

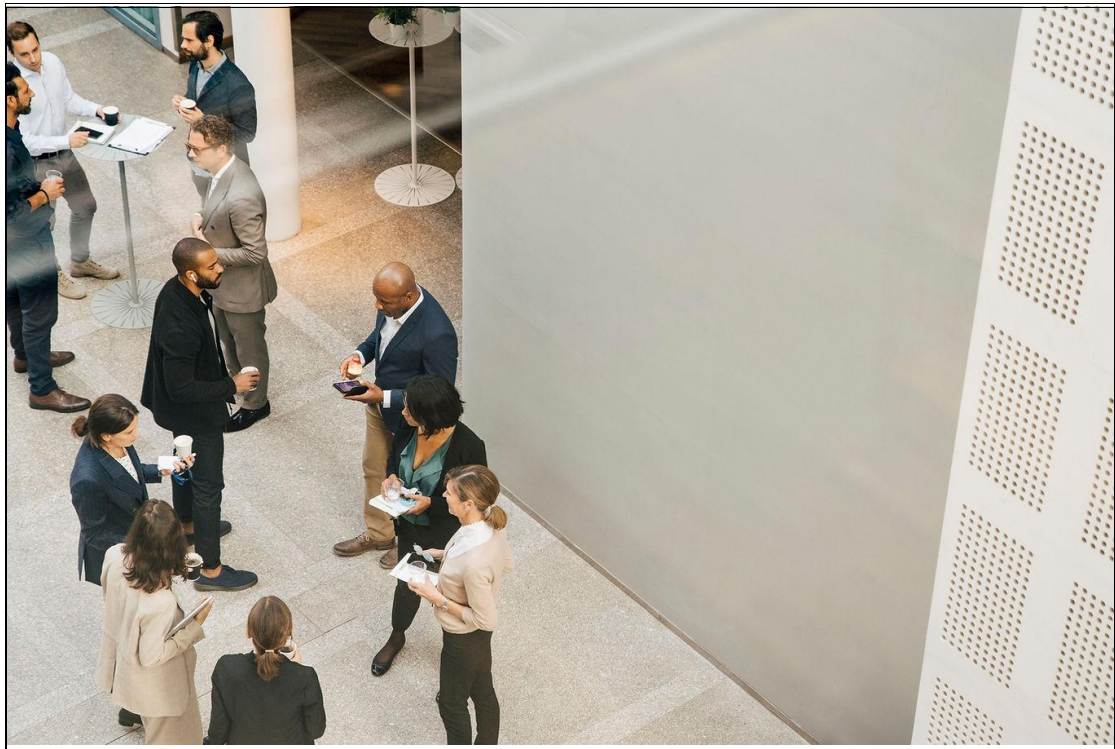
Business Operations and Risk Management

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ORCID:  <https://orcid.org/0009-0006-6170-5532>

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One of the operations techniques that stand out to me is record keeping for inventory control, and as for one of the risk management techniques that stood out to me, it would be the risk of employee theft. Proper inventory control through strong record keeping and ongoing risk management of employee theft are not only foundational needs for small businesses, they also highlight biblical values integrity, and Christians in business are called to treat resources with care, and be an ethical leader.



Operations: Record Keeping for Inventory Control

The benefits of record-keeping hinge on decision-making and stock-taking. Small businesses should not look down on record-keeping as part of running their businesses since proper record-keeping for small business is essential for business owners to effectively run of their businesses (Bannerman, J. et al., 2023). Proper recordkeeping helps tracks inventory levels, purchases and sales. Its purpose would be to help reconcile financial statements with actual stock, protecting against low inventory or having an excess of inventory, making record keeping an essential operations

technique to have in place. There is a positive relationship between financial record keeping together with small businesses. Changes in the record keeping can affect the financial performance of small businesses, and it is essential to carry out proper record keeping to ensure proper business performance (Damascene, U. J. et al., 2025). Effective systems include automated software, and using bar-codes to scan. Record keeping can become even more essential when margins are tight, and the risks associated with failure to maintain inventory increase when sales volume suddenly increases or decreases. Hence, having a proper record keeping implemented in ones business operations can help the business be guarded against inventory errors, and identify business needs early on.

Risk Management: Risk of Employee Theft

Proper risk management and ongoing monitoring can be an effective technique to diagnose potential (fraud) risks, that can hinder the achievement of business goals. Ideally, risk management activities should be performed on a continuous basis if businesses want to prevent the spread of numerous potential menaces and unidentified fraud and theft risks. The more explicit the risk assessment, the more effective the detection of fraud and theft can be (Nanang S., et al., 2022). Employee theft can go beyond cash theft but also certain types of thefts that can go unnoticeable. Such as using company tools and equipment to create personal items, taking home small office supplies, or even as serious as accepting cash payments from customers without marking a sale while the employee pockets the cash.

Employee theft can become one of the main reasons for company loss since internal theft can cost thousands per incident depending on the industry. For example, an employee in a retail store can give their friends and family free items by purposely not scanning an item, or a hotel employee can provide a free hotel services or free products in exchange for cash. If a company has less than 50 employees then such internal thefts can become even more likely, especially if the company lacks proper internal controls to reduce employee theft risk.

