DOCUMENT RESUME

ED 372 243 CE 066 854

AUTHOR	Mendez-Vigo, Marisa
TITLE	Training in the Retail Trade in Spain. Report for the FORCE Programme. Retail Sector.
INSTITUTION	European Centre for the Development or Vocational Training, Berlin (Germany).
REPORT NO	ISBN-92-826-7498-3
PUB DATE	94
NOTE	95p.
AVAILABLE FROM	UNIPUB, 4661-F Assembly Drive, Lanham, MD 20706-4391 (Catalogue No. HX-80-93-945-EN-C).
PUB TYPE	Reports - Research/Technical (143)
EDRS PRICE	MF01/PC04 Plus Postage.
DESCRIPTORS	Case Studies; *Distributive Education; Educational Practices; *Educational Trends; Employment Patterns; Employment Practices; Financial Support; Foreign Countries; *Industrial Training; Needs Assessment; Personnel Management; Postsecondary Education; Program Costs; Program Development; *Program Effectiveness; *Retailing; *Training Methods; Training Objectives
IDENTIFIERS	*Spain

ABSTRACT

A study examined training in the retail trade in Spain. Employment, work, and training patterns in Spain's retail sector were researched, and case studies of five retail firms were conducted. Two retailers were too small to afford their own training organization but had formulated personnel policies providing for training. The third case was a firm whose general policy had traditionally linked staff training with total quality and the strategies used to achieve it, and the remaining two cases were large organizations that allocate substantial sums to staff training. Training was generally beginning to be regarded as an important element in firm restructuring and/or expansion. In all cases, training policies/programs were planned by top management or jointly by management and personnel department. Only one firm had conducted a systematic training needs assessment. At all five firms, all categories of employees involved in selling had access to training. Quality of training varied greatly from firm to firm; however, training quality and funds allocated for training were increasing in all five firms. The two largest firms received direct subsidies, two firms financed their own training program, and the smallest firm used an outside organization that received funds. (Contains 52 tables/figures.) (MN)

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FORCE
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SPAIN REPORT

RETAIL SECTOR

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TASK FORCE – Human Resources, Education, Training and Youth.

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RETAIL SECTOR

TRAINING IN THE RETAIL TRADE IN SPAIN

REPORT FOR THE FORCE PROGRAMME

drawn up by
Marisa Méndez-Vigo
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1992

First edition, Berlin 1994
Published by:
CEDEFOP – European Centre for the Development of Vocational Training,
Jean Monnet House, Bundesallee 22, D-10717 Berlin
Fax 49-30 + 88 41 22 22
Tel. 49-30 + 88 41 20 • Telex 18 41 63 eucen d
The Centre was established by Regulation (EEC) No 337/75
of the Council of the European Communities

Cataloguing data can be found at the end of this publication.

Luxembourg: Office for Official Publications of the European Communities, 1994

ISBN 92-826-7498-3

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Printed in Germany

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Commission of the European Communities
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Human Resources, Education, Training and Youth
Rue de la Loi, 200; B-1049 Bruxelles

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ACKNOWLEDGEMENTS

This study was carried out in the framework of the European Retail Trade Sector Study, within the EC FORCE programme, and conducted by a Central Team made up mainly of member centres of 'EURONET Work & Education' under the responsibility of the CIREM Foundation in Barcelona.

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The project team would like to thank the companies who gave access for research, and whose staff provided the information and help which enabled us to write the case studies. We very much appreciate the time and effort invested so generously.

We would also like to thank the employers' organizations and trade unions, and their representatives, who contributed to the research by making suggestions for case studies, attending meetings and commenting on the draft report.

Those involved were:

Augustin Benavent. Unión General de Trabajadores (UGT).

Joaquim Deulofeu Aymar. Confederación de Comercio de Cataluña.

José Antonio Garcia de Castro. Asociación Nacional de Medianas y Grandes Empresas de Distribución (ANGED).
Dolores García Dotor. Instituto Nacional de Industria (INI).

José Luis Marrero. Ministerio de Industria, Turismo y Comercio.

Francisco Martín Carmona. Unión General de Trabajadores (UGT).

Fernando Medina Gómez. Comisiones Obreras (CCOO).

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Teresa Udina. Confederación Española Cooperativas de Consumidores.

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INTRODUCTION

The present report is part of the first FORCE Programme of sectoral surveys initiated and commissioned by the European Community in order to gain more knowledge of continuing training in the various member countries.

The study is in three parts. The first is a general description of the retail sector, its structure, and employment and training policies, and is intended to serve as the framework for the subsequent case studies – the main purpose of this report. The second part comprises the selected case studies, which put the emphasis on training policy and highlights programmes which could be of interest to other countries. The third part, embodying the conclusions, considers the main aspects of the continuing training situation in the retail sector.

The content structure, length and methodology used are common to the twelve national reports and were decided upon by the central team directing the project and approved by workers' and employers' organizations at European level.

The first part of the report is based on the existing literature and statistics for the retail sector in each country, as well as on a number of interviews which enabled statistical shortcomings to be compensated by qualitative factors.

The firms selected for case study in the various countries were chosen on the basis of proposals made at meetings attended by employers' and workers' representatives, the national coordination units of the FORCE programmes and the research teams. A criterion for selection was the existence of a continuing training programme in the firm for more than one category of employees, and on the programmes' transferability.

While studies were being carried out, frequent meetings were held at various national and Community levels (researchers, central team, develop "monitoring group"), in order to monitor activities and evolve solutions to problems as they arose. Once the studies were complete the last stage of finalizing and approving the reports for the various countries involved a meeting with the national coordination unit, union representatives and researchers.

The Spanish survey was carried out during the autumn/winter of 1992, after which it was given to representatives and experts in the retail sector and to the firms selected, so that they could read it and make the necessary comments. The last meeting, held on 8 July 1992, was used to gather the final comments and data, which have now largely been incorporated in the final report.

Marisa Méndez-Vigo

August 1992

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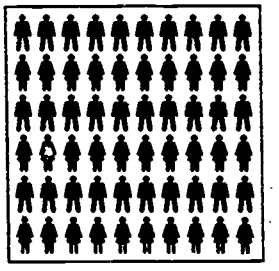
PART 1:



1. Scope and definition of the retail sector
2. Structure and characteristics of the retail trade in Spain
3. Social and institutional context
4. Employment
5. Changing conditions and their implications for qualifications and vocational training
6. Training policy
7. Conclusions

SECTION 1 – SCOPE AND DEFINITION OF THE RETAIL SECTOR

1.

The Spanish National Classification of Economic Activities has the same categories for retail trade activity as does the European Community, and also includes the sale of cars and vehicles in general and the sale of fuels. The present report disregards these latter products and itinerant and door-to-door selling.

SECTION 2 – STRUCTURE AND CHARACTERISTICS OF THE RETAIL TRADE IN SPAIN

The retail trade in Spain is currently in the throes of change and rapid expansion which began in the mid-eighties and is still under way. During the period 1981–1987 gross added value in the retail sector increased by 130%; in 1990 retailing accounted for 12% of GDP and in 1991 for 14% of the total employed population.

This process of change is notable for the appearance of new generalized forms of distribution which are a reaction to the political, social, economic and cultural development of the country over the past decade and their impact on traditional forms of retailing, which are seeking to survive in the face of new market conditions.

2.1 Historical development

In the past the Spanish retail trade was typified by a large number of small family-run businesses, a large percentage of which sold food, while the number retailing equipment and services was very small. Premises tended to be very restricted in size. This situation was aggravated by the large number of shops servicing the population, which in 1988 was still 18 per thousand.

All these factors reflected the low level of incomes and the underdeveloped consumer society.

During the phase of rapid development in the sixties and seventies, mass migration to the cities resulted in a spectacular growth of retailing coupled with hesitant, restricted modernization, milestones of which were the opening of the first department store in 1956, the first supermarket in 1960 and the first hypermarket in 1973.

The start of modernization and its subsequent development was held up on the one hand by the economic recession triggered by the oil price, and on the other by the difficulties involved in political transition and industrial restructuring, which together made the economic outlook uncertain.

All this does not mean, however, that there was no evolution in the retail trade, although the data show the process proceeding at different paces. Thus between 1973 and 1983 44 hypermarkets were opened on the Mediterranean coast and in Madrid, only 4 of these being entirely Spanish-owned. Between 1983 and 1992 125 stores with large sales floors were opened, both in the major cities and in their suburbs and in medium-sized cities throughout the country, with a far larger share being financed with Spanish capital.

We can, therefore, say that it was in the mid-eighties that the modernization of the retail trade really got under way again. There were several contributing factors, among them Spain's entry into the Common Market, the massive inflow of foreign capital to the retail sector (Spain is the second most profitable country in the EC with a return on sales of 2.1% compared with an average of 0.5% for other countries) and the spectacular surge in GDP and consumer spending during the three years from 1987 to 1989. (Table 1)

There were, in addition, a number of sociological changes that influenced the position of women, made for a higher level of education and paved the way for a consumer movement, including a number of specific factors at urban and metropolitan level with an image-enhancing effect beyond their immediate territory. These included the decision to hold the Olympic Games in Barcelona and the 1992 World Exhibition in Seville, which resulted in a considerable amount of urban modernization, a rise in property prices etc. and helped to accelerate the changes taking place in the retail trade.

2.2 The current situation

The retail sector currently has a variety of structures with traditional forms of selling, whether or not modernised, existing side by side with the rapidly growing shopping centres and the well established urban supermarkets and hypermarkets. The marked segmentation of the market was one of the prime consequences of changes in society and in the retail trade.

Hypermarkets have played a fundamental role in the development of the retail trade; this reflects

Table 1 – Spanish economy 1985–1989

	1985	1986	1987	1988	1989
Consumer spending	2.2	3.7	5.2	4.9	4.2
Public-sector consumption	4.6	5.1	9.0	4.5	4.0
Overall demand	2.9	6.0	8.1	7.0	5.5
GDP	2.3	3.3	5.2	5.0	4.5

Source: "Distribución Actualidad", February 1991

in the number of stores opened in recent years and their influence both on traditional structures and on the creation of jobs and training activities. Hypermarkets have also been the focal point of foreign investment in the retail sector, and even today most stores belong to foreign firms, although the share of Spanish capital is gradually increasing.

(= thousand million). All kinds of products are sold by independent stores in shopping centres but non-food products predominate.

However a new strategy on the part of the hypermarkets seeking to avoid conflicts with small retailers and local authorities is to establish shopping centres which combine hypermarkets

Table 2 – Forms of retailing

Department store: A retail outlet with different departments selling all kinds of products, including food. Sales floor in excess of 3,000 sq.m. located in urban centres.

Hypermarket: A retail outlet operating on a self-service basis with a minimum of 2,500 sq.m. in a free-standing building. Hypermarkets sell all kinds of products, especially food, and are generally located on the outskirts of cities or in the suburbs with generous parking facilities. The term hypermarket also covers large specialist retail outlets that have emerged more recently.

Supermarket: A retail outlet operating on the self-service principle with a sales floor of between 120 and 2,500 sq.m., selling food, cleaning products and toiletries. Supermarkets are generally located in town centres.

Shopping centre: A group of retail outlets in the same building designed, built and run as a unit, the location, sales area and type of store depending on the area served. Minimum sales floor is 1,000 sq.m. Shopping centres sell all types of articles but mainly non-food products.

Traditional shops: These include specialist shops, which may be independent or operating on a franchise basis or owned by retail chain companies. The sales floor varies. They are located in towns and offer a smaller but very varied range of products. Also included under this heading are traditional small food shops with a sales floor of less than 120 sq.m. Generally speaking traditional stores do not operate on the self-service system.

Source: Prepared on the basis of data in specialist publications.

Sales floors range from a minimum of 2,500 sq.m. to 12,000 sq.m. and average 8,000 and 10,000 sq.m. In 1992 there were around 180 hypermarkets in Spain with a total sales floor of more than 1.5 million sq.m. The trend towards hypermarkets continues, although there may be some variation in location and size because of the shortage and high price of building land in big cities. However, there are signs of growth levelling out in the medium term, especially in some regions and autonomous communities.

When mentioning superstores we must not forget the growing number of specialist stores selling furniture, DIY goods, and toys that apply the same philosophy as the hypermarkets and are generally foreign-financed. These are not very widespread and are mainly found on the outskirts of major cities.

Shopping centres are another important phenomenon invading the retail sector. 130 shopping centres with a sales floor totalling 1.3 million sq.m. have been opened since 1985 and prospects are of another 100 over the next few years, raising the total sales floor to 3 million sq.m. and involving investment of ESP 300 billion

selling food with a range of stores managed by local shopkeepers.

In 1990 the percentage of total sales accounted for by shopping centres was already in the region of 4.1%. Shopping centres have frequently provided a new alternative to traditional shops.

Despite the success of the shopping centre concept or even because of it, some investors not familiar with the retail sector but conscious of its high profitability as a building investment have been opening shopping centres of uncertain viability. This explains the comparatively frequent failure of some shopping centres created in the hope of short-term profit without a common strategy and without any awareness of the shopping facilities needed by the people in the area concerned.

The third major element in the modernization of the retail trade has been the urban neighbourhood supermarkets with a sales floor of between 500 and 1,500 sq.m. run by Spanish or foreign-owned chain store enterprises; these are expanding very rapidly. Over the last three years the pace of takeovers, mergers, expansions, intake of foreign capital etc. have become very common,

and in 1990 708 stores with a total sales floor of 392,179 sq.m. changed hands.

As a result only the first of the top five supermarket companies is Spanish-owned. This has 140 stores whereas the other four companies have in all 1,533 outlets and are mainly foreign-owned.

These five leading firms increased their sales in 1990 by a year-on-year 185%, mainly as a result of the expansion and increase in the number of sales outlets.

The sales figure of all supermarkets, most of which are chain stores, rose by around 30% between 1990 and 1991.

Recent years have also seen the emergence of the "hard discount" supermarkets owned by a French multinational company.

Department stores, which with the exception of Spain's leading company are suffering considerably from general developments in the retail trade and competition from other forms of retailing – reflecting in their loss of market share – are now devising new strategies which in some cases involve specialization and the provision of services. The foreign presence here is very significant but the most important of the major department store companies and the leading retail company is Spanish-owned.

Cooperative stores are also in the process of a general decline with falling sales. The only exception is the successful cooperative activity in the Basque country, which is due to the long tradition of cooperative stores in that area.

Mail order business, which only began in Spain about 10 years ago, amounted in 1990 to ESP 55 billion or 0.4% of total retail sales, with spending per capita far lower than in the rest of Europe (ESP 1,300 compared with ESP 15,000). Two foreign companies and one Spanish one account for over half this market and the foreign presence is steadily expanding. Growth in Spain of this type of selling is around 25% a year and it is hoped that this will be maintained for some years yet.

The *number of stores*, calculated on the basis of figures for commercial licences given in Table 3 and bearing in mind the limitations explained in the note on methods used, recorded a sharp increase between 1985 and 1990, with small shops far from under-represented.

The sector showing lowest growth is food, which increased by 6.5% over the past five years compared with a 20% increase in the total number of retail licences. This slower growth reflects the emergence of hypermarkets and the expansion of supermarkets. (Table 3)

Table 3 – Growth in the number of retail licences in the various retail sub-sectors

	1980	1985	1990
1. Agricultural produce, food, beverages, tobacco		291,934	311,055
2. Textiles, clothing, footwear		119,584	146,881
3. Wood, cork, paper and graphic arts		58,349	72,918
4. Chemical products, toiletries etc.		58,904	68,177
5. Buildings, land, building materials, glass etc.		23,672	24,947
6. Minerals, metals, metal-working		33,590	42,512
7. Machinery and transport equipment		70,415	96,723
8. Non-classified		87,393	109,277
Total	713,752	753,342	906,777

N.B. The Classification of Economic Activities was modified in 1983. This means that the figures for sub-sectors in 1980 cannot be used because of their lack of comparability with those of subsequent years.

Source: Anuario del Mercado Español. Banco Español de Crédito, 1991.

Most of the *small food shops* in Spain presented until recently a typical picture as follows:

- Over 50% have been in existence for over 15 years
- Over 60% have a sales floor of less than 40 sq.m.
- Less than 5% use computers as a management tool
- Shopkeepers are on average aged 47
- 75% of shopkeepers have only primary schooling and have learned their business through experience

Source: La estructura del comercio catalàn. Generalitat de Catalunya, 1989.

All these factors coupled with high production costs have made it very difficult for this type of retailing to survive in the face of competition from the new types of store. The result has been, according to the Nielsen Report of 1990, that 27% of traditional food shops closed down in the period 1980–1990 reducing the number from 101,593 to 73,718.

The general trends described can be seen for the food subsector in the market share of the different types of retailing activity as shown in the following table. Supermarkets and hypermarkets show steady growth to the detriment of traditional shops. (Table 4)

Another segment recording a similar loss of market share are the traditional open markets which mainly sell fresh produce. The 800 markets still in existence, some with a tradition going back several centuries, are feeling the wind of change because of the efforts being made by local authorities to convert them into modern shopping centres offering better facilities for parking, child-minding, banking etc. more convenient opening hours, bargains and discounts, concentration and diversification of goods on offer etc. so as to help them match up to the different requirements of present-day consumers.

A way out of the difficulties faced by small retailers in the food sector has been to associate voluntarily in chains and to establish centralized purchasing organizations which today link more than 90% of small businesses. The purchasing organizations and voluntary associations have contributed towards the restructuring of the retail sector with such innovations as cash and carry stores, franchising, own-brand products and management training from the outset. However, the current policy of these organizations and their tendency to vertical integration by establishing direct retailing channels of their own in competition with the supermarkets and hypermarkets (which no longer need the central purchasing organizations so much because of their enhanced negotiating power with manufacturers) may bring about changes in the pattern of small retailers' associations.

Non-food retailers, on the other hand, have experienced spectacular growth since 1985 for a number of reasons. Apart from the increase in incomes and consumer spending to which we have already referred, there is the severe unemployment of previous years, which led those affected to use the grants and subsidies available to them in order to set up small shops. In the clothing and gift sectors for example, many women took advantage of the economic boom and the surge in consumer spending for "image" purposes to set up their own businesses.

This growth has gone hand in hand with the emergence of different types of retailing, one of which – franchising – has been a major factor for change in the structure of the non-food retail trade. The period between 1985 and 1990 brought an increase of 153% in the number of franchising firms, rising from the 77 existing in the first year of the period to 205 by 1991. Although

Table 4 – Market share – food sector

	1987	1988	1989	1990
Traditional shops	53.28	51.88	49.24	48.87
Self-service stores and supermarkets	29.94	30.08	31.40	32.79
Hypermarkets	3.46	4.52	5.78	7.27
Cooperatives	2.03	2.09	1.93	1.41
Others (markets etc.)	11.29	11.43	11.65	9.67

Source: Directorate General for Food Policy. Ministry of Commerce.

52 of these firms cannot be classified as retailers, it is the retail trade which accounts for the greatest number of brand names and outlets – 153 and 19,835 respectively.

Table 5 – Growth in retail associations and franchising chains

1985	77 chains
1988	155 chains
1991	205 chains

Source: Apuntes de Franchising, 1991

Another important development within the traditional non-food retail sector is taking place within the context of urban renewal. Growing activity and investment in the renewal of inner cities, whether or not of historical interest, has encouraged retailers to make wide-ranging changes to their stores and these together with urban reforms such as the creation of more pedestrian precincts, building renovation, improved services etc. have transformed decaying areas abandoned by the more dynamic retailers into genuine shopping centres again.

Initial successes in this field have resulted in efforts by retailers' associations throughout Spain to encourage renovation of certain areas.

The reaction of traditional shopkeepers, reinforced by the organized campaigns in favour of neighbourhood convenience shops, availability of subsidies for expansion, specialization and modernization of shops or to permit shopkeepers to retire, plus a degree of protective legislation, especially in certain autonomous communities with a strong business structure, would seem to be bearing fruit and safeguarding the position of small retail outlets that are better structured, more specialized and able to offer a steadily improving service. However, these improvements have not been achieved without some losses in this segment of the retail trade, which has recently begun to suffer from the size and competitiveness of large firms and which is afraid that turnover will decline.

For the time being, however, the retail sector still has a very large number of small firms. This is reflected in the table below which lists the number of retail stores on the basis of the number of employees. Firms with less than 20 employees account for 99.4% of the total figure and those run by a single person for 64%. These figures are extremely important when it comes to considering the matter of training in the retail trade and shows the comparative insignificance for the retail trade as a whole of training carried out by medium-sized and large firms. The fact that the figures were gathered in 1988 does not make them any the less relevant, since the large number of small firms continues to be the major feature of this sector.

Table 6 – Retail firms by number of employees 1990/1991

One person	291,893
2 to 4 persons	136,719
5 to 19 persons	23,738
20 or more persons	2,509
Total	454,858

Source: Survey of Domestic Retail Trade, 1988. National Statistical Institute.

This situation and the tendency it reveals is well summed up by the Chairman of one of Spain's five largest supermarket chains: "In Spain the ten largest retail firms only account for 37% of total sales compared with 75% in the case of the seven major retailers in the United Kingdom or 60% in the case of the six largest retailers in Holland. Moreover, the sales of this group of Spanish retailers only represent 80% of total sales by the French Leclerc group".

Apart from foreign investment, the expansion of the retail trade, the tendency of firms to join together in order to achieve optimum size, the emergence of new forms of retailing and the changes that have taken place as retailers have sought to adapt are the four major features typifying developments in the Spanish retail sector.

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SECTION 3
SOCIAL AND INSTITUTIONAL CONTEXT

3.1 Legal framework

Legislation governing wholesaling and retailing activity in Spain is still at the preliminary stage because of the new political division into autonomous communities which have acquired responsibility for their own business activity.

A corpus of law exists at national level. This includes Decree Law 2/85 of 30 April 1986, known as the Boyer Decree, which lifted restrictions on shop opening hours applying in those communities which still do not have their own legislation.

Communities such as Valenica, the Basque country, Catalonia, Galicia and Aragón have a law governing retailing while in others such as the Canary Islands, the Balearic Islands and Andalusia legislation is still being drafted.

The legislation of the autonomous communities lays down opening hours and days, requirements for the premises and the bodies responsible for granting licences at local or regional level. There are no provisions governing training in the retail sector.

Generally speaking, opening hours in most communities in which legislation already exists or is at the discussion stage must not exceed 60 hours a week. Shops must close on Sunday, except in the case of Aragón and the Canary Islands where there are no restrictions as to working hours. Exceptions are provided for in all cases subject to the appropriate permits. In areas where no specific legislation exists, opening hours are, thanks to the Boyer Decree, not subject to restriction and shops may also open on Sundays and holidays.

The Spanish Government has appealed against the laws governing the retail trade in the autonomous communities because it does not regard the regulation of shop opening hours as falling within their field of competence. On occasion – and this is the case of the Basque country, Valencia, Catalonia and Aragón – the law governing the retail trade is supplemented by a law governing retail stores which, in order to protect traditional retailers deals particularly with the opening of stores with a large sales floor. The granting of licences for superstores may be the responsibility of more than one administrative authority.

Municipal councils, which carry considerable weight when it comes to granting superstore licences, generally require generous financial contributions from firms wishing to open stores on their territory. This money is used to improve the urban environment and infrastructure and implement measures to encourage small businesses.

Licences for small businesses can be granted by local authorities who are also empowered to freeze the number of licences granted in the interests of the community at large or the retail sector itself.

As a general rule the laws of the autonomous communities tend to favour small businesses by imposing restrictions as to working hours, by specifying methods for assessing the need for large retail centres or by granting subsidies and loans for modernization.

It should also be pointed out, however, that because the autonomous laws have only recently been enforced, not all the above measures have as yet been fully covered by the regulations and in some cases progress has been halted because of resistance from other bodies, whether public-sector institutions or employers' organizations.

This transitional situation and the lack of stable legislation possibly explains why permits for the establishment of superstores especially tend to be a matter for negotiation between the interested parties and the competent authorities.

Other legislation exists at national level, such as the consumer protection law and the law on unfair competition, as well as municipal by-laws and regulations governing matters of hygiene, location, the physical characteristics of stores, packaging of goods etc.

3.2 Labour legislation and the social partners

Labour legislation specific to the retail trade is to be found in the retail regulations of 1973 and the regulations governing employees of superstores of 1975.

These regulations deal with matters such as the classification of staff according to seniority, function or qualification, as well as salaries, working hours, holidays, dismissals, internal regulations etc. However, these regulations are subordinate to the collective agreements.

The collective agreements are negotiated for one or two years by the employees and employers or their representatives and govern industrial relations and working conditions (salaries, job categories, training etc.). However, not every sub-sector of the retail trade has a collective agreement.

Collective agreements may apply nationwide, at the level of autonomous communities, to provinces or to individual companies. They may also apply to sub-sectors and branches of the retail trade or specific types of retail outlets, such as the agreement governing superstores.

More than 300 collective agreements were signed for the retail sector in 1990 – which gives some idea of the variety of situations to be found there and of the fragmentation and weakness of the unions and employer organizations. This is due to the fragmentation of the retail trade, diversity of forms of retailing and size of outlets, and the predominance of stores run by a small staff.

Table 7 – Collective agreements (wholesale and retail trade)

Year	Agreements	Employees covered
1981	244	306,417
1985	351	541,035
1990	388	745,702

Source: Ministry of Labour Statistics, 1991.

The chief trade unions, UGT and CCOO, are not well established in most of the large outlets, where the professional trade unions (Fetico and FASGA) predominate with a membership of over 60%. Most workers belonging to trade unions tend to be those employed by small businesses who feel the need for advice. Union membership in the sector is very low.

Union representatives in retail firms monitor the application of collective agreements, whose interpretation is frequently subject to dispute with the result that a substantial number of cases are taken to the High Court every year. Sometimes the agreements contain articles relating to training, as in the case of the agreement concerning large stores, which lays down that firms must each year spend on training an amount higher than the previous year. However in all the cases studied the role of employee representatives was limited to that of observer.

At the same time, according to our sources of information, small retailers and shop owners, who still constitute the majority in the Spanish retail sector, do not consider themselves well represented by the traditional employers' associations.

The above summary shows the variety and complexity of requirements and legislation in the retail trade, both by virtue of the geographical situation and of the type of retail outlet and the sector or branch to which it belongs.

SECTION 4 – EMPLOYMENT

4.1 General trends and characteristics of employment

The first fact to be borne in mind is that this sector has been a net creator of jobs since 1985 and that further growth is expected. This has resulted in a substantial inflow of employees, particularly unskilled personnel seeking lower-grade jobs, with a consequent increase in unemployment among the more skilled. However the unemployment figures may also reflect the circumstances attached to the increase in the number of employed – use of fixed-term contracts and part-time work – as well as the high staff turnover plaguing the retail sector for different reasons. (Table 8)

The second important fact is that growth in the number of employed has resulted in growth in the number of wage-earners, the proportion of whom had risen to 49% of those employed in 1990 compared with 40% in 1985 (see Table 8). This means that in percentage terms the weighting of independent retailers has declined, although in absolute numbers there was an increase of 8,000 between 1985 and 1990.

Important factors that have contributed to the growth in the number of people employed in the retail trade are firstly the creation of superstores and secondly the widespread use of fixed-term contracts resulting from the government's measures to stimulate employment.

In 1988, 66.6% of contracts in the service sector resulted from these schemes to encourage employment and were therefore for a fixed term. This high figure results from the large number of young people ond women with relatively low skills who tend to be the two groups recruited on this basis.

There are no statistics to show the significance of fixed-term contracts in any form in the retail sector but the figures given in Table 9, which include the retail sector, show that from 1988 to 1990 fixed-term recruitment had risen to 50.6% compared with an increase in the wage-earning population of 15%. From this we can deduce a greater workforce instability. Less than 5% of the 218,200 new wage-earners in the "retail, catering, hotel and repair" sub-sectors during the three year period mentioned were given contracts for an indefinite term. (Table 9)

Thus whereas in 1988 29.6% of wage earners were on a fixed-term contract, by 1990 the percentage had risen to 38.9%.

No figures are published for the number of fixed-term contracts in the retail sector alone. Although there is a tendency to employ people on such contracts, and indeed it is common practice in larger firms, part-time contracts in 1989 only accounted for 8.3% of contracts for all sectors. However, such contracts are those most frequently used in the service sector, which accounts for 87.2% of the total number of such contracts. In the retail trade cashiers, sales assistants and shelf-fillers are the categories most widely affected by this type of contract.

Table 8 – Number of employed, unemployed and wage earners in the retail trade (average figures)

Year	Employed	Unemployed	Wage-earners
1981	1,179,200	68,300	490,200
1985	1,131,600	132,100	459,100
1990	1,380,300	188,200	681,600

Source: Own calculations based on Ministry of Labour statistics

Table 9 – Breakdown of number of employed by type of employment (retail, catering, hotel and repair sectors)

	Employed	Wage-earners	Short-term
1988	2,588,400	1,387,500	410,300
1990	2,805,500	1,605,700	618,200

Source: EPA National Statistical Institute, fourth quarter.

No figures are available for the job structure in the retail trade. According to a study carried out by the Ministry of Commerce, hypermarket staff breaks down as 61.5% cashiers/sales assistants, 14.5% management and supervisors, 11.5% manual workers and 5.5% office staff.

Given the substantial growth in the number of wage-earners due to the increase in the number of superstores, we may assume that the greatest growth has been in the categories of cashiers/ sales assistants and male general assistants.

