van den Tillaart, Harry
European Centre for the Development of Vocational Training, Berlin (Germany).
ISBN-92-826-7031-7
90p.; For reports on other countries, see ED 372 241-243, CE 068 309-314, and CE 068 318. Cover title varies.
UNIPUB, 4661-F Assembly Drive, Lanham, MD 20706-4291
(Catalogue No. HX-80-93-703-EN-C: 8 European Currency Units).
Reports - Research/Technical (143)
Case Studies; Corporate Education; *Distributive Education; Educational Improvement; Educational Needs; *Educational Trends; *Education Work Relationship; Employment Patterns; Foreign Countries; *Job Training; Labor Market; Merchandising; Personnel Management; Postsecondary Education; Private Sector; Recruitment; *Retailing; Sales Occupations; Secondary Education; Tables (Data); *Training Methods; Training Objectives; Trend Analysis
*Netherlands
An international team of researchers studied the following aspects of training in the Netherlands' retail sector: structure and characteristics, institutional and social context, employment and labor, changing conditions and their implications for skill requirements, and training and recruitment. Data were collected from an analysis of social and labor/employment statistics, literature review, and case studies of two branches of multiple-outlet retail chains and the independent retailers of food and nonfood items. All four companies were responding to increasing consumer demands for quality and service by increasing qualifications required of new employees and providing additional training opportunities for staff. Decentralization of the training function and differentiation of available training through the introduction of workplace training, tailor-made courses, modular and project-style training, and individualized training pathways were two emerging trends. Shopkeepers often received training from wholesalers motivated by shared interests; however, internal training was increasing. External training institutes have also begun specializing in delivering training tailored to client companies. Most training was company specific rather than transferable, and remained primarily a matter for individual employers. Most companies were investing fairly considerable sums in training/retraining without making any attempt to analyze the relative costs and benefits of training.
(Contains 33 tables/figures and 25 references.) (MN)
RETAIL SECTOR

TRAINING IN THE RETAIL TRADE IN THE NETHERLANDS
REPORT FOR THE FORCE PROGRAMME

drawn up by
Harry van den Tillaart
Institute for Applied Social Sciences (ITS)

1992

First edition, Berlin 1993
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
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European Centre for the Development of Vocational Training
Jean Monnet House, Bundesallee 22, D-10717 Berlin

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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.

The Central Team was composed of Olivier Bertrand (Cereq, Paris), Oriol Horns (Cirem, Barcelona), Willfried Kruse (S.F.S. Dortmund), Marisa Mendez-Vigo (Cirem, Barcelona) and Harry van den Tillaert (ITS, Nijmegen), in close collaboration with Tina Bertzeletou from Cedef-OP (Berlin).

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:

Koninklijk Nederlands Ondernemersverbond (KNOV), Broekmolenweg 20, 2280 AJ Rijswijk.

Nederlands Christelijk Ondernemers Verbond (NCOV), Treubstaat 25, 2280 HV Rijswijk.


Dienstenbond FNV, Houttuinlaan 3, 3440 AN Woerden.

Dienstenbond CNV, Hobbemastraat 12, 1070 AA Amsterdam.
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1.1 Definition and limits of the sector

Diverging from the "European classification of industries", the definition of the retail trade according to the HBD (Hoofdbedrijfschap Detailhandel) - Central Industrial Board for the Retail Trade - does include the retail trade in bicycles, mopeds and motorcycles, and bicycle and motorcycle repair shops. Dispensing chemists are not included in the HBD definition.

The Dutch Central Bureau of Statistics (CBS) uses a wider definition of the retail trade, which also covers the sale of cars and sales by petrol stations and dispensing chemists.

1.2 Structure and characteristics of retailing

1.2.1 Historical development: the retail revolution

Until well into the seventeenth century, the weekly and annual markets were the most important forums for retailing. The 'shop' as a phenomenon did not come into being until later. There is evidence of a degree of specialization in shopkeeping at a relatively early stage: woven fabrics, dry goods, Chinese goods, colonial goods, ironmongery etc. As early as 1767 there was already a highly specialized trade in Amsterdam 'of more than a thousand names' (EIM, 1974).

The industrial revolution brought about an important wave of changes in distribution. Mass distribution was a logical follow-on from mass production.

In the Netherlands industrialization appeared first in the textile sector, with revitalizing effects on the retail trade. In about 1820, for example, we find the 'Winkel van Sinkel' selling fabrics to suit all tastes and in the latest fashions. For the first time, around 1830, stores were opened in Utrecht and Leeuwarden.

By about 1860 industrialization had really got under way in the Netherlands, and this was linked with a general economic revival. 'De Bijenkorf', the first department store in the Netherlands, was established in 1870. It was followed in 1877 by 'Zon'. The department store was in fact the central showcase for all the new products of the industrial revolution. It was truly revolutionary for its time in that it was the first to use large windows. Under the influence of the up-and-coming advertising industry, this meant that more attention could be paid to the presentation of goods. The department store was thus able to demonstrate that it was 'a home to all markers'.
endeavouring to neutralize the economies of scale enjoyed by large companies. Traditional forms of collaboration, set up with this objective, are the purchasing cooperative and the voluntary chain. In recent decades these have developed along the lines of marketing organizations. This has not happened without a struggle. Developing and operating tighter shop formulas is very likely to encounter resistance from existing members, since they often regard this as a serious erosion of their independence. Nevertheless, it is often necessary to maintain small and medium-sized business’s market share, which has been put under pressure particularly since 1975- see table 1.

A newer form of collaboration is franchising. This almost always involves working under a uniform name with a tight formula. This type of collaboration has been growing very well, particularly since 1975. The number of sales outlets operated by franchise organizations rose by 25% between 1980 and 1985.

Both manufacturers and (chain) store companies use the franchise formula. It makes it possible for independent entrepreneurs to operate under the flag and the name of the chain store. In this way, big business succeeds in utilizing the strengths of the independent entrepreneur in its own organization. Conversely, small and medium-sized firms succeed in copying the strengths of the large company. Independent shopkeepers with complementary businesses (such as bakers, greengrocers, butchers) can achieve the one-stop-shopping advantage of the supermarket by bringing their shops together under one roof.

Finally there is the concession system in which a particular (small) retailer operates as a concessionaire and runs a shop within another (larger) shop. Examples include a butcher in a supermarket or a florist’s kiosk in a department store. There are signs that this shop-within-a-shop concept is increasing in importance, because large-scale enterprises are restricting themselves to their core business and are having peripheral activities carried out by specialists on a concession basis.

Table 1 - Market shares of small and medium-sized enterprises (SME) and large-scale enterprises in retail (in percent)

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Food and beverages</td>
<td>SME</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt;100 employees</td>
<td>79</td>
<td>75</td>
<td>67</td>
<td>58</td>
<td>53</td>
</tr>
<tr>
<td>Large-scale enterprises</td>
<td>21</td>
<td>25</td>
<td>33</td>
<td>42</td>
<td>47</td>
</tr>
<tr>
<td>Consumer durables</td>
<td>SME</td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>74</td>
<td>73</td>
<td>74</td>
<td>68</td>
<td>63</td>
</tr>
<tr>
<td>Large-scale</td>
<td>26</td>
<td>27</td>
<td>26</td>
<td>32</td>
<td>37</td>
</tr>
<tr>
<td>Total</td>
<td>SME</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>76</td>
<td>74</td>
<td>71</td>
<td>63</td>
<td>59</td>
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<tr>
<td>Large-scale</td>
<td>24</td>
<td>26</td>
<td>29</td>
<td>37</td>
<td>41</td>
</tr>
</tbody>
</table>

Source: CBS; processing by EIM (Economic Institute for Small and Medium-sized Business).

It is estimated that more than half of all small retailers today are involved in one form or another of commercial cooperation. This, added to the market share of the large-scale retail firms (see table 1), means that by far the greater part of the retail trade is organized. This development has far-reaching implications for commercial relations in the production and marketing chain, since the power in this chain is shifting to some extent, particularly in the food sector, from the manufacturer and wholesaler to the retailer. This has meant that the relation between manufacturers and retailers can take on the character of account management, with manufacturers gearing their output to the needs of the retail trade. Other manufacturers seek a solution in a different direction. Some, for example, set up a franchise organization so that they can continue to sell their own products profitably.

In 1990 the total private consumption of goods and services amounted to 281 billion guilders. Total private expenditure through the retail trade amounted to more than 116 billion guilders in 1990. This means that in 1990 the share of private consumption through the retail trade was something over 41% (in 1980 it was 46%; De Jong, 1990). The remaining 59% was spent in other sectors: insurances, tourism, catering, etc.

As we showed above, this money is spent in different forms of enterprise (chain stores, voluntary chains, franchise organizations, purchasing and sales cooperatives and concessions) and in different types of shop (department stores, specialist shops, supermarkets, etc.) which exist alongside one another and have an equal right to exist.

Figure 1 shows how the retail trade can be broken down into types of business. Firstly, a distinction can be made between shop and non-shop selling. Retailers who operate their businesses in shop premises come into the first category, and retailers who are not tied to a specific shop location come into the second.
Shop selling takes place on the one hand from specialist shops, which operate in virtually all sectors, and on the other from non-specialist shops. In the food sector the best known are supermarkets, in non-food they are department stores, and in the combined form of food/non-food they are the hypermarkets.

Non-shop selling breaks down into personal and impersonal selling. Personal selling includes street trading and direct sales. Impersonal selling takes place through a mail order company or by teleshopping (Ravesloot, 1989).

Figure 1 - Breakdown of retailing by type of business (percentages of turnover; Source: Ravesloot, 1989)

At 70%, specialist shops have the largest market share. Twenty percent of this turnover is generated by around 450 large-scale chainstores with about 10,000 outlets. The independent small and medium-sized sector (fewer than 100 employees), with approximately 120,000 specialist shops, accounts for 50% of total turnover (see tables 2 and 3). The specialist shops respond to competition from the supermarkets by projecting an image of quality and craftsmanship (a prime example is the 'family baker'), personal guidance of the customer, further specialization of goods offered and/or of customer groups, geographical amalgamation in the form of 'shopper halls' (covered produce markets) 'food courts', and shopping markets and by more far-reaching cooperation. Purchasing cooperatives have been in existence for years, but cooperation on the selling front has now also become a focus of interest. Most far-reaching of all is the cooperation in franchising, where shopkeepers are provided with a completely standardized formula.

Supermarkets have a retailing market share of 15%. They profit from the great demand for one-stop shopping. This demand is explained by:

- the number of small households and families in which both husband and wife work outside the home, leaving less time for shopping;
- the demand for shopping efficiency, since the consumer is not prepared to devote much effort to food-buying;
- the mobility brought about by increased car ownership;
- the storage life of foods because of freezers, special packaging etc. (Ravesloot, 1989).

Definitions of forms of distribution

Supermarket:
a self-service store with a large sales area (from 400 to 2500 m²), in which all fresh produce groups are generally sold alongside groceries.

Department store:
a large retail establishment with a wide range of different, not necessarily related groups of items which are sold from different departments. There are two variants: 'conventional' department stores with a sales floor area in excess of 7500 m², and 'variety stores' with a sales floor area from about 100 to 7500 m².

Hypermarket:
a department store style of distribution, characterized by a wide and shallow range containing a great many groups of durable and non-durable consumer products that are sold by the self-service system. Hypermarkets are usually located outside or on the outskirts of large towns and have a sales area of more than 2500 m².

Specialist shops
aim at the less price-sensitive market by means of narrow but deep ranges.

Non-shop selling:
retailing that is not tied to a particular shop location. This includes street trading (for example market trading), direct sales such as party selling (for example Tupperware) or direct sales by a factory, mail order firms and teleshopping, in which the selection and/or ordering is done via a screen or over the telephone.

In the early eighties the supermarkets were characterized by efficiency, little added value and low prices. In recent years, however, the trend has changed direction.

In response to consumers' increasing awareness of price and quality, supermarkets are trying to set themselves apart in two ways.

- On the one hand they offer added value (upgrading by, among other things, more service, deeper ranges and more environmentally-friendly items). This upgrading is often achieved by working with concessionaires (independents as subtenants). There are numerous butchers, bakers, dairy specialists, wine merchants, chemists, tobacconists and florists who carry on their specialization as a 'shop within a shop'.
- On the other they perciealize the price image by even more far-reaching cost control, achieving this primarily through concentration, automation and carrying their own brands (Ravesloot, 1989).
In the retail sector, department stores have had a market share of 5 to 6% for over two decades. There has however been a shift towards variety stores at the expense of the larger conventional department stores. Three developments have worsened the position of these conventional department stores.

- The increasing scale and concentration among competitors meant that the department stores' traditional advantage because of cost and purchasing economies was lost.
- The nature of the competition has changed dramatically in the past few decades: on the one hand (quality) specialists and on the other (large-scale) low price formulas. The problem facing the department store is that the cost structure to compete on price is lacking, while to compete on quality they have to approach the professionalism of the specialist shops. In other words the department store has found itself in the middle, as a result of which the commercial formula has become blurred. A situation in which the department store is in danger of being squeezed by the pressure from the top and the bottom end of the market.
- In the nineteen-sixties and seventies the shopping function of the city centres, the traditional location of the department store, deteriorated. Moreover, new shopping centres grew up in areas of the city outside the centre, and these can actually be seen as direct competitors of the department stores because they also offered one-stop shopping (Ravesloot, 1989).

In terms of size, however, these shopping centres cannot be compared with the huge shopping centres located outside towns in France. In order to regain a clear and attractive image among consumers, the department stores changed their range in the mid-eighties, with heavy emphasis on fashion and fashion-related products. This form of specialization is often coupled with the introduction of concessionaires and with a degree of upgrading. Some department stores are clearly more successful in this than others.

### Table 2 - Estimated market shares in 1990 (in percent of retailing turnover)

<table>
<thead>
<tr>
<th>Market Share</th>
<th>Total</th>
<th>Supermarket</th>
<th>Department Store</th>
<th>Hypermarket</th>
<th>Specialist Shop</th>
<th>Street Trade</th>
<th>Mail Order</th>
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<tr>
<td>SME</td>
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<td>2</td>
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<tr>
<td>Food</td>
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<td>2</td>
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<tr>
<td>Non-food</td>
<td>60</td>
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<td>4</td>
<td>1</td>
<td>50</td>
<td>2</td>
<td>2</td>
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</table>

*All figures approximate*

Source: EIM.

In the early nineteen-seventies the expectations for hypermarkets were very high. Clearly, consumers were tending more and more to go to large-scale, standardized shops. After strong initial growth in the seventies, however, the hypermarket sector has stabilized in terms of both numbers and size. This development runs totally counter to the original projections. Certainly in comparison with other countries, the growth of this form of distribution has lagged behind. The main explanation for the limited significance of Dutch hypermarkets is the restrictive legislation which came into being as a result of political pressure. However, there may well be other reasons for the hypermarket's lack of success.

- Most hypermarkets do not have national chain stores, service organizations (banks, post office) and a range of refreshment facilities in the immediate vicinity.
- The lack of suitable locations for hypermarkets in the Netherlands (Ravesloot, 1989).

- The generally good, fine-meshed network of shops in the Netherlands.
- Many supermarkets, chain stores and other retailers also offer large shop areas, low prices and shopping efficiency (particularly in the food sector).
Table 3 - Estimated number of sales outlets in 1990*

<table>
<thead>
<tr>
<th>branches</th>
<th>total</th>
<th>supermarket</th>
<th>department store</th>
<th>hypermarket</th>
<th>specialist shop</th>
<th>street trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retailing</td>
<td>155,000</td>
<td>5,000</td>
<td>270</td>
<td>30</td>
<td>130,000</td>
<td>20,000</td>
</tr>
<tr>
<td>a. of which SME</td>
<td>142,500</td>
<td>2,500</td>
<td>110</td>
<td>120,000</td>
<td>20,000</td>
<td></td>
</tr>
<tr>
<td>Large-scale</td>
<td>12,500</td>
<td>2,500</td>
<td>160</td>
<td>30</td>
<td>10,000</td>
<td></td>
</tr>
<tr>
<td>enterprises</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. of which</td>
<td>45,000</td>
<td>5,000</td>
<td>270</td>
<td>30,000</td>
<td>10,000</td>
<td></td>
</tr>
<tr>
<td>Food</td>
<td></td>
<td></td>
<td></td>
<td>10,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-food</td>
<td>110,000</td>
<td></td>
<td></td>
<td>100,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* all figures approximate

Non-shop selling has an 8% market share in retailing. Street trading accounts for 6% of this. The number of market, street and river traders reached an all-time low in the nineteen-seventies (around 13,000) but has since recovered to around 28,000 now.

For the time being, direct selling is of marginal importance. The great majority of direct sales take place through party selling, with a turnover of about 200 million guilders.

Mail order customers are primarily women from younger and larger households, living in small towns or rural areas and belonging to the average and below-average social classes. The volume of mail order shopping per head of the population in the Netherlands is low in comparison with other European countries. A possible explanation for this is the good shop density in the Netherlands, even in rural areas, and the short distances to the towns.

Teleshopping’s share of the Dutch retail trade is negligible since it is still more or less in the experimental phase. It is to be expected that mail order firms, in particular, will be looking hard at the sales opportunities presented by teleshopping. Other companies, however, particularly the large-scale retail firms, will also see opportunities to boost their sales by means of the small screen.

One of the principal obstacles to the development of teleshopping is the lack of suitable equipment in consumers’ homes (HBD, 1990).

1.2.3 Number and size of the firms

In 1950, there were almost 200,000 stores in the Netherlands. At that time there was almost literally a shop on every street corner. By 1970 the number had dropped to 165,000 and in 1990 there were around 137,000 retail enterprises, operating some 155,000 sales outlets. The decrease in the number of shops has gone hand in hand with an increase in the average size of the remaining outlets. The most obvious example of this is the retail trade in food and beverages. It is this sector, above all, that has experienced the development from a shop with assistants serving the customers, through self-service store and supermarket to discount store and hypermarket. The number of shops in the food sector has been drastically reduced - from 83,000 in 1950 to 28,000 in 1985. This development has generally, taken place at the expense of small, independent grocers. While the turnover of those who remain did indeed rise, in this period they nonetheless saw a significant share of the market go to the big chains (see table 1), despite the fact that many independent grocers started working together in commercial organizations in order to be able to achieve as far as possible the same economies of scale as the large firms.

Many retail businesses are still small. Half of all retail enterprises have no salaried employees. Table 4 shows that retailing is under-represented in all sizes of businesses from 9 employees upwards.

Table 4 - Percentage of firms by number of employees in 1990

<table>
<thead>
<tr>
<th>employees</th>
<th>retail</th>
<th>all sectors</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 to 4</td>
<td>80.5</td>
<td>78.9</td>
</tr>
<tr>
<td>5 to 9</td>
<td>9.7</td>
<td>7.4</td>
</tr>
<tr>
<td>10 to 49</td>
<td>4.2</td>
<td>6.3</td>
</tr>
<tr>
<td>50 to 99</td>
<td>0.2</td>
<td>0.7</td>
</tr>
<tr>
<td>100 and more</td>
<td>0.1</td>
<td>0.5</td>
</tr>
<tr>
<td>unknown</td>
<td>5.2</td>
<td>6.2</td>
</tr>
</tbody>
</table>

* Source: Chamber of Commerce.
1.3 The institutional and social context

The crisis of 1929 brought about the first legislative measures in the field of economic regulation. The earliest measures were primarily emergency acts, such as the Crisis Import Act of 1931 and the 1933 Agricultural Crisis Act. During the second half of the nineteen-thirties more permanent legislation was passed, aimed at ensuring sound economic development. Politicians became convinced that the government could not limit its intervention in society to issuing negative directives to rectify or ameliorate crisis situations, and that it had to demonstrate its responsibilities towards society by taking on the one hand regulatory and on the other protective measures.

For example of this - and also the first major law relating to retailing and trades - is the Small Business Establishment Act of 1937. Others are the Trading Hours Act of 1951, the 1956 Economic Competition Act and the 1961 Hire Purchase Act.

The Small Business Establishment Act not only aimed incidentally at combating the consequences of the crisis situation, but also primarily at raising the standard of operations in retailing and trades. Until 1937, any Dutch person who wanted to could start up a retail establishment or set himself up as a tradesman without anyone asking about his qualifications. The Small Business Establishment Act put an end to this. A major reason underlying the introduction of this act was the great influx of people into retailing and the trades during the economic recession of the nineteen-thirties.

The Small Business Establishment Act of 1937 - later replaced by the 1954 Companies Establishment Act - laid down business licensing conditions relating to knowledge of commerce, occupational competence and credit-worthiness. The act made it necessary to demarcate the boundaries between sectors and to ensure that there was appropriate training for each individual sector.

By about 1950 virtually all the major sectors in retailing and trades were subject to a business licensing order, so that a widespread network of business training courses had also grown up. The occupational competence component was provided by training organized on a sector-by-sector basis. In most cases this was later expanded with refresher and further training courses for employers and employees.

While they presented no problem to the trades, the sector boundaries were increasingly seen as restrictive by the retail sector since there was an evident trend towards non-specialization. For this reason, retailing was taken out of the 1954 Companies Establishment Act in 1970 and covered by a separate Retail Businesses Establishment Act. With some exceptions, this Act enables the retailer to make up his range as he sees fit.

In recent years the government has been pursuing a deregulatory policy. The aim of this policy is to regulate less by means of legislation and to leave more to the responsibility of the various parties involved, such as employer organizations and the trades unions. At the moment, the government is trying to work towards the repeal or at least easing of the business licensing legislation. These attempts are currently encountering stiff resistance, particularly from existing shopkeepers and their representatives. There are also moves toward: the liberalization of shop opening hours, since the legislation in this area - the most recent Trading Hours Act dates from 1976 - is no longer in line with the altered living and working patterns of Dutch citizens. At present, Dutch shops are allowed to open for a maximum of 52 hours a week and are closed on Sundays. They are usually open on weekdays from nine in the morning until six in the afternoon, except on Saturdays, when they close at 5 p.m., and on one late shopping night, usually Thursday or Friday, when closing time is 9 p.m. In comparison with other European nations, the law dealing with opening hours in the Netherlands is on the restrictive side. Experiments in which fewer legal restrictions apply were recently started in a number of so-called 'D' districts [Deregulation districts]. Early indications are that neither the shopkeepers nor the employees are showing much enthusiasm for making any changes.

Aside from this regulatory and protective legislation there is also legislative regulation in the field of labour relations and working conditions in companies.

Under the terms of the Works Councils Act of 1982, companies have a duty to set up a works council if they are employing 35 people or more who work for more than 13 hours a week. In 1990 there were about 150 works councils in the retail sector, more than a third of which are to be found in the four largest concerns. When one compares this with the more than 190 retail firms employing more than 100 people and the much greater number with between 35 and 100 employees, it is clear that many retail firms are not meeting the requirement imposed in the Works Councils Act.

With the introduction of the Remaining Groups Safety Order in 1990, the Working Conditions Act also became applicable in its entirety to the retail trade. This means that companies have to meet requirements in respect of the concern for the safety, health and welfare of their employees. The act also states that the concern for working conditions is the joint responsibility of employer and employees and that they must work together to promote this concern.

The employers in retailing are organized by sector. The HBD listed 43 sectors in 1991. Not infrequently, there are various employers’ organizations operating in one sector. These sector organizations are generally affiliated to one of the central employers’ organizations. These are the KNOV [Koninklijk Nederlands Ondernemingsverbond – Royal Dutch Business Federation] and the NCOV [Nederlands Christelijk Ondernemingsverbond – Dutch Christian Business Federation] for small and medium-sized firms and
The FGB Council (Raad voor het Filiaal- en Grootwinkelbedrijf - Council for chain stores and large-scale retail firms) for the big enterprises in the retail sector. And there are other separate employers’ organizations for cooperative employers in the food sector and for street traders.

Most organized employees are members of the Service Sector Union of the FNV (Federatie Nederlandse Vakverenigingen - Dutch Trades Union Federation) or the Service Sector Union of the CNV (Christelijk Nationaal Vakverbond - National Christian Trades Union Federation). These service sector unions also represent workers in the commercial services sector. Some employees in the retail trade are organized in the FNV Foodstuffs Union or the CNV Industry and Foodstuffs Union. The degree of organization within the retail sector is generally low. According to estimations it is about 5 percent.

Most employees are covered by a Collective Labour Agreement (CLA). In 1990 there were nine sector CLAs, three association CLAs (for shop staff of large-scale firms selling food, large-scale firms selling textiles, and academic and importing book sellers) and some company CLAs. In the sectors without their own CLA (including electrical equipment retailers, office stationers and chemists) the Secondary Working Conditions Order (VSAD) applies. This Order is in line with what has been agreed in the sector CLAs. Assistants who work for fewer than 12 hours a week are, until now, usually excluded from the CLAs. Negotiations are ongoing to cover this group in a CLA too.

A survey carried out by the DCA (Dienst Collectieve Arbeidsvoorwaarden – Collective Employment Conditions Department) indicates that training and employment creation agreements had been made in 67% of the 1989 CLAs in the trade and catering sectors. This percentage is roughly equal to the percentage for the average of all industrial sectors. CLAs in industry, construction and agriculture more often contain these types of agreements, those in the transport and service sectors less often (DCA, 1990).

The DCA also looked at the sectors in which social funds have been set up. These social funds, set up as part of CLAs, have their prime objective to stimulate activities aimed at improving the social climate in firms. Means for the funds are obtained through a wage levy. In 1989 there were six social funds in the retail sector (not including individual companies’ social funds) – for the butchers, the bakers, the food sector, textile retailing, furniture retailing and the mixed sector. The size of the levy (as a percentage of wages) ranged from 0.05% in textile retailing to 1.10% for the butchers. Social funds are not only used for training purposes but also for supporting trade union policies and for improving labour conditions in firms. In particular in the case of the butchers, the bakers and the furniture retailers, the resources from the social fund are used for training. In comparison with other sectors, it is only incidentally that funds to stimulate training are released through the CLA in the retail sector (Van Uitert, 1991).

