

5 ways to prevent employee theft



Every year, employee theft from U.S. businesses totals \$50 billion. (Yes, you read that right. Billion!)

How is that possible? Well, believe it or not, it takes an average of two years to actually detect it... which means an employee has 730 days to do some serious damage. And with an average of 75 percent of employees admitting having stolen at least once from their employer, that's a lot of damage. (Not-so-fun fact: 37.5% of employees say they've stolen at least **twice**.)

Now, we may not know what motivates an employee to take from their employer, but we do know how to stop it.

If you want to safeguard your small business, discover how to prevent employee theft:

1. **Do a background check.** First, a reference check. Then, take the next step. The National Federation of Independent Business recommends you perform background checks on potential hires, and so do we. Especially if they'll be handling your finances.
2. **Really get to know your team.** If an employee has a relationship with you, they'll have a much harder time stealing from you. Plus, if you can connect with them on a personal and professional level, you'll notice if they're having financial struggles or high levels of stress. Both can increase their impulse to steal, but both can be prevented.
3. **Add some subtle supervision/surveillance.** Emphasis on the word "subtle." If you're constantly looking over someone's shoulder, they're never going to feel comfortable. But, it makes sense to keep some sort of eye on them. If you're currently having a problem with employee theft, you may want high-definition cameras to vividly catch the crime.
4. **Give employees a way to report wrongdoing.** If an employee sees someone else stealing, they need to know they can come forward confidentially. However, you have to be careful, because you don't want to seem accusatory - like you don't trust your team. Position this policy as an opportunity to talk freely about anything affecting the business. Let them know that if they notice something big or small, they should talk to a specific person (perhaps a

higher-up in Human Resources).

5. **Pay them fairly.** Higher wages? They translate to lower employee theft. If an employee is underpaid, unfortunately, they're more likely to consider stealing something. To them, it seems to even the playing field. Keep it in mind as you set salaries, and remember that it can also help recruit and retain the right people.

If you suspect an employee may be stealing from you, tread lightly. Unless you know with certainty, be extremely careful about making an accusation or conducting an investigation. If you're wrong, you could lose even more than you already have.

Still interested? Read our blog post: [9 hazards hiding in your small business.](#)