This occupational pyramid in stores with a large number of employees makes for structural difficulties impeding internal promotion. Although for the time being these difficulties are palliated by the expansion of the retail sector generally, it is clear that this will be a major obstacle to greater professionalism and the acceptance of training by employees.

4.2 Labour force

No data has been published on the age of employees in the retail trade but having consulted various sources it is safe to say that the average age of those employed in the retail trade has dropped significantly because of the advent of a large number of young people over the last five years.

Another notable feature of workforce development is the growing number of female employees – both young women and older women who are returning to work – who on various estimates currently represent about 60% of the retail trade workforce. Older women returning to work tend to seek jobs in the retail and catering trades because of their fewer qualifications.

Despite the fact that they have been the main cause of the growth in employment and the improved level of training in the retail sector, young people on "en formación" training contracts and women have in fact had very few opportunities to acquire retailing skills and have tended to swell the ranks of the lowest-grade workers while suffering the consequences of high staff turnover.

The general educational level of employees in the retail and similar sectors (see Table 10) has risen since 1980, although 50% of men and 45% of women have received at most primary education – that is, have attended school for at most 10 years.

The improvement in the general educational level is linked to the industrial crisis and the high rate of unemployment among young people, which has resulted in the retail trade becoming a means of entry to the labour market for many people with industrial training or secondary education.

4.3 Working hours

Spain has a 40-hour working week. Shops may open for a maximum of 60 hours a week in the autonomous communities. In those communities which are governed by the Boyer Decree, national law or an autonomous law, shop opening hours are unrestricted. Shops open 6 days a week from Monday to Saturday.

However, as we have already pointed out, certain exceptions exist by virtue of geographical location

Table 10 – Educational level in the wholesale and retail trade and the repair sector broken down by sex (in per cent)

Male	Illiterate	No education	Primary	Secondary	Higher	Univ.
1980	0.8	7.1	64.2	23.7	2.0	2.1
1985	0.6	6.1	54.2	35.6	1.7	1.8
1990	0.3	6.3	41.3	47.2	3.0	2.1
Female	**Illiterate**	**No education**	**Primary**	**Secondary**	**Higher**	**Univ.**
1980	2.8	8.6	61.1	25.5	1.1	1.3
1985	1.8	8.2	51.7	35.4	1.5	1.5
1990	1.2	6.6	37.5	49.2	2.4	3.0

Source: Own calculations based on figures of National Statistical Institute.

(tourist areas, special legislation), the time of year (Christmas, special events such as the Olympia Games, sales) when shops may open on Sunday in order to provide a better service to consumers.

Although traditionally shops are closed at lunch-time, there is a growing tendency to keep open continuously because of the superstores.

The greatest number of hours tends to be worked in traditional family-run shops where an effort is made to stay open for a maximum number of hours with few employees in the interests of greater profitability and better service. This means that working weeks of over 40 hours are frequently found among small retailers and their employees.

The superstores cover opening hours with a variety of working hours and weeks. In general people working split shifts have one free day a week as well as Sunday, while those working continuous shifts tend to work the same hours for 6 days a week.

In most department stores working hours are fixed, but where there is a system of rotation they are laid down permanently by agreement or must be made known at least one week in advance.

Difficulties caused by working hours are more noticeable among employees of small or medium-sized firms who always tend to work split shifts and often work more than 40 hours a week, which affects their leisure time.

4.4 Working conditions (Table 11)

As table 11 shows, wages in the retail sector are in the case of male white collar workers 25% lower than those of all sectors taken together and in the case of blue collar workers (male general assistants in the retail trade) are 16% lower. The situation is even worse in the case of women, who make up the majority of the workforce; their wages are 22% lower than those of their male colleagues.

Wages differ considerably with the duration of contracts. According to the latest figures available, fixed-term contracts in the service sector involve wage inequalities that can mean lower salaries in all job categories of as much as ESP 800,000 on annual average, compared with employees on permanent contracts.

As we have seen employment on fixed-term contracts and being a woman – the two main causes of lower wages – typify the labour force in this sector. Because of the stricter adherence to regulations and a greater union presence, disadvantages do not exist in the superstores.

The conditions of employment explain why young workers do not find the retail trade attractive. The absence of promotion prospects for structural reasons, long, split working hours, job insecurity and low salaries are the most serious problems here from the employees' point of view. Many regard work in the retail sector as something to tide them over while they are waiting for something better to turn up. This is the case particularly of those with better qualifications who have the potential necessary to acquire skills and move into supervisory positions in large or medium-sized retail outlets.

Employers claim that they have difficulties in achieving a stable labour force. To quote one employer: "The turnover of one part of the staff is as rapid as that of goods". Difficulties are encountered particularly with store supervisory staff.

Table 11 – Average earnings per hour worked (in ESP)

	White collar		Blue collar	
1989	M	F	M	F
All sectors	1,115.6	746	711	520
Retailing	864	560	612	409
1990	M	F	M	F
All sectors	1,265	809	773	550
Retailing	961	631	679	443

Source: Salary survey, National Statistical Institute.

Faced with the difficulty of finding suitable personnel for certain categories of job, some firms have adopted a practice with regard to employment contracts that helps them achieve their objectives. This is to offer contracts for an indefinite length of time ("permanent contracts") to employees who have already exceeded the legal limit of three years for temporary staff and who come up to the firm's requirements. However, for the time being this practice is not very widespread and is confined to large and medium-sized companies.

4.5 Recruitment and selection criteria

Because of the rapid expansion in the retail sector the type of jobs offered tend to be two-fold. On the one hand there is a requirement for unskilled labour (mainly young people and women) and on the other for people with some training in retail selling, new technologies and management to cope with the sector's modernization.

As we have already pointed out, growth in the retail labour force has been the result of a sharp increase in the number of fixed-term contracts. The types of contract most frequently used have been the following:

a) The "en formación" contract, which allows temporary recruitment for up to a maximum of 3 years for young people between the ages of 16 and 19 with a non-vocational primary education. In exchange for providing some training in retailing, employers are granted a reduction of 90% in social security contributions when they have more than 25 employees or 100% if they have fewer. On the other hand, trainee workers employed under these contracts only receive a percentage of salary depending on the hours worked, 75% per 40 hours.

In the service sector 58.5% of fixed-term contracts are of the type mentioned and 90.4% of recruits under the system are workers with only primary education.

b) The "en prácticas" contracts are aimed at those who have completed their secondary or officially recognized higher education. These contracts also have a maximum term of 3 years and firms are allowed a reduction in social security contributions of 75%. Those employed under this kind of contract tend to be slightly older and to have very different qualifications. This type of contract has also been used in the service sector, particularly in retailing, and as Table 15 shows, it has contributed to the general improvement in the educational level of employees in the sector.

Recruitment, especially for certain categories of job, is becoming a problem for certain firms for the reasons already mentioned. It is difficult to find suitable people for posts as supervisors or store managers etc. on the labour market, with the result that firms are obliged to recruit people leaving university with a degree or diploma in any field acquired after a 3-year course, who are then given training by the firm itself. In the case of the lower job categories mention has already been made of the absence of attractions and the tendency to regard work in the retail trade as a temporary matter, so that employees cannot rely on a suitably qualified workforce.

Traditional small retailers recruit their staff by traditional methods, ranging from a notice in their shop to advertisements in local newspapers or word of mouth. Generally speaking they do not make any demands as to training but put the emphasis more on neat appearance, personal references and experience.

The situation is very similar in the case of medium-sized and larger firms, although the latter sometimes use the services of personnel selection consultants. Again, little stress is placed on training, particularly theoretical training gained in centres such as those previously described, although here much will depend on the prestige attached to individual centres.

For shop managers or departmental managers previous experience in the sector is required, as is some form of general education, though there are no specific requirements as to qualification. There are other requirements such as personal references, motivation, morality or maturity. However, as already explained, given the difficulty in finding staff with experience and qualifications in the sector, employers are ready to recruit university graduates in any field merely because they are graduates and are presumed to be able to learn quickly.

For appointments to management posts or positions in new stores employers do require degrees in economics or business studies.

For jobs such as cashiers, male assistants and sales assistants no specific knowledge, training, or even more general experience in the retail sector is required, although this may sometimes be taken into account. Instead other aspects such as being keen to work, organizational talent, personal references or a certain age may be taken as criteria.

Superstores are increasingly making use of training schemes provided by the Instituto Nacional de Empleo (National Institute of Employment) in order to select lower-grade employees from among the best students on the course. These schemes, which are state-subsidised, enable firms to carry out initial training and selection of staff under very advantageous conditions.

SECTION 5 – CHANGING CONDITIONS AND THEIR IMPLICATIONS FOR QUALIFICATIONS AND VOCATIONAL TRAINING

1.

One of the factors contributing to change in the retail sector in Spain is the growing presence of multinationals which on their own or in association with Spanish firms account for over 25% of sales in almost all the various branches, though mostly in the food branch. The present situation looks unlikely to change in the short term but will be strengthened by the existence of the European single market because there is still room for growth – it has already been stated that the profit/sales ratio in the Spanish retail sector is the second-largest after Britain.

The multinationals moving into Spain are rapidly establishing themselves as leaders in the retail sector. Thanks to their size, better management techniques, advanced technology and more efficient personnel management they are better equipped to meet the increasing demands of Spanish consumers.

The first effect of the need to be competitive in a market of increasing complexity is a restructuring of the retail sector and the modernization of existing structures through mergers and takeovers, expansion, specialization etc. This reorganization and modernization calls for staff with an overall vision of the economy and of business, experts in distributive systems, in marketing, in store management, in team leadership, as well as people with special knowledge of the market, the new technologies being used in retailing and the products concerned.

It is fair to say that the need for competitiveness has caused a sector of activity which paid little heed to this subject to reflect on the need for training within individual firms and the need to mobilize sectoral institutions. Firms are starting to view training as an instrument for bringing about the necessary changes, hence the interest in training policy, which though still small, is increasing because of the lack of trained staff available on the labour market.

The objectives and content of training programmes, both on-the-job and off-the-job, highlight the need for well-trained staff in the field of management, company and store organization, customer service, product knowledge and the use of new technologies for both management and logistics.

Computer technology, which presents a challenge in training terms because of its rapid introduction, has mainly impacted on three areas of organization – store management, links with suppliers and logistics – and the training activities of firms and retail organizations over the past few years have been seeking especially to meet the demand here.

Table 12 – Annual increase in retail outlets equipped with scanners

1983	1985	1990
29	94	2,974

In 1990, stores had an average of 4.4 scanners each.

Tables 12 and 13 only show the increase in the number of scanners and computer programs up to 1990, but the increase in the use of such systems is making rapid advances and current figures would be much higher.

Table 13 – Edi projects promoted by EAN associations

			Users	
Country	Project	Started	1990	1991
Belgium	ICOM	1986	65	90
France	Allegro	1989	210	430
Germany	SEDAS	1985	510	710
Italy	EANCOM	1986	20	100
UK	Tradacoms	1982	3000	6000
Spain	AECOM	1988	15	100

Source: Spanish Association of Business Classifications, 1991.

SECTION 6 – TRAINING POLICY

6.1 Government-sponsored training

Up to 1990 vocational training could be obtained in Spain in three different ways, namely through the educational system which offered vocational training at two levels following on compulsory primary education, through the National Plan for Vocational Training and Occupational Integration (FIP), which was the responsibility of the Ministry of Labour and was available to those both in and out of work, and through on-the-job training.

In the retail trade vocational training was invariably gained by learning through doing, since neither government-sponsored training nor FIP vocational training had any programmes for the distributive trades.

1990 brought the promulgation of a new law on the educational system which has wrought considerable changes in the system as it existed and particularly in vocational training.

As this law is implemented and vocational training courses are planned, the authorities are taking into account the needs and evolution of the labour market, as well as the socio-economic areas in which training centres are located, so as to ensure the best possible match between the educational and productive systems. The fact that a number of the autonomous communities are authorized to set up their own training courses is a further guarantee of better quality training.

Vocational training at its three levels will in future be organized in the form of modules which together will provide a corpus of knowledge, abilities and skills required for practising a given occupation or profession.

These training modules may be regarded as a bridge linking the world of education with that of work with the dual purpose of absorbing young people into the labour market and enabling those already in work to keep abreast of new developments. As the following chart shows, access to the three levels may be either via the educational system or via the labour market.

Most of the modules take the form of training cycles lasting a year and with a minimum duration of 950 or 1,100 hours, at least 200 of which must be practical work in firms.

The theoretical and practical content of these courses is adapted to the qualification levels specified by the EC.
The new education law also aims to ensure a formal consistency, as well as one of content, between vocational courses offered under the new educational system and other continuing training programmes organized by firms, as well as programmes aimed at integrating or rehabilitating workers organized under – at present – FIP vocational training schemes.

Although it will take years before the law is fully implemented, training modules relating to the retail trade are already under way in a number of government training centres at levels 2 and 3 (auxiliary and technical). One example of a programme designed by the autonomous government of the Generalitat de Catalunya is given below.

The auxiliary level, involving 750 hours of theoretical and practical instruction and at least 200 hours of practical experience, enables students completing the course to perform such tasks as the use of computerized equipment for purposes of calculation and management, customer service, dealing with suppliers personally and by telephone, stock control, reception duties, handling and delivering goods and dealing with the relevant documentation, packaging and packing etc.

The technical level, which is somewhat longer in length (a minimum of 1000 hours), trains students in the organization and implementation of sales policy, in conducting market surveys and writing reports, the application of commercial, fiscal and financial regulations, and in the theory and practice of purchasing, selling, transport, storage etc.

Courses at both levels involve compulsory practical training in firms – a novelty in the Spanish educational system where the concept of collaboration between the educational and business world is very new.

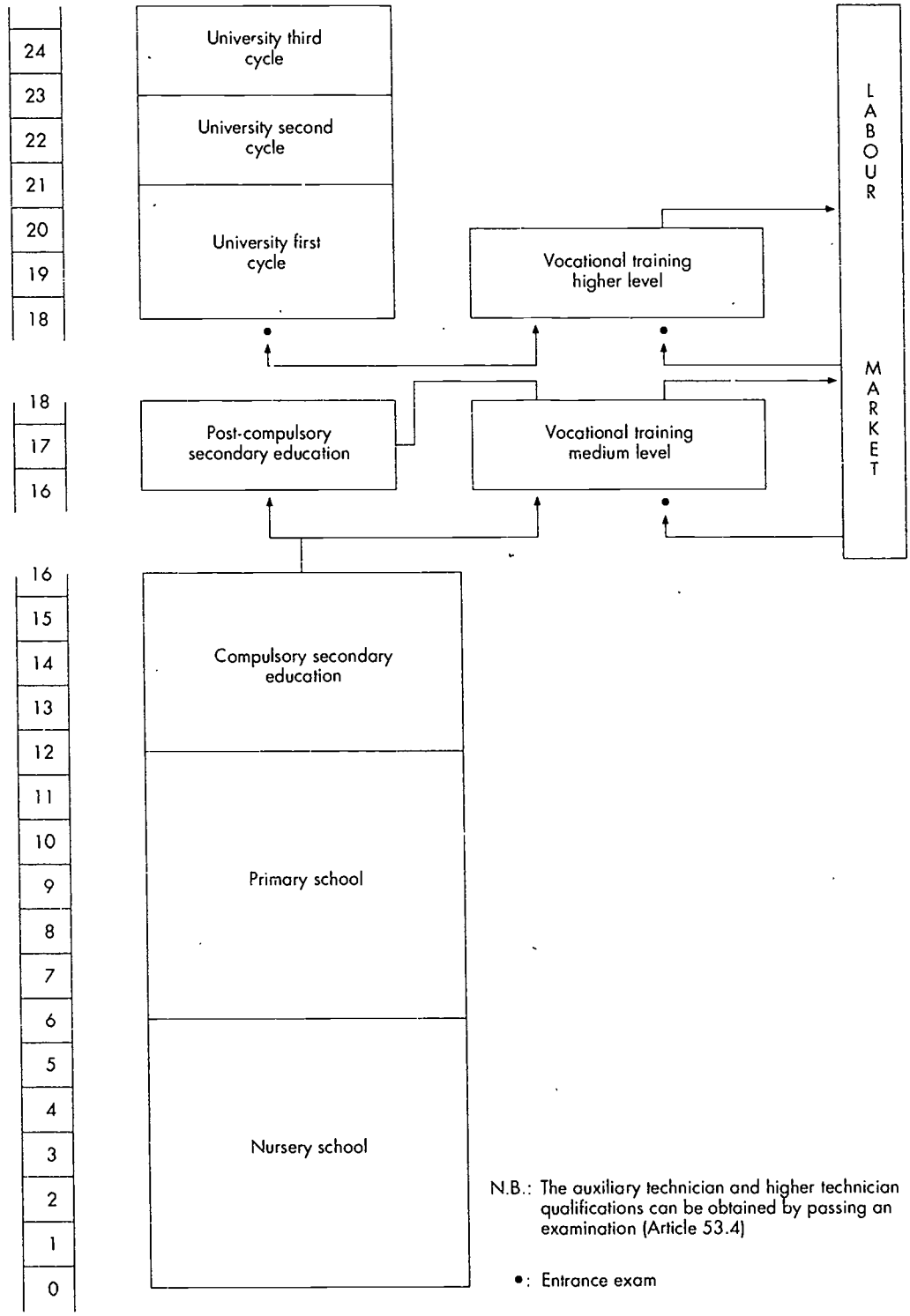
6.2 Other forms of training

The non-existence to date of vocational training for the retail trade has given rise over the past few years to a proliferation of schemes to meet the growing demand for better trained staff because the expansion and modernization of the retail sector did not easily permit training on the job.

During the seventies, while the retail trade was setting out on the path of modernization, the Institute for Reform of Commercial Structures (IRESCO), a body responsible to the Ministry of Commerce, played an important role by providing a programme of technical assistance which included training for owners of businesses, managers, and employees in commercial firms. During 1974 and 1975 the first two years of this programme, 1,179 such courses were organized through Chambers of Commerce, companies and various organizations throughout the country.

Subsequently, during the eighties, local and regional authorities as well as private bodies established training centres, and training programmes were run by the Chambers of Commerce, employers' organizations, the unions, craft guilds, universities, etc.

Table 14 – Chart – The new educational system (currently being introduced)



Source: Diagram of the Spanish educational system *ley ordenacion general systema educativo (logse)* (Constitutional Law 1/1990 of October 3rd)

Some bodies, such as the craft guilds in a number of autonomous communities, have a longer tradition of training their members. Thus the guild of confectioners and pork butchers have their own schools which provide both basic training and retraining. Similarily, the Confederación de Comercio de Cataluña, a retail employers' association in the autonomous community of Catalonia, has designed a wide-ranging training programme for its members and their employees.

The Chambers of Commerce have also helped to pioneer training in the retail sector by organizing short courses and seminars for both small shopkeepers and their sales staff.

Conscious of the importance of the retail trade in the life and economy of big cities and the competition from superstores on the outskirts of towns, a number of municipal authorities have been putting considerable effort into training activities with a view to revitalizing the retail trade in town centres.

Similarly the universities, which traditionally had no contact with the retail trade, are starting to appreciate its importance and offer courses leading to a master's degree in retailing.

However, the content of courses run by these various organizations, as well as their duration, teaching staff, continuity, methods and teaching aids, vary considerably, making it difficult to assess their real impact. Moreover, because the retail trade is so fragmented it is difficult to gain an overview and determine the qualification and training requirements that would permit stores to cope with the current situation.

Those taking part in training courses are generally people employed in the retail trade, though also people out of work or young people looking for their first job. The educational level required to qualify for such training courses also varies but in general is not very high, except in the case of the master's qualification. Primary school education or work experience are sufficient.

Virtually all the organizations are funded by public institutions, particularly where courses are open to the unemployed. The firms or the trainees themselves are required to make a contribution towards expenses, depending on whether courses are officially subsidised or not and to what extent.

Of the variety of courses on offer, the broadest spectrum is aimed at middle management and executives; firms are increasingly training their unskilled workers through in-house courses, even though courses are also officially provided for them.

The training schemes described are in the main utilised by small and medium-sized enterprises; larger firms also use the universities and more prestigious centres, particularly for the training of their executive staff.

The value employers put on training activities offered by the various institutions differs greatly and depends on how close a relationship these institutions have with the sector (guilds, retailers' associations, Chambers of Commerce) or their standing in the educational world (private institutions or universities). Generally speaking, since most of these institutions have not existed for very long and there is no official syllabus to ensure that training meets the qualification requirements, only some centres which maintain close links with the retail trade are recognized as efficient.

In-house training

Training provided by the firms themselves tends to be confined to large or medium-sized firms, which account for only a small percentage of the sector overall (some 0.5% of firms have more than 20 employees). In recent years a growing number of firms have displayed interest in training and have gradually been introducing their own training activities on an experimental basis.

Training in the large and medium-sized firms which do run their own courses is currently experiencing radical changes similar to those of the retail sector itself. New strategies conceived to cope with the need to modernize and expand and to combat growing competition in some cases include training activity as an element fundamental for their future development. Firms are beginning to view training as one means for realising their corporate objectives and are therefore considering and planning their training requirements for the medium to longer term, are designing programmes and extending training to all categories of employees.

However, even in the few companies which organize training courses, the lack of experience in the field and of human resource management in general, plus the serious lack of qualified trainers, makes for inevitable shortcomings.

Firms' objectives in organizing training activities range from a simple desire to increase productivity in the short term and to ensure a supply of necessary supervisory staff to the wish to encourage the development of their staff generally, which will in time generate a corporate culture.

Some big firms have set up their own training schools open to all. Those attending courses from outside are usually unemployed people under 25. The training such firms give is largely subsidized by the Instituto Nacional de Empleo (National Institute of Employment) and the firms select their new recruits from among the trainees.

In some regions of Spain smaller firms, which draw up training policies but do not have the resources to create the necessary facilities, rely on the employers' organizations and guilds to train their employees. Among the smaller food retailers the guilds play an important role in imparting and updating the relevant skills.

No reliable data is available concerning how much companies invest in training.

1.

The above description cannot be applied without reservation to the entire retail sector and even less to Spain as a whole, which considered generally is taking its first steps in the training field.

Moreover, in the retail trade the conviction that you learn to sell by selling and that this is only possible on the job and face to face with a customer persists. The idea of selling as a skill is the concept most widespread among employees in the retail sector and that underlying the training most often given to those working in stores. On the other hand, product training, with a few laudable exceptions, is virtually non-existent.

SECTION 7 – CONCLUSIONS

• It is still too early to talk of continuing training as an established practice in the Spanish retail trade. The structure of the retail sector, which is still dominated by small firms, a lack of a tradition of training and the virtual absence of intermediate bodies enjoying sufficient recognition and offering specialized training suited to firms' needs, are some of the factors contributing to this situation.

• Only a very small group of firms have been carrying out training courses for any length of time, but the radical changes that the sector has undergone over the last ten years marked by keen competition, expansion and the ingress of employees with no relevant qualifications is obliging the retail trade to alter this situation.

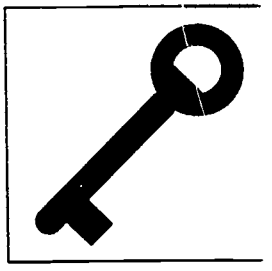
As a consequence, some large and medium-sized firms are beginning to implement policies in which training is a key element. Others regard training very positively – an opinion which reflects particularly in efforts being made to train middle management and executives – and generally speaking, firms are displaying a growing interest in training matters.

• However it must not be forgotten that the large majority of retail firms are one-man operations for whom training at present is out of the question even if they were interested. The need for training adapted to working hours in the retail sector and employees' educational levels is one of the priorities here.

• In addition to firms' own training courses there are a multitude of training courses available on the market but varying considerably in terms of content, quality and recognition. Some of them are used by large and medium-sized enterprises in order to train their executive staff and by smaller firms to enable them to implement a general training policy.

• Different attitudes to training have been noted among employees depending on its objectives, the expectations created and the employees' personal situation. Staff in jobs requiring fewer skills do not appreciate training particularly unless it goes hand in hand with prospects of improved working conditions – promotion, higher wages etc. – whether inside or outside the firm.

PART 2:



8. Gerplex/Confederación del Comercio de Cataluña

   Eroski

   Cemasce

   Firm Xx

   Firm A

SECTION 8
GERPLEX
CONFEDERACIÓN DEL COMERCIO DE CATALUÑA

2.

1. Description of Gerplex

Gerplex is a limited company (sociedad anónima) with a capital of ECU 113,281.25.

This is a retail chain specializing in household goods, gifts, toys at Christmas and camping and beach equipment in summer.

It is located in Barcelona and in the major cities of Catalonia.

Most of its customers are young, middle-class women.

Reformed in 1981.

1.1 The firm

Gerplex was formed in 1955 as part of a group of 4 general department stores and a central purchasing unit. It was legally constituted as a firm in its own right.

The late seventies and early eighties bought a major economic crisis which forced many popular stores to go bankrupt or to suspend payments. Gerplex was affected.

The firm had 75 employees. At this time the son of the founder, who was 22 years old and had a qualification from a business school of high standing, bought a majority shareholding and decided to carry on with the business.

Over a period of 4 or 5 years he devoted himself to restructuring the firm. The first step, in 1982, was to suspend payments. He combined the 5 firms in a single firm, taking the legal form of a limited company (sociedad anónima) and transformed the general store into a store specializing in household goods (domestic appliances, all types of household equipment, linen, small items of furniture etc.) and gifts, with special promotions at various times of the year. He also carried out considerable restructuring of staff which involved persuading a majority of employees who were not strictly sales assistants to accept voluntary redundancy. He asked those who were left, mainly sales staff, for their understanding in the process of restructuring and for the wage freeze.

After this period of restructuring and once a degree of financial stability has been achieved, new objectives were formulated for the firm. These involved a repositioning in terms of image and type of consumer, expansion, obtaining better terms from suppliers, improving competitiveness, rationalization of the staffing structure and investing in new technology.

The corporate image was rethought and stores redesigned in order to attract a younger clientele than the housewives who had been the firm's traditional customers. Efforts were also made to improve customer service, introduce higher quality goods and ensure that stocks were frequently renewed.

Growing competition from superstores offering the same range of articles and the small profit margins which this permitted obliged Gerplex to expand and utilize the advantages of specialization and customer proximity in its strategy. It has therefore opened 9 new stores over the past 6 years, bringing the current total to 13.

The company's new policy required a rethinking of the human resources required and Gerplex began to invest in young people with management training while recruiting more workers to meet the need for expansion. Between 1986 and 1991 the number of staff rose by 30%, chiefly in the categories of general assistants and sales assistants/cashiers. Because of the situation in the retail sector and of the firm itself at the time, the new staff taken on was very young and mainly female with no specific training in the retail trade.

The reason for employing personnel of this kind despite the firm's actual needs was that the conditions of employment made for greater profitability.

At the same time, a switch to new types of selling with the large-scale introduction of self-service and consequent reduction in staff such as window-dressers, obliged store personnel to diversify their activities.

Investment in technology was another of the firm's major objectives, the aim being to improve administrative, financial purchasing and management in order to ensure that a maximum of information could be made available in a minimum of time, while helping with the problem of personnel restructuring. A computer system is now being installed that will link all stores and scanners. Investment for purposes of management and stock control to date is in the region of ESP 35 million.

The firm is currently experiencing a marked change for the better with improved financial figures. Between 1986/87 and 1990/91 sales rose by 160% whereas personnel costs rose by only 123%.

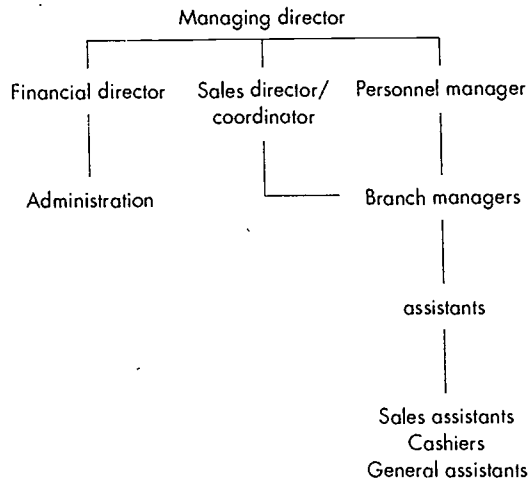
The firm has 13 stores and a warehouse. Five of the stores are situated in the city of Barcelona and the other 8 in major towns of Catalonia. The administration and management are located in separate buildings.

Stores are always located in the centre of towns – in the case of Barcelona one is in the centre and

the other 4 in densely populated areas of the city. Sales floors range between 400 and 1,000 sq.m. Customers remain basically middle-class and female with a certain tendency for the number of younger women customers to increase because of the new electronic products and gift articles on offer.

Stores operate on a self-service basis, except in the case of small domestic appliances which continue to be sold by traditional methods for reasons of safety and better customer service.

The firm has the legal form of a limited company with a managing director who represents the shareholders and is himself the major shareholder. The organizational structure is as follows:



Communication between branches and central management takes the form of a weekly meeting of all store managers with the managers at head office. At these meetings decisions are reached jointly on matters concerning the purchasing of new product lines, there is an exchange of information about the progress of business, new requirements, products etc. Some of these meetings are attended by suppliers who present new products in a form of training concerning products and future trends.

These meetings serve as a channel of communication between the management and the various branches and vice-versa, and make for a better understanding between the various management levels. There is also a store coordinator who visits the stores periodically.

1.2 Human resources

1.2.1 Personnel structure

The workforce has increased in absolute terms since 1986. However, since over the same period the number of stores has risen from 5 to 13, the average number of employees per store fell from 13 to 7 between 1986 and 1991.

