

Crimes against Retail Business in Botswana

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ABSTRACT The main issue addressed in this study is the identification of the nature, scope, and the rate of retail crimes in Botswana and to measure its magnitude in terms of the total amount of money lost to theft as a basis for analyzing retail business security needs. Data were collected from a random sample of 52 retail businesses using a self-administered questionnaire under the supervision of trained assistants. The universality of the crime against retail business was revealed in the study. 11 (eleven) crimes against retail business in Botswana were identified; Non-employee and employee thefts were found to be the most frequent; cheque fraud, credit card fraud, failing to ring up sales were found to be less frequent; while trespass, arson, vandalism, smash and grab, break and entry and assault against staff were relatively uncommon. The bulk of the thefts were carried out mainly in the evenings. The analysis of variance test (ANOVA) showed that there is no significant difference in the rate of crime among types of retail business. The costs of both employee and non-employee thefts for 5,565 retailers in Botswana were calculated to be P121, 902,883.20 or \$20,317,147.20 (US dollars) in 2005. This figure will certainly increase depending on the number of branches each retailer has. The true impact of the problem was revealed. Prudent business will therefore set out to prevent itself from becoming a victim which also has positive effects on profits.

INTRODUCTION

Retail industry in Botswana is growing. There are 5,565 retail and wholesale businesses in Botswana and out of this figure, 1,614 are in the capital city of Gaborone. Since the industry on the average operates on small profit margins, losses due to criminal abuse certainly will have a marked effect on the overall retail prices and ability of many retailers to survive, let alone prosper. There is lack of information on the extent of the problem in the retail business across Botswana. Consequently, the impact of this problem on the economic and social life of the community is largely unknown. Retailers concentrate efforts on aggressive sales, promotional activities and other marketing strategies as the only means of increasing profits but it is not clear how much attention has been given to prevention of losses, which has also positive effects on profits. The study will not only expand our knowledge of various crimes against retail business in Botswana, but also will provide basis for designing interventions or preventive measures that are relevant to the environment which can be put in place in (SADC) countries and this will have economic impact.

THEORETICAL BACKGROUND

Retail Crime Survey

All over the world, retail business suffers one

or more of the following abuse: shoplifting, theft, credit card or cheque fraud, internal theft by staff, armed robberies, break and entry, arson, trespass, vandalism, etc. All businesses are possible victims of crime. However; the potential for theft appears to be high in retail business (Walsh, 1995). Probably in no other industry is the attack so sustained. The universality of the crime against retail business is revealed by formal research. For example, victim surveys such as South Australian survey of retailers found that two-thirds of respondents had suffered a crime during the previous year (Australia, 1998). In addition, two British victim surveys of that sector found similar results. One reported that three quarters of all businesses had been subject to one or more types of crime or anti-social behavior (Wood et al., 1997), and the other reported that 76% of the respondents' small firms considered that crime is a serious problem for their business (British Chambers of Commerce, 1997). While serving as Home Office Minister in UK, Blears, (2003) appointed a network of Business Crime Reducing Advisers (BCRAs) in each of the 10 regional Government offices to develop a strategy focusing on reducing crimes against business sector and improve awareness on business crime. Sharp (2004) also explained the benefits of alcohol referral schemes aimed at reducing alcohol related offences. The above points tended to support the earlier finding of the British Chambers of Commerce that crime is a serious problem for small firms. Furthermore, U.S. studies have shown that

employee theft in U.S.A. can have as much as 12% impact on retail prices, an overall guess-estimate of around 40 billion dollars annually (Hannan, 1998). Again, statistics compiled by one major retailing group in Australia showed that in a three-month period in 1997, 13,900 shop stealing offenders were arrested in their stores all over the country (Walsh 1995).

Dynamic Nature of Crime Against Business

Furthermore, formal research revealed that crime against business can be described as dynamic from two major perspectives. First it changes as business attempts to protect itself through preventive measures. For example, when procedures were put in place to make it more difficult for people to fraudulently acquire credit cards, which they abused, offenders changed tack and started forging cards. When the credit card companies introduced additional security features like holograms onto cards, the forgers were stalled until they worked out how to forge them. These days, some overseas credit card providers put customers' photographs on their cards - a much more difficult problem for the offender to counter (Challinger, 1998). Second, the dynamic feature of crime against business is reflected in the imaginative approaches of some offenders. For example, one British fraudster would take three differently sized suitcases with him whenever he flew. On arrival at his destination, he would place one case inside another, and fraudulently claim for the loss of it. Before he was arrested, he had claimed over \$170,000 from the airlines (Challinger, 1998). The ugly experience tended to emphasize the need for identification of the sources of the crime as a prerequisite to the development of preventive measures.

