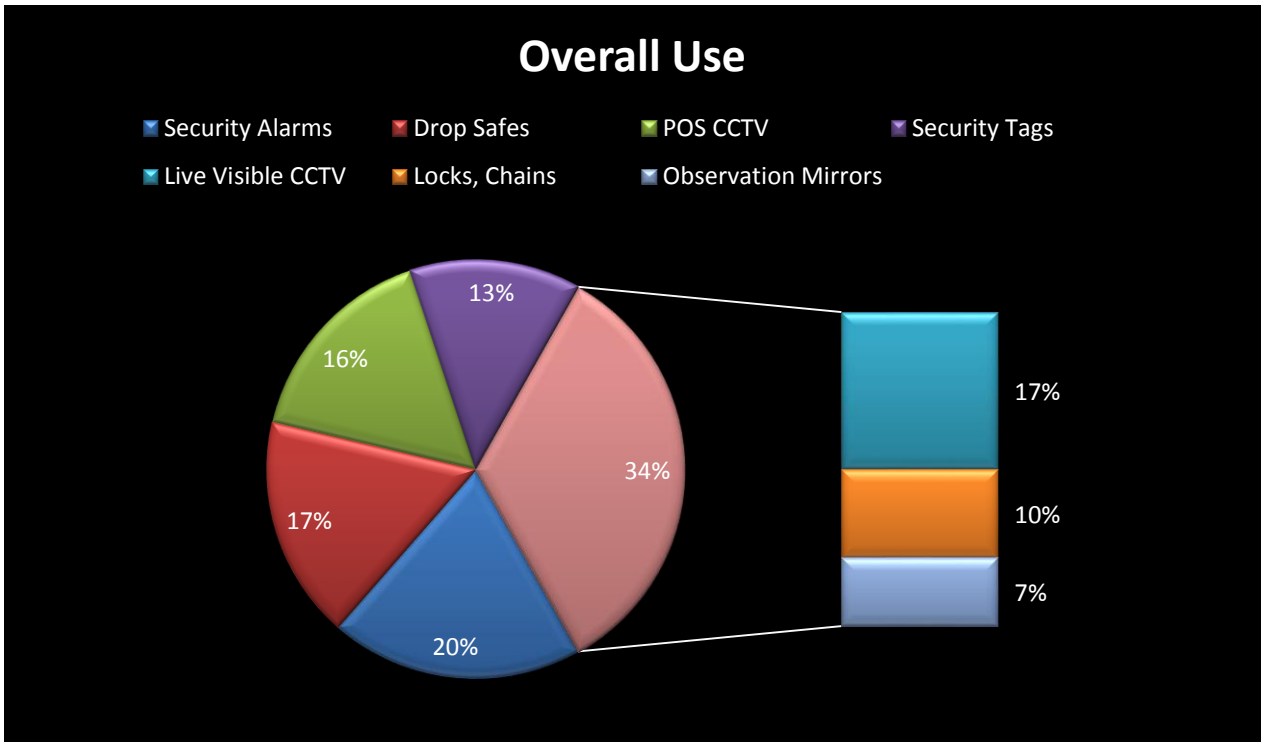
5.2.7 SECURITY

The security measures used most at business premises are live visible security alarms, while 17% use live visible CCTV cameras. Observation mirrors are used least. 13 % retail stores use security tags to prevent goods being stolen. See below (Figure G.1) for a breakdown of the overall use of security.

Figure G 1: Security used in business (n=70)



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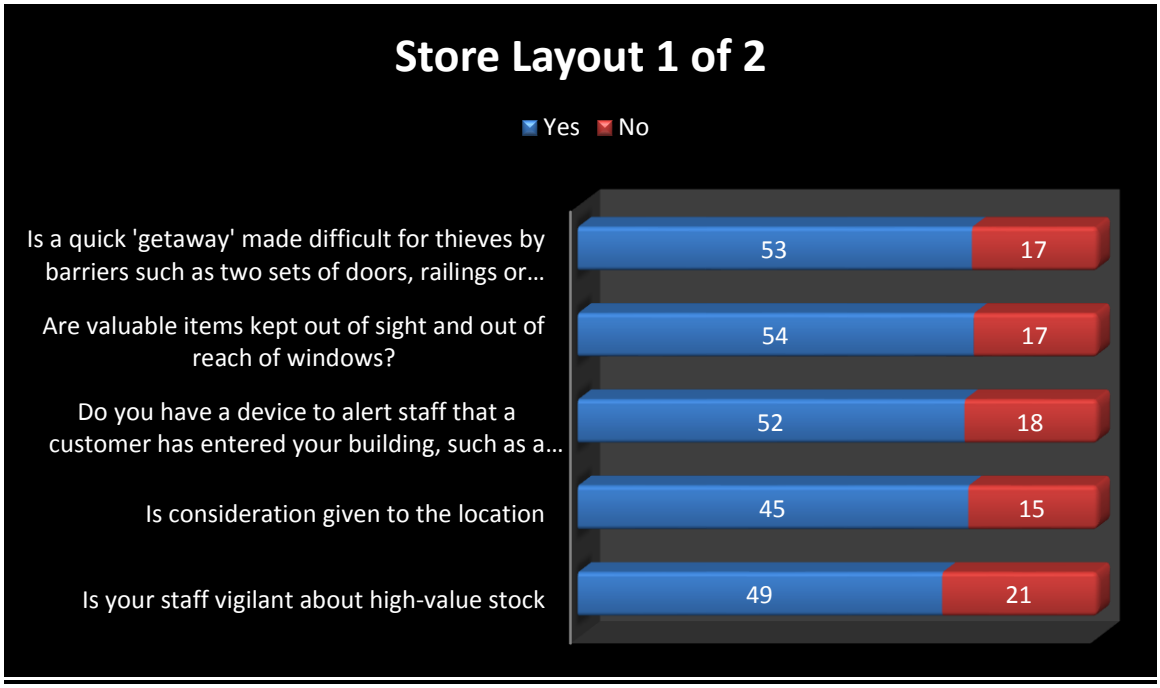
5.2.8 STORE LAYOUT AND STOCK PLACEMENT

Figure H 1.1 (Figure 1 of 2): Store Layout (n=70)



As may be seen in Figure H. 1 regarding store layout and stock replacement, fifty - three respondents (Managers and Heads of Department) said that a quick getaway is made difficult for robbers; fifty - four respondents said that valuable items are kept out of sight in windows. Eighteen respondents said that their businesses do not have a device to alert staff when a customer is entering the business, while fifty-two said that they do have a device to alert staff when a customer is entering the site. Forty-nine respondents said that their employees are vigilant about high value stock on their premises. While in Figure H. 1.2 forty-nine respondents said that the counter was designed in such a way that it can't be reach by members of the public. Fifty-eight respondents said that the staff can't reach the business safe from their location in the store. Sixty - three respondents said that high value goods are locked away at night and is therefore not visible. Fifty two respondents said that there are safe areas were workers can get together when a burglary takes place in a store.

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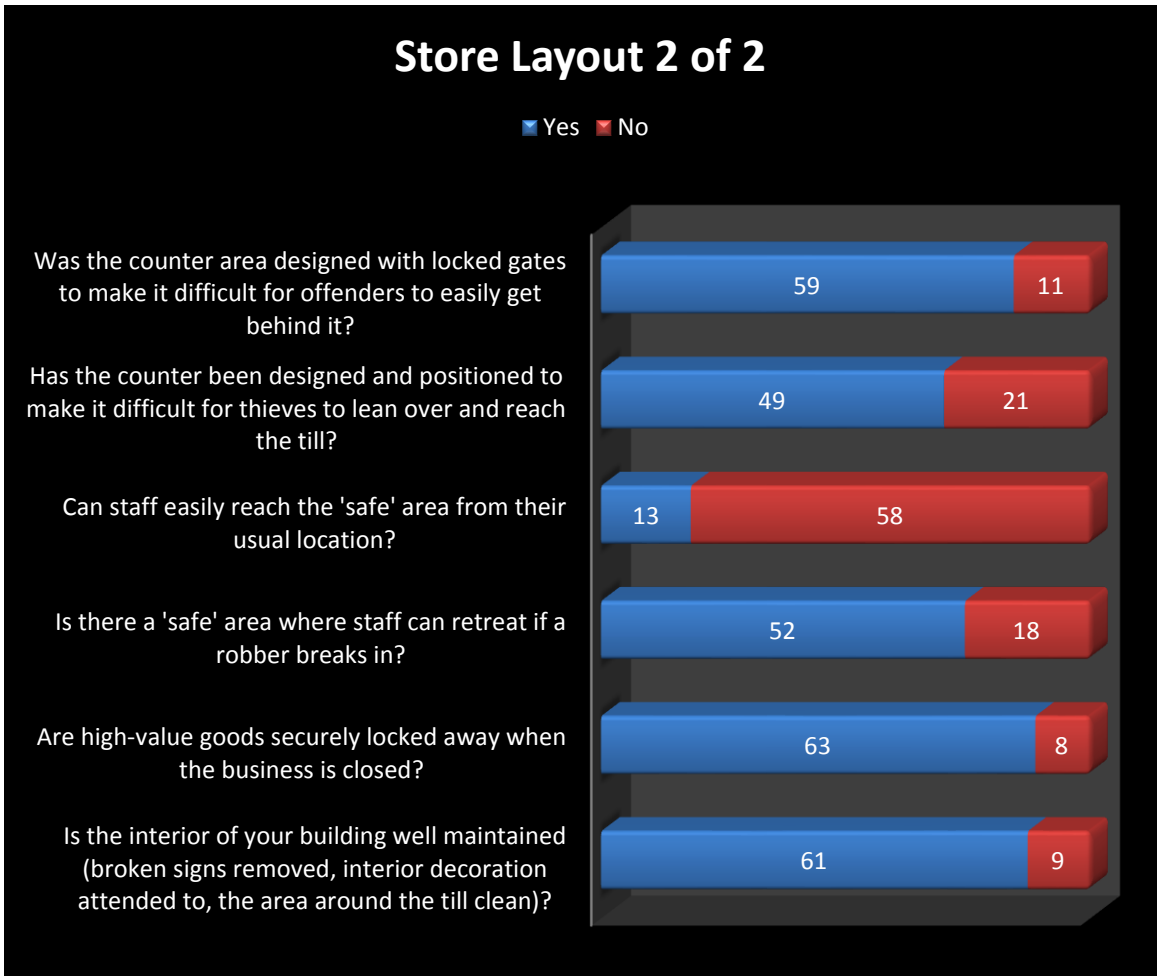
Figure H 1.2 (Figure 2 of 2): Store Layout (n=70)