Table 1 – Number of employees

Years	Total Figures	Male	Female
1981	75		
1986	65	19	46
1987	77	21	56
1991	98	29	69

Throughout the period 1981 to 1988, Gerplex was experimenting with a change in personnel structure because some staff were lost when a number of men of over 25 and with some experience, qualifications and ambition left the firm at a time when its future was rather uncertain and could not meet their requirements in terms of salary. While the departure of this group helped to trim the workforce, it also had the effect of reducing the general level of qualifications.

Table 2 – Age breakdown of staff

Years	–25	25–50	+50	Total
1986	32	28	5	65
1987	43	29	5	77
1991	59	33	6	98

The reduction in the number of staff in relative terms went hand in hand with a steady lowering of the average age, which continued from 1981 – for which we have no figures – but which is very clear from 1986 onwards. Whereas in 1986 49% of staff was under 25, by 1991 the percentage had reached 60%. This trend was also paralleled by an increase in the proportion of women which began in the period 1981–1986, since when the figure has remained at around 70%.

Table 3 – Occupational structure

Job Category	1991	1986
Management	4	2
Office staff	9	4
Branch and store managers	14	8
Assistant managers	13	7
Sales assistants	28	23
Cashiers	14	6
General assistants	16	11
Total	98	65

Table 3 shows that the number of office and managerial staff substantially increased froom 1986 onwards while the number of sales assistants decreased, causing the latter's weighting in the total workforce to drop from 35% to 28% due to the restructuring that was put in hand. On the other hand, there is a greater functional specialization and cashiers now account for a larger share of the total workforce.

1.2.2 Working conditions

Shop opening hours are from 9.30 to 15.30 and from 16.30 to 20.00 hours on weekdays, including Saturday. Stores are not open on Monday morning, when the time is used for training and other activities. Staff work a 40-hour week with one and a half days off. The holiday entitlement laid down by law is 30 days.

The wages of most employees are governed by collective agreement and monthly take-home pay (15 payments) in a typical store ranges from ESP 61,000 for a male general assistant to ESP 85,000 for an assistant store manager after 20 years with the firm. There is a seniority allowance which is only paid to employees on permanent contract and which amounts to 5% of basic salary every four years. A flat-rate travelling allowance is paid to each employee. In 1991 this was ESP 5,390 a month. There is no commission on sales.

In recent years the firm has been taking on staff for certain posts at salaries above those fixed by the collective agreement and all posts of responsibility from store manager upwards carry salaries higher than the negotiated rate.

In 1991 the firm introduced a bonus scheme for store managers linked to the rise in sales at each store.

Generally speaking overtime is not worked except perhaps by branch managers, but overtime is called for during peak periods and especially during the run-up to Christmas. This is remunerated at overtime rates.

The regulations governing working hours and contracts of employment are those found in employment legislation and in the collective agreement for the retail sector as well as in the retail trade regulations which comprise the various laws and decrees passed for the retail sector over the past 20 years, including amendments introduced by the Labour Statute of 1980. These regulations apply to the whole of Spanish territory except for the autonomous communities which have their own laws governing the retail trade as does Catalonia.

There are specific regulations governing salaries and job categories in the subsector to which the firm belongs. These are found in the collective agreement applying in the autonomous community. However retail trade employees do not regard this collective agreement as very beneficial.

Although no figures are available for staff turnover, a management representative commented that staff turnover keeps pace with product turnover.

1.2.3 Qualification and recruitment

Of the firm's 98 current employees, 26 have permanent contracts while the other 72 have fixed-term contracts for periods of between 3 months and a year, the majority being for 6 months. A third of the total workforce, who are under 19, are employed on the basis of "en formación" contracts while 10% are employed on the basis of "en prácticas" contracts.

Employment on a fixed-term contract basis can only be for a maximum of 3 years. Previously once an employee had reached this term the firm did not renew his contract but took on a new person in order to benefit from the advantages of "en formación" and "en prácticas" contracts. However, the firm is now considering giving permanent contracts to a number of employees who have passed the three-year limit but whom they consider worth keeping because of their abilities and qualifications in order to form a fixed nucleus at each store. This is a consequence of the firm's realization that it was watching its best sales

assistants leave after the training period because of its efforts to keep expenses down.

The "en formación" contracts for young people under 19 have been widely used in the Spanish retail sector because of the enormous advantages to the firm, first by virtue of the considerable reduction in social security contributions and secondly because very young people came into the lowest job categories and their wages were very low. Gerplex has 33% of employees on such contracts. We shall comment later on the training given.

In other job categories use has been made of the "en prácticas" contracts (young people with secondary or recognized higher education qualifications, who are therefore older) because these again permit substantial exemptions from social security contributions. 10% of employees have this type of contract.

While considerable use is made of fixed-term contracts, the company has only two female employees working part-time, one of them because she has recently had a child. The company does not favour part-time working.

The various forms of employment have meant, particularly in the first group, a selection practice that tended to disregard qualifications and looked instead for interest in the job, a neat appearance and good personal references.

Generally speaking store personnel (sales assistants, cashiers and general assistants) have a medium or low educational level, having at best 12 years of schooling and very little if any commercial training at the time they are employed, although some have received training in other sectors.

Branch managers have a medium or low educational level but tend to have experience in the retail trade, which is more appreciated. Theoretical training does not exist in this sector but even if someone has had theoretical training it is not considered important given the type of training available. Factors such as a sense of responsibility, maturity, honesty, the ability to organize etc. are considered more important than any theoretical knowledge or experience in stores having a different culture from Gerplex.

However, theoretical training is regarded as the principal factor for other activities and job categories (management and office work).

Career possibilities in the retail trade, particularly for the great majority who are women, are rapidly exhausted because of the few job categories available to them. According to the firm "women can hardly guarantee to be completely dedicated to their job in positions of responsibility, particularly if they are married, and this impedes their access to promotion".

In the firm under study a man starting as a low-grade general assistant may rise to the position of store manager after a period as assistant manager, and indeed this has been known. Yet a woman starting as a sales assistant cannot be assured of the same career. While 70% of employees are women only 3% have positions of responsibility at branch manager level and company policy would seem to be against any improvement here.

In recent years the company has tended to turn to the labour market in order to recruit staff in middle or higher job categories (store manager, coordinator etc.). This practice, which is now being reviewed, was the cause of considerable frustration and disappointment for employees who had been with the firm for many years and felt that they had made a considerable contribution to restructuring the firm but that the firm showed no confidence in them, while giving more recent recruits better salaries and employment conditions than their own.

This situation, combined with the low level of salaries and the very slight differences between the various job categories plus the lack of variation in job tasks, means that promotion is not in prospect for the new generations of employees.

1.2.4 Comments

The various factors outlined above show that the problems raised by both the firm and its employees in their industrial relations do not basically differ from those of the retail trade as a whole but have here been aggravated by the process of restructuring.

The need for the firm to restructure, its practice of recruiting staff on fixed-term contracts, the use it makes of "en formación" contracts plus the obstacles in the way of promotion, the low wages payable in the sector, long working hours and split working hours, the youth of the majority of the staff and their lack of qualifications ensure that this firm, like most others in the retail trade, has a low level of vocational skills and a high staff turnover which makes it difficult for training to yield a return.

2. Training policy

2.1 Training strategy

Once the process of restructuring and putting the firm back on its feet had been completed in the second half of the eighties, the Gerplex management, conscious of the process of modernization taking place in the retail trade and in order to make itself more competitive, began to plan and provide training for its employees.

The first training courses, which were developed prior to 1990, consisted basically of certain employees attending courses on specific activities (merchandising, window dressing, human resources, financial management etc.) organized by government authorities or private bodies connected to the retail trade, and of basic training courses for employees on "en formación" contracts. The latter courses were given by an instructor from outside the firm and were of a more general content – mathematics, history etc.

Basic vocational training for new recruits was and still is carried out on the job by store managers and colleagues. Although such on-the-job training has no formal framework, everyone assumes that it takes place and that the sales assistant and cashier learn by doing. About 40% of the present workforce have received their retail training within the firm.

A basic change took place in 1990 when provision of training was extended to the majority of staff, the exception being those stores for which it has not yet been possible to organize training because of their location. At the same time, the firm itself began to plan its own training programme in collaboration with business organizations such as the Confederation of Commerce with the financial means to carry plans out.

If training is extended to all categories of employees and a training programme is drawn up with the intention of adopting training as a permanent policy, courses organized through an association can be a viable alternative for most small and medium-sized retail firms in Spain.

The reasons for the firm's change in training policy were basically its aim to expand coupled with its recruitment policy, which called for more know-how and wider abilities on the part of its employees.

The firm currently has three training programmes. One of these covers the various specific job activities and is run by different bodies for different categories of employees. This programme began in the eighties.

The second course, which was started in 1990/91 was designed for all 13 branch managers. It covered sales and management techniques.

The third experiment, started in 1991, is designed for cashiers, female sales assistants and male general assistants who take part in groups of 15. Subjects dealt with are sales techniques and human relations.

In both cases the choice of people to attend the courses is made by the personnel department, although proposals may be made as to who should attend and who needs such training. There are various criteria for selection, such as employees' particular needs, length of service with the firm, workload at a given time etc.

Attendance of courses is not compulsory, but so far there have been no cases of anyone refusing to do so.

The training courses are held during working hours in the case of cashiers, sales assistants and general assistants but not in the case of branch managers. The latter are required to devote Monday mornings, which is their weekly free half-day, to training and meetings with the management. These hours are paid as overtime.

Employees, who are unused to this type of training in an area where the emphasis is very much on learning by doing, describe their aims and aspirations as far as training is concerned in very different ways: To earn extra money to supplement a low wage (branch managers), to get into the employer's good books, to acquire a certain prestige within their immediate environment, to gain knowledge that they can make use of, to open up possibilities of other jobs. However, only in very few cases do they think that training given them by their firm could positively influence their career within that firm.

Up to now, therefore, employees have not seen any direct link between training and salaries or internal promotion. For the time being the firm has no system for formally recognizing continuing training by promotion or an increase in salary, although it thinks it important to be aware of employees' attendance at training courses and the use they make of what they have learned with an eye to future promotion.

As already mentioned, the firm intends to pursue its different programmes for the various categories of employees including those working outside the metropolitan area of Barcelona. Training programmes will be designed with the firm's objectives in mind. Once the Christmas period – the busiest time of the year – is over the firm will begin to think about training activities for 1992/1993.

2.2 Training structure

In the past responsibility for training was the responsibility of the managing director. However in 1989 the company recruited a personnel manager who began by organizing his own department.

Once this was done, he began systematically to plan training activities in line with company policy.

Training courses available are prepared solely by the company itself in collaboration of the Confederación de Comercio with no involvement of either the employees or their representatives. There are no legal or collective agreements

relating to training in their sector of the retail trade and the introduction of continuing training here was entirely the initiative of the firm itself which decides on needs and objectives in consultation with its managers.

Data available shows the cost to the firm of training activities in recent years to have been as follows:
In the financial years 1988–89 (the financial year in the retail sector run from 1 March to the end of February of the following year), spending on training amounted to ESP 1,400,000, the main beneficiaries being managerial staff and sales assistants on "en formación" contracts.

Of this sum, 55% was required to pay the new sales assistants recruited for the hours spent on training courses within the firm. The remainder was spent on seminars organized by business schools of repute, attended by the management.

The amount spent on training in 1989–90 was ESP 655,000, most of this being used for seminars and courses organized by outside bodies and attended by the managing director, the head of personnel and the administrative director.

In both years the subjects dealt with in the seminars ranged from the introduction of new systems and technology, industrial relations, budgetary control and management and matters specific to the retail trade (merchandising, procurement and supplies, tagging goods, buy-outs etc.).

ESP 1.5 million was spent on training in 1990–91. Those attending courses were the company management, administrative staff and store managers.

A similar amount will be spent in 1991–92.

It should not be forgotten that training organized through the Confederación de Comercio – hence courses attended by store managers and cashiers/sales assistants – are heavily subsidised, sometimes to the tune of 90%.

A third of this amount was used for the store managers' training programme – not, bearing in mind the subsidy, for training in the true sense of the term, but to cover the cost of overtime devoted to training. The remainder was spent on courses and seminars.

2.2.1 External structure

Confederación del Comercio de Cataluña

This is the retail trade organization in Cataluña and is part of the Fomento del Trabajo Nacional, the Catalan branch of CEOE which is the largest employers' organization in Spain.

In 1983 the autonomous government of Cataluña created a number of associations at provincial level in order to provide businesses in the four provinces of Catalonia with services and experts. One of the responsibilities of these associations – known by the name of Gabinetes Técnico Comerciales "Gatec" – was to provide training to the retail trade. These organizations were non-profit-making and in the first year of operation were 100% government-subsidised. They were staffed by retail trade experts.

In 1985 Gatec, as the expert agency and Consell de Gremis de Cataluña established the Confederación de Comercio de Cataluña.

Subsequently only the Gatec of the province of Barcelona continued in operation because of organizational problems encountered in the other three provinces.

Gatec Barcelona continued providing training courses, mainly for members of the Confederación del Comercio under an agreement concluded with the latter, and became a self-financing organization in 1987. At the same time it administers the subsidies which the Confederación receives by virtue of its training activities from central government bodies (INEM), regional government agencies (Conselleria de Treball i Comerç), and municipal authorities.

Gatec Asociación is made up of a training director, 2 clerical staff, 1 course promoter who is also an instructor, and 3 permanent instructors. When necessary they employ additional trainers on contract.

Two types of training are provided, the first being planned by the Asociación itself and the other customized to meet the needs of specific organizations or firms.

Course planning is carried out by the Gatec team composed of the training director and instructors and is based on their own information or the needs identified by the Confederación del Comercio.

Courses are aimed at apprentices or unemployed people who would like to work in the sector, at owners of businesses and shop assistants.

The courses vary in length depending on their complexity, the range of subjects covered and the time available to trainees. Courses range from 6 hours a day for one week, 4 hours a day for a month, or 4 hours a week for 2 months. There is no fixed pattern.

Courses are held in different places, sometimes on the premises of Asociación Gatec and sometime on those of the firm.

The list of subjects dealt with in 1991 is shown in the annex.

In 1990, 73 courses were organized, all of them subsidised. They were attended by 1,027 trainees, 35% of whom were men and 65% women. The average age was 36 and the average number of people attending each course was 14.

29 guilds or employers' associations from all over Catalonia were involved in these training courses in 1990 and sent members.

Gatec also provides training for firms in the retail trade, even if they are not affiliated to the Confederación del Comercio.

While the Confederación was organizing its training, 22 trade associations and other members, including Gatec itself created a limited company whose purpose is to offer computer-related services to retail firms, to sell hardware and software and to provide the relevant training. This company is called SINAC. SINAC got into financial difficulties and whilst seeking a solution to these plus the problem of the retail trade's need for services of the kind it offered, it requested Gatec to take over its management, as SINAC itself had only a minimum operating structure.

Gatec has provided the necessary back-up for SINAC's operations, and training in computer and other technologies is now carried out by SINAC using Gatec's facilities.

The work done by the Confederación, largely through Gatec, is very praiseworthy bearing in mind the situation in a sector little disposed to appreciate and encourage training.

One of the greatest problems it faces is that frequently the training programmes approved by firms do not accord with the management policy. This generates frustration among trainees attending courses, who consequently lose interest.

The Confederación del Comercio also provides product training for the textile and furniture sectors. The lack of specialized product training is, generally speaking, a major shortcoming which the Confederación is seeking to remedy because of the growing demand for product information on the part of consumers.

In the case under study Gatec has prepared the training programmes for store managers and for sales assistants/cashiers/general assistants.

2.2.2 Impact on training of new technologies and consumer, health and other legislation

Three main factors have affected the training policy of the firm under study, all three being directly linked to the process of modernization and specialization that began in the Spanish retail trade some years ago and is still under way.

The first factor is the need to formulate a new policy given the growing number of multinationals targeting the same customers with the same products. The internationalization of the economy in general and the retail trade in particular is a key point when considering the matter of training.

The second factor is the emergence of new technologies for use both for purposes of management and at retail outlets. Reducing personnel's share of total costs, providing immediate information on sales and consumer trends, and improving the efficiency of administrative procedures by means of computer systems calls for well-trained personnel to ensure that investment in new technology pays off rapidly.

The third factor we would mention – although in fact the first in chronological terms – is the change that has taken place in the concept of selling from the time of the first general stores to the coming of the specializt shop, involving the introduction of a mixed system of self-service in combination with personalized customer service for products requiring a greater degree of information.

There is, in fact, a fourth factor which is linked to general developments in Spain; this is the emergence of consumer awareness, leading to a greater demand for information and personal attention in certain areas.

These four factors have not merely influenced the firm's training policy but have actually lent it impetus.

2.2.3 Involvement of the social partners in training policy

In accordance with the Spanish law on union representation and because of the number of employees in the firm under study and the number of places of work, the firm has 4 staff representatives, 2 of whom are employed in Barcelona and 2 elsewhere.

Only one of the four staff representatives belongs to a union, namely the Unión General de Trabajadores (UGT). The others have no union connection and have been selected in some cases because of their position of influence in the firm.

As far as we are aware, employees are not affiliated to any trade union, with the exception of the UGT representative.

During the period of restructuring and until 1989 there was some industrial conflict within the firm as employees attempted to ensure the application of an agreement regulating the salaries and working conditions of all employees.

The firm's previous collective agreement had been rejected by employees in 1984, at which point the firm "in the absence of a relevant basic agreement paid its employees on the basis of an agreement with each employee individually".

The agreement finally arrived at after negotiations with the social partners was the collective labour agreement applying within the autonomous community of Catalonia for the glass, earthenware, pottery and similar trades. This agreement was reached in 1989 and its application subsequently led to legal action by employees who disagreed with the job categories used within the firm; the judgment was in their favour.

Application of the agreement created a situation of some ambiguity, since while there was now a frame of reference for all employees, some lost certain advantages in terms of salaries that they had previously enjoyed because the effect of various agreements was to level the wage rates of all employees.

This factor, linked to the modality of the agreement which the staff considered unfavourable, created a certain unrest which is still noticeable today.

At present the employees' representatives are not very active. Only the UGT member enforces his rights as regards the amount of working time he may use for union activities, which mainly involves attending meetings, but the other three largely restrict themselves to requesting and receiving information that concerns them.

The fact that employees are scattered over 15 different buildings (head office, warehouse and 13 stores) in 8 different towns and that the average number of employees per store is low, renders activity more difficult.

Among employees there is a persistent conviction that the retail sector is not a healthy one in which to work, that it is impossible to do anything to improve working conditions and salaries and that the best policy is to keep quiet and watch out for themselves.

On the other hand, they regret that the present UGT representative has on occasion put forward certain claims that have created a degree of tension.

The firm's management is of the opinion that at times when there is no dispute, union representatives have no clear function and that there are other more appropriate channels of communication.

Generally speaking it is fair to say that relations with the firm are formally correct but that employees feel that they are less appreciated when they compare themselves with recent employees taken on on better terms. This is combined with a feeling of impotence and, in the case of the younger people, a lack of interest and resignation in the face of a situation they consider unchangeable.

Relationships between employees at the various stores are good and there is no obvious hierarchy. However there is a natural tendency for older employees or younger sales assistants and cashiers on fixed-term contracts to stick together and they do not easily mix.

Training in retailing is not regarded as relevant or in the interests of employees or their representatives. If an employee shows interest in training it is because he is interested in something that can get him out of the retail sector.

2.3 Description of principal training programmes

We shall look here at the two training programmes since 1990–91 aimed at different employee categories.

The course designed for store managers ran for 5 months with a training session of between 2 and 3 hours every week.

An instructor from Gatec, the organization used by the Confederación del Comercio, held the classes on the firm's own premises. The objectives were to improve sales figures by achieving greater employee involvement and making them feel more responsible.

The most interesting point of the course was that weekly courses were followed, on the same day, by the meeting between store managers and the company management. These meetings, which were introduced in a bid to improve communication and industrial relations, were also used to plan particular sales campaigns (3 times a year), to contact suppliers and receive information about new products, to decide which kinds of product were appropriate for individual stores etc. The meetings were intended to involve store managers more directly in the running of the firm.

The course programme was made up of four parts: Sales techniques, Human relations, Merchandising, and Fundamentals of Management of a Commercial Firm.

The programme targeting cashiers and sales assistants lasts for two and a half months with 4 hours of classes a week. In this case classes are held on Gatec's premises. Here again, the aim is to boost sales by a better knowledge of customers and a more forthcoming attitude on the part of sales staff. The course dealt with sales techniques and human relations, subjects also dealt with in the course for store managers.

The contents of the four course modules were as follows:

Fundamentals of management of a commercial firm
- Distribution: channels, structures and systems
- Management and general running
- Financial management
  Operating accounts
  Trading margin
  Stock turnover
  Economic turnover
  Cash flow
  Stock profitability
  Profit and loss account
  Calculating costs
  Inventories

Merchandising
- Definition of merchandising
- Purpose of merchandising
- The store
  Points of convergence
  Instrument of production
- Range of goods
  General aspects
  Conditioning factors
  Product selection
- Store layout
  Analysis of present store layout
  Linear layout: Positioning products and furniture
  Cold spots and hot spots
  Customers route within the store and factors which influence it

Human relations
- The importance of motivation in human relations
  Theory of motivation
  Motivation and performance
- The process of communication
  Communicating
  Elements of communication
  Forms of communication
  Barriers and breakdowns in communication
- The basic principles of a group
  The notion of a group
  Sources of attraction
  Interpersonal relations
  Prejudice and stereotypes
  Roles and functions
  Leadership
- Conciliatory and transactional analysis
  The parents
  The child
  The adult
  Physical and verbal keys to establishing moods
  Rules of communication in transactional analysis

Sales techniques
- Personality
  Getting to know oneself
  How the customer must see the salesperson
  The musts
  Characteristics
  Knowledge, abilities and attitudes
- The importance of the salesperson's role
  Adopting the right attitude
  Convincing the customer of the product's value
- Test
- The five stages of selling
  Winning the customer's confidence
  Determining the customer's wishes and needs
  Overcoming a customer's doubts
  Convincing the customer of a product's value
  Making a sale
- The customer
  Customer typology
- Arguments
  Definition
  Different types of arguments
  How to use them
  Judgement
- General rules
  There are all types of customers
  Difficult situations
  Customers in a hurry
  Customers waiting their turn
  Selling in a group
  Complaints
  Why regular customers are important
- Different types of purchases
- Self-assessment

3. Analysis of a particular store

3.1 General information

The store described here is located in the centre of Barcelona on the Paseo de Gracia, the city's most prestigious shopping area. It is located on two floors and has a total area of some 500 sq.m.

The range of products sold is basically the same as in the company's other stores: household goods, small domestic appliances, and audiovisual equipment, gifts and toys.

The clientele is mainly made up of the employees of the various financial institutions and service firms which abound in this area and, because of its location, of customers coming from other districts, other parts of Catalonia and tourists. The customers of the Paseo de Gracia store tend to be of a higher social and economic level than those of other stores.

3.2 Personnel and training

In 1988 the store had 12 employees and currently has 8 – 6 women and 2 men.

2.

Table 4

Job Category	Age	Contract	Education
Store manager	39	Permanent	Secondary
Assistant store manager	59	Permanent	None
First sales assistant	28	Permanent (part-time)	Primary
Sales assistant	23	"en prácticas"	Secondary
Sales assistant	23	Fixed-term	Secondary
Sales assistant	24	"en prácticas"	Secondary
Cashier	24	"en prácticas"	Secondary
General assistant	20	"en prácticas"	Secondary

The 5 employees on a fixed-term contract have been with the firm for a year and a half, except for the general assistant who has been there for 6 months.

The most striking feature of this store is the relatively high level of education of its employees. Although none of them have specific retail training they do have training in various fields such [illegible] electronics, office work, care of children, [illegible]

[illegible] is concerned, although the pro[illegible]ple under 25 is the same as for the firm [illegible], this firm has no-one under the age of 20, which is quite common elsewhere.

These facts show that the firm has been more stringent in its recruiting requirements here because of the store's locaton and the type of customers using it.

As a result of rights acquired prior to the collective agreement now in force, employees at this store have different working hours to other stores (9.30 to 16.00 and 4.30 to 20.00), as well as two free days a week (Sunday and another day which differs each week) instead of the one and a half days in other stores.

Because of the hierarchical structure of the firm and the way it operates the store has no autonomy in matters of management. As with other stores owned by the company, any decision concerning the store is always taken at management level, although any suggestions made by the store manager are taken into account.

As a result both the policy and structure of training is decided solely by the personnel department and follows the lines set out in the section discussing the firm's training policy.

Three of the store's employees have already been given or are currently receiving training under the two programmes described above – the store manager and two sales assistants. The remainder of the staff will be attending courses in the next few months. The decision as to which two sales assistants should attend the course was the decision of the personnel management based on the criteria already explained.

4. Assessment

By the firm

This firm, which is convinced of the need for training employees and its usefulness in order to improve the company's performance and the working climate, considers it still too early to determine whether its objectives have been achieved on the financial side, although as far as the working climate is concerned there have certainly been improvements, particularly in the case of store managers with whom communication is now better and who have become more involved in the progress of business.

The need for training arose mainly from the low level of qualification of cashiers and sales assistants and the high rate of staff turnover at this level, from the cost of a well-trained staff and the need for better-trained technical and managerial staff in order to cope with the demands of expansion, market repositioning, different customers etc., the only way to be competitive given the growing modernization of the retail trade.

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Nevertheless, the firm is aware that the present situation is only a first step and that the content of training programmes is very basic. It has expressed interest in deepening and broadening the scope of courses as the firm develops and with it its objectives.

The firm has stated its intention to implement a different policy with regard to recruitment by offering more permanent contracts and the possibility of internal promotion. Training will be conceived with this in mind.

By the employees or their representatives

As far as the employees in general are concerned, training relating to the retail trade is somewhat unusual. Traditionally people have learnt by doing and they are not very clear as to what use training will be, particularly when they do not know whether it will influence their position in the firm.

They regard it as another requirement imposed on them by their job and as something from which they can benefit for their career with other firms should they decide to move, but not in their present firm. They find it pleasant to change the daily routine and do something different and also to have the opportunity to get to know their colleagues, but they see no prospects of a change in their situation.

When questioned as to the use of the training, people responded in different ways: "It helps me to get to know myself" (a comment on the psychological subjects dealt with in "Sales techniques"), "To meet our colleagues", "To deal with people better", "To be able to communicate with a deaf and dumb person" etc. Some sales assistants believe that their sales have increased because of their better relationship with customers and because they have overcome a certain shyness.

The response to questions regarding the specific programmes currently being organized was generally "They are well done", "They are interesting", but any attempt to discuss the content more in detail elicited little response.

Training raises expectations, especially in the case of employees who for various reasons see their future as with the firm. However, they also give rise to frustration, on the one hand because the content of some courses assumes a certain ability to take the initiative and act on one's own responsibility in managing stores, for which there is no scope in practice, so that this theoretical training is not regarded as relevant. It is felt that the firm should at least try to give clear information to its employees with a certain level of responsibility about how the business is progressing so that they can see in practice what they are learning in theory.

At the same time, while they are uncertain as to the firm's plans regarding promotion, they are frustrated when they see people recruited from outside to occupy posts which they feel could be filled by internal candidates who have demonstrated their loyalty and cost-effectiveness to the firm.

Some staff, who have been trained on the job, do not consider formal training very useful. They think that basic training is what counts, that this is not taught as such because it just takes place on the job, and that the fact that this is done by more senior employees gives them extra work.

In summary it may be said that the attitude of employees to training and to the courses we have described depends on how they view their future with the firm, their age and the training they have received, which is almost always ambiguous. This attitude is also influenced by the fact that it is new and that so far it has no consequences as far as the job is concerned.

By the author

The relationship between training and personnel policies in the firm under study is clear. The development of the firm, its initial restructuring and reorganization and subsequently its expansion was achieved inter alia with a clear personnel policy which initially involved doing without well-trained employees – who were, or threatened to become, expensive – and later involved recruiting younger and cheaper staff.

The training programmes designed for cashiers and sales assistants has systematically responded to the shortcomings that were observed. The change of image, the employment of new technologies, the targeting of a more varied and demanding clientele called for staff with higher professional qualifications and the ability to identify with the firm's objectives. The external organization used to provide this training is for the moment sufficient for the firm's requirements. However, as the firm makes progress and consolidates its position there could be a need to change the structure of training and create an internal system to meet its future requirements.

The training programme designed for store managers, whose purpose is on the one hand to improve the firm's financial performance and secondly to improve communication and make them feel more involved in the company's progress, could have the effect of raising hopes of greater repsonsibility and hence of improved conditions of employment, which will result in frustration if they are not fulfilled.

Basically the success of training will be influenced in both cases by the results it brings in terms of promotion and higher wages. Otherwise it will

only be regarded as another imposition of little interest to employees.

This last factor seems to be a key element for modifying and stimulating employees' attitudes to training and hence the use they make of it.

5. Transferability

The interest of this model lies in the fact that it offers small and medium-sized enterprises the alternative of using external structures put in place by the retail sector itself in order to train its employees. It is not financially worthwhile for firms of this size to create their own training schemes, which would probably not be utilized for much of the time.

6. People interviewed

- Managing director
- Personnel manager
- Manager of the store described
- Staff representative at the store described
- Three sales assistants

EROSKI COOPERATIVE SOCIETY

2.

1. General Description of the Firm

Eroski is a cooperative society with a capital of ECU 35 million on 31 January 1991.

