Loss Control is Vital
The Three Elements in an Effective Theft Prevention Program Must be Covered

There are no simple solutions in setting up an adequate loss control program. Indeed, an over-simplified system can prove excessively costly because it traps a wall and ceiling contractor into a false sense of security, thus exposing his company to even greater losses.

Any program designed to halt losses by theft is a serious management undertaking and must be comprised of a number of elements, each of which is important in any program’s overall success.

At the same time, a scheduled usage of the major principles involved, is also valuable because they serve as underpinnings.

Essentially, there are THREE BASIC APPROACHES that have impact on any loss control program. An understanding and consideration of each of these factors will provide an immeasurable contribution to the effectiveness of any program.

The first is the psychological factor. Planning on the use of clearly psychological deterrents to theft is often much less costly than other aspects of a security program, yet makes an enormous contribution in impact. It is also one of the three approaches most often overlooked.

Studies have shown-often called the Hawthorne effect-that employees tend to reflect in their reactions a compatibility to management emphasis. For example, when employees are made aware that management is instituting a program designed to protect against theft and dishonesty they often will contribute to the success of the program.

When management is careless and makes no effort whatsoever to guard against embezzlement, job site thefts, tool losses, etc., employees take the understandable attitude that management doesn’t really care and, in fact, is practically inviting thefts by employees.

The second approach gets closer to the hardware aspect. This is the codification and control factor. It is the system designed to allow management a running account of the whereabouts of construction materials, tools, and equipment at all times.

Once management has a good reporting system on all of its construction property- and employees are aware of the existence of such a system-the opportunity and incentive for theft have been largely removed. Items that ordinarily would be excellent theft targets are effectively removed from the easy mark category.

Such systems, of course, include the maintenance of up-to-date records on the location of all tools. This enables management to initiate regular checks for the availability and location of materials, equipment, and the like.

The actual paperwork can be simple or complex, involving a card checkout technique, color coding, as well as the utilization of large control boards with pegs. Some contractors have developed surprisingly efficient systems with the use of everyday 3 x 5 cards.

As for large and expensive pieces of equipment, a codification and control system could be achieved by assigning such equipment to the care of a certain employee.

Finally, there is the true hardware factor of a loss control program and the one used mostly by contractors. This factor is represented by the physical deterrents installed to prevent losses.

These deterrents include the entire spectrum of security systems such as fences, good locks, guards, various electronic burglar alarm or detection systems, lighting, etc.

Psychological Impact of Controlling Theft

For every thousand individuals there are a thousand different reasons or motives for stealing.

Despite the complexity of the human condition, though, there still exist acceptable fundamentals about behavior which applied properly can form the foundation for an effective program in loss control.

It goes without saying that the most cleverly thought out-security program can be breached by the equal thinking ability of a clever thief. But this does not diminish the validity of a Continued on page 35
loss control program nor the importance of increasing the psychological danger for a would-be thief.

As simple an addition as a warning poster, stating that the premises are protected by an electronic alarm, can be a very effective psychological barrier. It warns a burglar that protective steps are in place and the dangers of being apprehended are greater than for a location where no effort apparently is being made.

Despite all the theories about crime, it is apparent that two elements which are always present in a burglary carry enormous psychological influence. They are (1) the existence of an opportunity to steal, and (2) the existence of apsychological willingness or rationalization to take advantage of the opportunity.

It stands to reason that the willingness or rationalization to steal is meaningless if the opportunity is absent. And it is this ability of management to control the opportunity that provides so much potential for control.

It has been stated many times and the axiom is still true: **carelessness is the greatest promoter of loss by theft.** When the employees of one contractor leave tools and equipment laying carelessly about a construction site and these items are picked up by other companies’ employees, it is loss by theft. Yet the individuals who walked off with such carelessly treated construction tools or pieces of equipment may well have been very indignant that anyone would suggest that theft was involved. The rationalization seems to be: “Anyone who doesn’t take better care of something so valuable deserves to lose it—and is providing an invitation.”

**Opportunity To Steal Must Be Controlled**

Closing off opportunity is the most widely practiced goal of loss control programs. And its implementation is so easily accomplished.

Just as automobile theft occurs with most regularity (80% of all cases) among cars where the owner has left the keys in the ignition or the car doors unlocked, so too do most of the tool and equipment losses take place because of open opportunity.

Thus, the simple practice of putting a padlock on a tool gangbox effectively closes off opportunity. It also increases the psychological danger element when a decal is also placed on the padlocked toolbox, warning anyone that the tools have been coded and prosecution will follow for any person found with the easily identified contents of the box.

There is not only a physical barrier involved in the above case, but a very real psychological factor, too. The overall impact has been to close down opportunity while elevating the potential psychological penalty of breaking into the box.

Indeed, it’s surprising how losses may be reduced merely by having employees close the lid of the gang-box even if they are going to be away for only a few moments. It is one thing for an individual to “borrow” a tool out of an open, unattended toolbox; it is something else entirely for that same person to break into, or open the lid, of a gangbox and try to “rationalize” his act as merely borrowing.