Sources of Crime against Business

Thus, we distinguish between crimes against business committed by those outside the business (non-employee crime) and those committed within the business (employee crime).

Non-employee Crime

External crime can cause losses to business even when that business is not the direct victim. For example, as it becomes publicly known that a particular community is a center for violence and

illegal activities, trade and business activities may fall causing obvious losses to business. However, more often than not external crimes are targeted directly to business. This can be illustrated by organized theft groups in the United States. For example, in 1996, eleven people were jailed in North Carolina for alleged participation in a multi-state stolen property ring which involved stealing goods from retail stores and then repackaging them for sale. The trial revealed documented transaction which exceeded \$10, 000,000 and ended with ten people being convicted, including the principals of the six companies located in three different states (Ross, 1998). There are other examples. Consider the practice of illegally copying computer software which causes real losses for the writers of that software. Not long ago according to (Sibley, 1998), the Canadian Alliance against Software Theft (CAAST) noted that the major problem for them was the "huge number of businesses" that buys all the software they used, and claim that an estimated 50% of all software piracy happens in the workplace.

Employee Crime

Internal crimes against businesses have been the subject of many studies and have been shown to be the source of massive losses. The seminar work in this area by Clark and Hollinger (1983) showed the extent of employee involvement in what they described as property deviance (which includes theft) and production deviance (which includes misconduct such as not working all the time, being late for work, taking long lunches, etc.). It is rewarding to note that many studies have focused on theft by employees – an activity that certainly generate losses for businesses, particularly as it appears to be common in some workplaces such as retail outlets. The universality of employee theft is facilitated by their role. Employees, for example, are in a unique position to become aware over time of opportunities and weaknesses to exploit in their workplace. For example, there is the case of one particular employee who worked casually in three different jobs. The first was a bar, where the person would frequently give away alcohol as well as fail to ring up sales. The second was at a major card and stationery franchise, where the person would turn off the register half an hour before closing and pocket the sales revenues received over the half hour. The third job at a major fast food chain

suffered at the employees' hands as the employee would frequently remove alcohol from the premises with the garbage, steal cash whenever the system was down and quite comfortably cover their tracks by writing things off as mistakes. All these thefts occurred in workplaces that are generally considered to be well controlled and occurred right under the nose of management.

Theft is not the only form of employee deviance that causes serious losses. One of the most serious is sabotage in some form or the other. In Australia, according to the editor of *The Age* (1995), a worker caused over \$1,000,000 damage after setting fire to his employer's factory. When the case came up for hearing in the court-room, the court upheld the defense of the accused that he was disgruntled and was aiming at getting back to the foreman rather than cause losses to his employer. Consequently, he was sentenced to only three years imprisonment. In USA, a financial executive who had been dismissed sought to bring down his previous employer's business in a more subtle way. He sent letters forged with the CEO's signature on company letter head, each "cleverly crafted to antagonize the recipients who significantly disrupted the business" (Brod, 1994). Each of these employee misconducts is strongly associated with low workplace morale, a fact well established by research (Sykes, 1997). In addition, research has established that an employee likely to steal is also more likely to engage in other workplace deviance which suggests that tackling internal crime may lead to a reduction in other misconduct too but how can it be done? The study by French et al. (2001) indicated that formal sanctions and extra-legal variables do not affect intentions to act dishonestly. Thus, it might be necessary to find out the reasons for the spread of theft in business.

Reasons Why Theft Continues to be Wide Spread

Unemployment and Disillusionment: Unemployment and disillusionment with consumer driven society which does not deliver its promise can bring this about. Research showed that where such disaffection exists in growing numbers, particularly among the younger members of the community, serious long term consequences for law and order in the society is likely to follow.

Relaxation of Internal Controls: Relaxation of internal control has opened opportunities for

those who are willing to find ways around systems. One example concerns a young part-time employee who found it possible to process credit card accounts by manipulation of sales transactions at the conclusion of the day's trading.