It has 129 stores of its own, which are either supermarkets, hypermarkets or shops specializing in domestic appliances and textiles, and travel agencies, as well as 197 stores operating on franchise.

The stores are situated in the Basque country and Navarre. 1991 saw the opening of the first store outside these provinces in Ciudad Real.

The company was formed in 1969 as the result of the merger of nine cooperative societies. It currently has 2,914 working members and almost 140,000 customer members.

1.1 The firm

Eroski is the largest cooperative society in Spain. It belongs to the Mondragón group which is one of the most successful enterprises in this field.

It began its activity in 1969 as a result of studies carried out in a bid to make cooperative societies more viable, and to provide them with the professionalism that was lacking because of the voluntary nature of the work of those involved in creating and maintaining them.

Initially the company was only a cooperative society with employees on contract. However from 1983 the employees became working members. Eroski, therefore, is now a consumer and working cooperative.

From the time it was first established Eroski embarked on a process of expansion throughout the Basque country; this has accelerated in recent years and has gone hand in hand with a diversification of activities and of type of store. The philosophy of the firm, which views consumption as a global reality, has led it to diversify in the interests of consumers with the emphasis on customer training and information.

In the eighties a change in policy resulted in a transition from the small stores with which it had started to stores with large sales floors.

Although initially it restricted its operations to the Basque country and Navarre, the past two years have seen Eroski establishing itself by a variety of means in the Spanish retail sector, where it has prospects of strong expansion. This new policy has derived from the need to expand in order to compete in a sector undergoing considerable change and where the multinationals top the league.

Eroski's development since 1980 is shown by the following figures:

Table 1

	1980	1985	1990
Turnover (ECU m)	8	23	57
Working members	858	1,379	2,482
Outlets	55	–	120

By 1991 Eroski already had 129 stores, classified as follows:

- 6 Hypermarkets
- 10 "Maxi" stores[1]
- 78 Supermarkets
- 11 Specialist stores (textiles and domestic appliances)
- 22 Travel agencies
- 2 Cash and Carry stores (wholesale)

Three distribution centres and one production base supply the various stores, as well as the 197 franchisees.

The hypermarkets, maxi stores, supermarkets and cash and carry stores operate on a self-service basis with perishable fresh products and non-food sections with customer service.

Other stores have customer service.

Stores, depending on the type, are located either within urban boundaries or on the outskirts. They serve a very varied public.

A number of factors apart from its particular commercial form have contributed to Eroski's growth and success with its varied range of customers. These have been the consumer activities which take place through committees organized under the store's aegis, and activities organized by a Governing Council to which the cooperative society devotes 10% of its net annual surplus, the special attention paid to environmental issues and the fact that the cooperative movement has a long tradition and enjoys considerable prestige in the Basque country.

Management of stores and departments is based on commonly defined objectives. To make this possible the stores receive a daily bulletin of economic and financial information, while a

[1] A store with a sales floor of between 2000 and 4000 sq.m. located on the periphery of an urban conglomeration with ample parking facilities, services etc. and with operations similar to those of the hypermarket, but larger and serving a population of between 25,000 and 30,000.

2.

special publication "Dossier" informs all the members of the organization's progress month by month.

1.1.1 Internal organization

The following brief account of Eroski's operation and organization as a cooperative will help to understand its organizational structure, its policy in the matter of human resources and the way in which its members are represented.

As already mentioned, Eroski began life as a consumer cooperative and later made the transition to also becoming a workers' cooperative. This is essential if one is to understand the important role played by customer members in the management of the firm.

The members' highest representative body is the General Assembly, which is made up of a maximum of 500 members, half of whom are working members and half customer members.

The working members attending the General Assembly are selected by the stores or departments and then elected at a Preparatory Meeting attended by all the working members.

The customer representatives are proposed by local Customer Committees and elected by the relative Preparatory Meetings attended in this case by all the customer members.

There is, therefore, one Preparatory Meeting for the working members and one for the customer members.

The tasks of the General Assembly, which is required to take place at least once a year, include:

- Nominating the members of the Governing Council and making appointments to other positions laid down in the statutes.
- Supervising the management, approving the accounts and deciding the appropriation of the net annual surplus.
- Amending the social statutes.
- Arranging the merger, division or winding up of the cooperative.
- Establishing the cooperative's general policy.

The members of the General Assembly are appointed every three years.

The Governing Council, nominated by the General Assembly, is the body responsible for managing the cooperative and representing it. It is empowered among other things to

- Appoint and dismiss the managing director, and at the proposal of the managing director, to appoint and dismiss department directors, as well as to determine their powers, duties and remuneration.
- Organize, direct and supervise the functioning of the cooperative.

The Governing Council has 12 members, 6 of whom are customer members and 6 working members. They are elected for a period of 4 years and may be re-elected, with 6 new members being appointed each time. The offices of President, Vice President and Secretary are filled by election from among the 12 members for a period of 2 years.

In addition to the bodies already mentioned there is a special committee for the working members to ensure that they can contribute to the proper management of the cooperative in all matters concerning them and their position as employees. This body is known as the Social Council.

The Social Council has 16 members representing the working members who are also elected by the Preparatory Meeting on proposals put forward by the various districts after a voting procedure. Each district has two representatives on the Social Council.

The Social Council is a consultative body able considerably to influence the decisions of the Governing Council. Its opinions and decisions in matters such as employment conditions, salaries, the annual increase in salaries, amendments to the statutes etc. are considered very seriously. To ensure that the Social Council achieves its objectives as effectively as possible it is advised by the Delegate Commissions.

The Delegate Committees of the Social Council are composed of working members' representatives elected at store or department level. There are 8 Delegate Committees, one for each district of the cooperative. The meetings of the Delegate Committees are attended by the representatives on the Social Council for the district concerned.

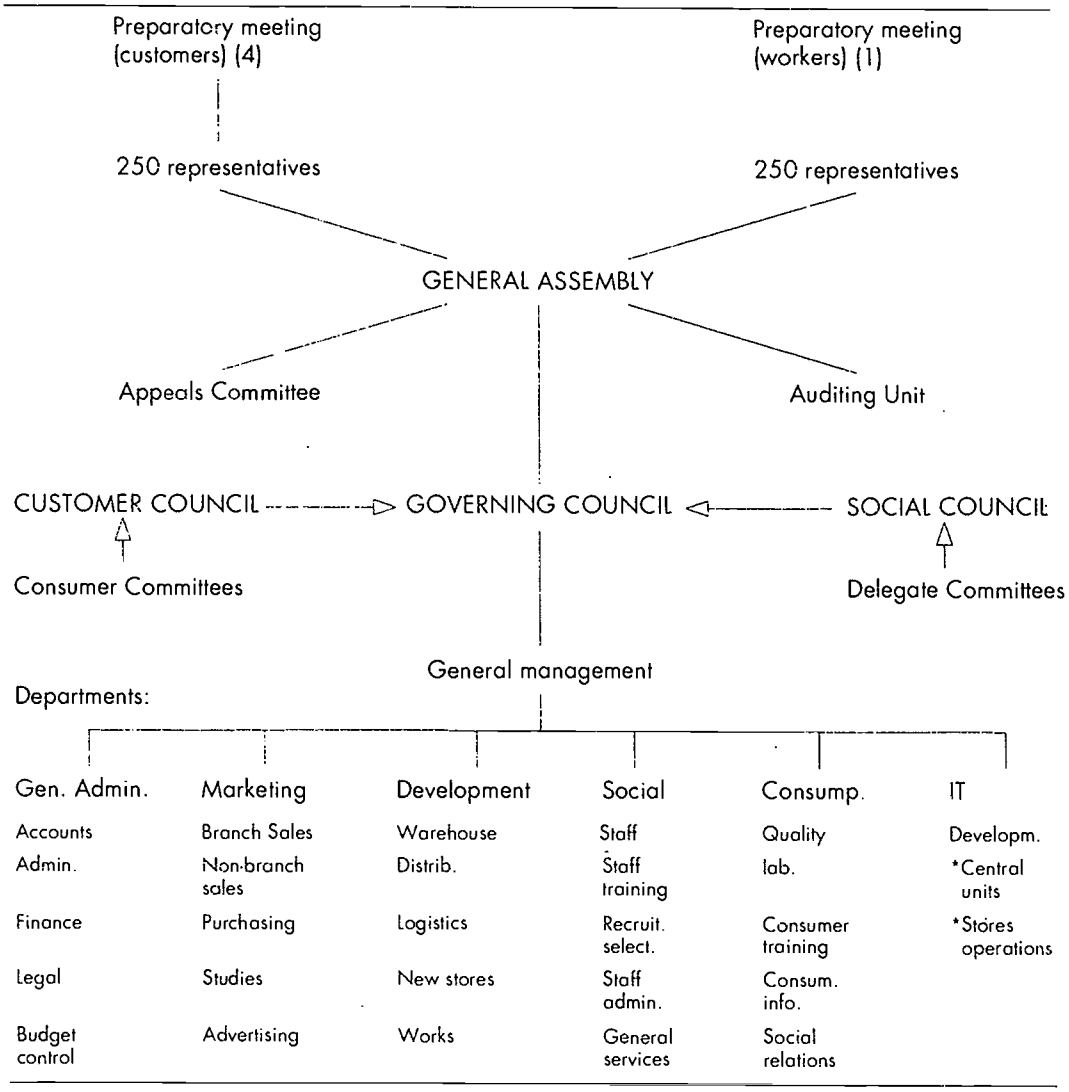
Each Delegate Committee for a particular district, composed of representatives of all the stores and departments in this area, meet once a month and the eight meet together in the so-called Plenary twice a year.

The task of these Delegate Committees is to advise and inform the Social Council and their own stores. The tasks of the Plenary, as well as its powers, have been increased so that it plays an important role in dealings with other bodies in matters such as amendments to the statutes.

At a lower level the employees at each store, department or section meet once a month with their delegate to discuss issues related to the cooperative's performance or working conditions.

Just as the working members have their Social Council, so the customer members have a

Table 2 – Organizational structure



Customer Council which is a consultative and advisory body for the Governing Council in matters of consumer interest. Similarly, there are local customer committees to defend the interests of the customer members and of consumers in each area where the cooperative is to be found.

Two bodies exist in addition to those already described, namely the Auditing Unit made up of three members, one a working member and two customer members. These are appointed by the General Assembly. The Auditing Unit exercises a supervisory function. There is also an Appeals Committee, whose function it is to deal with appeals submitted against the decisions of the Governing Council. The Appeals Committee is composed of five members, two working members and three customer members who are also elected by the General Assembly.

The organization's various communications are circulated to all the bodies described and include documentary information, including the monthly "Dossier" publication referred to which reports on the cooperative's financial progress.

The worker members are provided with a constant and generous supply of financial information.

1.2 Human resources

The cooperative's statutes fix a maximum of 10% for non-member employees, who are recruited on open market terms. In 1990 there were 6 non-member employees on permanent contract. In the following paragraphs the word "members" should always be understood to mean working members.

1.2.1 Personnel structure

The pace at which the cooperative has expanded over the past 10 years is shown clearly in the above table, as is the fact that – as is typical for the retail sector – the majority of the workforce are women. They have a weighting of 72.5% which has varied little since 1980. There would, however, seem to be some difference compared

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with other similar retail firms in that 75% of the members are over 26.

Table 3 – Breakdown of employees by sex

Year	Male	Female	Total
1985	241	617	858
1989	413	966	1379
1990	683	1799	2482

This fact can perhaps be explained by the fact that the organization is a cooperative one and that all the employees are members, a position which they acquire after a period of 6 to 18 months, depending on their job category. As a result, factors such as tax reductions or subsidies for fixed-term contracts for young people have no impact here. Moreover, the fact that a person joins the cooperative and assumes certain responsibilities and duties calls for a certain maturity.

On the other hand, the fact that there is a promotion policy and job security coupled with adequate salaries for lower-grade jobs makes this an attractive career for young adults.

Table 4 – Breakdown of employees by age

Year	18–25	26–35	36–50	+50
1980	213	451	172	22
1985	247	759	331	42
1990	638	1304	481	59

There are, obviously, no different types of contract as all employees are members and therefore have permanent jobs. However, employees do have different working hours.

1.2.2 Working conditions (Table 5)

The cooperative's expansion and the opening up of superstores led to a sharp increase in the number of people working part-time. In 1990 these accounted for 17% of the total workforce compared with 19% in 1985. It is interesting to see that there are no male employees working shorter working weeks while there is a gradual rise in the number of women doing so – mainly sales assistants and cashiers. The people working 28 or 20 hours a week are used for strengthening the staff at weekends, starting on Thursday. This kind of contract allows for considerable flexibility, with employees working more or fewer hours as they wish and according to their job status.

Part-time workers are also employed as replacements, to increase the staff for special campaigns etc. Such employees accounted for a total of 462 days in 1991 compared with only 26 in 1980.

Level 1: Cashiers, sales assistants, office staff, storemen. Possibly some section managers.

Level 2: Employees with a specific responsibility or who supervise others, and skilled workers.

Level 3: Senior technical staff with no specific authority, supermarket managers, section managers in some hypermarkets and other stores.

Level 4: Senior technical staff, maxi store managers, departmental managers, section managers in large hypermarkets.

Level 5: General managers and hypermarket managers.

The occupational structure reveals a pyramid characteristic of stores with large sales floors in that it has a very wide base. The evolution over time parallels the expansion of the cooperative and the opening of hypermarkets and maxi stores which called for a substantial increase in the number of lower-grade personnel, whereas the percentage increase at management level was insignificant.

However, the above table does not entirely reflect the occupational structure since the same functions can be found at various levels, albeit in stores of different size and complexity.

Table 6 also shows the salary levels in the cooperative. Inherent in the cooperative philosophy is the principle of solidarity, which does not permit the existence of salary differences that might be considered unjust. All salaries therefore fall within a range of 1 to 3 – in other words, the highest salary is only three times the lowest.

The five salary levels shown in the table fall within this range. At each level there are subdivisions corresponding to the different functions or job categories.

At level 1, for example, salaries in 1991 ranged from ESP 92,000 to 115,000 a month, net.

At level 2 they ranged from ESP 117,000 to 143,000.

At level 3 they ranged from ESP 145,000 to 170,000.

At level 4 from ESP 172,000 to 194,000.

Table 5 – Breakdown and evolution of working hours, by sex

	Full-time		28 hours		20 hours	
Year	M	F	M	F	M	F
1980	241	512	–	62	–	43
1985	413	783	–	106	–	77
1990	682	1378	–	194	1	227

Table 6 – Occupational structure/salaries

	1980		1985		1990	
	M	F	M	F	M	F
Level 1	70	559	124	893	241	1649
Level 2	119	29	207	28	268	61
Level 3	26	20	41	29	93	64
Level 4	17	9	28	15	64	23
Level 5	9	0	13	1	17	2
Total	241	617	413	966	683	1799

At level 5 from ESP 196,000 to 241,000.

The fact of being a member of a cooperative society also implies a shareholding in the cooperative's capital and in the profits it makes.

When new working members join the cooperative they contribute a sum of money which will vary according to the cooperative's needs. In 1991 the sum involved was about ESP 750,000. When a would-be member does not have this amount available, the cooperative will deduct it from his monthly pay until the total amount has been paid.

A share of this contribution plus a share of the annual profit based on the salary index and increased over the year by interest earned, belongs to each member. A member may if he wishes take payment of the interest annually but the capital remains in the hands of the cooperative and only becomes available to the member when he retires or leaves the cooperative for other reasons.

Based as it is on a philsophy of solidarity, the salary structure is very favourable to the lower categories of employees, whose salaries are higher than in the rest of the retail sector. However for middle-level, and senior posts this may raise difficulties when they have to compete with market salaries. At present the cooperative is in the process of reviewing its salary scales. This will be done by the representative bodies such as the Plenary meeting of Delegate Committees and the General Assembly. So far the problems as regards middle-level and senior positions have not been great because of the loyalty of the members, especially those who have been with the cooperative for many years, and because of the deeply-rooted cooperative philosophy which leads some to sacrifice possible financial gain. However, as more young people are less familiar with the principles of the cooperative movement and other factors join the firm, the level of salaries for middle management and senior positions could have a detrimental effect unless appropriate measures are taken.

Staff turnover is very low and almost non-existent at lower-grade levels.

Working hours vary considerably, depending on the type of store and a person's job. The working day is one hour shorter than in the retail trade

generally; the arrangement of working hours has already been discussed.

Employees have one month's holiday a year.

The members decide on and provide the funds necessary for the various fringe benefits, which range from low-interest loans to grants for training.

1.2.3 Qualifications and recruitment

The educational level of the cooperative's employees is higher than in the rest of the Spanish retail trade. Various factors contribute to this, among them the fact that the general level of education in the Basque country is somewhat higher than in other areas of Spain and it is quite usual for lower-grade employees to have had a secondary education. Another factor could well be the age of employees, since the great majority are between 25 and 35 and tend thus to be more mature and better trained.

As already mentioned new recruits have a period of probation after which they become members of the cooperative.

The criteria for selection of lower-grade personnel are the attitude of the applicants, willingness to learn, versatility etc., plus a point which is typical though undoubtedly unique in the retail trade, which is that applicants should have roots in the area in which they are to work, especially when it comes to supervisory and managerial positions in the sales outlets.

No specific educational qualifications are required though primary schooling is a minimum; experience of the retail trade is not generally considered important. When sales staff and cashiers are being prepared for the opening of a new store, their progress and results in the initial training course are very important for their inclusion in the team.

Preference is given to applicants of between 20 and 30 years of age.

When it comes to appointments to supervisory positions in the stores secondary education or vocational training is required. In this case age plays a secondary role, although learning ability is also taken into account when the firm has to look outside to obtain the necessary staff, for higher positions, a diploma or degree is asked for. However, the practice is to promote existing employees whenever possible.

Recent years have seen the store seeking more frequently to fill posts on the labour market since its expansion has created a considerable need for more supervisory and managerial staff. Those recruited outside have subsequently to be given theoretical and practical training within the firm to bring them into line with Eroski's requirements.

A number of posts do require specific qualifications, such as biologists for the laboratory or organization specialists.

Although selection criteria have not changed very greatly in recent years, the "roots" criteria which was so important in the past is becoming less so as larger stores are opened and the relationship between customers and sales staff becomes less personal. Similarly, aspects such as friendliness and a good appearance have become more important, as has professionalism. Personal relationships have given way to a more professional relationship which involves communicating a certain image of the organization.

Promotion from within the firm is a basic concept at Eroski and although there is no individual career planning nor very objective methods for doing so, all the employees interviewed are convinced of the fact that internal promotions take place, as is borne out day by day. The urgent need for supervisory and managerial staff to keep pace with the firm's rapid expansion, and the adoption of and adjustment to a cooperativist philosophy with all its rights and duties renders internal promotion an essential element for achieving the company's social and corporate objectives.

All staff at levels 4 and 5 (see Table 5) have reached their positions through internal promotion, as have the majority of staff at level 3.

Promotion is based on the reports of direct superiors and heads of personnel, of whom there is one for each district. When they are in agreement they are taken into account by the management and the person concerned is trained for promotion. Because a great many employees know each other through the many activities concerned with employment conditions and social welfare, they are also aware of people's working abilities and behaviour at the workplace; this apparently provides a sound basis for the selection of people for promotion. Whatever the case, there have been no complaints from employees on this count.

The large number of women joining the cooperative over the past 10 years, particularly between 1985 and 1990, does not, as Table 5 shows, reflect in a similar increase in the percentage of women in higher-grade posts, despite the general assumption within the cooperative that female employees are rapidly promoted to posts of greater responsibility and that there has been a fall in the percentage of male employees in terms both of total staff and of those in managerial posts.

Thus whereas in 1985 women accounted for 70% of employees, those in posts higher than level 1 only constituted 5.1% of the total figure, whereas while men accounted for 30% of the total

workforce, those in posts from level 2 upwards accounted for 21%.

By 1990 women accounted for 72.5% of the total workforce but those higher than level 1 for only 5.5%. Men represented 27.5% of the total workforce and those in posts higher than level 1 accounted for 17.7%.

It is important to stress that employees believe that women are gaining more higher positions and to point out that women are beginning to occupy an important share of managerial and middle management posts in the central departments.

The cooperative's policy on training and internal promotion will considerably boost the number of women in managerial positions over the next few years unless considerations other than professional ability play a role.

The difficulties encountered in finding enough employees trained to meet the demands of expansion have already been mentioned. The need for trained staff, which sometimes could not even be met by recruiting outside the firm, has resulted in excessive internal mobility and, undoubtedly, in a weakness at the highest levels of the staff pyramid as shown in Table 5.

Eroski will be needing some 600 supervisory and managerial staff in the near future, most of whom will come from within the firm.

Horizontal mobility is a characteristic of promotion within the cooperative and at the higher levels people's careers have taken them to positions on the various committees or to social, administrative and commercial positions, enabling them to gain a sound overview of the cooperative's activities.

1.2.4 Comments

The above description of the situation of the cooperative's employees shows that there are only three points that could raise problems. The members are aware of these and are working towards their solution.

The three problems emerge from the description. Firstly there is the question of the need to encourage the careers of female employees, which involves an additional effort on the training side in order to maximize the female staff's professional abilities. This is especially important in the retail sector where the majority of employees are women and where – as we have seen is the case at Eroski – there are difficulties in finding people with the necessary abilities and qualifications for positions of responsibility. The second problem is the level of salary for supervisory and managerial staff. This is a difficult question if the principle of solidarity is not to be violated and calls for maturity and awareness on the part of staff. Finally there is the problem resulting from the intake in recent years of a large number of employees who have not grown up with the cooperative concept so familiar to and valued by earlier generations. Despite the training which the new employees receive both as employees and members of the cooperative and despite the systems for representation, communication and involvement in the running of the business, the rapidity of change and the rapid growth of the organization could well impede the process of cohesion and identification with the organization's aims, without which it would be seriously weakened.

2. Training policy

2.1 Training strategy

At Eroski, as in cooperatives generally, employee training is a basic instrument of personal development and a means of improving productivity and attaining the company's objectives. In contrast to the situation in most retail firms, therefore, training at Eroski has a long-standing tradition.

Article 16 of Eroski's statutes describes "Involvement in training activities" as a duty of employees.

Disregarding the quality and frequency of training activities for the customer members, the whole history of the cooperative shows there to have been a steady increase in both the quality and quantity of training given.

Even as far back as 1985 when the firm had only 1,379 employees, 49,702 hours were devoted to training – equivalent to 35.8 hours per person per year.

There are training programmes designed for all job categories. These fall under three main headings – management, business administration, product training and adapting to technological change.

The first type of training is a general business training, the object of which is to extend the trainees' abilities beyond the mere performance of their daily work and to teach them to think in terms of the business, cooperate better with other departments, become more versatile in the interests of internal mobility and hence become more fitted for promotion.

A variant of this aspect of training is the training which all new working members receive in order to familiarize them with the cooperative's culture and cause them to identify more closely with the firm.

A second form of training is designed to enable people to adjust to their specific job. This includes basic training and training qualifying people for promotion, product training and training given as a result of specific needs.

2.

The third form of training is the continuing training of people in their various posts or functions in order to improve their job skills.

These three types of training have existed since 1985 with certain variations resulting from the firm's development and from experience acquired of training in practice. As a result specific training for all types of jobs in hypermarkets and to prepare people for supervisory and managerial positions have been more frequent in recent years.

One change due to the sharp rise in the number of working members has been the decrease in the number of training hours per employee, which between 1985 and 1991 fell from 35.8 to 10.73.

It is generally agreed that the third type of vocational training – continuing vocational training – needs to be altered and improved in order to incorporate knowhow gained. As a result this training is now being reviewed.

Moreover, the firm intends to modify its general strategy in the matter of training in two ways. Firstly it plans to improve the quality of training given, even though this will involve a decrease in the amount of training per employee. At the same time, the plan is to ensure that training courses keep pace with the structural and organizational changes taking place within the firm, and indeed paves the way for them. From this point of view the firm believes that training will make possible and even provoke changes on the part of employees, not merely in the sense of increasing their knowledge and skills but also in matters of attitude and behaviour.

This does not imply a reduction in training activity, which as the management states should actually increase, but does call for a change in quality and a better adaptation to productivity requirements.

In the past it was permissible for training objectives to be less explicit and business-related and it was sometimes seen as a response to a series of needs not deriving strictly from the firm's own activities. The factors which have contributed to the change of strategy are the firm's expansion and the increase in the workforce, customers' demands for higher quality and the need to be competitive.

Training courses vary in length from a maximum of 420 hours to a minimum of 8 hours per person, the most usual duration being between 16 and 30 hours. It is conducted entirely in working hours with the exception of one specific programme which will be discussed later.

Although courses are not compulsory, there have been no cases of people refusing to take part. Only those courses carried out entirely outside working hours are entirely optional.

Training courses are held on the firm's premises in classrooms especially designed for the purpose, at the firm's central offices and, on occasion in order to achieve a greater cohesion or where some isolation from the usual working atmosphere is desirable, in outside training centres on a residential basis.

Training activities are designed by the firm itself, although the firm does use outside bodies, training centres or universities for general training.

The various types of training designed to assist job adjustment, as well as continuing training, involves a great deal of practical work, whether at the workplace for which a trainee is destined or elsewhere, and with tutors who in some cases are people who have been given time off specifically to devote themselves to the training function.

Assessment of the impact of training is made by means of questionnaires which trainees have to complete or examinations they are required to sit.

The expectations of employees receiving training are two-fold. Firstly they hope to learn to do their job better and secondly to qualify for promotion. Although there is no formal link between promotion and training, the knowledge that promotion is possible encourages trainees to make best use of the courses. Younger employees, especially, appreciate the opportunity to increase their job skills.

The principal training programmes organized in 1991 were:

Continuing training programmes	Duration
Master in business administration	420 hours
Business training	80 hours
Introduction to business management	2 years
Training for sales managers	61 hours
Management functions	16 hours
Management techniques	24 hours
Preventive maintenance	28 hours
Scanners	8 hours
Changes in supermarket culture	20 hours
Training (Textiles)	24 hours
Training (Non-food departments)	24 hours
Training (Fish department)	24 hours
Training (Butchery department)	24 hours
Training (Cold meats)	16 hours
Cooperative-related training	
– Social Council	24 hours
– Delegates	16 hours
Training for new worker members:	
– Cooperative-related training	16 hours
Training for unemployed:	On average 500 hours/course
Cashiers	
Sales assistants (perishable produce)	
Butcher's assistants	

Non-food sales assistants
Store managers
Cooked meats assistants

Around 1,000 people took part in the above continuing training programmes with about 700 people taking part in the courses for new working members and 910 in the courses for the unemployed – 700 of the latter later joining the cooperative as new worker members.

2.2 Training structure

The training department is part of the welfare department, which in turn is part of the human resources department, the person in charge being the same. He is assisted by two training instructors, one of whom specializes in initial training, and a female clerk.

Training is occasionally carried out by outside instructors but generally speaking the instructors are employees who are being prepared to instruct in specific areas.

Experience with outside instructors has not been as positive as had been hoped and the intention is to increase the amount of training carried out by the firm itself. This decision was influenced by the lack of competent professionals to give instruction on matters connected with retailing and by the specific nature of the cooperative organization. The trend also means that the personnel as a whole will be directly involved, which should help to ensure an atmosphere favourable to training and a sense of responsibility.

The present staff structure is sufficient for the work of planning, coordination, controlling the budget and making assessments, but is not sufficient to implement the new training strategy in order to increase the quality and number of programmes provided and to improve the assessment system.

Training programmes are prepared during meetings with the managers of stores and departments with responsibility for groups of employees. This gives an initial idea of the areas and the jobs for which training is necessary. Subsequently the training department develops this outline into specific training programmes.

The human resources department may put forward suggestions which are then discussed and agreed with the departments involved.

In addition to the programme of training courses drawn up at the beginning of each year, there is a chapter in the budget reserved for contingencies whose funds may be used when problems arise that can be improved by training.

The only change in the training structure since 1985 has been the recruitment of a specializt.

The importance of training reflects in the increase in the amount spent from ESP 1,800,000 in 1980 to ESP 110 million in 1991, the latter sum breaking down as ESP 18 million for members plus ESP 30 million spent on training for the unemployed who subsequently joined the cooperative.

The budget for 1992 is ESP 109 million, ESP 18.5 million of which is intended for training the unemployed and ESP 90.5 million for training employees.

2.2.1 Impact on training of new technologies, legislation, internationalization and changes in sales and training policy

As in the case of most large retail firms, the automation of certain processes, the introduction of scanning techniques and computerized management systems have called for considerable efforts on the training side in recent years.

Another factor affecting Eroski's training programme is undoubtedly the pressure from customer members, who are very active, well organized, have equal representation on the cooperative's various bodies and call for a standard of products and service that reflects in the training programmes.

Obviously the growing number of different types and size of stores resulting from the advent of maxi stores and hypermarkets has resulted in the need for training at all levels, ranging from basic training for the massive intake of new lower-grade staff to training for supervisory and managerial posts in the stores.

The firm is currently considering a further change in its retailing policy. This involves converting smaller supermarkets into neighbourhood or convenience stores which put the emphasis on fresh produce, especially in areas where they can compete with other Eroski stores such as maxi stores and hypermarkets. This change also presupposes a change of emphasis of training in this direction with a special stress on the management of perishable produce.

At the same time, the creation of the European single market in 1993 has generated a need for specific training for management and senior staff.