5.2.9 ENVIROMENTAL FACTORS

As may be seen in Figure I. 1.1 respondents, which were managers, heads of department, and employees, reported that workers are exchanging money with the public, and all of them reported that they have experienced crime in the last three years. Only nine businesses are open late, while sixty - one are closed during late – night hours. Forty - four respondents feel that their business are located in a high crime area and only twenty - six feel that their businesses are not in a high crime area, while in Figure I. 1.2 one observes that sixty - three respondent's said that the cash register is out of sight during closing hours; only seven reported that it is easy to see the cash register. Sixty respondents said that they had been experienced abusive behaviour or harassment; only ten respondents did not experience harassment. Forty - five respondents said that the security cameras are placed to

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deter robbers, while fifty - six respondents stated that there is a drop off safe at their business to minimise the cash on hand.

Figure I. 1.1 (Chart 1 of 2): Environmental Factors (n=70)

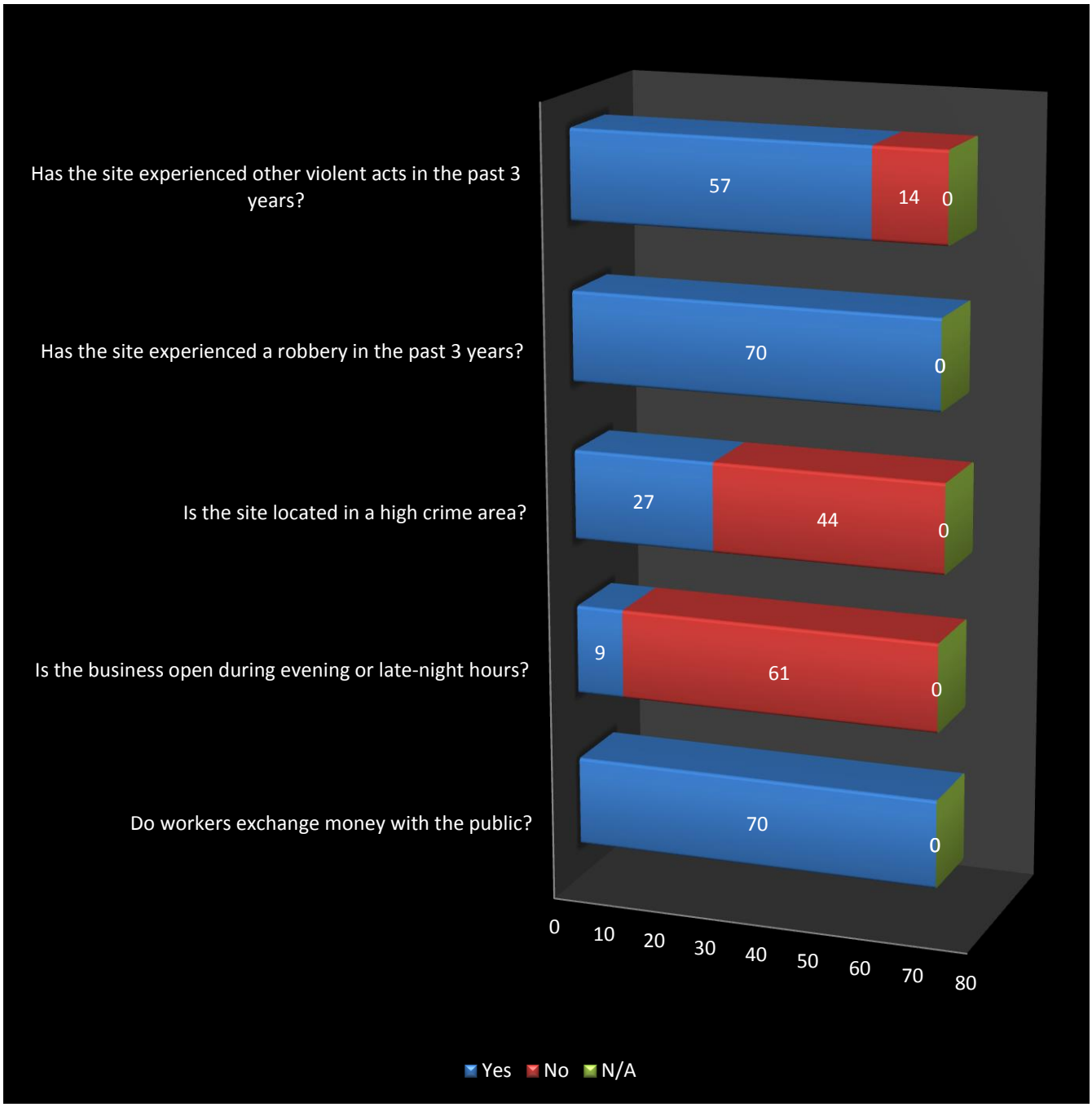

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Figure I. 1.2 (Chart 2 of 2): Environmental Factors (n=70)

5.2.10 ADMINISTRATIVE/ WORK PRACTICE CONTROL

As seen in Figure J. 1, of respondents who included business managers, heads of department and employees, sixty - two said that there are procedures in place for the opening and closing of the store. Sixty - one also stated that there are emergency policies in place to address robberies, only nine said that there are none in place. Fifty - two of the respondents confirmed that they do not have a policy in place to keep a minimum of R1000 in the till overnight, while forty - nine respondents said that there are signs visible stating that there is limited cash on the premises. Only fourteen respondents said there are no signs visible, while 7 respondents said it is not applicable to their business.

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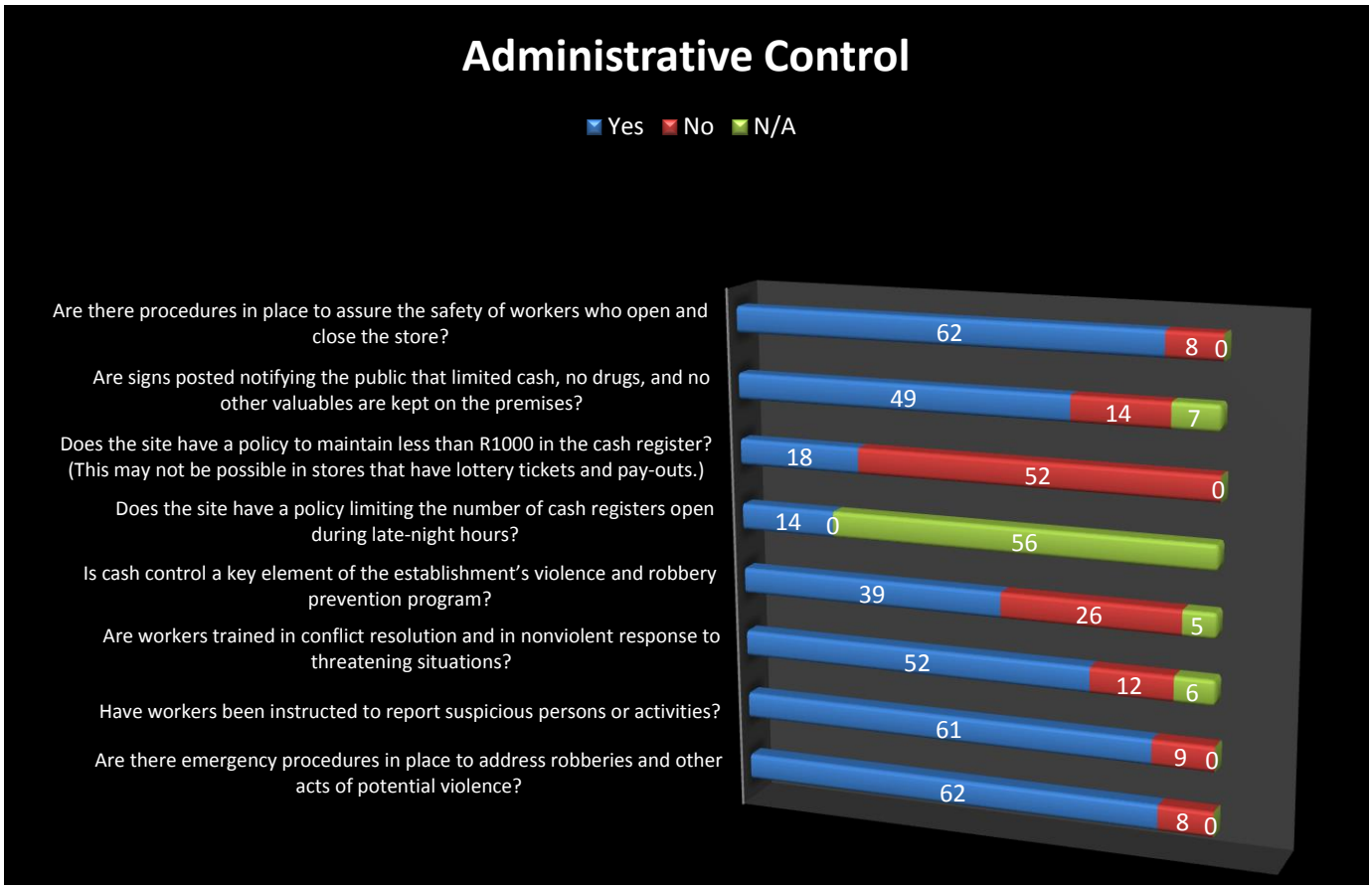
Figure J. 1: Administrative control (n=70)