### Table 5 - Employment in retail sector (x 1000)

<table>
<thead>
<tr>
<th>year</th>
<th>full-time number</th>
<th>volume*</th>
<th>number</th>
<th>part-time number</th>
<th>volume</th>
<th>number</th>
<th>self-employed/ incl. family members</th>
<th>total</th>
<th>volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>149</td>
<td>153</td>
<td>165</td>
<td>25</td>
<td>12</td>
<td>239</td>
<td>282</td>
<td>415</td>
<td>449</td>
</tr>
<tr>
<td>1965</td>
<td>128</td>
<td>152</td>
<td>201</td>
<td>14</td>
<td>18</td>
<td>203</td>
<td>241</td>
<td>434</td>
<td>444</td>
</tr>
<tr>
<td>1970</td>
<td>199</td>
<td>182</td>
<td>206</td>
<td>53</td>
<td>24</td>
<td>166</td>
<td>197</td>
<td>421</td>
<td>404</td>
</tr>
<tr>
<td>1975</td>
<td>206</td>
<td>172</td>
<td>204</td>
<td>77</td>
<td>32</td>
<td>140</td>
<td>159</td>
<td>424</td>
<td>364</td>
</tr>
<tr>
<td>1980</td>
<td>216</td>
<td>173</td>
<td>219</td>
<td>120</td>
<td>46</td>
<td>130</td>
<td>144</td>
<td>467</td>
<td>365</td>
</tr>
<tr>
<td>1985</td>
<td>194</td>
<td>152</td>
<td>209</td>
<td>143</td>
<td>57</td>
<td>111</td>
<td>122</td>
<td>450</td>
<td>332</td>
</tr>
<tr>
<td>1986</td>
<td>189</td>
<td>166</td>
<td>111</td>
<td>111</td>
<td>459</td>
<td>111</td>
<td>473</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*volume = labour volume in man-years (one man year being 2080 hours) * Source: CBS, Labour Volume Project EIM.

1.4 Employment and labour

Growth in the number of people employed. In the period 1960 to 1985, the number of people employed in retailing rose from 415,000 to 450,000 (see table 5). Only in the first half of the eighties there was temporarily a decline. This drop occurred exclusively in the consumer durables (furniture, clothing, footwear). In the food sector there has been a constant increase in the number of jobs, even in the period from 1980 to 1985. This contrasting development is probably related to the fact that sales in the consumer durables and fashion sectors are much more dependent on the economic situation than those in the food sector.

After 1985, with the economy clearly reviving, the number of people employed in retailing again rose, in both the food and non-food sectors. In 1986 and 1987 employment rose by 9,000 and 14,000 jobs respectively. There was also significant growth in the number of employees in the retail sector between 1988 and 1990. The exact figures are not yet available. The growth in the number of jobs is expected to be more modest in 1991 and 1992.
Decrease in the labour volume. Looking at the volume of labour, the opposite is the case. Employment fell from a volume of 449,000 man years in 1960 to 332,000 man years in 1985. The causes of this development are self-service (the customer has become part of the seller’s organization) and economies of scale (large shops have crowded out small (family) firms).

The shift from full-time to part-time. The figures show that a great many part-time jobs have been created in retailing since 1960. In 1960, something over 14% of workers in the retail sector had a part-time job. In 1970 this was 21% and by 1986 it had reached 47%. Until 1980, the numbers of both full-time and part-time jobs in retailing grew. From 1980 onwards, the number of full-time jobs dropped while the number of part-time jobs continued to rise.

In 1986, part-time jobs accounted for almost a quarter (24.8%) of all employment in the Netherlands. At 47%, the retail sector is clearly much higher. Part-time work is a characteristic feature of the retail sector. The rate of part-time work is high for two reasons. Firstly and most importantly, retail trading is subject to peak times and quiet periods. It is therefore more efficient to hire workers for certain hours only. Secondly, the hours of opening are usually longer than the normal working hours for an individual.

Part-time work can be broken down into part-time work on an irregular basis – workers called in by the firm when they are needed – and workers who have a regular contract for fewer than the usual number of hours (i.e. about 40) per week. Part-time workers who are called in have a contract that stipulates a minimum number of hours, but they usually work more than this. There has been a major increase in this kind of work – which is, of course, the most flexible form – in Dutch retailing. In consequence, the proportion of part-timers who worked for fewer than 20 hours a week rose from 15% in 1980 to 27% in 1988.

The shift from self-employed to employees. In the period from 1960 to 1985 the number of self-employed shopkeepers and family members working with them fell from 239,000 to 111,000. In the same period, the number of self-employed shopkeepers declined from 138,000 to 83,000, while the number of employees rose from 174,000 to 337,000.

The drop in the number of self-employed was brought about by competition from large retail firms that were able to take advantage of efficiencies of scale.

From 1985 onwards, the number of family members working in the business and the number of self-employed shopkeepers stabilized. As we have already said, about half of all independent shopkeepers are now involved in some form or other of commercial collaboration which implies to a lesser or larger extent an involvement of other parties in the management decisions taken at firm level. As well as a decrease in the number of self-employed retailers there is thus also a decline in quality: the extent to which the remaining self-employed retailers can operate freely; i.e. without having to take into account guidelines of others.

Traditional elements: a high proportion of women and young people. In 1971, 52% of employees in the retail sector were women. In 1977, the proportion of women had risen to 56%. In the period that followed the figure stabilized at around 57 to 58%.

In 1980 about 38 per cent of employees in retailing were under the age of 23; half were under 25 (Boog & Nijers, 1986). In the food and beverage sector, these figures were 59 and 69% respectively in the same year. The proportion of young people under 25 in the total employed working population (in other words excluding the self-employed and family members working with them) was 27% in 1980.

In 1987 about 36% of employees in retail were under the age of 23. In the overall private sector this figure is 16 per cent (see tabel 6). Only 40 per cent of employees in retail is older than 29.

In the overall private sector this figure is 60 per cent.

Table 6 – The age distribution of employees in retail sector and in overall private sector in 1987 (in percentages)

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Retail Sector</th>
<th>Overall Private Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>16-22</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>27</td>
<td>11</td>
</tr>
<tr>
<td>Female</td>
<td>42</td>
<td>28</td>
</tr>
<tr>
<td>Total</td>
<td>36</td>
<td>16</td>
</tr>
<tr>
<td>23-29</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>25</td>
<td>23</td>
</tr>
<tr>
<td>Female</td>
<td>23</td>
<td>29</td>
</tr>
<tr>
<td>Total</td>
<td>48</td>
<td>43</td>
</tr>
<tr>
<td>30 and older</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>48</td>
<td>66</td>
</tr>
<tr>
<td>Female</td>
<td>35</td>
<td>43</td>
</tr>
<tr>
<td>Total</td>
<td>83</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: CBS; processing EIM.
Young people are an attractive group from which to recruit, since the size of the (minimum) wage is tied to the age of the employee. The gross minimum wage for a 16 year old is 725 guilders per month (July, 1991). The gross wage is gradually increased; at the age of 23 it amounts to 2102 guilders per month. About 36% of the employees in the retail sector is younger than 23. This partly explains why the retail sector, with 22%, has the highest number of people with minimum wage. In the overall private sector only 4% of the labour force earns the minimum wage (Boog et al, 1989).

Table 7 - The distribution of workers in retailing in 1985 (x 1000)

<table>
<thead>
<tr>
<th></th>
<th>full time</th>
<th>part time</th>
<th>called-in</th>
<th>total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>no.</td>
<td>%</td>
<td>no.</td>
<td>%</td>
</tr>
<tr>
<td>men</td>
<td>117</td>
<td>60</td>
<td>17</td>
<td>12</td>
</tr>
<tr>
<td>women</td>
<td>78</td>
<td>40</td>
<td>83</td>
<td>31</td>
</tr>
<tr>
<td>total</td>
<td>195</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>married women</td>
<td>21</td>
<td>11</td>
<td>46</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Source: CBS, Half-yearly Wages Survey, revised by EIM.

Segregation by gender. As we have said, we find a great many part-time jobs and a great many women in Dutch retailing. Moreover, these characteristics often occur in combination (see table 7). In 1985 192,000 women were employed in retailing, only 78,000 (40%) of whom worked full time. The over-representation of women in part-time jobs – both on a regular and irregular basis – is enormous. Married women often have a part-time job. They are unlikely to work full time or on a call-in basis (Limburg Institute for Business and Economic Research (LIBER), 1989).

Table 8 - The proportions of men and women in occupational groups

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>managers in retailing</td>
<td>87.7</td>
<td>12.3</td>
<td>89.9</td>
<td>10.1</td>
<td>88.6</td>
<td>11.4</td>
</tr>
<tr>
<td>self-employed</td>
<td>79.3</td>
<td>20.7</td>
<td>74.8</td>
<td>25.2</td>
<td>80.4</td>
<td>19.6</td>
</tr>
<tr>
<td>supervisors</td>
<td>86.8</td>
<td>13.2</td>
<td>85.5</td>
<td>14.5</td>
<td>84.5</td>
<td>15.5</td>
</tr>
<tr>
<td>shop assistants</td>
<td>31.0</td>
<td>69.0</td>
<td>33.5</td>
<td>66.5</td>
<td>31.4</td>
<td>68.6</td>
</tr>
</tbody>
</table>

Source: CBS, surveys of workers, several years.

Figures for 1974 indicate that even within the shop assistant category – traditionally a typical "female occupation" – at senior assistant level the men dominated in terms of numbers, albeit only slightly. At this level, in 1974, the proportion of women was 48 to 49%. Of the shop staff below the level of senior assistant in 1974, almost three-quarters were female. These are, it is true, dated statistics, but table 8 shows that the segregation of occupations by gender has changed very little over time.

Differences in occupations carried out by males and females are reflected in the hourly wages they earn (see table 9). The average full-time income per hour for females is lower than for their male counterparts.
Job tenure is also different for men and women. The average tenure of men who work full time is seven years, as opposed to only four and six years for unmarried and married women respectively. As we have seen, however, men do not do the same jobs as women. In the case of part-time work, the situation is reversed. Men work an average of two years in a part-time job in retailing, compared with the four and six years for unmarried and married women respectively. In 1985 the job tenure of called-in workers was the lowest — one and two years for men and unmarried women respectively — but still high for married women (five years). Entry barriers are relatively low since everyone is familiar — as a consumer — with the type of work in the retail sector. Exit barriers are also low because the work is fairly simple and the pay is relatively poor. There are few incentives for staying in retailing (LIBER, 1989).

Little change in occupational structure. As we have said, the most important developments in Dutch retailing have been the introduction of self-service and the increasing scale of firms that led to a decline in the number of small family firms. So far, as we shall argue in the next chapter, technological change has been of minor importance. This ought to be reflected in the occupational structure. Table 10 shows the occupational structure for the period 1977–1985. The main conclusion is that occupational structure changed very little in this period. Few occupational groups experienced changes in their employment. The number of cashiers rose, while the number of self-employed people, administrators and other personnel fell. Both the drop in the number of self-employed people and the rise in the number of cashiers are related to the disappearance of small firms. Obviously cash registers are also used in small firms, but in these shops few workers are employed specifically as cashiers — they generally do other work as well. The decline in the number of self-employed people was not offset by an increase in the proportion of managers and supervisors. It appears that, in large firms, the span of control of management is much larger. The number of specialists (including scientific personnel) remained very small. The proportion of shop assistants was very high and changed hardly at all (LIBER, 1989).

Table 10 – Occupational structure in Dutch retailing (in percentages)

<table>
<thead>
<tr>
<th>Year</th>
<th>Self-employed</th>
<th>Managers</th>
<th>Supervisors</th>
<th>Specialists</th>
<th>Shop assistants</th>
<th>Grocery assistants</th>
<th>Cashiers</th>
<th>Administrators</th>
<th>Other personnel</th>
</tr>
</thead>
<tbody>
<tr>
<td>1977</td>
<td>22.3</td>
<td>4.1</td>
<td>4.8</td>
<td>3.3</td>
<td>42.2</td>
<td>2.7</td>
<td>5.2</td>
<td>4.3</td>
<td>11.3</td>
</tr>
<tr>
<td>1979</td>
<td>21.7</td>
<td>3.4</td>
<td>4.7</td>
<td>3.6</td>
<td>43.1</td>
<td>2.4</td>
<td>6.2</td>
<td>4.6</td>
<td>10.4</td>
</tr>
<tr>
<td>1981</td>
<td>22.7</td>
<td>3.2</td>
<td>3.7</td>
<td>3.2</td>
<td>43.3</td>
<td>2.4</td>
<td>6.5</td>
<td>4.5</td>
<td>10.5</td>
</tr>
<tr>
<td>1983</td>
<td>20.2</td>
<td>3.6</td>
<td>4.7</td>
<td>3.4</td>
<td>45.5</td>
<td>2.9</td>
<td>7.5</td>
<td>3.5</td>
<td>9.1</td>
</tr>
<tr>
<td>1985</td>
<td>19.3</td>
<td>3.7</td>
<td>5.1</td>
<td>3.9</td>
<td>44.8</td>
<td>2.6</td>
<td>7.8</td>
<td>3.3</td>
<td>9.5</td>
</tr>
</tbody>
</table>

*T: occupational group of cashiers also includes bookkeepers; it is not possible to separate the two categories.

Source: CBS, surveys of workers, several years.

1.5 Changing conditions and their implications for skill requirements and training

Technology and organization. Information technology has been identified as the main technological development taking place in the service sector, and hence in retailing too. In terms of the adoption and spread of information technology in the service sector, there are two distinct and extreme groups. One extreme is the group made up of the (tele)communication industry, software houses, computerized information services, banking, insurance, etc., which was quick to adopt information technology and is experiencing rapid spread rates. Retailing, however, is at the other extreme. It is expected to be a slow adopter of information technologies and to display medium-slow (among large retailers) or slow (small and medium-sized businesses) spread rates. In 1985, 9% of Dutch small and medium-sized retailers had their own computer system (EIM, 1985). By 1989, the level of automation among small and medium-sized enterprises in the retail trade had risen to 24% (NIPO, 1989). The following areas of application are of importance to the retail sector:

- Administration;
- Transactions between companies and customers;
- Transactions between companies themselves.

Many administrative tasks have already been computerized. There are numerous programs for business administration and planning, financial administration and wages and salaries administration. Transactions between companies and customers relate to the sale of and payment for goods. Various systems have been developed for this: PLU (price-lookup), scanning, POS (point-of-sale) and POP (point-of-payment). PLU and POS systems can be regarded as cash register automation. Electronic cash registers of this kind store descriptions of articles, price and sales data in a memory. In a PLU cash register system, data on articles, including prices and sometimes (part of) the description are stored in the memory with the
aid of a code. This offers the advantage that staff no longer have to price coded articles. Prices and other data are given on the shelf label and only the PLU codes need to be keyed at the cash register. Nevertheless, coding all (or some of) the articles and keying the PLU codes at the cash register can still be time-consuming.

A POS system is a computer system which ‘reads’ product codes. These codes are affixed to a product by the manufacturer or retailer to indicate the specification of the product. The code is read at a point-of-sale checkout using a laser or a light pen. The system is linked up to a terminal programmed with the selling price of each product, which is identified by means of the code. Scanning and the use of bar codes is one of the most striking retail trade innovations of recent years and is spreading rapidly, particularly in the food sector. Almost all goods in this sector now have uniform bar codes (Boonstra e.a, 1991).

Scanning offers the following advantages: time savings, as it is no longer necessary to price articles, and fewer cash errors, as cash register totals are produced more efficiently and reliably. Scanning also makes a great deal of information available (on stocks, effects of bargain offers etc.). The extent to which this happens varies in practice. Efficient information supplies are essential for integrated stock control. With the aid of POS scanning equipment connected to an (internal) computer, sales can be registered immediately. Movements in turnover can then be generated for each product or product group, allowing orders of correct quantities and an insight into consumer spending patterns. With the POP system there is a cash point in the shop. Customers pay by keying in their secret bank code, after having inserted their bank card. The only wide-scale application of this system in the Netherlands is at petrol stations, mainly for security reasons. In the retail sector this system is still in an experimental phase.

In recent years more and more systems have been developed for the automation of transactions between companies. They are primarily order-entry systems, in which order data are collected via scanning systems or (hand-held) terminals. The data can then be sent to the supplier on diskette or over the telephone line. This form of automation is widely used.

The implications of the automation currently being used seem for the time being to amount to the disappearance of a number of routine activities. Computerization leads above all to labour saving in the areas of stock control, goods supply, and ordering and purchasing tasks. Items in the shop no longer have to be priced and ordering can be done by means of order-entry systems. When more integrated systems are used, they also take over the more complex calculation and checking work. This implies that actual changes in job content are taking place primarily at lower and middle job levels.

We have discussed a number of options for reducing labour costs. In reality, it is often combinations
of these that bring about savings. To make part-time work cost-effective, it is not enough simply to split up working hours. The work itself has to be split up, broken down and made routine so that it can be done by cheaper labour. Where firms have opted for this type of labour-saving strategy, it has generally become less important for the staff to have any expert knowledge. And specific qualifications such as administration and bookkeeping or sales training have become less necessary in these situations. Something that continues to be of great importance, however, is the dedication of the employee. This means that the element of motivation gains in importance, not only among the workers on the shop floor but certainly also at management level. As the jobs that the sales staff do become more routine, so the importance of the "human relations" element of management increases for the people responsible for supervising the staff. These people are the mainstay of the business. For this reason, most companies make considerable investments in training these managers.

Labour market. The supply of part-time workers was guaranteed by high unemployment and the increasing entry into the labour market of women who preferred part-time jobs. Work in retailing is often quite simple and generally involves straightforward, mostly manual tasks for which a low level of education is sufficient. Moreover, this low level of education frequently does not even have to have been geared to retailing. Now that the Dutch economy in general is improving - a development that started in the mid-eighties - the retail sector may face serious problems in attracting young part-time workers. We are hearing from various sides that this problem is already making itself felt. However, there are differences within the retail sector. The large retailers in the food sector in particular - the very companies that aim at a continual intake of young people - are already encountering significant problems. In the retail sector, however, these supermarkets have a lower status and, on average, a lower salary level than, for example, the chain store in the fashion sector.

At the moment, a national campaign is being waged to improve the image of the retail sector. The philosophy behind this campaign is that not the image of work in a shop needs to be upgraded, but the reality as it is. In the food retailing sector, the labour-saving strategies we discussed above have been put into practice. In addition, there are still many shops where expert knowledge is an important qualification requirement for the sales staff. Virtually all products are subject to constant change, which means that these firms have the task of keeping their staff's expertise up to date.

The retailers can tackle this problem by training the intake, but they can also anticipate these problems and make themselves less dependent on the retail market by giving their existing staff additional training. This issue also receives attention as part of the "be-good" stage. One aspect of the campaign is to make retail shop owners more aware of the need to invest in well trained, motivated and professional staff. Emphasis is also placed on the need for the entrepreneurs themselves to take part in training aimed at improving staff management processes in their firms.

It is certain that demographic factors will bring about a decrease in the number of young people on the labour market in future. The retail sector will also have to take account of the fact that its competitive position will not be as good. Other sectors, such as office work, have a greater attraction for young people. As far as the other target group - women returners - is concerned, growth is expected. However, the group appears to be interested primarily in regular part-time work of more than twenty hours (see table 7). One implication is that the retail sector is facing the challenge to have to look for new groups out of which staff can be recruited, e.g. unemployed and ethnic groups. So far the number of staff from ethnic groups working in the retail sector is negligible, though, given the compatibility between their age and level of schooling and the needs of the sector, many in these groups are potential candidates (Veraart, 1991).

In major areas of the retail trade, particularly in the food sector, the labour-saving strategies we discussed above have been put into practice. In addition, there are still many shops where expert knowledge is an important qualification requirement for the sales staff. Virtually all products are subject to constant change, which means that these firms have the task of keeping their staff's expertise up to date.

The customer. As the saying goes, 'the customer is always right'. This obviously implies that shop
staff must have a customer-based orientation and approach to the work. Training is usually needed to (further) develop this orientation and approach. The importance is manifest: the degree to which people succeed in adopting a customer-oriented approach may well be a decisive factor in the competitive battle.

In truth, of course, the customer is not always right. There are increasingly frequent reports of aggressive behaviour towards sales staff on the part of customers, and shoplifting is also a major problem. Such behaviour from customers often causes significant insecurity and stress for the shop staff. It is of the utmost importance to teach them effective ways of dealing with this sort of difficult situation.

1.6 Training and recruitment

1.6.1 The Dutch training system

In retailing education, there are three training routes, each of which trains people for jobs in retailing, including as self-employed shopkeepers. People who complete the full course on one of these routes meet the requirements laid down in the Retail Business Licensing Act. These training routes are: apprenticeship courses, programmes at schools for secondary retailing education and specific sector-oriented (business) courses.

The intake into the retailing training routes consists of pupils leaving general secondary education or lower-secondary pre-vocational education - with or without a certificate. Pre-vocational education can include training that is already specifically geared towards jobs in retailing. Courses are provided at schools for Junior Retail Education (LMO), Junior Business Education (LEAO) and Junior Home Economics and Trades Education (LHNO), Shop Work option. None of these courses qualifies students to run their own shop; they all have a pre-vocational slant.

Apprenticeship courses in retailing. The apprenticeship system is a government-recognized type of initial vocational training intended for young people aged 16 and older who are no longer in full-time education. It consists of practical training of at least twenty hours a week in a shop and one day of study at a vocational college.

In apprenticeship courses for retailing there are initial, intermediate and advanced courses.

The initial course generally lasts three years. The first year students are trained as trainee sales assistants and it is open to students who have had a number of years of lower-secondary general education or pre-vocational training. This first year can be regarded as a bridging course to the sales assistant training which is taken in the second and third year.

The intermediate course usually lasts two years and is open to students with a certificate of either the initial apprenticeship course or of a similar course, c.e. the short senior secondary vocational course in retailing (KMBOD). The intermediate course trains students for paid jobs with a high degree of autonomy both on the shop floor and in management, such as first sales assistant, sales or department manager and branch manager. Both the initial and intermediate courses are concluded with a formal national examination.

After the intermediate course, it is possible to take an advanced course lasting one year. This qualifies students as senior sales assistant; the diploma entitles its holder to set up a business as a self-employed retailer.

The courses described above are provided by the OVD Foundation (Opleidingsinstituut voor de Distributie - Retail Training Institute). The OVD, founded in 1972, is the national training institute for the retail sector and, since 1987 also for the wholesale sector.

In the mid-eighties the OVD started a restructuring of its courses, aimed at the best possible harmonization between the courses and present and future practice. This restructuring is also being used to implement four educational innovations:

- the use of modules
- individualization
- flexibility
- comprehensive integration between theory and practice.

Results of analyses of occupations have led to the development of a new hierarchical classification structure for qualifications, both in the retail sector and whole sale sector. In the retail sector new training courses have been designed for the most important occupations, ranging from beginning shop assistant to department manager. Separate courses have been designed for different types of shops (small, medium and large size firms) and sectors (food, non-food). Progression between courses is secured.
Senior secondary Commercial Education (MMO) is a three-year day course which is undergoing major growth. Within the MMO there are two main options: the MMO-C (an integral course for retailing) and the MMO-BD (sector differentiation). Both courses train students for management jobs in retailing and for independent entrepreneurship in retail.

In addition MMO includes three trade-specific colleges: food retailing, textile trade and butchery. There is also a specific course for the fashion and clothing sector - the Fashion and Clothing course in Social Service and Health Education (MDGO-MK).

MMO courses are open to students who have completed a lower-secondary pre-vocational course or Lower Secondary General Education (MAVO) and whose study results meet the standard set.

As a result of a major reform programme, the so-called SVM project (Sektorvorming en Verniewing; i.e. the merging and renewal of series of job-specific training courses into general sector generic courses) and the introduction of sector-level tri-partite consultation committees) the post-compulsory secondary training system (age: 16 - 19) is undergoing rapid changes. One of the main aims of the SVM project is to create a better fit between training and the labour market. The sectoral-level consultations also aim at ensuring more effective links between the two sides. For the retail sector the main results so far, in addition to the joint formulation of training objectives by the social partners and the training system, has been a number of proposals to restructure the current MMO and KMBO training system.

The proposed new organisational structure is directly linked to the four levels of qualification in the sector, i.e.:
- level I/II shop assistant and sales staff
- level III middle management occupations
- level IV managers and shop-owners.

Level I/II qualifications can be obtained at the end of the short, two-year MBO-D course. A level III qualification, and a level IV as well, can be acquired after a three-year course.

Short Senior Secondary Vocational Education - Retailing (KMO-D) is a course that lasts on average of two years and devotes a great deal of attention to the interaction between learning in college and in the firm. Students with a KMO-D diploma can be admitted to intermediate apprenticeship courses.

At tertiary, below university, level higher vocational education there are no specific retailing courses. There are, however, three colleges with a department geared somewhat towards retailing:
- Higher Distribution Education and Logistic and Commercial Policy Making
- the Small Business School, which trains students for management jobs and as independent businessmen
- the Textile Management Course.

Sector-specific business training (COO) is primarily available in the form of evening classes. It is aimed principally at adults working in retailing. Until now there is a course for virtually every sector in the retail sector; (more than 20 courses). In most cases, this type of business training is given by a sector training institute which is linked to a sector organization.
The business courses are open to people who have had at least some years of secondary level general education. Some years ago, on the initiative of the KNOV and the NCOV, a project was started that should lead to a reorganization and renewal of the specific business training courses. The aim is to improve the quality of specific business training and provide a more efficient range of courses. The intention is to create a coherent system of courses for the starting and established business owner. The structure of the basic course consists of four blocks: knowledge of sector-specific merchandise, commercial skills, economic and administrative skills and management skills. To date more than 20 training institutes in the retail sector work together in 4 groups (one group for the food sector and three groups for the non-food sector).

1.6.2 Recruitment practices

Many people without a professional qualification. In 1985 more than half (53%) of the total working population in retailing did not have a professional qualification. At most, therefore, these people have completed a lower-secondary pre-vocational course or Lower Secondary General Education (see figure 2).