He was identified only after he has stolen \$30,000 through this method. The retail organization involved had necessary check and balances within its systems to identify this fraud earlier, but did not do so because work-practice changes made systems redundant through reduction of daily internal transactions (Walsh, 1995).

Lack of Control: Lack of control or inadequate procedures to minimize the risk of theft could open up opportunities to those willing to steal. Many employers who were interviewed had no existing controls or procedures in place to minimize the risk of theft. Cash registers which also function as checks on overall operations of the business are not in use by most employers.

Ignorance: Many employers are not yet aware of the varied ways that theft may be consummated. Employees are in a better position to be aware over time of opportunities and weaknesses to exploit in their workplace. The management is at a disadvantage here because of differences in perception of the two parties.

Employee Theft is Rarely Reported: Employee theft is not often reported in most developed countries (Hannan, 1998). Lack of information on this subject certainly will make it difficult to assess the extent of the problem which in turn, can lead to sense of complacency among employees who have the information. The reason why employee thefts are not reported is still a subject for research. In my opinion however, the extra costs of insurance make it (insurance) an unattractive proposition, once again putting the responsibility on the employer to deal with the matter in-house.

RESEARCH OBJECTIVES AND METHODOLOGY

The study was carried out to determine the nature and the rate of crimes against retail business in Botswana and to sensitize the industry executives about the need to be more pro-active in designing retail crime prevention measures to reduce crimes against retail business. The main issue addressed is the identification and documentation of the nature, scope, and the rate

of retail crimes in Botswana and to measure its magnitude in terms of the total amount of money lost to theft as a basis for analyzing retail business security needs. Based on a review of the literature, the following study hypotheses were established:

Ho1: There is a significant difference in the rate of crime among types of retail business.

Ho2: The retail executives did not rate crime against retail business as high to a significant extent.

The analysis is based on survey method of data collection with structured questionnaire as the instrument. Self-administered questionnaires were completed by representatives of a sample of retail business in Botswana numbering 52 under the supervision of trained assistants. In addition, face-to-face interviews (surveys) were used in few instances to vary the approaches among persons who would not have the time to complete and return the questionnaire. The approach therefore resulted in higher percentage of responses. Since retail business is run by retail managers/executives, the focus of the study is on retail executives operating the retail businesses in Botswana. The decision to concentrate on these categories of people was motivated by the fact that these retail executives are really in a position to know the various crimes against their retail businesses in Botswana.

A list of all retail and wholesale businesses in Botswana, numbering 5,565, was used as the basis for the sample. Wholesale businesses were included because most of them sell more than 50% of their products to the ultimate consumers. Finally, a random sample of 52 retail businesses was drawn from the list. The respondents were asked detailed questions about the forms, extent and frequency of criminal abuse which their business has suffered during the past 12 months. In addition, some information about items usually stolen was solicited.

RESULTS AND DISCUSSION

Various Crimes Identified in Botswana and Items Commonly Stolen

The following crimes against retail business were identified in Botswana and in various proportions: shoplifting, cheque fraud, credit card fraud, assault against Staff, internal theft by employees, trespass, arson, vandalism, smash and grab, break and entry and failure to ring up sales.

All the respondent retail businesses (100%) suffered a crime during the past 12 months. Items commonly stolen by non-employees include the following:

Sweets, biscuits, wine, beer, small toys, fruits, rubber bands, deodorants, tools, chocolates, socks, bras, pins, trousers, shorts, forks and spoon, under wears, shoes, cell phones, pan cakes, confectioneries, CD'S, jewelry and perfumes. On the other hand, items commonly stolen by employees are:

Electrical appliances, grocery, air- time, sports shoes, ciders biltong, wine, take- aways, satellite materials, hosepipes, tools, clothes/ books, novels, shoes polish, iron, kettles, cameras, money (cash) toiletry, food items, calculators and socks.

Respondents' Description of the Rate of Retail Crime and Their Opinion on Whether Shoplifting is Increasing or Not

The study showed that generally the rate of crime in retail business was at least very high and non-employee theft (shoplifting) was increasing. To be more precise, 73.5% of the respondents indicated that the rate of crime was at least very high and 64.4% said that non-employee theft was increasing (Tables 1a & 2).