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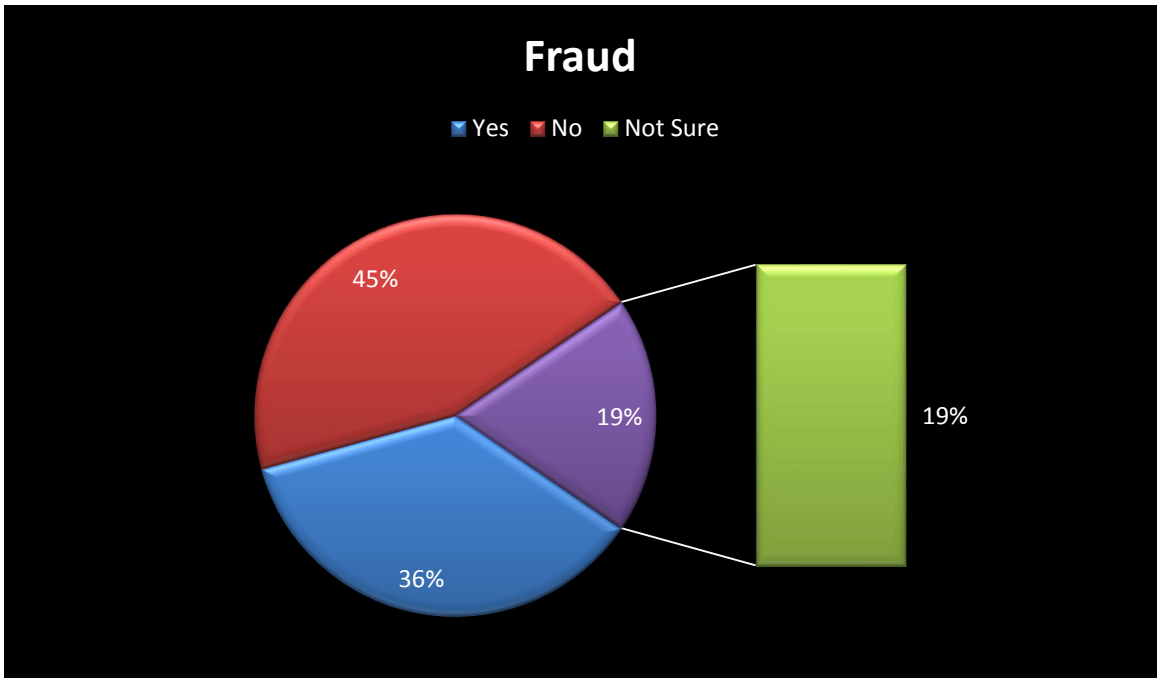
5.2.11 WHITE-COLLAR CRIME AND FRAUD

Figure K-1: Have you known anyone who has stolen property from his or her employer? (n=70)



It is evident that white-collar crime is not something new to South African businesses and individuals. Thirty - six per cent of respondents have seen or heard of fraud or have stolen property from their employer. It seems that fraud is alive and well within South African businesses.

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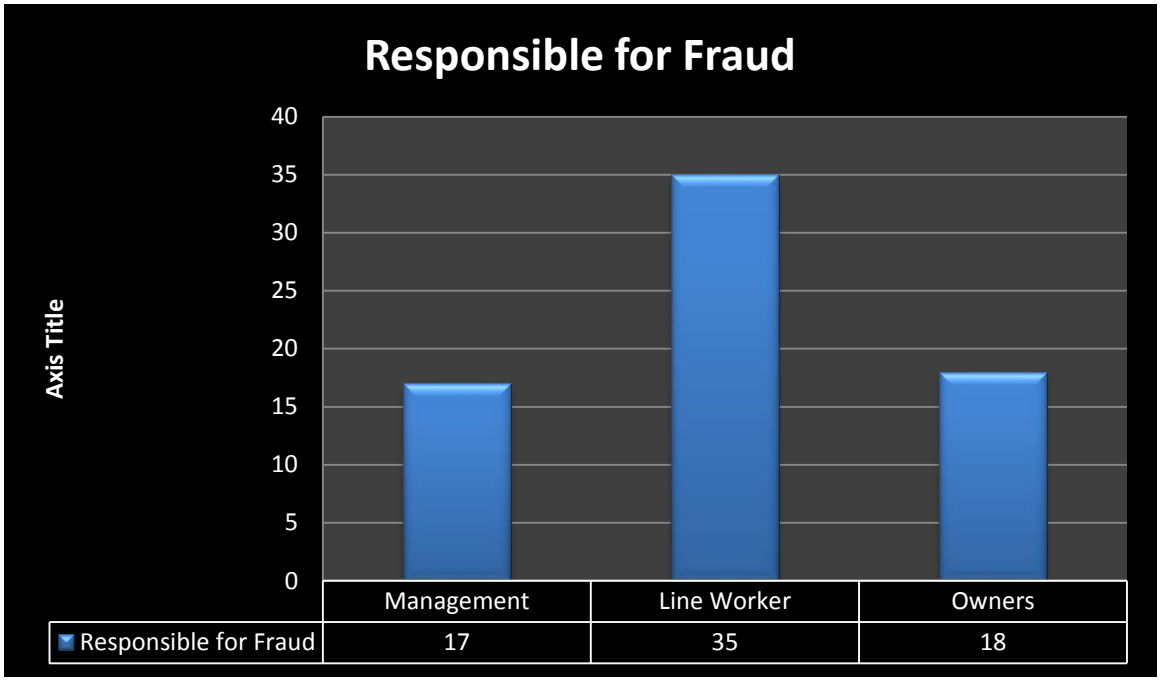
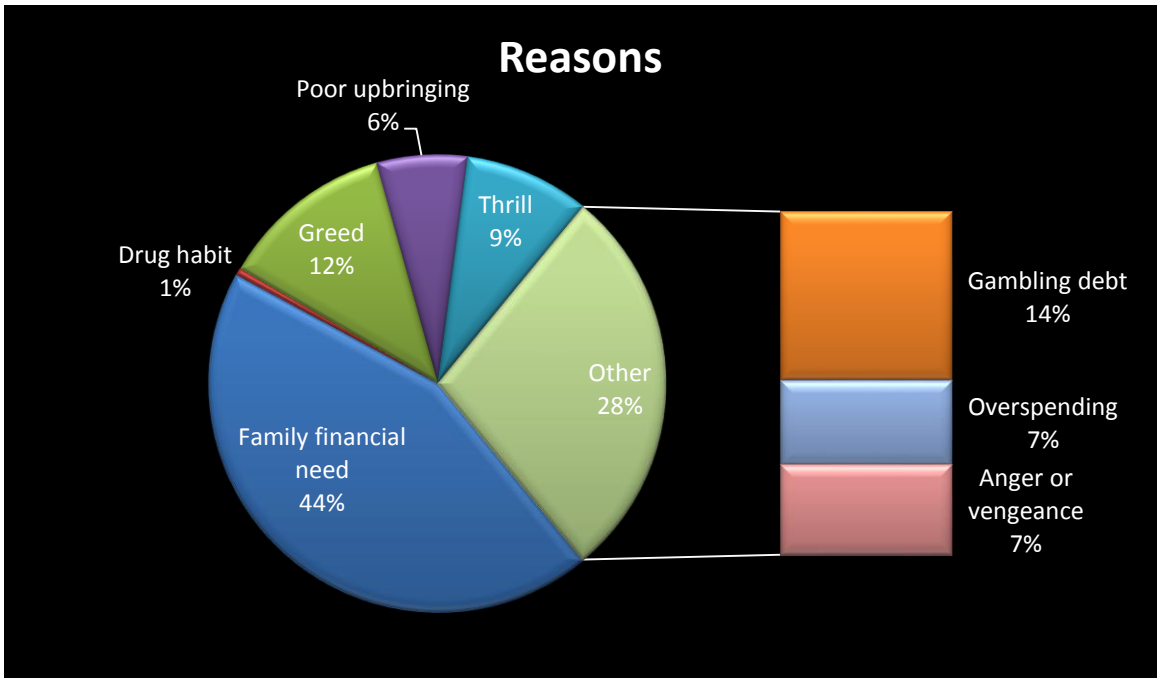
Figure K.2: Who do you think is responsible for committing the most costly work place theft that now occurs: Check all that apply, (n=70)



The respondents mainly, managers and heads of department stated that the line worker is mainly responsible for committing work place theft, due to the high cost of living in some areas.