This percentage varies as follows in the different jobs:
- commercial jobs 52%
  - of which:
    - self-employed shopkeepers 27%
    - directors 16%
    - company managers 31%
    - branch managers 35%
    - shop assistants/sales staff 66%
- administrative jobs 65%
- technical/industrial jobs 66%
- specialists 20%
- other jobs 61%

Other requirements more important. A survey of the retail trade in 1978, in which 1,448 sales jobs were examined, confirmed that a specific training geared to retailing was by no means used as a selection criterion for all jobs (Van den Tillaart & Krijnen, 1978). In fact, it was only a criterion for just over one-third of the jobs. The survey also revealed that other personal characteristics were much more often used as a selection criterion. They included:
  - knowing how to behave correctly to customers (a selection requirement in 87% of jobs)
  - well-groomed appearance (83%)
  - great stamina (71%)
  - great adaptability (71%).

This was again confirmed by a survey in 1986 (Van den Berg & Van den Tillaart). It emerged from this that the following selection requirements are used for sales jobs in general: for these jobs people must have a service-minded attitude and be flexible in their dealings with customers. They must in fact have the ability to do work of a very routine nature which nonetheless places demands on their concentration, dedication and flexibility in dealing with people. Retailers often describe the qualification they are looking for with the phrase "must have the right motivation".

Practice as the judge. These selection criteria relate to qualities that are difficult to pin down and can only really be seen in practice. "Experience is the best judge and teacher" is therefore a widely held precept in retailing. This implies a low entry threshold to shop work and – consequently – a high turnover. For this reason, the retail sector is sometimes compared to a dovecote.

In order to get round the problem of these hard-to-measure qualities, when the situation on the labour market is good retailers sometimes aim for a higher level of education than is actually needed for the job. Another, more common way of avoiding the problem is to use the experience of the applicants as a major selection criterion. This experience should then preferably have been gained in the shop itself, for example as holiday or weekend staff.

Two recruitment strategies. In the 1986 survey – which did not relate only to retail firms – it emerged that two sorts of qualifications can play a role in recruiting new staff – professional qualifications on the one hand, and social-normative qualifications and personal characteristics on the other. Despite all the variations in techniques for recruiting and selecting new staff, there are nonetheless two main strategies, closely related to the breakdown into two types of qualifications. When taking on new staff, one strategy primarily looks at whether they have the required professional qualifications, while in the other strategy recruitment and selection is primarily based on social-normative qualifications and/or personal characteristics.

It appears that the retail sector tends to rely very heavily on the second of these strategies, putting forward the following argument for this approach:
  - Social-normative qualifications are more important than professional qualifications. The technical and organizational changes in retail companies we discussed earlier and their effects on the work and on working hours are a factor here. Motivation, dedication, adaptability and the willingness to adapt have become increasingly important.
  - Economic considerations. Many retail firms find it cheaper to take on young people and then teach them what they need to know than to take on skilled – and hence older – workers. In the retail trade, the lower wages often seem to more than offset the training costs because the necessary skills can usually be taught in a short time and on the job. Moreover, the regular vocational training courses often do not tie in well with the company-specific requirements of the work. The job of cashier, for example, can entail very different things in different shops.
1. Limits to career opportunities. Career opportunities have traditionally been limited in small shops. Large-scale retail firms have far more hierarchical positions. The chances of climbing gradually, on the basis of years of experience, from the bottom to one of the top rungs of the ladder are, however, becoming smaller. Firms are currently looking for (more) advanced educational qualifications in candidates for management jobs. While these people may well start at a lower job level, they are relatively quickly groomed for a management post.

1.6.3 Continuing training
Suppliers. The following organizations, among others, offer continuing training in the retail sector:
- the sector training institutes;
- the Training Institute for the Distribution trade (OVD), Training, Services and Consultancy (TSA);
- colleges for day and evening education (contract education);
- private training institutes;
- firms themselves.

We have already discussed the specific sector business courses (COO). As we have said, this is primarily aimed at adults who already work in retailing. These courses consist of four blocks (see 6.1). People who complete all the blocks are entitled to set up as an independent entrepreneur in the retail sector. However, certain blocks can be taken by employees as a form of further training.

In section 6.1 we said that the OVD for the retail trade organizes the apprenticeship courses. The OVD also has a commercial arm that provides tailor-made courses to meet firms’ requirements, namely: Training Services & Consultancy.

Little continuing training in retailing. Training activities in retailing are very meagre compared with those in other service sectors. This is illustrated in table 11. For the purposes of this chart, a trainee is defined as a person who undergoes any training at all when employed – excluding apprentices. Banking is one of the most active of all the service sectors when it comes to training. About 70 percent of bank employees took some form of training. The retail sector is one of the least active in this area; less than 10 percent of its employees were involved in training.

Table 11 – Percentage of employees with further training in 1987

<table>
<thead>
<tr>
<th>Industry</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>rail and air transport</td>
<td>80</td>
</tr>
<tr>
<td>insurance</td>
<td>75</td>
</tr>
<tr>
<td>banking</td>
<td>66</td>
</tr>
<tr>
<td>post and telecommunication</td>
<td>38</td>
</tr>
<tr>
<td>business services</td>
<td>31</td>
</tr>
<tr>
<td>wholesale trade</td>
<td>15</td>
</tr>
<tr>
<td>road transport</td>
<td>12</td>
</tr>
<tr>
<td>repair services</td>
<td>9</td>
</tr>
<tr>
<td>retail trade</td>
<td>7</td>
</tr>
<tr>
<td>cleaning</td>
<td>7</td>
</tr>
<tr>
<td>hotels, restaurants, catering</td>
<td>5</td>
</tr>
<tr>
<td>other private services</td>
<td>17</td>
</tr>
</tbody>
</table>


Major differences in relation to company size. The CBS survey shows that in 1986 a quarter of employees in the private sector had been given some form of further training. However, there are major differences according to the size of the company:

- 5 to 100 employees
  10% in all private sectors
  8% in retail trade/catering
- 100 to 500 employees
  25% in all private sectors
  (20% in retail trade/catering)
- 500 or more
  46% in all private sectors
  (17% in retail trade/catering)

These figures are not available for the retail trade alone, but they are available for the category "trade (including the retail trade) and catering (hotels and restaurants)". These figures are given in brackets. It is striking that it is above all the large(r) companies in trade and catering that lag badly behind their colleagues in other sectors when it comes to training. The training efforts of the small and medium-sized trade and catering firms are roughly average for smaller firms. Figures that have become available very recently (see table 12), however, indicate that the training in the small(er) firms is – at least in part – being taken by employees who have ambitions to become independent shopkeepers. In the Dutch situation it is necessary to have a retail business diploma for this, and the specific sector business training is one way to get it.
Table 12 – Percentage of employees (including self-employed shopkeepers and family members working with them) in forms of specific sector education

<table>
<thead>
<tr>
<th>Sector</th>
<th>Specific Business Training</th>
<th>Application*</th>
<th>Further Training**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>3.3</td>
<td>0.5</td>
<td>2.0</td>
</tr>
<tr>
<td>Non-Food</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chemist</td>
<td>18.3</td>
<td>0.3</td>
<td>6.9</td>
</tr>
<tr>
<td>Clothing</td>
<td>12.1</td>
<td>0.6</td>
<td>2.9</td>
</tr>
<tr>
<td>Footwear</td>
<td>2.3</td>
<td>0.2</td>
<td>0.6</td>
</tr>
<tr>
<td>Home Furnishings</td>
<td>3.6</td>
<td>0.3</td>
<td>0.8</td>
</tr>
<tr>
<td>Furniture</td>
<td>4.0</td>
<td>0.4</td>
<td>0.7</td>
</tr>
<tr>
<td>Ironmongery</td>
<td>6.5</td>
<td>0.3</td>
<td>1.4</td>
</tr>
<tr>
<td>Printing</td>
<td>8.9</td>
<td>2.6</td>
<td>5.7</td>
</tr>
<tr>
<td>Photography</td>
<td>10.1</td>
<td>2.2</td>
<td>6.0</td>
</tr>
<tr>
<td>Florists</td>
<td>1.9</td>
<td>0.4</td>
<td>0.7</td>
</tr>
<tr>
<td>Sport and Leisure</td>
<td>1.1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total Non-Food</td>
<td>6.7</td>
<td>0.6</td>
<td>2.7</td>
</tr>
</tbody>
</table>

* Chiefly taken by independent shopkeepers
** An estimated 70% of whom are employees


Lack of entrepreneurship and management skills are bottlenecks in small and medium-sized business. The findings of a recent survey into the continuing training of employees in small business indicate that a quarter of small businessmen are virtually or totally unaware of the changes that are taking place outside their firm. This being the case, it is obvious that they do not realize the importance of adapting their company and style of management. The fact that the further training of the staff in these firms is neglected is thus primarily caused by a lack of or at least inadequate entrepreneurship. Alongside risk-taking, after all, external orientation is a key element of entrepreneurship.

Three-quarters of businessmen appear to have a reasonable to good eye for the dynamic in their surroundings and they almost all realize that small businessmen, too, must invest time and money in training their staff. Nonetheless, even in these cases, (too) little comes of it. This may sometimes be because there is no adequate training available. More often, however, the cause is insufficient management skills. Small businessmen often appear to have great difficulty in designing an adequate personnel and training policy (Van den Tillaart et al, 1991).

Also differences between categories of employees. Participation in further training does not only differ from firm to firm. Within a firm there are differences between categories of employees. Young people more often take training courses than older people. People with a higher education take more training than those with a lower level of education, permanent employees more often than temporary staff. These differences are usually considerable. These are general survey findings, but they undoubtedly apply equally to the retail sector.

1.7 Issues

The description of the developments and features of the retail trade in the Netherlands will serve as a structuring context for the detailed analyses of the case studies.

The description points to some problems to which particular attention should be paid in carrying out the case studies. These problems have to do with the growing discrepancy between the demand for and the supply of staff, with changes in the technological and competitive context and with changes in the demands and desires of customers.

Many firms in the retail sector prefer to employ staff which is young and/or willing to work as part-time/call-in workers in view of the labour costs. Many of the jobs in the retail sector do not require any specific vocational education or training. These low paid jobs are still often labelled as 'unskilled work'. However, an analyses of the skills they currently require suggests another label: skilled work. Quite some demands are made on qualities such as: responsiveness, flexibility, social skills, achievement motivation and assertiveness.

In a 'high-supply' labour market staff recruitment was no problem. However, as of the mid-eighties, the general economic situation started catching up. At the same time the labour market started feeling the influence of the demographic trend. Fewer school leavers every year. The result: growing recruitment problems in the retail sector. At the level of the social partners the awareness grew that specific actions were necessary. This
inspired the recently started image campaign, consisting of two parts: a ‘tell-it’ and a ‘be-good’ stage. The aim of the latter mentioned stage is to improve the quality of jobs in the retail sector.

Partly, it is within the scope of the social partners to agree on and implement these improvements, such as the conditions of employment (wage issues, etc.). Further, as part of the CLAs, the social partners can create frameworks through which jobs in the retail sector can be improved, e.g. by establishing social funds or training funds.

However, most and best opportunities for enhancing the qualitative aspects of jobs lie in the hands of the firms, i.e. the individual entrepreneurs. This is because they influence to a great extent the working climate in their firms, and also the training opportunities and career perspectives of their employees.

As concerns the issue of initial and continuing training, the social partners hold the same opinion: staff training is a must. However, the question is to what extent this opinion is shared at firm level. Do firms also regard it as important, and, if yes, for which groups and to which purposes? Is their training policy more a response to changing circumstances, or is it more an anticipating strategy? What problems do they meet in their training policies and how do they (try to) solve these?

Another recurring important issue is the relationship between training policies and (changes in) the organisational structure of work e.g. the content of jobs and the character of the contracts (full-time, part-time, call-in). What benefits do the firms have of their training policies and what are the outcomes for their employees (does the training benefit their jobs and/or careers)? Finally a last question is: what problems do occur in training of staff and how are those problems solved?
2.1 Albert Heijn BV, the company

2.1.1 Position

Position within the concern. Since 1973, Albert Heijn BV has been part of Albert Heijn NV. This NV is an umbrella organization embracing, next to Albert Heijn BV, a large number of other operating companies.

The main activity of the Ahold organization in the Netherlands is selling groceries. This is primarily carried out on a retail basis, although a few of the operating companies are also active in selling in bulk, i.e. the sale of groceries to businesses and institutions (company canteens, prisons, hospitals, etc.). In 1990, this activity generated a turnover of some 660 million guilders.

Figure 1
Royal Ahold NV

Ahold NV

Ahold Netherlands

Ahold USA

food retail
trade
primarily
Albert
Heijn BV
(continued in figure 3)

bulk buyers

food retail
trade

grocery trade

industrie

The retail operations take place primarily in the Netherlands and in the United States. Both in the Netherlands and in the United States, the 1990 sales for these activities exceeded 8 billion guilders. Of the 8.8 billion in sales achieved in the Netherlands, over 7 billion were accounted for by Albert Heijn BV.

Finally, a number of production companies in the food industry also form part of Royal Ahold NV. The turnover of these companies amounted in total to 555 million guilders in 1990.

Commercial formula. The following are central to the commercial formula applied at Albert Heijn BV:

- value for money and
- one-stop-shopping.

The retail outlets offer a widely assorted range of products, including luxury articles. In fact, the assortment is so complete that customers are able to buy whatever they need in the way of food and groceries in these stores. Within this broad range, a distinction is made between goods packages with and without added value. The latter are comprised of staple goods, regarding which the customer attaches little significance as to the store in which these items are purchased. These are sold as competitively as possible in order to avoid the development of unacceptable price differences compared with the discount stores. In the goods package with added value, selection range, quality and service play an important role. This is the case for fresh products such as meat, vegetables and fruit, bread and dairy products, among others.

Assortment to size. The stores of Albert Heijn do not all carry the same range of products. In the inner cities and in urban districts a market for neighborhood stores has arisen. Albert Heijn has responded with the neighborhood store-supersupermarket formula in which the most comprehensive grocery package possible usually is offered on only modest sized sites.

Then there are also the supermarkets with a large(r) amount of footage and (to some extent) a regional function. As far as the product range is concerned, Albert Heijn BV distinguishes between 5 different types of store. The number of products in these different types varies between approximately 3,000 to over 15,000. However, store design, customer service, product assortment and product information make each branch clearly and immediately recognizable as an Albert Heijn store.

2.1.2 Albert Heijn: a history of 100 years

The history of the company of Albert Heijn stretches back to the year 1887. In that year, founder Albert Heijn succeeded his father in a small grocery store measuring a mere 12 m². His wife ran the store while he himself took to the road, to buy and sell.

Up to 1950: expansion by increasing the number of retail outlets. The first major expansion took place in 1900, when a central warehouse was taken into use. At the same time, Albert Heijn opened a number of branch stores. By 1907, the business comprised 23 branches. In 1917, this number had risen to 54. Albert Heijn had by this time also acquired his own coffee roasting house and a confectionery. In 1920, the business was given the structure of a public limited liability company.

In 1947, the number of branches had grown to 250. In 1948, the company became a public limited company whose shares were henceforth quoted on the Amsterdam Stock Exchange. In 1952, a different chain with 92 branches was acquired. Ultimately, 65 of these were absorbed into the branch network of Albert Heijn. In later years, too, a step-wise growth due to acquisitions occurred on several other occasions.

Period between 1950-1980: growth via more and bigger retail outlets. The branches started to undergo a transformation in 1952 into self-service stores and - from 1955 onward - into supermarkets. This process frequently included disposing of an old retail outlet with its service system and opening self-service stores/supermarkets on new locations. Self-service stores require more footage than service stores, and supermarkets
2.

again demand even more space. In 1959, the business included over 100 self-service stores and 10 supermarkets. 1967, however, saw the opening of the 75th supermarket.

In 1973, the company name was changed from Albert Heijn NV to Ahold NV. (The title "koninklijke", or royal, was granted on the 100th anniversary of the business in 1987). The operating company Albert Heijn BV, however, remained active within Ahold NV.

In 1977, Albert Heijn BV had 375 retail outlets, 202 of which were supermarkets and 173 self-service stores.

During the following years, the growth in number of retail outlets slowed to a trickle. Only 1982 was characterized by an explosive growth, bringing the number of retail outlets up to 427. This expansion, however, was wholly attributable to the integration of the stores of one of the other operating companies of Ahold NV into Albert Heijn BV.

Within Albert Heijn, therefore, we find in fact many developments which are typical for the food retail trade during the period after the second world war:

- the disappearance of the service shops
- the development of self-service stores from 1950 onwards
- around 1960, the development of supermarkets
- the continuous growth of supermarkets from 1970 and the dwindling in the number of self-service shops after this year.

Period between 1980-1985: enlarging market share through competitive pricing. In the shrinking market of 1980, the development in sales at Albert Heijn BV showed a higher-than-average decline. This decline was particularly seen in the sales of daily articles, while the costs were rising. Albert Heijn originally attempted to increase the margin, which resulted in an excessive price gap in respect of the discount stores, who were busily capturing an ever-growing market share. Increasing market share was, however, also deemed by Albert Heijn to be of decisive importance with a view to the future. This led to the strategy of a structural price reduction in the package of staple items (net-margin competition whereby, because of the fact that record-low prices for brand products had decreased due to the introduction of price floors, the company's "own brands" were increasingly wielded as price tools). The smaller margin was compensated for by improving the costs structure. Physical distribution was streamlined and orders computerized. Product ranges were screened, stocks and goods presentations were subjected to critical examination. As part of the aim to save on (wage) costs, a 'serve yourself' system using electronic pricing scales was implemented for products where customers had hitherto been served, for example the produce group (potatoes, vegetables, fruit).

Cutbacks in employee training budgets. The program of available training and courses was also reassessed. During the second half of the seventies, internal training possibilities were used as an important recruitment weapon in the struggle to attract new employees on the tight labor market and as an important means of binding personnel to the company. Whoever successfully completed a training course was rewarded with a raise in salary. However, the economic recession at the beginning of the eighties dramatically altered the situation on the labor market. This made investments in measures to bind personnel to the company far less necessary. Partly from the need to minimize costs, Albert Heijn switched to a more economical training policy, i.e. personnel training was given only when this was deemed necessary by the company.

This policy was implemented integrally under the slogan: Nederlands grootste kruidenier let op de kleintjes', which roughly translates as 'Penny-wise with Holland's biggest grocer'). This approach proved a success. The anticipated drop in profit due to the reduction of the margins failed to materialize. The savings in costs resulted in an increase in profit. Store costs in particular rose less than did the revenues. In 1982, therefore, volume expanded by 6.5% compared with 1981, even though a mere 1% more hours were worked.

From 1981: also growth via franchising. The development described above made it possible for Albert Heijn to open on locations where this had hitherto not been financially responsible. Nonetheless, the assortment policy and consequences hereof for the cost structure made retail outlets only feasible where a weekly turnover of approximately fl. 100,000 could be realized. In order not to price itself out of the market for outlets under this turnover limit, Albert Heijn started to experiment with the franchise approach in 14 places in 1981. As figure 2 illustrates, this proved to be a smart move. In 1990, there were 119 AH franchise outlets.

Figure 2 – Albert Heijn BV: developments in stores and turnover during the period 1981 – 1990

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<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a. number own outlets</td>
<td>363</td>
<td>427</td>
<td>446</td>
<td>452</td>
<td>443</td>
<td>444</td>
</tr>
<tr>
<td>b. Sales (in billions)</td>
<td>3.4</td>
<td>3.9</td>
<td>6.5</td>
<td>6.6</td>
<td>6.9</td>
<td>7.2</td>
</tr>
<tr>
<td>c. Sales per m² in guilders</td>
<td>-</td>
<td>-</td>
<td>18,000</td>
<td>17,810</td>
<td>17,900</td>
<td>18,400</td>
</tr>
<tr>
<td>d. Store footage (x 1,000 m²)</td>
<td>-</td>
<td>-</td>
<td>357</td>
<td>384</td>
<td>388</td>
<td>398</td>
</tr>
<tr>
<td>e. Number outlets AH franchising</td>
<td>(14)</td>
<td>20</td>
<td>89</td>
<td>91</td>
<td>107</td>
<td>119</td>
</tr>
</tbody>
</table>
From 1985: a shift from competitiveness in price to quality. In the mid-eighties, the customer, while continuing to attach importance to price, was seen to pay increasing attention to quality, variation, convenience and service. Albert Heijn has responded to this trend by:
- Maintaining an extra low price level for a large number of daily necessities.
- Offering, in addition, many groups of products with a clear added value in the form of choice of product, quality level and service (by, among other things, more service in e.g. the assorted nuts department). The range of own brand products encompasses some 1750 items. The price/quality ratio of these products has been optimized.
- Carrying through innovations in store formulas, mainly on the basis of experiments with the New Super Market and in product lines (bake-off products, ready-made fresh products, etc.).

Due to these developments, the store has become far more complex. The number of articles has increased strongly. Since 1985, growth has been due less to an increase in the number of own outlets, than to an increase in floor area of the company's own stores and the increased turnover per m² (see fig. 2).

Within the enterprise, there is a strong conviction that Albert Heijn has grown into the largest grocer of the Netherlands because of the company's habit of listening to their customers. Much attention is devoted to communication towards customers. Every month an issue of Aller Hande appears, full of recipes, tips and product information. The magazine is available to customers at all the stores, free of charge. Furthermore, market research is carried out at the national level. A fairly recent development is the AH-service line. This free service makes it possible to ask for information, and affords the opportunity to make comments and to ventilate criticism.

Despite these facilities, the store is and remains the place to which customers must be able to turn in the first instance with questions and comments. Moreover, as pointed out above, Albert Heijn's growth must now primarily be realized by enlarging sales in existing stores instead of by increasing the number of stores.

The basis for the nineties: controlled differentiation. To continue to be able to apply this growth strategy with success, it is necessary that the stores respond optimally to their specific market environment. Every Albert Heijn store must, in fact, now compete on a local level with other supermarkets, among others with supermarkets of regionally operating chain stores with a long-standing knowledge of the preferences and customs of their customers. This realization has led to a re-evaluation of the position of the stores within the Albert Heijn organization. Since 1987, the store has been chosen as the starting point for the policy to be followed.

Employee training within the scope of 'Time for quality'. This new approach is aimed at making it possible to decentralize responsibilities while at the same time remaining able to follow developments on the central level. To this end, management at the branches has been strengthened, by, among other means, placing advanced information systems at the disposal of branch management and - in connection with this - by creating new management positions and providing training to the management. This reorientation is known within the Albert Heijn organization as 'Time for quality'. Naturally, further attention will be devoted to this in the following sections.

2.1.3 Organizational structure
Management. In the preceding section, it was noted that Albert Heijn BV is convinced that during the coming years, the quality level of the products and the employees will have an even more decisive impact on the course of affairs within the enterprise. For this reason, a very explicit choice for the store as the point of departure for policy was made. This is not only the guiding principle for the directorate of Operations - under which the stores fall - but also for the other directorates (see fig. 3). Each of the 3 directorates are managed by a director. The main task of the chairman of the board of directors (the chief executive officer) is to coordinate matters within the board of directors and to attune these to one another.

Figure 3 - Organization chart Albert Heijn BV

An essential element in the competitive strategy employed by Albert Heijn is the approximately 1750 own brands (the AH-brands). Albert Heijn guarantees that the quality of these own brands is in no way inferior to that of the more familiar brand names - or so-called A-brands - while the price of the Albert Heijn brands is consistently some 10 to 15% lower than the prices of comparable A-brands. Naturally this strategy makes it imperative for Albert Heijn to closely guard the quality of its own brands. To this end, the Quality Advisory desk was instituted several years ago, which currently has a staff of some 20 employ-
In recent years consumers have grown increasingly critical as regards preservatives, hygiene and environmental aspects. The quality advisory desk has meanwhile also been entrusted with the task of realizing (more) acceptable solutions to customers in these areas, which was why the name of this desk was changed to ‘Quality and Environment’.

Figure 4 – The directorate of Operations

The directorate of Operations. The more than 400 Albert Heijn stores all fall under the directorate of Operations. These stores are classified into four areas, each managed by an assistant director. Each area is sub-divided into 6 or 7 zones, each of which is headed by a zone manager. Each zone manager is entrusted with the responsibility for some 15 stores.

It has already been mentioned that there are other directorates next to that of operations and that for these directorates, too, the stores are central to the policy. The directorate of Operations moreover also boasts a number of supporting staff departments, namely Operational Systems + Information, Internal Communication, Store Design, Store Technology, Personnel Affairs and Employee Training.

Up to 1987, the Employee Training department was part of Personnel and Organization. As mentioned above, in that year it was decided to take the store as the basis for the policy to be followed. In order to implement this new policy, various structural modifications were carried through. One of the first was to place the Employee Training department under Operations. Also, the job of Area Training coordinator was created within the scope of the new policy.

The store. As pointed out above, these days, expansion at Albert Heijn tends not to be a consequence of an increase in the number of stores, but of the enlargement of the surface area of existing stores and the increase in turnover per m². To maintain and further expand the market share, it was necessary to decentralize certain responsibilities in order to be able to take full advantage of the possibilities of the local/regional market situation. This changed focus, combined with the increasing size and complexity of the stores made it necessary to strengthen management. For several years now, Albert Heijn has worked to achieve this, partly by the creation of new management instruments and new management jobs and partly by providing training to the management.

The manager has been the person responsible for the course of affairs in the store for many years. Until only a few years ago, he was expected to carry out loyally the rules of the head office. These days, he is expected to manage the store instead of merely minding it. No longer is loyalty alone expected, but also initiative. He is groomed for his new role – that of supermarket manager – via courses and job training.

The supermarket manager is at the head of a number of department managers. This job – formerly known as department head – is not entirely new. One new aspect, however, is that four different levels of department managers have been
distinguished, each accompanied by a different salary. In this way, justice is done to the varying weight of the job. Moreover, this enabled career opportunities to be created within a job, a consideration which was not to be dismissed lightly in the horizontal organizational structure of the Albert Heijn stores (see fig. 5).