2.2.2 Involvement of the social partners in training policy

The social partners, the Social Council, the General Assembly and the Plenary Meeting of Delegate Committees are in no way involved in defining training needs or designing courses, although they are empowered to do so. This is because of the confidence they have in those responsible for training rather than a lack of interest. Indeed, those representatives of the

various bodies who were interviewed greatly appreciate the training given and consider it an important means of personal advancement.

All cooperative members receive details of the training programme once it has been finalized.

Because the firm is a cooperative, it is not unionized, all the working members being involved at every level through the various bodies already described.

Any issues and conflicts which arise are dealt with at the meetings with the delegates from each workplace, who in turn meet in the Delegate Committees for each district, after which the matter is taken to the Social Council which meets at monthly intervals.

2.3 Description of a training programme

Introduction to business management
The introduction to business management programme is a distance training course set up by Eroski in 1990 and aimed at level 1 employees (sales assistants, cashiers etc.).

The programme aims to offer such employees a voluntary means of acquiring training in retailing, to enrich them personally and professionally and to ensure the firm of a supply of staff qualified for future promotion.

The course lasts for two years. The programme is divided into four units each of 10 modules. Ten modules are dealt with in a 6-month period.

Every month, except in July and August, employees receive 2 modules to study together with some asssessment questionnaires which they have to fill in and return to the tutor responsible. He corrects the questionnaires and returns them.

Every 6 months employees have to write an essay connected with the subjects studied during the period. They also meet together in groups of 15 for a day for group work and discussions, to settle doubtful points etc.

Throughout the course those responsible for the trainees at their workplaces are ready and willing to help them with any difficulties or questions they may have.

At the end of 2 years those completing the course satisfactorily are awarded a diploma.

Trainees are supplied with course materials and hand in their assignments at the workplace. They are expected to study their modules outside working hours.

The scope and complexity of modules and their presentation are designed to ensure that the study time required is not excessive.
The first course was organized in 1990 with some 215 students.

In 1991 190 students went on to the second course and 238 new trainees started the programme.

Programme:

Course A. First Semester. General concepts.
- Retailing and consumption. Retail structures. Forms of retailing. General principles of self-service.
- Store atmosphere. Maintenance of the store and its installations. Visual selling. Linear shelf display.
- Product layout. Product strategy. Price display, posters.
- Shelf-filling. Introduction to food departments.
- The sales assistants and the customer. The sales assistant. The customer. Types of customer.
- Contact with the customer in a sales context. Relationships with the customer when selling. Sales arguments.
- Sales personnel and their functions. Sales management and sales figures. How to order products.
- Stocks and stock rotation. Stock control.
- Inventories. Inventory deficits and thieving. How to avoid thieving. Losses. Unnoticed losses.
- General health regulations.

Course B. Second Semester. Departments. Product knowledge.
- Fruit and vegetables.
- Cooked meats.
- Dairy products.
- Butchery.
- Fish and frozen products.
- Self-service: Food.
- Non-food products.
- Textiles.
- Domestic appliances.
- Cash desks.

For all the above departments: Product knowledge, handling and preservation, working methods, display, control, management, merchandising, customer service, guarantees, health regulations.

Course C. Third Semester. Store management.
- The product mix.
- Advertising, posters, decoration, promotions, informing the customer, market segment targeted.
- Promotions. Prices.
- Range of goods (depth and scope), product families.

- Merchandising.
- Sales techniques.
- Managing profit margins.
- Planning (forecasting, objectives). Business plan.
- Management aids. Profit and loss account. Documentation dealt with by the store manager.
- Monitoring and tracking competitors.

Course D. Fourth Semester. Management tools.
- Maintenance of store and its fittings. Construction work, improvements etc.
- Working regulations for clerical and sales staff.
- Productivity ratios in each department. Organizing physical and human resources to cope with different tasks.
- Managing a team
  - Variables affecting behaviour
  - Management styles
- Responsibility for formation and training. Training course follow-up.
- Information. Store meetings.
- Motivation, assessment. Involvement of the team in store management.
- Time management.
- Balance sheets.
- Management functions. Store manager's agenda.

3. Description of a particular store

3.1 General information

The store chosen is a hypermarket located in the metropolitan area of Bilbao. It was opened in 1990 on an area of 109,000 sq.m., 75,000 sq.m. of which constitutes the shopping centre proper and 11,000 sq.m. of this the hypermarket. The shopping centre accommodates a large number of retail outlets and services. This centre and hypermarket serves a population of approximately 1 million.

It has 45,000 products, and 60 double check-outs equipped with scanners. The store can serve 45,000 customers a day.

Products stocked are typical of a hypermarket (food, toiletries and cosmetics, clothing, domestic appliances, household equipment etc.) with a particular accent on fresh produce. The store is run on a self-service basis except for the case of fresh foodstuffs and certain non-food and clothing items and domestic appliances, for which sales assistance is available.

3.2 Human resources

3.2.1 Personnel structure

In January 1991 the store had 270 working members breaking down as follows:

Table 7

Age	Male	Female	Total
18–25	7	134	141
26–35	19	96	115
36–50	4	8	12
Over 50	2	–	2
Total	32	238	270

The breakdown of employees for this store differs in some ways from that generally applying to the firm as a whole and is the result of the type of store involved. The fact that the percentage of employees under 25 is greater than for the cooperative as a whole is explained by the fact that it was opened recently with new staff. The percentage of female employees is at 88% again higher than that for the organization as a whole and is typical of superstores.

Another difference reflected in Tables 7 and 8 (occupational structure and salary levels) is more in accordance with members' belief that the number of women in positions of responsibility is growing, since of 18 supervisory and managerial positions in the store, 14 are held by women. Similarly, a number of women have posts at this level on the administrative side.

Table 8 – Breakdown of workforce by sex

	Men	Women
Manager	1	–
Department managers	3	3
Floor managers	–	2
Section managers	1	9
Sales assistants/cashiers	6	205
Clerical staff (all levels)	2	15
Warehouse staff (all levels)	8	1
Maintenance/ technical staff	6	–
Store detectives/security	6	3

The peak of the pyramid is very sharp, showing that the possibilities for promotion are few. This is because a number of tasks have been centralized at head office so that there is not the same need for middle management as in more autonomous stores.

However, if we compare the occupational structure of this hypermarket with that described by the Ministry of Commerce in its study "Shopping centres and retail markets" important differences are noticeable. Thus whereas in the Ministry's study the occupational structure of a superstore is deemed to be 61.5% cashiers/sales assistants and 14.5% supervisors/managerial staff, disregarding clerical staff and other job categories, in the store under study the percentage of supervisory and managerial staff is only 7.0% while cashiers/sales assistants account for 78%.

3.2.2 Working conditions

Table 9 – Wage structure

Job level	Men	Women	Total
1	21	226	247
2	5	5	10
3	2	4	6
4	3	3	6
5	1	–	1
Total	32	238	270

The various levels were explained in the general description of the firm.

It can be seen that the salary structure does not accord exactly with the job structure because there are only 12 women in jobs above level 1 whereas the jobs with more responsible tasks which they occupy are more.

It should be borne in mind that many of the positions of responsibility occupied by women are at level 1 and therefore remunerated at the lowest wage rates. The proportion of women in jobs above level 1 in this hypermarket is 4.4% compared with 4.0% in the case of men. However if we take into account the fact that female employees account for 88% of the total workforce this 4.4% is very low, representing only 5% of all women employees. On the other hand 34% of men – who only account for 12% of the workforce – are on higher salaries.

Store opening hours are from 9.00 to 21.00 from Monday to Saturday.

Sales assistants have morning and afternoon shifts that can alternate at weekly intervals. Cashiers have very flexible rotating shifts and staggered starting hours while those responsible for sections or departments work split shifts.

Overtime does not qualify for extra pay, except on Saturdays. Other overtime can be accumulated and days taken off in lieu.

Selection and recruitment is carried out at the central offices.

The educational level of employees of this store parallels that of the firm as a whole.

The fact that Eroski's hypermarkets are better organized means that employees enjoy working there more than in the cooperative's smaller stores where tasks and responsibilities are less well defined.

3.2.3 Training

The store's training policy accords with the general interests of the firm and is aimed at improving the skills of hypermarket employees who have recently joined the firm or who have less experience in the organization and running of such retail outlets.

Training is carried out by the central departments who consult the hypermarket managers as to what type of training is needed, the suitable timing of courses and which staff should attend.

The store may request specific courses or other training activities relevant to its particular needs.

The store itself plays an important role where practical training is concerned. Supervisory staff understand clearly that part of their function is staff management and training. Some trainees, because they are being promoted or have recently joined the firm, will be transferred to other stores while other people will come to the hypermarket after working elsewhere. Although practical training is not systematically organized in the sense of a stipulated number of hours, there is a fixed period during which an employee is expected to be learning and his direct superior to be teaching. On occasion the tutor may be a person whose entire time is devoted to training. As was mentioned previously, the periods of practical training are essential to each training programme and constitute a substantial part of it, so that this hypermarket will always have a number of staff undergoing practical training.

On the other hand, because of the firm's need for staff able to take on supervisory functions, there is an urgent need for training such people. The hypermarket is clearly making every effort to achieve overstaffing so as to be able to cope

when its own employees are promoted or switched to another store.

The involvement of the members in the cooperative's management through the various bodies already described does not extend to training.

In 1991 training activity in this hypermarket was targeted at section managers, who followed the courses already described, and at lower-grade personnel who attended the "Introduction to business management" course on a voluntary basis.

In 1990 the course was attended by 96 people, most of them women; 91 people attended in 1991.

Of those who began the training course in 1990, 10 were given better jobs in other stores and another 10 remained at the hypermarket where they act as "floaters", working in all the departments and sections. This enables them to gain an in-depth practical experience of the store as a whole prior to promotion.

In 1991 37 people began the course, which means that allowing for those who have already started, 50% of sales assistants, cashiers etc. are following the course.

Since the course is voluntary and held outside working hours, this high percentage reflects the high degree of acceptance of training by employees who realize the chance to improve job skills being offered and the opportunities for promotion opened up to them.

3.2.4 Comments

The comments made for the firm as a whole generally apply to this particular store.

4. Assessment

By the firm

Assessment of Eroski's training programmes has two aspects. On the one hand the firm is aware of the suitability of courses of a more general and business nature and does not plan any substantial changes in them. The same applies to programmes designed to help people adapt to their job, including initial training courses for the unemployed.

However, when it comes to continuing training, programmes and retraining programmes for enhancing skills, the firm does not feel it has been equally successful and is carrying out a review in order to ensure that actual needs are met. As we have previously explained, this review aims to ensure that training produces perceptible results in terms of different behaviour and commercial practices that accord with the firm's objectives and strategies at all times, so that training helps the firm to achieve its objectives.

According to those in the firm responsible for training, there is a need to devise some form of assessment and monitoring of training, not in the sense simply of checking what knowledge has been acquired, but of the practical consequences at the workplace and the qualitative and quantitative results in the stores and departments concerned.

By the employees or their representatives

The assessment of training by those employees who have received it basically accords with that of the management. Thus while the basic and general training is very highly thought of, the retraining programme is felt to be of little use because of the difficulties caused by the lack of professional instructors and of programmes designed to match the practical needs of daily work. The assessment of the "Introduction to business management" course is very positive.

By the author

In common with other retail firms, Eroski is undergoing a process of change influenced by factors already discussed such as the internationalization of the retail trade, competition, greater demands on the part of consumers, the introduction of new technologies, changes in commercial policies etc.

Moreover, at the same time Eroski is in the process of rapid expansion, which makes its adaptation to the new demands even more complex.

All these changes demand a great effort in the field of training which is visible in the firm's training courses and the amount it spends on them.

What the author sees, however, is that the firm's established training policy and structure is being overcome by the strong external and internal forces and that spending on training has risen with the number of employees and the number of stores in order to cope urgently with immediate needs.

There is not a great deal of planning activity nor, for the moment, any formalized process for reflection and study in the medium term on the new objectives, the needs created by the various changes that are occurring, the kind of qualifications necessary to adapt to these changes so as to permit, at a later stage, a rethinking of strategies and training programmes to adjust them to the cooperative's new situation. In other words, despite the importance attached to training, it is now beginning to become part of the firm's strategic policy and until recently the firm seemed to be more concerned with coping with needs as they arose.

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Issues such as the need for supervisory and managerial staff or the small proportion of women in higher-grade jobs despite the fact that women constitute most of the labour force, may be a symptom of this failure to identify needs and of a certain slowness of training to respond.

It is possible that the current training structure has not been sufficiently well financed to permit such activities and to forecast future needs or to be able to react to this situation with the appropriate training schemes in the medium and longer term.

This in no way implies criticism of the training being given, since many of the courses would appear to be very appropriate, as the firm itself states. The "Introduction to business management" course, particularly, is doing a great deal to help lower-grade employees, as its acceptance and its results show.

5. Transferability

The "Introduction to business management" course was selected because it was adaptable to commercial firms similar to those of Eroski with many outlets of different size scattered over a specific area.

The programme enables staff easily and without obligation to acquire training in the retail trade by a simple, controlled system which covers all aspects of modern retailing thoroughly enough to enable a person subsequently to pursue a more general or a more specialized career.

People interviewed

Interviews were carried out at Eroski's central offices in Elorrio (Vizcaya) and at the Bilbondo hypermarket in Basauri (Vizcaya) in late January 1992.

- The present welfare director of the cooperative
- The welfare director up to the end of 1991
- The manager of the human resources and training department
- The chairman of the Social Council, who is also the (female) manager of a supermarket
- A hypermarket manager
- A hypermarket section manager
- A hypermarket cashier
- A hypermarket sales assistant

ERIC

CEMASCE S.A.

2.

1. General description of Cemasce

A limited company with a capital of ECU 6,200,000.

Comprises 2 Cash & Carry Stores and 7 supermarkets, both with large non-food departments (accounting for 20% of sales).

The Cash & Carry markets are located in Montcada i Reixac (metropolitan area of Barcelona) and Gerona; the supermarkets are in the city of Barcelona and other towns in Catalonia.

Cash & Carry customers are 75% catering establishments, food retailers and collectives, the remainder being other licensed businesses. Supermarket customers: Urban middle class.

Founded in 1973.

1.1 The firm

GEMASCE began its activities in 1974 with the aim of filling a gap in the market in the field of wholesaling to food retailers. Its first outlet, the Cash & Carry at Montcada i Reixac, was at the time one of the largest in Europe.

Later on, towards the end of the seventies, the firm adopted a policy of diversification and moved towards the retail sector, opening a number of supermarkets. Partly because of the economic situation and because of the way in which these outlets were managed, the experiment proved a failure and left the firm in a difficult financial situation, causing it to suspend payments in 1982. The supermarkets were disposed of and after a composition with creditors the firm continued to build up its wholesaling activities, which since then have steadily expanded with rising sales and profits. This has enabled the firm to settle its debts as arranged.

The firm's recovery and subsequent growth was attributable to two factors. The first was a change in shareholders since a large number of the company's creditors were food manufacturers who acquired share holdings. The second was a change of direction which led the firm to adjust its policy and structure to the needs of the market Particularly worth mentioning among the various measures taken was the large-scale introduction of modern technology both at the level of management and logistics and at points of sale, together with a number of more up-to-date management practices in line with trends of the retail sector worldwide.

In 1991 the firm took over the Ces company, which had its own chain of supermarkets and franchise food stores, relying on the success of medium-sized urban supermarkets with a sales floor of around 1,000 sq.m. and able to compete in quality of service which the firm believes is the coming trend in the food retail sector.

By 1991 the company had two Cash & Carry markets, the one in Montcada i Reixac with a sales floor of 18,000 sq.m. and a staff of 233 (annual average) and another in Gerona with a sales floor of 4,000 sq.m. and 11 employees. It now has 7 supermarkets with a total staff of 84, including those employed in the warehouse which supplies the supermarkets and the franchised retailers.

All these stores are run on a self-service basis with customer service in the fresh produce department and in a number of non-food departments.

The company is in the form of a limited company with 450 shareholders, many of whom, as we have said, are involved in the food industry.

The firm's organizational chart shows the central offices located in Montcada i Reixac, divided into three sectors, the commercial sector with purchasing, sales and marketing departments, the administrative sector dealing with general administration, acceptance of goods, accounting and stock control and the infrastructure sector with the computer, technical services, logistics and personnel departments.

There are also three operational areas, namely the Cash & Carry division, the supermarket division and the direct sales division. The latter sells large amounts of Christmas gifts – one of the first in Spain to do so – and has a new mail order project for selling food to caterers and food retailers.

The firm's management is decentralized with autonomous departments reporting to central office.

There are three channels of communication between the various departments and stores – a yearly schedule of meetings, made up of weekly and monthly meetings with working groups and management, electronic mail via the computer network, and in-house circulars.

1.2 Human resources

1.2.1 Personnel structure

Table 1 – Breakdown of staff by sex
*(annual average *)*

Year	Male	Female	Total
1986	170	22	192
1991	223	105	328

* Averages are calculated using the total number of employees, including any with temporary contracts for peak periods or holiday replacements over the year

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Table 2 – Organizational structure

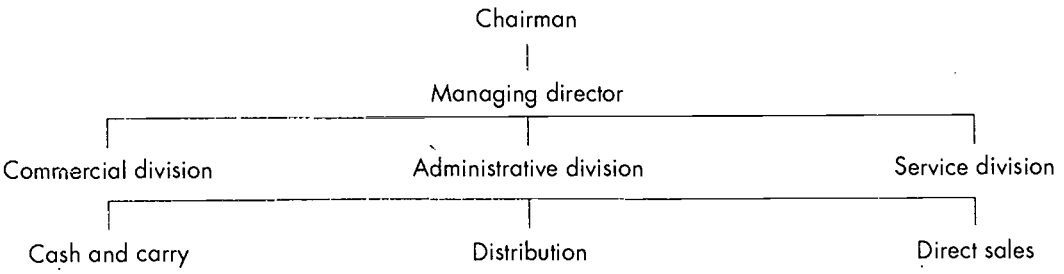

Table 3 – Breakdown of staff by age

	16–20	21–25	26–35	36–55	Over 55
1991	22	63	132	99	12
%	6.7	19.2	40.2	30.1	3.6

Since 1986 the staff has grown considerably in absolute terms. The increase was particularly marked in 1990/91 because of the need to absorb staff from the firm taken over.

One characteristic of this firm is the predominance of male employees in all types of job except those of cashier and clerk. This is due to the way in which goods are displayed and the form of selling, which is largely wholesale, so that heavy weights have to be carried – a task for which male staff are more suitable.

26% of the staff is below the age of 25. This age group includes most of the people on fixed-term contracts, whether in permanent posts or temporary positions, where staff turnover is the highest.

Table 4 – Occupational structure 1991

Management	15
Clerical staff	53
Section and store managers	41
Supervisors	5
Craftsmen	50
Sales assistants	33
General assistants	58
Cashiers	54
Warehouse staff	8
Craft apprentices	1
Telephonists	3
Security men	2
Cleaning staff	5
Total	328

As the list shows, in 1991 18% of employees were in supervisory or managerial positions, 16% were skilled workers (cooked meats, butchery, green grocery, etc.) and 40% were non-skilled sales staff.

It should be remembered that these figures include the average number of temporary employees over the year, working as cashiers, sales assistants and the like, whose proportion in permanent posts will be lower. This job structure reflects a situation not infrequently found in superstores and supermarkets, since sales assistants and cashiers account for a smaller percentage than in other, similar firms. The present structure makes for higher promotion prospects to positions with a degree of responsibility.

1.2.2 Working conditions

The opening hours of the firm's Cash & Carry stores in Montcada and Gerona are different from those of the supermarkets. Cash & Carry stores are open continuously from 6.00 to 21.00 while the supermarkets are open from 9.00 to 14.00 and from 17.00 to 20 00. Both types of store are open on Saturdays.

In the case of the Cash & Carry stores, the opening hours and the heavy customer traffic at certain times and on certain days of the week or periods of the year makes it necessary to stagger employees' working hours, depending on their position.

Male general assistants and sales assistants work a 40-hour week between Monday and Saturday with a shift of 7 1/2 hours with a half-hour break in either the morning or afternoon. These shifts are changed periodically.

Assistant section managers and section and department managers work split shifts from 10.00 to 14.00 and 16.00 to 21.30. Lunch is

paid for by the firm and they have a half-hour break. They work from Monday to Saturday. The heavier demands made on them obviously reflect in higher wages.

Cashiers work a variety of working hours with staggered starting times, continuous shifts, split shifts and part-time work. Their shifts are changed weekly.

Cashiers who only work on Saturday work a split shift from 10.25 to 15.00 and 16.30 to 21.25 with two unpaid half hourly breaks.

At present employees are only permitted by law to work a maximum of 80 hours overtime a year. This has only very recently been the case; previously employees worked far longer hours and were paid an additional sum over and above their monthly pay. Discrepancies in the sharing out of overtime caused the Staff Council to accuse the firm of not obeying the law, since when it has been observed to the letter. At the same time, the number of part-time contracts – particularly for cashiers – and for temporary staff is increasing.

The firm's employees consider the salaries it pays to be very low, though better than those paid in the retail trade generally. According to store personnel, salaries are generally about 10 to 15% above those laid down in the relevant collective agreement.

To give some idea, the following are a few net salaries for a given job category and degree of seniority:

An assistant section manager on a "en formación" contract who has worked 6 years with the firm and does a 54-hour working week earns approximately ESP 120,000 a month.

A sales assistant in the fresh produce segment with 14 years' service with the firm, works a 40-hour week and takes home approximately ESP 94,000 a month.

A skilled male assistant in the cold meat department with 13 years' service with the firm does a 40-hour working week and takes home approximately ESP 94,000 a month.

A second-category sales assistant in the electronics department with two years' service with the firm, works a 40-hour working week and takes home approximately ESP 84,000.

A cashier with one year's experience with the firm, does a 40-hour working week and takes home approximately ESP 92,000 a month.

Annual salaries are composed of 12 monthly payments plus three extra payments, the latter being as a general rule basic salary plus a seniority allowance, which makes the payments lower than the normal monthly pay.

A system of profit-related bonuses exists for all staff categories from assistant section manager upwards.

All the employees interviewed, who had an average of 11 years' service with the firm, expressed themselves very positively on three points concerning industrial relations and working conditions. The first was the attitude adopted by the firm in fighting to secure employees' wages and jobs when it was obliged to suspend payments. Secondly there is the good relationship that exists between managers and employees with very few exceptions, which is one of respect but also of friendliness and kindness. Thirdly there is the freedom allowed employees in carrying out their daily tasks: "They are not chasing you all day", "They leave you free to do your work as long as you do it well", "We do things our own way", were words frequently heard from employees interviewed.

The chief regulations governing working conditions are found in the specific regulations governing the retail trade, which bring together all the national legislation governing the sector, the law governing the retail trade of the autonomous community of Catalonia, which is where the firm is located, and, finally, the collective agreement for the relevant sub-sector plus the firm's own internal regulations.

1.2.3 Qualifications and recruitment

Older employees generally have a lower educational level whereas some of the young people taken on during the eighties have completed their secondary education or vocational training in other fields such as metallurgy, clerical work, etc.

On the other hand, the firm makes few demands as to the training of new recruits, particularly when it comes to unskilled workers – by which is meant male general assistants, sales assistants and cashiers – because of the low salaries they are paid and the type of work they do, filling shelves, serving customers, working at check-outs and the like.

As is usual in a great many retail stores, employees, with the exception of those in clerical positions, have gained their vocational training on the job and through a period of apprenticeship which until very recently did not include any theory.

Because of the changes that have taken place within the company, in recent years in-house training has become a desirable means of facilitating employees' promotion because of the difficulty of finding suitable personnel for middle management positions in particular. Training is

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also seen as a means of improving the company's performance and achieving a more dynamic personnel management.

The criteria governing recruitment of unskilled personnel are based mainly on candidates' potential, since the firm assumes that this kind of job can be done by anybody. Potential means ambition, interest in the job, initiative, and the willingness to be trained and to make a career with the firm. The company looks for people of at least 21 years of age with a minimum of a completed primary education and if possible personal references.

In recent years the firm looked outside to recruit middle management for its stores. For this type of job, experience in the retail trade is essential, combined with a certain amount of theoretical training which makes it easier for the people to do their job or to learn it. Experience alone is no longer enough, particularly in the case of an older person, because of the responsibility those in charge of departments now have for management and financial results.

However, when it comes to the larger stores particularly, the firm is not happy about the present practice of recruiting young people with a university degree to work as heads of section or department. In their experience the results are not satisfactory and staff turnover is high. This is mainly due to the lack of experience and in-depth training in retailing as well as to a lack of maturity.

The interest the firm is currently displaying in a proper selection of staff and continuing training is typical of its new human resources policy, which seeks to avoid situations such as occurred in the past, particularly in the matter of promotion. The absence of an appropriate policy tended to lead to methods of selection and promotion that were not based on professional criteria, resulting in a certain demotivation and restlessness among employees.

For the time being, employees joining the store are already taken on as general or sales assistants and the system recently introduced to encourage promotion to supervisory or managerial positions is based on the creation of an "assistant section manager in training" position to which those employees who show ability are appointed. While they are in this position, which may be for a period of between 6 to 18 months, the employees selected are trained by their superiors in the relevant tasks, while at the same time attending monthly training sessions dealing with management subjects. Subsequently their performance is assessed to decide whether they should become an assistant section manager and be set on the path to further promotion.

According to the firm, it meets its requirements for permanent staff by giving people who have already reached the legal limit of three years for fixed-term contracts a permanent one. Staff needed for special sales campaigns, holiday periods etc. are taken on as temporary workers.

However, as table 4 shows, the number of staff on permanent contracts rose from 138 to 140 whereas the number of fixed-term and temporary contracts (whether full-time or part-time) almost doubled from 54 to 109. 1990 saw the introduction of part-time working contracts, which although they do not represent a large proportion of the total workforce, do account for 10% of employees in the Cash & Carry stores. The staff given this type of contract tend to be cashiers and shelf-fillers.

Recruitment practices for the Cash & Carry stores seem to have changed in 1991, when there was a significant rise in the number of permanent contracts but a fall in the number of fixed-term ones. Part-time contracts held steady while the number of people working Saturdays increased only slightly. This situation may be due to greater job rationalization and is also in line with the management's express policy of giving permanent contracts to those people hitherto on fixed-term contracts who can be offered permanent positions.

While waiting for the results of the firm's new policy on temporary employees to become known, it is clear from the general situation in

Table 5 – Type of contract and employment *(annual averages)*

Year	Full-time Perm.con.	Part-time Perm.con.	Part-time Temp.con.	Saturday Temp.con.	Total
1986	138	40		14	192
1990	140	86	8	15	249
1991	143 (+15)*	74 (+69)*	8	19	244 (+84)

* The figures in brackets relate to staff of supermarkets recently acquired.

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1991 as shown in the following table that the number of fixed-term contracts given to people in permanent jobs was still very high – around 48% of the total.

Table 6 – Breakdown of types of contract in 1991

Permanent jobs	Permanent contracts	Fixed-term contracts	Annual average temp. staff	Total
302	158	144	26	328

Some of the fixea term contracts for permanent jobs are given to people working only part-time – Saturdays or half-days – and the greater proportion relates to personnel in supermarkets recently taken over. The remainder, which represent about 18% of the total figure, are fixed-term contracts for full-time workers.

Table 7 – Breakdown of permonent stoff by sex

Year	Male	Female
1986	119	20
1991	119 +15	24

The predominance of male staff becomes noticeable when scrutinizing the type of contracts awarded. Female staff only account for 15% of permanent contracts. The same is true in the case of promotion: there is only one woman in a supervisory or managerial position.

Absorbing supermarket personnel has increased the number of women in permanent positions, all of whom are on fixed-term contracts. If, as the firm claims, its policy is to award permanent contracts for these positions, the next few months should bring an increase in the percentage of women holding this type of contract, as well as an improvement in their promotion prospects if the firm complies with its assurances of providing training.

Temporary contracts for very short periods of time are used for replacing staff on holiday, sick leave etc. or to provide extra staff at peak periods, particularly in the months of December, January, February and the three summer months. As the table shows, the average number of temporary contracts per month is 26 with a maximum of 84 in January and 8 in March.

Temporary staff generally do the jobs of cashiers or male assistants and the firm uses them as a source of recruitment where a permanent vacancy occurs, since it is standard practice for section heads to write reports on such employees.

Staff turnover in this firm is almost entirely limited to temporary staff and to staff who work Saturdays or are part-time, where the figure is fairly high.

The rate of staff turnover among people on fixed-term contracts in permanent positions is lower.

1.2.4 Comments

The firm under study shares a number of points with the retail sector as a whole as regards working conditions and employees, especially when it comes to the practice of granting fixed-term contracts and the lack of retail training, and to the process of modernization that is under way.

These points show up a frequent and paradoxical problem, namely the demand for people able to take up supervisory or management posts and for well-trained lower-grade staff, and the difficulties involved in the promotion of female employees.

This paradoxical situation exists because of the need for greater professionalism and knowhow resulting from developments in the retail sector and growing competition. Yet employees do not possess this professionalism and knowhow because of the lack of official training for the retail trade and the absence, until very recently, of training provision within the firm.

This situation can become very worrying, particularly for the supermarkets with their strategy of high-quality goods and customer service. Here the staff, often women without training and with poorer working conditions than in the Cash & Carry stores, would seem to need a different personnel and training policy than that existing prior to the merger.

2. Training policy

2.1 Training strategy

As is generally the case of retail firms in Spain, this firm's training policy is of very recent date.

Previously no programme of basic or continuing training existed and people learnt their job by doing it.