Figure K.3: There are several reasons why people commit crimes like work place theft and embezzlement (n=70)



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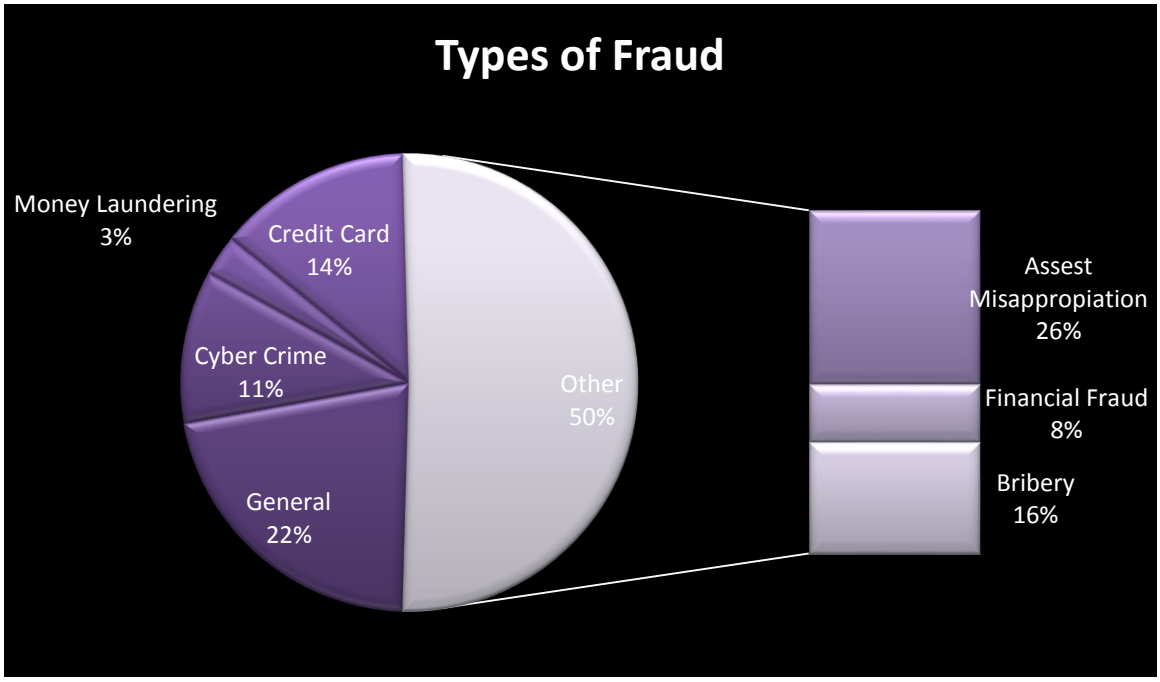
Family financial need (44%) is the reason why people commit fraud and steal from a business; greed and gambling debts are causes of fraud and corruption. The respondents are of the opinion that people steal because of a poor family background and education. . Another, reason respondents feel why people steal is due to a poor upbringing.

Figure K. 4: What type of fraud was experienced? (n=70)



Most respondents (managers and heads of department) are of the opinion that asset misappropriation (26%) is the most common type of fraud perpetrated, followed by general fraud (22%). Credit card fraud (14%) and cybercrime (11%) occur often. Money laundering is the type of fraud that occurs least.

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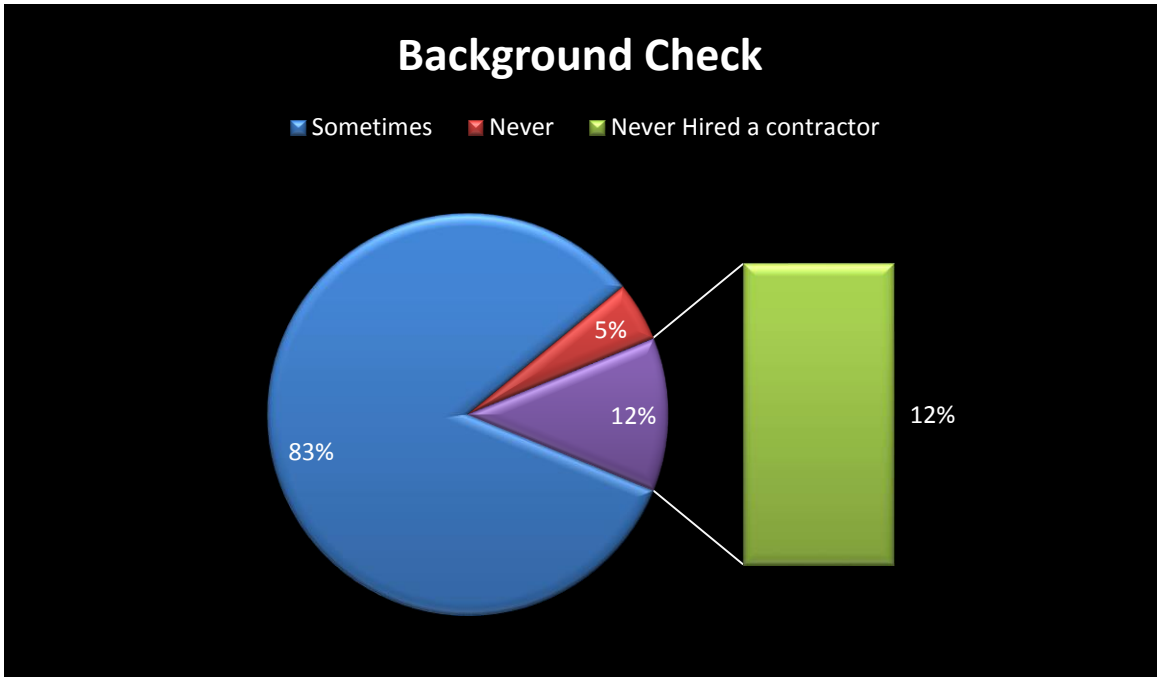
Figure K. 5: How often do you check the background of contractors who work for you, such as roofers, driveway pavers, or remodelling contractors? (n=70)



Eighty - three percent, of the respondents (managers and heads of department) reported that they do background checks on contractors, while five percent never do it. Twelve percent of the respondents stated that they had never hired a contractor before.

As seen in Figure K.6, the most common way of detecting fraud is through an investigation (47%), followed by an internal audit. Respondents (managers and heads of department) stated that whistle-blowers and informants are also excellent ways of discovering fraud.

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Figure K. 6: How was the fraud discovered? (n=70)

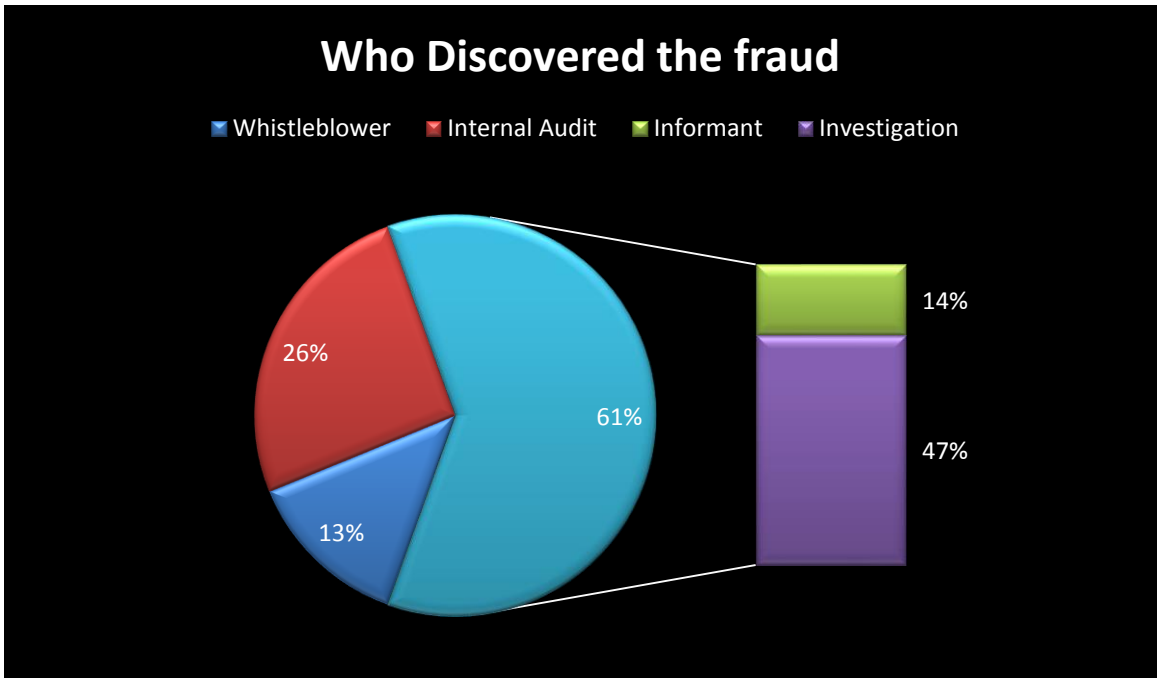
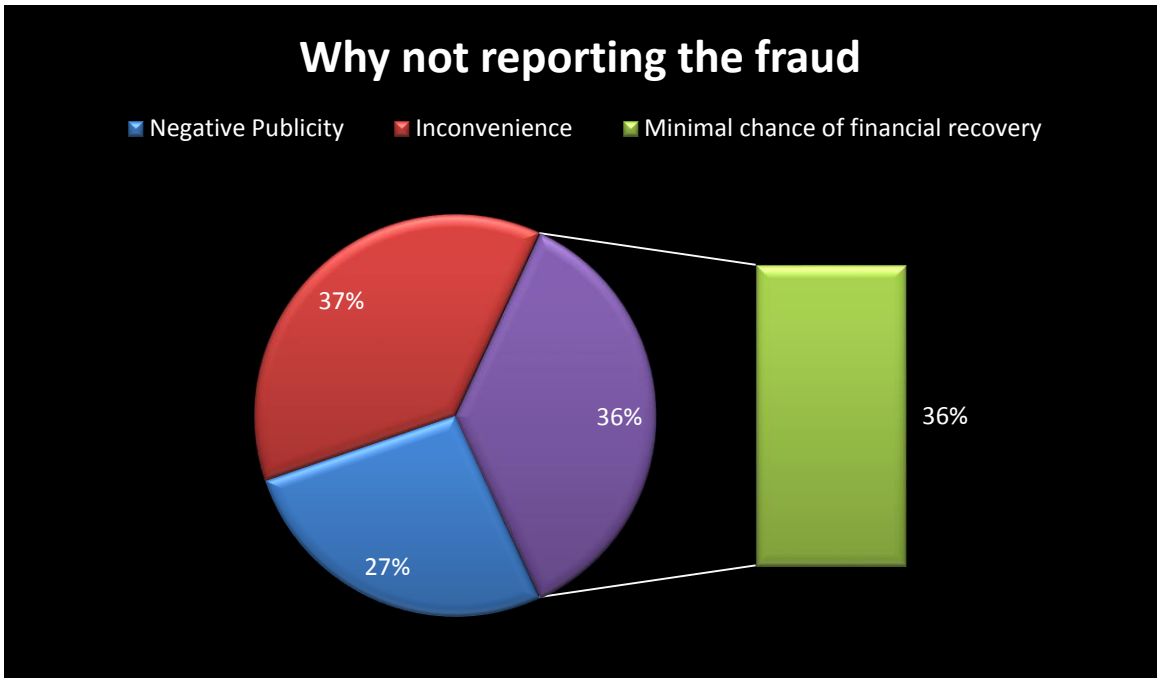