The supermarket manager and the department managers together form the store management team. They are supported in this by the branch management assistant. This position was created in 1988. An important task of the branch management assistant is namely to help promote further automation of the store processes and thus to ensure that the management team is kept abreast of all developments in the course of affairs. Part of the reason for the creation of this job was the skepticism or timorousness shown by, for example, the department managers of the stores with regard to the automation process which had got under way in the stores. As mentioned above, the new approach via controlled differentiation should make it possible to decentralize responsibilities, while at the same time keeping a finger on the pulse at the central level. The latter can be achieved only through automation and a loyal compliance with this in the stores.

For several years now, Albert Heijn has been gradually introducing cash registers equipped with scanners in the stores. At this moment, these have been installed in less than half of the stores. All the stores do, however, have their own store computer, making a more efficient organization of the work and better control of stocks and sales by the store management possible.

The job of assistant department manager is also new. This job was created in order to promote a more planned method of work at the level of the shop floor.

One of the employees interviewed expressed this as follows: "It used to be: don't talk, just do it. Now we are told: Don't just act, plan."

There are two levels of salespeople/cashiers. Newcomers to the job start as salesperson 1 / cashier 1. Through subsequent internal training courses, the level of salesperson 2 / cashier 2 can be attained.

2.1.4 Characteristics of the work force

Growth in employment. Earlier (see fig. 2), the turnover of Albert Heijn BV was seen to have doubled during the period between 1981 - 1990. The same applies to the number of employees. This increased from nearly 19,000 in 1981 to almost 41,000 in 1990. Expressed in full-time equivalents, employment at Albert Heijn rose during this period from close to 10,000 full-time jobs up to over 20,000 (see fig. 6).

Nearly as many men as women. In 1980, the percentage of men employed at Albert Heijn was 46% and of women, 54%. In 1990 these percentages were 48 and 52% respectively (see fig. 6).

Youth and part-timers in the majority. Approximately two-thirds of the work force of Albert Heijn BV is younger than 23. Both in 1980 and 1988, this came to 65%. According to the company, the number of young employees has lately declined somewhat. However, no exact figures are available. The average age of Albert Heijn employees in 1989 was 23.6. There is little difference in this respect between women (24.3 years of age) and men (22.7 years of age).

Overall, for the period between 1980 - 1990, some two-thirds of the employees at Albert Heijn worked part-time. Generally - and this applies for about half of all the personnel at Albert Heijn - they work less than a one-third part of a full-time working week. This group is known within Albert Heijn as 'short part-timers', and includes many school-age and student workers. The percentage of full-timers, i.e. persons who work more than four-fifths of the full working week, rose during
the years between 1980–1988 from 35 to 40%. After this period, the figure once again declined slightly.

Relatively speaking, there are as many male employees working part-time at Albert Heijn as female. In general, the male workers at Albert Heijn work either as short part-timers (50%) or as full-time workers (46%). Only 4% of them work as long part-timers. There are more long part-timers among the female employees (19%) and fewer full-time workers (34%).

Mainly pay according to the legal minimum wage. The majority (61%) of the employees at Albert Heijn earns the legal minimum wage. Almost one-third (31%) earns 1 to 1.5 times the legal minimum wage. The remaining 8% earns more.

All Albert Heijn employees participate in the profit sharing scheme. In recent years, this has amounted to around two weeks’ extra pay. Each employee also receives, 4 times a year, a gift token (for full-time employees, four tokens of fl. 100 each).

Other advantageous schemes are the Ahold saving fund (which pays extra interest on top of the normal interest), inexpensive insurance and the study expenses scheme.

Employees who work full time normally speaking are entitled to 24 regular days of holiday and 13 so-called ADV days (extra free days under the shorter employment scheme). Employees who work full time and are older than 50 or have been in service for more than 25 years are entitled to from 1 to 5 extra days of holiday.

Women not proportionately represented in higher positions. As mentioned earlier, 8% of all employees at Albert Heijn earns more than 1.5 times the legal minimum wage. Among male workers, 14% are in this category, while, on the other hand, not even 2% of the women take home this much. Women make up over half the workforce at Albert Heijn, but form a clear minority where management positions are concerned, as the following figures from 1989 illustrate:

- of the approx. 1200 assistant department managers, 35% are female and 65% are male;
- of the approx. 1500 department managers, 20% are female and 80% are male;
- of the approx. 400 supermarket managers, 1% are female and 99% are male.

From 1988, an explicit policy aimed at a better utilization of the available potential of female employees. In 1989, a total of some 3100 persons held a management position in the Albert Heijn stores. This should have been, however, 3900. In fact, these shortages in management personnel have been occurring for years, with especially (assistant) department managers, of whom there were approximately 25% too few in 1989, being in short supply. At the level of manager, the shortage was almost 10% in 1989.

Most of Albert Heijn’s management personnel has risen through the ranks of the company. The shortages made a more optimum utilization of the available female potential an obvious step. All the more so since the average number of service years of the women at Albert Heijn is hardly less than that of their male colleagues. As far as this is concerned, therefore, there is no reason to invest less in (training) female employees.

In 1988, the campaign ‘women and work’ was launched. This campaign aimed to achieve a change in attitude among men and women and to make women more career conscious. Various means were employed in this campaign: targeted mailing at women, posters in the branch stores, attention for this subject in the AH TV News (Albert Heijn has an internal television network using videotapes which feature 10 to 15 minutes of AH TV News per week), and a conference on this topic attended by at least one woman from each of the stores.

At the same time, activities were undertaken, intended to facilitate the career progress of female employees, which included regulations regarding parent leave, career policy and child care. There is no positive discrimination of women. The bottom line is and will remain that the best candidates are appointed to management positions.

The policy appears to have been a success, in part due to the fact that the publicity around ‘Women and work’ alerted career-conscious women at other companies and on the labor market of their opportunities at Albert Heijn. Animation for the job of supermarket manager has especially grown among women. In 1988, the share of women in training for this job was 7%, this grew to 13% in 1989 and jumped to 20% in 1990. The number of women in training for the job of (assistant) department manager has also grown, but to a relatively lesser extent than those preparing for the job of supermarket manager.

A recent development: extra attention for the career development of employees from ethnic minority groups. Of the over 43,000 employees at Albert Heijn, some 1000 are members of an ethnic minority group. The majority of these is from Morocco, Turkey and Surinam. The experience with employees from ethnic minorities tend to be good. One problem is that hitherto, very few of these employees have made it into positions in management. Mid-1992, a special course program will be launched which is designed to prepare employees from minority groups who are willing and able, for business management training. This special course consists of Dutch language classes in which such topics as conduct and presentation in a management position are discussed.
Cooperation between native Dutch employees and employees from minority backgrounds demands mutual understanding. With this goal in mind, Albert Heijn will be starting a 2-day trial course on ‘Multicultural Management’, designated for supermarket managers in 1992.

2.2 Course and training programs at Albert Heijn

2.2.1 Entry and promotion of personnel

Continuous recruitment. In view of the size of the work force, the growth in employment at Albert Heijn BV and the considerable employee turnover (see fig. 6), vacancies open up more or less continuously, which means that the recruitment of new personnel also takes place on a continual basis.

Standing out on the labor market. In the previous sections, it was noted that Albert Heijn BV pays much attention to the way it manifests itself commercially towards customers. The company has traditionally emphasized such aspects as quality and service. During recent years, due to the fierce competition, the company has also played up its concern about price levels, among others by means of the campaign ‘Nederlands grootste kruidenier let op de kleintjes’ (roughly translated: Penny-wise with Holland’s biggest grocer). The past few years, the labor market has also become a competitive market, which has led Albert Heijn to switch to a more active labor market policy. At the end of 1990, for example, a national recruitment campaign was launched under the motto ‘Are you good enough for our customers?’ As far as style and tone were concerned, this campaign dovetailed with the commercial campaign. More and more emphasis is now being placed on the fact that the company sets high standards for its employees in respect of attitude and customer orientation. Moreover, the good career opportunities offered by the company to employees with the right combination of education, talent, dedication and ambition are repeatedly stressed. The company also highlights the fact that it offers much in the way of schemes for reimbursement of study expenses and fringe benefits. The recruitment activities are explicitly aimed, not only at direct recruitment, but also at strengthening the image of Albert Heijn as a good employer by emphasizing that as an employee, the company is a good choice, now and for the future.

Recruitment of two groups of newcomers. On recruiting newcomers, the focus is, in fact, on two groups, namely the group of employees who are to work, now and in future on the shop floor, and the group which will eventually be promoted to management positions. (The company prefers internal promotions to external recruitment of personnel for management positions).

The first group consists of persons for carrying out the work: salespeople and cashiers. These persons will participate in an internal training program to become salesperson 2/cashier 2. This training program is mandatory for all newcomers and is followed entirely on company time. In the recruitment process, training requirements play no actual role. Far more important selection criteria are: customer orientation, a practical attitude, collegiality, dedication and a feeling for service. As regards age, the preference is for young people from the age of 16 up.

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</tr>
</thead>
<tbody>
<tr>
<td>1. a. Total number employees</td>
<td>18,560</td>
<td>18,807</td>
<td>20,996</td>
<td>34,864</td>
<td>36,744</td>
<td>38,093</td>
<td>40,811</td>
<td>43,626</td>
</tr>
<tr>
<td>1. b. In full-time equivalents</td>
<td>9,303</td>
<td>9,687</td>
<td>10,969</td>
<td>17,885</td>
<td>19,055</td>
<td>19,849</td>
<td>20,509</td>
<td></td>
</tr>
<tr>
<td>2. Percentage male employees</td>
<td>46%</td>
<td>46%</td>
<td>45%</td>
<td>45%</td>
<td>48%</td>
<td>48%</td>
<td>48%</td>
<td>48%</td>
</tr>
<tr>
<td>3. Average years of service</td>
<td>3.3</td>
<td>3.8</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>4. Employment</td>
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<td></td>
<td></td>
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<td>. full time (&gt;4/5 normal week)</td>
<td>35</td>
<td>35</td>
<td>36</td>
<td>39</td>
<td>40</td>
<td>39</td>
<td>37</td>
<td></td>
</tr>
<tr>
<td>. long part-time (1/2-4/5)</td>
<td>13</td>
<td>13</td>
<td>14</td>
<td>13</td>
<td>12</td>
<td>15</td>
<td>13</td>
<td></td>
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<tr>
<td>. short parttime (&lt;1/3 normal week)</td>
<td>52</td>
<td>52</td>
<td>50</td>
<td>48</td>
<td>48</td>
<td>46</td>
<td>50</td>
<td></td>
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<tr>
<td>total</td>
<td>100</td>
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<tr>
<td>5. Sales</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. In % of total personnel</td>
<td>40%</td>
<td>43%</td>
<td>44%</td>
<td>39%</td>
<td>35%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. In % of full-timers + long parttimers</td>
<td>34%</td>
<td>23%</td>
<td>19%</td>
<td>31%</td>
<td>31%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Figure 6 - Characterization of the work force at Albert Heijn BV
The second group, however, is required to meet certain requirements regarding educational background, age and working experience (see fig. 7).

Figure 7 – Requirements for executive and management jobs

<table>
<thead>
<tr>
<th>Position</th>
<th>Level of education</th>
<th>Age</th>
<th>Work experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assistant department manager</td>
<td>mavo</td>
<td>min. 18</td>
<td>some working experience</td>
</tr>
<tr>
<td>Branch management assistant</td>
<td>mavo/meao</td>
<td>some years</td>
<td>work experience, affinity with and a knowledge of how to work on a computer</td>
</tr>
<tr>
<td>Department manager</td>
<td>havo/mds/meao</td>
<td>min. 20</td>
<td>some years work experience</td>
</tr>
<tr>
<td>Supermarket manager</td>
<td>havo/mds/meao</td>
<td>min. 23</td>
<td>experience with leadership</td>
</tr>
</tbody>
</table>

Those in this second group must also comply with the same requirements as the members of the first group. A few extra requirements apply for this group, particularly for employees who are expected to move up to the position of department manager and supermarket manager. In such cases, additional qualities such as managerial abilities, ambition and strength of character are demanded.

For years it has proven very difficult to find and to bring in high-level executive personnel from outside the company. The company is therefore forced to provide its own management courses and training. There is, in fact, a strong preference inside the company for these internal training programs. In this way, career opportunities for personnel with ambition and talent in this direction are created. Moreover, the major advantage of internal training programs is that the company philosophy, commercial climate and working methods can be taken fully into account.

To be eligible to participate in internal employee training courses for executive and management positions, an employee must work a minimum of 32 hours per week in the company. Only for the job of assistant department manager was this requirement recently relaxed from minimally 32 hours to minimally 18 hours.

Before being admitted to the training program for department manager or supermarket manager, candidates are tested by an assessment center on whether they have a reasonable chance of success or not. Their recommendation is presented in the form of a strength/weakness analysis. Hence the system is not only used to select candidates, but also to formulate individual learning needs, areas which the candidates can subsequently work on during the further course of the program. Candidates who receive a negative evaluation are not admitted to the course.

Candidates for the assistant managers course are solely evaluated on some ten behavior aspects which are seen as essential for the job (examples: stress-resistance, sensitivity, initiative, flexibility, leadership, organizational talents). Candidates for the course for supermarket manager must also undergo an intelligence test and an achievement test.

Before the assessment center method was introduced, there used to be a 30 percent drop-out rate from the department managers course. This has been reduced to less than 10.

Internal training programs: a three-step approach. Before examining the job training offered at Albert Heijn, a closer look at the three-step training method which, since 1987, has characterized, not only all management training courses, but virtually all the other internal training programs available at Albert Heijn as well, would appear warranted. Prior to 1987, the courses offered were more theoretical, with less on-the-job learning and hence, it was thought, less geared to actual store practice.

Figure 8 – The three-step training strategy

<table>
<thead>
<tr>
<th>Step 1</th>
<th>Step 2</th>
<th>Step 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preparatory assignment</td>
<td>Theoretical tier</td>
<td>Practical assignment</td>
</tr>
<tr>
<td>self-study</td>
<td>via course days</td>
<td>to develop skills</td>
</tr>
</tbody>
</table>

In this approach, the actual instruction phase is kept as short as possible. During the practical assignment, the knowledge and skills acquired are immediately put to use in the daily tasks.
self-study phase and the practical assignment generally take place under the boss’ supervision. Various people are enlisted to teach these courses: specialists, trainers, personnel officers, line managers.

Job training for store personnel. At Albert Heijn, various courses and training possibilities are open to store employees (see fig. 9). The salesperson/cashier training courses take place entirely at the store itself. The major part of the other courses takes place in the store, and a small part is given at a course location.

Figure 9 – Job training for store personnel

<table>
<thead>
<tr>
<th>Course</th>
<th>Number of Days of the Course</th>
<th>Total Length of Course in Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Sales personnel training</td>
<td>none (fully on the job)</td>
<td>30</td>
</tr>
<tr>
<td>2. Assistant department manager</td>
<td>approx. 10</td>
<td>360</td>
</tr>
<tr>
<td>3. Branch management assistant</td>
<td>12</td>
<td>360</td>
</tr>
<tr>
<td>4. Department manager</td>
<td>28</td>
<td>560</td>
</tr>
<tr>
<td>5. Supermarket manager</td>
<td>60</td>
<td>1500</td>
</tr>
</tbody>
</table>

Training for salesperson 2
Up to 1982, employees were trained for the level of salesperson 2 on a multi-deployment basis, even those who, to all practical purposes, were only working in a single department. This is no longer the case. In practice, this means that the majority of newcomers since 1982 has been or is being trained to work within a single department via on-the-job instruction under the supervision of either the department manager or the assistant department manager. The subject material to be handled is divided into three blocks:

- general informative aspects and procedures
- non-departmental specific knowledge and skills
- department-specific knowledge and skills

The training is divided into two phases. The three blocks mentioned above are handled during both phases. The first phase is devoted to acquiring a basic knowledge. This basic knowledge is subsequently broadened/deepened during the second phase. At the end of the course, which can be spread out over a half a year, the employee should have a good knowledge of the range of products in the relevant department and be able to work reasonably independently. Employees are then tested on whether they have acquired the knowledge and skills needed. Passing the test means promotion to the position of salesperson 2/cashier 2, and a salary raise.

At present, the Employee Training department is revising the course program for sales personnel. The new program is structured into 5 general modules (customer relations, commerce, quality/hygiene/environment, cost control and goods flow). Each general module is followed, where necessary, by additional instruction at the level of the different assortment groups. This modular structure was opted for instead of the phase-structure as:

- in this way, the course is easily kept up-to-date, which is especially important in the case of frequently occurring changes in assortment.
- This allows the department manager himself to determine the order in which the subject material should be learned.
- the subject matter can be offered selectively and efficiently when training part-time workers, or salespeople who are changing departments.

The new training course for sales personnel makes use of strongly visualized instruction material (instruction magazines, assortment books, video) as to make this information more accessible for those following these courses.

Course for assistant department manager
This course consists of practical training at the retail branches and 12 days of instruction. The course has a total length of 360 hours. Subjects which are discussed during the course include: interactive skills, store automation, taking minutes and listing the agenda, the goods, financial, personnel and salary accounts, file management, efficient work organization.

Course for department manager
This course lasts approximately 6 months and consists of 28 days of instruction. The main subjects are: giving leadership and team formation, customer relations, organizing the work, character development, commerce, personnel and salary accounts, controllable costs, personnel policy instruments and leadership skills.

Course for supermarket manager
The course for supermarket manager was only recently revised. This course is comprised of 7 technical modules (Albert Heijn management,
model personnel management, commercial management, cost management, logistic management, management information, management game) and 9 leadership modules (including situational leadership, coaching skills, effective behaviour, time management etc). The entire course takes up approximately 13 months, with a total of 880 hours of instruction, divided into 9 phases. The contents of the technical modules are interrelated, an aspect which becomes especially clear in the last module: the management game. This module comprises a four-day block representing the period of one year in which the actual store situation is simulated.

External training programs. In practice, internal job training programs are available for all jobs in the store. Next to these, Albert Heijn also makes use of external training courses.

2.2.2 Developments in training policy

Long tradition of employee training. Albert Heijn BV has had an employee training policy and training infrastructure for many years. This was noted earlier in chapter 1, as were several important developments which have occurred in respect of the refresher courses and training programs available to employees during the past ten years. This chapter briefly recapitulates and further expands on the information provided earlier.

Fundamentals of the training policy up to 1987.
Up to 1987, the employee training policy at Albert Heijn BV was based on the following: The training received by an employee is determined, on the one hand, by the possibilities open to him and his drive to develop himself, and on the other hand, by the company's need for good staff. On this basis, employees are given the opportunity to promote the development of their capabilities and character within a previously formulated training plan, without, in doing so, violating their individual freedom and responsibility. To make this possible, the company will provide:
- internal and external training courses so that present and future job requirements can be satisfied;
- adequate supervision by or via the employee's immediate superior in performing the job;
- changes in jobs, to do greater justice to experience and skills.

In practice, this meant the creation of an Employee Training department which was primarily occupied with job training, while individual training needs were taken care of by the personnel department and the internal study contribution fund.

Up to 1987, mainly initial schooling and management courses. Up to 1987, the training activities at Albert Heijn were clearly more directed at teaching people new jobs than at ensuring they remained able to function in changing jobs. The relatively short term of employment of many employees also plays a role in this. In 1987, the average term of employment for Albert Heijn workers was not quite 4 years. Over three-quarters of the employees at Albert Heijn stay with the company for less than 5 years. Especially shop floor employees, such as salespeople and cashiers, often remain in the employment of Albert Heijn for short periods only. It is only slightly exaggerated to say that it was, and is, more important for Albert Heijn to keep the internal, initial course for new sales personnel and cashiers up to date, than to provide sitting sales personnel and cashiers with refresher courses and additional training.

The term of employment is a far less significant factor in the case of executive staff. As far as number of years in service are concerned, this group clearly stands out above the average. Even so, additional training and refresher courses were only barely necessary, even for these jobs, up to 1987. This was mainly due to the way in which Albert Heijn organized company management. Up to 1987, the Albert Heijn organization was wholly focussed on management of the branch stores. The systems were aimed at control, while the management style and organizational structure of the shops were generally uniform, and in all cases, prescribed. Mainly, store management was expected to carry out the rules which were handed down from headquarters.

It should be noted that the above does not imply that nothing more was learned by the sitting personnel after having received their initial training. Learning took place in very diffuse ways: by means of knowledge transfer between and exchanging experiences with colleagues/superiors, by contacts with and the guidance of specialists in certain areas (e.g. meat specialists) and other company specialists, during consultations at branch or department level, by means of information issued by the company, etc. These forms of additional training were often lacking in structure, as a consequence of which any result tended to be more or less incidental.

An about-turn in 1987: focus on the store. In chapter 1, the transition in 1985 from competitiveness in price to competitiveness in quality was described. It was also noted that this led to a reassessment of the position of the branch stores within the Albert Heijn organization. In 1987, the store was chosen as the basis for the policy to be followed. The new approach was to make it possible to decentralize responsibilities while at the same time remaining able to follow developments on a central level.

Now also additional training essential. As of the year 1992, the bulk of the courses provided by Albert Heijn still consist of job training. In recent years, however, views on management have also changed. Due to the decentralization process, the tasks and responsibilities of store management have changed. This has been compensated for by the creation of new management positions...
(the position of branch management assistant and assistant department manager) and by teaching sitting management (supermarket managers and department managers) a new style of leadership. The change of focus summarized here was implemented on the basis of the ‘Management Training Tracks’ which are being implemented with the framework of ‘Time for Quality’.

Meetings are held on a regular basis in which, next to the 4 personnel officers on the area-level, the head of personnel affairs in Operations and the head of employee training in Operations, participate. The problems and bottlenecks occurring within the company form likely agenda items. This can result in the Employee Training department being assigned either to find a solution or to subject these problems and bottlenecks to further analysis.

In the latter case, a project leader from the Employee Training department is appointed, who will subsequently draw up a project proposal on the basis of a preliminary study, detailing, among other things, the required time, expertise and funds. The following step is frequently the formation of a project team. During the development phase, the person from whom the assignment derives is closely involved all throughout in any important choices which are required to be made and the consequences thereof.

Return on investment of employee training programs under study. Some time ago, Albert Heijn introduced the practice, which is continued even today, of having course participants fill in an evaluation form on completing a course block, in which they can indicate their feelings on the form and content of the course. This approach is not truly sufficient to indicate the extent to which the training activities yield their value for money. In view of the volume of the training activities, however, it is becoming increasingly important to establish the return on investment of the various training courses. As there was no adequate method available to determine this, the company itself developed a method, with the assistance of the university. With the help of this method, the return on employee training courses can be determined by expressing both the effects and the costs in terms of money.

In the period 1990-1991, the return on the training course for department manager was subsequently examined. To this end, a baseline measurement and re-measurement was performed by means of surveys (among course participants, a colleague and a manager) held among two batches of course participants and a control group. The results and the structure of the study are currently being widely discussed and commented on, inside and outside the company. The ultimate goal of the project is to come to well-considered decisions on the utilization of employee training as a tool of management.
Almost 3 percent of the gross total amount of wages for employee training. In recent years, almost 3% of the gross total amount of wages has been spent each year on employee training. Expenditures for employee training activities are expected to remain at this level throughout the coming years, as well. Per year, some 13,000 persons follow the internal training courses offered. Next to the 2000 members of management who receive additional training (see fig. 10), there are also some 11,000 employees who take the course for salesperson 2/cashier 2 each year. The number of participants in external courses, the costs of which are reimbursed by the company, rose during the years 1987-1989. In over half the cases, this involved vocational training and courses within the scope of the ‘leringwezen’, or apprenticeship program. Men clearly make more use of the study expenses fund than women. Two-thirds of those participating in the courses are male.

Internal courses primarily during working hours. The bulk of the internal training courses provided are given, partly because of the strong practical character of these courses, during normal working hours. In so far as these activities take place outside working hours, these hours will be paid.

The Management Training Tracks (MTT) project. The aim of this project - organized within the scope of ‘Time for Quality’ - is to train all supermarket managers and department managers in a new management and leadership style within the span of a few years. A top-down approach has been chosen, i.e. first the supermarket managers and then the department managers will receive this training. Supermarket managers thus also acquire an important exemplary and supervisory role.

This training, too, makes use of a three-step training approach. The course is composed of modules. A central theme in each module is ‘approaches to change’, which gives the course an immediate link with the problem and challenges which occur in the work situation of these managers.

As of now, all supermarket managers have followed a minimum of 3 technical modules.

Meanwhile, the training of the department managers has also been started. In the original plan, this entire training project was to have been completed in 1993. Current expectations are that this could run to 1995. New or updated modules will probably also be required by that time, implying that in respect of this group, a situation in which formal training is continuously required would appear to be developing.

Influence of employee representatives on the training policy. The trade union is not involved at company level with the training policy followed by Albert Heijn BV. Nor is the works council heavily involved as, in the opinion of the works council, there is little reason for such involvement. The training policy has been well defined and implemented. Moreover, hardly any questions are raised by rank and file employees about this policy. In fact, there has been no explicit evaluation by the works council of the training policy in past years. Primarily because that there is little about the company’s training policy to provoke comment. The company is always careful to inform the works council of all plans and developments concerning the training policy. No fundamental objections have ever been encountered in all this.

2.3 Continuing vocational training in an Albert Heijn branch store

Store type 5. In chapter 1 it was mentioned that Albert Heijn has distinguished five types of stores according to product range, in which the number of products varies from circa 3,000 in store type 1 up to over 15,000 in store type 5.

The branch store examined in this case study is a type 5 store. At the end of 1991, this store was enlarged with the addition of 1,100 m². At the same time, the new design incorporated numerous elements with which experience had been previously gained in Tilburg. (Several years ago, Albert Heijn started the New Super Market in this city, a store in which all kinds of innovations were experimented with in order to discover what could and could not be implemented in the stores of Albert Heijn). This store features, for example, robots with information on products - a facility which can be used by both personnel and customers.

The assortment of the branch store examined con-
tained 18,000 articles. Checking out occurs with the help of scanners. The store, established on the outskirts of a town with a population of 100,000, is designed to attract customers from the surrounding area.

