

Walden University

College of Management and Technology

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Walden University

June 2020

Abstract

Small Business Owners' Strategies to Mitigate Employee Theft

by

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MBA, Florida Technical Institute, 2017

MS, Florida Technical Institute, 2016

BS, Eastern Florida State University, 2015

Doctoral Study Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Business Administration

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Abstract

Ineffective strategies and a lack of internal controls to address employee theft can negatively impact small businesses. For most small business owners impacted by employee theft, the loss of resources could be detrimental, and in some cases, force the business closure. Grounded in Cressey's fraud triangle theory, the purpose of this qualitative multiple case study was to explore strategies successful small business owners use to deter employee theft behaviors. The participants comprised 8 small business owners in southeast Florida who successfully used strategic internal controls to deter employee theft and enhance employee trust in the workplace. Data were collected from semistructured interviews, company internal control policy documents, and trade recommendations of best practice and internal control frameworks for small businesses. Thematic analysis was used to analyze the data. Six themes emerged: the reconciliation of accounts and communicating expectations for transparency, multiple eyes on accounts and separation of duties, installing system and physical access controls, conducting random reviews with internal and external audits, hiring and building the right teams, and addressing challenges and resistance to policy change and implementation. A key recommendation is to actively engage in formal and informal education of strategies and adequate internal controls to negate employee theft behaviors. The implications for positive social change include the potential for small business owners to create a positive effect within the workplace, ensuring continued employment opportunities, contributions to the community tax base, and continued social responsibility.

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Dedication

I dedicate this study to God Almighty, who blessed me with the strength to overcome challenges to see this journey to the end. I also dedicate this study to the loving memory of my parents Aurora L. Trigg and Jasper A. Trigg, both of whom encouraged me to be the best person that I could be, even when no-one is looking. To my amazing children, Jacquillia/Carl, Juan, and J'nez, I thank you for believing in my successes even when I didn't and for loving me unconditionally. For my grammies, Deonte', Jache', Cheyenne, and Nyla, thank you for ALWAYS making my heart sing and for the unlimited kisses, hugs, and I Love You's. To Earl Taylor, my extended family and friends, thank you for your patience and encouragement. I Love you all!

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Section 1: Foundation of the Study

The success of the small business remains an essential component for the creation of employment opportunities and improved economic growth for communities (Kennedy, 2018). Approximately 64% of small businesses are victimized by employee theft behaviors which target all types of resources including cash, tools, supplies, inventory, and sensitive data. Unfortunately, employee theft behaviors can hinder the success and affect the sustainability of the small businesses through decreased employment opportunities, decreased financial stability, and fear and embarrassment of the small business owner (Kennedy & Benson, 2016). Without adequate exposure to and knowledge of strategies to deter and prevent employee theft in a small business environment, small business owners will face challenges to reach the goals, objectives, and potential of the business.

Background of the Problem

Small businesses are vulnerable to employee theft behaviors due to a lack of expertise, resources, and increased opportunities within the trust-based system in which they operate (Hess & Cottrell, 2016). Employee theft is especially evident in a small business context, and some small businesses do not have the human, financial, or technical resources to combat such behavior or navigate its manifestations and complexities (Aris, Arif, Othman, & Zain, 2015; Hess & Cottrell, 2016; Kramer, 2015; Omar, Nawawi, & Puteh-Salin, 2016). Small businesses in the United States realized median losses of \$150,000 due to employee theft in 2016 (Association of Certified Fraud

Examiners [ACFE], 2016). Theft-related business closures are often due to an inability of small businesses to identify employee theft activities, a loss of customer confidence and decreased customer loyalty due to deviant behaviors (ACFE, 2016; Ruankaew, 2016; Trigo, Belfo, & Estébanez, 2014). Additionally, small business closures and retrenchments can negatively impact local economies by a loss of employment opportunities, decreased contributions to the tax base, and a loss of stability for the owners (Kennedy & Benson, 2016; Llopis et al., 2015; U.S. Small Business Administration [SBA], 2017). There is a gap in the literature regarding the availability of practical and cost-effective means for small business owners to deal with employee theft behaviors. This study provided practical insights and identified strategies and resources that enabled small business owners to develop and manage strategies and internal controls that cultivated and sustained a theft-free environment, grew the business, and increased profits.

Problem Statement

Small businesses are vulnerable to employee theft leading to lost business profits (Hess & Cottrell, 2016). According to the 2016 Global Fraud Report, median losses due to employee theft were \$150,000 for small businesses; 60% of the businesses that experienced employee theft never recovered, forcing the closure of the business (SBA, 2017). The general business problem is that without internal controls, small business owners may experience employee theft that may impact sustainability. The specific

business problem addressed in this study is that some small business owners lack strategies to establish internal controls to mitigate employee theft.

Purpose Statement

The purpose of this qualitative multiple case study was to explore the strategies small business owners used to mitigate employee theft. The population consisted eight small business owners who have successfully mitigated theft by employees in the southeast United States. Implications of this study for positive social change included the means for small business owners to enhance loyalty and trust with employees, and to promote healthy and prosperous customer relations that supported business growth and economic stability within communities.

Nature of the Study

There are three research methods in academic research: qualitative, quantitative, and mixed (Saunders, Lewis, & Thornhill, 2015). A quantitative method is used when the objective is to quantify and examine the relationships between dependent and independent variables using statistical models, tables, to explain observations (Berneth, Cole, Taylor, & Walker, 2018). I did not use statistical analysis to examine or to quantify relationships among variables because my focus was on the what and how of the behaviors. Therefore, a quantitative methodology was not an appropriate choice. Mixed method researchers apply components of both quantitative and qualitative methods for data collection and data analysis (de Block & Vis, 2018). The mixed methods approach includes quantitative inquiry, and because I was not looking to consider a quantitative

study, the mixed method was not appropriate for this study. A qualitative researcher uses an inductive process that focuses on data collection to explore the phenomenon through documentary and interview evidence (Marshall & Rossman, 2016). I chose to use a qualitative method because I sought to explore the *what* and *how* of human behaviors.

I reviewed three types of research designs: ethnographic, phenomenological, and case study. The ethnographic researcher focuses on the holistic view based on the interpretations, intellectual patterns, and beliefs of the entire culture involving the phenomenon (Chan & Walker, 2015). I did not conduct a study that explored a culture or group behaviors because my study population was not unique or identified as a specific culture. Consequently, the ethnographic design was not appropriate. Similarly, researchers use the phenomenological design to extract data from lived personal experiences based on recollections and interpretations. The phenomenological research design was not appropriate because I did not explore interpretations based on lived experiences. The case study is one of the leading qualitative approaches, and case study researchers seek to encourage an understanding of the research topic within a context (Saunders et al., 2015). The case study design was appropriate for this study and facilitated the in-depth understanding of the *what*, *how*, and *why* of human behavior within the specified context (Mason-Bish, 2018). I focused on learning more about successful strategies used by small business owners that prevent, deter, and mitigate employee theft. I used multiple types and sources of data collection to achieve a more

complete and multifaceted understanding of a phenomenon (Yin, 2018). Therefore, a case study research design was appropriate for this study.

Research Question

What strategies do small business owners use to mitigate employee theft?

Interview Questions

1. What have your experiences been with employee theft?
2. What strategies do you employ to prevent, deter, and employee theft?
3. As a result of successes or failures of your choices of strategies, what policies and internal controls have you amended or added to prevent, deter, and mitigate employee theft?
4. What strategies and processes have been most successful in the prevention and mitigation of employee theft?
5. What kinds of internal resistance did you encounter when applying the strategies that would assist in the prevention and mitigation of employee theft?
6. What additional information can you provide to help me understand your organization's strategies and processes for decreasing employee theft?

Conceptual Framework

The conceptual framework for this study is Cressey's (1950) fraud triangle. Cressey developed the fraud triangle based on the belief that three elements must be present to cause an individual to engage in employee theft. The three elements are (a)

external, personal, or financial pressures, (b) a lack of organizational controls (opportunity), and (c) the justification for the illegal behavior (Cressey, 1950, 1952). Cressey (1952) found that individuals are more likely to conduct fraudulent activities when they are experiencing emotional and or financial pressures (such as depression, home- or work-related stress, increased medical or housing expenses), which may cause them to view fraud as a means of addressing or overcoming such pressures (Cressey, 1950). Pressure alone is not enough to lead individuals to commit fraud. Rather, individuals should also be presented with clear opportunities wherein they perceive a low risk of being caught (Cressey, 1950). Such opportunities tend to present themselves in small businesses, where financials are digitized, and fraudulent transactions may be relatively easily hidden by those who are technologically fluent—especially when the small business does not have the necessary resources to identify potential theft occurrences (Aris et., 2015; Hess & Cottrell, 2016).

Finally, justification is the excuse developed by individuals when trying to rationalize the *why* they chose to engage in employee theft and can include reasons such as inadequate compensation, more extended working hours, and unfair treatment in the workplace. Once an initial act of theft is committed, individuals may find it easier to rationalize subsequent acts of theft and fraud , and it can become more likely that the individual may continue to commit theft when the opportunity presents itself, even if the initial pressure has dissipated (Compin, 2016; Cressey, 1953; Lenz & Graycar, 2016). As a result of the deviant behaviors, small businesses may continue to lose revenue due to

the ongoing theft and not as a result of sporadic fraudulent activities, but due to the prolonged erosion of ethical financial practices (Chell, Spence, Perrini, & Harris, 2016; Crane & Matten, 2016; Cressey, 1950). It is essential to understand how the three facets of the fraud triangle work together to initiate, as well as potentially sustain fraudulent practices. The fraud triangle model can provide a better understanding of why employees might commit theft, as well as ways in which to mitigate such practices. My rationalization for using Cressey's Fraud Triangle as a conceptual framework is that when small business owners apply the theory to the developmental process of the framework as a basis to implement internal controls that deter and mitigate theft activity, the theory can assist the small business owner to better understand why valued employees involve themselves in employee theft behaviors, making the small business owner more perceptive to organizational controls, strategies, and requirements necessary to prevent and deter employee theft activities (Zaki, 2017).

Operational Definitions

Dark triad traits: Three traits that explore darker aspects of personality associated with the deviant behavior of employee theft, narcissism, psychopathy, and Machiavellianism (Palmer, Komarraju, Carter, & Karau, 2017).

Employee theft: Employee theft includes deviant behavior such as wrongful taking of inventory, resources, property, or money and financial irregularities committed by internal stakeholders, such as employees (Omar et al., 2016).

Ethical business practice: Ethical business practice determines the strategies and policies that ensure that all business activity is conducted in a legal, fair, and responsible manner and integrates the healthy and moral financial, environmental, and interpersonal business practices (Crane & Matten, 2016).

Loyalty: Loyalty represents the commitment by internal staff, including employees, managers, and owners dedicated to uplifting and promoting a business and brand and ensures that customers will continue to return and keep their business with a given company (Rice et al., 2017).

Small business: A small business is an independently owned and operated company with less than 500 employees (SBA, 2016).

Assumptions, Limitations, and Delimitations

The following subsections will deal with various assumptions, limitations, and delimitations found within this study. The three aspects will influence how the study is conducted, and the potential weaknesses or gaps within the study that may either (a) require additional future research, or (b) lead to an undermining of the final results.

Assumptions

Assumptions refer to generally accepted facts that have no way of being confirmed (Hancock & Algozzine, 2017). For example, in this study, the first assumption was that all participants would be honest and open when providing details and answers during their interviews. The second assumption was that participants would be willing to partake in the study, as they would see how their participation could benefit attempts for

mitigating employee theft and improving business profits and practices. Based on the literature, I assumed that using three sources for data collection, namely interviews, practical observations, and policy and practice documentation, would be sufficient for ensuring study validity (see Noble & Smith, 2015). The third assumption was that the participating small business owners were well-versed regarding the operational strategies and internal controls in place were effective. The fourth assumption was that the sample size of at least five small business owners as study participants would be sufficient for gathering necessary data, as per case study and saturation requirements. The fifth assumption was that practices such as reflexivity (where a researcher calls attention to their own potential biases), member-checking (where interviewees review and confirm the meaning accuracy of interview transcripts), and multiple data sources would work to mitigate researcher bias (Noble & Smith, 2015).

Limitations

Limitations refer to any aspects of the study that might undermine or weaken the final results or study findings (Hancock & Algozzine, 2017). For example, whereas a researcher may gain in-depth and valuable data, a small sample size may lead to results that are less generalizable than those from quantitative studies (Bryman, 2016; Noble & Smith, 2015). Researcher bias may also limit the study (Noble & Smith, 2015). That is, although I made every attempt to ensure that researcher bias is mitigated, such as gathering data from multiple sources or practicing reflexivity, bias cannot be entirely eradicated (Marshall & Rossman, 2016).

Delimitations

Delimitations refer to the parameters and scope of the study (Hancock & Algozzine, 2017). I determined the delimitations of this study, including the number of participants, the size of the company, and the geographical location of participants. Study participants included eight small business owners. According to Berisha and Pula (2015), small businesses employ less than 50 employees. The geographical location of the study was in the southeast region of the United States.

Significance of the Study

The study's findings hold significance to both business practice and social change in the context of the small business. My findings and conclusions exposed practical ways to mitigate employee theft in small businesses. Additionally, I may be in a position to aid small business owners in (more effectively) mitigating employee theft in the future, which could benefit their working environment, increase their profit margins, and begin to improve their communities' overall social and economic development (Chell et al., 2016; Gross, 2015).

Contribution to Business Practice

Providing small business owners the opportunity to understand the necessity of implementing strategies that prevent, deter, and mitigate employee theft can significantly impact their ability to invest in employees, provide training and educational opportunities (Rehman, Moazzam, & Ansari, 2015). With the identification of the practical strategies that successful small business owners employ, and the resources

necessary for preventing, identifying, and addressing employee theft in the small business, I may, through my exploration, aid small business owners improve mitigation strategies and processes (ACFE, 2016). The findings may also help small business owners understand the consequences and impacts of employee theft and provide small business owners with practical, proven methods and policies to address such issues. In so doing, small business owners can manage their finances and budget resources for employee theft prevention, which, in turn, could catalyze improved overall performance and increase profits (Hess & Cottrell, 2016; Llopis et al., 2015). If small business owners are equipped to reduce, identify, and address occurrences of employee theft in their companies, they may be able to channel funds into additional revenue-producing activities (Hess & Cottrell, 2016). Most existing employee theft prevention strategies are tailored to larger companies (Stone, 2016).

Implications for Social Change

Small businesses contribute approximately half of the overall economy in the United States (SBA, 2016). Small businesses also play a vital role in the social and economic development of their immediate communities and are a source of employment and general commerce (ACFE, 2018; Spence, 2016). Thus, when theft occurs in these businesses, the negative impact can undermine their social benefit. Consequently, the benefits to society of this study can be two-fold. The first benefit is the increased sustainability of the small business resulting in increased contributions to the economic stability and growth of communities. Second, the small business owner can continue to

provide employment opportunities that can directly impact the financial health of individuals, families, and communities (Omar et al., 2016).

A Review of the Professional and Academic Literature

The purpose of this qualitative study was to explore the strategies implemented and executed by small business owners that deter and prevent employee theft behaviors. Employee theft within a small business context is an underreported phenomenon that can negatively impact the sustainability of the business (Hess & Cottrell, 2016). A review of the related literature has helped to explain the motivations of employees who engaged in theft behaviors and the resulting impacts to the business.

A literature review requires an in-depth analysis and synthesis of peer-reviewed and published research related to a specific topic (Quinlan, Babin, Carr, & Griffin, 2019). Thorough exploration and review for an existing body of research helps prevent duplicated research, as well as assisting researchers to expand their knowledge base. I have included an extensive analysis of the literature relevant to the fraud triangle theory and the fraud diamond theory, and the concept of employee theft in a business context. Additionally, I have included an extensive analysis of supporting and contrasting theories related to the prevention and deterrence of employee theft behaviors, an introduction of the small business, the small business environment, the impact of employee theft behaviors, strategies used by successful small business owners that mitigate and deter employee theft activity, and the internal resistance to prevention and mitigation strategies.

Search Strategies

I have included a variety of sources in the literature review related to employee theft. The types of sources include peer-reviewed articles, books, professional trade journals, and government databases. I have also accessed the following databases through the Walden University Library: Emerald Management Journals, Bureau of Justice Statistics, SAGE Journals, Science Direct, ProQuest Central, and Taylor and Francis Online. The ranges of dates for peer-reviewed articles and books span from 2014 to 2020. The search process included the terms and keywords as follows: *employee theft, fraud triangle theory, fraud diamond theory, alternative employee theft theory, deviant workplace behaviors, internal controls, perceived employer fairness, and employee ethics*. The relevant sources reviewed for my study, inclusive of peer-reviewed articles, books, and journals were published 5 years or fewer prior to the publication date of this study. The inclusion of the sources referenced in my literature review was imperative to the concept of employee theft and my research question. Additionally, the literature review search yielded 141 sources. Table 1 provides statistics related to sources included in the entire document, and Table 2 provides the total number of sources specific to the literature review, inclusive of the percentage of peer-reviewed sources.

Table 1

Sources by Year of Publication for Entire Document

Literature type	Older than 5 years	2015	2016	2017	2018	2019	2020	Total %	Total no.
Peer-reviewed articles	1	17	47	45	53	5	1	89.90%	169
Textbooks	1	1	3	3	3	1	0	6.41%	12
Government Publications	2	0	1	2	2	0	0	3.84%	7
Total	4	18	51	46	58	6	0	100%	188

Table 2

Sources by Year of Publication for Literature Review

Literature type	Older than 5 years	2015	2016	2017	2018	2019	Total %	Total no.
Peer-reviewed articles	3	5	43	44	39	3	96.48%	137
Textbooks	0	0	1	1	1	0	2.11%	3
Government Publications	0	0	0	1	1	0	1.41%	2
Total	3	5	44	46	41	3	100%	142

Cressey's Fraud Triangle

One of the basic theories used to explain employee theft behaviors is the fraud triangle that Cressey developed while researching for his doctoral dissertation in the 1950s (Abayomi & Abayomi, 2016; Cressey, 1950, 1952). The primary objective of the study was to explain the reasons why individuals engaged in deviant behaviors in the workplace. The theory explained that the three following elements had to be present before employees engaged in theft behaviors: (a) a lack of organizational controls (i.e., opportunity); (b) external, personal, or financial pressures (i.e., motivation); and (c) justification and rationalization for the deviant behavior (Cressey, 1950, 1952).

Business owners control the opportunity element with adequate internal controls to mitigate and control employee theft. Deficient internal controls that create opportunities for employees to engage in theft activities and other deviant behaviors with ease enables employees to engage in the concealment of their activities and to manipulate data and sensitive information that conceals employee theft behaviors (Schuchter & Levi, 2016). Additionally, Hess and Cottrell (2016) found that managers who acquired higher levels of access to company properties and sensitive data and processes had additional opportunities to engage in theft behaviors.

The second element of the theory, motivation, is explained by the financial or emotional pressures that employees believe cannot be overcome using legitimate resources (Brown, Hays, & Stuebs, 2016). Pressures motivating employee theft behaviors

can include financial issues such as debts and unexpected medical bills, as well as drug abuse and other forms of addiction (Tunley, Button, Shepherd, & Blackburn, 2018).