Figure K. 7: If fraud took place in your firm, why would you not report the fraud? (n=70)



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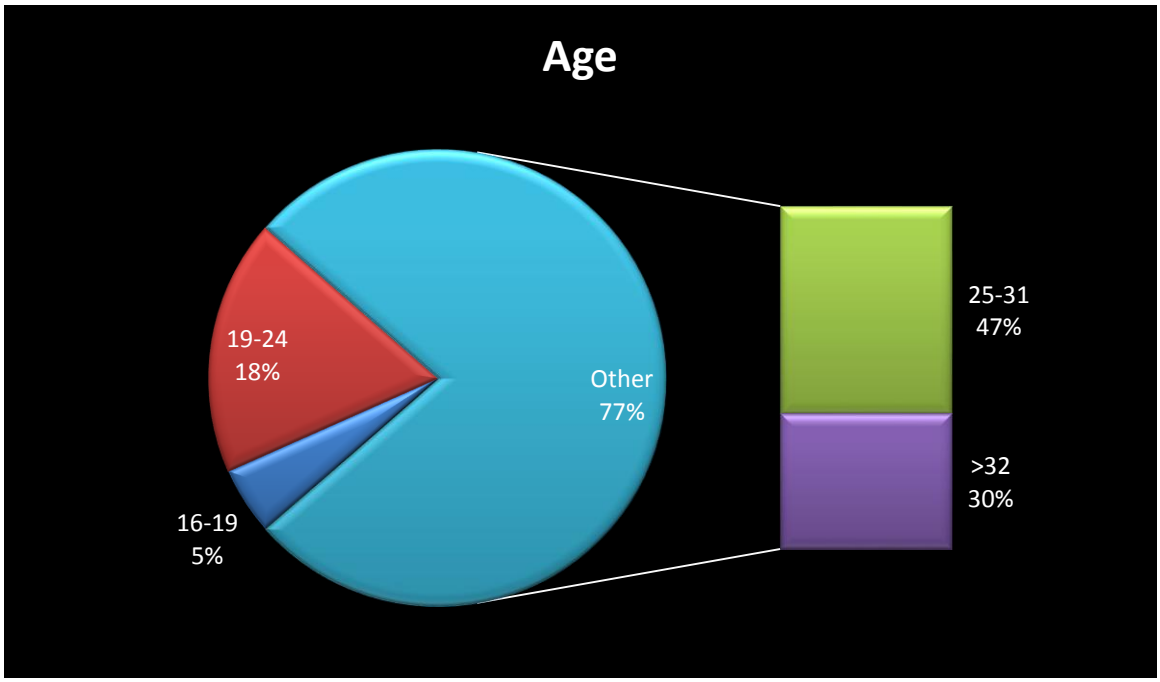
As seen in Figure K. 7 managers do not report fraud because of the inconvenience it causes (37%) for the business as well as for the business owner. When fraud is reported, the authorities often do not take any steps. Many types of fraud are complex and expensive to investigate and managers, feel it will have a negative impact on publicity (27%), and people might not support the business anymore, while some managers feel that they will never regain the money that was stolen.

Figure K. 8: Persons in certain age groups are more likely than persons in other age groups to be victimized by some kind of consumer fraud (n=70).



As seen in Figure K. 8, people between the ages of 25-31 are more likely to commit fraud, followed by people over the age of 32, and then people between19-24. People between the ages 16-19 are not likely to commit fraud. Anyone may commit fraud, most fraud perpetrators have profiles that look like those of other honest people. Middle income earners (see Figure K.9), as well as skilled workers (see Figure K.10), are more likely to commit fraud than high income and low income earners. Semi –skilled workers are the second highest perpetrators when it comes to committing fraud, while unskilled workers are the least. Respondents are of the opinion that fraud perpetrators are better educated, less likely to have criminal records, less expected to have abused alcohol, and significantly less likely to have used drugs..

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Figure K. 9: People in certain income levels are more likely than those of other income levels to be victimized by some kind of consumer fraud (n=70).

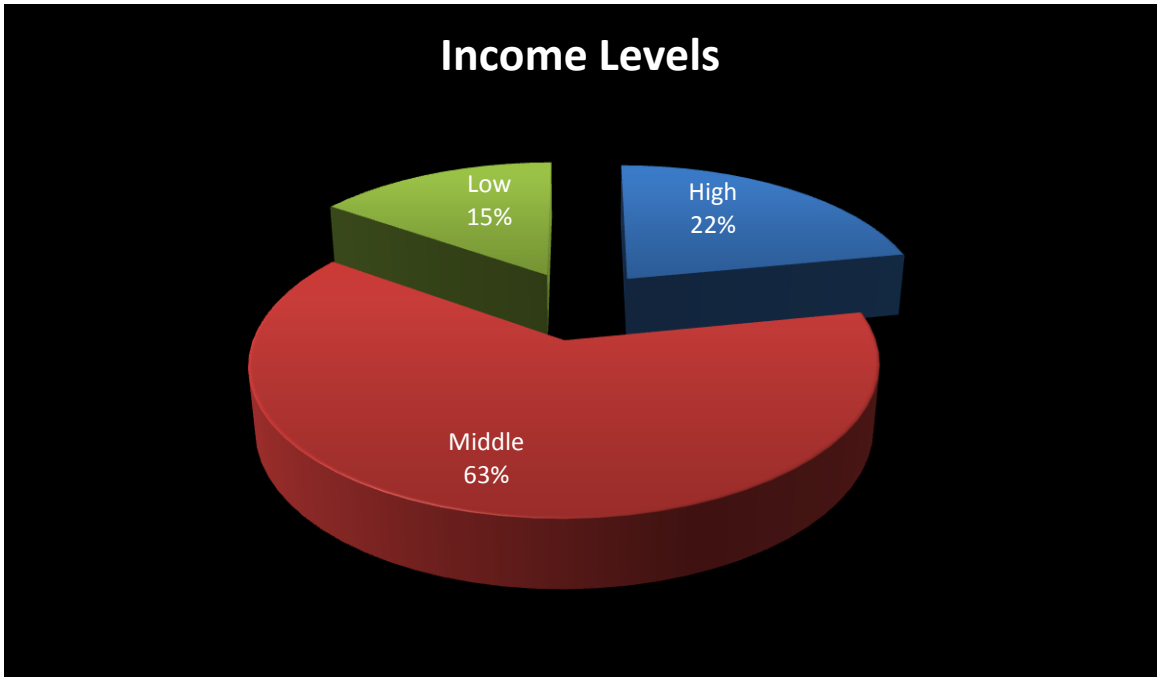
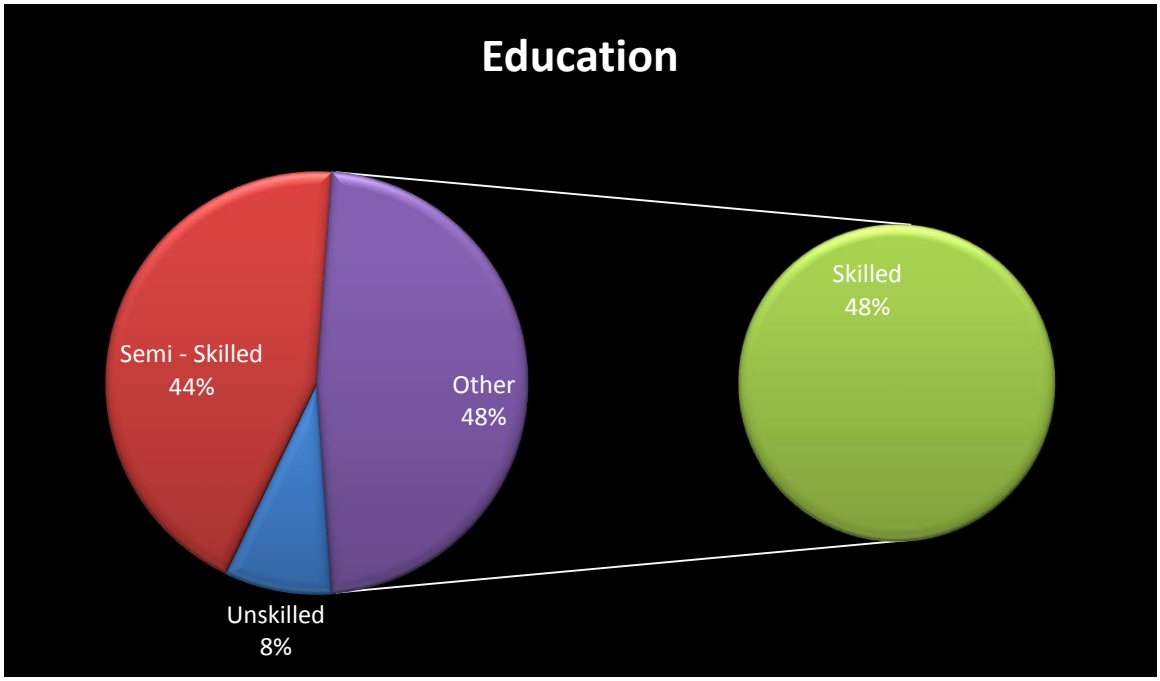