More than 200 employees. There were 232 employees at the branch store studied. Of these, 26 (11%) held either staff or management positions (see fig. 11). The supermarket manager and the department managers were all men. The assistant department managers were primarily women.

Figure 11 — A characterization of the work force

<table>
<thead>
<tr>
<th>Job</th>
<th>1. Absolute</th>
<th>2. Sex</th>
<th>3. Number of hours</th>
<th>4. Age</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>number of persons</td>
<td>% male</td>
<td>% female</td>
<td>% full-time</td>
</tr>
<tr>
<td>1. Supermarket manager</td>
<td>1</td>
<td>100</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2. Branch management assistant</td>
<td>1</td>
<td>-</td>
<td>100</td>
<td>-</td>
</tr>
<tr>
<td>3. Department manager*</td>
<td>11</td>
<td>100</td>
<td>-</td>
<td>100</td>
</tr>
<tr>
<td>4. Assistant department manager**</td>
<td>13</td>
<td>15</td>
<td>85</td>
<td>77</td>
</tr>
<tr>
<td>5. Second salesperson</td>
<td>60</td>
<td>32</td>
<td>68</td>
<td>38</td>
</tr>
<tr>
<td>6. Second cashier</td>
<td>23</td>
<td>4</td>
<td>96</td>
<td>26</td>
</tr>
<tr>
<td>7. First salesperson</td>
<td>48</td>
<td>37</td>
<td>63</td>
<td>8</td>
</tr>
<tr>
<td>8. First cashier</td>
<td>23</td>
<td>4</td>
<td>96</td>
<td>13</td>
</tr>
<tr>
<td>9. Shelf stockers</td>
<td>47</td>
<td>66</td>
<td>34</td>
<td>-</td>
</tr>
<tr>
<td>10. Canteen</td>
<td>5</td>
<td>-</td>
<td>100</td>
<td>-</td>
</tr>
</tbody>
</table>

| Absolute number               | 232***      | 84         | 148      | 59         | 54          | 119          | 101  | 81       | 50   |
| % (232 = 100%)                | 100         | 36         | 64       | 25         | 23          | 52           | 43   | 35       | 22   |

* of which one in training
** of which three in training
*** these include 11 employees (5%) from ethnic backgrounds, especially of Turkish origin.

Just over half of the personnel consists of so-called short part-timers (who work less than a third of a normal working week). This deviates only very slightly from the percentage of short part-timers working in the whole of Albert Heijn BV (cf. fig. 6). In the branch store studied, there were fewer full-time workers and more long part-time employees than average at Albert Heijn BV. Also, more female employees worked at this branch (64%) than is average at Albert Heijn (52%).

First salesmen and women/cashiers and shelf stockers tend to be predominantly short part-time workers and youth workers.

Recruitment in accordance with the policy of Albert Heijn BV. Personnel turnover in this store has stood at several percentage points below the average for the whole of Albert Heijn. The recruitment of new personnel has hitherto presented no real problems. The recruitment of new employees also occurs according to Albert Heijn policy: at this branch, too, a distinction is made between two groups of newcomers and the selection criteria described in section 2.1 are applied for both groups.

The same applies for initial training courses/job training. The training of newcomers to the level of salesperson 2/cashier 2 also takes place in conformity with Albert Heijn policy, i.e. entirely at the branch store. The head office, however, does keep track of what goes on here. If, after 8 months of service, no request for promotion to salesperson 2 cashier 2 has been received, the head office automatically asks for an explanation.

At present, 4 people are following a management course. Of these, 1 is taking the course for department manager and 3 the course for assistant department manager. These training courses also take place as outlined in chapter 2.

Additional training courses. Discussions at branch level reveal that during the past few years, the need for additional training courses has grown. The causes enumerated are the same aspects which came up during discussions at the
head office: the increase of and innovations occurring in the product assortment, the changed preferences/desires of customers and the importance of an alert response to these, the high standard of motivation and involvement consequently required from the employees and the consequences hereof for the style of management in the stores. Furthermore, it was also pointed out at this branch that additional training was also required for the cashiers when the switch to scanners was made. This, however, was seen as a single occurrence, while the changes in product range and the changes noticed in customers are considered more or less to be ongoing developments.

Additional course and training activities within the framework of the MTT. Only recently, both the supermarket manager and some 7 department managers received additional training within the scope of the Management Training Tracks project. This project focusses primarily on teaching a different leadership style. Up to now, giving leadership in the stores was mainly a question of task-oriented management. Training is now given in situational management, more employee-oriented. In this connection, much importance is attached to the phenomenon of work consultations, during which employees have a say and can think along about the work methods in their department, naturally all within the framework provided by Albert Heijn’s rules and regulations and the rules applying at the branch. At this branch, work consultations took place in all departments. Generally, these were held on Monday morning, when the branch is shut for customers.

Monday morning starts with a general review for all the employees in attendance. This review is held by the operating manager of the week. (The department managers take turns as operating manager of the week. The tasks of the department manager are then taken over by the assistant department manager. This procedure, a branch initiative, is also a form of (additional) training.)

During the general review, a short evaluation of the week is given, during which the turnover figures are also discussed. The points to which extra attention should be devoted during the coming week are brought forward. These points are determined by means of information supplied by the customers themselves. It is namely possible for customers, on checking out, to fill in a form on which they can communicate any complaints or wishes relating to the products or to their treatment at the hands of the store employees.

Additional training salespeople/cashiers. Not even close to all employees are present on Monday morning. This is solved by drawing up reports of the meetings. Sometimes, the (assistant) department manager will repeat the most important agreements made during the work consultation meeting at some other time for (groups of) employees who were absent on Monday morning. The AH news is also broadcast on Monday morning. More or less permanent features include ‘Current affairs at Albert Heijn’, ‘Branch Bulletins’, ‘Advertising policy for the coming week’, ‘Product information’. An element of schooling is, therefore, inherent in this. The Saturday workers and the employees hired for the late opening night are also shown the AH News before starting work.

The new, modular training for salespeople was discussed in chapter 2. The intention is to give this course to the sitting sales personnel as well. How this is actually implemented is left up to the branches themselves. At this branch, this course was organized during the evenings. While participation was voluntary, attendance was recommended. All the more as these course evenings were preceded by a preparatory assignment (self study) and followed by a practical assignment. Everyone proved to have participated in these training evenings. Separate evenings were arranged for the general module on customer relations and the supplementary course on the various specific assortment groups. Follow-ups of these evenings are henceforth expected to be necessary every year.

Yet another form of additional training involves personnel visiting other branches or other parts of Albert Heijn for a stint of what more or less amounts to practical training. Hence, there are employees who work for a while at Fresh Company – one of the other operating companies within Albert Heijn BV – to learn new working procedures, such as new types of goods presentation, in practice.

All in all, it can be concluded that this branch provides training for its sales personnel in a number of different ways. A general characteristic which applies for all the forms of additional training offered is that these virtually always take place in practice (usually in the practical store situation).

2.4 Summary and conclusions
1. The history of the company of Albert Heijn dates back to the year 1887. In short the most important developments of the company are:
   - Up to 1950: expansion by increasing the number of retail outlets
   - 1950-1980: growth via more and bigger retail outlets
   - 1980-1985: enlarging market share through competitive pricing
   - As of 1981: also growth via franchising
   - As of 1985: from price to quality competition.

2. The reassessment of the commercial policy was necessary because, as of the mid-eighties, the customer – while continuing to attach importance to prices, was seen to pay increasing attention to quality, variation, convenience and services.

3. Albert Heijn has responded to this trend by offering an even wider assorted range of products, including a large number of daily...
necessities at low prices and, in addition, many groups of products with a clear added value. In particular, the price/quality ratio of own brand products is favourable. The range of own brand products already covers some 1750 items. Besides, all kind of innovations in store formulas, etc. have been implemented.

4. Since 1985, due to these developments, growth has been realised more by an increase in floor area of the company’s own stores and an increase in turnover per m², than to an increase in number of outlets. As a consequence the existing stores are becoming ever more complex.

5. To continue to be able to apply this growth strategy with success, it is necessary that the stores respond optimally to their specific market environment. This realization has led to a re-evaluation of the position of the stores within the Albert Heijn organization. Since 1987, a store in its environment has been chosen as the starting point for the policy to be followed.

6. This new approach is aimed at decentralizing responsibilities while, at the same time, remaining able to monitor developments at central level. To this end, management at the branches has been strengthened, by, among others, placing advanced information systems at the disposal of branch management and - in connection with this - by creating new management positions and providing training to current managers.

7. These new approaches and policies have consequences for the targets and place of the training department, as well as for the courses.

8. Since 1987, the aim of the training department is to offer support for strategic change processes by developing, implementing and evaluating content and design of courses for store employees. For some years now, responsibility for the organization, planning and financing of these courses has, at least for the majority of jobs, fully belonged to the management concerned. This implies that investment in training and the results are dependent, for an important part, on the conviction and (leadership) qualities of these managers.

9. The training department has been expanded strongly, especially with course specialists responsible for developing new courses. The training department now is a support service within the Operations Directorate.

10. Up to 1987, the training activities of Albert Heijn were focussed more on teaching people new jobs than staff adapting itself to changing job requirements. The relatively short term employment of many employees plays a role in this. In 1987, the average term of employment for Albert Heijn workers was not quite 4 years. Over three-quarters of the employees at Albert Heijn stay with the company for less than 5 years. Especially shop floor employees, such as salespeople and cashiers, often remain working for Albert Heijn for short periods only. It is slightly exaggerated to say that it was, and is, more important for Albert Heijn to keep the internal, initial course for new sales personnel and cashiers up to date, than to provide sitting sales personnel and cashiers with refresher courses and additional training. As far as number of years in service are concerned, the executive staff clearly stands above the average. Even so, continuing vocational education was hardly necessary, even for these jobs, until some years ago. This was mainly due to the way in which Albert Heijn organized company management, i.e. in a very centralized way.

11. As of 1992, the bulk of the courses provided by Albert Heijn still consist of initial job training. In recent years, however, views on management have also changed. Due to the decentralization process, the tasks and responsibilities of store management have changed. This has been compensated for by the creation of new management positions (branch management assistant and assistant department manager) and by training current management new leadership styles.

12. Since 1987, a three-step training method has characterized all (initial) training programmes. In this approach, the actual instruction phase is kept as short as possible. Prior to 1987, the courses offered were more theoretical, with less on-the-job learning and hence, it was thought, less geared to actual store practices.

13. Nowadays most training programmes are modular. In this way, the course is easily kept up-to-date. The modular structure also allows department managers themselves to determine the order in which subject material should be learned. A third advantage is that subject matter can be offered selectively and efficiently when training part-time workers.

14. In recent years, almost 3% of the gross total amount of wages has been spent each year on training. Expenditures for training activities are expected to remain at this level throughout the coming years, as well.

15. By consequence it is becoming increasingly important to establish the return on investment of the various training courses. As there was no adequate method available to determine this, the company itself developed a method. With the help of this method, the return on training courses can be determined by expressing both the effects and the costs in terms of money. In the period 1990-1991 the newly developed method was examined.
2. The ultimate goal of the project is to come to well-considered decisions on the utilization of employee training as a tool of management.

16. The works council supports the training policy of the company. The trade unions have no concrete involvement with Albert Heijn's training policies. Nonetheless, this policy is viewed with approval. The few reactions we received from employees were also positive.

17. Training activities of these kind of companies cannot be transposed to other companies, since they require significant investments in support structures at regional and central level.
3.0 Introduction
The majority of retail entrepreneurs limit their activities to one country. In this sector, however, are also companies with branches in more than one EC country. This was accounted for in the design of the FORCE study of the retail trade by the inclusion, in the study, of shops owned by 2 such enterprises which were located throughout the EC. These two enterprises are Marks & Spencers and de Spar.

De Spar was founded in 1932 in the Netherlands by an independent wholesaler. 'De Spar' is an acronym, formed from the words 'Door Eendrachtig Samenwerken Profiteren Allen Regelmatig', or in English: through harmonious cooperation, all profit regularly. The cooperation referred to relates to the cooperation between wholesalers and retailers. Such a joint operating form is known as a voluntary chain. De Spar formula proved to be a success which has since spread to many other countries.

In this Force study, Spar branches in three different EC countries were included, namely in Italy, Germany and the Netherlands. This is the report of the study conducted at Spar in the Netherlands. However, in view of the fact that 'De Spar' was originally a Dutch initiative, first, an outline of the history of the development of De Spar is given in 3.1, followed by a look at the major developments up to the present.

In 3.2, all attention is subsequently directed at the situation of Spar in the Netherlands. As mentioned above, the Spar formula originated as a form of cooperation between wholesalers and retailers. During the early years, this involved a large number of wholesalers.

As of 1992, this number has shrunk to a total of two, Unigro and Schuitema, who jointly service some 300 Spar shops. Both wholesalers boast a department which is responsible for the training policy applied within their own (wholesale) company and the Spar (retail) stores sponsored. Both situations are examined more closely in section 2.

The remaining Dutch Spar stores are operated, with virtually no exceptions, by independent entrepreneurs. In fact, it is therefore not entirely correct to say that the training departments of Unigro and Schuitema respectively are responsible for the training policy of these independent Spar firms. These departments have a supporting function, which Spar retailers may or may not elect to take advantage of. In section 3, the training programs of two of these Spar firms, one which is sponsored by Unigro and the other by Schuitema, is discussed. Both stores belong to the category of medium and small businesses, i.e. the category of businesses with less than 100 employees.

3.1 The history of Spar
Background. At the beginning of the thirties, many independent retailers suffered heavily from the competition offered by the expanding chain store organizations, among other reasons, because the chain stores operated on a large scale and were therefore able to buy more cheaply. The competition was also fierce among wholesalers. A small country like the Netherlands could have, around the year 1930, an unbelievable total of 1200 food wholesalers. Given such a situation, and in order to survive the competition from the chain stores, it was necessary for wholesalers and retailers to combine forces. Thus in 1932, the first voluntary retail chain 'DE SPAR' (Door Eendrachtig Samenwerken Profiteren Allen Regelmatig, or, through harmonious cooperation all profit regularly) was formed.

Principle of cooperation. A voluntary chain is based, in principle, on two kinds of agreements. On the one hand, the territorial agreements between the wholesalers themselves. As a result, the market is divided into geographical areas with one wholesaler per area holding a Spar license, i.e. with the sole right to Spar distribution in that territory. On the other hand there are the agreements between retailers and Spar wholesalers on the rights and obligations towards one another. Essentially, this concerns the agreement that an independent retailer is permitted to operate a business under the marketing flag of the Spar, and in return agrees to do (nearly all) his buying from the Spar wholesaler in his area.

Growth and expansion. The Spar has since grown to become one of the largest retail chains in the world. This organization is currently active in around 24 countries (see figure 1). The international growth of the Spar was realized without any active acquisition. Only during recent years has the Amsterdam-based Internationale Spar Centrale B.V. adopted a more active approach.
3.

Figure 1 – Spar countries (founding year)

<table>
<thead>
<tr>
<th>Country</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Netherlands</td>
<td>1932</td>
</tr>
<tr>
<td>Belgium</td>
<td>1947</td>
</tr>
<tr>
<td>Germany</td>
<td>1953</td>
</tr>
<tr>
<td>Denmark</td>
<td>1954</td>
</tr>
<tr>
<td>Austria</td>
<td>1954</td>
</tr>
<tr>
<td>France</td>
<td>1955</td>
</tr>
<tr>
<td>England</td>
<td>1956</td>
</tr>
<tr>
<td>Spain</td>
<td>1959</td>
</tr>
<tr>
<td>Italy</td>
<td>1959</td>
</tr>
<tr>
<td>Finland</td>
<td>1962</td>
</tr>
<tr>
<td>South Africa</td>
<td>1963</td>
</tr>
<tr>
<td>Ireland</td>
<td>1963</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>1966</td>
</tr>
<tr>
<td>Greece</td>
<td>1969</td>
</tr>
<tr>
<td>Japan</td>
<td>1977</td>
</tr>
<tr>
<td>Argentina</td>
<td>1982</td>
</tr>
<tr>
<td>Norway</td>
<td>1984</td>
</tr>
<tr>
<td>Korea</td>
<td>1986</td>
</tr>
<tr>
<td>Switzerland</td>
<td>1989</td>
</tr>
<tr>
<td>Sweden</td>
<td>1990</td>
</tr>
<tr>
<td>Slovenia</td>
<td>1992</td>
</tr>
<tr>
<td>Czechoslovakia</td>
<td>1992</td>
</tr>
<tr>
<td>Hungary</td>
<td>1992</td>
</tr>
<tr>
<td>Portugal</td>
<td>1992</td>
</tr>
</tbody>
</table>

The 24 Spar countries can boast a total of 22,000 Spar stores. The turnover is approximately 20 billion ECU.

In 1988, the number of people working at the Spar, including the independent entrepreneurs, was 158,000 (1987: 149,500), of whom 134,000 (1987: 127,000) were working in the retail trade and 24,000 (1987: 22,500) in the wholesale trade and the Spar head offices.

Process of increasing scale. The Spar organization is not a multinational with a capital structure. This implies that the various countries had an extensive degree of autonomy in the design of Spar. As a result, the types of Spar stores launched under the Spar name and logo show tremendous variety.

However, during recent years clear efforts have been made to reduce the number of different types of shop. There are now some 5 internationally fixed store concepts (see figure 2). At present, however, innumerable Spar stores do not yet conform to one of these five proposed standard types.

Next to the reorganization of the sales formulas, for some time now, the number of Spar stores has also been subject to rationalization, as a result of which the smaller stores, in particular, have started to disappear. Large differences in the extent to which this reorganization process has progressed exist between the various countries.

Concentration in the wholesale trade. Among the Spar wholesalers, too, a large degree of concentration can be perceived, primarily due to merg-
### SPAR Formulas

<table>
<thead>
<tr>
<th>Formula</th>
<th>Division of Store Types According to Sales Surface and Sales 1987</th>
<th>1988</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Spar convenience store. This formula is purely based on convenience trading. Its size varies between 100 sq.m. and 200 sq.m. Long trading hours and a typical “convenience assortment” (milk, bread, beers, wines, cigarettes) are the pillars on which the success of this formula is built.</td>
<td>42.9%</td>
<td>41.9%</td>
</tr>
<tr>
<td>2. ‘Green line’. This is a concept for independent retailers running stores up to 400 sq.m., with a complete assortment of dry groceries, and a variety of perishables, mostly fruits and vegetables, dairy and meat products.</td>
<td>18.7%</td>
<td>18.8%</td>
</tr>
<tr>
<td>3. Spar ‘Red line’. This is a concept for independent retailers or wholesale owned stores, ranging from 400 to 1500 sq.m., with an extended fresh foods assortment, usually also including fresh meat and fresh bakery products.</td>
<td>21.2%</td>
<td>21.7%</td>
</tr>
<tr>
<td>4. Eurospar. This is a formula for stores between 1.000 sq.m. and 2.500 sq.m., with a full variety of dry groceries, fresh foods and a range of non-food items.</td>
<td>10.7%</td>
<td>10.9%</td>
</tr>
<tr>
<td>5. Interspar. Interspar provides a real shopping experience. Ranging from 2.500 sq.m. to 6.000 sq.m. sales surface this department store concept offers a complete food assortment, as well as non-foods in the most extended sense of the word.</td>
<td>6.5%</td>
<td>6.7%</td>
</tr>
<tr>
<td></td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

**Forward Integration.** The retail trade with its sales outlets has started to play an increasingly more central role in the strategic plans and actions of the wholesale trade. Formerly, wholesalers fulfilled what was more or less an hourglass function. They bought goods from the manufacturers, stored these and subsequently distributed them over the retail businesses in a rather passive manner. Due to the process of reorganization and increasing scale, the remaining outlets have grown ever more important, also as regards the continuity of the wholesalers themselves. This is reflected in the policy of the wholesalers. From merely being interested in, they have gone, via being actively supportive of, to becoming heavily involved with all the important facets of policy and management of a retail business (assortment structure, store design, pricing, sales promotion, bookkeeping, financing).

All this implies that the wholesalers have increasingly invested in the stores. For this reason, but also because preservation of the sales outlets is vital for the wholesale trade itself, sales outlets will continue to exist, also in situations where the wholesaler can find no independent entrepreneur who can or wishes to take over. In these latter cases, they subsequently are operated as branches, a fate which particularly overtakes the larger stores, hence, to an increasing extent, the supermarkets, the eurospar stores and the interspar stores (see figure 2). Practically no large-scale eurospar stores and interspar stores are found in the Netherlands. In this country, the Spar shops are virtually all operated by independent entrepreneurs. In other countries, such as, for example, Germany and Austria, a clear development away from a voluntary chain organization, towards an ordinary chain store, can be noted. This trend has not only resulted from the fact that no successors can be found to take over as independent proprietors in existing voluntary retail chain stores. Wholesalers, too, sometimes establish new stores which are operated from the very beginning as a chain store. As mentioned above, the wholesalers have gradually started to become involved in an increasing number of aspects of the management of the voluntary chain stores. Initially, the emphasis was primarily on product range and promotion. Later, automation and financing were also included. In recent years, there has been a growing awareness that personnel policy also forms an essential activity within the framework of retail marketing. From this evolved the development of the training policy and training activities. These were originally aimed at providing training for prospective entrepreneurs/managers and continuing education for current entrepreneurs/managers, as it was here that the first, or clearest problems, as the case may be, became evident. At present, the motivation, knowledge and skills of the entire
staff, from high to low, are increasingly perceived to play an important part in the competitive power of the stores and hence also the wholesaler. This awareness is currently being transformed into policy, including a training policy.

Organization structure. As previously mentioned, the majority of the Spar countries are divided into districts, each with its own wholesale sponsor, the Spar licensee. A large or small Spar head office is located in each Spar country, entrusted with, among other things, the management of the licenses/districts and coordination of the cooperation between the various wholesalers. These offices are often legal entities, usually private limited companies, the shares of which are held by the national Spar wholesalers. In the Netherlands, this is the BV Spar Centrale, with Unigro (70% of the shares) as shareholders and Schuitema (30% of the shares). Besides the job already mentioned, BV Spar Centrale in the Netherlands is also charged with the following tasks:

- Further development of the Spar private label;
- Organizing national promotion activities;
- Further elaboration of the formula policy for the Netherlands (especially the 'red line' and 'green line' concepts; see figure 2);
- Management of general affairs;
- Effectuation of the Spar stamps policy.

In other countries, the job package is more extensive. In such countries, matters such as financing, management support, central buying activities, plus retraining and refresher course programs form additional job areas. In the Netherlands, however, marking out and implementing the tasks areas of the Spar Centrale demands extra care and time, in view of the fact that the shareholders in this case are, in fact, two rival wholesalers. As far as Spar is concerned, their interests are shared, however, next to this both wholesalers also have their own formulas/interests in the retail trade. Joint interests, therefore, go hand in hand with competing interests. Two years ago, a cautious initiative was taken to develop a joint effort under the Spar name.

In turn, the national Spar Centers hold shares in the Amsterdam-based Internationale Spar Centrale B.V. This organization, employing a staff of about 10, has virtually no operational function. Its tasks are of a primarily coordinating nature:

- Translation and interpretation activities are performed for the benefit of international communication, and excursions are arranged, i.e. the trips are booked and the excursion programs are organized.
- During recent years, the policy of Spar has increasingly been aimed at exploiting or respectively utilizing the common features and the expertise available within the Spar organization, on a wider scale. Permanent internationally composed work groups were instituted in the following areas to achieve this purpose:
  - marketing
  - logistics
  - electronics/automation
  - training.

These work groups meet once or twice per year to exchange information and experiences, to define projects and to visit one another's shops. These activities are organized and coordinated by the Internationale Spar Centrale.

- Another task entrusted to the Internationale Spar Centrale is the international protection of the trade mark, internationally settling logo, name and patent rights. Also, the previously mentioned acquisition of new Spar licensees belongs to the tasks of this organization.
- In 1989, the Intergroup Finance AG and the Intergroup Trading AG were formed. The object of the former company is to strengthen the position of Spar by offering financial support to Spar members at both the wholesale and the retail level. Besides, this company aims to acquire interests in non-Spar retailers and to add these to the Spar company. The latter company was set up with the aim of improving coordination of buying activities, at least concerning tools and assets. The collective buying of assets, in view of the widely varying preferences and customs found throughout the numerous Spar firms, is not a simple matter. This challenge is currently being met with more capacity and dedication. In respect of the products, national and regional preferences also continue to play a role. Meanwhile a company, called BIGS (Buying International Gedalfi Spar) has already been established, just to operate at a European level (purchasing, selling and marketing).

First collective training initiative. The above-mentioned work group for training recently decided to take the first step towards a collective training program for future managers. This refers to the agreement to set up an international practical training program allowing participants to visit various Spar countries to obtain practical training, side by side, for a period of 4 weeks.

3.2 The situation of the Spar in the Netherlands

3.2.1 Some features of the Spar stores

In the previous paragraph, it was pointed out that there are some 300 Spar shops in the Netherlands, namely 200 who collaborate on a commercial basis with the wholesale company Unigro, and 100 who do the same with wholesaler Schuitema. A widely varying range of size and type of store is found within these 300 shops. Very large Spar stores, such as Eurospar and Interspar are virtually absent in the Netherlands. An important percentage of the Spar stores in the Netherlands already satisfies the Spar Green or the Spar Red concept (see figure 2) to a reasonable extent, and it is anticipated that ultimately all the Spar stores in the Netherlands will operate according to one of these 2 concepts.

The turnover of the 300 Spar stores came to 0.7 billion ECU for 1991, which implies a market share of 4.5%. The primary market segment of
the average Spar store is constituted by the area serviced around the location site. The turnover of an average Spar store is realized for a one-third part in the fresh foods departments. The rest of the turnover is generated by dry goods (+60%) and smoking products (+6%).

The work force of the 300 stores collectively numbers around 7500 persons. This figure includes only a very limited number of persons up to a payroll of over 100. The number of women in the work force is estimated at 60%. Since 1985, the number of women reentering the workplace has climbed at the Spar stores around 7500 persons. This figure includes part time workers, in particular to allow a better response to fluctuations in the flow of customers.