The third element is the rationalization or justification of the employee's theft behavior (Said, Alam, Ramli, & Rafidi, 2017). Theory elements explain instances when employees felt that theft from the organization was justifiable. Employees with dishonest proclivity were most likely to rationalize theft behaviors and considered stealing from the organization a regular occurrence. Employees with a greater sense of moral responsibility find it difficult to rationalize fraud and theft behaviors. Employees rationalized theft behaviors in the organization for a variety of reasons and were guided by the employee's moral compass (Willison, Warkentin & Johnston, 2018). Common excuses for employee theft behaviors included compensation owed for low salaries or perceived and deserved rewards due from the organization (Wicaksono & Urumsah, 2017). Some employees perceived theft as simply *borrowing* which could be refunded later, although that rarely happened. Others believed that they stole from the company because the company had no urgent or visible need and operations would not be crippled by the small theft. Finally, some employees convinced themselves that all companies deserved to be stolen from for much-deserved compensation and for under-appreciation of the organization's employees (Willison et al., 2018).

Once an initial act of theft is committed, subsequent deviant behavior becomes easier to rationalize (Lenz & Graycar, 2016). An individual may continue to commit activities of theft when the opportunity presents itself, even if the initial pressure has

dissipated (Compin, 2016). In this way, small businesses may continue to lose revenue due to ongoing employee theft and not simply due to opportunistic or sporadic occurrences, but also due to the prolonged and insipid undermining of ethical financial practices (Chell et al., 2016; Crane & Matten, 2016). It is essential to understand how the three elements of the fraud triangle work together. The fraud triangle model can be useful to understand better why employees might commit theft, as well as ways in which to mitigate such deviant behaviors.

Alternative Theories

Fraud diamond theory. An alternative to the fraud triangle is the diamond theory that consists of four elements (Raval, 2018). The diamond theory is an extension of the fraud triangle and contains four elements: incentives, opportunities, rationalization, and capability (Ruankaew, 2016). According to Wolfe and Hermanson (2004), capability involves having the necessary skills, characteristics, and abilities, to commit theft in the workplace (Pamungkas, Ghozali, & Achmad, 2018). Additionally, capability entails a person's ability to create and seize opportunities to engage in theft activities in the workplace. Some of the identifying characteristics of employees who engage in theft activities include ego, stress, deceit, intelligence, position, and coercion (Peprah, 2018). Researchers have found that some individuals who are motivated to commit theft do not engage in the behavior because they lack the necessary skills and capability to commit the act of theft as well as to conceal the theft (Bishop, Hermanson, & Riley, 2017). The

fourth element, capability becomes an integral component when theft is an ongoing activity or the employees commit theft on a larger scale (Bakri, Mohamed, & Said, 2017).

Theorist Wolfe and Hermanson (2004) indicated that opportunity opens a window to commit theft, and the elements that motivate an employee towards the activity of theft includes rationalization and incentives. The fraud diamond theory adds the fourth element that implies that theft will not happen if an employee that has an opportunity, personal and financial pressures as a motivator, and a rationalization for the deviant behaviors, lacks the capability and skill to commit the crime (Peprah, 2018). The most important aspect of the fraud diamond theory is its description of the characteristics of employees that engage in theft activities. Characteristics included being able to deceive, coerce, and to hold positions of influence and authority. For example, managers of small businesses who are in positions of authority and decision-making can coerce others to commit and to conceal the theft activities (Pamungkas et al., 2018). According to Boersma (2016), employees and managers who engage in employee theft activities possess an underlying skill of deception allowing them to lie and to conceal deviant behaviors. For example, managers and individuals who are in positions of authority may demand employees to commit acts of theft or risk losing employment.

A study completed by Omar et al. (2016), reviewed activities of employee fraud and theft in the automotive parts manufacturing industry. The study revealed that the theft of cash and asset misappropriation was the most prevalent types of employee theft behaviors in their workplace and that there was no difference based on positions held in

the organization. Kennedy (2018) also found that misappropriation of assets, inventory and cash theft were the most prevalent activities of employee theft when researching 102 small businesses to ascertain the impact of external resources such as certified fraud examiners to identify and mitigate employee theft behaviors. Additionally, both studies revealed that elements of the fraud triangle accurately explained the *why* of the deviant behaviors of the employees regardless of the position held in the organization.

Conversely, Blythe and Coventry (2018) explored the deviant behavior of cyber theft through a cross-sectional survey of employers who wished to mitigate impacts of employee threats to cybersecurity and theft by electronic methods. Blythe and Coventry also found that the elements of the fraud triangle were applicable and adequately explained the deviant behaviors with one addition, the skill level possessed by the employees were commensurate with the level and complexity of the theft and fraud committed. All three of the studies were explicit in the justification and applicability of the elements of the fraud triangle and that of the fraud diamond theories.

According to Glover and Kim (2017), employees who engaged in theft activities possess confidence relative to their skill set to manipulate the records and internal control systems to avoid detection of their activities. Confidence and ego influence an employee's decision to engage in theft activities, and the fraud diamond theory provides a holistic understanding of the psychology of theft, which is an integral component in the detection and mitigation of theft activities (Vousinas, 2019). Varied factors influence an employee's decision to steal and the application of the fraud diamond theory as a

platform and tool used in organizations can provide significant value in the deterrent and detection of employee theft behaviors (Ruankaew, 2016). The fraud diamond theory provides a new framework relative to the fraud triangle theory, and both theories work as a tool to assist leaders and practitioners in business to identify and prevent employee theft activities. Zaki (2017) compared the effectiveness of both theories in assessing the potential acts of employee theft and found that the fraud triangle theory provided the foundation to assess theft behaviors, but the diamond theory with its fourth component provided a more holistic tool for banks to identify potential acts of theft within their financial departments.

Fraud pentagon model. Employee theft in the corporate environment has been the focus of in-depth research for during the early 2000s. Sorunke (2016) argued that, based on the two most widely accepted fraud and theft theories, Cressey's (1950) fraud triangle and the fraud diamond theory (Wolfe & Hermanson, 2004), employee theft and fraud prevention is more cost effective than trying to recover from instances of fraudulent behaviors. Sorunke (2016) indicated that the two theories above do not address all facets and deficiencies of the phenomenon of employee theft and sought to identify the missing element that would adequately link the two existing theories in a model that encompasses all facets of the employee theft behaviors. Sorunke succeeded in adding personal ethics as the missing link and developed the Fraud Pentagon Model which was predicated on the fraud triangle and the fraud diamond theories. Researchers Norazamina, Suraya, Azizah, and Najihah (2018) also argued that there was a missing link in the two theories, the

fraud triangle, and the fraud diamond theories. Norazamina et al., explored the justifications given for the deviant behavior engaged in by government officials in the Malaysian government. However, Norazamina et al., stated that the missing link was a lack of religious spirituality and the cause of the deviant behaviors by employees. Researchers could not ignore the cases based on the value of losses and the impact to the public sector. In a separate body of research while reviewing losses and wrongdoing by CEO's, Schnatterly, Gangloff, and Tuschke (2018) explored the framework drawn from accounting literature of the fraud triangle and the fraud diamond when exploring employee theft committed by CEOs. Schnatterly et al., found that a lack of ethical considerations in the organizational culture existed and allowed the CEO's to engage in and to facilitate deviant behavior that negatively affected the organization across multiple facets of the organization. When reviewing the three independent bodies of research, each study finding revealed a deficiency or lack of a critical element that would successfully link the behaviors to the existing theory that was used to determine justifications for the deviant behaviors.

White-collar crime theory. White-collar crime is a behavior that entails nonviolent and predominantly financially motivated theft activities that individuals who possess proficiency and a working knowledge of financial and accounting tasks engage in (Smith, 2017). White-collar crimes predicated on tactics such as deceit, violation of trust, and concealment, but typically do not involve physical force or violence (Russell, 2016). The first scholars that defined white-collar crime within the field of criminology was a

sociologist named Edwin Sutherland in 1939 (Tastan, 2019). Tastan (2019) described the white-collar crime as the one involving people of high social class that commanded a high degree of respect for their proficiency in the occupation and social class occupied. Jordanoska (2018) explained that white-collar crime includes activities of bribery, fraud, labor racketeering, Ponzi schemes, forgery, theft, embezzlement, insider trading, copyright infringement, money laundering, and cyber-crimes. White-collar crimes can destroy a company or an organization, cause losses to investors worth millions or billions of dollars, and devastate families when employment opportunities disappear due to losses associated with white collar crimes. White-collar crimes increase in complexity due to opportunities created by advancing technology in the business environment (Jordanoska, 2018).

Wage theory. According to Benito, Guillamón, Ríos, and Bastida (2017), the wage theory may also explain a strategy for dealing with employee theft cases. Wages paid can impact the occurrence of employee theft behaviors and is viewed in two dimensions. First, higher wages discouraged employees from engaging in theft behaviors, and employees were inclined to respond to the perceived fairness of compensation through ethical and honest behaviors within the workplace (Benito et al., 2017). Conversely, employees compensated with lower wages were inclined to engage in theft behaviors as retaliatory tactics to their perceived unfair treatment (Dombrowski, Alvarado-Garcia, Despard, 2017).

Introduction to Small Businesses

Small businesses contribute to the community and the local economy by contributing to the tax base and the creation of employment opportunities. According to Berisha and Pula (2015) and Aksoy (2017), small businesses are entities that employ less than 50 individuals. One of the challenges negatively affecting small business owners is the deviant behaviors of theft by employees. Employee theft is a crime that can devastate the small business owner and significantly impact the operations of a small business. Current research indicated that instances of employee theft behaviors identified as devastating events that occurred in small businesses continued to escalate in numbers (Elsetouhi, Hammad, Nagm, & Elbaz, 2018). For example, in 2016, the federal court system in Egypt litigated cases relating to employee theft and found 55% of the cases affected were organizations with less than 50 employees (Elsetouhi et al., 2018; Hiscox, 2017). Additionally, researchers found 38% of the cases brought to trial involved organizations with 500 or more employees also experienced the debilitating effects of employee theft behaviors but involved a lesser dollar amount than the smaller organizations (Elsetouhi et al., 2018). According to the Report to the Nations: Global Fraud Report of 2018 (ACFE, 2018), small business owners incurred median losses of \$104,000 per incident compared to organizations with more than 1000 employees incurring similar losses, and a median loss of \$130,000 for both sized companies.

Managers and owners of small businesses operate by trust, and when faced with deviant behaviors such as employee theft, that trust becomes compromised (Yu, Mai,

Tsai, & Dai, 2018). The impact of employee theft can lead to significant financial losses with deficient resource availability, decreased morale, and a possible erosion of the workplace culture (Mulig, 2018). The dynamics and diverse responsibilities of the small business environment make it difficult for managers and small business owners to have a clear understanding and to be aware of everything that happens in the workplace. Small businesses may not have the capacity to recognize issues and to mitigate risks associated with employee theft activity (Mugellini, Ly, & Killias, 2017).

Approximately 64% of small businesses are victims of employee theft, that will target any resource including tools, inventory, cash, supplies, and equipment (Hess & Cottrell, 2016). Various theories explain why small businesses have such high rates of employee theft. First, small businesses do not report all incidents of theft to authorities, which may contribute to the high level of recurring employee theft behaviors in small businesses (Hess & Cottrell, 2016). Kennedy and Futter (2018) argued that the small business environment creates opportunities for employee theft due to a lack of effective internal controls. Small businesses may employ fewer individuals, yet they may have a wider range of tasks and responsibilities in the organization which will increase the access to areas with minimal risk of being caught.

Additionally, small businesses may lack comprehensive internal control mechanisms to deter employee theft based on financial constraints and a lack of available resources (Frazer, 2016). For example, most small businesses do not conduct regular external audits, because professional auditors may become cost prohibitive. An individual

employed in positions of authority within the small business context may have increased responsibilities, oversight, and an intimate knowledge base concerning areas that can be targeted by an individual desiring to engage in the deviant behaviors of employee theft (Yekini, Ohalehi, Oguchi, & Abiola, 2017).

A significant number of small businesses are family owned, and family members are the main operators (Gielnik, Zacher & Schmitt, 2017). A significant number of the individuals employed in small businesses are family members and close friends, and are granted unlimited access to business information, and sensitive client information, and will sometimes help themselves to cash, inventories, and equipment (Kennedy & Futter, 2018). Some small business owners may not conceive of the possibility that family members and friends will steal from them, and fail to develop and execute internal controls that will mitigate employee theft behaviors.

Small businesses experience unique challenges when confronted with issues of employee theft, and bear the greatest burden of employee theft than larger organizations (Frazer, 2016). Larger organizations can provide the resources necessary to deter opportunities for employee theft. For example, most small businesses do not have hotlines or anonymous reporting systems and mechanisms available to employees (Mulig, 2018).

Environment

Opportunities for employees to engage in theft behaviors in a small business environment are increasing based on advanced technical skills of employees and the

dynamics of the workplace environment. The technological skill level of employees entering the workforce has increased significantly while the technological skills and advancements of small business owners have not (Munn, 2017). A workforce that is skilled in the technological advancements and industry-based skill level can easily circumvent the internal control systems of an organization (Ann, 2018). This recruitment and hiring strategy reduce the effectiveness of internal controls against the deviant behavior and theft activities of employees who possess the fourth component of the diamond theory, the skill level to commit complex and on-going schemes (Wolfe & Hermanson, 2004).

Some smaller companies have limited resources and do not hire full-time accountants or external professionals to manage and analyze financial and administrative records. The deficiency in resources can result in significant delays for professional reviews and oversight of organizational records and the non-compliance of industry-related regulatory requirements (Clouse, Giacalone, Olsen, & Patelli, 2017). Delays, ineffective strategies, and deficient internal controls make it difficult to detect theft activities in a small business environment. Some small business owners may require services and the assistance of external resources which increases the exposure of sensitive and proprietary elements, which creates additional opportunities of employee theft activity (Bishop, DeZoort, & Hermanson, 2017).

Some practicing professionals and small business owners when working outside of their field of expertise lack the necessary managerial skills to manage and run a small

business (Petrakis & Kostis, 2015). Additionally, some small business owners cultivate working relationships based on trust and loyalty creating an environment that moves beyond employer-employee relationships. Unfortunately, a trusting environment within the small business context can create the second component of the fraud triangle, opportunity.

Conversely, employees within the small business context who felt that they played a more significant role and have a vested interest in the company, identify weaknesses of the business environment and posed a lesser risk to the business regarding employee theft behaviors (Držajic & Vega, 2018). Where small businesses are less bureaucratic, making it easier for small business owners and managers to identify and evaluate unusual activity, small business owners and managers in a small business context due to a lack of knowledge can increase opportunities for employee theft behaviors to occur.

The success of the small business is essential for the creation of employment opportunities and the improved economic growth for communities (Kennedy, 2018). However, various challenges can hamper the success of small business, and employee theft is one of the most impactful (Hess & Cottrell, 2016). Kinship ties and family relationships are a significant factor in small businesses in the United States and can provide family members unencumbered access and opportunities to engage in occupational theft (Kennedy, 2018). As cited in research by authors O'Brien, Minjock, Colarelli, and Yang (2018), family firms and small businesses are accountable for 64% of

the United States gross domestic product (GDP). They further explained that family firms are the most common form of small business organizations in the world. According to the ACFE (2016), business organizations lose close to \$3.7 trillion globally through employee theft. Such loss is significant since the aim of business organizations is to make a profit. Unfortunately, small businesses are highly susceptible to employee theft (Hess & Cottrell, 2016). Kapardis and Papastergiou (2016) suggested that the impact of employment theft activity is more significant in small businesses compared to larger organizations. The various forms of employee theft in small business enterprises include payroll fraud, larceny of cash, theft of checks, and skimming from the organization (ACFE, 2018). Kapardis and Papastergiou argued that employee theft posed significant challenges to the sustainability of the business.

Morgan, Nelson, King, and Mancini (2018) conducted a study that examined the nature of counterproductive work behaviors and systematic performance appraisals to identify the proclivity towards employee theft behaviors. Researchers conducted the study in a regulatory context; the 197 employees exhibited theft behaviors and disciplined for the same behaviors, had notations that included counterproductive work behaviors on previous and sometimes numerous occasions. Researchers found that after the first instance in which deviant or counterproductive work behaviors existed, a stereotype emerged and details captured for future reference. Stereotypes and stigmas dictated not only the behaviors that were expected of the employees but also the reactions of the co-workers. Jaakson, Vadi, and Baumane-Vitolina (2018) examined the effect of negative

workplace behaviors and outcomes on the perceptions of expected and the likelihood of future dishonest behaviors. Jaakson et al. focused the study on employees in the retail environment and consisted of 784 employees who participated in the survey/questionnaire. The researchers found that perceived dishonest behaviors influenced new deviant behaviors and influenced adverse work outcomes. The results of all three studies imply that a deficiency in the ethical organizational culture created opportunities that influenced employees to exhibit deviant behaviors.

According to Omar et al. (2016), the misappropriation of assets through theft of cash and inventories are the most common forms of employee theft in small businesses. The differences noted in the study related to the rank of the fraudster since they can belong to any executive level. However, the study found that most of the employees that engaged in employee theft belonged to the sales and operational department, young male adults, and new in the company. The study found that the motivations to steal include the failure to understand the theft behavior, financial pressure, lifestyle, and opportunity to commit fraud. In concurrence, Neguriță and Ionescu (2016) argued that the vulnerability of asset misappropriation in a business enterprise is a product of various circumstances such as lack of mandatory vacations for the employees, inadequate security for the company resources, and inefficient internal controls. While acknowledging the existence of rampant employee theft among small businesses, Hass, Tarsalewska, and Zhan (2016) indicated that the amount of the loss experienced is on the increase. Hass et al. (2016) opined that the vulnerability to employee theft in small businesses is a result of a lack of

internal controls and individuals engaged in the deviant behavior of theft identified by the study included employees, supervisors, customers, contractors, and third-party individuals associated with the small business.

Causes

Employee theft can pervade every facet of an organization, large or small, and can assume a variety of forms. Additionally, various factors motivate employee theft behaviors. According to Hess and Cottrell (2016), the three main drivers of employee theft represent the same drivers identified in the fraud triangle by Cressey (1952) and included pressures (external, personal or financial), opportunities (created by the lack of effective internal controls), and the justification for engagement in illegal activities. Some employees are likely to commit fraud because they face financial or emotional pressures related to depression, stress, and increased expenses. When faced by such pressures, some employees may view theft as a solution to the challenges they face in the workplace and their environment (Kennedy, 2017). Personal pressures can motivate employees to look for the fissures and weaknesses of internal controls that will enable a successful coverup (Bishop et al., 2017).

Employee theft is one of the most under-reported and serious crimes committed against small businesses (Kennedy, 2018). Jay P. Kennedy (2017) applied grounded theory techniques to the analysis of data obtained from small business owners who have experienced employee theft in the body of research that explored the dark side of employee theft behaviors. Kennedy and Benson (2016) found that small business owners

chose strategies based on the financial impact of employee theft activities. While Klein (2015), conducted research that assessed the weakness of the established internal controls as a motivator, Vatankhah, Raoofi, and Ghobadnezhad (2017) researched and assessed the impact and motivation of deficient compensation among groups of workers.