Table 1a: Respondents' description of the rate of retail crime

	<i>Fre- quency</i>	<i>Per- cent</i>	<i>Valid percent</i>	<i>Cumulative percent</i>
Alarming	19	36.5	38.8*	38.8
Very high	17	32.7	34.7*	73.5
Fairly high	12	23.1	24.5	98.0
Low	1	1.9	2.0	100
Total	49	94.2	100.0	
Missing items	3	5.8		
Total	52	100.0		

38.8%+34.7% = 73.5%

One – Sample t- test Statistics for Description of Retail crime

The test value (3) ($\{1+2+3+4+5\}/5 = 3$), is the expected mean of the five - point likert scale administered to the respondents on the rate of crime on retail business. The mean difference, 1.10 (4.10 - 3.00), is significant at .001 level of significance because $P(.000) < .001$. Since the P value is significant at .001 level of significance, it is significant at .05 level. Hence, it is concluded

Table 1b: One – sample t-test statistics for description of retail crime

	<i>Test Value = 3</i>					
	<i>N</i>	<i>Mean</i>	<i>SD</i>	<i>t</i>	<i>df</i>	<i>P</i>
Description of retail crime	49	4.10	.848	9.101	48	.000*

*Significant @.05 level of significance

that the retail executives rated crime against their business as high to a significant extent (Table 1b).

Responses to Some Important Questions on Security Needs of the Business

The analysis showed that 94.2% of the retailers indicated that their business was insured; also, 94.2% stated that they subscribed to security companies while 64.7% said that they provided training for staff on shoplifting detection, prevention and apprehension. Furthermore 63.8% of the respondents said that there was the need to spend more on security. The above findings tended to give further support that the retail executives did not under-rate their security needs (Table 1c).

Table 1c: Responses to some important questions on security needs of the business

<i>S. No.</i>	<i>Questions asked</i>	<i>Percentage</i>
1	Is the Business insured?	94.2
2	Do you subscribe to security company?	94.2
3	Do you provide training for staff on shoplifting detection, prevention and apprehension?	64.7
4	Do you think there is the need to spend more on security of your business?	63.8

ANOVA Description of Retail Crime among Types of Business

The analysis of variance test (ANOVA) showed that there is no significant difference in the rate of crime among types of retail business because the $P(0.551) > 0.05$. So, reject the null hypothesis of significant difference in the rate of crime among the types of retail business and conclude that there is no significant difference in the rate of crime among the types of retail business. This suggests that no particular type of retail business is more prone to attack than others, perhaps due to similarity in the type of retailers in the sample of this study and the nature and unit value of their products. The respondents in the sample were mainly supermarket retailers (Table 3).

Frequent Retail Crimes

Proportions of Retail Crime: Non-employee theft (shoplifting) was found to be the most frequent type of retail fraud with a mean score of 3.67 followed by employee theft with a mean score of 2.98. The least rated crime was arson with a mean score of 1.05 (Table 4).

Less Frequent Retail Crimes

Frequency of Cheque Fraud: Cheque fraud was found to be less frequent among retail

Table 2: Respondents' opinion on whether shoplifting is increasing or decreasing

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	Increasing	29	55.8	64.4	64.4
	Decreasing	16	30.8	35.6	100.0
	Total	45	86.5	100.0	
Missing	items	7	13.5		
Total		52	100.0		

Table 3: ANOVA table for description of retail crime among types of business

<i>Sum of Squares</i>	<i>df</i>	<i>Mean Square</i>	<i>F</i>	<i>Sig.</i>	
Between Groups	1.560	3	.520	.710	.551
Within Groups	32.930	45	.732		
Total	34.490	48			