A favorable point in the image of the Spar stores is the large degree of service. Traditionally, they are also perceived as being slightly quaint and not all that inexpensive.

**3.2.2 Role of the wholesalers in training at the Spar stores**

Both Unigro and Schuitema are considerably involved in the policy and management of the Spar retail stores. In fact, the wholesale companies are constantly conceiving and working on market strategies aimed at profit and continuity in the long term.

**Participation of the retailers in the planning and decision-making process**

Safeguards have been built into the cooperation structure, however, to enable the Spar retailers to think along and to participate in the decision making process. Schuitema, for example, has installed a Commercial Steering Group for each of its store formulas, hence also for the Spar, which is composed of two entrepreneurs from each of the four regions (North, South, East, West). Every commercial decision must first be approved there prior to being implemented. In addition, there are the general Regional Boards, on which 2 entrepreneurs from each store formula have a seat. The chairman of the national Commercial Steering Groups and of the general Regional Boards, all independent retailers, together form the executive committee of the Association Spar/Centra, which must approve all plans and proposals of Schuitema relating to the retail trade. In addition, it has become good custom with respect to important development projects to form an advisory group of independent retailers which can participate and think along during crucial moments of decision, in order to build in, during the development stage, to some extent a guarantee for the support and commitment of the retail partners. An advisory group of this kind was also called in during past years on the development of new training programs, for example the cashiers training course and the meat products course.

Hence the development of a training policy and training package is a matter which is between wholesalers and retail traders. Neither the unions nor works councils affect this in any way.

**Development of training policy and training infrastructure**

Schuitema has offered the store owners which it sponsors support with personnel affairs for many years. The scope of this support, however, has clearly expanded during the past 15 years. Up to around 1980, this consisted solely of an Accounts department, which took care of the wage records for the retailers. In 1980, a Personnel Consultancy desk was added, which advised the retailers on personnel-related affairs. However, this remained largely confined to cases relating purely to wages and labor law cases.

It soon became obvious that training opportunities were needed. This resulted, at the end of 1982, in the establishment of the Training and Course department, which was chiefly aimed at the further qualification of the independent store owners. However, over the past years, it has become steadily clearer that the survival chances of supermarkets depend, not only on the proprietors, but also on their employees. For this reason, the Personnel Consultancy desk and the Training and Course department were merged into a new department known as Personnel Consultancy and Training. The object of this department is to provide support and to furnish the instruments needed for the development of an adequate personnel policy. This department employs 8 persons, 4 professionals and 4 supporting staff. The professionals are made up of the head of the department, one recruitment/selection/dismissal consultant, one work motivation consultant and a consultant specialized in the development of courses and training. Additionally, in each of the 4 regions, a regional training coordinator is active who spends roughly half his time organizing the courses and training programs on a regional level.

Unigro only very recently implemented an actual training policy. Up to 1989, courses were provided on an ad hoc basis to Unigro employees only, hence employees in the wholesale sector. At the start of 1989, a Training and Course department opened. This department has now been in operation for over two years, and has meanwhile expanded from 1 to 4 staff members (head, secretary and 2 trainers/instructors). The primary target group of the new department is formed by independent retailers sponsored by Unigro, plus their total shop staff. In addition, all employees of Unigro who are closely involved with the retail business belong to the primary target group. This concerns, among others, commercial monitoring teams (see below).

The chief object of training is to achieve improvement in attitude and productivity. The aim of the Training and Course department has been described as: by improving skills and conduct (motivation, involvement), to upgrade performance and thus increase the yield.
At Unigro, too, a top-down approach was selected. Seminars for entrepreneurs have been launched with the theme 'A better enterprise'. The first seminar to be developed is devoted to General Management and the second to Financial Management. Recently, a third seminar, this time on Personnel Management, became available. The aim in the long run is to be able to furnish comprehensive solutions to the training needs in all the echelons of the stores.

Training opportunities offered by/via wholesalers
Both Schuitema and Unigro operate other formulas next to the Spar formula. The situation at both wholesalers is that there is a single training policy and a single selection of training and courses offered for all the formulas together.

Both wholesalers started, in the first instance, with the development of extra training and refresher courses for the retailers which they sponsored, based on the philosophy that this was a necessary first step before starting with training for the shop staff.

Schuitema started with the development of training programs at an earlier date than Unigro, and currently offers a wider range of courses both for store owners and for their department managers and shop assistants.

Proprietors
Initially, Schuitema developed a number of courses itself which were presented in the form of seminars – 3 consecutive days – which were, and still are given by company-employed instructors to the retailers. These seminars dealt with topics such as marketing, organization and automation. Gradually, these were joined by other seminars on leadership/communication, time management, financial policy/management, safety/hygiene, recruitment and selection of newcomers. These later seminars, which generally also lasted 3 days in succession, were either wholly or partly developed by specialized external institutes. Teachers from these institutes were also called in to teach these seminars for the group of retailers. The second step taken by Schuitema towards designing a comprehensive training strategy was to start offering a number of these seminars, with some modifications to the contents, available to the department managers of the stores.

An estimated 40 to 50% of all the independent retailers sponsored by Schuitema participate in these courses. This figure is noticeably lower for Spar proprietors, however, as was mentioned earlier, they only ended up doing business with this wholesale trader a few years ago.

Department managers
The attendance rate of department managers at these seminars is downright poor. The store owners evidently cannot or refuse to do without their managers for three days’ running.

With this in mind, Schuitema subsequently developed its own training module for the department managers. These courses vary in length, consist-
courses at the shop assistant level. Up to now, the courses available were mainly developed externally. There are, or there were, 2 more or less continuous courses, namely a cashier’s course and a course ‘Give the customer a smile’. The cashier’s course is the same course as described above, developed by the COL, but slightly modified by the COL and Schuitema to fit into the Schuitema organization. Altogether, some 2000 cashiers employed at the stores sponsored by Schuitema have followed the course. The other course ‘Give the customer a smile’ was developed by the OVD/TSA (Training Institute for the Distribution Trade/Training Services and Advice). The course is taught in 4 part-time sessions and culminates in a rest and a certificate. Important topics are: communication, consumer and purchasing behavior, presentation, customer orientation in thought and action. This course has since been eliminated from the program by Schuitema as the external teachers were considered, by Schuitema, to be insufficiently capable of transforming the – as such, useful – contents of the course into a format which could meet the requirements of the Schuitema store formulas.

The latter is accorded much importance by the Schuitema organization. Over the past years, within this organization, the view that for retail stores and retail formulas to survive, they must be able to stand out in a positive sense, has increasingly taken hold. All the employees in the store play an important part in this distinguishing process. Not only the shop owners and the department managers, but also the shop floor workers. Hence all employees must receive training to enable everyone to perform this new task – the task of giving the store a positive distinction. At Schuitema, the consequences of this for the training policy in the years to come were also examined. One of the results is that various emphasis will be set in the training and course spectrum. For example, regarding newcomers, the accent will be put on basic skills, and as they become more experienced, this will shift to reinforcing their professional skills via training and courses. For the department managers, emphasis is on their communication and managerial qualities. A department manager must naturally also possess excellent professional skills, but he or she must also be able to communicate with the personnel. All the more so in view of the fact that the department manager has been allocated an important role in the (continuing) training of the floor personnel.

Up to now, emphasis in Schuitema’s training policy has been mainly on courses for the store owners and department managers. The assortment of available courses for those in these positions is reasonably adequate. On these levels, this is mainly a question of updating and further expansion. The need of courses for newcomers and more experienced shop assistants is for more urgent. These levels have now also clearly been given priority.

For the newcomers, a conscious choice not to make use of the above mentioned course in Basic Skills developed by the COL was made, precisely because such a general course is less suitable when aiming to stand out from other supermarkets. In that case, essential elements such as customer relations must be imbued with the company’s own character. Moreover, the work methods in the retail stores sponsored by Schuitema already boast numerous formula specific elements and approaches. This implies that the COL course would first have to undergo extensive modifications to fit the working procedures employed and approved of here. This, too, played a role in the decision to develop a new course.

The new, self-developed training policy for shop assistants (including many part-time workers) is intended to yield training instruments which:
- cover the entire spectrum of knowledge and skills from beginning to professional sales employees;
- are versatile (for instance in a modular form);
- can be started as of the first day of employment;
- promote not only technical development, but also self-development, motivation and involvement;
- are geared to practice.

To satisfy these requirements, training modules are currently being developed which can be given on the shop floor. A training module comprises a combination of a video film, a workbook for the student and a supervising manual for the department manager. The first module in this series is the course for beginning cashiers. The second course which has been developed is the meat products course. As previously mentioned, the new courses take place on the job. In some cases, this may be the store at which the employee works. Sometimes, in group training activities, part of the employees following the course are required to go to one of the other stores sponsored by Schuitema.

As noted above, this training concept was especially guided by the desire to stand out from other supermarkets in the eyes of the customers. The labor market also plays a role. Supermarkets are finding it increasingly difficult to recruit and hold on to personnel. Conditions have gone from a situation where supply exceeded demand, to a situation where demand exceeds supply. Courses such as described above lead to the employees on the shop floor acquiring a broader range of tasks, which makes the work more interesting and improves the image of working in a store. At the same time, the efforts of the trade unions to improve the wage situation in the retail trade are starting to pay off. For retailers, this means that the capacities of the employees will have to be utilized more optimally. Or, as one spokesman, expressed it: ‘In the past, employees used to be used, now they are utilized’.

It also became evident from the interviews that voluntary chain stores are clearly handicapped in the struggle to hold on to personnel compared with the chain stores, owned by big retail compa-
The stores in a voluntary chain tend to be rather small, with a fairly flat organizational structure. Furthermore, management, for the most part is carried out by the retailer and members of his family. This is also the reason that career-oriented employee training courses are virtually unheard of at both Unigro and Schuitema. The single exception is the course for Prospective Independent Retailer. This course evolved from the training seminars for the independent retailers. In view of the importance of a regular and sufficiently large supply of independent retailers for Dutch voluntary retail chains, Schuitema developed its own course for prospective retailers years ago. A certain moment, this course for prospective retailers was transferred to the Stichting Profood (Profood Foundation), an organization which was jointly established in 1984, by the voluntary retail chains in the Netherlands. The center is now jointly bought by the COL and the OVD/TSA within the framework of the Profood Foundation (COL has since merged with OVD).

The development of courses and training programs by companies themselves is an expensive process, especially when video serves as one of the tools used. Distributing these development costs over the participants does not pose an attractive alternative to the wholesaler for two reasons.

The wholesalers operate on the assumption that they do not have to make money on the course but that neither should they cost them money. Spreading the costs around after the fact always implies a risk. Moreover, there is a not inconsiderable chance that spreading the development costs will lead to a high cost of participation, which could form an obstacle to participation by the retail trade. For this reason, Schuitema decided only very recently to charge each affiliated retailer a fee, namely a fixed percentage of his turnover. With this, a budget can be formed from which the development of instruments on behalf of personnel policy can be funded (such instruments include not only training and courses, but also, for example, recruitment campaigns). Subsequently, the variable costs only need to be charged by Schuitema, and only when actually participating in courses. This altered financing approach means that the fee which the store owners are now required to pay is approximately three times the amount of the fee which they used to pay up to now.

Unigro originally considered offering all training and courses for free, as part of the service package. Because of the risk that this would then become too informal, the plan was abandoned. At Unigro, too, an annual fixed contribution is being considered in order to be able to keep participation prices down.

The fuzzy line between training and supervision

Both Schuitema and Unigro have store supervision teams, which have two purposes: trouble shooting and problem solving. These teams are necessary to keep the commercial formulas in operation. Such a team is led by a district head, and is composed of a number of specialists, namely 4 product specialists for the various assortment groups as well as specialists in other areas relevant to the stores, such as shop lay-out, etc. These supervising teams provide support and assistance to the stores sponsored.

The members of the supervising teams are in turn regularly led with new knowledge and insights in the areas of assortment policy, marketing, social policy and financial policy. At Schuitema, the formula manager, the product manager, the Personnel Consultancy and Training department and the Financial department respectively are responsible for this.

A more or less continuous transfer of knowledge from the wholesaler to the independent retailers takes place via the store supervision teams. To an important extent, this occurs during the visits paid by the specialists to the stores. In addition, the product specialists hold meetings from time to time with the department managers of their specialty, for example, with all the head butchers from a certain region. Although not designated as training of the department managers this is in fact what clearly occurs during these meetings. Next to this, the product specialists at both Unigro and Schuitema are explicitly charged with providing follow-up training activities during their visits to the stores by helping students attending a course to apply the newly acquired knowledge in practice.

The store supervision teams also function as an important communication channel in the opposite direction. Because of their frequent contact with the shops, they are often the first to spot problems and training needs at the level of the stores.

Independent retailers commonly encounter many problems in setting up a schooling policy for their own company. Schuitema currently also provides service in this area to the store owners. Specialists from Schuitema can provide the retailer with highly targeted support in putting together a training program. In this way, Schuitema tries to realize that more retailers utilize the available training facilities.

3.3 Schooling in 2 spar stores

A few general characteristics of the 2 shops

Two shops were involved in the study, of which one was affiliated with Unigro and one with Schuitema. These will henceforth be referred to as Spar-U and Spar-S. Figure 3 depicts a few general characteristics of these 2 shops.

Both shops are located in rural townships. Both shops carry a full assortment of supermarket products, i.e. besides groceries, the shops both sell the normal range of produce carried by Dutch supermarkets (meat, meat products, dairy products, bread, potatoes, vegetables and fruit). The choice of produce at Spar-U is larger and there is more service than o. Spar-S. Spar-S focusses on
the average consumer by offering both cheaper and more expensive product variants. Spar-U is looking to be more than the average supermarket. Via their product range, Spar-U is trying to compete with the specialty shops, among other things, with a delicatessen counter.

Spar-S was taken over by the present owner in 1986. Turnover has climbed over the past years to approximately 130,000 guilders per week. The current owner was formerly an operating manager in a branch supermarket of a chain store. His wife also works some 30 hours a week, also as proprietor. Spar-U has operated since 1974. The founder of the business mainly concerns himself with accounting and financial matters. The management of the store is in the hands of his son. The latter also gained his work experience in a chain store. Father and son are in continual communication with one another and consult one another whenever necessary. In 1989, the business was renovated/expanded for the last time. The turnover now amounts to some fl. 240,000 per week.

Figure 3 – A few general characteristics of the 2 Spar shops

<table>
<thead>
<tr>
<th>1. Owners</th>
<th>operated by husband and wife</th>
<th>Father and son</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Owners since</td>
<td>1986</td>
<td>1974</td>
</tr>
<tr>
<td>3. Location</td>
<td>rural township, pop. 12,500</td>
<td>rural township, pop. 21,000</td>
</tr>
<tr>
<td>4. Product range</td>
<td>average range</td>
<td>average plus</td>
</tr>
<tr>
<td>5. Service system</td>
<td>mainly self-service</td>
<td>self-service + service</td>
</tr>
<tr>
<td>6. Turnover</td>
<td>fl. 130,000 per week</td>
<td>fl. 240,000 per week</td>
</tr>
<tr>
<td>7. Staff, excl. owners</td>
<td>38</td>
<td>90</td>
</tr>
<tr>
<td>8. Number of hours worked per week</td>
<td>550 (550:38=14.4)</td>
<td>1130 (1130:90=12.6)</td>
</tr>
<tr>
<td>9. Number full time (≥30 hours weekly)</td>
<td>7 (18%)</td>
<td>24 (27%)</td>
</tr>
<tr>
<td>Number part time (12-29 hours weekly)</td>
<td>2 (5%)</td>
<td>3 (3%)</td>
</tr>
<tr>
<td>Number day workers (≤12 hours weekly)</td>
<td>29 (76%)</td>
<td>63 (70%)</td>
</tr>
<tr>
<td>Number of men</td>
<td>34 (89%)</td>
<td>38 (100%)</td>
</tr>
<tr>
<td>11. Under age 25</td>
<td>24 (27%)</td>
<td>90 (100%)</td>
</tr>
<tr>
<td>12. Number Dutch natives</td>
<td>34 (89%)</td>
<td>67 (74%)</td>
</tr>
</tbody>
</table>

Work force and organization structure

Spar-S has 38 people in service. Spar-U employs a staff of 90. Both shops employ solely Dutch natives. Virtually no members of ethnic minority groups are resident in the townships under discussion.

The personnel at both shops is predominantly young (≤25 years of age), and work as day workers. This often concerns young workers who stock the shelves before and after opening hours, or those who work on late opening nights and/or Saturdays in the shop.

Spar-U employs significantly more women than men. At Spar-S, the number of men approximately equals that of the women. In this store, men are preferred to women on the filling shifts because of the physical strength required.

Both stores are characterized by a flat organizational structure. Next to the owner(s) there is only one other management job, namely that of department manager. Spar-S employs two department managers, Spar-U 5. The department managers are all full time employees. The other full time workers are found mainly in sales positions in the produce department. Also, relatively many of the cashiers work full time: at Spar-U, 8 out of 14 and at Spar-S, 3 out of 8.

During the past 2 years, Spar-S has expanded from 70 to 90 employees, while the number of hours worked has remained practically stable. This implies a growth in the number of part time workers and day workers. This is partly due to efforts towards a more flexible working organization, enabling staff to be deployed when necessary. However, the impact of the situation on the labor market is also making itself felt. Both Spar-U and Spar-S are finding it increasingly difficult to hire full timers, in particular male full time workers (many physically strenuous activities are carried out in supermarkets, such as moving containers). Candidates prepared to do this work can earn more in other sectors, for example, construction work. For Spar-U and Spar-S, the situation is aggravated by the fact that these stores can offer virtually nothing in the way of career opportunities. Vacancies almost never occur on the management level. Attracting school-age workers for whom part-time school attendance is compulsory has also posed difficulties. Those choosing to combine schooling with a job in the retail trade within the scope of the so-called leerlingwezen (apprenticeship) generally do not opt for the supermarket but for fashion branches such as the clothing and shoe stores.
On the other hand, recruiting day workers presents hardly any problems. Both Spar-U and Spar-S are often spontaneously approached by pupils and students looking to earn extra income. Workers in this category make a temporary choice to do this work, which implies a considerable personnel turnover. At Spar-U, 30 new employees entered employment in 1991, and at Spar-S, 8. Naturally, this should have consequences for training policies regarding these newcomers.

Because of the limited number of full-time/part-time employees, the Works Council Act (WOR) does not apply in Spar-S, however. The Works Council Act (WOR) becomes operative in all companies with a workforce of 35 or more employees who work more than a third part of the normal working hours). According to the store owners, no need is felt for such a council at their businesses, as these are, in fact, quite small. Even at Spar-U, with a total of 90 employees, generally no more than 25 persons are ever at work at one time. This allows sufficient room for informal contact. Work progress discussions between department managers and their managers usually take place in an ad hoc, informal manner on the job. Some interviews revealed that this method had been consciously chosen. Next to this are also a few departments where the discussions on work progress are held in an extremely structured manner, before or after the opening hours of the store, with an agenda and agenda points, etc. In both stores, both styles of work progress talks, structured and highly informal, occur.

Consultations between the store owners and their personnel, with the exception of the team meetings of the owners and their managers, occur exclusively on an individual basis. This applies to the consultations on training and course matters, as well.

**Job requirements**

In both stores the owners pay little attention to the educational level of prospective newcomers during the selection procedure. Training in which they are especially interested, certainly in the first instance, are qualities such as: motivation, drive, presentation, initiative, team spirit. Their view is that candidates possessing these qualities can learn everything else they need to know or know how to do on the job or via courses, and in this way can go very far inside the supermarket organization. Employees from a lower professional school (hbo) can still climb up to the position of supermarket manager, at least within a voluntary chain. Multiple stores generally have far higher requirements. However, it should be pointed out that this is starting to become more difficult within the voluntary retail chains as well. Manifold developments and the striving to increase capacity are gradually starting to make demands on the educational level of the responsible managers/proprietors.

Although both store owners state that in a general sense there are no specific educational requirements for a job on the floor, there have been signs that this situation is also changing under the influence of developments. The owner of Spar-U, for example, prefers the cashiers, who are often full-timers at his store, to have graduated from an intermediate professional school (mbo). This supermarket boasts cash registers with scanners, and in his experience, mbo-graduates tend to have a greater affinity with automation processes, and also handle the responsibility required in this job more easily.

**Introduction period for newcomers**

At Spar-U and Spar-S, newcomers are traditionally shown the ropes by more experienced staff members. The department managers and colleagues, in particular, tend to be entrusted with this task. Both retailers are gradually starting to find this method less and less satisfactory. The increasing amount of work pressure in their stores, plus a meticulously planned job time schedule enlarge the risk that the job of introducing newcomers to the store and their tasks is neglected. This problem is made worse by the fact that the number of newcomers is (again) on the increase. Not only because of the timing of the school year at Spar-U, to replace more or less full time employees by several part-timers and/or day workers, but also because often the newcomers are students looking for temporary supplementary income.

The retailer at Spar-U therefore fully supports Unigro's initiative of offering a course in Basic Skills, which is mainly given on the job (see section 2). He is planning to have 2 of his staff follow the course. Moreover, the retailer feels that his employees will not be chosen from the department managers, as they would be under pressure to give, more or less automatically, simple tasks to the newcomers instead of focussing on training them for their jobs. One of the tutor's tasks is to avoid precisely that.

In his former job as operations manager at a chain store, the owner of Spar-S could take advantage of a well put-together program of courses and training facilities, which were also for part-timers and day workers. To his disappointment, his voluntary chain organization offered far fewer training facilities, in particular for the shop assistants. He was one of the retailers who lobbied to change this situation. He advocates a flexible, task-oriented program of courses for part-timers and day workers. These workers do not have to know every detail about the work on the shop floor, but are required to know the most essential points. Schooling of this group, in his view, can be implemented in two ways. One way is via short (half-)day courses during school vacations (day workers very often are students). A good alternative is training on the job, backed up by video instruction and structured guidance and supervision. The recently launched cashier's course (see section 2) is a good example. The retailer himself was involved in the development of this course and feels that a far larger assortment of this type of training should be developed. He completely supports Schuitema's choice to give priority to widening and implementing more training opportunities for floor personnel.
Training of experienced personnel

The training available at Spar-U and Spar-S generally consists of training opportunities offered by or via the wholesalers (Unigro and Schuitema respectively).

The only exceptions to this are the apprenticeship courses. As mentioned above, persons electing for the combination of working and school, are, however, far more likely to opt for the more fashionable branches instead of a supermarket. At Spar-U there are three apprentices (2 are following the OVD-course and one that of the SVO = Butcher’s Trade School). Students at the OVD sometimes do not manage to finish the course, but stop when school is no longer compulsory for them. The Spar-U retailer nevertheless feels this to be a useful course, as within apprenticeship courses some reflection on the job occurs, which he deems of major importance for sixteen and seventeen year-olds.

Both retailers ended up with their current wholesaler only a few years ago. In both cases, the change in wholesale sponsor has had a positive impact on the training activities. Due to the top-down approach of both Schuitema and Unigro, these positive consequences have mainly been felt by the retailers and their department managers. Both retailers almost fully utilize the opportunities offered. At this moment, the focus in both stores is on training for the department managers. In both stores, training activities at this level took place recently. Plans to have the other managers participate in the training courses available to them have been made. The retailers find it difficult to say whether such participation should be considered mandatory or not. Both they and their department managers are in favor, and all are (more than) willing to participate. The courses are paid for or reimbursed. This is not the only way in which managers are exposed to continuing education. The contacts with (product) specialists of the store supervision service also yield much new information for managers or their departments, as the case may be.

On the level of the shop floor, participation in training activities is far less general. A factor which plays a role is that training on this level is not viewed by the retailers as necessary or useful for everyone. The retailer at Spar-U reports that this is dependent on the job and department in which the employee works. Moreover, the initiative, ambition and the perspective of the employees themselves also play a role at this store. Employees who make it known (initiative!) that they wish to make something of their job at this store (ambition!) will be considered for training.

Both retailers prefer continuing education for their floor workers in the form of structured on-the-job training and short courses which are given either in the evening or during school vacations. This especially applies for day workers and/or cashiers. Spar-S meanwhile has access to the newly developed cashiers’ course. At Spar-U, newcomers are taught this job in the store itself. Next to this, each newcomer is encouraged to follow the cashier’s course of the COL [see section 2]. Participation is, however, voluntary and the courses – the course is in the evening – are not paid for or reimbursed. The retailer does reimburse travelling expenses.

Another point is that some sales jobs, such as in the produce departments, require more professional expertise than, for example, jobs in the groceries section. The Spar-U retailer feels that all personnel in the meat products department should follow the Meat Products course offered by the COL. Not necessarily immediately, but as soon as this becomes reasonable and fits within the planning. Over the past years, 6 employees have followed this course.

The same also applies for Spar-S. There, too, the retailer views training as being more necessary for some jobs than for others. This retailer prefers flexibly structured training possibilities, hence forms of programmed instruction in his store or one of the other Schuitema-sponsored stores, and short courses in the evening or in school vacations. This retailer reimburses all courses.

Ultimately, the responsibility for employee training is the retailer’s, although both retailers here feel that the actual task of training employees is, for an important part, a matter for the department managers. Attention is also devoted to this in the management courses at both Unigro and Schuitema. This has acquired an even greater accent in Schuitema’s new training philosophy. Spar-S has also put this into practice. The head butcher there, using the instruments made available to him during his management course, has since started with a structured form of work progress meetings. During the first such meeting, a video film on hygiene was shown which subsequently led to a discussion of this topic among those attending, and to work procedure agreements. This meeting - the purpose of which was also to keep mutual relations open and pleasant - was considered a success and plans have been made to continue along these lines.

The degree to which this and other forms of training take place strongly depends on the degree of support derived by the stores from the wholesalers. Both retailers underline the fact that they lack the knowledge and funds to develop employee training courses themselves. In fact, the current training activities do not take place on the basis of an analysis of the existing training needs in the stores. The program available from/via the wholesale sponsor is accepted in good faith, on the assumption that the sponsor has a knowledge of both employee training and store experience.