Vatankhah et al. (2017), developed and tested a conceptual model that assessed the impact of compensation satisfaction on employee theft behaviors and found that employee theft activity increased when bonded groups of stable employees were dissatisfied with wages and compensation. Conversely, Palmer et al. (2017), researched the activity and impact of employee theft behaviors committed by employees who were considered to possess *dark triad traits*. Researchers found employee's counterproductive work behaviors of sabotage and varied types of employee theft were influenced by the dark triad traits of narcissism, Machiavellianism, and psychotherapy (Palmer et al., 2017). Results from each of the three bodies of research indicated that counterproductive work behaviors occurred less frequently when higher levels of engagement from the owners and supervisors were present (Kennedy, 2017; Kennedy, 2018; Palmer et al., 2017; Vatankhah et al., 2017).

McMahon, Pence, Bressler, and Bressler (2016) also studied occupational theft in a small business context and explored the triggers of employee theft behaviors. Specifically, they were interested in moving beyond the traditional fraud triangle model of employee theft and exploring a broader view than from that of an auditor. The researchers noted that occupational theft and financial crimes have always existed.

However, scholars have taken an interest in trying to understand the underlying motivators for the types of crimes in the small business environment, primarily in the interests of preemptively preventing them as a means to increase sustainability in the small business (McMahon et al., 2016). Much of this research is dominated by the idea of the fraud triangle theory developed by Cressey (1950).

Conversely, Schuchter and Levi (2016) studied employee theft and noted that the traditional approach to understanding employee theft had been the three factors of the fraud triangle, motivation, opportunity, and rationalization, which was developed by Cressey, an American criminologist, in the 1950s. The researchers sought to reevaluate Cressey's theory in the modern context through an empirical study of 13 companies who experienced the employee theft phenomenon in Austria and Switzerland. Schuchter and Levi (2016) noted the importance and relationship of ethical corporate culture regarding a person's willingness, or likelihood to commit illicit behavior. Of the cases studied, the participants expressed that the three factors of the Cressey's Fraud Triangle were critical components in the individual occurrences of occupational theft. Klein (2015), McMahon et al. (2016), and Schuchter and Levi (2016), all expressed the importance and benefit of educating staff and employees of the three motivating factors that contribute to occupational theft as stated in Cressey's fraud triangle (1952). Additionally, the authors expressed the necessity of exploring the fourth component, albeit they did not agree as to the concept of the fourth component.

Employees justify their acts of theft in the workplace for a myriad of reasons. Yekini et al. (2017) found that employees were tempted to steal due to low pay, ineffective internal controls, and unfair treatment by supervisors in the workplace. Although research findings indicated personal factors such as job dissatisfaction, financial pressures, and a close association with unscrupulous colleagues that encouraged employee theft, opportunity and access for the act was the most common reason. The study confirmed that employee theft required a combination of opportunity, rationalization, and strong financial need before employees executed deviant behaviors. Characteristics of the small business such as trust and issues such as living beyond financial means contributed to acts of employee theft. According to Compin (2016), additional justifications for employee theft included unfair treatment by supervisors and coworkers and unfair rules of competition in the workplace. Unfortunately, Compin (2016) also found that employee theft became a reoccurring behavior that the perpetrator continued even after satisfying the initial motivational factor.

Abdullahi and Mansor (2015) conducted a study that explored the nature of employee theft in the public sector of Nigeria. The researchers applied the tenets of the fraud triangle to understand better the motivation of the two levels of employees that engaged in the deviant behaviors of employee theft, the upper-level high profile government officials and lower ranked officers and civil servants. They found that motivations for the illicit behavior followed the elements of the fraud triangle and using the study results, developed a set of internal controls to address the deficiencies in the

organization's internal controls. Conversely, Lokanan (2015) explored the practicality of the tenets of the fraud triangle and found that the contextual factors of the fraud triangle were not sufficiently reliable and did not fit a specific framework according to antifraud professionals of the ACFE (2016). Additionally, Lokanan (2015) found that the alternative theory, Fairclough's critical discourse theory was a better fit for assessment of employee theft behaviors in the workplace. Ruankaew (2016) conducted research that explored theories outside the fraud triangle and found that additional factors other than the three elements outlined in the fraud triangle significantly influenced employees to engage in behaviors of employee theft. Specifically, the researchers explored the expanded tenets of the fraud diamond theory which is based on the fraud triangle. Researchers indicated that the significant difference in the two theories is that of a fourth element, capacity or skill. In addition to the three elements of the fraud triangle pressure, opportunity, and justification, skill and a knowledge base of the operational functions as required by the employee before they engaged in the deviant behaviors (Kumar, Bhattacharya, & Hicks, 2018).

Goh and Kong (2016) investigated the employee theft phenomenon among undergraduates working as interns in a national hotel chain. They found that the three components outlined in Cressey's Fraud Triangle, external financial pressures, lack of internal controls that create opportunity, and personal justifications of behavior were present. The researchers employed a semistructured interview approach with hotel managers, supervisors, and executives and reviewed behaviors and possible strategies to

mitigate employee theft behaviors. Additionally, Bonny, Goode, and Lacey (2016), Goh and Kong (2016), and Lenz and Graycar (2016) found that co-workers significantly influenced employees and interns, exhibited attitudes of excitement and encouragement for deviant acts, and perceived the ease in which they could commit crimes against the organization as an invitation to engage in additional deviant behaviors. Lenz and Graycar (2016) conducted their study using a semistructured interview design. The objective of their research was to identify organizational governance lessons that emerged from one case study. The narrative findings revealed weaknesses and specifically inadequate internal controls that enabled one individual to conduct on-going theft activity that resulted in the tens of millions of dollars in losses to an organization in Australia. The applied theory and platform for the research was Cressey's fraud triangle (1952). Lenz and Graycar (2016) presented several lessons for strategies that deterred, prevented, and lessened the impact of employee theft occurrences in organizations. A study conducted by Bonny (2016) explored the justifications provided by employees engaged in theft activities from 14 small businesses. Based on the data and the responses of the individuals charged with the behaviors of theft, Bonny et al., (2016) found that the majority of the employees felt entitled to additional compensation for their loyalty to the company. The researchers concluded that entitlement, deficiency, and self-imposed financial pressures were the three most prevalent reasons presented by the individuals charged with the behaviors of theft which aligned with the teachings of Cressey's (1952) fraud triangle (Bonny et al., 2016; Goh & Kong, 2016; Lenz & Graycar, 2016).

Conversely, Compin (2016) explored the why and how employees commit theft when there is no fear of apprehension or consequences. Compin conducted research using semistructured interviews with auditors, judicial magistrates, and financial representatives of a large trade union in France. Compin determined that individuals who committed crimes against their employees were often equipped with intellectual weapons and a knowledge base of accounting and of regulatory requirements that enabled them to commit acts of theft undetected. The wide array of professions and industries represented in the study provided a plethora of practical, technical, and professional strategies that could assist organizations in deterring, preventing, and lessening the impact of employee theft.

Murray (2018) sought to explore the accountability of stakeholders and executives when white collar criminals engaged in employee theft activities. Focused on the accountancy profession and the role accounting professionals played in creating opportunities that encouraged employee theft activities, the phenomenon of employee theft as it related to Cressey's fraud triangle is explored. A review of the level of epistemic values exhibited by management and organizational executives was found to have a direct influence on the acceptance of deviant behaviors within the workplace. Management and organizational executives practiced willful blindness and became enablers and conspirators increasing theft activities in the workplace. Conversely, Supernor (2017) examined sentences that included community service for perpetrators of employee theft and the impact on the recidivism rate of white-collar criminals. Data

collection through personal interviews revealed that the individuals convicted of varied types of employee theft were adamant in justification of their behavior based on the insufficient compensation received, fulfilling one of the elements of the fraud triangle. Exploring employee theft from a viewpoint other than that of a contemporary business environment allowed Smith (2017) the opportunity to apply theories to the employee theft construct and to enhance comprehension of the phenomenon. Although Murray (2018) found that livestock theft in the United Kingdom escalated in frequency, reclassified as a violent crime, and categorized as an employee theft behavior warranted further research.

Shepherd and Button (2018) examined causes related to the reluctance of organizations when after discovering employee theft activities and behaviors chose not to address the act of theft. The researchers found that victims of employee theft provided justifications and avoidant rationalizations that mirrored justifications provided by the employees who were engaged in deviant behaviors. Avoidant rationalizations were prevalent when addressing perceived employee fairness during a recent study by Sharma (2018), who found a significant impact on the organization's ethical culture and the organizational citizenship of its employees existed when faced with behaviors related to employee theft activities. Additionally, Sharma strove to develop a broader perspective of the complex relationships between employee theft, an ethical corporate culture, and perceived fairness by the employees. Weil (2018) explored the ramifications of perceived employee fairness within the context of governmental workplaces. He explained that the

strategic enforcement of the limited resources available within the governmental sector related to job satisfaction and perceived employee fairness could significantly impact employee behaviors and decrease the prevalence of employee violations. He laid out the strategies that were in place during the Obama administration to assess the internal validity of job satisfaction metrics and changes required in the workplace, to successfully execute them.

Neneh (2017) wanted to understand the volitional behavior in the context of small business but was thwarted by the lack of research available to practitioners. Consequently, he applied the theory of planned behavior in his research of 265 employees from 68 small businesses in a metropolitan municipality. The study found that employee perceived controls and moral norms impacted the intentions of employee theft, but that employees with an enhanced knowledge based on the existing internal technology were more likely to engage in theft behaviors. As referenced and explained by Cunningham, Jones, and Dreschler (2018), advanced digital technology created additional opportunities for employees to engage in theft. Employees who took advantage of the lack of internal controls that should accompany the technological advancements in a small business context did so with malice and forethought. The resolution requires a mega-dimensional asset protection strategy. Researchers further explained that technology could facilitate criminal collusion between co-workers and external criminals (Mass & Yin, 2018). Although technology, albeit computer abuse, posed a significant threat to the viability of the small business, research that explored this phenomenon is

limited (Willison et al., 2018). In their quest to understand the motives of employees who abuse computer systems, Willison et al. (2018) further investigated the motives and justifications for the behaviors of employees engaged in theft activities. They found that the fraud triangle and fraud diamond accurately addressed the motives for the deviant employee behaviors.

The study by the U.S. insurance company Hiscox, Inc. (2017) on white collar crime in the U.S. found that most embezzlements occurred in businesses with less than 100 employees. The theft activity in these companies had a significant impact on organizations similar to larger organizations. The study found that small businesses lose approximately \$290 000 due to theft activity, a substantial amount that occasionally leads to the collapse of the business (Hiscox, 2017). Researchers found that various features characterized employees engaged in the theft. For example, although theft took place at various levels, theft was rampant at the management level, women were more likely to steal (51%) compared to men, and most embezzlers were below the age of 40 years. Additionally, the study found that although embezzlement is likely to occur in all departments, the most affected are accounting and finance while embezzlers are people that work alone compared to those that work in groups (Hiscox, 2017).

Impacts

The rate of employee theft in small businesses in the United States is on the increase, leading to losses and at times eventual closure (Grant & Grant, 2016). The losses and closures experienced by small business owners have detrimental impacts on

the general economy. For example, a special report presented by Elaine Podfeldt of CNBC (2017) estimated the losses incurred by businesses in the United States as a result of employee theft to be approximately \$289,864. The majority of the businesses affected by employee theft could not recover their losses, which affected sustainability, and may result in the eventual closure of the organization (SBA, 2017).

Kennedy and Benson (2016) revealed that employee theft caused emotional pain to the business owners. Kennedy and Benson also argued that the business owners felt victimized and violated even though the crime was financial and committed against the business. Specifically, Kennedy and Benson identified three themes related to the emotional impact of employee theft to small business owners. The first, that the victimized small business owners perceived employee theft as an offense directed to the property and them personally, second, that the emotional reactions to employee theft in small businesses were similar across the board, and finally, the close relationship between the employee and the business owner made the emotional response more severe. The thematic analysis of the in-person interviews conducted with small business owners indicated that the business owners experienced widely-ranging cognitive and emotional reactions. The emotional toll caused by employee theft influenced the way business owners managed their businesses moving forward (Chen, Li, Xia, & He, 2017). More importantly, degrading emotional experiences with employees affected the trust that owners held in their employees (Kennedy & Benson, 2016). Although mistrust and suspicion is a reasonable response to employee theft, innocent employees may feel

discriminated and treated as suspects by business owners due to the lost/dwindled trust resulting from an episode of employee theft.

Emotional reactions to the victimization of occupational theft were explored by authors Kennedy and Benson (2016), as they answered a call for additional research in a small business context. In subsequent studies, Kennedy (2018) explored occupational theft from an internal view and explained that the offenders and negative behaviors were easily overlooked because the offenders had legitimate reasons to be on the premises or with unobstructed access to the organization's assets. Kennedy further explored the impact of incidences of occupational theft by employees that were family members and the personal and emotional consequences experienced by the small business owners. Each of the researchers concluded that the range of emotional reactions to being victimized by occupational theft that involved individuals who had a personal connection to the owners ranged from moderate to severe (Chan, Chen, Pierce, & Snow, 2018; Kennedy, 2018; Kennedy & Benson, 2016; O'Brien et al., 2018). Additionally, emotional reactions increased if the small business owners had a stronger emotional connection to the individuals engaged in the negative or illicit behaviors (Kennedy, 2018; Kennedy & Benson, 2016; O'Brien et al., 2018).

If left unchecked, the negative attitudes associated with employee theft can affect organizational performance. Dzansi, Chipunza, and Dzansi (2016) argued that the employee victimization associated with theft in business organizations affects the performance of innocent employees. Employees are aware of how employers treat them,

may behave destructively if they perceive mistreatment or unfairness from the employers (Dzansi et al., 2016). Additionally, employees may behave in a manner that becomes harmful to the organization, including increased activities of theft, if they perceive that the employer/manager treats them unjustly.

Conversely, some employees are satisfied with the organization and believe that theft is not right motivating them to report additional incidents of theft (Dzansi et al., 2016). Yekini et al. (2017) found that employee theft was a factor in business failures, a reduction of profits, and emotional stress on the individuals. However, the results of the study found that employee theft was not associated with reduced trust, reduced salary, or job loss. Yekini et al. (2017) showed that employees were not emotionally affected by the theft indicating that employers were significantly impacted by losses due to employee theft activities. Rampant employee theft can scare away investors. According to Matti and Ross (2016), investors avoided organizations with rampant cases of employee theft for fear of excessive and ongoing financial losses or a loss of company assets.

Nawawi and Puteh-Salin (2017) examined the aftermath, devastation, and organizational closures when small companies experienced incidents of employee theft. Nawawi and Puteh-Salin (2017) found that the reputation of the organization was one of the most influential factors that facilitated organizational closures and the devastation was not limited to financial losses or factors that were not addressed when organizations developed internal controls. However, the researchers found that when top-level management was the perpetrators of the crimes, reputations and a loss of industry

stability did not necessitate business closure (Nawawi & Puteh-Salin, 2017). Conversely, Kumar et al. (2018), found that employees were the most affected by incidents of theft committed by upper-level management. The researchers found that the increasingly negative impacts of employee theft on employees led to rampant cases of disrespect for the management, supervisors, and a decrease in the perception of stability. Kumar et al. (2018), found that the three indices were the most appropriate and relevant factors when employees tried to explain the *why* of their deviant behavior, but when management level employees participated in the deviant behavior of employee theft, there was very little justification provided.

In their endeavor to identify the organizational factors that contributed to increased cases of employee theft in small businesses, N'Guilla, Basiruddin, Mohammad, Abdul and Futter (2018) found that internal controls play a significant role in the determination of the employee behavior and the effectiveness of the organizational systems applied to curb employee theft behaviors. One of the reasons why stricter internal controls improved organizational performance related to the fact that they curbed practices that were detrimental to organizational performances such as employee theft (N'Guilla et al., 2018). Despite the significance of stricter internal controls to curb employee theft and improve the organizational performance, N'Guilla et al. (2018), found that many small business owners are not adequately aware of the association between internal controls and organizational performance.

The study conducted by Margret and Hoque (2016) explored business fraud and employee theft behaviors in the context of the fraud triangle. The researchers were interested in examining the nature of continuity and change in business practice in the face of a changing world and the increasing incidence of fraud. The researchers noted that two factors motivated this. First, the increasing costs to small businesses related to employee theft behaviors, and second, the changing platforms of traditional accounting processes within a small business context. Margret and Hoque argued that this static view of business and accounting is perhaps a hindering factor regarding avoiding and mitigating fraud through accounting. Accordingly, the researchers argued in favor of a more dynamic concept of business. To illustrate this concept, they examined the case of the Indian firm Satyam and how a dynamic firm can continue to thrive even in the wake of significant losses due to employee theft because of its ability to change.

Strategies Used by Small Businesses to Prevent and Mitigate Employee Theft

Employee theft occurs in organizations of all types and sizes, and it is unfortunate that as consumers we are no longer surprised when we read that activity perpetrated by trusted employees negatively impact another company. Abdullah and Mansor (2015) conducted a study that explored the financial impacts of employee theft and fraud related issues in small and medium-sized companies. Researchers Abdullah and Mansor (2015) found that one of the most recommended strategies for the prevention of employee theft was to find out why the individual felt they could get away with the behavior. Kennedy (2018) also found that when small businesses experienced employee theft, the essential

element in the development of strategies to protect the company from future theft related behaviors was to find out why and how the theft occurred. Researchers further explained that morale decreased when theft activities were uncovered and combined with the facts that a small business may not be able to meet financial obligations after an incident of employee theft, and the harmful activity affected reputation, operations and production quality (Peltier-Rivest, 2018). Peters and Maniam (2016) examined strategies that small business owners developed after experiencing the impacts of employee theft behaviors and found that the harmful activity had far-reaching impacts and influenced the quality of future decision-making within the company.

Additionally, Peters (2016) explained that the moral and organizational cultures were severely impacted which created a chasm between management and employees. Similarities in existing bodies of research were that the organizations were negatively impacted by a loss of morale and the declining relationship between supervisors, management, and employees when employee theft was identified and made public. The subsequent reactions of employees as new internal controls were developed and implemented created a chasm that in some cases the organization could not overcome and dissolved.

Complete elimination of employee theft in an organization is difficult. According to Mutnuru (2016), the application of anti-theft measures is an expensive affair for small business ventures, but once implemented, they significantly curtail the risks related to employee theft. Business owners and managers are supposed to understand the various

types of employee theft for the effective implementation of control strategies. Small retail businesses have less sophisticated anti-theft strategies compared to large business enterprises (ACFE, 2016). Necessity requires that owners of small businesses implement adequate internal controls essential to ensure effective and efficient operations, compliance with laws and regulations, and reliable financial reports (Kumar et al., 2018).

Shkurti, Manoku, and Manoku (2017) insisted on the implementation of an effective internal control system to prevent deviant behaviors of employee theft in small businesses. Shkurti et al., defined the internal control system as a critical process designed to ensure the organization achieves its objectives. The five components of internal controls defined by the study included (a) the control environment dictates the structure of the organization and specificity of tasks for employees, (b) a risk assessment that allows managers to identify the risk appetite and formulate effective strategies, (c) policies and procedures developed to enhance performance and deter deviant behaviors such as employee theft, (d) effective communication for improved flow of relevant information across organizational departments, and (e) monitoring of operations to ensure compliance with the standards of quality and the identification of challenges.