Table 4: Proportions of retail crime

	<i>Shop-lifting</i>	<i>Cheque fraud</i>	<i>Credit card fraud</i>	<i>Assault against staff</i>	<i>Internal theft by staff</i>	<i>Tres-pass</i>	<i>Arson</i>	<i>Vandalism</i>	<i>Smash and grab</i>	<i>Break and entry</i>	<i>Failure to ring up the cash register</i>
Nvalid	51	47	46	43	45	41	41	42	44	45	46
Missing	1	5	6	9	7	11	11	10	8	7	6
Mean	3.67	1.60	1.41	1.51	2.98	1.27	1.05	1.83	1.50	1.53	2.54
Median	4.00	1.00	1.00	1.00	3.00	1.00	1.00	1.00	1.00	1.00	2.00
Mode	5	1	1	1	1	1	1	1	1	1	1
Std. Deviation	1.424	.993	.777	.935	1.485	.775	.312	1.267	1.000	1.120	1.615
Variance	2.027	.985	.603	.875	2.204	.601	.098	1.606	1.000	1.255	2.609
Range	4	4	3	4	4	4	2	4	4	4	4
Minimum	1	1	1	1	1	1	1	1	1	1	1
Maximum	5	5	4	5	5	5	3	5	5	5	5
Sum	187	75	65	65	134	52	43	77	66	69	117

businesses. Up to 68.1% of the respondent retail businesses said that it does not happen at all (Table 5).

Frequency of Credit Card Fraud: Credit card

fraud was also found to be less frequent. Up to 73.9% of the respondents said that it does not happen at all, while 13% said that it rarely happens. (Table 6).

Table 5: Frequency of cheque fraud

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	Not at all	32	61.5	68.1	68.1
	Rarely happens	5	9.6	10.6	78.7
	Less frequent	8	15.4	17.0	95.7
	Frequent	1	1.9	2.1	97.9
	Most frequent	1	1.9	2.1	100.0
	Total	47	90.4	100.0	
Missing	Items	5	9.6		
Total		52	100.0		

Table 6: Frequency of credit card fraud

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	Not at all	34	65.4	73.9	73.9
	Rarely happens	6	11.5	13.0	87.0
	Less frequent	5	9.6	10.9	97.8
	Frequent	1	1.9	2.2	100.0
	Total	46	88.5	100.0	
Missing	Items	6	11.5		
Total		52	100.0		

Table 7: Frequency of failure to ring up the cash register

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	Not at all	20	38.5	43.5	43.5
	Rarely happens	5	9.6	10.9	54.3
	Less frequent	6	11.5	13.0	67.4
	Frequent	6	11.5	13.0	80.4
	Most frequent	9	17.3	19.6	100.0
	Total	46	88.5	100.0	
Missing	Items	6	11.5		
Total		52	100.0		

Frequency of Failure to Ring up the Cash Register: Failure to ring up sales was observed as a crime that was not wide-spread within the industry with 43.5% of the retailers saying that it does not happen in their retail stores and 10.9% saying that it rarely happens (Table 7).

Relatively Uncommon Retail Crimes

The study revealed that the following crimes were relatively uncommon in Botswana:

Trespass, arson, vandalism, smash and grab, break and entry and assault against staff. with 85.4%, 97.6%, 64.3%, 72.7%, 75.6% and 67.4% of the respondents (retailers) respectively saying that it does not happen at all (Tables 8, 9, 10, 11, 12, 13).

Respondents' Opinion on How They Handle Theft: In contrast with what obtains in most developed countries such as U.S.A, Australia and UK, where employee theft are usually not

reported; 60.8% of the retailers (respondents) indicated that they usually report employee thefts to police and 73.5% prosecute the apprehended non-employees (shoplifter) in Botswana (Tables 14, 15).

The Age Range of Shoplifters: The shoplifters were found to be relatively young with 43.9% of the retailers indicating the shoplifters' average age to be between 11 and 20 years while 51.2% indicated the shoplifters' average age to be in the 21-30 years age range (Table 16).

The Respondents' Opinion on Whether They Use External Auditors: 80.4% of the retailers indicated that sometimes they make use of external auditors to audit their accounts (Table 17).

Period of the Month When Theft is Most Frequent: Up to 92.31% of the respondents said that theft was most frequent at month ends (Table 18).