Both retailers report that up to a couple of years ago, hardly any training was given to their personnel. This development has only now started to gain momentum, primarily due to the opportunities provided by their wholesale sponsors. The budget of Spar-S this year for training activities is fl. 6,000 for a total amount of wages of approximately fl. 500,000. At Spar-U, this is fl. 5,000, for a total amount of wages of around fl. 500,000.
Both retailers expect the training efforts within their stores to continue to increase over the coming years. Both note that financing the training activities will start to form a problem. Because of the ferocious competition, both are very hesitant to apply the rising costs in their sales prices. Both retailers point out that besides the retail margin, there is also a wholesale margin. They feel that the latter possibility should not be kept from the discussion, as the wholesaler profits directly from the preservation or improvement in their competitive position.

Background behind the increase in training activities
The increased number of training activities foreseen by the retailers over the coming years have, in their view, a twofold aim, namely:
- to promote motivation
- to promote knowledge and skills to achieve a more efficient style of business.

Supermarkets work with only small margins. The increased rivalry for the favor of the customer, who is steadily growing more self-confident and critical, has led to further pressure on the margins. The sharp competition means that increased costs are unable or only partly able to be absorbed in the sales prices.

Hence, a further improvement in efficiency is essential. Initially, emphasis was on measures which would realize this in the supermarket, by transferring tasks from the personnel to the customers. The introduction of flexible working hours (part-time work, day work, temporary work) worked for a long time, partly because the supply on the labor market was so large. At this moment, it is becoming clear that motivation and qualities of the personnel play a role in any further increase in efficiency. This refers not only to ensuring that personnel serve the customers in a friendly way, but also faster, more efficiently. In this connection, sales training is once again a highly topical subject.

In addition, it is becoming increasingly important for store employees to be able themselves to set up a plan, thus learning how to utilize their working hours more efficiently, also, or in particular when the customer flow is smaller than anticipated and planned. Flexible working hours have swept the supermarkets, as a way to optimally gear the number of personnel to fluctuations in the customer flow. However, these fluctuations are impossible to predict in advance, which means that there is always the possibility of having too many employees at work at one time. The employees must therefore learn to deal efficiently with such situations. In fact, they must learn how to work with both downward and upward swings.

To realize an increase in efficiency, employees require schooling and training. In addition, it was clearly indicated in the interviews that next to their qualifications, the motivation of the employees is also of major importance. The problem is getting people to satisfy the higher requirements. Both retailers emphasize that the costs consciousness of the employees is vitally important. In their view, it should be made an element in every course/training. The stuff see ever larger sums of cash circulate in the store, as a result of which there is a considerable chance of their acquiring a distorted idea of the economic state of affairs in the store.

The retailers further feel that courses are also necessary to keep employees motivated. They are aware that they, as a store, make high demands on their employees and feel that the firm should also make it clear that it is willing to invest in its personnel.

The retailers in the voluntary chain organizations are clearly at a disadvantage compared with a multiple store. Multiple stores offer both training and growth perspectives. The latter are virtually absent in voluntary retail chains. The store owners of Spar-U and Spar-S try to compensate for this by investing in a good working atmosphere in the store. The Spar-S retailer recently decided on a material incentive for his personnel. He recently offered his personnel a 10% discount on their shopping done in his store.

The risk always remains, when investing in employee training in voluntary chain stores, that these employees will sooner or later investigate their chances of climbing up higher in the organization of other companies.

The retailers are well aware of this, but do not consider this reason enough to cease their training activities, as these are deemed to vital to the functioning of the business not to be continued. They moreover foresee that the alternative, i.e. providing no employee training at all, will rebound to their own disadvantage due to the situation on the labor market. The fact that other retailers in their voluntary retail chain feel differently about the personnel and training policy in their view poses a grave threat to the position of their type of business on the labor market.

In summary, the store owners of Spar-S and Spar-U point especially to the competitive position and the situation on the labor market as reasons for undertaking more training activities. Technological developments and their impact on the retail trade play, in their view, a role, although for the time being, a subordinate one.
3.4 Summary and conclusions

1. Spar is a voluntary retail chain founded in 1932 in the Netherlands.

2. A voluntary chain is based on cooperation between entrepreneurs in the wholesale and the retail trade.

3. Two kinds of agreements are concerned, namely territorial agreements between the wholesalers, to limit the competition between individual wholesalers on the one hand, and cooperation agreements between a single wholesaler and a number of independent retailers on the other hand.

4. Spar has grown into one of the largest retail chains in the world. Spar is not a multinational with a capital structure. The countries have a large degree of autonomy in their concept of Spar. A wide range of different types of Spar store developed under the name and logo of Spar.

5. The process of increasing capacity and concentration in the retail and wholesale trade has gone much further in some countries than in others. Some countries still have many Spar wholesalers and small-scale Spar retailers. In other countries, a single Spar wholesaler is found sponsoring numerous large Spar stores.

6. Only in recent years has a policy developed to exploit or utilize the common features of and expertise available in the Spar organization on a wider scale. The Internationale Spar Centrale BV, located in Amsterdam, is entrusted with the coordination aspects of this. By now some internationalization is taking place on wholesalers level.

7. The original Spar wholesalers in the Netherlands have ultimately, after all sorts of mergers and takeovers between themselves, ended up becoming part of two outsider companies, Unigro (now about 200 Spar shops) and Schuitema (now about 100 Spar shops).

8. Both wholesalers traditionally form part of other voluntary chains. These are different at Unigro from those at Schuitema. At this moment, therefore, the common interest in Spar go hand in hand with rival interests in other store chains.

9. Because of this background, there is no single training policy in the Netherlands for all Spar stores. Both Unigro and Schuitema have their own training policy.

10. Neither at Unigro nor at Schuitema was this policy developed specifically for ‘their’ Spar stores. In both cases, the policy applies for all the affiliated stores, hence also for those of other formulas.

11. Schuitema started with the development of a training policy and training program for the stores sponsored by them some 10 years ago. Unigro only started these activities far more recently, in 1989.

12. Both wholesalers chose the top down approach. First, a course for independent store owners was developed, then it was the turn of the department managers.

13. A reasonable selection of courses is available for these two categories. The choice at Schuitema is somewhat wider than at Unigro.

14. Not all retailers or department managers by far take advantage of the courses offered. An estimated 40–50% of the independent retailers is reached. This figure is probably lower for Spar retailers, as these have only been sponsored by their respective wholesalers for a few years.

15. The retailers make clear demands regarding the form and organization of the training of their management and floor personnel. The training activities must get in the way of the normal course of affairs in the stores as little as possible. Courses which lead to the absence of the department managers for a number of consecutive days are not popular. This category requires courses which are spread out over longer periods, with a half-day or full day session being given once every week. It is estimated that half to three quarters of the department managers are reached with these courses.

16. With respect to floor personnel retailers give preference to a flexible task-oriented training supply, especially because there are many part-timers and called-in workers in this group. Since especially this kind of personnel is deployed at busy times (Saturday, late night shopping), training is also important for this group. It is often sufficient however to offer them less extensive and less penetrating training.

Apart from that there is by the specific relation between wholesaler and retailers in a voluntary chain, in which the wholesaler offers services in all kinds of areas to ‘his’ retailers, a fuzzy line between training and guiding. Via store-guidance teams (experts in different sorts of areas) much know-how and information is transferred from wholesaler to retail sector. Conversely they function as an important communication channel too. Because of their frequent contacts with the stores they often are the first ones to see the problems and training needs at store level.
degree of participation in these courses is still low.

17. There have been signs that this will change. At Schuitema, priority is now being given to the further development of the training policy and program of training courses in the floor personnel category. By means of this policy and program, Schuitema hopes that his retail formulas and affiliated stores will distinguish itself, in a positive sense, from other supermarkets.

18. During the last years both Unigro and Schuitema are playing more attention to training in their service to ‘their’ retailers. An analysis of costs and benefits is not carried out. They are simply convinced of the necessity of training.

19. Part of the affiliated retailers endorse this. In the area of training they are strongly depending on the support they get from their wholesaler. They are lacking namely in knowledge and means to develop training courses themselves. Also current training activities are not taking place on the basis of their own analysis of training needs in their firms. They completely rely on the training offered by or via the wholesaler and are confident, that he knows both training and shop practice well.

20. It is known from research that small entrepreneurs, even if they are convinced of the necessity of training fail to give form and content to such a training policy. From these case studies it appears that this problem can be solved in a cooperation between large and small firms.

21. The entrepreneurs expect, that in the future more investments in the training of their staff will be needed. In spite of or – to put it perhaps more accurately – thanks to shared interests of both the shop owners and the wholesaler in this field some discussion is yet to be expected about the question to what extent both parties ought to participate in the costs.
4.0 Introduction
This report deals with a case study of training in the DIY (do-it-yourself) sector. Various companies were involved.
Firstly, there is BV Houthandel 'Utrecht', which offers two franchise formulas — one under the name Hubo and the other under the name Formido. The shops that operate to these formulas and under these names are run by independent proprietors, the franchisees. The third party is the Stichting Training, Services & Advies (Training, Services & Consultancy Foundation), a separate legal entity within the Stichting Opleidingsinstituut voor de Distributie (OVD - Training Institute for the Distribution trade).

BV Houthandel 'Utrecht' is in fact a wholesale company providing all kinds of goods and services for the independent retailers with a Hubo or Formido shop on the basis of a franchise joint operation contract. Obviously the retailers have to do certain things in return. For the purpose of this case study we looked in detail at the training and retraining policy in one of these Formido shops. The findings are given in section 3 of this chapter.

As we have said, BV Houthandel 'Utrecht' provides certain services for the Hubo and Formido franchisees. In the mid-eighties these franchisees complained with increasing vehemence that the opportunities then available for training and retraining were no longer adequate either for themselves or for their staff. Since BV Houthandel 'Utrecht' had little training expertise and yet wanted to adopt the right approach, they started to investigate the options for outside support. Eventually, they opted for the Opleidingsinstituut voor de Distributie (OVD) and specifically the Stichting Training Services & Advies (TSA) which operates within the OVD.

Both OVD and TSA play an important role in training and retraining in the retail sector. It was found that the OVD also always played a role in the three other case studies, although this aspect was not examined in depth. We shall be doing this in section 2 of this chapter.

First of all, however, in section 1 we will give a brief outline of the history of BV Houthandel 'Utrecht' and of the Hubo and Formido shops from 1933 up to the present day. We shall also be looking in this section at the training and retraining activities that go on in the Hubo and Formido shops and discussing TSA's role.

4.1 BV Houthandel 'Utrecht'

4.1.1 From small wholesale business in timber to 223 franchisees
The start in 1933. In 1933 an independent businessman in Utrecht started up a small timber yard. The company flourished. Branches were opened in Utrecht and then in other Dutch towns. By 1960 there were some thirty branches. During a trip to America the then managing director came across the phenomenon of franchising. This form of collaboration between businessmen really appealed to him because the formula offered a way of making the company grow faster and more efficiently as an alternative to opening more branches – the route he had been following up to that time.

The introduction of the Hubo formula in the nineteen-sixties. In the nineteen-sixties, therefore, the branches were turned over to independent retailers who continued these shops under the Hubo name. The number of Hubo shops grew fairly rapidly until there were 170 of them in 1975.

The Hubo stores are wide-range businesses (shops that stock a wide range of DIY articles), but they are of limited size in terms of both sales floor area and number of staff (see figure 1). The strength of these shops is good accessibility and the degree of service they offer.

The growth of competing DIY centres from 1970 onwards. As happened in many other sectors, a process of increasing scale took place in the DIY sector although it happened relatively late. During the nineteen-seventies other franchise formulas appeared on the DIY market, among them larger home improvement centres aimed at the more professional DIY enthusiast. Examples include Gamma (1972) and Karwei (1974).

The introduction of the Formido formula in 1976. So as not to be squeezed out of the market by these developments, BV Houthandel 'Utrecht' launched a second franchise formula in 1976 - the Formido DIY centre.

The floor area of the Formido shops ranges from 1000 to 1800 m2. They differ from other DIY centres in that they are less functional in their orientation. The number of staff varies from six to twelve people (see figure 1).

The end of the nineteen-eighties: more concentration. There are currently sixty-three Formido stores. In the period between 1987 and 1991, when BV Houthandel 'Utrecht' became part of PON Holdings BV, there was tremendous growth from thirty-three to sixty-three locations. The number is expected to rise to ninety.

The shares in BV Houthandel 'Utrecht' have meanwhile passed into the hands of PFH Groep BV, a company that via Praxis BV operates a considerable number of quite large DIY centres, some on a franchise basis. PFH Groep BV is part of NV Koninklijke Bijenkorf Beheer, the company that opened the first department store in the Netherlands in 1870.

In recent years, similar takeover, concentration and collaboration trends have also occurred in other chains in the DIY sector. They are the result of initiatives by wholesalers aimed at building up nationally operating shop formulas with collaborating retailers.

The franchisor BV Houthandel 'Utrecht' in 1992. The wholesale division now supplies more than
90% of the range stocked by 223 shops – 160 Hubo shops and 63 Formido DIY-centres.

The consultative structure in the Hubo formula consists of the formula manager and three Hubo franchisees. To guarantee good coordination with the Hubo franchisees, a consultative panel meets once every six weeks. There are fourteen Hubo franchisees on the panel – two elected from each of the seven regions. The consultative structure in the Formido formula consists of the formula manager and five Formido franchisees. Consultations with Formido franchisees are held about five times a year. All Formido franchisees are invited to these meetings.

The franchisees obtain goods from the franchisor. They pay a specified fee to the franchisor and receive a number of services in return. The formulas are improved by the franchisor, updated and kept in the public eye through advertising. A considerable part of the franchisees’ administrative work is also done by the franchisor. The franchisor employs a total of 150 people.

The franchisees can concentrate on sales. In fact, the franchisor takes a number of tasks off the franchisees’ hands. This makes it possible for the franchisees and their staff to concentrate on achieving turnover. In this set-up, it is of the utmost importance that the staff and the franchisees themselves have a thorough knowledge of the business and a good grounding in sales techniques. The franchisee also needs management skills, particularly in the case of a Formido shop.

Figure 1 – Some characteristics of BV Houthandel ‘Utrecht’s two franchise chains

<table>
<thead>
<tr>
<th></th>
<th>Hubo</th>
<th>Formido</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Franchise formula since</td>
<td>1966</td>
<td>1976</td>
</tr>
<tr>
<td>2. Number of franchisees in 1992</td>
<td>160</td>
<td>63</td>
</tr>
<tr>
<td>3. Type</td>
<td>• wide range.</td>
<td>• aimed at professional DIY enthusiasts</td>
</tr>
<tr>
<td></td>
<td>• strong on service</td>
<td></td>
</tr>
<tr>
<td>4. Range</td>
<td>wood/sheeting</td>
<td>wood/sheeting</td>
</tr>
<tr>
<td></td>
<td>ironmongery</td>
<td>interior decoration</td>
</tr>
<tr>
<td></td>
<td>tools</td>
<td>sanitary fittings</td>
</tr>
<tr>
<td></td>
<td>paints</td>
<td>electrics</td>
</tr>
<tr>
<td></td>
<td>electric</td>
<td>sanitary ware</td>
</tr>
<tr>
<td></td>
<td>tools</td>
<td>interior decoration</td>
</tr>
<tr>
<td></td>
<td>sanitary ware</td>
<td>building materials</td>
</tr>
<tr>
<td>5. Average area of sales floor (range)</td>
<td>275 m² (200 to 700 m²)</td>
<td>1400 m² (1000 to 1800 m²)</td>
</tr>
<tr>
<td>6. Number of staff</td>
<td>from 2 to 6</td>
<td>from 6 to 12</td>
</tr>
</tbody>
</table>

4.1.2 Training
Training policy for DIY chains is still in its infancy. According to the information supplied by BV Houthandel ‘Utrecht’, most DIY chains have only recently started thinking about training and retraining retailers and their staff. Intergamma is the obvious – and sole – exception to this. This company started creating training packages for all the product groups in their range as long as ten years ago. They now have a detailed workbook for each category of items. They also have a number of people who are occupied primarily or exclusively with training matters. The situation is clearly different at BV Houthandel ‘Utrecht’. The (initial) training of the wholesale staff is a matter for the personnel manager, while the training and retraining activities of the franchisees and their staff is part of the formula managers’ job content. In other words, there are no professional training managers.

Still primarily a matter of apprenticeship and supplier training. Until 1988 training and retraining activities in the Hubo and Formido shops were limited to courses as part of apprenticeship and instruction provided by suppliers. For very many product groups, however, supplier training is simply not available. There is, for example, practically no training available for electrics and building materials. Supplier training does exist for some product categories, but the quality is not always satisfactory. By no means infrequently, the supplier places far too much emphasis on how to put his product across instead of looking at the questions that consumers may ask about the product and the appropriate answers. There are nonetheless some examples of excellent supplier instruction, such as the courses given by the paint suppliers Sigma. Wholesalers are clearly making an effort to bring about an improvement in the quality of supplier training and the indications are that this is starting to have an effect. A few courses of their own. Using the knowledge of certain specialists in the organization, BV Houthandel ‘Utrecht’ have meanwhile developed some courses of their own for a few product
groups in the range. There are now, for example, 'Wood and Sheeting' and 'Wallpaper' courses. They are organized regionally and take one evening during which video films and other means are used to convey the information. The students are also given a workbook dealing with a great many customer questions. About six weeks after the course evening, there is an opportunity to take a test. Only a few of those who attend the course take advantage of this opportunity. Students who pass the test receive a certificate from BV Houthandel 'Utrecht'.

Franchisor and franchisees want more options for training and retraining. From the mid-eighties onwards it became increasingly clear to the franchisees and the franchisor that there was a need for training and retraining options for themselves and their staff. BV Houthandel 'Utrecht', however, did not really have any clear idea as to the need for training and retraining. From the mid-eighties onwards the franchisor and franchisees wanted more options for training and retraining. From the mid-eighties onwards BV Houthandel 'Utrecht' decided to respond to the call for structural training. They also decided to involve the whole organization in the training project - in other words, not only the franchisees and their staff but also their own wholesale organization. In view of the limited training expertise available within the company itself and on the grounds that it is not a bad idea to have expert outsiders look at one's company from time to time, it was decided to call in outside assistance for the training project.

Outside assistance. In 1987 BV Houthandel 'Utrecht' decided to respond to the call for structural training. They also decided to involve the whole organization in the training project - in other words, not only the franchisees and their staff but also their own wholesale organization. In view of the limited training expertise available within the company itself and on the grounds that it is not a bad idea to have expert outsiders look at one's company from time to time, it was decided to call in outside assistance for the training project.

The selection of TSA. Two training institutes were invited to quote for the project and present a plan of approach. TSA was ultimately selected because their approach seemed to be best attuned to the client's wishes.

TSA approach. TSA specialize in identifying and tackling a range of problems that can be solved with the aid of education and training. TSA design training and retraining programmes for all levels in commercial organizations and institutions. The work is often custom-made to meet the client's specific wishes, but there are also training courses of the open enrolment type for training needs that are more general in nature.

TSA believe that it is of the utmost importance for both parties, the client and the training institute, to be of one mind about the training programme. In order to achieve this, TSA's first step is to carry out a survey in the client's company, looking particularly at the nature and extent of the need for training and at the willingness of those involved to take part in training. This sometimes reveals other problems that have to be solved before there is any point in starting training. TSA and the client decide together on the basis of the findings of the survey what the training strategy will be. (In 4.2 we give more information about the creation of TSA and the nature of the package of services on offer.)

Training needs survey in Hubo and Formido shops. In this case too, TSA started with a training needs survey at BV Houthandel 'Utrecht' and in a number of Hubo and Formido shops. The franchisees were interviewed and asked what they wanted in terms of training for themselves and their staff.

Training programme for all staff. This ultimately resulted in continuing training for managers, consultants, order processors, warehouse personnel, drivers, Hubo franchisees, Formido franchisees, Hubo sales staff and Formido sales staff.

Training for franchisees
The training course for the franchisees concentrated on the theme of modern management in a changing organization. The course looked at and illustrated modern management in a range of areas: finances, range, staff, marketing. The course involved five sessions of two half-days each. The franchisees were given homework assignments after each session. The course has a strong practical orientation. TSA's philosophy is that training is practising by putting theory into practice and analysing the results. This means, among other things, that there is plenty of room for role playing and discussion.

Virtually all the Formido franchisees took the course. An estimated 80% of Hubo franchisees did so.

The response to the course was overwhelmingly positive. Some franchisees felt that they 'hadn't learnt much they didn't already know'. A factor here is that there are considerable differences between the franchisees, for example in terms of age and education.

Training for sales staff
In the course for the sales staff the emphasis was on the theme of customer-friendly thinking and action, centred on the concept of the changing DIY enthusiast in the changing DIY market. The topics were covered in a training programme of five evening sessions. Again, this course involved a great deal of role playing and discussion.

Virtually all the Formido franchisees sent their staff on this course. An estimated 80% of Hubo franchisees did so. In so far as the franchisees expressed a view about this course to BV Houthandel 'Utrecht', the responses were predominantly positive.

The people who took the course were systematically asked for their opinion of the training. Almost without exception, their evaluations were positive. For many staff the training course had clearly proved to be an eye-opener in terms of the way in which they approached and dealt with customers and in terms of the improvements that could be made.

No clear view of cost-benefit ratio. The clients BV Houthandel 'Utrecht' are unable to make an exact cost-benefit analysis. While they obviously
know how much the TSA training programme costs, other forms of training also take place in the franchise-stores – some formal, but the majority informal. It is therefore difficult to know where the credit for any improvements should lie. There is also no overview of the precise returns on (TSA) training. In fact, the responses that come back from and through the franchisees are overwhelmingly positive.

Where to go from here. At BV Houthandel 'Utrecht' they are in no doubt that they must continue with training. One clear indication that they want to go on with it is the plan to earmark a given percentage of the marketing fee paid by the franchisees to the company as a training budget. Another indication is that, on the initiative of the Council for Chain and Multiple Stores, there is now a 'Training' working group in which various DIY chains are represented. The question is, however, where to go from here.

In this respect, one point is quite clear: BV Houthandel 'Utrecht' give high priority to training and retraining in the field of knowledge of the products (familiarity with the range). While training in sales techniques is regarded as important by the franchisor – they are currently thinking, for example, in the short term, of a course in handling complaints and a course in telephone sales so that sales staff are less inclined to put off customers who telephone the store – at the same time they are convinced that these techniques cannot compensate for an inadequate knowledge of the stock.

An important question now is how to invest wisely in training staff in knowledge of the range. There are no off-the-peg solutions in this area. There are good training courses for some products, but very few as yet. The development of a wider or better supply is therefore a matter for the longer term. A solution preferred by BV Houthandel 'Utrecht' would be one in which training institutes that provide training as part of the apprenticeship system offer a course tailored to the DIY sector, in which the course material at the level of the (junior) salesperson is not only geared to the sector but is also offered in modules. This solution, provided it includes certification, is preferred to company-specific solutions of the same kind. The first solution is of more general use in the sector since the training efforts do not lose their value (to a significant extent) when an employee moves from one company to another. However, the second, more company-specific solution has recently become more feasible because of the concentration in the DIY sector. Hubo, Formido, Praxis and Koninklijke Bijenkorf Beheer are now under one umbrella, so that their economic base for investment in training and their training expertise have increased.

4.2 The Stichting Opleidingsinstituut voor de Distributie (OVD)

(Training Institute for the Distribution trade)

Start in 1972 on initiative of social partners. Until 1972 the only training for the retail trade was day education and some sector training. In 1972, employees and the trade unions, working together on the executive of the Central Industrial Board for the Retail Trade, decided to set up an apprenticeship system in the retail trade.

This system implies a practical form of vocational education in which working and learning go hand in hand. A trainee works in a company where he is supervised by a practical instructor (the owner or another experienced employee). The trainee also has lessons in theory, usually one day a week. The theoretical component is usually taught by vocational education colleges. OVD consultants supervise and guide the learning process. They ensure that theory and practice are coordinated and they visit the trainees at the companies where they are working.

The government provides incentives for this form of on-the-job training in the shape of generous subsidies.

Development of a total package of apprenticeship courses. The first course trained the student as a salesperson. This training was then differentiated into assistant salesperson (now called junior salesperson), salesperson and senior salesperson. The two-pronged training route was later extended to cover management jobs up to and including a course for independent entrepreneur.

The (one-year) junior salesperson training is intended for students whose previous education is incomplete. The course aims to produce trainees who can be put to work quickly, irrespective of the type of shop or its size.

The other courses have now been differentiated according to the size of the store (small and medium-sized shops as against large chain stores) and according to the product range (food or non-food).

Flexibility through modules and individualization. The courses provided by the OVD have not only been differentiated, they have also been made very much more flexible. This was necessary so that the courses could be made to respond, among other things, to:

- relevant developments in the retail trade
- the actual situation in the business community in general and in the individual companies providing training in particular
- the previous education, the learning ability and the training needs of the individual trainees
- new educational approaches.

The OVD's records show that the proportion of trainees failing to complete the course has dropped from 45-50 percent to 30 percent since the introduction of the flexible training programme.
Wholesale apprenticeship systems

Figure 2 - Growth in the number of trainees in the Retail and Wholesale apprenticeship systems

<table>
<thead>
<tr>
<th>Year</th>
<th>Retail</th>
<th>Wholesale</th>
</tr>
</thead>
<tbody>
<tr>
<td>1974</td>
<td>2838</td>
<td>79</td>
</tr>
<tr>
<td>1975</td>
<td>3294</td>
<td></td>
</tr>
<tr>
<td>1976</td>
<td>4020</td>
<td></td>
</tr>
<tr>
<td>1977</td>
<td>5128</td>
<td></td>
</tr>
<tr>
<td>1978</td>
<td>6178</td>
<td>429</td>
</tr>
<tr>
<td>1979</td>
<td>7168</td>
<td>774</td>
</tr>
<tr>
<td>1980</td>
<td>7661</td>
<td>1090</td>
</tr>
</tbody>
</table>

Growing number of trainees. In 1984 the OVD had 2,838 students in the retail trade apprenticeship system. This number has risen year after year to 7,661 in 1990 (see figure 2). Since 1987 the OVD has also offered apprenticeship courses in wholesaling. Here again the numbers of trainees have grown steadily, as figure 2 shows.