N'Guilla et al. (2018) related internal controls with improved performance of small businesses. The report found a significant relationship between the implementation of internal controls and organizational performance. The study found that increased performance is related to tighter and stricter organizational controls. The results of the study conducted by N'Guilla et al. (2018) indicated that small business owners were not

adequately knowledgeable of the importance and relationship of internal controls to the performance of the small business. Similar results regarding the failure and deficiency of the small business owner to use effective internal controls reported by Maelah, and Yadzid (2018) in a study that focused on the impact of internal control activities such as budgetary control and the organizational culture on the performance of the Malaysian small business owners.

A common element vital for business owners to develop essential strategies that can detect and prevent employee theft. Henry (2016) also argued that if left unchecked, employee theft can lead to the eventual collapse of the business entity. Henry (2016) thought that the establishment of an effective control environment is essential to prevent employee theft and added that anti-theft measures should be integrated into the daily activities of employees to make it visible and acceptable to all. Additionally, McMahon et al. (2016) argued that employees are likely to shun dishonesty and attempts to engage in theft if they feel that the chances of apprehension are high. The application of effective control measures minimizes employee theft behaviors. The study indicated that some of the theft prevention strategies that were implemented by business owners and managers included surveillance, doors, and gates secured by lock and key, separation of duties, and the utilization of security protocols for access to sensitive areas of the business. The study further indicated that bookkeeping and security strategies provided for transparency when accompanied by the use of fingerprints or other biometric tools to access the sensitive areas of the business (Henry, 2016).

The potential for employee theft behaviors is mitigated during the hiring process through thorough scrutiny of certifications, qualifications, conducting detailed background checks, and confirming references (Henry, 2016). Yaokumah, Brown, and Dawson (2016) provided that steps for the prevention of employee theft behaviors which included expanding the hiring process, implementation of a zero-tolerance policy, communication of the policy and consequences, implementation and effective monitoring of internal controls, and training of employees and supervisors to actively enforce the policy. Additionally, small business owners can take steps that reduce temptations such as the installation of security cameras, securing money and valuables, and executing a division of tasks in each department (Henry, 2016). In addition to the separation of tasks to more than one person, Kennedy (2017) argued that the segregation of duties deters employee theft behaviors. For example, bookkeeping functions that involve money should be conducted by more than one person. Employees that are responsible for writing company checks should not be the same employee who conducts the financial reconciliations.

Inadequate hiring strategies can create opportunities for employees to engage in theft behaviors. The identification of the potential for theft behaviors during the hiring process is the motivation for the study by Gates, Prachyl, and Sullivan (2016). Gates et al. (2016) suggested that employee training should be emphasized and required during the hiring process to ensure potential employees are aware of the policies concerning fraud and theft activities. Employees can identify deviant behaviors and apply corrective

actions if adequately educated. Increased awareness also ensures that employees were not impacted by the deviant behaviors of employees that engaged in theft activities.

According to Simha, and Satyanarayan (2016), small business owners and managers can reduce employee theft behaviors through the utilization of job rotation. Omar et al.

(2016) agreed with the measures suggested by the study and further opined that employee rotation, as well as compulsory vacation, is a necessary component in organizations.

However, Kapardis and Papastergiou (2016) argued that the implementation of internal controls and the segregation of duties is a challenge for small businesses since they may have a few too employees. Dzansi et al. (2016) indicated the identification of negative attitudes of innocent employees resulting from the generalized mistrust of managers and supervisors caused by employee theft activity is essential in the development of effective strategies for performance improvement. Unraveling the attitudes of employees towards normal organizational operations can help the small business owner to establish effective strategies (Koehn, Okan, & Jonason, 2018).

Resistance to Prevention and Mitigation of Employee Theft

Theft prevention strategies are occasionally viewed by employees as biased, unjust and unfair since, regardless of their strictness, they apply to both the guilty and innocent. Although the strictness of internal prevention strategies may inflict fear and curtail the cases related to employee theft, Kuang and Lee (2017) argued that the strategies might frustrate the prevention and mitigation of employee theft efforts through the promotion of deviance among employees. Kuang and Lee (2017) examined the

deviant behaviors of executive level management and the strategies that were effective as deterrents to employee theft and other deviant behaviors, and found that the more prominent executives considered the public disclosure of deviant behaviors to their peers a greater deterrent than the possibility of criminal charges. Deviant behaviors exposed in organizations created a chasm between the specific level and the hierarchical position of the individual and created socially responsive environments that encouraged with varying degrees of embarrassment and humiliation behaviors towards the individuals accused of the behaviors (Bollmann & Krings, 2016).

Deviant behaviors such as employee theft are the leading source of employee problems in the workplace (Baharom, Bin Sharfuddin, & Iqbal, 2017). Factors that played a critical role in the encouragement of deviant behaviors included jealousy, difficulties in adjustments, and financial issues (Promsri, 2018). Organizations that created an environment ripe for theft activities made it difficult to improve the workplace culture and to eradicate the acceptance of theft behaviors (Promsri, 2018). Key factors in the work environment included an organization's communication norms (Marasi, Bennett, & Budden, 2018; Mo & Shi, 2017). The perceived extent of co-worker and management theft is also a key environmental factor that influenced the success of the fight against employee theft. Additionally, the perceived severity of punishment and sanctions for employee theft is a critical factor that influenced the success of the fight against theft in the organization (Paternoster, Jaynes, & Wilson, 2017). Organizations that created an environment perceived as severe and firm are less likely to experience

cases of theft. Conversely, a culture that is accommodating and turned a blind eye to deviant behavior made it difficult to control behaviors of theft. Employee deviance is described as the greatest hindrance to efforts that endeavor to curb employee theft activity.

Various studies link employee behavior and leadership style (Ocansey & Ganu, 2017). For example, Ocansey and Ganu (2017) found a strong link between deviant employee behavior and leadership style and argued that a transformational and transactional leadership style impacted the decision-making of employees based on the transparency and oversight exhibited. Similarly, Howladar, Rahman, and Uddin (2018) explored the moderating effect of transformational leadership on the link between employee theft activities and performance and found that the controlling and micro-management traits of transactional leadership negatively impacted the workplace. However, researchers found that over time transactional leadership mitigated the impacts of deviant behavior with close oversight and eventually increased the job performance of employees. Leadership styles influenced employees' resistance to changes resulting in a reduction in employee theft behaviors. As with other types of leadership such as a bureaucratic style, employees will inherently resist efforts to impose a structured workplace environment that reduces employee theft behaviors (Howladar, 2018).

Sharma (2018) explored the impact of an employee's perception of fairness in the workplace when confronted with behaviors of employee theft by co-workers. The ethical culture of the organization and factors of fairness such as compensation or advancement

opportunities, significantly influenced whether or not employees reported the behaviors, engaged in additional acts of theft, or turned a blind eye to the deviant behaviors. The study indicated that the factor of fairness directly contributed to resulting behaviors (Sharma, 2018). For example, if an employee felt that they were treated in a fair manner, or received adequate compensation, then when confronted with deviant behaviors of coworkers they addressed the issue with supervisors or the coworker engaged in the behaviors. Shephard and Button (2017) expanded on the theory that the alignment of ethical cultures with employees' perceptions of trust and fairness directly influenced an organizations approach when addressing deviant behaviors such as employee theft. Researchers explained that the rationalizations used by small business owners for not addressing the issue of employee theft were similar to the justifications of the employees engaged in the deviant behaviors, such as excuses that adequate compensation was not provided, or that adequate supervision was not available (Shephard & Button, 2017). Insufficient compensation was the number one justification for employee theft according to Weil (2018), and that deficiency in strategic enforcement was critical to the alignment of an employee's perception of fairness and honesty and the organization's transparency and ethical culture. The researcher identified challenges when attempting to balance the employee-organization exchange to improve the organization's ethical culture (Weil, 2018).

Organizational culture is a significant factor that influenced employee resistance to theft prevention strategies. Warrick (2017) described organizational culture as a

potential antidote to many organizational problems. Culture determines how an organization runs. Ocansey and Ganu (2017) opined that organizational culture consists of standards and policies, processes, and procedures, from which employees used to carry out internal controls and protocols. The scholars Warrick (2017) and Ocansey and Ganu (2017), noted that a weak organizational culture or a culture that compromised components of internal controls increased the challenges of dealing with issues such as theft. For example, a corporate culture that encouraged the employee to report theft activity played a significant role in the eradication of the deviant behavior and is a challenge to prevention or theft mitigation of the risks of theft.

Norms, also known as the unwritten rules of the organization, are important in the guidance of organizational behavior, played a critical role in the establishment of the organizational climate, and encouraged or prevented theft in an organization (Warrick, 2017). According to Grant and Grant (2016), an organization with managers that engaged in theft activity created an environment where theft was condoned and, despite efforts to the contrary, some employees still engaged in the prevention of the deviant behavior. Van Rooij and Fine (2018) conducted a study and defined what they termed as a toxic organizational culture. The scholars explored various fields such as social psychology, sociology of law, management science, anthropology, and criminology and described how organizational culture is a critical ingredient for restricting harmful and illegal behavior.

In addition to culture, organizations that employed individuals related to business owners increased the chances of experiencing employee theft behaviors. According to O'Brien, Minjock, Colarelli, and Yang (2018), relatives of the business often received preferential treatment in the organization. The employees will then develop attitudes of entitlement, which eventually lead them to instances of misconduct, among them the misuse of company resources. O'Brien et al.(2018), provided evidence that employees related to the small business owners exhibited increased motivations to steal from the company, because there was no expected punishment or sanctions from such acts, and because there was a lower chance that other employees would report them to the authorities or owners. Internal controls that enable monitoring of the activities of relatives are essential since an organization that treats relatives in a special way inhibits efforts to mitigate employee theft behaviors (Kennedy & Benson, 2016).

There is empirical evidence showing that peer influence is a factor that plays a crucial role in fueling misconduct and deviant behavior such as theft in an organization. For example, Chan et al. (2018) conducted a study, addressing the problem that although there was significant evidence that best co-workers could improve behaviors and productivity of colleagues through mechanisms such as complementarities, knowledge transfer, and social pressure, there was limited evidence that such influence existed on negative operational dimensions. The scholar argued that the same mechanism that improved productivity and other positive impacts from peer to peer is the same mechanism that fuels negative conduct in an organization. The scholar further proved this

argument by providing evidence from cases of theft in a thousand restaurants and noted that theft, as a product of peer influence, only affected new employees, particularly within the five months after joining the organization (Chan et al., 2018).

Job dissatisfaction also limited the ability of small business owners to deal with issues of theft in the workplace. Yekini et al. (2017) opined that internal control mechanisms mitigate employee theft behaviors. Additionally, Yekini et al. (2017), assumed that malicious store managers would continue to steal as long as the perceived benefits of stealing surpass the perceived costs upon discovery, suggesting the importance of personal traits. When other factors are held constant, monitoring increases the perceived costs associated with stealing by an increased chance of the thief being caught and punished (Weil, 2018). Small businesses that do not have proper monitoring mechanisms may find it difficult to eliminate the behaviors of employee theft (Kennedy, 2017). Employees who possess the propensity for deviant behaviors such as to commit acts of thievery may feel empowered when they realize internal controls and monitoring systems executed to identify theft behaviors are deficient (Weil, 2018).

Additionally, Howladar et al., (2018) argued that employees were generally resistant to change. The researchers opined that employees who were comfortable with the status quo rejected the change in tactics or strategies, and the acceptance of changes by employees played a critical role in whether or not additional changes were implemented and executed in the workplace, despite whether or not the additional policies and strategies were required to prevent employee theft behaviors (Howladar et

al., 2018). Misconduct, including misappropriation of funds and employee theft, may be impacted by the demographics of employees. A study by Nawawi, Khalil, and Mahzan (2017) provided empirical evidence linking the demographics of bankers and the perceived risks of fund misappropriation in Malaysian banks. Researchers analyzed responses from 553 questionnaires, and the scholar's results indicated that demographics such as age, work experience, marital status, and academic qualifications had a causal relationship with the perceptions of respondents concerning the risk of misappropriation of funds (Nawawi et al., 2017). However, study findings suggested that improved internal controls, and the communication and embodiment of an ethical culture, positively impacted the perception of deviant behaviors of employees.

Researchers Chen et al. (2017) further explored the relationship between job demands and counterproductive job behaviors such as employee theft. Chen et al. (2017), explored this relationship using a cross-sectional sample of 439 coal miners in China. The researchers found a causal relationship between factors such as job anxiety and psychological detachment on job demands and the exhibition of counterproductive behaviors in the workplace. Chen et al. (2017), further explained that the internal control factors that assisted small business owners and managers in identifying and mitigating employee theft risks were a critical component in the strategic planning of the company. Puni, Agyemang, and Asamoah (2016) presented a strong argument and used evidence linking employee turnover to the exhibition of deviant behaviors such as employee theft. Some small businesses, particularly retailers, have high rates of employee turnover

(ACFE, 2018). Further exploration of the link between employee turnover and employee theft indicates that small businesses with high employee turnover rates may have an increased risk of employee theft (Puni et al., 2016).

Internal resistance to the introduction of strategies to deter and identify acts of employee theft may be a factor that impacts operations for small business owners (Peters & Maniam, 2016). According to Kennedy (2016), some small business owners chose not to report incidences of employee theft due for various reasons. Kennedy (2016) analyzed the results of the responses from interviews of the study participants regarding the rationalizations for non-reporting and found that some small business owners felt victimized and held the perception that the act itself was considered trivial by authorities and that they as small business owners would appear ineffective, resulting in a low expectation of the efficacy of the justice system. Study conclusions further indicated that employees were unlikely to report a theft in the workplace if they considered the value inconsequential (Jaakson et al., 2018) Conversely, if the value of the theft was not inconsequential and small business owners still found it wise not to report the theft to authorities, then embarrassment and a lack of standing in the community was a common response from study participants (Kennedy, 2016).

DeZoort and Harrison (2016) also studied occupational theft in the small business context. Specifically, they were interested in better understanding the ethical role of the auditor in theft detection and the degree to which auditors feel (or do not feel) responsible for detecting occupational theft behaviors and activities. They drew on a triangle model

of responsibility, whereby they considered accountability, type of theft, and auditor type as factors of relevance. They sought to test how that responsibility and appointed accountability related to performance. The results of the study suggested that the independent auditor's report assessed an increased detection responsibility than that of anonymous and in-house auditors. According to the 2018 Report to the Nations on occupational fraud and abuse, independent auditors and an increased responsibility to hold all sizes of organizations accountable for internal inaccuracies (ACFE, 2018).

Margret and Hogue (2016) reviewed occupational theft and fraud from the vantage point of a changing and static organization. Specifically, they were interested in examining the nature and continuity of changes in business practice that facilitates the increasing incidence of illicit behaviors inclusive of employee theft. Margret and Hogue (2016) explained that employee theft in small business is increasing worldwide and the related costs and losses are reaching the trillions of dollars. They further explained that this static view of business and specifically, accounting is perhaps a hindering factor regarding the prevention and mitigation of employee theft behaviors through the regimented and outdated accounting processes within a small business context. Shi, Connelly, and Hoskisson (2017) evaluated and studied occupational theft in the context of agency theory. The industry assumptions that external pressures imposed on small business owners would reduce the potential for moral hazard. Both studies concluded that the increased restrictions and regulations imposed by a dynamic and changing small business environment had the opposite of the intended purpose, such as robbing

employees and individuals placed in positions of authority of their autonomy and removing the intrinsic motivation to perform ethically. Additionally, the study explored the effectiveness of small business owners as managers and supervisors when attempting to prevent and mitigate the impacts of occupational theft.

Tschakert, Needles, and Holtzblatt (2016) were also interested in exploring the impact of increased restrictions and regulations within a small business context. The researchers focused on exploring the role of the internal auditors as detectors of theft within small businesses. The study began by emphasizing the impact of employee theft with the example that a \$100,000 loss from theft in a company with 10% profitability would require an additional \$1 million in revenue to make up for the loss. They also noted that the losses from employee theft are generally lower when actively (rather than passively) detected. They sought to illustrate why internal auditors were well-positioned to prevent acts of employee theft. In contrast to an independent external auditor, an internal auditor has intimate knowledge of the norms for a given small business and can develop a business-specific list of red flags, or unusual behaviors that may merit and trigger further investigation of potential employee theft behaviors (Tschakert et al., 2016). Margret and Hogue (2016), Shi et al. (2017), and Tschakert et al. (2016), concluded with a common understanding and stressed the identification of potential indicators will not always indicate acts of theft. Additionally, in a changing and dynamic environment, red flags are explored and managed with the application of sound judgment, and a working knowledge of the processes and operational activities of the small

business, and are considered a critical component of operations (Margret & Hogue, 2016; Shi et al., 2017; Tschakert et al., 2016).

Hiscox (2017) suggested various preventative strategies. For example, in every financial transaction conducted by more than one staffer, the business owner should review the business's financial records regularly, and conduct pre-employment background checks for people working in the accounting and finance departments, and departments directly involved with financial transactions (Hiscox, 2017). Hiscox (2017) further argued that lifestyle assessment should be a component of observation and directed to the workers that live beyond their means and make purchases that do not reflect salaries provided through the small business owner. As in a full-time cashier with a salary of \$15 per hour driving a Ferrari. Tirana (2018) found that smaller companies cannot build a sound internal control system without the input and commitment of the staff and workforce. Effective control systems enhance transparency and integrity of the workplace, essential aspects in deterring and preventing employee theft behaviors. Tirana (2018) found that small businesses have an advantage in that effective systems for the prevention of employee theft through effective internal communication systems are more effective and all-encompassing. However, Tirana (2018) found that smaller businesses that implement additional internal controls to deter and prevent employee theft, find the cost of implementation and execution costly.

Multiple researchers compiled a historical review and included a demonstration of how over time, the measurement of organizational justice and perceived employee

fairness measured, and how those behaviors correlated to the behaviors of employee theft activities (Rupp, Shapiros, Folger, Skarlicki, & Shao, 2017). Additionally, the researchers offered suggestions on how the study results could incorporate strategic planning operations while attempting to decrease employee theft behaviors. While Shkoler and Tziner (2017) studied some of the same behaviors as Rupp et al. (2017), and explored the impact of the perceived fairness of the small business owner and the impact on employee theft behaviors. Both research groups explored the antecedents of work behaviors such as, justice perceptions (organizational fairness), employee burnout, and emotional intelligence (Rupp et al. 2017; Shkoler & Tziner, 2017). Additionally, Shkoler and Tzner (2017) explored strategies that could effectively reduce negative behaviors that affect operations and profitability. Whereas, O'Brien et al. (2018) also explored strategies that could effectively reduce negative behaviors in the workplace, behaviors of family-related employees and the perception of entitlements that lead to miscreant behaviors such as employee theft and fraud were the focus. Strategies were explored and implemented in a variety of product and service oriented small businesses within the scope of the three bodies of research that yielded results and recommendations for strategic planning to mitigate and deter behaviors such as employee theft. The three independent bodies of research provided mirror strategies beneficial for lessening the impact and decrease the occurrence of behaviors that reduce profitability.