Table 8: Frequency of trespass

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	35	67.3	85.4	85.4
	Rarely happens	3	5.8	7.3	92.7
	Less frequent	2	3.8	4.9	97.6
	Most frequent	1	1.9	2.4	100.0
	Total	41	78.8	100.0	
Missing	Items	11	21.2		
Total	52	100.0			

Table 9: Frequency of arson

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	40	76.9	97.6	97.6
	Less frequent	1	1.9	2.4	100.0
	Total	41	78.8	100.0	
Missing	Items	11	21.2		
Total		52	100.0		

Table 10: Frequency of vandalism

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	27	51.9	64.3	64.3
	Rarely happens	3	5.8	7.1	71.4
	Less frequent	6	11.5	14.3	85.7
	Frequent	4	7.7	9.5	95.2
	Most frequent	2	3.8	4.8	100.0
	Total	42	80.8	100.0	
Missing	Items	10	19.2		
Total		52	100.0		

Table 11: Frequency of smash and grab

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	Not at all	32	61.5	72.7	72.7
	Rarely happens	7	13.5	15.9	88.6
	Less frequent	1	1.9	2.3	90.9
	Frequent	3	5.8	6.8	97.7
	Most frequent	1	1.9	2.3	100.0
	Total	44	84.6	100.0	
Missing	Items	8	15.4		
Total		52	100.0		

Table 12: Frequency of break and entry

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	Not at all	34	65.4	75.6	75.6
	Rarely happens	4	7.7	8.9	84.4
	Less frequent	4	7.7	8.9	93.3
	Most frequent	3	5.8	6.7	100.0
	Total	45	86.5	100.0	
Missing	Items	7	13.5		
Total		52	100.0		

Table 13: Frequency of assault against staff

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	Not at all	29	55.8	67.4	67.4
	Rarely happens	10	19.2	23.3	90.7
	Less frequent	1	1.9	2.3	93.0
	Frequent	2	3.8	4.7	97.7
	Most frequent	1	1.9	2.3	100.0
	Total	43	82.7	100.0	
Missing	Items	9	17.3		
Total		52	100.0		

Table 14: Do you report employee theft to police?

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	Yes	31	59.6	60.8	60.8
	No	20	38.5	39.2	100.0
	Total	51	98.1	100.0	
Missing	items	1	1.9		
Total		52	100.0		

Table 15: Do you prosecute apprehended shoplifters?

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	Yes	36	69.2	73.5	73.5
	No	13	25.0	26.5	100.0
	Total	49	94.2	100.0	
Missing	items	3	5.8		
Total		52	100.0		

Table 16: The age range of shoplifters

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 10yrs	1	1.9	2.4	2.4
	11-20yrs	18	34.6	43.9	46.3
	21-30yrs	21	40.4	51.2	97.6
	Above 30 yrs	1	1.9	2.4	100.0
	Total	41	78.8	100.0	
Missing	items	11	21.2		
Total		52	100.0		

Table 17: The respondents' opinion on whether they use external auditors

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	41	78.8	80.4	80.4
	No	10	19.2	19.6	100.0
	Total	51	98.1	100.0	
Missing	items	1	1.9		
Total		52	100.0		

Table 18: Period of the month when theft was most frequent

Time	Frequency	Percentage
Month End	48	92.31
Midmonth	3	5.77
Beginning of the month	1	1.92
Total	52	100.00

Table 19: Month of the year when theft is most frequent

Month	Frequency	Percentage
January	4	7.69
September	4	7.69
November	4	7.69
December	40	76.93
Total	52	100.00

Table 20: Time of the day when theft was most frequent

Time	Frequency	Percentage
Anytime	5	12.20
Before noon	3	7.32
Afternoon	13	31.70
Evening	17	41.46
Holidays*	3	7.32
Total	41	100.00

Month of the Year When Theft is Most Frequent: 76.92% of the respondents said that theft was most frequent in the month of December (Table 19).

Time of the Day When Theft is Most Frequent: Up to 41.46% of the respondents stated that theft occurred most frequently in the evenings (Table 20).

Average No. of Shoplifters per Month: The average number of non-employee theft (shoplifter) per month and per retail store was found to be nine (9) (Table 21), while the average number of employee theft was four (4) only (Table 22).

Average Value of one Employee Theft/Shoplifting: The average value of one non-employee theft was P78.20 per month and per

Table 21: Average no. of shoplifters per month

S. No..	Shoplifting per month (X)	Frequencies (F)	(FX)
1	0	1	0
2	1	3	3
3	10	2	20
4	100	1	100
5	12	1	12
6	15	2	30
7	2	10	20
8	20	1	20
9	24	1	24
10	3	4	12
11	4	4	16
12	5	7	35
13	6	4	24
14	60	1	60
15	7	2	14
Total		44	390

Average = $390/44 = 8.86 = 9$

Table 22: Average number of employee theft per month?