Figure K.10: People of certain educational levels are more likely than those of other education levels to be victimized by some kind of consumer fraud (n =70)



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5.3 CONCLUSION

Criminal activity aimed at businesses began increasing at an alarming rate recently. The most common crimes committed against businesses include shoplifting, vandalism and embezzlement. Criminal activity occurs more recently and may comprise of a broader variety of criminal activities, including bribery, fraud and money counterfeiting. A business are to be expected to cut furhter into the business profits as the cost of crime continue to accelerate therefore retail businessess should intensify their preventative measures and ought to develop more refined methods to discover crime.

On the basis of this survey, crime against business is widespread, with a number of business managers reporting that they had suffered from crime in the previous twelve months. In most instances, businesess who had been on the receiving end of crime over the last year, had been victims of property crime.

The cost of crime for business is real and in some instances, significant. In the first instance, businesses pay the cost of crime because they have to expend resources on replacing stolen goods, enhancing security at the firm, and repairing vandalised property. Eventuallly it is the public that bears the cost of crime. This is because businesses will typically pass on the costs of criminal activity to the consumer in terms of higher prices, an inferior quality of service, or by closing their enterprise down.

Businesses have a role to play in the battle against lawlessness, criminality and maleficent behaviour. Employers and managers have a responsibility to keep their premises in a respectable condition in order to discourage petty vandalism and graffiti. Businesses should consider it to be a duty to report all instances of criminal behaviour to the police.

Businesses that produce or sell new products and services should aim to minimise the potential for crime through designs that are as criminal - proof as possible, while managers should secure their premises and property as effectively as they can.

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Ultimately, the responsibility for crime is always and everywhere the result of an individuals' decision to break the law. Businesses and the public at large are consequently asking the Government to deter criminal actions where possible.

A detailed summary and recommendations on the the findings will follow in chapter six.

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CHAPTER SIX

CONCLUSION AND RECOMMENDATIONS

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6.1 INTRODUCTION

Despite the serious nature of retail crime, limited research has been conducted concerning this phenomenon. Based on existing literature study regarding retail crime overall, as well as the theoretical background discussed in Chapter 2 and 3, various research expectations were formulated in Chapter 4 to serve as guidelines for the study. Information was acquired by means of questionnaire with employees, managers, and supervisors as well as a questionnaire that was distributed. The data gathered was analysed and interpreted in Chapter 5.

It will subsequently be determined to what degree the resulting findings succeeded in fulfilling of the objectives of the study, as set out in Chapter 1. Diverse themes will also be identified for the purpose of further research. In addition, various recommendations which may serve as rationale for crime prevention strategies will be made.

6.2 CONCLUSIONS REGARDING THE OBJECTIVES OF THE AIM OF THE STUDY

The first objective of the research study was to analyse the demarcation of crime. The research findings emerged from respondents' comments elicited by the survey, as well as the questionnaire at which the survey findings were presented as, set out in Chapter 5.

Burglary and robbery remain the most common types of crime committed in a business. From the survey burglary accounted for 45%, while robbery accounted for 13%. Fraud accounted for 8% and employee theft 13% of all crime committed in the Mathjabeng Municipality. The survey revealed that 100% of businesses in the Mathjabeng Municipality have experienced retail crime. However retailers are reluctant to report the offence to Police (33%). Tthe main reasons are that business owners have lost confidence in the police system they are of the opinion that the South African Police Services would not be able to do anything about it, and are convinced it wasn't worth reporting.

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The research findings indicate that the most popular days for retail robberies were found to be on Fridays and Saturdays. Sundays and Mondays are also days on which robberies frequently take place. Stores are targeted on Mondays because they often have not yet banked their earnings of the weekend. The peak times for retail robberies are from 19:00 – 21:00 in the evening, attributable that there is more cash at retail stores later in the day. At these times there are also fewer passers-by who might interfere with a robbery. Retail crime increases more over Christmas and New Year than at any other time of year.

The research findings indicate that food; especially dairy products are the items that are shoplifted and stolen most by employees. Employees are very likely to steal electrical equipment, while business managers said that electrical equipment is difficult to be shoplifted. Clothes are items that are more likely to be shoplifted, as well as stolen by employees.

Issues facing retailers in addressing retail theft are identification and detection of retail crime, as well as information - sharing with the police. Possible strategies to address these two issues could include engaging the retail industry in identifying what resources they need, assisting in the identification of theft, and also the development of a national information system that reports on patterns and trends of retail theft, which is shared with the police department.

Although several losses that were quoted well above the normal range (“outliers”) were omitted from analysis, the variability in rand value losses remains large. (A minority of respondents were also unable to provide a value in respect of their losses). From the 70 businesses that experienced crime, 12 (17%) respondents stated that their cost of crime range near R100 000 per year, that is excluding indirect cost.

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Respondents' estimates of their indirect losses from crime may be particularly problematic too, since factors such as lost customers and business disruption, will be difficult for businesses to determine. As mentioned, crimes against small business affect not only the businesses involved, but also carry costs for consumers, employment levels and the economy. While many businesses manage to cover the costs of crime, this may well curtail their opportunities for expansion and better service. It is currently not known how many small businesses in the Mathjabeng area close permanently due to crime.

The research findings indicate that most businesses (71%) are aware of crime prevention programmes. Respondents stated that even if there are crime prevention workshops, they would not attend them because it is time consuming and a waste of money, rather get their information on the internet while some workers are trained in an emergency response plan, as well how to report violent incidents (41%).

The research findings indicate that there is someone responsible for security at a business to train staff. In most businesses a buddy system exists for when workers are in a dangerous situation. Respondents of the businesses stated that there is sometimes (27%), a security escort available to walk people to their cars.

The respondents indicated that they were strongly affected by robberies or assault at work. The impact of retail crime is cumulative in a financial sense, but also, less tangibly, in terms of the fear and trauma that individuals carry in their heads as the result of being exposed to retail crime, as victims themselves, and as managers, colleagues or family members of victims. The psychological impacts of crime may, for example, be a high employee turnover and decreased productivity, and will result in a of high level of anxiety and stress-related illness. All these may likely undermine the continued viability of a small business

The above impact was experienced in a number of ways, which included the victims' work and social life being affected, panic attacks, nightmares, poor quality of life, negative self-perception and depression. (To the extent that the consequences of retail crime for the victims may be determined by means of the measuring

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instrument). As mentioned, generalizations cannot, however, be made due to the size of the sample.

Employers need to be aware of the reasons why employees steal, as the majority do not steal for economic reasons. Employee fraud occurs as a result of individual differences; mostly people between the ages of 25 – 31, with a good education as well as a middle income become prone to theft. Employees seem to steal to resolve feelings of inequity, or to adhere to social norms.

In preventing employee theft it is important to understand that the non-social and social approaches may co - exist peacefully. Technology and security should be used to prevent theft; however, management still needs to focus on creating a trusting and supporting work environment. By understanding why employees steal and how they are doing it, retailers should realize theft is not only a crime problem, but a management problem as well.

Employees surveyed in this study offer advice to prevent employee theft that is largely supported by previous research; yet strongly recommends implementation or greater usage of specific measures such as video surveillance, better control and improved record keeping. Managers should be reassured that continued progress with the current trends in employee theft prevention is needed, and should continue to be implemented in small businesses. Further research is necessary to measure the accuracy of these findings, especially considering the relatively small number of participants and the dispersion of their job positions in the various firms. A comprehensive sample is needed that investigate the true depth of the employee perceptions regarding the views uncovered here, especially in the light of heightened global security, rising crime rates, terrorism, and technology-related crime.