Changes in the management with the express objective of offering a better service have made training an important issue and in recent years some training has been offered employees in

various job categories, although not in a systematic manner.

In 1989 and 1990 some 80 employees – skilled and unskilled – on the sales and clerical side were given training.

The most important courses were as follows:

- Excel training course
  Two weeks
  Managers, secretaries and clerical staff
  20 participants

- Management course dealing with subjects such as zero stock, distribution of goods, warehouse automation, and setting objectives
  Middle management and their assistants
  25 participants

- Invoicing course
  Four days
  Non-food sales assistants

- Invoicing course
  Five days
  Middle management
  10 participants

- Invoicing course
  Three days
  Male assistants in non-food departments
  13 participants

- Training course for sales assistants
  One month
  16 participants

- WordPerfect training course
  (word processing)
  Five days
  Secretaries

Similarly, in 1990 the present management asked its human resources department to draw up a plan of training for all employees. Because the firm still owed money to its creditors after the suspension of payments, it sought financial support from the regional government. This was given to it in late October on condition that it carried out a training programme before the end of the year. This the firm was unable to do, as the last months of the calendar year are the busiest.

In 1991 the firm re-submitted its training programme in order to obtain a grant, but the authorities rejected it.

However the firm is continuing its activities in certain areas, the most important being:

- Cashier functions
  One month
  20 cashier auxiliaries
  This course is held in November of each year in order to prepare temporary cashiers for the Christmas run-up

- Commercial refrigeration and electrical appliances
  Four months
  Maintenance department officer

- Procurement negotiation course
  One day
  Purchasing and section managers
  25 participants

Approximately ESP 1 million was spent on training in 1991. Some of the courses were partly or entirely subsidised by various official agencies.

Faced with the cost to the firm of a training scheme embracing the entire staff, the management is making an effort to create a system which combines low cost with maximum participation and cost-effectiveness. This has led it to seize upon an idea used in a number of French retail firms which involved designing a game in collaboration with a product development firm with two variants, one for lower-grade employees and one for managerial staff. The aim of the game is to solve many of the problems arising in traditional training courses.

This training-through-playing programme will be discussed in more detail later.

Training may be voluntary or compulsory, depending on the employees targeted, and is carried out in working hours on the firm's own premises or on the premises of the training organization.

At the same time, the firm encourages employees to take advantage of any training which may be relevant to their jobs available to them outside working hours. To this end it reduces working hours or makes them more flexible on request.

Generally speaking, employees view the firm's training efforts positively, although many complain about the delay in putting the training activities into effect and feel that they are now too old, that the training will not help them, that if they have done the job without training for so long they can go on doing so etc. However such comments are restricted to a minority. By and large the feeling is that training is genuinely useful as a means of learning how to work, and something of which they can take advantage for their present job but also if they want a change. Above all, they hope that the introduction of systematic training will result in more direct procedures for promotion than those existing hitherto.

2.2 Training structure

The personnel department is directly responsible for training and works in close collaboration with

the general management which has been the driving force behind the new policy.

The personnel department, which was set up in 1989, has a head of department and two clerical staff.

The firm has premises allocated for training purposes.

Because of the specific nature of the training courses and because much of it is computer-related, it would seem necessary to expand the department or to create a unit specifically responsible for supervising the training courses and ensuring that they are run correctly.

2.2.1 Impact on training of new technologies, changes in sales policy, legislation etc.

Technical innovation has been one of the main challenges to this firm.

A distributed computer system exists for management control. This is based on a local area network made up of over 140 microcomputers (0.7 per permanent employee). This has altered management control and has been installed at profit centres.

In addition, the firm has pioneered the installation of optical scanning devices and the use of bar codes where available, as well as the introduction of the EDI system, a common language for the electronic interchange of data between the firm and its suppliers.

All this has meant a considerable effort on the training side to instruct those employees using the new equipment.

The technical innovations introduced in the past few years, which have mainly affected management of the firm, must be seen as a factor considerably influencing training. In future the objective of better customer service will be the driving force behind a sustained training policy.

2.2.2 The role of the social partners in training

Throughout the firm's history, personnel management has tended to be paternalist. According to employees, most of whom have been with the firm for more than ten years, "We were like a large family". This was evidenced by the concern the firm displayed when it was obliged to suspend payments – when there were no redundancies and no financial problems as far as employees were concerned because "There was never a month when we were not paid" – as well as by the support given by the staff in helping the firm to overcome the crisis.

However, inevitably there has been the occasional conflict between the social partners arising from the very fact that personnel management is based on goodwill and from the non-existence of formal channels of communication between employer and employees.

Soon after the present management was appointed in 1988, the problem of industrial relations became acute, obliging it to rethink and formulate a new personnel policy which was put into effect in 1989 when the personnel department was created. A personnel manager was appointed in early 1990.

After initial suspicion this led to a period of calm characterized by dialogue and cooperation rather than confrontation.

The company has a staff council made up of 9 members, 3 of whom are members of the UGT, 3 of CCOO and 3 who are not unionized. The union members were basically elected by the unskilled staff while the non-union members were chosen by the clerical and skilled staff.

Some of the conflict between the firm and its employees was due, the firm claims, to the personality and activities of two union representatives who, as a number of employees confirm, "prefer to fight rather than talk". At that time complaints and threats of strike were the most frequent method of achieving aims.

The agreement that these two union representatives should step down changed the composition of the staff council as far as individuals were concerned, but not the union representation.

The result has been a new climate in industrial relations. However, there is some feeling that since these two representatives left a lot of talking is done without much being achieved, particularly when it comes to wage increases

Currently the staff council meets regularly with the head of personnel and with the managing director. The most important subjects of discussion tend to be small improvements at the workplace.

The attitude of the members of the staff council as regards the company's training policy is favourable. They admit that they trust the firm to a certain degree to show that its intentions are not mere rhetoric, but a step forward in the interests of its staff.

2.3 Description of a training programme

The most important programme, which was launched experimentally in 1991 and started in earnest in 1992, is targeted at employees in all categories. In principle it is meant only for

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employees on permanent contracts and those on fixed-term contracts in permanent positions.

This programme originated because of the firm's need to introduce effective training at low cost.

Conventional training is not attractive to adult employees who are semi-skilled, because they are afraid of being asked to study and because of the lack of motivation, complexes, lack of confidence and inability to concentrate.

This realization led the management to evolve a new product based on game play, which can be used to train all kinds of employees.

The game, which has been patented under the name Triforvial can in principle be used by any kind of firm. It was produced by an outside firm with the commercial subject-matter supplied by the firm under study. This is therefore a product created and developed jointly by Impuls S.A. and Cemasce.

As the name of the game indicates, it is not unrelated to "Trivial Pursuit" but also to "Ludo" or "Snakes & Ladders".

There are two versions, one designed for middle and senior management and another for supervisory staff and sales assistants, general assistants and cashiers. The programme used for managerial staff uses teaching cards covering the following subjects:

- Bookkeeping and general office work
- Sales and marketing
- Purchasing, stocks and logistics
- Computer and communication systems
- Human resources and labour relations
- Knowledge of food products
- The firm and its environment

The programme aimed at supervisors and unskilled personnel covers the following subjects:

- The market
- The store
- The sections
- Food products
- Administrative and computerized management
- Commercial management and procurement
- Personnel management
- The customer

The "food products" subject-matter is divided up into specialized areas such as meat, cooked meats, fish, dairy products, food and vegetables and non-food products.

Both versions of the game have a general knowledge element but there are no cards to be studied. The person's own education and the mass media are regarded as the sources of general knowledge.

The physical aids to the games in both versions are the same, namely information cards and a board with markers. However the knowledge required by the sets of cards varies between the two versions.

The cards carry a symbol identifying the subject-matter, which is the same as that on the board. The game is played in the following way:

Every week an employee is given a certain number of cards – which are the same size as playing cards – to read and study. The cards cover different subjects in considerable detail. Which cards an employee is given will depend on the logical process of learning.

Thus one week an employee may be given cards covering the following subjects:

- The market, subordinate subject: retailing, the hypermarket.
- The store, subordinate subject: use of existing space, cold spots, hot spots.
- The different sections, subordinate subject: beverages, aperitifs, spirits and liqueurs.

And so on with all the cards for that week.

This process continues for a month or two, after which the trainee is considered to have acquired a certain amount of knowledge.

It is then the game begins. For a certain period in working hours two or three hours a week, the players of various job categories and positions at each level of the game play the game on the board and make use of their luck and their knowledge.

The game shows different paths leading to a goal. The paths involve certain obstacles, such as the need to miss a turn or to go back. Each player has four markers which he has to take to the goal. A dice is thrown and the square reached contains a symbol relating to one of the subjects or subsidiary subjects studied. Depending on how the player replies to the question, progress is either slowed down or frozen etc.

This is a knock-out game with several games determining the winner and the runners up. There are substantial prizes in cash and kind to be won.

Then the cycle begins again.

While the game is taking place players are not given any more cards, even if they have been eliminated.

Players may repeat the whole training process if it is felt that they have not learnt enough the first time round.

Participation in the game is in principle voluntary.

3. Description of a particular store

3.1 General information

This store was chosen because of the large number of its staff who have received some form of training.

The store concerned is the Cash & Carry store in Montcada i Reixac; it is the company's flagship store.

Montcada i Reixac is located in the metropolitan area of Barcelona. The store is accessed from three motorways which encircle the city and was opened in 1974.

The store has a sales floor of 18,000 sq.m. on two storeys and stocks 52,000 items including food, non-food and household equipment. The household equipment section is considered to offer the most extensive range of goods to the catering industry in Spain today.

The store operates on a self-service basis, although there is customer service in the fresh produce and in the electronics and similar departments.

About 75% of customers are from the catering or food retail trade or from institutions such as schools, prisons etc, the other 25% being from other forms of business. Entry to the store is restricted to those carrying an identification card issued to anyone having an official business licence.

3.2 Human resources

3.2.1 Personnel structure

Since the Cash & Carry store is in the same building as the firm's head offices, the figures provided include all staff, sales and administrative.

Table 8 – Total number of employees (annual average)

	Male	Female	Total
1986	159	21	180
1991	180	53	233

This store is the first one the company opened and it is also that with the largest workforce, which accounts for 70% of the total figure. There are a number of striking characteristics, such as the higher proportion of workers over 36 and under 20 and the smaller proportion of women than in the overall figure. Moreover, the women here are not merely employed on the sales floor; most of them are in the central administrative department which is in the same building.

Table 10 – Occupational structure

Chairman	1
General manager	1
Managers	5
Section managers	34
Clerical staff	38
Craftsmen	23
Sales assistants	33
Cashiers	43
Male assistants	44
Telephonists	3
Security men	2
Craft apprentices	1
Cleaning staff	5
Total	233

The above figures are not representative of the store as described because of the significant weighting of the central departments in the managerial and clerical categories. On the other hand, the figures do include on average about 17 lower-grade workers who are recruited every year for temporary work.

Bearing this in mind and disregarding most of the clerical staff, the proportion of lower-grade sales staff in this store is higher than for the firm as a whole, which is a more accurate reflection of the usual situation in superstores.

This explains the discouragement some employees of this store feel as regards promotion prospects. Since the functional pyramid is broader, a large number of lower-grade employees view their career prospects as restricted. This also explains a certain distrust regarding training expressed by employees who have been with the firm a long

Table 9 – Breakdown by age

	16–20	21–25	26–35	36–55	Over 55
1986			average age 34		
1991	5%	16.9%	39.1%	34%	5%

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time and do not see the purpose of training unless it increases the likelihood of promotion, which they do not believe.

3.2.2 Working conditions

The working conditions in this store are subject to the general conditions laid down by the firm in the matter of salaries, working hours etc., which have already been described.

Because this was the company's first store, relations between employees tend to be different from elsewhere – because there are more of them and also because most of them have been with the firm a long time and gone through a lot together.

The general atmosphere is harmonious. Staff have their own canteen and facilities for training and union meetings.

3.2.3 Recruitment and qualifications

The situation as regards type of contract and working hours is also remarkable. Firstly the store has a large number of permanent contracts and secondly it has all the part-time staff in the firm.

3.2.4 Training

The training structure is the same in all stores and in this particular store the presence of the central department and the personnel department has a direct impact on training activity.

At present 61 employees from the store are taking part in the game play, 51 being sales assistants and 10 supervisors. Although, as we have said, the game is open to staff in all job categories, in the first year, because of organizational difficulties, it is being played only by staff directly concerned with sales, but not by cashiers, clerical staff, warehouse staff or maintenance staff.

4. Assessment

By the firm

The firm considers the effort made to set up the "Triforvial" game programme very significant and its results – chiefly measured by its popularity with employees – as very encouraging.

By the workers or their representatives

The employees, especially those in less skilled jobs, consider the game a better method of learning than conventional training methods, with which they get bored and lose interest. They comment that they learn not only when reading the cards but also when playing, because of the replies given by their colleagues or because they remember their own mistakes more easily in a relaxed, game-playing atmosphere. While the number of cards they are given each week is not excessive (between 8 and 12), they find it difficult to afford the time to study them, although all of them read them.

By the author

This first experiment would seem to offer a solution to problems of learning and training for employees not accustomed to intellectual work. On the other hand, it helps to encourage a sense of companionship and also of competition in a game-playing atmosphere which makes interpersonal relations and training easier.

The game has only recently been created and introduced and as it is further developed, the system will improve.

5. Transferability

The interest of the programme chosen is underscored by its pedagogical features, which make it particularly worthwhile for an adult staff with little

Table 11

	Full-time Perm.con.	Fixed-term con.*	Part-time*	Sat.*	Total
1986	136	30	–	14	180
1991	138	69	8	18	233

* includes temporary employees

Table 12 - Type of contract and employment 1991

Permanent positions	Perman contracts	Fixed-term contracts	Temporary contracts	Total
216	138	78	17	233

general and commercial education. It combines a competitive game with training.

Once the necessary changes have been made to adapt the game to the realities of retailing in each country, this programme could easily be adapted and make training entertaining and effective.

People interviewed

- Managing director of the firm
- Personnel and training manager
- Chairman of the Staff Council, who is a member of the CCOO union and a specializt assistant in the cooked meats section
- Union representative belonging to UGT and a specializt assistant in the wine and spirits section
- Assistant section manager in the non-food section
- Sales assistant in the fruit and vegetable section

FIRM XX S.A.

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1. General description of Firm Xx

Formed in 1846
Capital in 1991: ESP 900 million
17 stores in the main Spanish cities
Luxury stores selling leather and fashion goods for men and women
Customers in the urban middle and upper classes

1.1 The firm

The firm X, S.A. was established in Madrid in 1846 as a workshop producing leather goods. In 1890 the first shop was opened to the public. When the Civil War in Spain ended in 1939, the firm began to expand rapidly, opening shops in various cities of Spain. In 1969 it opened its first shop outside Spain, in London. This was followed by others in various countries.

In 1969 the firm introduced fashion and accessories sections for men and women and later created its own luxury ready-made collections, all produced in its own workshops. In 1972 it began to produce perfumes.

The firm, which is family-owned, expanded rapidly both in terms of sales and structure, which called for a substantial increase in capital. In 1980 a Spanish group took the firm over.

In 1983 Firm X, together with the other firms belonging to the group into which it had been absorbed, was expropriated by the Spanish Government and nationalized.

In 1984 Firm X was reprivatized and sold to a group of Spanish shareholders headed by a French investor who provided a new management structure, strengthened the original product lines, and introduced a number of different corporate strategies designed to expand the firm's market in line with the evolution of Spanish society and business.

At the same time the various activities of the original firm were hived off into independent branches so that Xx, one of these branches and the subject of our case study, is responsible for running the retail outlets in Spain.

From the very beginning there have always been members of the founder's family who have held shares in the firm and been involved in production.

The last ten years have been worrying for employees, who saw a firm with a long tradition and culture, whose labour relations bore the mark of the founding family, and whose name was a byword in Spain for high quality work going through a difficult period which on occasion affected some of the very popular senior managers. However, in recent years there has been a new air of stability and calm, thanks to the competence of the new management which has restored the staff's pride and confidence.

This favourable trend in the company's fortunes is reflected in an increase of 133% in gross sales between 1985 and 1991.

The retail stores in Spain are located in the following cities:

4 in Madrid
4 in Barcelona
2 in Valencia
2 in Seville
1 in Granada
1 in Las Palmas
1 in Bilbao
1 in San Sebastián
1 in Palma de Mallorca

Stores tend to be situated in high-class residential or shopping areas, and in cities with a brisk tourist trade.

The range of products, which breaks down into leather goods and prêt à porter, is very varied, covering travel goods, fashion accessories for men and women (handbags, purses, shoes, belts, scarves, jewellery, gloves, umbrellas etc.), gift articles, perfume and other items of clothing.

Certain stores specialize in men's fashions.

The size of the stores varies, the largest having a sales floor of 1,200 sq.m. and the smallest, in hotels, between 60 and 30 sq.m.

All are manned by personnel with the necessary skills to serve the store's kind of customer.

The clientele, which was very limited and loyal in the firm's early days, has in recent years widened considerably and embraced a younger female public with a high purchasing power who look for quality goods, a high standard of service and fashionable and comfortable clothing. Tourists, especially those from Japan and North America, make up an important group of customers.

The firm has managed to extend its customer base by introducing a number of less classical lines into its fashion collections.

This has had some impact on the selection and recruitment of staff, a subject which will be discussed later.

Communication within the firm operates at two levels. Firstly there are two meetings a year between senior and middle managers which last a day and during which general issues concerning the firm's operations, new policies, objectives, the introduction of training programmes etc. are dealt with.

The second level of communication is through the usual hierarchical channels.

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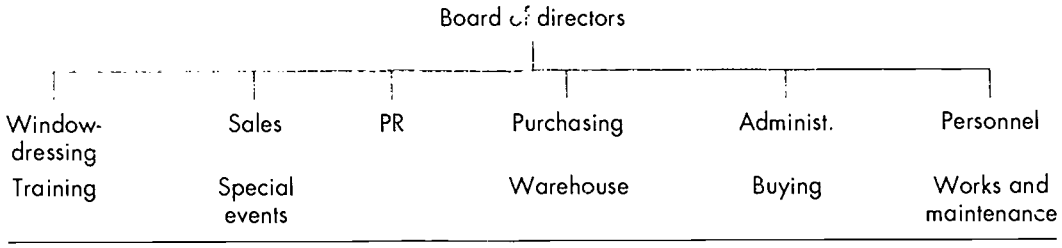
Table 1 – Organizational structure



1.2 Human resources

1.2.1 Personnel structure

The firm's staff has increased noticeably since 1985, mainly due to the increase from 14 to 17 in the number of shops.

Table 2

	Men	Women	Total
1985	121	136	257
1991	165	200	365

The proportion of women in the staff as a whole rose by 1.5 points over the past year.

Table 3 – Breakdown by age, 1991

–25 years	26–40	41–55	55+
60	150	108	47

Although no information is available regarding the age breakdown in 1985, it is known that the average age of employees in that year was 40.2, whereas by 1991 it had dropped to 38.6. This rejuvenation of the workforce has been encouraged, as we shall see, by a certain type of contract. At present employees under 25 represent 16% of total staff.

The breakdown of staff by job category in 1991 was as follows: (Table 2a)
Contrary to the general trend in the retail trade this firm has its own employees for all types of internal services such as window-dressing, tradesmen such as electricians, carpenters etc, a large fashion workshop, a large cleaning staff etc.

The present job structure also reveals that the store and the firm are concerned with maintaining control over all aspects of its activity, ensuring that the level of quality that is the firm's trademark is guaranteed throughout. The breakdown of jobs by sex shows that for a long time this firm has been particularly outstanding as regards careers for women.

1.2.2 Working conditions

Working hours at central office are from 9.00 to 18.00 on Monday to Friday with an hour's break for lunch. In the stores, working hours may be split or continuous depending on the type of store (thus in hotels working hours are continuous) and on local custom. Staff work a 40-hour week, which as will be seen when we come to the description of a specific store, may be spread over the year in a manner more convenient both for the firm and for the staff.

Staff have 30 days' holiday a year.

Total salaries in 1991 were something over 20% of total gross sales and worked out at an average per employee of 4.5 million p.a., including social security contributions. In 1985 total salaries were also running at 20% of gross sales and the average salary per employee was ESP 2.5 million. Although this average figure is not very significant in itself, it does allow us to see the increase that has taken place since 1985, which in some job categories such as cashier and sales assistant has been as much as 73%.

The gross annual salaries to these two categories have been as follows: (Table 3)

The main change in salary structure has been in the amount of commission on sales, which has fallen in recent years. This implies an improvement in terms of pension contributions or unemployment benefit over the previous period, when commissions could on average run as high as 30% of annual salary even though this could mean a lower overall income.

The salaries for these categories are higher in this firm than in the rest of the retail trade, as is justified by the social and educational level demanded of sales assistants in the stores.

The firm offers a series of fringe benefits in the form of health insurance, scholarships for employees' children, subsidized holiday accommodation etc.

Table 3a - Breakdown by category

	Male	Female	Total
Chairman	1		1
Managing director		1	1
Managers	5	4	9
Technical director	1		1
Purchasing manager	2	1	3
Buyer		1	1
Warehouse manager	4		4
Store manager	2	5	7
Store supervisors		7	7
Group manager		1	1
Section manager	5	12	17
Sales assistants	over 80% women		91
Administ. manager	4		4
Administ. section manager			19
Clerical sta'			90
Service section manager	3	2	5
Designers			4
Window dressers			10
Foreman			2
Craftsmen			18
Specialist assistants			10
Sales assistants			30
Telephonists			3
Cashiers			2
Security men			3
Attendants			4
Cleaning staff			8
Driver			5
Workshop manager			1
Other			4

Table 4 – Gross Annual Salaries

	Sales Assistant		Cashier	
	Fixed Salary	Commission	Fixed Salary	Commission
1985	995,000	424,000	1,119,000	230,000
1991	1,820,000	635,000	1,928,000	408,000

Part-time work is not very frequent. Only 1.5% of total staff, thus 5 people, work part-time.

1.2.3 Qualifications and recruitment

The general educational level of employees in this firm is high by comparison with most of the retail sector. The requirements imposed for employment as a sales assistant are more stringent. The comment of one of the owners at the time when the clientele was still very restricted and elitist expresses this: "our shop assistants have to talk the same language as our customers".

Educational level and social relations as a guarantee of the same language were, therefore, important criteria for staff selection.

These criteria have changed and given way to a more professional selection which takes account of general education, language, and degrees in arts subjects for sales assistants and other store staff, as will be seen when we come to the description of a specific store.

When it comes to filling supervisory and managerial posts at store level, importance is also attached to experience in the retail trade while on the technical or company management side the firm looks for appropriate university training.

A general requirement is "An aesthetic sense and appreciation of things well done", as well as certain human qualities which make for easier integration into a firm with a marked unwritten culture.

The age preferred for sales personnel used to be between 28 and 30 but the firm is now employing younger people in order to lower the average age of its staff.

As we have already pointed out, selection of recruits is now far more demanding and a specializt in this field has recently joined the firm. He is responsible for selecting the temporary employees who each year will follow a basic training course and later will be appointed to permanent sales post and other supervisory positions.

Every year the firm recruits about 25 people on 3-month contracts for the run-up to Christmas, as well as students and similar people to cope with work at peak periods.

The recruitment policy follows the general regulations for the retail sector. Since the relevant legislation took effect, the firm has ceased employing people on permanent contracts and fixed-term contracts have become standard practice. This has had its effects in terms of turnover of sales staff, which is virtually non-existent among permanent employees – who have been with the firm longer and are almost all of them in supervisory positions – but is high among more recent recruits. In some years turnover is as high as 50%.

Recruitment 1991

Permanent contracts	241
Fixed-term contracts	
"en practicás"	16
Under 26	9
Job creation schemes	77
Other	22

This gradual replacement of permanent contracts by fixed-term and other forms of temporary contract such as "en practicás" contracts and those available for employees of less than 26 years of age, has been one of the factors making for a younger workforce. However it has also had the effect of creating a degree of uncertainty among the more recent recruits, which may well lie at the heart of the high staff turnover and the tendency of trained sales staff to leave and go to rival firms.

Firm Xx tends to put those who have served the maximum three years on a temporary contract on to a permanent contract. It does not wait for the period to elapse before terminating a contract when it sees that a person is not suitable. Clearly, therefore, part of the staff turnover is also due to the firm's high standards.

Internal promotion has been a fundamental element of the firm's human resource policy and has met the need for store managers at a time when it was difficult to find suitable people on the labour market. Of 18 store managers, 10 are internal promotees and practically all department heads began as salesmen.

The firm feels that it is in the stores themselves that there will be more opportunities for professional careers and it is providing the training facilities to make this possible.

The high number of women – 54% of total staff – also reflects in the firm's job structure and in promotions. The managing director of the firm is a woman and women occupy half the senior management positions in general departments, while there are 14 women store managers. Women also hold a substantial number of middle management positions on the administrative and sales sides.

1.2.4 Comments

The situation in this firm could be described as unique as far as the traditional Spanish retail trade is concerned. Despite the difficulties encountered over a period of years the firm has maintained its character and its policy of offering maximum quality in its segment of the market.

Its personnel policy is consistent with this. As a result key issues in the retail trade such as working conditions (working hours, promotion and especially promotion of women, salaries etc), have proceeded in harmony with the firm's general strategy, thereby creating a corporate culture which pervades the attitudes of its employees.

2. Training policy

2.1 Training strategy

The firm has been organizing training courses since the sixties and may be regarded as one of the pioneers in this field in Spain.

Its purpose in giving training is basically to improve its own performance by ensuring the right level of customer service. This objective has not changed with the advent of a new management but indeed has been underscored by the creation of a training department and by the planning and systematizing of courses, especially in the field of continuing training.

This strengthening of continuing training programmes has been the result of both internal and external factors. The latter include an expansion of the firm's traditional segment of the market and growing foreign competition. Internal factors have been related to certain types of behaviour on the part of staff, who worked well in the past and required retraining in order to adapt to the needs and demands of the new customer profile, thus customers who were younger and had a higher purchasing power but no longer came from the firm's traditional catchment area.

As a result, and marking the most important break with the past, the firm in 1991 launched a new course concerned with customer service entitled "Xx, different manners" which aims to train all employees, sales assistants and others, in customer relations, dealing in depth with a subject that has always been fundamental.

The changing trend of retailing in Spain and the growing penetration of foreign firms selling luxury goods who were unknown in the past – leaving Xx without rival in its own market segment – are other important factors that have contributed to the creation of new training programmes. The firm is increasingly aware that only a different manner will mark it out from its competitors in a firm where quality and elegance are taken for granted.

On the other hand, the firm's own standards of elegance make customers particularly demanding and lead them to expect all the information and service they consider they are paying for.

The content of the firm's basic and continuing training programmes is now, as in the past, based on two essential points, namely manners and customer service, and product knowledge. Two programmes are organized every year, the basic training course and courses on fashion trends while others are run every two or three years and are specifically devoted to leather and perfumery products.

Special courses have also been organized to cope with the introduction of computers in all stores and in the central departments.

Up to 1991 the basic training course was also used for retraining personnel. Since the introduction of the new training structure and courses, the firm has seen the advantages of separating these two types of training and has been designing specific programmes for retraining which it will go on expanding.

Another type of training course with a specializt content and far-reaching impact is that for window-dressers. This shows the importance that window displays – which have also been a landmark in the history of retailing in Spain – have had for the firm for 30 years. This course, again, is held annually.

Training is targeted at all the company's employees with a range of course contents to suit all job levels. It is always conducted in working hours and attendance is obligatory. Some 100 employees attended training courses in 1991.

Training programmes	*Duration*
Basic	80 hours
Fashion trends (twice a year)	16 hours
Men's fashions (twice a year)	16 hours
Perfumes	16 hours
Leather	32 hours
Visual image promotion	32 hours
"Xx, different manners"	72 hours

Training courses involve trainee participation with audiovisual aids and "hands-on" experience with products whether fashionwear or other goods. Employees also visit the factories making the articles concerned in order to become acquainted with the manufacturing processes. Instruction texts and most material used is very well prepared by the firm itself.

Instructors are generally employees of the firm and people with responsibilities in the area concerned.

Those attending basic training courses subsequently have a period of practical training in the stores in which they are to work. During this time they are not employed on the sales side but are involved in activities designed to give them a better knowledge of the store's operations, sales techniques etc. This period of practical experience is supervised by the store manager.

Training courses are held in Madrid and employees from other cities are transferred to Madrid to attend them. Mention has already been made of the importance of internal promotion in this firm and although there is no direct link between promotion and training, employees know that good training in combination with other personal abilities enhances their chances of being promoted. On the other hand, they are very proud of their product knowledge and of the style they acquire while working for the firm, which enables them, where no promotion is forthcoming for structural reasons, to move to rival firms in middle and senior management posts. This has occurred on several occasions.

The firm intends to include four new training courses in its programme in the near future:

- Course on textile products
- Course on packaging techniques
- Course on stress control techniques
- Course on dealing with telephone calls

These courses are designed to plug certain gaps or meet certain needs, for example of employees who though not employed on the sales side do transmit the firm's image to customers, or to provide a greater knowledge of textile products which the firm has not been dealing with for so long.

2.2 Training structure

The training department was set up in late 1987 when Xx became an independent branch; it depends on the sales department. However the parent company already had a small training unit which had organized certain courses, such as the one mentioned in this study.

Up to the end of 1990 the training department was responsible to the managing director, who saw that courses planned and decided on were actually carried out.