Policies and Internal Controls for the Prevention of Employee Theft Among Small Businesses

According to Yaokumah et al. (2016), the formulation and implementation of a zero-tolerance policy towards theft are essential in the prevention of employee theft behaviors. A theft policy explains types of theft behaviors and includes a statement that prohibits all forms of employee theft. The theft policy also provides guidance and an assurance that employees will report any act of theft to the small business owner and management, specific examples of behaviors that are prohibited, specific consequences of theft behaviors, and notice of the commitment made by owners to investigate theft activity. The implementation of theft policy is only as good as the manner communicated to the employees (Kennedy, 2017). According to Kennedy (2017), the most effective way of communicating employee policy is to include it in the employee handbook and to conduct a periodic review. Handbooks assist employees to understand the policies and consequences related to behaviors within the context of the business.

A delegation of duties, follow up, and oversight is another form of an internal control mechanism that can help in the elimination of employee theft behaviors (Tunley et al., 2018). For example, it is inappropriate to have one employee who is the bookkeeper, funds collector, reconciler of books, and the writer of checks. Internal controls should ensure that employees have varied work tasks to increase levels of accountability. Increased levels of accountability are essential to prevent behaviors of employee theft in small businesses (Tomczak, Lanzo, & Aguinis, 2018). Additionally,

improved internal controls ensure improved decision-making mechanisms, resulting in the veracity of internal data including inventory, performance measures, and accuracy of payables (Nyonje & Nyambegera, 2017). Another internal control mechanism may include background checks for new employees to ensure that the potential employee can maintain the integrity standards of the company.

Small business owners must increase the possibility that employees engaged in deviant behaviors such as theft are caught, and the punitive stage is an essential component of a risk management strategy (Sidebottom et al., 2017). Increased effectiveness of internal controls, inclusive of monitoring processes are vital to the reduction of employee theft activities (Bromberg, Alexander, Kerney, & Tarpinian, 2017; Tomczak et al., 2018). Internal control mechanisms such as formal monitoring systems can include loss prevention processes such as Point of Sale (POS) scanning and asset control, controlled access of cash handling processes, surveillance cameras, body cameras, alarms, and other technological surveillance methods (Bernstein, 2017). Informal monitoring within a small business context uses compatible monitoring mechanisms, allowing employees to monitor each other as well as to eliminate cases of theft in the workplace (Tomczak, 2018).

Formal monitoring focused on loss prevention and asset control policies are internal surveillance devices. Internal surveillance devices are critical mechanisms for detecting and preventing employee theft (Wells, 2017). Devices and equipment such as video cameras, sound recorders, and other tools are useful when monitoring the

workplace. Implementation of mechanisms that allow external auditors to monitor employee activity within the context of suspected employee theft activity through audits, and is essential in dealing with suspected theft cases, particularly cases related to theft through account reporting (Zager, Malis, & Novak, 2016). Surprise audits can be an effective tool in the deterrence and detection of theft activity and remain an underutilized tool in the workplace.

However, despite the effectiveness of formal monitoring in the workplace to control theft, the formal monitoring process can create challenges. For example, monitoring tools such as surveillance cameras can reduce activities of shoplifting but, employees can detect and circumvent the system and engage in theft activities (Anteby & Chan, 2018; Neneh, 2017). Additionally, it is possible that the formal monitoring mechanisms will create a negative relationship between employees and supervisors, which could negate the effectiveness of efforts to prevent a loss of assets (Chan et al., 2018). Anteby and Chan (2018) explained that increased formal monitoring might motivate employees to retaliate and become more inclined to commit acts of theft (Anteby & Chan, 2017; Bollmann & Krings, 2016). Bollmann and Krings, 2016 cautioned small business owners to carefully consider the impact on the work environment when executing formal monitoring systems.

An alternative to formal monitoring mechanisms is mutual monitoring. Mutual monitoring works on the premise that employees have the potential to observe each other and report deviant behaviors (Lyons & Bowling, 2017). The mitigation of theft activities

can be difficult because small business owners and managers cannot observe the behavior of all employees. However, employees can observe the behavior of coworkers creating an environment of mutual monitoring (Lyons & Bowling, 2017). Mutual monitoring works in two ways. First, a person may reject theft activities for fear of identification and consequences (Elifoglu, Abel, & Taşseven, 2018). Second, an employee may condemn theft activities for fear of being excluded and condemned by coworkers (Vaidyanathan, Khalsa, & Ecklund, 2016). For example, employees may explicitly condemn the act, or even cease close interactions with employees engaged in theft activities.

To increase the effectiveness of mutual monitoring practices, small business owners can implement strategies such as a whistle-blower process or an anonymous reporting system (Tunley et al., 2018). According to Bogdanović and Tyll (2016), whistle-blowing is a tactic that is useful in the identification of deviant behaviors such as fraud and theft in the workplace. The researchers examined the attitude of management students towards the practice of whistle-blowing and opined that students had a positive attitude towards the practice. Researchers concluded that the importance of the inclusion of whistle-blowing in a curriculum as a method of encouraging entrepreneurs and small business owners to engage in business endeavors (Bogdanović & Tyll, 2016). Further, there is evidence linking physical barriers and access as a strategy to deter and mitigate the impact of employee theft within the context of small business (Edike & Babatunde, 2017; Ekwall & Lantz, 2018). Mechanisms that restrict access play an important role in

theft prevention, which is an integral component for the small business owner (Ekwall & Lantz, 2018).

Topics that cover employee theft activities inclusive of prevention and mitigation strategies, ethical and moral behaviors should be included in the education curriculum of business students. According to Goh and Kong (2016), formal training opportunities help both employees and small business owners. Through training, small business owners develop improved strategies that better detect employee theft activity (Cunningham et al. 2018). Gottschalk (2016) conducted a study that explored white collar crimes and opined that the challenges created by a deficient internal investigation encouraged employees to engage in theft activities. Formulation of a formal internal investigation strategy to address issues related to employee theft is of significant value for the small business owner.

Derfler-Rozin, Moore, and Staats (2016) suggested that task design as an internal control mechanism assisted in constraining self-interest behaviors such as theft in small businesses. Derfler-Rozin et al. (2016) concluded that task design helped in activating deliberate thinking and good decision-making, which helped employees comply with organizational rules, regulations, and policies. Task enrichment is a critical internal control mechanism that can mitigate employee theft behaviors (Chen et al., 2017). Yekini et al. (2017) concluded that preventive measures such as the implementation of grievance policies, background checks for employees, improved internal controls and strategies

were not readily available in the workplace of study participants and contributed to an increase in employee theft activity.

Transition

Section 1 included the background of the business problem inclusive of the general and specific factors that identify an industry-specific business problem, the purpose of the study, nature of the study, research questions, interview questions, and a statement that explains the conceptual framework of the study. Additionally, Section 1 included a significance of the study and a literature review based on Cressey's Fraud Triangle (1952) and the importance of strategies and resources to deter, mitigate and to prevent employee theft in a small business context, operational definitions, assumptions, limitations, and delimitations of the study.

Section 2 includes a description of the role of the researcher and study participants, a restatement of the purpose statement, description of the research design and research methods, and an explanation of the population and sampling methods for the study. Section 2 also includes a discussion on applicable data collection methods and instruments, the processes used in the data analysis, and a reliability and validity assessment. Section 3 includes a presentation of study findings, application to professional practice, a statement of implications for social change and recommendations for action and future research, a reflections statement and a conclusion.

Section 2: The Project

This section includes description of the processes I used to explore the strategies and internal controls small business owners use to deter and prevent employee theft behaviors. Section 2 focuses on the (a) role of the researcher, (b) participants, (c) research methods and design, (d) data collection instruments and techniques with the process for data storage, and (e) a data analysis component. Section 2 also includes a discussion regarding the rudiments of ethical research and the validity and reliability of the study components.

Purpose Statement

The purpose of this qualitative multiple case study was to explore the strategies small business owners used to decrease employee theft. The population was eight owners of small businesses who had successfully mitigated theft committed by employees in the southeast United States. Implications for positive social change included the means for small business owners to enhance loyalty and trust with employees, and to promote healthy and prosperous customer relations that supported business growth, and economic stability within communities.

Role of the Researcher

The role of the researcher is pervasive and all-inclusive (Yin, 2018). My role as a researcher in this qualitative study was to formulate appropriate research and interview questions, facilitate multiple methods of data collection, perform a triangulated data analysis on the collected data, and protect the integrity of the research process and

participants. As a researcher of a qualitative case study, I was responsible for selecting the appropriate study participants and research methods, transcribing recordings of interviews with study participants, analyzing collected data, and reporting study findings in a clear, concise, and unbiased manner (Spiers, Morse, Olsen, Mayan, & Barrett, 2018).

As a researcher, I have reflected on my experiences with small business owners, and my professional experiences gained in accounting within the small business context. I have applied those past experiences and gained knowledge to the exploration of the study topic of employee theft and the study of the resources and strategies small business owners use to prevent, deter, and identify employee theft. As a researcher, I am required to have an understanding of the study topic, biases, and the ethics related to a qualitative research study. In conducting this study, I abided by the guidelines set forth for the protection of human research participants by the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research (1979). According to *The Belmont Report* (1979), the applied underlying ethical principles must be adhered to when working with human subjects. The Belmont protocol includes and details the necessities of obtaining informed consent from all participants, maintaining respect for participants in all facets of the research process, and maintaining participant confidentiality.

Additionally, in my role as researcher, I was responsible for mitigating any form of bias, intentional and unintentional, from study participants, myself as a researcher, and through the data analysis process (Morse, 2018). According to Spiers et al. (2018),

researchers should have an in-depth understanding and industry-based knowledge of the topic studied. However, Spiers et al. further explained that researchers should be cautious when analyzing data to ensure that prior understandings and professional experiences will not influence interview interpretations or study results. As recommended by Haskins, Phelps, and Williams (2015), I used bracketing as necessary to identify potential preconceptions and to mitigate interpretation influences when I analyzed collected data based on my previous professional experiences.

Yin (2018) recommended an interview protocol to guide the survey and related case study interviews. I developed and applied the protocol when interviewing study participants to ensure that the same questions and follow-up questions required of the study topic were asked of each participant. An interview protocol assisted in the establishment of validity and demonstrated that I as a researcher, I took measures to establish a reliable and ethical study (Hall & Harvey, 2018).

Participants

The purpose of this qualitative multiple case study was to explore the strategies small business owners used to mitigate employee theft. I selected study participants based on predetermined criteria to ensure collected data were relevant to the objective of the study and the research question. The criteria for study participation necessitated that (a) study participants be small business owners who have successfully executed strategies that mitigated employee theft behaviors, (b) the participant's business was located in the southeast United States, (c) the business employed less than 50 employees, and (d) it had

been in operation for 5 years or more. The data collection process began after I received approval from the Internal Review Board (IRB) of Walden University. I selected eight small business owners located in the southeast United States who had successfully mitigated employee theft activities. According to Yin (2018), the use of multiple study participants and the triangulation of collected data in a case study context may maximize construct validity and increase evidence reliability of a rigorous body of research.

I contacted the Chamber of Commerce serving the areas of Central Florida and secured a list of small businesses that met the study criteria. The Chamber of Commerce provided a listing of businesses registered and included information that described the size of the company, number of employees, date the business was opened, and length of time in service. In addition to the Chamber of Commerce, I used the social platform of LinkedIn to connect with small business owners who met the established criteria of the study. I identified at least 15 small business owners who met the criteria, and I sent an introduction of myself and the study with an invitation to participate. Once I received notification from the potential study participants of their interest and willingness to participate, I followed up with study details and an informed consent form. Study details included identification of (a) my sponsoring institution, Walden University, (b) additional details for the intended purpose of the study, (c) time commitment of study participants, (d) rights of the participants, (e) potential risks, and (f) specifics of a confidentiality agreement (see Kaiser, Thomas, Bowers, 2017). My goal was to have at least five study participants who met the established criteria and were willing to participate in the study.

As a provider of services to small business owners in the southeast United States, I have access to small business owners in the community and throughout surrounding states. However, I restricted the participation of potential study participants to individuals who were unknown to me before the selection process began. Additionally, I formed relationships that enhanced the participant-researcher relationship to cultivate a trusting environment to make the interview process less intimidating (Della-Selva, 2018).

Research Method and Design

The appropriate selection of research methods and designs is crucial in academic research. Decisions are made based on the overarching research question, and the choice of a research design is predicated on the choice of one of three research methods, quantitative, qualitative, or a mixed method design (George, 2019). Researchers choose to apply a quantitative method when they seek to test theory using hypotheses and when they seek to determine if a relationship exists between variables. Researchers will choose a qualitative method when they want to explore and examine the phenomenon of human behaviors that have limited prior research (Yin, 2018). The mixed method research design combines characteristics and tools of both the quantitative and the qualitative design approaches.

Research Method

The appropriate research method provides a vehicle for the researcher to apply industry and phenomenon-based knowledge to the focus of the study (Saunders, 2015). Additionally, the research design determines which design process will be most

appropriate for data collection and analysis. For example, a researcher who has chosen to apply a quantitative research method seeks to quantify data through the application of statistical evidence and hypotheses testing (Creswell & Creswell, 2017). Conversely, a researcher exploring activities and behaviors in a specific context may utilize a mixed method research design. I chose to apply a qualitative method for my study based on the data collection process I had decided to use with study participants and which was the most appropriate method to explore and provide insights into qualifying experiences. For a thorough research study, questions that need to be answered as to the how, what, and whys of a phenomenon can best be answered using tools available through a qualitative research method (Yin, 2018).

Research Design

Research designs appropriate for qualitative research methods are (a) case study, (b) ethnography, (c) phenomenology, and (d) narrative research designs (Lewis, 2015; Yin, 2018). The ethnography research design engages and observes cultural groups as study participants in their actual environment to study appropriate behaviors. Similar to the ethnographic research design, the phenomenological research design also engages and observes study participants to explore and understand lived experiences in the context of a specific study focus (Sykes, Verma, & Hancock, 2017). Although I analyzed the whys of employee theft behaviors, my overarching objective was to learn and comprehend strategies that small business owners employed to thwart deviant employee behaviors. Therefore, a phenomenology research design was not an appropriate choice for my study.

The narrative research design explores and analyzes experiences of study participants presented in words that represent their personal story (Yin, 2018). The objective of my study is to review and analyze empirical data, making the narrative research design an inappropriate choice. The case study research design involves an in-depth exploration and analysis of a specific phenomenon across groups and individuals within related contextual conditions (Yin, 2018). My study focus required data collection from multiple sources, and an exploratory and comprehensive analysis of perspectives and activities from a defined population sample making the case study design an appropriate choice for my academic study.

Population and Sampling

The population and sampling components within a case study context are essential to the quality and ethical research of the phenomenon (Sykes et al., 2017). In a qualitative case study body of research, the population component of the study should represent a well-defined set of participants that meet predetermined criteria and can assist in answering the overarching research question. Qualitative case study research requires the appropriate selection of case study participants and is central to the reliability and validity of academic research (Yin, 2018). Researchers must be diligent and ask questions to ensure the accurate identification of cases that are aligned with the specific research topic, research question, and phenomenon studied (Kirchherr & Charles, 2018). According to Sim, Saunders, Waterfield, and Kingstone (2018), the first step in the process of choosing an appropriate case study participant pool is to determine which

sampling method will be most appropriate. Sim et al. recommended the purposive sampling method or the snowball sampling method to choose appropriate study participants within a case study context.

Population

The population for the study consisted of small business owners located in the southeast United States that met the predetermined criteria for participation. The criteria for study participation included, (a) small business owners who have successfully executed strategies that mitigate and prevent employee theft behaviors, (b) the small businesses located in the southeast United States, (c) the small business owner must employ 50 employees or less, and (d) the small business must have been operational for 5 years or more. Three sources consist of populations of small business owners that meet the aforementioned predetermined criteria (a) The Small Business Profiles for the States and Territories of 2018 (SBA), (b) The Chamber of Commerce serving the areas of Central Florida, and the social platform of LinkedIn. The Small Business Profiles of 2018 presents a comprehensive overview of operational small businesses in each state inclusive of the health and economic activity of the small business environ. The Chamber of Commerce, specifically the chapter that serves the areas of Central Florida provided a listing of the registered small businesses that met the predetermined criteria. Additionally, I used the social platform of LinkedIn to invite small business owners who met the predetermined criteria to participate in the study. I compiled a listing of at least

15 small business owners that met the criteria and sent them an introduction of myself and the study with an invitation to participate.

Sampling

Kirchherr and Charles (2018) described four population sampling techniques that are effective when conducting qualitative case study research, snowball sampling, matched sampling, purposive sampling, and theoretical sampling. The snowball sampling technique is used when exploring a network of relationships when the study focus is not a specific phenomenon but of an interest in shared characteristics, and where the sample evolves as the body of research is expanded (Kirchherr & Charles, 2018; Sim et al., 2018). Matched sampling is used when seeking to explore and capture complexities of a phenomenon in a transnational body of research. Purposive sampling is a most appropriate sampling choice when the researcher is focused on a specific phenomenon with clear-cut research interest and the cases subsequently identified as information-rich (Sim et al., 2018). Theoretical sampling is appropriate when the researcher seeks to deconstruct an ethnic lens and must identify contrasting cases.

Sim et al. (2018) explained that the two sampling techniques, purposive and snowballing are the most appropriate for the identification of and determination of participants in a multiple case study context. Once the required and specific population of the intended case study had been identified, the decision was made to determine the appropriate sampling method. According to Yin (2018) and Fusch and Ness (2015), when conducting a multiple case study, the selection of case studies for sampling requires an

industry-based body of knowledge of the outcomes of each sample case study and is focused on the replications of the *how* and *why* of the specific phenomenon. Based on the focus of specific and clear-cut research interest, I chose a purposive sampling technique with a maximum variation of businesses to identify study participants who could assist me to achieve the data saturation requirement and to provide multiple perspectives relevant to my study. I cultivated a participant pool that was sufficient to achieve data saturation which is a critical component of research and researcher credibility.

Ethical Research

A researcher is responsible for ensuring the treatment and participation experience of study participants is executed ethically, and the confidentiality of study participants remains protected during and after the study (Resnick, 2015). Researchers must consider the safety, confidentiality, and welfare of study participants as a priority when engaged in research (Makhoul, Chehab, Shaito, & Sibai, 2018). According to Resnick (2015), ethical norms are followed to promote truth and to deter fabrication of responses and study results. Research may include professionals and study participants from various disciplines and may involve extensive cooperation and collaboration. The application of ethical standards will promote trust and accountability during the research process (Yin, 2018).

I will protect the confidentiality of study participants throughout the research process for five years after the study has concluded as a requirement of academic research. After I received notification of interest from potential study participants that

met the established predetermined criteria, I provided contact information for myself and the Walden University's Internal Review Board (IRB). Additionally, I included this information in the participant consent form that details potential risks and withdrawal processes.