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6.3 RECOMMENDATIONS

Various recommendations regarding future research, as well as the prevention of retail crime, will subsequently be discussed:

6.3.1 Recommendations regarding future research

Due to the fact that this study is exploratory and descriptive in nature, and that generalisation cannot be made from information, themes for future research have been identified. Themes arising from the study which justify future research include the following:

6.3.2 Laying a foundation for prevention

Business owners should take into account the physical layout, employees, hiring practices (background checks) as well as the overall security of the business. Business managers should assess the business' exposure to all kinds of crime, from burglary to fraud. Some basic prevention principles should include the training of all employees, including cleaning staff, to familiarise them with security procedures.

Managers or supervisors should keep detailed, up-to-date records as well as store back-up copies of the premises. Businesses should establish and enforce clear policies about employee theft as well as fraud, crime reporting, the opening and closing of the business, as well as any other security procedures. Equipment like computers should be marked with an identification number.

Retail crimes are usually crimes of opportunity, and failure to take good security measures, encourage crime into a business.

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6.3.3 Organizing a Business Watch

Retailers should get to know the people who operate the neighbouring retail stores since they are their neighbours for eight or more hours a day, therefore making personal contact is the best way to get acquainted. An effort to introduce the retail business to nearby residents, schools, civic groups, libraries, and clubs in the neighbourhood should be made.

Employees and supervisors should report suspicious behaviour to the police or security guards immediately, even if it means a possibility of being incorrect. A telephone network is an effective means of contributing information and communicating with other wholesalers. Should a problem develop, each wholesaler is in charge for calling one or two others on the tree. Retailers should secure the business property; direction ought to be requested security devices and techniques.

6.3.4 Robbery Prevention

Robberies occur as often as other crimes against businesses, and the potential loss for retailers may be much greater from a single incident. It may involve force, or threat of force, and may cause serious harm or even death. Therefore every business should have adequate security and safety procedures. The latter are only useful if all staff are aware of them. Some procedures may range from the simple to complex. Retailers should be vigilant for any suspicious behaviour and take suitable action. Employees should welcome all customers, visitors, delivery staff and report anyone acting suspiciously.

Retailers should reduce the amount of cash on the premises, business owners should transfer excess cash into a protected tamper-proof unit, remove cash from every single cash register overnight and leave the drawer open. Store keys should also be kept secure and removed from the business overnight. Cash should be taken to the bank ever so often, preferably by a approved firm, to counteract robberies. Retail managers should remember merchandise and cash may always be replaced—people cannot.

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6.3.5 Protecting employees

Business employees' safety is paramount therefore a business needs to design a store to minimise the risk to staff and ensure that the employees know what to do in the occurence of an armed robbery. Managers should emphasise that employees should, under no circumstances, physically tackle robbers or shop thieves. Employees should be aware of what to do and when to call in the event of a robbery. Employers have a legal responsibility for the health and well-being of employees and therefore have to introduce measures to improve their safety, which will also improve the security of a business.

The employees of a retail store that had been robbed or attacked are likely to experience some kind of trauma. Therefore trauma counseling is important for employees to prevent post-traumatic stress.

6.3.6 Surveillance Equipment and Lighting

Surveillance equipment may enhance the physical security of a business, and assist in the identification of people involved in anti-social or criminal behaviour. Retailers should install CCTV cameras, with professional advice to maximise surveillance opportunities. TV monitors should enable employees to monitor activities on the camera, and the videotapes need to be replaced quarterly to maintain quality images. Employees ought to be trained in the correct use of the surveillance system.

Sensor lighting should be connected around the perimeter of a business, particularly over the entry/exit points. Managers should contemplate leaving inadequate amount of internal lighting on at night to enable patrolling police or security guards to monitor activities within the business.

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6.3.7 General business security tips

Retail stores should use security companies to randomly patrol their businesses, particularly in isolated areas. Sensitive material, comprising of confidential records, should be properly wiped out (e.g. confidential records should be shredded or disposed of through security destruction services).

Computer passwords ought to be altered frequently (by owners or supervisors) to restrict access and avoid misuse by past and present staff. The computer passwords should not be recorded and displayed near computers, and employees should be suitably trained in evacuation procedures. Garbage bins should be stored properly so that they do not act as natural ladders to zones of retail business, or are easily accessible to the public.

6.4 CONCLUSION

With the aid of distrubuting a questionnaire as well as conducting questionnaires (with 35 retail staff) information was obtained about the effects of retail crime. Information was obtained from managers, supervisors and employees.

The different types of retail crime were elucidated as well as the ways in which crime constrains business growth. Information regarding the situational factors that may influence these crimes was likewise gathered. In addition, the reaction of the victims during a retail crime or assualt was established (the social and psychological factors). The above information was interpreted, analysed and applied to the results.

Various recommendations were made regarding the prevention of retail crime. These included more effective police enforcement, the implementation of crime prevention strategies such as training of employees in difficult situations, as well as strategies for the support of victims of retail crime and assualt.

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The study was exploratory descriptive and the researcher mades use of questionnaires in the study. The aim of the study was successfully achieved. The aim is that the findings, as well as the various recommendations made, will broaden scientific knowledge of retail crime in the Mathjabeng Municipality, and that further research of this phenomenon will be stimulated as a result

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ANNEXURE A

Dear Sir/Madam

SURVEY REGARDING THE IMPACT OF CRIME ON THE RETAIL BUSINESS SECTOR IN THE WELKOM MATHJABENG MUNICIPALITY FREE STATE.

Mr JJ de Lange, a student for the Master's Degree in Business Management, is currently gathering data to determine the impact of crime on the retail sector in Welkom.

The survey is limited to institutions that are stakeholders in the retail sector in the Mathjabeng Municipality in Welkom. He needs the inputs of all stakeholders, and therefore your co-operation is of VITAL IMPORTANCE for the success of the study.

It would be appreciated if you would be so kind as to complete the enclosed questionnaire. All information provided by yourself will be treated as STRICTLY CONFIDENTIAL, and you will be furnished with a copy of the report on completion of the study.

Should you experience any problems in completing the questionnaire you are requested to contact Mr de Lange at:

Cell: **082 775 9788**
Email: **delangejoel@gmail.com**

Thank you in anticipation for your co-operation

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QUESTIONNAIRE INSTRUCTIONS

Please read the following notes before filling out the questionnaire.

GENERAL INSTRUCTIONS

1. SECTION A: The first sheet should be used to collect contact details about the BUSINESS.

2. SECTIONS B – D: should be used to collect information regarding crime in businesses.

- **Section B - Business Crime Experience**
- **Section C - Crime Related Incidents**
- **Section D - Crime Prevention and Reduction**

3. **SECTION E**: **Focus on workplace violence on staff members**

4. SECTIONS F-K: Focus on the internal aspects of the business

- **Section F – Training**
- **Section G – Security**
- **Section H – Store Layout and Stock Replacement**
- **Section I – Environmental Factors**
- **Section J – Administrative aspects**
- **Section K: White Collar crime and Fraud**

COMPLETING THE FORM

- Please answer all questions, except where instructions indicate otherwise.

- Most answers may be given by **ticking** one or more of the boxes, or by w**riting a few words** .

Example

1.1 - Is there an official definition for immigrants in your country?

[x] yes — *please specify definition*: people with a non Italian nationality

[ ] no

[ ] don't know

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SECTION A:
BIOGRAPHICAL INFORMATION:

1. What industry is the business trading in? (Mark with X)

Industrial	
Retail	
Commercial	

2. Where in the Mathjabeng District is your business located?

Riebeeckstad	
Welkom - CBD	
Welkom – Doorn	
Welkom – Bedelia	
Welkom – Jan Celliers Park	

3. Would you classify the area as rural or urban?

Rural	
Urban	

4. What is your position at the store?

Manager	
Head of Department	
Permanent Staff Member	
Casual Worker	

5. Number of Employees in your business?

Self-employed	
2–4	
5–9	
10–19	
20–49	
More than 50	

6. Number of Years in Business?

Under 1 year	
1-2 years	
3-5 years	
6-10 years	
More than 10 years	

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SECTION B:
BUSINESS CRIME EXPERIENCE

1. Has your business been a victim of crime?

- Yes
- No

2. If you did not report 100% of all crimes to the SAPS, what were your main reasons for not doing so?

- It was only an attempt.
- My staff/security guards handled it.
- No loss or damage.
- Time constraints
- Unable to contact the police
- No confidence in police response
- Increase in insurance costs
- Fear of reprisal/violence
- Fear of negative publicity

3. Crime experience in the past 12 months

- 1 – 5 times
- 6 – 10 times
- 11 – 20 times
- More than 20 times

4. What was the most common retail crime committed?

- Vehicle theft at business premises
- Burglary
- Attempted burglary
- Employee theft
- Workplace violence
- Robbery

SECTION C
CRIME RELATED INCIDENTS

1. Please estimate the total cost of crime to your business per year, including both the cost of the incidents, and loss of business.

- Less than R 1,000
- R1,000-R10,000
- R10,000-R50,000
- R50,000-R100,000
- More than R100,000
- Unknown

2. What type of merchandise are your employees stealing? Check all that apply.

- Dairy Products
- Fresh Fruit and Vegetables
- Canned Food

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- Electrical Equipment
- Baby Products
- Clothing

3. What are the main causes of employee theft?

- Financial Need
- Emotionally Unstable
- Status
- Work Pressure

4. What products are customers keen to shoplift?

- Cosmetics
- Food
- Clothes
- Electrical Appliances

5. What are the causes of shoplifting?

- High unemployment
- Low Self-esteem
- Global Economic Crisis

6. Which days of the week does crime often occur? Check all that apply.

- Mondays
- Tuesdays
- Wednesdays
- Thursdays
- Fridays
- Saturdays
- Sundays

7. What time of the day does crime occur? Check all that apply.

- – 3 am
- - 6 am
- 10- 11 am
- – 5 pm
- 7- 9 pm
- 9 – 11pm

8. Which time of the year does crime increase?

- Christmas
- New Year
- Easter

9. What are the security related problems experienced during a power cut?

- None
- More shoplifting

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10. What is the impact of retail crime?