S. No..	Shoplifting per month (X)	Frequencies (F)	(FX)
1	0	1	0
2	1	11	11
3	2	11	22
4	3	5	15
5	4	1	4
6	5	4	20
7	30	1	30
8	40	1	40
Total		35	142

$$\text{Average} = 142/35 = 4.0571 = 4.00$$

store while the average value of one employee theft was P280.41 per month and per store. These values are derived by multiplying the mid values of the average values of one employee and one non - employee thefts and dividing by their respective frequencies (Table 23).

The total non-employee theft per month and per retail store was P78.20 multiplied by the average number of non - employee theft per month (9), which gives a total of P703.80, while that of employee was found to be P1,121.64 per retail store, and per month which is P280.41 x 4 (average number of employee theft per month) (Table 24). Therefore, the total non-employee (Shoplifting) theft per annum per store was calculated to be P8, 445.60 (703.80 x 12), while the estimated as

indicated by the retail executives was P8, 290.54 (P306,750.00; which was the total estimated amount of theft by non-employees per annum divided by 37 respondents - retail executives). Similarly, the employee theft was calculated to be P13, 459.68 per annum and per retail store (P1, 121.64 x 12) while the estimated was P7, 658.57 (P268,050; which was the total estimated amount of theft by employees per annum divided by 35 respondent retail executives). This indicated that non-employee theft and the estimated non-employee theft followed similar trend and were relatively very close while the calculated and the estimated employee thefts did not follow the same trend indicating that the employee theft was underestimated by the retail executives. The trend could be dangerous if the retail executives continue to overestimate the level of the honesty of its employees.

The cost of both employee and non-employee thefts for 5,565 retailers in Botswana retail business sector was calculated to be; P121, 902,883.20 (13,459.68 x 5, 565 + 8,445.60 x 5,565). In dollars, the amount was \$20,317,147.20 (@ P6.00 to a dollar) in the year 2005. This figure would certainly increase in proportion to the number of branches that each retail firm has. The number of branches owned by each firm was not known at the time of the study. To be on the safe side, we assumed that the firm has only one branch.

Table 23: Average value of one employee theft

		<i>Mid – values(X)</i>	<i>Frequency(f)</i>	<i>fx</i>	<i>Percent</i>	<i>Valid Percent</i>
Valid	P1 - P100	50.5	15	757.5	28.8	34.9
	P100-199	150.0	10	1500.0	19.2	23.3
	P200-P299	250.0	3	750.0	5.8	7.0
	P300-P399	350.0	1	350.0	1.9	2.3
	P400-P499	450.0	6	2700.0	11.5	14.0
	P500 - 1000	750.0	8	6000.0	15.4	18.6
	Total		43	12,057.5	82.7	100.0
Missing	Items		9		17.3	
Total			52		100.0	

Table 24: Average value of one non- employee theft

		Mid – values(X)	Frequency(f)	fx	Percent	Valid Percent
Valid	P1 - P25	13	10	130.0	19.2	21.3
	P26-P49	37.5	9	337.5	17.3	19.1
	P50-P74	62	7	434.0	13.5	14.9
	P75-P99	87	6	522.0	11.5	12.8
	P100 – P200	150	15	2250.0	28.8	31.9
	Total		47	3,675.5	90.4	100.0
Missing	Items		5		9.6	
Total			52		100.0	

Each store in the retail industry spent P34,080 on the average per year in order to keep its level of losses (due to theft) to P18,302 limit with 63.8% of the retailers indicating the need to spend more in order to bring the level of theft to absolute minimum.