Walden University's IRB provides the oversight for all bodies of research conducted within the university context and ensures compliance of ethical guidelines developed and implemented according to the specifications and requirements of the National Institute of Health Training for Human Participants (NIH) and presented in *The Belmont Report* (NIH). *The Belmont Report* details the three tenets required when research involves the study of human participants. The three tenets are (a) respect for persons, (b) beneficence and, (c) justice for all research study participants. The report remains a durable guide when conducting research forty plus years after its inception (Adashi, Walters, & Menikoff, 2018). The fundamental ethical principle of respect requires that research subjects are treated as autonomous individuals capable of informed decision-making and can provide the researcher with informed consent to participate. Additionally, *The Belmont Report* provides for additional protection for individuals with diminished mental capacity and who are not capable of providing informed consent (Miracle, 2016). Researchers tasked with beneficence protect study participants from harm and should make every effort to protect and secure their well-being. The requirement that the tenet of justice applies to each body of research is predicated on the nature and scope of risks and benefits of the completed study to the business community

(Adashi et al., 2018). I garnered approval from Walden University's IRB before I engaged in interaction with potential study participants. Additionally, I provided certification of the completion of the Human Participant Research Training course on demand by study participants and included it in the final written study. Study participants received no compensation for their participation and received a copy of the study for their perusal before finalization of the analysis and submission to Walden University.

Data Collection Instruments

I chose to utilize semistructured interviews with predetermined open-ended questions, administered through a personal interview process. Yang et al. (2018) explained the importance of implementing a protocol for the interview process when collecting data for academic or business research. As the primary data collection method used in my multiple case study, interview protocols executed during the preparation phase inclusive of the research and interview questions will be a tool to maintain the structure and integrity of the interview process (see Appendix A). According to Castillo-Montoya (2016), the preparation stage for semistructured interviews ensures the researcher has the appropriate interview and analysis skills, candidate screening criteria, and relevant and applicable interview questions aligned with the research question and research objective. Additionally, semistructured interviews based on open-ended interview questions support the objectives of case studies and enhances opportunities to explore participatory responses further (Castillo-Montoya, 2016).

A common instrument for data collection in qualitative research is the face-to-face interview inclusive of the responses of voluntary study participants. Additionally, another common instrument is the interview protocol that includes questions relevant to the overarching research question (Castillo-Montoya, 2016). Application of the face-to-face interview technique requires the interviewer to select a structured, unstructured, or semistructured format with study participants that allow the interviewer a more in-depth analysis through study respondents interactions and participation (Marshall & Rossman, 2016). While the predetermined interview questions and subsequent interaction enables the researcher to gain insight, establish trust and a rapport between the researcher and participant, there are also disadvantages of the face-to-face interview process. According to Yin (2018), researchers must be aware that the propensity for bias increases as participants seek to please the interviewer or if participants begin to respond in a personal manner, rather than in a professional or objective context. Researchers need to address and mitigate threats to study reliability and validity associated with researcher bias (Yin, 2018). For example, the researcher may engage in opportunities that guide participant responses resulting in inaccurate conclusions due to the injection of preconceived ideas of the researcher (Terhanian, Bremer, Olmsted, & Jiqiang, 2016).

Additionally, Giroud, Lemke, Reich, Matthes, and Meyer (2017) recommended tools such as member checking, thematic transcription of interviews, and using video and audio tools to accurately capture the correct interpretation and nuances of participant responses and interviewer prompts. Member checking provides study participants the

opportunity to review interview summaries to check for accuracy, and if applicable to provide additional insights (Marshall & Rossman, 2016). Thematic transcription enables the researcher to engage in effective comparison techniques to identify the richness of the study participant's relevant experiences (Cassell & Bishop, 2018). Audio and video tools prove invaluable during the transcription and analysis process and will assist the researcher to observe and remember details of the interview (Giroud et al., 2017). Additional tools required to capture notes accurately and to document additional issues or questions relevant to the study are writing utensils and a notebook.

Data Collection Technique

I employed a semistructured interview process with predetermined case-study interview protocol, inclusive of demographic and background questions, interview questions, site and confidentiality instructions, and follow-up guidelines with member checking procedures (see Appendix A). According to Yin (2018), a well-developed interview protocol is an integral component of a credible and effective face-to-face interview. I conducted face-to-face semistructured interviews using open-ended questions providing an opportunity to study participants to provide in-depth answers that would assist me in answering the research question. According to Castillo-Montoya (2016), the structure of face-to-face interviews should include demographic and background questions. The open-ended interview questions and answers will assist the researcher and contribute to the perspectives of the study participants (Yang et al., 2018). Additionally, face-to-face semistructured interviews allow for follow-up questions and provide the

study participant the opportunity to expound on and to clarify responses as needed (Yin, 2018).

The data collection process started after I received the Internal Review Board (IRB) approval for my study to answer the research question of What strategies do small business owners use to decrease employee theft? I began to contact potential study participants who met the predetermined criteria included in the study and interview protocol (see Appendix A). I provided potential study participants with an Informed Consent Form. I conducted interviews at my professional office or the participant's location of choice and the interviews were closed to observers to ensure the privacy and the confidentiality of study participants. With the permission of each study participant, the interview was recorded and lasted no longer than 30 to 45 minutes. After the interview with each study participant, I provided an approximate date that I provided them with the transcribed interview. At that time, if necessary, I sought additional permission to contact them if any additional questions arose and I thanked the participant for their participation and assistance. Once the interview was reviewed, I submitted my interpretations and understanding of participant responses, which allows study participants to clarify and expound on initial responses and confirmed the accuracy of my interpretation through member checking. According to Giroud et al. (2017), member checking is a tool to assist the researcher in the data collection process should be employed to provide a method for study participants to confirm the accuracy of the interview.

Data Organization Technique

The organization, protection, and storage of data collected during semistructured interviews is an integral component of academic research. Researchers tasked with the proper disposition of collected data, according to case study protocols, is a critical step in academic research (Yin, 2018). The case study protocol developed for my case study addressed case study questions, data collection plan, case study outline, and case study evaluation processes (see Appendix A). Additionally, the data organization techniques implemented will assist the researcher in analyzing and reviewing collected data (Dodd et al., 2017). I assigned a pseudonym to identify study participants (DB16, PS1B), to maintain participant confidentiality, and that pseudonym will be known only to myself, the researcher. According to Oye, Sørensen, Dahl, and Glasdam (2019), confidentiality is an integral component of ethical research that enhances mutual trust between researcher and participant. Additionally, I used the developed code to catalog documents, notes, recorded interviews, and transcripts for each study participant using Microsoft Excel. I used my Apple iPad to audio record face-to-face interviews with the consent of study participants. I offered to record a voice-only interview using my Apple iPhone as an alternative to video recording. The interviews were retrieved and stored on a flash drive that is password protected and secured in a locked safe to safeguard study research. All research material will be secured when not in use by me, and be destroyed as required by Walden University -5 years after the conclusion of the study.

Data Analysis

The data analysis process within the context of a qualitative case study is most effective when data collection includes multiple sources of collected data, effective data organization techniques, and the identification and development of patterns and themes related to the experiences of study participants (Yin, 2018). The analysis of data collected from multiple sources enables researchers to understand a phenomenon better and to assist in answering a specific research question. According to Natow (2019), the use of a methodological triangulation process compares and corroborates initial study findings using multiple sources of data. Additionally, the collection, triangulation, and analysis of multiple types of data such as semistructured interviews, company artifacts, and documentation, and researcher observation, will increase study validity (Kegler, Raskind, Comeau, Griffith, & Shelton, 2018). I used the responses to interview questions of study participants, direct observation, and documentation provided by the representatives of companies participating in the study to answer the overarching research question: What strategies do small business owners use to decrease employee theft?

Yin (2018) presented four methods of triangulation within the context of qualitative research, data triangulation, investigator triangulation, theory triangulation, and methodological triangulation to improve study accuracy. Data triangulation requires multiple sources of data. Investigator triangulation incorporates the research from multiple facilitators. Theory triangulation consists of differing perspectives using the same data. Methodological triangulation incorporates multiple methods of data

collection. Based on the collection of data from multiple sources using mixed methods, methodological triangulation was the most appropriate method of triangulation for my study and enhanced the richness of study findings. Researchers are tasked with demonstrating accuracy in the data collection process, the review, interpretation, and analysis of the collected data, the application of member checking techniques, and the correction of misinterpretations (King & Brooks, 2019).

The first step of my data analysis was to transcribe the participant's responses to the predetermined interview questions (see Appendix A). Miller (2018) cautioned researchers to review transcripts on multiple occasions and to become familiar with collected data before beginning the identification of patterns or themes. I used Temi Transcription services to transcribe the semistructured interviews, and I obtained a signed consent form from each study participant as required by the case study protocol. In the event that permission was not granted for the use of the transcription service, I transcribed the semistructured interview in its entirety using Dragon Naturally Speaking a software program that converts audio to text. I developed a pseudonym and identification system to protect the identity and confidentiality of study participants. The method and codes identifying study participants will be known only to myself. To conduct the thematic analysis, I used Excel, a computer software program to assist in the organization and coding of collected data. According to Woods, Paulus, Atkins, and Macklin (2016), the use of Excel as a tool to analyze data collected within the context of qualitative research can be a useful tool when conducting a thematic analysis. The development of

thematic analysis to identify emerging patterns and themes is an integral component of the analysis of semistructured interviews within a qualitative research study (Miller, 2018). I discerned possible themes by identifying similar data points, assigned a code for identification, and defined each theme with clear and rational connections that can be communicated and understood by the small business community.

The second component of methodological triangulation for my study was the document perusal that identifies strategies and protocols that study participants utilized to reduce the occurrence of employee theft behaviors. I used Excel to label, organize, and identify emerging themes and commonalities of data presented through company artifacts and documentation. Additionally, I corroborated company artifacts and documentation to the five components of internal controls, control environment, risk assessment, control activities, information and communication processes, and monitoring activities established by the SBA as best practices for small businesses. Finally, the three components of Cressey's Fraud Triangle, external, personal, or financial pressures, opportunity, and justification, were used to corroborate and compare data from semistructured interviews regarding the internal controls small businesses have in place that prevent employee theft. The development of a concise summary of the findings was the final stage of data analysis (King & Brooks, 2019). I prepared summary findings based on emerging themes through a methodological triangulation of semistructured interviews, company documentation and artifacts, and corroboration of facts and concepts of the Cressey's Fraud Triangle.

Reliability and Validity

Qualitative researchers seek to understand phenomena and results in conclusions not achieved through statistical procedures or additional forms of quantification. The quality and rigor of a qualitative body of research are judged by research reliability and validity, measured by the credibility, confirmability, transferability, and dependability of the data collection and data analysis process (Moon, 2018). Reliability and validity are tools used as a metric to monitor and measure the essential criteria for the quality and rigor of data collected and analyzed within the context of a qualitative body of research as well as measuring for bias and distortion (Smith & McGannon, 2018).

Reliability

Yin (2018) defined reliability in qualitative research as the consistency and replicability of the study. Consistency within the context of qualitative research is the ability to repeat the study with similar observations and study conclusions over time, and requires the study sample to be an accurate representation of the total population (Marshall & Rossman, 2016). Additionally, to maintain reliability, the researcher is tasked with asking questions relevant to and required by the researcher to answer the overarching research question. I will ask questions identified in my interview protocol (see Appendix A) that will assist me in answering What strategies do small business owners use to decrease employee theft? Use of the interview protocol will ensure the researcher remains unbiased in the data collection, data analysis, and study conclusion process to enhance study reliability (Moon, 2018). Member checking and triangulation

are additional tools used to ensure credibility and dependability within the context of qualitative research, which ensures accurate representation and interpretation of data contributions (Moon, 2018; Natow, 2019; Smith & McGannon, 2018). I will use member checking as a tool to enhance study credibility, and I will use methodological triangulation to ensure study dependability when I present my professional interpretation of collected data. Methodological triangulation in the context of my qualitative research study will consist of document review, semistructured interviews, and direct observation and will enhance the reliability of my study.

Validity

The criteria required to assess validity and rigor in qualitative studies adequately incorporates dependability, credibility, transferability, and confirmability (Kihn & Ihantola, 2015). Dependability within the construct of qualitative research is maintained through the use of member checking. Member checking can ensure the contributions of study participants is accurately interpreted and documented and provides an opportunity for the researcher to gain a more in-depth understanding of the phenomenon (Smith & McGannon, 2018). Research credibility addressed through a level of trustworthiness of the researcher, trust in the veracity of data collection and analysis, and the level of trust and belief in the body of research (Fitzpatrick, 2019). According to Betzner, Lawrenz, and Thao (2016), transferability is achieved when the concept of a study can be transferred from one context to another, and the study results remain applicable. Confirmability occurs when researchers attempt to replicate the study and conclusions

support previous study findings. Additionally, research reliability and validity within the context of my qualitative study may provide benefit and assist small business owners to understand the necessity of strategies to prevent, deter, and identify employee theft behaviors.

Transition and Summary

Section 2 contained details about my qualitative case study designed to explore and answer the overarching research question, what strategies do small business owners use to decrease employee theft? Additionally, in Section 2, I reiterated the study purpose and included descriptions of the role of the researcher, study participants, population sample, and the research method and design. I also included an explanation of the data collection instruments, technique, and analysis components of the qualitative case study. Section 2 concluded with a discussion of reliability and validity within the context of a qualitative body of research. In Section 3, I present the study findings with an exhaustive explanation of my interpretation and conclusions of the study findings. I also include recommendations for further research and the possible implications of practical application to small business owners.

Section 3: Application to Professional Practice and Implications for Change

Introduction

My objective for this qualitative multiple case study was to explore the strategies that successful small businesses employed to identify and deter employee theft behaviors. Section 3 includes the presentation of study findings, a discussion of the identified themes, application of findings to professional practice, the implication of study findings applicable to social change, and my recommendations for future research. Additionally, I present my analysis and conclusions.

The specific study population consisted of eight individuals representing small businesses. The businesses represented (a) were a combination of for-profit and not-for-profit operations, (b) were located in Central Florida, (c) had been operational for at least five years, and (d) employed less than 50 employees. Through an analysis of my research and study results, I identified the strategies and internal controls successful businesses implemented to prevent, deter, and to mitigate employee theft behaviors. The themes I identified were internal controls such as (a) the reconciliation of accounts and communicating expectations for transparency, (b) multiple eyes on accounts (separation of duties), (c) installing system access controls and physical access controls, (d) conducting random reviews with internal and external audits, (e) hiring and building the right teams as a strategy to prevent employee theft activities, and (f) addressing challenges and resistance to policy change and implementation.

The fraud triangle developed by Cressey (1950) was the conceptual framework applied to this body of research. Cressey developed the fraud triangle with the belief that employee theft behaviors occurred due to the presence of three elements: (a) external, personal, or financial pressures, (b) a lack of organizational controls, and (c) the employees' justification for the illegal behaviors. The themes I identified as a result of my personal interviews aligned with the tenets of the fraud triangle. According to N'Guilla et al. 2018), sufficient internal and physical controls combined with strategies specifically designed to reduce the opportunity for employee theft activities were two of the most influential practices and were vital to the success of small business owners. In addition to the participant interviews, I reviewed the handbooks, written policies and procedures relative to each organization (as available), and the guide provided by the SBA that identified best practices as a resource to assist with the analysis process in answer to my research question: What strategies do small business owners use to mitigate employee theft?

Presentation of the Findings

The central research question for this study was: What strategies do small business owners use to mitigate employee theft? The conceptual framework for exploring the research question of this qualitative multiple case study was Cressey's fraud triangle theory (Cressey, 1952). I used multiple data collection methods to achieve a thorough and multifaceted understanding of the phenomenon of employee theft. I collected data through interviews with eight small business owners who have successfully operated for

5 years or more. Each of the participants I interviewed was directly responsible for the development and implementation of strategies to mitigate employee theft behaviors. The interviews consisted of seven semistructured open-ended interview questions (see Appendix A). I also reviewed data collected from documents related to the internal controls and policies of their respective businesses, as well as the *best practices* from the SBA and the findings of an extensive literature review, which assisted me in the identification of six themes.

The identified themes aligned with the conceptual framework of Cressey's (1952) fraud triangle. Cressey explained the fraud triangle as the three necessary components that must be present when employees engaged in theft activity. Implementation of internal controls that adequately address the three points of the fraud triangle, internal and external pressure, opportunity, and justification are critical components necessary to ensure the organization achieves its objectives (Shkurti et al., 2017). The themes that I identified were internal controls such as (a) the reconciliation of accounts and communicating expectations for transparency, (b) multiple eyes on accounts and separation of duties, (c) installing system access controls and physical access controls, (d) conducting random reviews with internal and external audits, (e) hiring and building the right teams as a strategy to prevent employee theft activities, and (f) addressing challenges and resistance to policy change and implementation. All of the study participants expressed an awareness of the possible impact that a lack of internal controls would have in the creation of opportunities that tempted employees and placed them in a

situation that encouraged theft activities, and all were effectively mitigating an opportunistic environment.

Each study participant received and completed a packet that included a participant invitation, background, acknowledgment, and informed consent form. Additionally, I advised all prospective study participants that their participation was strictly voluntary and that they had the right to withdraw participation and consent at any time. I assigned each participant an identification code to ensure confidentiality (see Table 3).

Table 3

Identifier and Demographics for Study Participants

Participant	Years of business experience	Age of business	Profit/not for profit
PE17	25	90	Not for profit
MH21	11	8	Not for profit
DB16	19	31	Not for profit
PS1B	19	16	Profit
LB4P	33	30	Profit
M8LP	18	15	Profit
TA16	20	15	Profit
M1B5	26	21	Profit

Some of the study participants had no experience with employee theft in their businesses, and others experienced employee theft of cash, inventory, and or equipment. It was interesting to note that, given a few of the companies were operational for more than two decades, the incidences of employee theft were few. Based on my analysis, non-profits seem more prone to the risk of employee theft activity. Not-for-profit

organizations often experience a scarcity of resources, which can result in significant delays for professional reviews and strategies that provide the oversight of organizational records and activities (Clouse et al., 2017). Study participants discussed in detail strategies used to deter or prevent employee theft. The analysis showed a high degree of similarity among the themes based on verbiage used.

Theme 1: Internal Controls

The first theme revealed through analysis of collected data was that adequate internal controls were used to mitigate opportunities to engage in employee theft activities. When employees are aware of the controls, advised on the expectations for behaviors and contributions, and educated on the consequences if caught, they are less likely to engage in theft behaviors. The experience of theft in the workplace seemed to impact the participants' attitude toward the necessity of internal controls such as the reconciliation of accounts and communicating expectations for transparency. For example, participants M1B5 and PS1B both explained that the process of account reconciliations worked for everyone's benefit and not just their employees.

Table 4

Account Reconciliation

Participant	Excerpt
PS1B	At the end of the day when I do the count for the drawers, we save that document so I can go back and look at what was actually taken from the drawers based on the employees writing or my writing for that matter and verified all the way down the chain, all the way to the bookkeeping and the reconciliation of the books.
M1	So, for normal business, normal accounts would be done once a month. We do that twice per month as an added shelter. And I think it does reduce apprehension because we checked and reconciled accounts frequently.
LB4P	I like to have checks and balances even for myself. So if I am doing everything on QuickBooks and the billing and the receiving of the checks and the deposits and that sort of thing, I'll get someone else in a management position to reconcile the bank statement. The second piece is then in addition to the audit trail for account managers, we do bi-monthly client account reconciliations.