- Low investment
- Loss of staff
- Business closure
- Decreased productivity
- Loss of customers
- Increased cost of security

SECTION D
CRIME PREVENTION AND REDUCTION

1. Are you aware of any community or business crime prevention programs in the vicinity of your business location?

- Yes
- No

2. From which of the following organizations have you received crime prevention and reduction advice? Please check all that apply.

- Never received advice
- Police/Public Safety Departments
- Chamber of Commerce
- Security service companies
- Insurance company
- Business advisors/consultants

3. If a business crime prevention workshop were offered at a convenient time and location, would you attend?

- Yes
- No

4. If you had access to a business crime prevention web site, would you review the information and check it frequently for updates?

- Yes
- No(If not, why?)

_____

5. **If you had a business crime prevention handbook, would you use the information to establish or change business practices?**

- Yes
- No (If not, why not?) _____

6. What do you consider to be the best deterrent to crime against your business?

- Business Watch program
- Faster police response
- Video camera/other surveillance
- Private security patrol/presence
- Better staff training
- Tougher sentencing of criminals
- Crime prevention advice

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SECTION E:

WORKPLACE VIOLENCE: STAFF

1. **Is there someone responsible for security?**
   - Yes
   - No

2. Is adequate and trained staff available to protect workers against assaults or other violence?
   - Yes
   - No

3. Is there a "buddy system" to use when workers are in potentially dangerous situations?

   - Yes
   - No

4. Do security personnel have sufficient authority to take all necessary action to ensure worker safety?
   - Yes
   - No

5. Are security personnel provided outside the building?

   - Yes
   - No

6. Is the parking lot attended or otherwise secure?

   - Yes
   - No
   - Sometimes

7. Are security escorts available to walk workers to and from the parking lot?
   - Yes
   - No
   - Sometimes

8. Type of incident (*check all that apply*)

   - Grabbed
   - Pushed
   - Slapped
   - Kicked
   - Scratched
   - Hit with fist

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- Hit with object
- Bitten
- Knifed (or attempted)
- Shot (or attempted)
- Sexually assaulted
- Assaulted with weapon
- Threatened with weapon
- Verbally harassed
- Verbally threatened
- Bomb threat
- Animal attack
- Robbery
- Vandalism (employer's property)
- Other

9. Who threatened or assaulted you?

- Client/customer
- Student
- Family/friend of client or patient
- Co-worker
- Supervisor/manager
- Stranger
- Passenger
- Person in custody
- Animal
- Spouse or partner (Former spouse or partner)
- Robber/burglar

10. Were any threats made before the incident occurred?

- **Yes**
- **No**

11. If yes, did you ever report to your supervisor or manager that you were threatened?

- **Yes**
- **No**

12. POST-INCIDENT REPORT – ONLY COMPLETE IF APPLICABLE

	Yes	No
Anxious		
Return to work		
Panic Attacks		
Depression		
Sleeping Difficulties		

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SECTION F

TRAINING

1. Are workers trained in the emergency response plan (for example, escape routes, notifying the proper authorities)?

- Yes
- No

2. Are workers trained to report violent incidents?

- Yes
- No

3. Are workers trained in ways to prevent or defuse potentially violent situations?

- Yes
- No
- Sometimes

4. Are workers trained in personal safety?

- Yes
- No

SECTION G:
VISIBLE SECURITY

	YES	NO
1. Have you consulted representatives of other businesses or nearby residents about working in partnership to tackle crime?		
2. Are you sharing information with your neighbours about suspicious activity and crime?		
3. Does your staff keep an eye on all external areas of your premises?		
4. When customers enter your premises is it clear to them that your business has CCTV (visible cameras, signs, monitoring screens)?		
5. Does your staff look alert when customers enter your premises?		
6. Whenever there are customers in your premises, is your staff always visible?		
7. Do you ensure that signs never obstruct lines of vision or CCTV cameras?		
8. Are you sure there are no 'blind spots' (areas where thieves may hide without being seen by staff or CCTV cameras)?		
9. Is your CCTV footage reviewed on a regular basis (at least weekly), to identify potential thieves and any other criminal activity that has taken place?		
10. Is the quality of your CCTV within the requirements of the police for identification and evidence purposes?		

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SECTION H
STORE LAYOUT AND STOCK PLACEMENT

	YES	NO
1. Is your staff vigilant about high-value stock?		
2. Is consideration given to the location?		
3. Do you have a device to alert staff that a customer has entered your building, such as a bell, or electronic beep on the door?		
4. Are valuable items kept out of sight and out of reach of windows?		
5. Is a quick 'getaway' made difficult for thieves by barriers such as two sets of doors, railings or steps?		
6. Is the interior of your building well maintained (broken signs removed, interior decoration attended to, the area around the till clean)?		
7. Are high-value goods securely locked away when the business is closed?		
8. Is there a 'safe' area where staff may retreat if a robber breaks in?		
9. Can staff easily reach the 'safe' area from their usual location?		
10. Has the counter been designed and positioned to make it difficult for thieves to lean over and reach the till?		
11. Was the counter area designed with locked gates to make it difficult for offenders to easily get behind it?		

SECTION I
ENVIROMENTAL FACTORS

	Yes	No	N/A
1. Do workers exchange money with the public?			
2. Is the business open during evening or late-night hours?			
3. Is the site located in a high crime area?			
4. Has the site experienced a robbery in the past 3 years?			
5. Has the site experienced other violent acts in the past 3 years?			
6. Has the site experienced threats, harassment, or other abusive behaviour in the past 3 years?			
7. Is lighting bright in outside, parking and adjacent areas?			
8. Are windows and views outside and inside clear of advertising or other obstructions?			
9. Is the cash register in plain view of customers and police cruisers to deter robberies?			
10. Is there a working drop safe, or time access safe, to minimize cash on hand?			
11. Are security cameras and mirrors placed in locations that would deter robbers or provide greater security for employees?			
12. Are there height markers on exit doors to help witnesses provide more complete descriptions of assailants?			

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SECTION J
ADMINISTRATIVE/ WORK PRACTICE CONTROL

	Yes	No	N/A
1. Are there emergency procedures in place to address robberies and other acts of potential violence?			
2. Have workers been instructed to report suspicious persons or activities?			
3. Are workers trained in conflict resolution and in non - violent response to threatening situations?			
4. Is cash control a key element of the establishment's violence and robbery prevention program?			
5. Does the site have a policy limiting the number of cash registers open during late-night hours?			
6. Does the site have a policy to maintain less than R1000 in the cash register? (This may not be possible in stores that have lottery tickets and pay-outs.)			
7. Are signs posted notifying the public that limited cash, no drugs, and no other valuables are kept on the premises?			
8. Are there procedures in place to assure the safety of workers who open and close the store?			

SECTION K
WHITE-COLLAR CRIME AND FRAUD

1. Have you known anyone who has stolen property from his or her employer?

- Yes
- No
- Don't know

2. **Who do you think is responsible for committing the most costly work place theft that now occurs?**:

- Management
- Line workers
- Business owners

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3. There are several reasons why people commit crimes like workplace theft and embezzlement. On a scale of 1 to 6, with 1 being strongly disagree and 6 being strongly agree, state to what extent you agree that the following are reasons why people commit crimes like workplace theft and embezzlement. Is it because of…?

- Family financial need 1 2 3 4 5 6
- Drug habit 1 2 3 4 5 6
- Greed 1 2 3 4 5 6
- Poor upbringing 1 2 3 4 5 6
- Thrill 1 2 3 4 5 6
- Gambling debt 1 2 3 4 5 6
- Overspending 1 2 3 4 5 6
- Anger or vengeance 1 2 3 4 5 6

4. What type of fraud was experienced?

- General
- Cyber Crime
- Money Laundering
- Credit Card Fraud
- Asset Misappropriation
- Financial Fraud
- Bribery

5. How often do you check the background of contractors who do work for you, such as roofers, driveway pavers, or remodelling contractors:

- Sometimes
- Never
- Have never hired a contractor
- Don’t know
- Refused

6. How was the fraud discovered?

- Whistle-blower
- Internal Audit
- Informant
- Investigation

7. **Why would you not report the fraud**?

- Negative Publicity
- Inconvenience
- Minimal chance of financial recovery

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8. Do you agree or disagree with the following statement: People in certain age groups are more likely than those in OTHER age groups to be victimized by some kind of consumer fraud. Which age groups would those be?

- 16 – 19 year old
- 19 -24 year old
- 25 – 31 year old
- Older than 32 years

9. **Do you agree or disagree with the following statement: People in certain income levels are more likely than those of OTHER income levels to be victimized by some kind of consumer fraud. Which income levels would those be?**

- High Income
- Middle Income
- Low Income

10. **Do you agree or disagree with the following statement: People of certain education levels are more likely than those of OTHER education levels to be victimized by some kind of consumer fraud.**

- Skilled
- Semi – Skilled
- Unskilled

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