DISCUSSION OF RESULTS

The purpose of this study was twofold: to determine the nature of the retail crime in Botswana and to measure its magnitude in terms of the total amount of money lost to theft. With respect to the above, the study identified eleven (11) crimes against retail business in Botswana which can be classified into three major categories as follows:

Frequent, Less Frequent, and Relatively Uncommon Crimes

Frequent Crimes: Frequent crimes against retail business in Botswana consist of:

- Non –employee theft (shoplifting)
- Employee theft

The cost of both employee and non-employee thefts for 5,565 retailers in Botswana was calculated to be P121,902,883.20 or about \$20,317,147.20 (US dollars) in 2005 as indicated earlier. This figure revealed the true impact of the problem on the economic and social life of the country. On the basis of these findings, it is concluded that non-employee and employee thefts are of such magnitude that steps have to be taken to reduce, if not eliminate, it. Retailers face not only the costs of lost merchandise but also those associated with the prevention, detection, and prosecution. The editor of *The Business Week* (1979) stated that these costs have been cited as a prime cause in one-third of all bankruptcies in small businesses. Furthermore, it (cost of employee and non-employee theft) sensitized them about the need to provide interventions or preventive measures that are relevant to the environment which can also be put in place for the SADC countries.

Also, in contrast to what obtains in the U.S.A. and Australia, where employee theft is usually not reported to police, the study results indicated that employee theft is usually reported to police in Botswana and apprehended non-employee prosecuted. This practice has some advantages and disadvantages.

Advantages:

- It makes it easier to ascertain the extent of this problem in the community.
- The awareness of the information is likely to discourage sense of complacency.

Disadvantages:

- To deal with such crimes publicly would not achieve any meaningful result for the business affected - court imposed penalties do not redress the damage that a business may have suffered.
- In some instances, the costs of seriously addressing such crimes would be greater than actual losses suffered. It would therefore be a bad business practice to address such issues.

Perhaps, these are some of the reasons why employee theft is rarely reported in U.S.A, Australia and other developed countries of the world. Consequent upon the above, it may be a good idea for business to be pro-active and set out to prevent themselves from becoming victims of crime through a combination of preventive approaches as well as utilising the criminal justice process, perhaps only when it is absolutely necessary.

Less Frequent Retail Crime: Cheque fraud, credit card fraud, failing to ring up sales were found not to be very common among retail businesses, with 68.1%, 86.9%, and 54.4% of the retailers saying it does not happen in their stores respectively.

Relatively Uncommon Retail Crimes: The study further revealed that the following crimes were relatively uncommon in Botswana: trespass, arson, vandalism, smash and grab, break and entry, and assault against staff with 85.4%, 97.6%, 64.3%, 72.7%, 75.6%, and 67.4% respectively of the respondents (retailers) saying that it does not happen at all. These findings no doubt can help to make this country attractive for foreign investment in retail and other industries.

Further analysis of the lists of items usually stolen revealed a difference in the pattern of employee and non-employee thefts. Whereas non-employee theft was more frequent and tended toward items of low unit values, employee theft was less frequent but tended toward items of higher unit values. The explanations could be that employees were insiders and were therefore more knowledgeable of the loop-holes that existed within the organization and had more time to steal if they wanted to, than non-employees.

CONCLUSION

Retailers face substantial losses from customers and employees who tended to behave dishonestly. We began this study by observing that there was lack of information on the extent of losses due to criminal abuse in retail business in Botswana. Many employers were not aware of many and varied ways that theft may be consummated. Therefore, there was the need for identification and documentation of the nature, scope, and rate of retail crimes in Botswana as a basis for analyzing retail business security needs. Furthermore, it was observed that there was the need to sensitize the industry executives to be pro-active in designing crime prevention measure to reduce crimes against retail business.

This study progressed in the direction of documenting eleven retail crimes in their various proportions. A program emphasizing prevention not only makes sense from the manager's perspective; it also makes sense from the customer's perspective. Detection programs identify people after they have committed an offence, when they face fines and possible jail sentence; prevention programs help the consumer avoid problems in the first place. The study by French et al. cited earlier, indicated that formal sanctions and extra-legal variables do not affect intentions to act dishonestly. Therefore, if retailers can change their perceptions without alienating regular customer, they may be able to discourage fraudulent acts. It is therefore concluded by stating that a program emphasizing prevention is likely to be more successful in reducing crimes against retail business than a program of formal sanction and extra-legal variables. Furthermore, the true impact of the problem was revealed. The prudent business will therefore set out to prevent itself from becoming a victim which also has positive effects on the profits.

Direction for Future Research

In the course of the study, few areas of further

research were identified. It is proposed that future research should focus on:

- A program of interventions or preventive measures that is relevant to Botswana which can also be put in place for the SADC countries.
- Why employees and customers engage in deviant activities.

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