Additionally, each of the study participants addressed the necessity of implementing and monitoring internal controls to reduce temptations that would invite employee theft. For instance, DB16 explained,

An employee having easy access to cash, may think that taking proceeds of the business for personal use is acceptable because it was taken with the intention of returning it. However, they may not have an opportunity because of a series of bad decisions and be caught in a cycle of theft behaviors.

With this awareness, study participants saw it as their duty not to subject their employees to temptations and to communicate expectations for performance and behavior.

According to DB16, "First is to be realistic about the danger and remove the possibility

for people to steal. We don't want to put anybody in a bad position, a position of opportunity.” The comments made by M1B5 and MH21 revolve around the possibility of losing substantial amounts of funds and resources, and not being able to hold anyone party responsible for the loss motivates them to move swiftly to adjust internal controls to prevent theft from occurring. DB16 explained, “We'd had a business manager who had embezzled hundreds of thousands and at the forefront of my mind was how do we make sure that that doesn't happen again with some good internal controls”.

According to Schuchter and Levi (2016), business owners control the opportunity element with adequate internal controls to mitigate and control employee theft behaviors. Deficient internal controls that create opportunities for employees to engage in theft activities and other deviant acts with ease enables employees to participate in the concealment of their actions and to manipulate data and sensitive information. Each of the study participants emphasized the importance of communicating and educating employees on the ramifications of employee theft and the personal consequences associated with theft behaviors through employee handbooks, training/orientation (see Table 5).

Table 5

Communicating Expectations

Participant	Excerpt
DB16	I think that as long as you are straightforward and give employees your expectations... laying out expectations and spelling out consequences while letting them know that you value and appreciate them. That is where I would never have a problem dismissing someone if we needed to because everything was out front.
M1B5	The bar only has the power to punish lawyers. So, I make sure all of my employees know that I am ultimately responsible for every action associated with my firm. I also make sure that they are aware of the perception that their behavior in and out of the office directly reflects on the perception of my credibility.
M8LP	A large part of the pharmaceutical industry is that every you do will follow you. There is so much paperwork and training that a lot is redundant everywhere in the industry. The awareness of, you know, the penalties in terms of pressing charges and so forth is drilled into the employees. There are even posters that remind employees of the consequences of theft within the industry.
MH21	Awareness begins with the application process. Employees and prospective employees are provided the information when they receive an overview of our organization, especially what my expectations for behaviors and contributions should be. The requirements are already touched on even before their first day of work.
PE17	We have strict guidelines and we make sure that every individual that interacts with our organization is aware of our zero-tolerance policy and what our expectations are. They are also made aware of the penalties and consequences as well.
TA16	I have to make it very clear from the beginning that we are very aware of our resources and that we won't hesitate to press charges when our business suffers from inappropriate behaviors. We know exactly what we have invested in every job down to how long an employee should be there. We don't tolerate padding or theft of any kind and our employees know this before they accept the job.
PS1B	I hope that I am always very clear about what I expect from an employee. I know that we are often redundant during training and orientation about how we feel about theft behaviors and what will happen if it occurs.
LB4P	We are very careful about training our employees and letting them know what we expect from them.

Study participants were adamant that the visible placement of policies and procedures was a key strategy to prevent and deter deviant employee behaviors. I observed policy statements in some of the public areas of the businesses. For example, besides the consumer notice of penalties for shoplifting was the statute number and possible penalties for misdemeanor and felony theft behaviors. Additionally, six of the eight organizations had formal policies regarding theft behaviors and employee expectations that were included in employee handbooks and reviewed regularly. Kumar et al. (2015) explained that all employers have a responsibility to educate and train employees on what constitutes theft in their organization. Theme 1 aligns with the literature as well as with the conceptual framework of this study, the fraud triangle (Cressey, 1952). According to Cressey (1952), business owners control the element of opportunity with adequate internal controls. Jaakson et al. (2018) examined organizations that failed to inform prospective hires and employees of the expected behaviors and level of performance expected from them and found employees had a propensity to engage in deviant workplace behaviors, including theft.

Theme 2: Multiple Eyes on Accounts/Separation of Duties

The second theme of multiple eyes on accounts and separation of duties was a mistake that most of the study participants admitted making early in their respective businesses. Placing one person in charge of and responsible for complimenting financial functions occurred because of a lack of knowledge, experience, and misplacement of trust for most of the study participants. Single responsibility happened when each of the

businesses was in the start-up stage, and the focus was on the growth of the company and less on internal controls. For example, MH21 explained, “that in the beginning, we didn't have anything in place. We were just trying to grow and go”.

In the beginning stage of small businesses, most staff are inadequately trained, and organizational members may not have sufficient skills for the positions that they hold (Bakri et al., 2017). Some of the study participants explained that under these circumstances, it is practically impossible to separate roles or to have more than one person attend to duties. Participants PS1B, M1B5, and LB4P commented that “sometimes when you start a small business that you have to go with the skills that you have and to do the best with what you have before you can do things differently”.

Without competency by the owners or those individuals in leadership positions, employees may not understand, for lack of examples, the necessity of following established procedures or understand the need for the internal controls (Ultra & Pancho-Festin, 2017). The comments by study participants aligned with explanations provided by Kapardis and Papastergiou (2016) that the implementation of internal controls and the separation of duties remained a challenge for small businesses since they may have too few and inexperienced employees. Some companies had fallen victim to undetected theft activity. MH21 reported that in one scenario, he found that an employee had been misappropriating benevolence funds. The owner had simply trusted the employee, and since he was not competent in that particular function did not check or review accounts.

MH21 stated, “I didn't ask what went where and I found out after six years of running the organization. I don't know how long it had been going on”. Due to weak internal controls and an inability to track transactions, MH21 could not tell if the fraud had been on-going since the beginning of operations. DB16 also commented that due to inefficient internal controls, the audit process could not determine if there was any theft activity committed by the past accountant because of the lax controls. MH21 stated,

They would focus on developing the structure and system of the business first before diving into the recruitment of staff and running the business. So getting all of the accounting records in one place and taking the time to learn how to operate is more important than the start-up date. Now, I know I need the structure before the people.

However, it is not always start-ups that are at risk of employee theft activities. Established businesses with layers of controls are still susceptible to employee theft behaviors. Determined employees will find ways to circumvent those controls and are one of the reasons why the separation of duties is a necessary strategy (Avanesov, Chevalier, Rusinowitch, and Turuani, (2017). Bakri et al. (2017) explained that separation of duties is one of the most important internal controls a business could implement. All of the study participants reported exercising a form of the strategy of multiple eyes on accounts and separation of duties. Table 6 consists of excerpts from the participants regarding the approach of multiple eyes on accounts or a separation of responsibilities.

Table 6

Multiple Eyes on Accounts/Separation of Duties

Participant	Excerpt
DB16	I learned early on from another not-for-profit before here to just have multiple eyes on the books. Even when sorting the mail there is always more than one person. There's never just one person with the money. I am going to say we added it because it wasn't being practiced. We added a clear separation of duties of accounts payable and receivables. Sometimes I just grab somebody. I say, we're sorting this mail together so that you can watch me. So, I don't put some of these checks in my pocket.
M1B5	We had a twenty-year employee who had never done a thing wrong who entered a figure in the cents column. A single digit entered and it didn't show in the accounting software, but it was on the deposit slip. Big problem for a trust account that could have resulted in thousands of dollars in fines. So, we changed totally and now we have a delegation of duties and multiple people reviewing records before any bank transaction takes place.
MH21	I am a firm believer that people don't do what you expect. They do what you inspect. I had a person that was supposed to be checking on everyone else, but no one was checking on them. We found out that the person was paying themselves out of the fund designed to assist others. Now all transactions have a final approval by a second signature.
PE17	I have learned the hard way, that whenever there is money or inventory involved, there must be at least two people involved for every aspect of the transaction. Handling the money, signing off on checks or requisitions and payments.
LB4P	As we grew to more than four or five employees in the back office, then as an owner you have a responsibility to delegate and separate duties to protect every employee. I like to have checks and balances for every aspect and task. It helps to balance things out for everyone and creates a buffer with increased trust and respect for the jobs that we do.

In addition to accountability, multiple eyes on accounts and separation of duties would make it easier to track anomalies, theft, and errors soon after they occurred. The importance of early detection was highlighted by M1B5 when he described and recounted how a tiny clerical mistake cost the firm 24 months of rigorous investigation and thousands of dollars in legal accounting fees. While strategies that address the separation of duties may be a tedious task to the small business owner, it is the most wide-spread and effective internal control practice in business (Avanesov et al., 2017). Theme 2 aligns with the extensive literature reviewed as well as the conceptual framework of this study, the fraud triangle. The fraud triangle theory provides that one of the critical elements required to be present when employees engage in theft behaviors is the opportunity created by a lack of internal controls (Cressey, 1952). The triangulation of theme 2 was confirmed when study participant M1B5 walked me through his strategy that segregated duties and required more than one authorization before any transaction was attempted involving client trust accounts. As a note, he implemented this strategy after reviewing the SBA's Best Practices Handbook for small businesses.

Study participants discussed strategies that included two types of access controls, physical and system access controls. All participants explained the importance of physical and policy controls to their respective businesses and further explained that left unchecked, a lack of physical and system controls could significantly contribute to the collapse of the business. Study participants commented on the need to develop a trusting relationship with employees before they can entrust them with sensitive information and

greater responsibilities. Physical access controls were mostly used by study participants and implemented in their respective organizations to address tangible assets such as cash, equipment, medications, and other items necessary for operations. Participant LB4P stated, “It is scary having you know, new people that you don't know, and you know, giving them a piece of your company, that's a big deal”. Participant M1B5 commented, “New employees would not have access to payroll, printing checks, or cash and deposits until a level of trust was established. Then access would be granted but on a limited basis”.

The most widely used strategy for system controls by the study participants was the use of passwords, especially for new employees. Additional strategies included using a log-in system to monitor access and activities to certain accounts, as well as monitoring account activity using electronic and manual audit trails.

Participant TA16 explained,

Employees are responsible for signing out equipment and supplies for each job.

We know what and how much product should be used and monitor supplies closely. I realized early on that theft and abuse of supplies will cut into profits and exhaust my operating budget.

Physical access controls were a primary strategy used by study participants to restrict access and to protect tangible resources. To limit access to cash and receivables, most respondents used a form of a lockbox and drop safes. The use of tamper-resistant bags to transport money and deposits and to detect unauthorized access became a critical

element. Another control measure cited by each of the study participants was security cameras and the proper positioning of security equipment. For example, one recommendation provided by M8LP was that

The positioning of cameras needs to be inspected for blind and dark spots.

Cameras should be strategically positioned, such as close to the cash register and the records should be protected and stored for a long time to provide reference records in case of an event requiring investigation.

To restrict access to facilities, some participants kept doors locked, and a limited number of people had access or keys to sensitive areas. Study participants ensured that services, such as cleaning, were offered during the day when other employees were present. Table 7 consists of excerpts from the participants regarding the use of cameras and physical access controls.

Table 7

Physical Access Controls: Cameras

Participant	Excerpt
DB16	The first thing is to make sure you are realistic about the dangers and remove the opportunity for people. The best way to do that is to use cameras.
M8LP	Cameras are great! The store data and record movements for a long time so if there is ever an issue, we have a concrete record. When employees know they are recorded they are deterred from trying to steal.
PS1B	In today's business world, there is not a business that does not have some sort of camera. And I mean I've heard it from other employees and employers in other businesses that you know, when they feel that there is another pair of eyeballs watching them or not, employees tend to be more responsible. I can pull up video recordings on my phone for up to 30 days at a moments notice. I know that this is a deterrent.
TA16	Especially, if it is an occupied unit, I have all of my cameras on to protect to the tenant and the employee.
MH21	I wish I had cameras on folks when they are out in the field. I know that the cameras that record driving habits are a deterrent for reckless activity and the cameras in the office definitely prevent theft related activities.
PE17	There are additional doors locked and we have many more cameras in place to monitor activity. In the event something happens, we have been able to go back and look at who entered and who had access. It has been very helpful in the identification of problems and clearing people who were accused of theft.
LB4P	I think for one cameras are a great deterrent. They also contribute to Lower insurance premiums in case of employee theft. I can't afford those types of losses and cameras insure I can monitor all access and behaviors if I need too.
M1B5	I don't have cameras in our offices because of the confidentiality challenge. However, I do have a program that captures keystrokes for individuals that access sensitive accounts such as the mega bank accounts held in trust for clients. This alone is a great deterrent because of the facial recognition and image capture for access.

Some study participants commented that some access and physical controls also present challenges through loopholes and technological advances that are not enough to deter theft activities. For example, DB16 said, “that despite the use of a lockbox and cameras, as long as keys were available, a person could gain access. The never-ending question is how to keep strengthening these controls”. The application of internal controls, both access and physical are a critical component to address the three elements of the fraud triangle, motivation, opportunity, and justification. According to Henry (2016), business owners need to develop and implement strategies that incorporate internal controls and strategies to deter employee theft behaviors. Henry (2016) further explained that the internal controls should be visible and integrated into the daily activities of employees. N'Guilla et al. (2018) associated internal controls with improved organizational performance, especially in small businesses. I found through casual observation during the interview process that employees consistently performed better when cameras were in place and known to be operative. The strategies incorporated by study participants regarding Theme 3 physical and system access controls supported the findings of Yekini et al. (2017). Yekini et al. (2017) found that employees were tempted to steal when they knew no one was looking, especially if they were experiencing financial pressures which aligned with the external, personal, or financial pressures element of the conceptual framework, Cressey’s fraud triangle (1952).

Theme 4: Conducting Internal and External Audits

To strengthen internal controls, study participants conducted audits to identify existing and potential loopholes and to develop strategies to address them. Participant DB16 recalled, “There is always a weakness with physical controls and that audits will identify them.” He also explained that after every audit, there is something else that needs to be addressed. “Despite having all of these controls in place, they always find something that needs to be addressed”.

PE17 recalled,

Two people were initially entrusted with the keys to a safe room and the combination to the safe. In one of the audit sessions, the auditors thought it was not safe or prudent that a single person should have both the key and the combination. The recommendation was to change the safe's combination and give it to a different person while another kept the key. However, each time cash needed to be counted and deposited (removed from the safe) two people were needed.

Most of the study participants had well-developed internal audit programs. These included random and regular checks on individual client accounts just to make sure that financial and operational information was accurate. Proper and formal audit processes became particularly important when the accounts were sensitive, such as when organizations were entrusted with funds for minors and the elderly and the internal checks completed in a simple but effective manner. For example, according to M1B5, “he

could check the account status while making routine deposits and then check accounts against the systems once he returned to the office”.

The motivation for study participants to implement a robust internal and external audit program was to prevent the occurrence of any kind of theft activity, which would be costly to the business. For study participants, it was more important to spend the time and resources in the development of control systems, which generated no revenue, than to be subjected to substantial financial losses due to theft activities. Study participant M1B5 commented, “That we would much rather be in a preventative maintenance mode than we would be trying to clean up the mess mode”.

Most study participants felt that regular and routine checks and reviews had been very effective at deterring theft behaviors because employees are aware that the work product and accounts could be reviewed at any time and that they would be caught.

MH21 commented:

People pay attention to what you inspect, and not what you expect. So, you would not go thirty days without someone looking at something. There would be a totally different perspective if you only reviewed accounts once or twice a year.

Physical audits were widely used by study participants when safeguarding cash-on-hand and inventory. In several instances, study participants explained that when cash was counted, there were always two people involved in that process, which added a layer of control in addition to the electronic counts at days end. M8LP explained,

Inventory of medications and medical supplies was highly regulated and inventory was done often with two or more individuals involved in the process. In some cases, there would be an electronic listing of all inventory and that was checked against the quantity leaving the pharmacy to ensure accuracy of operations.

Businesses that were family-based had no sense of urgency in the implementation or development of strategies that addressed inventory. Study participants LB4P, PE17, and PS1B, expressed concern for the security of proprietary elements when requiring the services and assistance of external resources. Bishop et al. (2017) explained that the benefits and trade-off between the exposure of proprietary secrets and a decrease in opportunities of employee theft behaviors were worth receiving the services of external resources but advised against receiving those services until the internal controls were in place to safeguard sensitive information. The comments made by LB4P, PE17, and PS1B were in alignment with Bishop et al.'s findings. Table 8 presents excerpts of study participants regarding the necessity of internal and external audits as a strategy to address employee theft behaviors.

Table 8

Use of Internal and External Audits

Participant	Excerpt
DB16	We conduct annual audits and the one thing that I am confident of is that the expense is totally worth it. In one year, the auditor said that they didn't discover anything. For a moment I was pleased. Then he followed it up by saying to be honest with you, the controls were so sloppy and ineffective that they wouldn't be to tell if any kind of theft had occurred. That is when we did an overall.
M8LP	As a pharmacy, we are required to conduct internal and external audits frequently. Most importantly, there are regulatory audits that are performed electronically without advanced knowledge. Additionally, a technician counts and then the pharmacist counts and both have to independently record the count. The process of external audits helps keep our internal processes proficient.
PS1B	We go through a formal audit annually, but more importantly, we conduct smaller yet intensive reviews on a regular basis. No one knows when I call an employee to the house and we pick a function and review every transaction. I am not trying to catch anyone, but I want everyone to know that if they try something they will be caught.
TA16	I have to conduct periodic audits. Especially with supplies. A routine abuse or theft of some chemicals, because they are so expensive could put me out of business. Since my employees know that I am looking closely and that someone else is looking each quarter, they make a conscience decision to not steal. I also take photos of occupied units before workers enter. That way, if a tenant complains or claims something is missing, I have been able to protect my employee. Now that my tenants know my process, I no longer receive complaints. Instead I have received thank you's for being proactive in protecting their privacy.
MH21	I keep saying that people pay attention to what you inspect and not to What you expect. Every other month, third party verification. So, the Records ultimately leave and go outside to the CPA every two months just to make sure that we've lived up to our protocols.
PE17	We have formal auditors come in every three years. Every year there Are new protocols out in place and they will come back to inspect and review those processes two or three times. So, I would say that it is ongoing, but I definitely see a difference in the employee perception of our controls.
LB4P	Even though this is a family business, we have auditors come in regularly. They deal with preventative issues all the time and often show us how we can better protect ourselves. Their favorite saying is that we are growing and no longer have just family working. I have to respect that.
M1B5	Internal reviews and audits are primarily my most effective internal strategy because we conduct them using different methods and at unscheduled times. People get so busy working their business that they never work on it and there's no money in reviewing financials. There's no money to be made in bank reconciliations. There's no money to be made in writing training manuals and protocols. But if the opposite were to happen and you were to take a financial loss. The loss would be greater than the time that you spent on that.