The training department has only the one person responsible for training, who began his work by conducting a study of existing training needs. On the basis of this he drew up a plan with the new courses which are gradually being introduced, some of which are adaptations of retail courses given in America.

Needs were identified by consulting store managers, clerical staff and other employees. The staff representatives were not involved in any way.

Spending on training in 1985 was 1.6% of the total salary bill whereas in 1991 the percentage had risen to 3.3% – a figure that was unusually high and due to the creation of training aids and automated systems in stores. It will not be repeated in future years.

2.2.1 Impact on training of new technologies, consumer and labour legislation, changes in sales concepts, internationalization of the retail trade etc.

Two factors to which reference has already been made have considerably influenced training as it is now given and as it will be given in the future. These are the internationalization of the retail trade, which means growing competition from foreign firms, and the need to extend the customer base in order to maintain the firm's leading position in Spain's luxury retail trade.

Similarly, the introduction of computers in 1991 called for substantial training in this field for store employees and those in central administration.

2.2.2 Involvement of the social partners in training

Current legislation in the matter of trade union representation obliges a company to have union representatives in stores with a low number of employees and staff councils in those which have over 25. The firm under study has both kinds of representation.

However, union activity is not highly developed and is an isuse about which the staff in general are not particularly enthusiastic.

Various factors contribute to this attitude. The first is the family atmosphere of the firm and its paternalistic attitude to the employees, plus the type of employees who were recruited in the past, which have made relations more than the normal employer/employee relationship. Any differences were always settled personally.

This was possible because conflicts were few and far between. As has already been mentioned in the relevant section, working conditions are more than acceptable and excellent when compared

with the retail sector in general. Salaries at all levels are good, there is scope for promotion, particuarly for women, and working hours according to the staff are very good with a great deal of flexibility possible to meet personal needs. In addition there are fringe benefits. This means that there are no group conflicts needing to be settled by union intervention.

Although recent years have seen an intake of new and younger staff, especially at the sales assistant level, the situation has changed little because of the influence of older employees who are proud to transmit the corporate culture, while working conditions make changes unnecessary. Store managers, who are free to organize their work as they wish and who also act as personnel managers, are the most suitable channel for solving problems.

All this does not prevent the staff council for the Madrid stores, which acts as the representative of all employees, meeting once a month to discuss certain points which could mean additional improvements in the employees' situation, such as obtaining substantial payments on retirement at the appropriate age, etc. But when it comes to negotiating financial matters such as salary increases, the staff council's role is very limited; this gives rise to some complaints.

The union representatives are not involved in training in any way.

2.3 Description of a training programme

The course chosen is that concerned with "Trends in women's fashions and accessories".

The aim of the course is to acquaint store personnel with the main fashion trends and to present the firm's own collection, showing how it can be suitably matched with coordinates and accessories and giving technical training as regards the fabrics and materials of which such accessories are made, and their characteristics and their use.

This course has been run since 1985 and is aimed at all staff concerned with women's fashions and accessories. It is attended by all staff ranging from management to sales assistants as well as dressmakers, cashiers, window-dressers etc.

The course is held twice a year when the firm presents its two collections. On each occasion there are 5 courses, each attended by between 15 and 20 people. In all about 100 people attend the course each season.

The course is held on the firm's premises and takes two full days. Staff from other cities come for this purpose to Madrid where their board and lodging in a good hotel is paid for by the firm.

The course is given by the firm's purchasing manager.

The first day is used to give a video showing of international and national fashion trends for the season, after which the firm's own collection is presented.

Sales assistants become acquainted with the fabrics, designs and manufacture of goods and the possibility of alterations, as well as which type of customer the item is designed for and the accessories it can be combined with.

All this is done with a great deal of trainee involvement. Staff try on the models and try out the various combinations with accessories, in this way realizinig which type of figure or build a certain garment suits.

On the second day there is a presentation of collections of accessories: jewellery, shoes, gloves, belts, umbrellas, glasses, scarves, handbags and travel accessories.

As on the first day, participants become acquainted with details of design and manufacture, the type of material used and how to care for them, how they can be combined, sales arguments and the like. All articles can be closely examined and tried on.

Finally there is a review of the basic collection, the firm's classic items, which does not change greatly with fashion.

The course makes use of audiovisual aids, texts produced by the firm and items from the collections. Some of this audiovisual material is handed out to participants.

3. Description of a particular store

3.1 General information

The store concerned is situated in a high-class residential and shopping area of Madrid.

It was opened in 1959 and is the firm's fifth store. It was a milestone in the sad shopping landscape of the time because of its attractively dressed windows and the quality of its products. It is at present the store with the highest sales figure; in 1991 it recorded gross sales of ESP 2,000 million.

The store has a sales floor of some 1,000 sq.m. and has departments for women's fashions, accessories and leather goods.

The clientele is that customary in this type of establishment, with a large number of regular customers but is also popular with the wealthier class of tourist.

2.

Organizational structure

General manager

Personnel manager — Office manager

Section managers:
Men *1* Boutique *2* Leather *2* Acessories *2*
Reception *2*

Display assistants: *2*
Senior and junior sales assistants: *14* (not attached to a specific section)

2 cashiers

The general manager is also responsible for the following employees:
4 dressmakers
Warehouse staff: manager, assistant manager and general assistant
Administration staff: 2 clerical staff and a telephonist
Delivery staff: head, 4 assistants and a driver
Cleaning staff and security personnel

The store has a total of 47 employees.

3.2 Human Resources

3.2.1 Personnel structure

Table 5 – Breakdown by sex

	Men	Women	Total
1985	15	33	48
1991	14	33	47

Table 6 – Breakdown by age

	25–	35	50+
1985	27	13	8
1991	23	14	10

The above two tables show the stability of the staff of this store in terms of percentage men/women; it also shows that the staff is ageing.

The latter is due to the recruitment policy pursued in the past when employees were put on permanent contract, to the low rate of staff turnover among older employees – it is quite normal to find sales assistants who have been with the firm for more than 20 years – and the recruitment policy, in which age was not a determining factor.

It is interesting to note that two employees of this store are well above the age of retirement and still working.

Younger staff fall into the categories of cashier, clerical worker, warehouse assistant and delivery-man. Most of the sales assistants are between 30 and 35.

The table showing the occupational structure given below also reflects a very stable situation, with only one change since 1985 due to the reduction in the number of staff responsible for the men's department.

At the same time, it reflects the policy of promotion among female employees which is in line with their weighting in terms of total staff. Of the 12 supervisory and managerial posts in the store only one was held by a man in 1991. In the warehouse and delivery sections the heads are men who have recently joined the firm.

Moreover, 8 out of 10 positions of responsibility in the store were reached by internal promotion.

3.2.2 Working conditions

The store is open from 9.30 to 14.00 and 16.00 to 20.30 on Monday to Saturday. Employees work a 40-hour week

Sales assistants work a morning, afternoon and split shift of 6 hours a day on a rotational basis from Monday to Saturday for 36 weeks. The remaining 16 weeks, which comprise the pre-Christmas period, clearance sales and the presentation of collections, is worked in split shifts of eight and half hours a day from Monday to Saturday.

The morning shift is from 9.00 to 15.00, the afternoon shift from 15.00 to 21.00 and the split shift from 11.00 to 14.00 and 17.00 to 20.00.

This arrangement of working hours is very popular with female staff as it allows them to work shorter hours during most of the year without forfeiting any of their salary and to make it up by a longer day during the 16 weeks referred to. The fact that they do not have a free day during the week apart from Sunday is balanced out by the fact that they have all the afternoons or mornings free for much of the year.

The manager, assistant managers and department managers, as well as the administration, warehouse and delivery staff, work a split shift of 8 hours for 5 days a week.

Employees have 31 days holiday a year plus 2 "bridges" between bank holidays and weekends.

Salaries are made up of a fixed component and a variable sales-related one. Initially the latter

Table 7 – Occupational structure

	1985		1991	
	Male	Female	Male	Female
Manager (female)		1		1.
Assistant managers		2		2
Department managers	3	7	2	7
Display assistants		2		2
Sales assistants		14		14
Cashiers		2		2
Dressmakers		4		4
Warehouse (all categories)	3		3	
Administration	2	1	2	1
Delivery	6		6	
Security	1		1	
Cleaning staff		1		1
Total	15	33	14	33

component is calculated on the basis of the sales figure for an average sales assistant and can rise if a person's performance outstrips this. On average a sales assistant with 2 years' service with the firm can achieve a net monthly salary of ESP 150,000. In line with this figure salaries in all job categories are far higher than those in the retail trade in general, although no information is available as to salaries paid by similar firms targeting a very elitist sector of the market.

The working atmosphere reflects the good working conditions and the friendly relationship between management and staff.

3.2.3 Qualifications and recruitment

The general level of education of employees in this store is very high. The team of sales assistants includes six women with university arts degrees. Many of them speak one or two languages apart from Spanish.

This, coupled on occasion with professional qualifications entirely unrelated to retailing, does not mean that they consider their present job as temporary while they are waiting for something better to turn up. Most of the sales staff would be very pleased to continue their career with the firm; the only problem they see is the job structure, with little scope for promotion to supervisory or managerial posts.

Everyone has received in-house training.

In the case of other jobs, such as technical ones, if internal promotion does not operate – which is not the case in this store – selection is made at head office on the basis of the criteria already described.

The firm determines its own recruitment policy. For the time being it is using fixed-term contracts as allowed by law. Almost all those recruited over the past few years have been given this kind of contract.

As already mentioned, turnover among the permanent staff is practically non-existent. However the same was not true of sales assistants and department heads in the late eighties, when a substantial number left. The store's explanation is that a number of similar stores were opening at that time in Madrid "and our store was the best training school". It certainly seems true that many

2.

former employees now hold good positions in rival firms.

3.2.4 Comments

The comments made for the firm also apply here.

3.2.5 Training

The store's training strategy is in line with the company's general strategy. All training activities are decided at head office level and the store's role is limited to initial practical training to which the manager attaches special importance and to which she herself gives time in order to ensure that staff adapt to the job and also so that she can assess the success of training received, so as to provide for follow-up if the person is taken on permanently.

Similarly, the manager considers the store's role vital for transmitting the corporate culture and the style of customer service proverbial at Xx.

In 1991, 37 menbers of the staff of this store attended the "Fashion trends and accessories" course.

4. Assessment

By the firm

The firm's assessment of the general training it provides is very positive and because of its long tradition, especially in the matter of product training, it is considered among the best types of training in its category given in Spain.

The point causing most difficulty – and which steps have been taken to remedy – is the matter of dealing with customers. This does not mean that employees are not suitable from this point of view, but that the changes in company strategy have made this a prime objective in order to achieve a level of excellence in customer service.

By the employees or their representatives

The first impression gained by new recruits about the company's training activities is one of surprise because of its high standard and the amount they learn. The fact that twice a year staff attend the Fashion Trends course means that over a period of time they become more aware of such trends and also receive a considerable amount of training and information on subjects such as products, design, materials, and manufacturing processes. They thus gradually acquire a sound basic knowledge useful for their work in this type of store.

The same applies to basic training, which employees regard as an excellent theoretical training that is subsequently complemented by practical experience at the store.

By the author

The firm's training policy is entrusted to the sales/marketing department, reflecting the fact that training is an integral part of the firm's new commercial strategy. This strategy, based on quality and service, has recently been given more emphasis, while training is being stepped up in order to adapt to the demands of a changing market.

Another factor marking the firm's training policy is helping staff to identify with its strong corporate culture. This together with a firm management of human resources aims to enhance the status of professional sales staff – an attitude which contrasts with what is happening in the retail trade generally.

Training, therefore, is accepted and appreciated by employees, because it enables them to progress in their professional career and because of the possibilites it opens up for promotion, linking them more closely with an organization with a prestigious reputation for quality.

5. Transferability

A training programme such as the one used by this firm can be carried out using a wide variety of means – as is the case here – or with more modest facilities. The result will not differ fundamentally. What does seem important – and this is what is transferable – is the method chosen involving trainee participation and hands-on experience with products in small groups. This and the continuity of training ensure that employees gradually accumulate a core of useful knowledge which they can extend while on the job.

People interviewed

- General manager of Xx
- Personnel manager
- Person responsible for training
- Manager of the store described
- Junior sales assistant in the store
- Senior sales assistant and staff representative

FIRM "A" S.A.

2.

1. General description of firm "A" S.A.

Firm A is a limited company of Spanish origin which is currently foreign-owned
It operates large stores specializing in fashionwear
Its 29 stores are situated in the main cities of Spain
Customers: Urban middle class
Founded in 1934

1.1 The firm

Firm A was founded in Madrid in 1934 with a staff of 11 and a sales floor of 300 sq.m. It is the second largest department store in Spain with 29 outlets and some 8,000 employees.

During the fifties the firm embarked on a major expansion programme which led to the opening of large department stores in many cities around the country. This expansion continued until the mid-seventies, when the general economic crisis hit most popular department stores.

At the end of the seventies the firm saw its sales down and costs rising. It was heavily indebted and was taken over by its main creditor bank.

The situation showed no improvement and three years later a major Spanish group took over the company. Financial and tax irregularities on the part of the group resulted in the expropiation of all its assets in 1982, among them firm A.

The Spanish government ran the firm until 1985, when it was again privatized and sold to a Venezuelan-owned company.

Throughout the period this company's substantial real estate holdings were a strong attraction for a number of firms outside the retail sector and some of these were disposed of. Subsequently a British firm outside the retail sector took over firm A in 1987.

This British group was plunged into serious crisis in Britain, and most of its capital was acquired by investors and retail companies in the USA.

Since 1991 firm A has had a management team that is mainly American and is well versed in retail matters. This team is working to turn the firm around and restore the stores to their former elegance by using new strategies to assure their competitiveness.

This involves converting the large stores into centres specializing in fashions, household goods and items of personal use, with special emphasis on the urban middle class segment of the market, its target group is the fashion-conscious under-45s.

The strategy involves eliminating product lines typical of large department stores such as furniture, electrical appliances, hardware, computers etc. and a repositioning of the stores consistent with the firm's objectives. This means overhauling buildings, changing the firm's livery and packaging materials, adopting a new style of advertising etc.

At the same time, the emphasis is once more being put on the traditional principle of customer service, which had tended to become neglected under pressure of events.

All this has led to the firm's defining a new policy for human resources and training to underpin the changes in its commercial policy, while at the same time contributing to greater productivity. Its stores, of which there are at present 29, are situated in established or newly created shopping centres and have sales floors ranging from 16,000 sq.m. to a mere 170 sq.m. in the case of the smallest store, the average being 11,000 sq.m. All stores have additional room for storage, offices, parking facilities etc.

Gross sales in the 1990/91 financial year were ESP 100 billion.

The management system currently being developed is based on management by objectives, with stores and their departments involved in fixing them.

Communication within the firm followed traditional strictly hierarchial channels which did not help employer/employee relations when times were difficult. Frequent changes at management level, the formulation of new policies and their subsequent cancellation – all subjects of great interest to staff – which raised hopes and fears alternately were learnt of on occasion via the mass media in a partial and distorted form. In most cases the information provided by the various teams was restricted and full of promises. This did much to unsettle the staff and make it anxious. Aware of this problem the new management has used various internal and external means to recreate a credible form of communication which cannot fail to help it achieve its objectives.

Table 1 – Organizational structure

Managing director

Purchasing	Sales	Marketing	Strategic planning	IT and logistics	Finance	Public relations

2.

1.2 Human resources

1.2.1 Personnel structure

The figures for the firm's labour force in the period 1985 to 1991 show that in six years there was a fall from 9,083 to 7,827, equivalent to 14%. The sharpest fall was in 1985 when efforts were made to run the workforce down by means of redundancies and financial incentives for early retirement.

This action coupled with the subsequent recruitment of younger personnel has reduced the average age of the workforce:

Table 2 – Breakdown by age and sex, 1991

	Men	Women	Total
Less than 25	150	667	817
25–40	822	2,470	3,292
41–55	1,778	1,306	3,084
55 +	461	173	634
Total	3,211	4,616	7,827

Although no figures are available for the ratio of men to women in the past, the above age and sex breakdown would seem to indicate that more women have joined the firm in recent years, raising their share of the total workforce to 60%.

The occupational structure in 1991 was as follows:

Senior managers	128
Commercial managers:	
Store managers	31
Assistant store managers	19
Department managers	55
Section managers	328
Other	616
Total commercial managers	1,049
Sales assistants	4,456
Service and warehouse staff	838
Display staff and window-dressers	124
Office and computer staff	1,232

The biggest change since 1985 has been an increase in the percentage of the total workforce represented by sales assistants compared with employees on the service side, whose proportion has been falling as a consequence of mechanization and automation in their areas.

Age is a major factor in the occupational structure affecting commercial managers, most of whom have been with the firm for many years.

Although no detailed figures are available for the job breakdown by sex, three-quarters of sales staff are women, who are also well represented on the office and computer side. Very few women are to be found at senior management or store management level although there are signs that the firm is aware of this and is taking steps to alter the situation.

1.2.2 Working conditions

The wages paid by this firm are governed by the collective agreement for department stores, which lays down the basic salaries for all job categories except senior positions, together with additional allowances for long service and responsibility, annual increases etc.

The salaries of employees in the stores themselves are composed of a fixed portion laid down by the collective agreement referred to plus a variable portion dependent on sales. The fixed portion varies considerably from one section of the store and person to another, as well as according to the time of year etc. but generally speaking represents about 25% of the total wage figure.

In 1991 basic salaries for the various job categories were as follows:

Group I: ESP 1,192,365 gross p.a.
(manual, sales, warehouse and service staff)
Total: 5,294 employees

Group II: ESP 1,263,908 gross p.a.
(window-dressers and display staff)
Total: 124 employees

Group III: ESP 1,339,752 gross p.a.
(office and computer staff)

Group IV: ESP 1,420,132 gross p.a.
(supervisory office and computer staff)

Group V: ESP 1,505,342 gross p.a.
(office and computer department managers)
Total office and computer staff: 1,232

There is a Group VI comprising general and commercial managers whose salaries are not regulated by the collective agreement but left to the firm's discretion, although extra payments and annual increases are governed by the agreement.

The full working week is 40 hours; part-timers work either 30 or 20 hours. Part-time working is restricted almost exclusively to staff working in the stores.

Central office staff work from 9.00 to 18.00 from Monday to Friday. Store working hours depend on

the location, although generally speaking staff work a 10-hour day without a break.

How the working hours are distributed is detailed in the description of a specific store. One important change in working conditions which came into effect in 1985 was the introduction of part-time working, especially in the department stores and mainly for sales staff, most of whom are women.

In 1991 approximately 20% of employees were on part-time contracts, most of them being women. Prior to 1985 part-time contracts were practically non-existent.

The firm's policy in this matter is to try and arrange part-time working by mutual agreement and some employees, especially women, accept the working hours involved. Where an employee wishes to switch to full-time, every effort is made to find the best arrangement for both sides.

Some employees work on Saturdays. These are mainly students.

About 1,200 people are recruited to work in stores during the summer sales and the pre-Christmas period. The contracts are for a maximum of 3 months. These employees are given a basic training course and form a pool which the firm can subsequently draw on for permanent posts when necessary.

A point that should be borne in mind is that because the number of part-time contracts and percentage of part-time contracts has increased, wages, which are generally low in the retail trade, are very low for some lower-grade staff as regards both the basic wage and commission.

Staff have 31 days' holiday a year or 35 days if they have been with the firm for more than 25 years.

1.2.3 Qualification and recruitment

The general educational level of employees is typical of that found in this type of firm with a low general educational level, which improves as the age of employees decreases, and vocational training acquired on the job or, more recently, through in-house training courses.

No specific training is required of lower-grade staff who are judged for recruitment on the basis of various attitudes and personal qualities such as an extrovert personality, physical presence, ability to communicate and the like. When there is a question of a permanent contract, the person's performance during the period of temporary employment is a determining factor.

For supervisory and managerial staff at store level, who are difficult to recruit externally, the firm looks for certain qualities rather than specific training. Aspects such as personality, ability, and knowledge of the job and of the firm are a few of the criteria applied when selecting internal candidates for promotion to such posts.

The whole process of selecting and recruiting external and internal staff is carried out with the assistance of the Selection and Recruitment Department, which is part of the Human Resources Department. The firm's recruitment practice has changed along with the rest of the retail sector. In 1991, 13% of the permanent workforce were on fixed-term contracts, compared with 1.6% in 1985 when almost the entire staff were on permanent contracts.

However, the proportion of the total figure accounted for by fixed-term contracts continues to be lower than that of many similar retail firms that have come into being or established themselves in Spain more recently.

As a general rule, if an employee has been on a series of fixed-term contracts for 3 years, he ends up by being given a permanent contract.

Internal promotion at store level has been the firm's usual practice as far as the male staff are concerned. Criteria for promotion were never very well defined, but one of them is that the person should be a good salesman. This fact has led to considerable shortcomings at supervisory or management level as regards both the quality and the number of staff, which the firm has sought to solve through its personal development plan – an ambitious plan for training lower-grade staff for promotion.

This fairly recent measure, which we shall discuss more in detail below, will also foster more promotions of women and thus reduce the degree of discrimination that existed in the past.

1.2.4 Comments

The firm's personnel structure and policy is in line with the particular situation resulting from its development and its aim of greater efficiency and competitiveness.

In the seventies firm A was an important company with a paternalist personnel policy concerned for the security and well-being of its employees. Permanent contracts and low staff turnover were symptomatic of this attitude.

When the firm began to encounter difficulties and various attempts were made to get it back on its feet, the staff structure became a focal point of attention. The workforce structure was ageing, employees had little training and were on permanent contracts. The firm sought means of cutting down the workforce and adapting it to the new situation.

This led it to create incentives for voluntary redundancy and early retirement for full-time employees on fixed contracts, many of whom were in the older age groups. As a result the firm was able to adopt a new recruitment policy typical of the whole retail sector generally in order to reduce the average age of the workforce and increase its flexibility by the use of more fixed-term contracts and part-time working.

As a result, by 1991 10% of the firm's workforce were under 25 and 13% were on fixed-term contracts, while about 20% were working part-time.

The firm's present policy is to evolve into a specializt fashion retailer with special emphasis on customer service, and at the same time to regain the team spirit and corporate culture that was lost. This it seeks to do through a consistent policy of training and communication. However, it would appear that this two-fold recruitment strategy, which is that used widely by superstores which basically compete with each other in terms of price, may result in shortcomings as regards the objectives of quality and specialization being aimed at.

Generally speaking, the employment of staff on fixed term and part-time contracts tends to reduce employees' interest in professionalism, training, and working as a team, quite apart from the fact that they involve lower salaries which people seek to complement either by taking on several jobs or looking for a full-time job when the firm has nothing better to offer.

On the other hand since the training given by the firm is directed to all employees, whatever hours they work and whatever their contract of employment, there is a risk of some people deciding to leave for the reasons already mentioned and of their then being taken on by firms offering better terms of employment, with the result that the considerable investment in training fails to pay off. If, moreover, one also bears in mind that the general educational level of new employees tends to be higher and is further enhanced by the training the firm gives, the opportunity and motivation for moving on increases.

Furthermore, given the job structure of a department store with its large number of sales assistants, promotion possibilities – which frequently call for mobility – are also fewer. This again may cause employees to lose interest, take little advantage of training and ultimately, result in high staff turnover. All this works to the detriment of the firm's current objectives.

Summing up, therefore, the recruitment policy initiated in 1985 in response to a certain stage in the development of the retail trade, may now act to frustrate the firm's new strategy, which again is in line with a new phase in the development of the retail sector observable throughout the western world and which gives priority to aspects such as quality, services, service to customers and specialization, rather than to price.

2. Training policy

2.1 Training strategy

The firm has been organizing training courses through its specializt training department since the seventies. Training was initially targeted at managerial staff and subsequently at lower-grade staff. In the course of one of the takeovers suffered by the firm, the training department disappeared. It was recreated when the firm was nationalized.

Throughout this whole period and until the current management team arrived on the scene, the firm undertook specific training activities in response to requests from store or department managers, as well as basic training for new recruits or the unemployed – the latter activities being almost always heavily subsidised. In the years immediately preceding the arrival of the new management team, the quality of training considerably deteriorated and had basically developed into a source of funds through official subsidies.

As a consequence of the management's new commercial policy, from late 1990 onwards the Human Resources Department and its training unit were revitalized and the training strategy was changed to lend impetus to the firm's new policy.

The greatest change in training policy consists in the definition of training as part of a wider development plan which combines a formerly structured process aimed at remedying shortcomings and helping people to adapt to their jobs in the short term, with a continuous planning process designed in the longer term to develop the potential of the staff by offering them a wide variety of courses and situational activities from which to choose.

The whole process is designed to meet the firm's needs for a team of sales staff and supervisory and managerial staff at the stores, most of them with many years of service with the firm and able to respond to the new policy in which fashion and service are key aspects. It is also intended to meet the need for greater competitiveness, allowing the firm to regain and expand its market shares.

The firm's current training policy has also meant more and better training staff and technical aids, as well as a clear definition of the objectives set and training courses in line with them.

Training is aimed at the staff as a whole, whether on permanent or fixed-term contracts and whether working full-or part-time. Training may be volun-

tary or compulsory, depending on the course involved.

In 1989 the firm organized a total of 210 courses which were attended by 3,099 people, around half of them permanent employees and the other half temporary sales assistants being given basic training.

In 1991, 435 courses were organized and attended by a total of 6,600 people. In this case the percentage of sales assistants taken on for specific periods was less than half.

The main differences between these two years, apart from the number of courses and participants involved, were the target groups. In 1991 more emphasis was placed on training the firm's own personnel and on a course content which gave priority to subjects relating to the firm's new commercial strategy. This has also been the case since.

Courses vary in duration between 6 and 200 hours. Most courses are 24 hours, but the "Consumer goods sales assistant" course that will be described later covers 200 hours.

Courses take place in working hours.

Courses generally involve a great deal of student participation and group work, during which subjects are discussed without the trainer and later with him. There are frequent visits to stores and shopping centres, after which trainees have to write assignments and do practical work in stores.

The new concept of training as part of a wider process of development, led to the creation in 1992 of a personal development plan which closely links training and promotion.

This plan, of which the firm is very proud, was begun in 1991 because of the firm's need for supervisory and managerial staff to implement its new policy at its store. The aim was to utilize the potential of existing staff at lower grades to enable them to rise to the highest level their abilities permit.

Other major objectives of this plan are the creation of a corporate culture such as existed in the past but which in recent years had become diluted, and at the same time to enhance the professional and social status of sales assistants. Achieving this aim involved the efforts of the Human Resources Department and its three units – development, selection and recruitment and training – which followed the whole project through from defining necessary qualifications, drawing up job specifications, selecting lower-grade staff with development potential, planning the training courses, evaluating them and following them up.

The first course, which has already begun, is aimed at training selected sales assistants for promotion to section supervisors. The selection of suitable staff for the course was made on the basis of reports from team leaders at the stores, as well as on the information which the personnel department was able to provide. Subsequently, people originally chosen were put through psychological and professional aptitude tests and in-depth interviews. Those who did well were put on the training and promotion programme if they so wished. Once they had accepted to do so, attendance at the courses became obligatory.

In future candidates will be selected on the basis of an open competition for which those interested can apply. This will open up the opportunity to attend training courses to the entire staff.

The human resources department has already begun working on the next training programme, to be targeted at future department managers.

This programme will be open to all lower-grade staff, whether on fixed-term or permanent contract. Since those on fixed-term contracts will be younger and better educated, they will tend to form the majority of the group chosen.

Employees' reasons for attending training courses are basically their desire for professional and social recognition, and financial considerations.

The firm plans to run a number of specific programmes for the entire staff designed to underpin the current policy of specialization, with courses on fashion and "total service quality" in order to improve customer service.

It also has a third project which is a result of research carried out for the personal development plan. Here the objective is to improve the staff's general level of education, which is very low. The programme will be voluntary and take the form of a correspondence course offering a grounding in language and mathematics.

Training carried out during the 1990/91 financial year is shown in table on the following page.

In addition to the courses listed above, voluntary language courses subsidized by the firm are held outside working hours.

2.2 Training structure

Organizational structure

Human resources department

Development unit

Training unit

Selection and recruitment unit

2.

Table 3 – Training in 1990/91 Financial Year

Course target group	Attended by	Total	Hours
Sales assistants	Permanent staff	1,326	200
Commercial sales assistants	Possible temp. staff	1,763	200
Introduction to selling	Possible temp. staff	1,125	30
FOSS programme	Senior management	66	24
FOSS programme	Middle management	376	24
FOSS programme	Permanent sales staff	1,538	20
Stock management	Buyers	38	15
Instructors' course	Junior instructors	4	24
Instructors' course	Management	12	20
Production of visual teaching aids	Management	11	6
Product training (Furs)	Sales assistants	67	8
Retraining for sales assistants	Sales assistants being transferred	48	24
Gift packaging	Packaging staff	24	15
Bar codes	Monitors	54	16
Computer programmes	Central unit staff	148	40

The training unit, which forms part of the Development Department, is responsible for implementing the company's policy. It is responsible for identifying training requirements, setting objectives, designing training courses, preparing teaching aids, arranging training courses and following them up, and carrying out studies relating to training and vocational guidance. The unit has very close links with other areas of the Human Resources Department and works with them whenever its tasks so require.

The training unit currently has a head of unit, one senior and four junior training specializts, and office staff. In the near future it will be acquiring more training specialists and it is planned to have a training officer at each store. Similarly, it is hoped that the new training courses for supervisors and managerial staff at store level will involve the latter more in the practical training given to their staff.