“A borrower” can convince himself he is not really stealing when opportunity is practically an invitation; if he must open the box and take something out that doesn’t belong to him, he will be hard pressed to convince himself—or anyone who catches him—that he isn’t a thief.

These same principles apply when it comes to chaining a ladder or scaffolding to a nearby structure. When someone takes a chained article, he’s stealing it outright.

That means he must admit he is a thief—and most people on a con-
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struction site are perfectly willing to “borrow” something, even if permanently, but they are not willing to step across the psychological boundary line between engaging in a little harmless “midnight requisitioning” on the one hand and acting like an outright self-admitted thief on the other.

This also applies to employees as well as to non-employees of the firm.

As a matter of fact, an important psychological finding may be of great assistance in closing down opportunity and elevating the psychological danger.

This is the principle stressed by police authorities that most people engaged in a crime of any sort show the greatest fear for the time period immediately following the commission of the crime. While few individuals are not unaware of the penalties involved in crime, their greatest concern is the fear of being CAUGHT QUICKLY and then being exposed to the long chain of unknown consequences.

Consequently, in any loss control program that is put into place, consideration should be extended to quick follow up, a maximum effort to apprehend the thief as soon as possible and then legal action initiated. THE READINESS TO DO THIS SHOULD BE COMMUNICATED TO ANY POTENTIAL THIEF.

Once a person is made aware that any illegal action taken against the contractor’s property will trigger off an immediate chain of serious consequences, the likelihood of a theft is reduced. It isn’t eliminated by any means, but it is reduced.

Yet each action, seemingly trivial as it may be, is one more addition to the obstacle wall that makes crimes against a company so much more difficult.

Take lighting as an example. Its contribution as an anti-crime device is virtually without dispute. But it is a constant theme by police authorities that valuables be well lighted when not personally attended.

The presence of lighting alone will certainly not stop a crime, but it does reduce the opportunity by raising the possibility of being caught.

For this reason, police even recommend to jewelry stores and other retail type operations that the traditional safe not be “hidden” away in the back room somewhere out of sight and out of light (where the thief/burglar may work in privacy and darkness).

Rather, police authorities say, bring the safe out to the front of the store in plain view and then flood it with light. Rather than increase the possibility of theft, such a tactic literally reduces the opportunity to steal unhindered.

This technique—of bathing valuable items in light—will work just as well on a construction site as it will in the front end of an urban retail store. And such an approach is valid in that it utilizes the physical barrier (lighting) complemented by an elevation in the psychological element (increasing the risk of being caught).

Program Needs
Communication

One police official, speaking of a loss prevention program, described the need to communicate the existence of security measures in this manner:

“Having a loss control program and not telling anyone about it with a poster, warning sign, or some such similar device is a lot like winking at a pretty girl in a dark room:

“You know what you’re doing, but the pretty girl sure doesn’t.”

Believe it or not, in Ripleyian terms, the communications aspect of loss prevention is the most essential part—so long as it takes into consideration the two fundamentals of any security program: opportunity and willingness.

When an individual perceives that his or her chances of being apprehended and punished are almost certain, the proclivity to attempt a crime drops appreciably. People willingly invite upon themselves retri-
bution unless they possess far more problems than merely being a thief.

Whether the concern is directed against non-employees or employees, a significant deterrent is involved in knowing that detection and prosecution are actively pursued consequences and perhaps are likely.

It is only when a person realizes that a theft or burglary involves little risk that the temptation to steal is put to a strong test.

Warning that individual that uncomfortable risks are involved is often all that is needed. A good example of the power of communication lies in the installation of thousands of swiveling miniature TV cameras in various stores throughout the country. These so-called monitoring TV cameras are often little more than an expensive mock-up of the real article.

The only thing they are connected to—in a majority of cases—is an electrical outlet which powers the tiny motor and keeps the paper/balsa wood contraption swiveling.

**YET THESE LITTLE MOCK TV CAMERAS ARE A POWERFUL DETERRENT TO CRIME: PEOPLE ARE AFRAID TO SHOPLIFT WHEN THEY SEE THESE "SCAN-NING EYES" WATCHING THEM.**

Even if most people did realize that most of these TV cameras are fake, the deterrent would still be strong.

Why?

Because in rare cases, such as in some banks, these TV monitors really are hooked up to a bank of TV screens for security purposes—and who, aside from the professional thief, wants to take the chance that the TV camera swinging away in any particular case isn’t the real thing?

**THIS IS THE POWER OF COMMUNICATING A LOSS CONTROL PROGRAM.**

Whether the communication is an out and out bluff, such as a fake TV monitor or a fake decal on the door warning that the establishment is protected by electronic protective devices, the deterrent is a strong one.

Also, communication stresses management’s emphasis on the control of losses. It tells people—employees and outsiders alike—that the company really does place a value on its property—and is determined to protect it. When employees see that the company is concerned with protecting its tools, equipment, and materials, then the employees often as not will chip in and help. As stated before, the apparent ignoring or overlooking of theft and losses by the company is a great stimulant to taking things.

After all, if the company doesn’t care and takes pains to show it—as employees are quick to detect—then that constitutes an open “invitation” to help yourself.