Theme 5 Hiring and Building the Right Staff

The fifth significant theme that surfaced as a result of an analysis of the study results was the importance of hiring the right employees. Even with the most robust set of internal controls, you will still meet with ill-intentioned people that will seek ways to circumvent the restrictions (Omar et al., 2016). Most of the study participants reported that they learned from experience the necessity of following a comprehensive pre-employment screening process. Additionally, the pre-employment screening process included a review and analysis of past employment history, skill level, and ability to do a specific task, whether the individual was a good fit for the organization, and most importantly, past criminal history. For some of the study participants, it was a crucial step in preventing the loss that comes with employee theft, including a loss of motivation and decreased production in the other employees. Once hired, it was essential to let the employees know what was expected of them but, more importantly, the policies and guidelines for appropriate and inappropriate behaviors. Some of the participants said that they had compiled a handbook that covered everything from a to z.

In most cases, the consequence of theft was spelled out in precise language, including the termination of employment. In more heavily regulated industries, the penalties were more severe and were communicated to potential hires before an offer of employment. However, according to all the study participants, hiring the right people was not enough, and they commented that a reasonable employer had to grow their

employees. Table 9 consists of the excerpts from study participants regarding the necessity of hiring the right employees.

Table 9

Hiring and Building the Right Employees

Participant	Excerpt
DB16	I ask all sorts of questions to ascertain if they are a good fit for our organization. Questions like have you dealt with a, b, or c? or how did your past position prepare you for more responsibility? What kind of contributions do you intend to make on my behalf? I know these are not the typical questions, but each response provides me a clearer picture of who I am dealing with.
M8LP	I have found that when you ask a prospective hire about the kinds of things they do after the workday or how have they grown since their last position tells you a lot about the personality and potential of the person. The answers provided can also be a warning that this person may not be a good organizational fit.
PS1B	I mean I look for a strategic fit in terms of how they're going to get along with the other employees. Hey, do you go on vacation during the holidays, because you know Christmas is a peak time for us. So if they go away for the holidays they will be disappearing when we really need them. Also, I know this may be prejudiced but if the person has an alternative appearance, I look at how my customers will react or how knowledgeable and willing to learn they are. As small business owners, we hire for the future not for today.
TA16	Criminal history is a big part of it. Although, because someone was honest with me about getting into trouble, I went to bat for them and got them bonded. That person is still one of the best employees that I have had. So, I say this because being straightforward and honest is a trait that cannot be learned. Either they are or they are not. As the company grows, if you are lucky then so do your employees.
MH21	I have been burned before, so now I have an agency that will conduct the background and employment screenings. You know, I have started conducting credit checks on employees that will be responsible for financial transactions in the field. I think where there is a personal financial pressure, there will be the temptation to do wrong.
PE17	It may be based on the fact that we are a faith-based organization. But I think we take our interview process very seriously and hopefully, we hire only honest people. I have to say that we do thorough background checks and that has a lot to do with the transparency of prospective employees.
LB4P	Even though this is a family business, we have a few employees that are not family. However, they are long-standing employees or employees that we hired because we they knew someone on our workforce already. So they either came to us by word of mouth or we knew them. So there is a level of comfort with that process. As we grow, they grow. As our business expands so does their responsibility. I think a successful employee begins with a good organizational fit.

DB16 and PS1B commented that it was mandatory to show appreciation and to make employees feel that you recognize their value. Both DB16 and PS1B explained that they went out of their way to organize social events where they would engage with employees, mostly on non-business issues. DB16 said that he routinely hosts social events to thank his staff for the ultimate performance of each and every employee. He makes it known that without his staff, he would not be able to grow the business and provide the services that he is so passionate about.

PS1B commented,

The social interactions helped to establish a strong employee-employer bond that made it impossible for employees to engage in theft behaviors. I have to say now that we have revisited this issue is that the number one thing in my business that helped to minimize the possibility of theft, I don't think I can say are cameras- I think it is the culture of my business.

Small business owners that have cultivated working relationships based on trust and loyalty have created an environment that moves beyond employer-employee relationships and can help to mitigate opportunity for theft behaviors (Petraakis & Kostis, 2015). In fact, most of the study participants who reported that they had not had theft experiences during their tenure as business leaders attributed it to employee loyalty and respect for them personally. Loyal employees also referred to as long-standing employees, and some had served their companies for 25 years, were family employees, or those hired by word of mouth. For example, LB4P commented, “that at this point, they're

committed to being a part of the family, and the success of the business is as important to them as it is to me”. The issues raised by the study participants supported the existing literature reviewed on the phenomenon of employee theft. For example, Henry (2016) explained that the potential for employee theft behaviors is mitigated during the hiring process through comprehensive scrutiny of certifications, qualifications, credentialing, and background and reference checks. Yaokumah et al. (2016), confirmed that critical steps for the prevention of employee theft behaviors start with the expansion of the hiring process. Additionally, the implementation of a zero-tolerance policy, communication of policies and consequences, and adequate training of staff and supervisors so that they will be an active participant in the enforcement of company policy. The tenets of the fraud triangle were further supported by the responses of the study participants as they explained their relative experiences with the importance of hiring the right employee as a strategy to deter and to prevent employee theft.

Theme 6 Strategies to Address Resistance to Internal Controls

The last significant theme to emerge was a resistance to the implementation of internal controls to mitigate and to deter employee theft behaviors. The study participants had mixed experiences with resistant behaviors to the internal controls that were amended or developed. Study participants that had experiences reported differing reasons why the employees resisted. For example, a common belief by study participants was that when employees felt as if there was no need for the control measure, they were not readily accepting of the change. For example, DB16 experienced push back from employees

because they felt as if the new policy or procedure was a waste of time, or another employee felt as if they were being singled out for extra work. PE17 commented,

Of course, we get resistance all the time from people who think that because we are a faith-based organization, we should automatically trust everyone. I try to explain that first it is a business and I have to protect my business first. For example, I recently changed all of the locks and the employees that had no reason to have unfettered access were the biggest complainers.

PS1B reported,

When we did have an incident, we pulled the employee to the side and tried to explain. But, that there was a bit of an attitude that we had to check immediately, less it became contagious because the employee was well liked and respected by the staff. He also reported that the employee felt the new controls were because there was a lack of trust for him personally. It took a great deal to persuade him otherwise.

TA16 commented, “that they make it known to all employees that it is not because I think you are going to steal from me, but because I need you to know that it won't be tolerated”. M8LP believed that his experience or lack of experience is due in part to the highly regulated industry. He also makes it known to all prospective hires and employees that he doesn't expect and won't tolerate resistance. He reminds his employees that it is a necessary evil of the industry and he will embrace all regulatory requirements to the fullest.

According to Kuang and Lee (2017), theft prevention strategies are occasionally viewed by employees as biased, unjust, or unfair. The researchers further opined that employers must understand that regardless of the implementation process, the strategies apply to both the guilty and innocent and may instill fear and uncertainty while curtailing employee theft behaviors. The observations of the study participants aligned with the extensive review of the literature on the importance of prudent hiring decisions as a strategy to prevent employee theft behaviors. Additionally, findings from study participants that explained how they dealt with employee resistance supported the tenets of the fraud triangle, strategies to address external, personal, or financial pressures, motivation, and justification of theft behaviors. Among other documentary evidence provided by study participants, I reviewed formal policies, handbooks, job descriptions, and training manuals of the business to support my research.

Applications to Professional Practice

The result of the study may prove valuable to current and future small business owners of not-for-profit and for-profit businesses, enabling them to determine and identify the benefit of strategies relevant to internal controls. My objective for this study was to identify strategies that small business owners can take to mitigate and identify employee theft behaviors and activity. I conducted interviews with small business owners and reviewed documents relevant to the internal controls of their business. The information provided by the study participants and my interpretation of the documentation submitted for my review demonstrated the necessity of implementing

strategies for sufficient internal controls and the necessity of developing strategies for comprehensive policies and procedures. The study revealed six themes (a) the reconciliation of accounts and communicating expectations; (b) multiple eyes on accounts (separation of duties); (c) installing system and physical access controls; (d) conducting internal and external audits; (e) the importance of hiring and building the right team; and (f) strategies to manage resistance to the implementation of internal controls. These six themes are vital components of the Cressey Fraud Triangle, The Fraud Diamond, SAS 99, and the COSO internal control framework.

The relationship between the strategies employed and themes revealed by the study participants and the Cressey Fraud Triangle, The Fraud Diamond, SAS 99, and the COSO internal control framework established a proficient working knowledge of the importance and necessity of sufficient internal controls. Small business owners, through their working knowledge of internal control strategies, maybe in a position to guide new and existing businesses in the small business arena of Central Florida. In the absence of working knowledge of internal controls, the study participants may have had a much different experience with employee theft activity, which could have resulted in destructive consequences. Small businesses are vulnerable to behaviors of employee theft due to a lack of expertise, resources, and increased opportunities within the trust-based system in which they operate (Hess & Cottrell, 2016). Employee theft is especially evident in a small business context, and some small businesses do not have the human, financial, or technical resources to combat such behaviors or navigate its manifestations

and complexities (Aris et al., 2015; Hess & Cottrell, 2016; Kramer, 2015; Omar et al., 2016). Small businesses in the United States realized median losses of \$150,000 due to employee theft in 2016 (ACFE, 2016). Theft-related business closures are often due to an inability of small businesses to identify employee theft activities, a loss of customer confidence, and decreased customer loyalty due to deviant behaviors (ACFE, 2016; Ruankaew, 2016). Additionally, small business closures and retrenchments can negatively impact local economies by a loss of employment opportunities, decreased contributions to the tax base, and a loss of stability for the owners (Kennedy & Benson, 2016; Llopis et al., 2015; SBA, 2017). The study participants may provide practical insights and identify strategies and resources that enable future small business owners to develop and manage strategies and internal controls that will cultivate and sustain a theft-free environment, grow the business, and increase their profits.

Implications for Social Change

The rate of employee theft in small businesses in the United States is on the increase and can result in a loss of resources and, at times, force the small business to close (Grant & Grant, 2016; Kennedy, 2018). The findings and analysis from this study may assist small business owners to develop strategies and processes to implement adequate internal controls to deter and mitigate employee theft in their businesses successfully. The experience and knowledge gained as a result of the study relative to the necessity of adequate internal controls and strategies to address the elements of the fraud triangle can help to educate struggling and new small business owners to enhance

employee loyalty and trust, and to promote healthy and prosperous employee and customer relationships that support growth and economic stability within their communities.

The small business owners that participated in the study understood the importance of strategies and the internal controls required to prevent employee theft activities and explained the benefits received as a result of increased levels of trust from the employees. This understanding was evident by the open and detailed responses regarding the relevant experiences with the phenomenon of employee theft by study participants. The intention and possible impact on social change as a result of this study is to assist small business owners to remove the opportunity element required for employees to engage in theft behaviors from the work environment. The study exposed successful strategies employed by small business owners that effectively deterred behaviors of employee theft. Additionally, study participants provided documentary evidence relative to the strategies incorporated into their work that resulted in increased profit margins and enhanced levels of trust of employees and improved customer relationships. For example, one study participant regarded employees as extended family members and experienced an increased level of performance that exponentially increased peripheral sales.

The potential benefits to society are that successful small businesses contribute to the well-being of their communities while achieving lower operating costs due to the absence of loss as a result of theft behaviors. The costs of employee theft are often absorbed by the employer and passed on to the customer in the form of higher prices for

goods and services. Addressing loss prevention with adequate internal controls can prevent an employee from making a life-altering decision that will effectively reduce career choices, future employment, and earnings potential. Additionally, the societal cost of employee theft could be prevented. For example, if a case of employee theft could have been prevented through adequate internal controls, then the criminal justice system has been unnecessarily burdened. The burden of prosecution is lessened because the taxpayer funded recovery services in the form of restitution and supervision are reduced. An additional impact is that the successful small business owner creates a positive effect within the community, ensuring continued employment opportunities, contributions to the community tax base, and continued social responsibility (McMahon et al., 2016).

Recommendations for Action

The purpose of this qualitative multiple case study was to explore strategies that successful small business owners used to deter and to mitigate the impact of employee theft. The phenomenon of employee theft jeopardizes the sustainability and profitability of small businesses through a loss of profits and resources and continues to escalate in the United States (Savitha & Akhilesh, 2020). Based on the findings of this study, I have six recommendations for new and existing small business owners to deter employee theft behaviors. The first recommendation for small business owners is to actively engage in formal and informal education of strategies and adequate internal controls required to negate opportunities for theft behaviors. Business owners who lack the knowledge of tools and strategies should participate in small business workshops and seminars with a

focus on establishing adequate internal controls such as, cash controls, multiple eyes on accounts, physical and system access controls, and a separation of duties. Additionally, small business owners should read and keep up-to-date with trade magazines and periodicals for a more informal mode of education.

The second recommendation is to educate and make employees aware of the expectations for behaviors and contributions to the business, and the consequences if caught. When employees are aware of the controls and the consequences, they are less likely to engage in theft activities. The third recommendation is to construct a standard schedule for account and bank reconciliations. Additionally, small business owners should conduct unscheduled reconciliations of client accounts and bank reconciliations. The third recommendation is to ensure that positions incorporate separation of duties, and all financial responsibilities have multiple eyes on accounts. For example, the same employee should not be responsible for deposits, account receivables, accounts payable, and check writing authority. The fourth recommendation is to implement policy controls and physical access controls such as security cameras to restrict access, secure physical spaces, and to monitor financial transactions. The fifth recommendation would be to hire external resources to conduct annual audits. Some firms specialize in providing financial services to small businesses at an affordable cost. The sixth recommendation is to conduct a comprehensive background, reference, and past employment screenings to assess the organizational fit for prospective hires. Additionally, small business owners need to assess the productivity of each of the strategies implemented and have an

obligation to remain aware and attentive to all facets of the workplace environment and to monitor the appropriateness of the internal controls and strategies that address theft opportunities.

Recommendations for Further Research

I conducted a qualitative multiple case study that explored the strategies successful small business owners used to deter employee theft. The population for the study consisted of eight small business owners in the Central Florida area of the United States, and the size of the population is a limitation of the study. This limitation existed because of my choice to use the owners of small businesses in the Central Florida area. To generalize the findings, further research can be conducted in a different geographic location using small business owners. In a different geographical location, a researcher may encounter different strategies used by business owners to deter employee theft behaviors that may be useful to a broader array and type of small businesses. The study businesses in a different geographical area could increase the population of study participants, possibly resulting in a wider variety of strategies, data, and information. Additionally, future researchers could use a mixed research method to triangulate study findings.

In this study, I explored the strategies and internal controls successful small business owners used to deter and prevent employee theft. The study participants explained the importance of strategies that incorporated internal controls in the prevention of employee theft. Future research may seek to confirm, dispute, or to develop

a comprehensive manual expanding on the six themes identified in the study for the effectiveness in varied types of small businesses. Additionally, future researchers could compare and contrast the effectiveness of the six themes identified by study participants on a broader array of industries and in less-well developed businesses. For example, a factor to examine is the applicability of the six themes as effective when small businesses are in earlier stages of economic development, such as a start-up environment or is the effectiveness maximized when the business has experienced tenure in the industry.

Reflections

My journey through the Walden University's Doctor of Business Administration (DBA) program has been rewarding and simultaneously challenging. I have over 30 years of experience with small business owners, and my interests in the small business environment stem from enchantment with my grandparents' small country store and gas station. However, the phenomenon of employee theft has changed the face of the small business environment and jeopardizes the viability of small businesses across the country. In this study, I explored the strategies that successful small business owners used to deter employee theft behaviors. I experienced a hands-on opportunity to observe, learn, and to examine strategies that addressed the business problem, and methods on how I can actively educate small business owners to apply a sufficient resolution to the problem of employee theft. Additionally, through my interactions with study participants, I have gained an awareness of the importance of a trusting work environment and the impact it has on employees.

My experience with the study participants has furthered my resolve to develop a comprehensive training program that addresses the phenomenon of employee theft. I am inspired by the responses of study participants that explained how important it was for an employer to apply a holistic view to the business and employees and not to be singularly focused on profits and clients. During the interview process and emergence of the six themes, study participants further explained that their respect for others and personal ethics colored their approach towards employees and their businesses. My pre-study mindset has not changed, although my doctoral journey has expanded my thought process to include research and assessment of the applicability of findings to the every-day workings of small businesses.

Conclusion

Some small business owners have limited resources and do not hire external professionals to develop, manage, or analyze the financial and administrative functions of the organization. Therefore, small business owners have the responsibility to address the issue of employee theft with strategies and internal controls designed to negate opportunities for employees to engage in theft behaviors (DeCamp, Lunn, & Bottom, 2020). Employee theft can occur in all facets of the business. However, when small business owners understand the tenets of the fraud triangle; (a) motivation, (b) opportunity, and (c) justification; the small business owner can design the appropriate internal controls that negate opportunities and address deficiencies in the oversight (Clouse et al., 2017; Cressey, 1950; Kennedy, 2018).

The overarching objective of this qualitative multiple case study was to explore the strategies that successful small businesses employed to deter and prevent employee theft behaviors. The analysis of the study findings identified six themes that addressed employee theft. The six themes that I identified were internal controls such as (a) the reconciliation of accounts and communicating expectations, (b) multiple eyes on accounts and separation of duties, (c) installing system and physical access controls, (d) conducting internal and external audits, (e) hiring and building the right teams, and (f) addressing challenges and resistance to policy change and implementation. Each of these themes aligned with the Cressey's fraud triangle (1950), COSO internal control framework, and SBA's Guidance for best practices. Each of the six themes, when implemented with consistency, will serve as a deterrent to employee theft.

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Appendix A: Interview Protocol

Before the start of the interview, I will review with the study participant the objective of the interview and the scope of the study. I will also review the procedures that I will employ to maintain the confidentiality and security of the collected data with the participant. Confirmation of permission to use audio recording devices will be verified. Finally, I will remind the participant of their right to stop the interview at any time.

Date of Interview: _____ Time of Interview: _____

Location of Interview _____

Interviewer: **Aurora J. Trigg**

Study Participant/Interviewee: _____

Background Questions:

1. What is your position at the business?
2. How long has the business been operational?
3. How many individuals does the business employ?
4. How many years of experience as a business leader do you have?

Interview Questions:

1. What have your experiences been with employee theft?
2. What strategies do you employ to prevent, deter, and employee theft?
3. As a result of successes or failures of your choices of strategies, what policies and internal controls have you amended or added to prevent, deter, and mitigate employee theft?

4. What strategies and processes have been most successful in the prevention and mitigation of employee theft?
5. What kinds of internal resistance did you encounter when applying the strategies that would assist in the prevention and mitigation of employee theft?
6. What additional information can you provide to help me understand your organization's strategies and processes for decreasing employee theft?

I will ask additional questions as needed for clarification of the participant's responses to the interview questions. I will end the interview and thank the study participant for their time and efforts. At that time, I will schedule a follow-up interview to conduct member checking and to ask and clarify data collected in the original interview.

Date of Follow-Up Interview: _____ Time of Follow-Up Interview: _____

Follow-up Protocol:

I will thank the study participant for the opportunity to meet again. I will explain that I will use the opportunity to ask probing questions related to data collected in the original interview. Additionally, I will confirm my interpretation and understanding of the responses provided to the original interview questions through member checking. I will conclude the follow-up interview by asking the participant if there was anything that they may want to add concerning the study topic or concerning their experiences. Lastly, I will thank the participant again and inform them that they will receive a summary of the results at the conclusion of the study, then I will end the interview.