The firm currently has 80 monitors who are trained specifically for this work. On occasion the firm makes use of external training courses and trainers, especially when it comes to courses for senior management.

Training is evaluated mainly on the basis of questionnaires, interviews and tests which show both how much people have learned and their opinion of the training they have received. Evaluation and follow-up in situ is less advanced because people occupying supervisory posts in stores tend to be older and with no previous responsibility of managing personnel and training. However, with the start of the FOSS training programme for supervisory staff, assessment of on-the-job training is beginning in practice.

Training courses are offered through store managers who, when the course is not intended for the entire workforce, suggest who should attend. As we have already mentioned, participation in the personal development plan will be on the basis of open competition.

Account is taken when planning courses of any suggestions made by employees, managers, or team leaders.

The unions are not directly involved in the preparation of training courses, although they are informed about them in the two or three meetings which the firm holds with them each year.

In 1990/91 (the financial year runs from 1 September to 31 August) spending on training totalled ESP 163 million, equivalent to ESP 20,000 per employee. However, this high spending was exceptional because this was the year in which considerable reforms were made throughout the firm and a large proportion of the materials required for effective training were purchased.

No information has been provided as to any cost benefit analysis of training activity, and given the present situation and the firm's evolution, any such analysis would be premature.

The firm does have a budget allocation of ESP 25 million for university scholarships for personnel. Such studies are voluntary and must be carried out outside working hours.

As already mentioned, the changes to the structure of training made in 1985 were very far-reaching. At that time there were only two people responsible for training, and material means were very inadequate.

2.2.1 Impact on training of new technologies, legislation, changes in sales methods, internationalization etc.

In the previous paragraphs we have discussed factors which have affected training. Basically these have been two – the introduction of technology and a switch in commercial policy to put more accent on fashion and service – with one operating in the past and the other currently.

2.2.2 Involvement of the social partners in training policy

Firm A is the Spanish retail firm with the largest percentage of unionized employees – the figure is over 50% – and has been the starting base for many union leaders in the retail sector. The most strongly established union is the CCOO, closely followed by UGT.

This might suggest that there has been considerable industrial conflict throughout the difficult years when financial problems constantly posed a threat of closure. In fact the reality was very different. Although there were conflicts, some of them serious, the union representatives throughout negotiated and cooperated with the management to ensure the firm's survival and the security of their jobs, even though this on occasion obliged them to compromise in matters of salary and job shedding. "Industrial peace was needed to save our jobs", as one of the union leaders put it.

All this did not take place without some impact on the morale of the employees and their union representatives, who were frequently frustrated by repeated promises from successive new owners that came to nothing. The frustrations and fears reflected in the lack of confidence they had in the management until very recently.

There is now a growing feeling among the employees and their representatives that at last something is beginning to move. Efforts on the part of the management to change the firm's image, the remodelling of buildings, rethinking of product lines etc. have been first indications and have been underscored by visible changes in the firm's personnel policy, particularly as regards training and promotion.

However, there is still some anxiety on the staff's part – mainly because of the financial situation of the foreign group which owns the firm, which might oblige it to take decisions affecting firm A's future.

Union representation at the various stores takes the form of a committee elected by the employees, and at company level by an inter-store committee made up of representatives of the majority unions.

At present the inter-store committee has 13 members, 5 of whom belong to CCOO, 4 to UGT, 3 to FASGA and 1 to the Sindicato Unitario.

Relations between the firm and the unions are now smooth and friendly. There is constant communication between them and the unions are allowed facilities for carrying out their work.

The involvement of the unions in training is limited to what is laid down in the collective agreement. This requires that the management "inform the inter-store committee of training given, as well as of courses planned and further developments intended during the life of the agreement".

This information is given at regular meetings between the unions and the various units of the personnel department, when training and related subjects are discussed informally.

The collective agreement governing department stores for 1991 contains the following clause on vocational training by firms: "Firms undertake to increase by at least 5% the total number of hours of vocational training currently given".

The inter-store committee is provided with all the information necessary to enable it to check that this is so.

2.3 Description of a training course

The training course described here is the "Consumer goods sales assistant" course that has been organized for a number of years with the cooperation of the National Institute for Employment which in the past helped with a subsidy.

The course is intended for the retraining of sales assistants and together with the FOSS course on customer service is that most generally attended by lower-grade staff.

The courses take place in rooms allocated for this purpose at individual stores or at the head office in Madrid.

Attendance is voluntary, but managers and supervisors suggest those who need such training.

The course lasts for 200 hours, with 80 hours of practical and 120 of theoretical training. Instruction is given in two-week modules occupying half the working day.

Practical sessions take place on the job, enabling trainees to put the theory they have learned into practice by observing, doing the job themselves and working with their immediate superiors.

In 1990/91, 1,326 sales assistants from stores in different cities attended these courses. This figure is equivalent to 25% of the total.

The course is targeted at all categories of employees, whether on permanent or on fixed-term contracts and whatever their working hours and the courses are arranged at suitable times to allow for this.

"Consumer goods sales assistants" course

- The department store, its evolution and its future organization.
- The professional sales assistant. Knowledge, skills and behaviour. The modern professional.
- Product information: characteristics and uses.
- Knowing about customers and their psychology.
- Communicating when selling.
- Selling techniques.
- The AIDDAS process.
- Simulated sales situations and demonstrations.
- Modes of payment.
- Updating administrative procedures.
- Fundamentals of merchandising.
- Advertising and sales promotion.
- Inventory discrepancies.
- Department store security systems.
- New technology. Unitary control.

3. Description of a particular store

3.1 General information

The store chosen is situated in a middle/upper class residential area with service-sector businesses in Barcelona.
The store has a total area of approximately 35,000 sq.m., 15,000 of which constitutes sales floor while the remainder is used for car parks, warehouse, offices etc.

The sales floor covers 5 storeys with the usual departments to be found in a big department store. In accordance with the company's new policy, the hardware, car accessories, kitchen furniture and bedroom furniture departments have been done away with. Other departments such as computers, furniture, books, records etc. will either be reduced or redesigned in the near future. All this is being done with a view to achieving the objectives already mentioned and to focus the activity of stores on fashions and home furnishings.

The store we describe here was opened in 1983. Previously it belonged to an American retail firm which withdrew from Spain. Some of the staff working in the store were taken over from the American firm. In recent years the store has seen a change in its type of customer, who originally was middle and upper-class, and now serves a growing number of people with less purchasing power. It is now regaining ground among its original target group and is also trying to reach younger age groups.

Organizational chart

Area manager

Store manager

Assistant Store manager

Merchandise admin. Customer serv. Operations Personnel display

Department manager

Section managers

Sales assistants

3.2 Human resources

3.2.1 Personnel structure

The store currently has a staff of 308, 63.6% of whom are women. In 1985 there were more staff but the proportion of women was lower, being in the region of 50%.

The breakdown of staff in age terms in 1991 was as follows:

Table 4

-25	26-40	41-55	55+
43	115	117	33

The average age of the workforce has decreased since 1985 since, as we have already mentioned, measures to trim the workforce resulted in early retirement, and the subsequent recruitment of younger staff.

If we compare this personnel structure with that of the firm as a whole we find that in 1991 the proportion of women in the store was greater –

63% compared with 60%. It also had a larger percentage of people under 25 – 14% compared with 10%, and of people over 55 – 10.7% compared with 8.1%. However, the differences are not very striking.

Table 5 – Breakdown by job category in 1991

	Men	Women	Total
Senior management	2	1	3
Sales managers	5	11	16
Sales assistants	Approx. 75% women		199
Service managers	5	–	5
Service personnel	Mainly men		43
Administrative managers	–	4	4
Clerical staff	–	38	38

The differences that have occurred in the job structure since 1985 have mainly been in the breakdown by sex. In 1988 there was a smaller percentage of women among the sales managers and there were men on the administrative side, which is now entirely occupied by women.

Although no figures are available for the breakdown of job categories by sex for the firm as a whole, such information as we were given shows that the situation of this store as regards the number of women and the positions of responsibility they hold is not typical. In the remainder of the firm far fewer women are in managerial positions in the stores.

3.2.2 Working conditions

The store's opening hours are from 10.00 to 21.00 without a break, from Monday to Saturday.

Sales assistants have three types of working hours. The first is a split shift with fewer hours, starting at 12.30 and finishing at 20.15 with one hour's break for lunch. The second is a split shift with a full working day starting at 9.45 and finishing at 20.15 with 2 hours for lunch. Staff with these hours have one day off a week in addition to Sunday. The third possibility is a 5-hour day with no break, 6 days a week.

Both types of working day – split or continuous – are a permanent arrangement and there is no periodic rotation. Changes may be made by agreement.

The remainder of the staff work split shifts of 8 hours a day with one day free a week apart from Sunday. Half the sales assistants, and approximately 32% of the total staff are on part-time and work 20 or 30 hours a week.

Wages have been referred to in the general description of the firm. At store level commissions account for a substantial part of wages, as much as 30% though differing from one department to another. While this might be thought of as a source of problems, it does not seem to be so by the staff who appreciate other matters such as product knowledge and good relations with their colleagues.

3.2.3 Selection and recruitment

In recent years the intake of younger staff with a secondary or even university education has raised the general educational level of staff at this store.

Almost the entire staff have acquired their training on the job, many of them when it was still owned by the American firm. Selection of lower-grade staff is made from among those attending the basic training courses run annually in order to recruit casual staff for peak periods.

The criteria used in selecting staff are personal aptitudes and the willingness to learn, rather than specific knowledge.

Appointment to supervisory and managerial posts is made by internal promotion at this store. So far promotion has been based on reports from direct superiors and the head of personnel. Currently the firm is implementing the personal development plan already mentioned and four sales assistants from this store are attending courses.

The firm's recruitment policy has already been discussed. During the eighties use was regularly made of temporary and fixed-term contracts when recruiting new staff. Now new recruits are given fixed-term contracts, which after three years are made permanent. There is a high rate of turnover among staff on fixed-term contracts – mostly part-timers – during the three-year period. This rises as high as 50% a year compared with 3% among staff on permanent contracts.

In 1991 the breakdown of contracts was as follows:

Fixed-term	55 (all part-timers)
Permanent	251
Replacement staff	2

Although no figures are available for the number of staff on fixed-term contracts in 1985, information provided confirms that they virtually did not exist.

Each year some 80 or 90 people are recruited on temporary contracts to cover the additional staff

requirements over the holiday periods and at Christmas, the period involved varying from several weeks to 2 months. A large number of people on such contracts are students in various disciplines; others are unemployed and are thus able to make their way into the firm where they may end up on the permanent staff.

3.2.4 Comments

The situation at this store reflects the growing trend in large stores, with a nucleus of low-grade staff working full-time and on permanent contracts and another group, which is steadily growing, of young staff who are on part-time and fixed-term contracts. Most of the latter are women.

The fact that the proportion of people under 25 (14%), on fixed-term contracts (17%) and part-timers (32%) is higher than the figure for the firm as a whole reflects the strategy pursued by large firms in their retail outlets.

The firm has been organizing training courses since the sixties and is thus one of the pioneers in this field in Spain.

The comments made in the chapter on the firm as a whole are particularly relevant to this store.

3.2.5. Training

Training at this store follows the general pattern of the firm itself, though with the possibility, which has already been utilized, of organizing its own courses where this is considered necessary.

In 1990/91 the course most frequently organized was the FOSS course on sales techniques in its two variants, one aimed at managerial personnel and the other at lower-grade staff, and the course for consumer goods sales assistants already described.

Responsibility for training lies with the head of personnel who organizes the courses as planned by the central departments. Five members of the staff have been trained as instructors and have one clerical assistant.

4. Assessment

By the firm

The firm's current assessment of training is marked by its awareness of the radical changes that are taking place throughout the organization and, specifically, in the Human Resources Department and the training unit.

A criticism heard of training given prior to 1985 was that it was more concerned with generating funds than with meeting the workforce's needs.

Now that a number of courses have been recently launched while others are in the pipeline, the firm's perception is more positive. It feels that the courses are having desirable side-effects, such as restoring the confidence of older employees and arousing enthusiasm and motivation in the younger ones.

By the employees or their representatives

In the opinion of the employees and their representatives "They are now taking it (training) seriously". They feel that training is meeting their needs and is in line with their interests, that it is linked to promotion, that it helps to encourage professionalism and raises the social status of sales assistants by stressing the importance of their work and the need for training to do it.

A sign that employees are beginning to appreciate training in another way is shown by a noticeable increase in willingness to accept the idea of training during working hours, even though this means a reduction in their commission earnings. Although some reluctance is noticeable, employees are more willing to attend courses in working hours because of the interest they are arousing.

By the author

The most important aspect of training at this store is the fact that it is regarded as an essential element of the firm's commercial strategy. Thus the way has been paved for the qualitative changes that are taking place. Because the policy is so new there is little scope for evaluation at present, but the first steps taken, particularly the drawing up of a personal development plan, would seem to be following the right lines and meeting very specific needs on the part both of the firm and of individuals.

Interviews clearly revealed the side-effects of the current training programme in the sense of motivation and higher expectations.

5. Transferability

A very comprehensive training programme with regular courses enables employees to keep pace with the latest changes in the retail sector and refresh and improve their knowledge. The practical component encourages and strengthens the involvement of a number of employees with many years of service with the firm, who tend to appreciate practical aspects more than theory.

Persons interviewed

- Assistant manager responsible for industrial relations and personnel management
- Head of the training unit
- Head of Personnel at the store described
- Two union representatives, one at national and one at store level
- One junior and one senior sales assistant at the store described

ERIC

PART 3:

9. Concluding comments
10. Sources of information
11. Methodological note

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SECTION 9 – CONCLUDING COMMENTS

3.

1. The case studies

The five Spanish firms selected as case studies share to a greater or lesser extent something that may be typical of many firms in the retail sector. This is the fact that they are, or in the recent past have been, involved in radical processes of change and restructuring because of the threat of or actual loss of competitiveness due to penetration of the Spanish market by foreign firms and retail systems.

The five firms are facing up to the process of reorganization in different ways, but all of them consider the training of their employees as part of the restructuring. Some firms are including training as an element of their policy for the first time. Others are modifying earlier practice and are gradually formulating new policies to cope with the present situation.

In three of the five firms chosen for study, decisions in the matter of training lie with the management. In the fourth firm they are the responsibility of the human resources manager and are part of general management strategy, while in the fifth firm there is a growing tendency to link training more closely with the firm's general and commercial policy.

This latter characteristic is perhaps not common to the retail sector as a whole, although the fact that training policies are in their infancy and being implemented at a vital moment in the life of the firm justifies the hypothesis that linking training and general policy is far more frequent than might be expected.

The personnel policy in a number of the firms studied is aimed to a greater or lesser extent at improving the working conditions of employees, by means of salaries higher than those collectively agreed, more rational and improved promotion systems, better channels of communication and other methods in order to arrive at a lower rate of staff turnover, greater productivity, a higher standard of service and a return on the training given.

Allowing for the structure of the retail sector, which is largely made up of small individually-owned firms, one cannot say that the picture presented is a general one. However, it is an example of the training policies firms are putting into practice.

Our choice of an institution in the retail trade, the Confederación del Comercio de Cataluña in conjunction with a medium-sized enterprise, is due to the desire to offer a serious alternative to small and medium-sized enterprises which cannot afford their own training organization but can formulate policies that include training.

Another of the case studies revealed a training programme offering innovations in continuing training because of its methodology, particularly in situations and cases where lack of motivation is an important factor.

The third case was a firm whose general policy has traditionally linked staff training with total quality and the strategies used to achieve it – a situation as yet infrequently met in the retail trade.

The remaining two cases are larger organizations in terms of capital, number of retail outlets and employees, who allocate substantial sums to staff training.

2. Planning and design of training courses

As we have pointed out above, in most of the cases studied training is starting to be regarded as an important element in the restructuring or expansion of the firm and is planned as part of the company's general strategy. Those firms that are aiming for success through specialization or quality are altering their training concept and are devising new and ambitious plans that accord with their current strategy, while disregarding programmes devised with a different policy in mind.

Here the success of their strategies is linked to a better training of staff, so that efforts are made to incorporate commercial objectives in daily practice.

In other cases training is seen as a means of easing the change to different policies. This applies to companies involved in processes of expansion or specialization. In all of them the new training programmes have been thought out to meet the needs of the firm and its objective of penetrating new markets.

Other express objectives are the creation or strengthening of a corporate culture, especially in those firms who base their strategy on quality and high standards of service.

An objective added by one of the firms studied was a greater motivation, enhanced social skills and the "dynamization" of its staff. This is an important objective in a sector which until very recently was not notable for its human resources policy.

In all the cases studied the elaboration of a training policy and the planning of training courses is decided at top management level, or in the personnel departments in close contact with them, so as to guarantee consistency with the company's objectives. Its implementation is the responsibility of the personnel or training departments.

Training needs are usually analyzed on the basis of reports or requests which are gathered more or less formally at meetings between the firm's middle

and top management. Only one of the firms had carried out a systematic study to ascertain the current level of qualification of its employees, needs for qualification, the skills and aptitudes necessary to achieve the objectives set, and the training programme designed to meet these needs.

The absence or the shortcomings of such an analysis has in some cases led to weaknesses in the planning of training which become more significant with the firm's size. In one case it was also possible to note a certain inconsistency between the strategies formulated and the planning of the relevant training courses, and between the analysis of the workforce and its qualifications and its present and future needs.

No involvement of the employees or of their representatives was found to exist at any stage in the decision-making process or the organization of training. In some cases this was at the express wish of the firm and in others was due to the weakness of the staff representatives or their failure to give priority to the matter because of more urgent issues such as salaries, working hours etc. In most cases staff representatives were informed of the firm's plans beforehand.

None of the firms studied had formulated a policy as regards employees' need for training and the response to it was not systematic. As a result, training needs become individual issues which when treated as such may lead to arbitrariness.

The planning and designing of training in almost all the firms reflects the situation of transition from an absence of policy to the emergence of one, or from one concept to another. This situation would seem to be common to the few firms in the retail trade which do have a training policy. Moreover, as we have seen in the course of this report, this parallels the evolution of the retail trade itself, which is faced with competition on a scale unknown until the eighties. Training understood as a list of activities has given way to planned training aiming to meet the needs for qualification in the firms concerned.

3. Beneficiaries of training

In the five cases studied all categories of employees had access to training with the exception of those employees not strictly involved in selling (drivers, dressmakers, biologists, etc.). This does not mean that the quality and quantity of training offered was the same, but simply that no category of employee was excluded from training in the firm's planning.

In principle all the firms studied have continuing training at all levels, thus for employees already working in different jobs It is, therefore, not directly aimed at helping them to adapt to a new job

Basic training only exists – and this is important – in three of the five firms, which happen to be the largest and also those with a strategy based on standard of service, quality of goods and specialization. In all three cases basic training is used as a source of subsequent recruitment, firstly on a temporary basis and later on to permanent posts.

On the other hand, this basic training exists almost solely for lower-grade sales staff because of the lack of any sales training in the general educational system. In the case of heads of department, floor managers, purchasing managers and the like, the firms had no systematic basic training, although this is found in superstores, which are rapidly expanding.

Organizational differences may be observed between the training of lower-grade personnel and that of supervisory and managerial staff. One of these differences is in the planning. The training for lower-grade staff is better planned and is wider-ranging than that given to supervisory staff in the various firms and is also organized in-house both in terms of rooms used and instructors. This may have something to do with the difficulties firms have in finding personnel suitable for supervisory positions on the labour market and their need to get to know and train their lower-grade staff better, even though all firms do not give this express objective. The organization of in-house training may also be explained by the firms' fear that hopes of promotion may be, encouraged, as indeed they are.

Training for lower-grade sales personnel is also improving, a fact which reflects in employees' acceptance of training; they now consider it worthwhile.

The training for supervisory staff and management is very often left to the personal judgement of those involved, and is designed to accommodate their needs and the time available. In many cases it is organized outside the firm. Older firms with employees with many years of service have considerable problems convincing people of the importance of training for themselves and for their subordinates. The need for rejuvenation of the workforce is seen as very important – hence the creation in one of the firms studied of specific training programmes for lower-grade personnel with a view to preparing them for promotion to such posts.

Office staff are given less training, whether basic or continuous, since they are recruited with the training provided within the framework of the educational system and they adapt to the job by doing the work. Training given tends to be more related to the introduction of new systems.

No firm excludes employees from training on the basis of type of contract of employment – whether fixed-term or permanent – or on the basis of whether they work part-time or full-time. In two of the firms part-time employees have the same training opportunities as full-timers and courses are organized to ensure that they can attend them in working hours. Another two firms have no part-time staff. In the fifth part-time staff are not excluded but they may have to make a personal effort to attend certain stages of training.

No training exists for temporary employees – by which we mean those working one day a week or for several days over Christmas. However, training is available for those who are taken on by larger firms, firstly for a period of three months over Christmas or in the summer. Such people may then be put on longer contracts that are converted into permanent contracts in due course.

In the course of our case studies we found that women represent approximately 60% of the workforce and account for almost 90% of lower-grade posts, and that, with one exception, promotion has to date not been available to them. Selection of those to attend training courses and be promoted are traditionally based on the opinions of superiors and are currently being altered in an attempt to ensure that the firm benefits more from the potential of its employees through the application of more objective promotion criteria. Firms are increasingly aware of this fact and although no positive action is being taken as regards women, attitudes are changing. Moreover, since most of the staff attending courses are women, their job prospects can be improved.

4. Content, methods and organization

The organization of training in four of the five firms studied was the responsibility of the human resources, personnel or training department – the latter exists in three of the firms studied with different degrees of autonomy. These departments generally design the training programmes with its content and duration and decide on the instructors, especially in the case of sales assistants whose training is generally done in-house. There is also a tendency to provide training for supervisory staff in-house, whereas for senior staff preference is given to training facilities available outside the firm.

The organization of internal training courses for sales assistants also presumes the existence of internal instructors. These may be another employee, whether or not superior to the trainees, who is trained to carry out this task, or specializt instructors employed by the firm specifically for this purpose.

The use of employees who occasionally give instruction on a particular subject encourages the idea that training is important by involving employees at different levels and is appreciated by everyone. Something similar happens with the firm's own instructors, with whom employees cooperate better and from whom they learn more because they feel closer to them. However, this system imposes an additional burden on the people acting as instructors if they are not to neglect their normal jobs.

In the case of supervisory staff such as heads of department, floor managers, managers of small stores etc. there is a tendency to adopt the same system, although in the past they tended to take part in outside courses. At present the impression that "There are no good trainers" for such staff and the desire to create a corporate culture is leading to a movement within some firms to develop their own facilities for training staff at these levels.

In general there is also a tendency to alternate theoretical training with practical training supervised at the workplace or elsewhere, and the success of this system in the case of sales assistants depends very much on the importance their immediate superiors attribute to training and the encouragement they give to those of their staff who receive it.

The content of training courses in the retail sector is steadily being developed. This is because modern forms of retailing have only recently come to Spain and there has been no tradition of reflecting and preparing training materials nor, in many cases, even people with any real knowledge of the subjects involved. The first step was to use materials and systems originating abroad, which had to be adapted to Spanish needs. If they were successfully adapted they were rapidly rendered obsolete because of the pace of development of the retail trade in Europe. At present firms who are interested in training devote staff and effort to the matter and devise course contents more in line with the needs of consumers and of the firms themselves.

More frequently courses deal with the management of stores and the different departments, emphasizing both the financial and administrative aspects, as well as team leadership, product knowledge (perishable produce in a first stage followed by other goods) and selling techniques – where the subject of corporate culture is introduced.

The various types of subject-matter depend on the different posts and job categories of trainees but as a general rule product knowledge is that most related to the workplace. Subjects connected with management or selling techniques, which are of a more general nature, can be found in training programmes for both cashiers and department managers.

The general nature of many training courses is probably necessary as part of the process of

providing retailing qualifications which hitherto was only gained on the job. In this sense it can encourage job mobility at this stage.

Teaching methods are changing as well as course content, and discussion, case study, simulated situations, audiovisual aids, correspondence courses and games are habitually used to stimulate motivation and involvement on the part of employees, the majority of whom have a low level of general education and need such methods to help them get the most out of training.

The training activities of the firms studied reflect the different stages of evolution of the retail trade and, since they involve different systems applicable to different stages, may be transferable in whole or part to those countries that are at a similar stage of socio-economic development.

5. Cost and financing

For some firms struggling with the urgent problem of achieving cost effectiveness in the short-term, training is an additional cost that slows down their progress or expansion. For others it is an investment for the medium or longer term. The difference in views sometimes lies in the objectives the firms have set themselves and the strategies they have devised for attaining them.

As a general rule firms are now investing more in training than in the recent past, even though the amounts involved are in some cases insignificant in relation to total personnel costs.

None of the firms have attempted a cost/benefit analysis. They have expressed the difficulties they find in performing such an exercise in a sector undergoing rapid change, where a variety of internal and external factors may influence the firm's progress and sales. Two years ago one of the firms attempted a cost/benefit analysis as an experiment but did not continue the exercise and did not consider the results very accurate.

The impact of training is sometimes measured in terms of customer satisfaction, which is ascertained by means of periodic surveys or by monitoring changes in the behaviour of personnel who have received training.

The opinions of staff as regards their behaviour and sales performance are also a useful means of assessment, since many employees are very aware of the fact that the new tools they have been given will help them to sell more and sell better.

Firms call for a more active involvement of the public authorities through fiscal incentives or subsidies for training in order to remedy the traditional lack of training in the retail trade.

Subsidies are currently granted by a number of different local, regional and national authorities, who on occasion serve as a channel for EC vocational training funds. These subsidies may be paid directly to firms if they are large enough and well enough organized to meet the requirements set, or to intermediate bodies in the retail sector, thereby ensuring that small and medium-sized enterprises can have access to training at lower cost.

However, these subsidies are not widely used in the retail trade and only large firms have really benefited from them.

The two largest firms in our study had received direct subsidies while the smallest used an outside organization which was also in receipt of funds. The other two firms financed their training activities entirely from internal sources.

SECTION 10 – SOURCES OF INFORMATION

3.

Previous studies of the retail trade

- Análisis de la Distribución Comercial en España. Andersen Consulting. 1989
- Características estructurales del comercio minorista y mayorista en España, IRESCO, 1983
- Centros comerciales y mercados minoristas. Informe y Directorio. Dirección General de Comercio Interior, Ministerio de Economía y Hacienda, 1989
- Construction d'une professionnalité: Le cas du commerce espagnol. CIREM, 1989
- La distributión en España. Embajada Francesa en Madrid, 1987
- Informe sobre el comercio asociado en España. IRESCO, 1984
- Encuesta sobre el Comercio interior 1988. Instituto Nacional de Estadística, 1991
- Informe Nielsen, 1985, 1988 y 1990. Nielsen Marketing Research
- La estructura del comercio catalán. Generalitat de Cataluña, 1989

Sources of information

In preparing this report we made use not only of the publications already mentioned but also of specialist publications concerned with the retail trade, such as Alimarket, Aral, Código 84, Distribución Actualidad, Droguería Actualidad, Apuntes de Franchising etc. and publications of the National Statistical Institute and the Ministry of Labour, the Anuarios del Mercado Español published by the Banco Español de Crédito, and La Renta Nacional de España published by Banco Bilbao Vizcaya.

SECTION 11 – METHODOLOGICAL NOTE

3.

The lack of the relevant statistical data has been a constant feature of the preparation of this report. Either figures did not exist, or the statistical series were not long enough, or they did not relate to identical groupings. The chief obstacle has been that data on the retail trade is almost always combined with that of other related sectors, such as repairs and the hotel and catering trade, and that when data was available the wholesale trade and middlemen were also included.

The following are the explanations we consider most necessary listed chapter by chapter.

Section 2
Table 3 lists retail licences, that is to say the licence that any trader has to hold in order to sell a certain article in his shop.

This data had to be used due to the lack of any kind of commercial register in Spain, so that the number of licences was the nearest approximation.

However, it is important to realize that shops are not granted just one licence, but are granted a licence for each group of articles. Thus a shop which sells only shoes will have one licence whereas a shop which sells food, clothing and toiletries will have three.

Another problem with retail licences is that there is no guarantee that the figures allow for the number of closedowns in the sector – a further reason for regarding the figures as somewhat inflated.

Some autonomous communities have started drawing up a detailed register of retail outlets. This has made it possible to calculate a coefficient which, divided into the number of licences, should give us the number of retail outlets in existence as accurately as possible. This coefficient may vary between 1.2 and 2.

However, what is important is to realize the increase that has taken place in the number of retail licences issued for any kind of article over the period 1985/1990. This reflects the growth of the retail trade over this period.

No reliable figures have been found for the market share of the different forms of retailing, except in the case of food. When dealing with specialization, retail licences were again used.

Section 4
Employment statistics pose the greatest problems for the reasons mentioned above. No figures are published for the job structure in the retail trade or for the number of part-time and fixed-term contracts. Statements not drawn from official statistics are based on information obtained during interviews with personnel managers in the retail trade.

Section 5
Again, no reliable figures are available for the amounts spent by firms on training, not just in the retail trade but in any other sector.

CEDEFOP — European Centre for the Development of Vocational Training

Training in the retail trade in Spain

Marisa Méndez-Vigo

Luxembourg: Office for Official Publications of the European Communities

1994 — 99 pp. — 21.0 x 29.7 cm

ISBN 92-826-7498-3

Price (excluding VAT) in Luxembourg: ECU 8

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