

EMPLOYEE THEFT IN HOSPITALITY: CAUSES AND EXCUSES

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EXTENDED ABSTRACT

The requirement to satisfy customers (and managers) places hospitality workers in weak and subservient positions, which can be compounded by sexual harassment (Guerrier & Abid, 2000), low pay (Beck, 1992; Gilbert, Guerrier, & Guy, 1998; Mars & Nicod, 1984) and poor personnel practices (Price, 1994). In such environments, it is not surprising to find employees stealing from guests, the company, and each other (Divine, 1992; Mars & Nicod). Although the literature does not provide quantitative data on theft in hospitality, many writers (e.g. Divine; Johnson, 1983; Mars & Nicod; Stevens & Fleckenstein, 1999; Wanhill, 1994) observe that theft is common.

Although the root causes of theft are varied, the literature reflects a strong association between theft and unfair or inequitable employment conditions. This relationship was initially proposed by Adams (1963) and is often cited by writers investigating theft (e.g. Greenberg, 1990, 2002). When employees perceive their treatment as inequitable or unfair, they become motivated to reduce the inequity, which can result in stealing or giving away of company property. If this reduces profitability, it places pressure on the organisation, which is passed on to employees, further alienating them. Hospitality managers encourage dishonest behaviour by paying poorly, while providing employees with opportunities to redress the imbalance by stealing (Beck, 1992; Divine, 1992; Johnson, 1983; Mars & Nicod, 1984). Other major causes of theft identified in the literature include staff turnover (Thoms, Wolper, Scott, & Jones, 2001; Withiam, 1996), a lack of trust between staff and management (Niehoff & Paul, 2000), organisational dishonesty (Cialdini, Petrova, & Goldstein, 2004), and general employee unhappiness (Korolishin, 2003). Theft has the capacity to erode staff morale, ethical standards, prices, profits and wages (Pankratz, 2000). Wanhill (1994) performed complex calculations on the effects of fiddles in hospitality, and concluded that as these reduce revenue, they raise the break-even point of a business (*Fiddling* is a common form of theft, and is a means of extracting cash from a person or business in such a way as to conceal the theft, such as adding water to a bottle of gin).

This study presents data collected from 534 Auckland hospitality workers, and finds employee theft is strongly associated with workplaces where under-staffing is common, and where other breaches of ethical standards (for example, serving alcohol to minors) occur. Of valid responses, 78% said theft was occurring in their workplace. As the study is part of a wider doctoral study of hospitality workplace problems, some comparisons with other problems (e.g. sexual harassment and having to work in smoke) are also presented.

Hourly wage was the strongest predictor of responses on the perceived incidence of theft. However, theft was also strongly associated with under-staffing, illegal alcohol service, and poor food hygiene, and (but to a lesser extent) poor training (of those who said theft occurred regularly in their workplace, 57% also said training was poor).

Data indicated that a third of hospitality workers were likely to take pens home, and a quarter would help themselves to left-over food. Theft was department specific; that is, individuals were more likely to steal from their own department than from another, perhaps due to ease of access, or due to reduced sensitivity caused by an apparent bountiful supply. Ethical tolerance generally decreased with age and with characteristics associated with age, such as seniority, job security and pay.

While front office workers and students were among those most likely to take pens, the most significant determinant of pen theft was age. Theft of food intended for guests was associated with seniority and department, with food and beverage supervisors those most likely to steal. Those most likely to take left-over food were younger respondents, students, those with least experience, least job security and lowest pay, as well as supervisors, and food and beverage workers. The most significant determinant of taking left-over food was primary occupation (i.e. this job, another job, or study). Gender was a determinant of taking cleaning products, toilet paper and towels, and of the few respondents who thought it was acceptable to take these items, most were males.

Although written comments included a variety of rationalisations, none provided a detailed description of planned or persistent thieving, even though (from the writer's experience) this is common. Some respondents revealed an indignant morality, evidenced in comments such as 'if it's not yours, don't take it', initially suggesting that theft was widely opposed. However, the plethora of excuses suggested otherwise. These were (in order of frequency):

1. Error (it was a mistake)
2. Excess (they were going to throw it out anyway)
3. Insignificance (I only took a little bit)
4. Area (I used it here)
5. Expense (it didn't cost much)
6. Enhancement (actually, I was being quite helpful)
7. Endorsement (they don't mind)
8. Equalisation (everyone is doing it)

The excuse of error was revealed in comments such as 'can't be helped, especially things like pens, paper etc' and 'it can be an honest mistake'. The use of the word 'honest' in this context attempts to rationalise and normalise behaviour that is a form of theft, and which results in discipline in many workplaces. Respondents also excused the behaviour of others who were stealing: 'only thing I have seen staff take has been stationery. Often they have been using it and put it in bag at end of shift – not intentional stealing'. One respondent noted that although there were often 'pens in your pockets at the end of the shift', she would 'use them again on your next shift', perhaps suggesting that as long as the pen was returned to her workplace, no crime was being committed.

A Canadian study of stress in the retail sector (Zeytinoglu, Lillevik, Seaton, & Moruz, 2004) found that job insecurity, short and split-shifts, unpredictable hours, low pay, gendered work environments, and the need to maintain several jobs, contributed to absenteeism, high turnover and workplace conflicts. Many of the workers in this study experienced the same difficulties as those in Zeytinoglu et al.'s study, and their employers accrued the same outcomes. Both studies suggest that loyalty and generosity are reciprocal values; if employees do not have adequate job security and tolerable working conditions, they will generate conflict, take time off work, and eventually leave, none of which seems surprising. By its nature, the hospitality industry cannot offer eight hour shifts and permanent positions to much of its workforce, as staffing requirements are dictated by the human needs of eating and sleeping. However, results of this study suggested that employers could reduce workplace problems by providing as many employees as possible with full time work.

This paper aims to help improve ethical standards in hospitality workplaces by quantifying levels and types of theft, identifying predictors, rationalisations and causes of theft, and generating solutions to reduce unwanted behaviours generally, but theft specifically.

Keywords: hospitality, employee theft, unethical behaviour, staff turnover

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