Risk management and proper business management are intertwined since both require certain practices such as splitting tasks such as record keeping and inventory control among employees. Also, regular audits to look for unusual overrides or transactions can help, along automatic tracking to reduce human error. Finally, to reduce the risk of employee theft a business should conduct proper background checks, implement an employee training, and create a positive ethical culture. Hence, all these risk management techniques should also be in the foundation of any proper small business management plan.

Biblical Implications

Employees that work unfaithfully even in small matters cannot be entrusted with more responsibilities. “Whoever can be trusted with very little can also be trusted with much” (Luke 16:10-11). Hence, faithfulness with small responsibilities translates into

greater trust. Which is why proper background screens become essential, as well as paying employees a fair wage for the work they do to reduce the motive for them to steal from the company. Having a family and ethical work culture may also help reduce employee theft. “The Lord hates cheating, but he delights in honesty” (Proverbs 11:1) reminds us that gaining through stealing will not go far, and as a Christian leader one should make it a priority to have a work culture that upholds honesty, works with honesty, and does good when no one is looking.

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-Miguel Virgen, PhD Student

Further Responses and Discussion:

Hello Miguel,

Thank you for your in-depth and considerate presentation of the information pertaining to maintaining records of inventory control and risks of employees theft in small businesses. You clearly explain how effective record keeping does not only facilitate effective management of inventory but also improves decision making and financial performance which is most critical in maintaining sustainable small businesses. I like how you have focused on how to improve accuracy and efficiency through the usage of technologies, such as automated systems. In discussing employee theft as a notable risk and actions that are feasible with respect to lowering the risk, such as segregation of tasks, regularly conducted audits, and the promotion of a healthy ethical working environment, you have identified a very critical challenge of

operations that is seen to be of great concern to many people. Your biblical ties lead to a substantial ethical guide which entails integrity and fairness, both of which are critical to trust and sustainable business performance. On the whole, you do a good and sensible job contrasting operational best practices with risk management and biblical principles, showing us that good operations includes stewardship and ethical leadership, not to mention operating with respect to Godly power. Great work!

-Blessing Abiola, PhD Student

Greetings Miguel

I appreciate how you connect record keeping with reducing the risk of employee theft. Your discussion makes it clear that these practices are not only operational safeguards but also reflections of moral responsibility. That connection is powerful. It echoes research showing that the way records are handled and secured can influence how employees view their importance (Andoh et al., 2023).

Accurate records do more than track numbers. They open a window into the health of the business. Sometimes they reveal trends that no one expected. Other times, they expose problems that could have gone unnoticed. Leaders who treat records as living tools rather than static files are better positioned to act quickly. This proactive use of information can change outcomes in ways that benefit the entire organization (Andoh et al., 2023).

Your thoughts on theft remind me that prevention is about more than systems. It is also about people. Employees who feel included, respected, and fairly treated tend to align more closely with the values of the organization. Studies show that this sense of connection can reduce the likelihood of dishonest acts (Jha et al., 2024). Practical safeguards like audits and background checks matter, but they work best when paired with a culture that promotes mutual trust.

Both record keeping and theft prevention serve a shared purpose in preserving the trust that sustains a business. Processes protect assets. Relationships protect loyalty. When the two work together, the result is an organization that is both prepared for challenges and grounded in integrity.

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-Ronald Jenkins, PhD Student

Hi Miguel,

You did an excellent job connecting record keeping for inventory control with the broader framework of risk management, particularly regarding employee theft. I agree with your point that accurate and consistent record keeping is not just an administrative task but a foundational element for informed decision making. When small businesses maintain precise inventory records, they can monitor trends, plan purchases strategically, and identify irregularities quickly. Recent research shows that inventory control supported by data-driven systems enhances operational efficiency and prevents losses due to both errors and intentional misconduct (Alsharari, 2021).

Your discussion on employee theft was also very relevant. While many people think of theft only in terms of stolen cash, as you mentioned, it can take more subtle forms, such as misuse of company assets or manipulation of sales records. This can be especially harmful for small businesses, where every item and every dollar matters. Studies indicate that small businesses are more vulnerable to internal fraud because they often have fewer layers of oversight and rely heavily on employee trust (Omar et al., 2020). To address this, implementing separation of duties, conducting random audits, and using automated tracking systems can be very effective in reducing opportunities for misconduct.

I also appreciate your integration of biblical principles into this topic. Luke 16:10 reminds us that those who can be trusted with little can be trusted with much, and this directly applies to both business owners and employees. A workplace culture that values honesty and stewardship not only aligns with Christian ethics but also strengthens overall business resilience. Proverbs 11:1's emphasis on fairness reinforces the importance of maintaining integrity in all transactions, big or small, to ensure that the business honors God while protecting its resources.

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-Vu Nguyen, PhD Student

Publisher Note

Miguel Virgen, PhD Student. I have no known conflict of interest to disclose.
Correspondence concerning this article should be addressed to
Miguel Virgen, Email: support@doctorsinbusinessjournal.com