Creation of the Research & Development department. During the process of differentiation and increasing flexibility outlined above, the OVD was repeatedly faced with the fact that there were no teaching aids - or at least no usable ones - in daytime education or sector training. An Educational Staff department was set up in order to make good these deficiencies, and by the second half of the nineteenth-eighties it had grown into a fully-fledged Research & Development department headed by a deputy director.

Creation of Training Services & Consultancy. This department's earliest activities date back to 1976. In that year the then OVD opened a Course Office because the board - the social partners - felt it was essential that a training course should be designed and put in place for teachers in two-pronged education. At that time, many of these teachers lacked either practical skills or teaching skills. There was also a need for short courses covering such aspects as loss and dealing with leakages.

Up to 1984/1985 the Course Office had a small staff varying from one to three people. The period from 1985 to 1987 was extremely important to the OVD. It was the time when the OVD was professionalized very rapidly - it happened in both the Apprenticeship department and the Educational Staff department, which grew into the Research & Development department. And it happened in the Course Office, which developed into Training Services & Advies (Training Services & Consultancy).

TSA are involved in developing, planning and giving training courses. One of the main features of a training programme is its tailor-made character. In other words the programme is specifically developed on the basis of the client's training needs and is geared to the target group.

In 4.1, we described how TSA carry out their own survey in the company concerned in order to establish the training needs and design the appropriate courses.

Instruction is aimed at broader target groups not related to a specific company and is often limited to tasks that are more or less general to a particular sector or job. For this purpose, TSA have a number of standard courses in their portfolio. They include check-out training, sales training, management and personnel policy.

Over the last few years around 4000 people have taken TSA's training and instruction courses. The trainees come from different sectors, not only from the retail and wholesale sector.

TSA's other activities include management research, workplace counselling and supervision, management support, and assistance in recruitment and selection.

Conclusion. With its apprenticeship system, Research & Development and Training Services & Consultancy, the OVD has all the expertise needed to design and implement training programmes. This expertise enables the institute to chart training needs, design and update a wide range of training and instruction courses - from more or less standard courses through customized courses to tailor-made solutions - and run these courses.

The evolution into a professional training institute has gone hand in hand with a rise in the number of staff. In 1989 the OVD employed 123 people. In 1990 there were 162 people on the staff and the number has continued to rise since then.

4.3 Training in a Formido shop

A new shop. The Formido shop used in the study has not been in business for very long. The franchisee established the shop at this location in 1989. The town in which the shop is located has something over 30,000 inhabitants.

When the new Formido shop started up it had a staff of seven - four full-timers and three part-timers. Since then the number has doubled. Recruiting new staff has never been a problem, either initially or in subsequent years.

There is virtually no staff turnover. Of the seven people with whom the franchisee started up, six are still working in the shop.

The shop has a sales floor area of 1500 m². Turnover will be about five million guilders in 1992. Aside from the franchisee and his wife, who works in the business with him, there is currently a staff of fourteen - one manager, one assistant manager, nine salespeople and three cashiers. With the exception of the cashiers, they are all men. Of these fourteen people, nine work full time and five are part-timers. The part-timers work primarily as shelf-stackers or as extra help on Saturdays or late night shopping evening. Part-timers work a maximum of fifteen hours a week in this store.
A year ago the franchisee acquired a second shop. In April 1991 he took over an existing Formido shop together with the staff – eight full-timers and four part-timers.

The franchisee’s background. Before he started up as a retailer in 1989, the franchisee worked for a considerable time as a consultant at BV Houthandel ‘Utrecht’. During his time as a consultant he learned that the strength of a retail outlet lies to a very significant extent with its staff. Staff motivation is particularly important. It is therefore vital to the success of a shop to attract motivated personnel and to keep this motivation at a high level. Money is a factor here – ‘if you pry peanuts, you must expect to get monkeys’ – but there are other important aspects too.

Requirements for newcomers. When recruiting new staff the franchisee pays virtual no attention to their educational qualifications. Far more important are such qualities as motivation, enthusiasm, common sense, a friendly approach to customers, the ability to get on with colleagues etc.

To start with, newcomers are given a six-month employment contract and a salary at the level of the minimum wage. On their first day, newcomers are shown around the shop, introduced to the other staff and told about the ‘house rules’. They do not wear the staff uniform on their first day. This means that they can get their bearings without being recognized and addressed as a salesperson by customers. The rest of the first week is mainly spent on making themselves at home in the store. After this they start working under supervision and gradually, in small doses, they are given certain responsibilities. They have their first evaluation interview after two months, with the second after six months. If their work is up to the expected standard they are then given a pay rise of between fifteen and twenty percent.

From shelf-stacker (back) to salesperson. The franchisee notes that there has already been a change of course in the relatively short history of the DIY centre. Originally the philosophy was that the staff were needed primarily to keep the shelves full and that for the rest the customer would (have to) manage for himself. This is no longer the case, however, for a number of reasons, among them the fact that the range is growing all the time and major product innovations are constantly being introduced. The customers, including the more professional DIY enthusiasts, consequently (again) need accurate information. There is also a trend towards making shopping in a DIY centre an enjoyable experience, and both the shop layout and the staff are important factors in this. It is only a slight exaggeration to say that this means the staff have changed from shelf-stackers back to salespeople.

Social skills are essential. To be able to do their job properly the sales staff must have a number of social skills. Particular attention is paid to this aspect when they are recruited. At that point their knowledge of the business plays a very minor role. When hiring relatively young people – about 20 is the age criterion for a salesperson – this cannot be used as a selection criterion. These people often have very little work experience, if any, and there are no courses specifically aimed at the DIY sector in ordinary daytime education.

Knowledge of the products can be acquired after recruitment. As we have noted, the salespeople must have a good knowledge of the products in order to be able to do their jobs properly in this store. This knowledge is acquired in various ways once they have been taken on.

To a significant extent they acquire knowledge on the job, under the supervision of the franchisee himself, the manager and the assistant manager. As we have said, in the first six months the newcomer is worked in one of the departments, and his responsibilities are increased a little at a time. Eventually each salesperson is responsible for one or more of the departments in the store, in other words for all the activities from ordering through displaying the merchandise to sales. The overall responsibility always remains with the franchisee and the manager.

Sales staff do not usually stay in the same department all the time. Most of them change departments at least once a year. This means not only that they can be more flexibly deployed but also that they can communicate better with one another about the work in the shop. The franchisee believes that this is an essential element. He regards communication between the members of the team about the work in the shop as one of the most important ways of learning. Keeping this communication going requires some form of structural input. In this company it is achieved in a variety of ways.

In-store training evenings. Several times a year the franchisee organizes his own technical training evenings for all the staff – full-timers and part-timers alike. During the preceding period, staff can come to him with ideas for areas in which they would like training. In addition, during the day-to-day operation of the business, the franchisee and the manager make a note of points that deserve additional attention. The franchisee provides the information needed for these evenings himself. He can often draw on his twenty years' experience in the sector, but not infrequently he has to do some homework on the subject. However, it is not just one-way traffic from the franchisee to the staff during these meetings. There is also a great deal of discussion within the group. The full staff also meets on other occasions, about every two months. These meetings, which are always held in the evening, are in fact a form of work consultation. Important topics include an evaluation of how things are going in the various departments, and setting up and organizing special campaigns in the shop.

Courses. The franchisee also encourages his staff to take courses. They were all given the opportu-
The franchisee and his sales staff are also very enthusiastic about the TSA training. They particularly like the role playing, the video recording of the role playing and the discussion based on the recording. This approach often provided the participants with a real eye-opener.

The franchisee is very much in favour of follow-ups to these training courses. On the one hand they can go into the course material in greater depth and on the other they will provide new stimuli for communication about the work on a more or less regular basis.

The costs of training and the returns. The franchisee estimates that he spends three to four percent of personnel costs on training. He expects this to remain at roughly the same level for the years to come. From his own observations, he believes that he spends more on training than the average Hubo or Formido franchisee. He is convinced that these investments yield good returns. If a retailer sets high standards for the motivation of his staff he must, the franchisee feels, give them various things in return. A reasonable salary is one of them. You must also demonstrate that you are prepared to invest in your employees’ future. The interests of the business and the interests of the employees run parallel. He cannot precisely quantify the return on the training efforts, nor does he see any need to do so. The important thing as far as he is concerned is that he can handle the competition with the four other DIY stores in this town of 30,000 people.

4.4 Summary and conclusions
1. One form of collaborative venture that has been making great strides since the nineteen-seventies is the franchise formula. Franchising is a form of collaboration between two legally distinct companies on the basis of a contract whereby one – the franchisor – grants the other – the franchisee – the right upon payment of a fee to use a trademark or trading formula and agrees to provide assistance and regular services to facilitate this use.

This case study deals with a franchise agreement in the DIY sector. The franchisor, BV Houthandel ‘Utrecht’, operates two franchise formulas – the Hubo formula and the Formido formula.

2. The Hubo formula dates from 1966. These are fairly small shops with a wide range. There are currently 160 Hubo shops in the Netherlands. They are meeting with fierce competition from the larger DIY centres. These DIY centres have made huge strides over the past ten years or so. BV Houthandel ‘Utrecht’ consequently launched a second franchise formula: the Formido DIY centre. There are currently 63 of these DIY centres in the Netherlands.

3. Generally speaking, the training policy of the DIY chains is still in its infancy. Until now, training and retraining has tended to be limited to training as part of the apprenticeship system and to supplier instruction. However, supplier instruction is not available for all product categories and what is available is not always of satisfactory quality.

4. In recent years there has been an evident increase in the need for training. The most important reasons for this are that the range of products in the DIY sector is changing and growing all the time while at the same time the customer is making different demands. This latter is to a certain extent an autonomous process, but it is being reinforced by the flood of new and revamped products and articles in the DIY sector. Technological developments play a chiefly indirect role in this sector, primarily as they work their way through into product innovations. It is only a slight exaggeration to say that these developments means that staff have changed from shelf-stackers back to salespeople.

5. In 1987 BV Houthandel ‘Utrecht’ decided to respond to the calls for training from the franchisees and franchisor.

6. Since the company itself has only limited training expertise, it was decided to call in outside assistance in designing and implementing the training. After comparing what various training bodies had to offer, BV Houthandel ‘Utrecht’ chose the Stichting Opleidingsinstituut voor de Detailhandel (OVD) (Training Institute for the Distribution trade).

7. The OVD was founded in 1972 on the initiative of the social partners. There are representatives of both employers and employees on the board of the OVD.

With its apprenticeship system, Research & Development and Training Services &...
Consultancy, the OVD has all the expertise needed to design and implement training programmes. This expertise enables the institute to chart training needs, design and update a wide range of training and instruction courses – from more or less standard courses through customized courses to tailor-made solutions – and run these courses.

8. Training Services & Consultancy (TSA) was called in to handle the training project for BV Houthandel 'Utrecht'. TSA specialize in identifying and tackling a range of problems that can be solved with the aid of education and training. TSA are increasingly being called upon to provide training programmes involving all levels in a company. This was the case here: from management to sales staff.

TSA believe that it is of the utmost importance for both parties, the client and the training institute, to be of one mind about the training programme. In order to achieve this TSA's first step is to carry out a survey in the client's company. They did that in this case, both in the franchisor's organization and among the franchisees.

9. Providing training courses for the various echelons took several years. The participation rate among the franchisees was very high, both in the course for the franchisees themselves (concentrating mainly on the theme of modern management in a changing organization) and the training for their staff (devoted to the theme of customer-friendly thinking and action). Generally speaking the participants, franchisees and staff alike, were very positive about the course. The participants were overwhelmingly of the opinion that training activities should be continued.

10. There is also no question that training should continue as far as BV Houthandel 'Utrecht' is concerned, however there are some doubts as to the right direction. The company is quite clear on one point: they give high priority to training and retraining in the field of knowledge of the business (familiarity with the range). Their preferred solution would be a specific variant of the apprenticeship course for (junior) salesperson geared to the DIY sector, in modular form for the different groups of merchandise. On the other hand they do not rule out the possibility that the DIY sector will itself take initiatives. A 'Training' working group in which the various DIY chains are represented was set up recently. And lastly, the concentration that has taken place has increased the opportunities for internal initiatives. Hubo, Formido and Praxis recently came together under the umbrella of Koninklijke Bijenkorf Beheer, so that their economic base for investment in training and their training expertise have increased. This may well have a positive effect on the development of their own specific merchandise training (with or without outside support), something that has already happened on an incidental basis in recent years.

11. BV Houthandel 'Utrecht' does not know what the franchisees spend on training. They only know what the TSA training courses cost. Nor does the company have any idea of the cost-benefit ratio of training, since they do not know what sort of training and retraining goes on in the shops. It is also impossible to judge the objective effects. They do get a great many positive reactions to the training courses that are given, from and through the franchisees.

BV Houthandel 'Utrecht' have a good idea of the costs of training. They know from experience that it costs a lot of money. They also plan to earmark a percentage of the marketing fee that the franchisees pay the franchisor for a training budget.

12. This case study demonstrates that on the initiative of a single company, in this case BV Houthandel 'Utrecht', a major training stimulus can be given in a great many small businesses. The role of TSA/OVD is an important one. Research has revealed that a need for continuing training exists in many small businesses, but they are inadequately equipped to design and implement a training policy on their own. What we have described in this report is equally relevant in other areas. There are after all many more organizations to which many smaller businesses are affiliated, such as sector organizations and businessmen's organizations.
5.1 Peek & Cloppenburg BV, the company

5.1.1 Position
The P & C group NV is a concern which has existed for many years. It was founded during the second half of the previous century. The group, specialized in the retail garment trade runs two sales divisions in the Netherlands. Both are private limited companies (BV's). The group has establishments in Belgium and Germany too.

Division structure. The division Peek & Cloppenburg is targeted at a very general group of customers; it sells women's, girls', men's and boys' wear. The segments 2 (fashion conscious consumer), 3 (consumer interested in fashion) and 4 (consumer following fashion) are the targeted segments of the apparel market.

There are currently 42 branches in operation. The organization is flexible and dynamic. There is a clear trend towards increasing the activities of the existing branches via expansion of the salesfloor area, which is accompanied by a widening of the range of products offered.

The store concept and store formula are also continually subject to innovation. For example, the product range offered by the various departments is increasingly more clearly geared to specific target groups. Other presentation techniques are also tentatively being introduced. In 1988, this division launched the so-called stand alone shops, under the shop name Somebody. Only a part of the range of products sold by the 40 large branch shops is marketed through these shops, namely 'young' fashions only. The target group initially aimed at was that of the 18 to 30 year-olds. This has since shifted slightly, to the 20-35 age group. As of now, there are 10 such stand alone shops.

The division Mac & Maggie is wholly targeted at the young, dynamic, fashionable customer. This target group demands immediate responses to new fashion impulses. This division now consists of 32 branches in the Netherlands.

The Peek & Cloppenburg branches are obviously much larger than those of Mac & Maggie (see figure 1). The Peek & Cloppenburg stand alone shops, Somebody, are comparable to the Mac & Maggie branches as far as the number of personnel is concerned.

Strategy for the years ahead. Recently, much thought was given to the matter of the strategic choices for the years ahead and organizational consequences thereof for the structure of the organization. This led to the choice of a policy with a dual thrust:

a. Revitalization of the largest division, Peek & Cloppenburg, by improving the result via reduction of overhead costs and by expanding sales within the Dutch branches.

b. Marking out and realizing the paths along which to achieve expansion of the activities abroad.

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Figure 1 - Characteristics of the two sales divisions in the Netherlands

<table>
<thead>
<tr>
<th>1. Peek &amp; Cloppenburg branches</th>
<th>stand alone shops &quot;Somebody&quot;</th>
<th>2. Mac &amp; Maggie branches</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Range of products</td>
<td>mainly broad</td>
<td>mixed</td>
</tr>
<tr>
<td>2. Target groups</td>
<td>women/men, girls/boys</td>
<td>women/men</td>
</tr>
<tr>
<td>2a. categories</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2b. age</td>
<td>25-45, 4-15</td>
<td>20-35</td>
</tr>
<tr>
<td>2c. segments</td>
<td>fashion conscious, fashion conscious</td>
<td>ahead of fashion conscious</td>
</tr>
<tr>
<td>3. Number of shops</td>
<td>42</td>
<td>10</td>
</tr>
<tr>
<td>4. Number of employees</td>
<td>18 to 130</td>
<td>4 to 12</td>
</tr>
<tr>
<td>5. Number of women managers</td>
<td>8 of the 42</td>
<td>10 of the 10</td>
</tr>
<tr>
<td>6. Relative percentage of women department heads</td>
<td>75%</td>
<td>n.a.</td>
</tr>
</tbody>
</table>
This dual thrust policy has led to changes in the structure of the organization, namely:

a. To a separation between on the one hand, the Peek & Cloppenburg division, together with the other formulas, including Mac & Maggie, and on the other hand the international activities. This has now been made apparent in the allocation of tasks between the two members of the board of directors.

b. To a strong decentralization of staff services and staff

Up to the fall of 1990, specific officers were stationed on behalf of the division organization within the central Administrative and Personnel departments. After the reorganization, the administrators present were assigned to one of the divisions. Prior to the reorganization, the central Personnel and Marketing departments primarily served the Peek & Cloppenburg division, and will now therefore be entirely brought under this division during the years ahead.

5.1.2 Personnel and organization
In this case study special attention has been paid to the training policy in the Peek & Cloppenburg division. Hence we discuss the number of staff of the P & C group NV and of the Peek & Cloppenburg division.

Number of personnel. In 1987, the concern employed close to 2,200 employees. By 1991, this had dropped to 1,900 (see figure 2). An important reason for this decline is that one sales division - up to 1990, there were three sales divisions in the Netherlands - was sold in the meantime.

The Peek & Cloppenburg division accounts for the largest part of the work force of the concern in the Netherlands. The share of employees employed by this division in the total amount of personnel rose from 34% in 1987 to 67% in 1991 (see figure 2).

The percentage of women employed in the work force of the concern in the Netherlands tends to fluctuate somewhat, but has remained between 75 and 78% during the past five years. In the Peek & Cloppenburg division, this has gradually climbed to 81% during the same period. The number of women working in management positions in the front office is clearly not in proportion to the total number of women employed. Also, women are still not represented proportionately in the sales divisions among the higher executive staff. The Somebody stand alone shops are an exception. In all ten of these shops, the manager is female. At Mac & Maggie, where women formed a full 68% of the work force in 1991, half of the branches have female managers. At Peek & Cloppenburg, currently one-fifth of the branches have a woman manager, although women make up four-fifths of the work force. The figures indicate, however, that women are now busy making up for the time lost. The 9 female managers were virtually all appointed during the past three years. And three-fourths of the recruiting field for the position of manager, namely the department heads, is now made up of women.

The current share of personnel in sales comes to 81% in the Peek & Cloppenburg division. In this area not much has changed during the period 1987-1991 (see figure 2).

Majority of part-time workers. One-third of the personnel employed in the Peek & Cloppenburg division has a full-time position. The rest work either part-time or as day workers. Here, a clear difference between men and women is discernible. In 1991, 22% of the women worked full-time, 49% worked part-time and 30% as day workers. For the male employees, these percentages were respectively 67, 6 and 26%.

Over a quarter (28%) of the personnel employed at the P & C group NV is younger than 25. A mere 7% is older than 55. Among the women employees, the young predominate even more heavily. In this group, 33% are younger than 25 and 4% older than 55. Among the men, these two groups tend to balance one another, with 13% in the younger group and 12% in the older age group.
<table>
<thead>
<tr>
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<th></th>
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<tr>
<td>Number of persons</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>employed</td>
<td></td>
<td>2194</td>
<td>2170</td>
<td>2058</td>
<td>2090</td>
<td>1897</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(1188)</td>
<td>(1182)</td>
<td>(1105)</td>
<td>(1177)</td>
<td>(1271)</td>
</tr>
<tr>
<td>Sex</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% men</td>
<td></td>
<td>24 (22)</td>
<td>22 (21)</td>
<td>22 (22)</td>
<td>23 (21)</td>
<td>25 (19)</td>
</tr>
<tr>
<td>% women</td>
<td></td>
<td>76 (78)</td>
<td>78 (79)</td>
<td>78 (78)</td>
<td>77 (79)</td>
<td>75 (81)</td>
</tr>
<tr>
<td>Position</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% sales*</td>
<td></td>
<td>70 (82)</td>
<td>71 (82)</td>
<td>69 (81)</td>
<td>68 (81)</td>
<td>66 (81)</td>
</tr>
<tr>
<td>% services</td>
<td></td>
<td>12 (18)</td>
<td>11 (18)</td>
<td>12 (19)</td>
<td>12 (19)</td>
<td>13 (19)</td>
</tr>
<tr>
<td>% central services/distribution centre</td>
<td></td>
<td>18 (0)</td>
<td>18 (0)</td>
<td>20 (0)</td>
<td>19 (0)</td>
<td>20 (0)</td>
</tr>
<tr>
<td>Type of employment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% full time**</td>
<td></td>
<td>35 (32)</td>
<td>36 (32)</td>
<td>38 (33)</td>
<td>38 (32)</td>
<td>38 (31)</td>
</tr>
<tr>
<td>% part time</td>
<td></td>
<td>36 (40)</td>
<td>37 (42)</td>
<td>37 (43)</td>
<td>36 (41)</td>
<td>32 (40)</td>
</tr>
<tr>
<td>% day worker</td>
<td></td>
<td>29 (28)</td>
<td>26 (26)</td>
<td>25 (23)</td>
<td>27 (27)</td>
<td>30 (29)</td>
</tr>
</tbody>
</table>

* The most important position are sales assistants, professional salesman, department head, manager.
** full time = minimally 30 hours per week; part time = 12-29 hours per week; day worker = less than 12 hours per week

Hierarchical structure. The highest in rank at the branches of Peek & Cloppenburg is the manager. Below this level are the positions of department head, professional salesman/saleswomen (only present in the large branches) and sales assistant respectively. The chairman of the board of directors is responsible for the management of the Peek & Cloppenburg division. The salesdirector, who gives guidance to three regional managers finds himself between the chairman and the store managers. The managers report to their regional manager.

Labour relations. At the P & C group NV level is a Works Council, consisting of representatives from the various sales divisions and central service departments. The Works Council has instituted two permanent committees whose members originate from its ranks, namely the Agenda Committee and the Committee for Social Policy. The task of this latter committee is to attend to matters relating to the social policy or secondary conditions of employment, as the case may be, in which the head of the department for Personnel and Organization is negotiating partners. The subjects to be dealt with are brought forward in part by the Location Committees. In these committees the store manager consults with representatives of the branch-staff about the course of business in the locations. These committees serve as a communication channel between the Works Council and rank and file. No (active) Location Committee is available in all stores, despite activities to stimulate this on the part of the Works Council.

The personnel of the P & C Group NV fall within the scope of the collective labour agreement for Chain Stores in Textiles. This collective labour agreement concerns some 20,000 employees totally.

5.2 Education and training at Peek & Cloppenburg

5.2.1 Developments in training infrastructure

Start in 1969. The first time structural attention was given to training and courses for personnel was in 1969. From that moment on, two managers acquired the facility to spend part of their working hours on matters relating to training and education.

More professional approach in the eighties. In 1983, a professional in this field, the current head of the training department, was hired. When he started in 1983, the total budget allotted to him was very limited. During the first years, the period between 1983-1985, little change occurred. In the period between 1985-1988, the training budget was expanded, albeit only marginally, for the first time. Up to that time, the training possibilities available, at least at the company's initiative, were limited to the positions of department head and store manager. It was in 1988 that development of a training infrastructure was well and truly started. In the period 1989-1991 the Training Department was expanded to three people. In the hierarchical structure, the Training department comes
5. Training and course programmes are given.

Organization.

amount of wages. Compared with similar companies, the P & C Group NV is very active in the area of training of personnel. The training budget is expected to increase even more. The budget currently consists of three cost items: production loss of employees following courses during working hours, personnel costs of the staff training department, and so-called out-of-pocket costs. The budget for the latter costs came to fl. 350,000 in 1991 and has been fixed at fl. 400,000 for 1992.

5.2.2 Embossing in the corporate policy

Adjustment social policy. A new Social Policy Memorandum was completed at the end of 1990. The preceding one dated from 1980. An important starting point is that the social policy is considered an integral part of corporate policy. Social policy and corporate strategy must be optimally geared to one another. The main objectives were formulated as follows:

- Realization of qualitatively good service in all positions.
- Realization of an organizational structure and work climate such that these promote the flexibility of the employees.
- Use of a new selection method for executive staff, the so-called assessment centre method. (Professional, external help will be called in for introduction of this method).
- Creation of training vacancies for lower, middle and higher executive positions, geared to meet future demand. (In order to be better able to anticipate future vacancies an excess number of candidates have since been appointed.)
- Following an active service training policy to ensure that employees are well-equipped to fulfill both their current and future position. (The practical details are discussed further on.)
- Making a painstaking inventory of and registering the available potential within the organization. (In 1990, the so-called Personnel Management System went into operation.)
- Starting points of the training policy. The primary task of the training department has been formulated as: promoting the quality of the organization and hence enhancing the qualities and skills of the persons employed in the organization, supporting the management in implementing policy and supporting in carrying through changes.

The two major starting points mentioned in the interviews were:

1. The responsibility for training rests primarily with the line managers. At the branches, the final responsibility is born in concrete by the managers. This starting basis was also selected because the responsibility for the operating results also lies here. This way, moreover, a reasonable safeguard that the training and courses developed will remain in line with the practice is built in. This is especially important for courses and training programmes up to and including the level of department head. The trainees for these positions are selected, among other things, for their practical attitude. Characteristics such as goal-orientedness, creativity and dedication are especially important. Within this framework, the above-mentioned assessment centre method is used as the new selection method. Training primarily takes place in the work situation, under guidance of the immediate superior. Trainers are recruited from among the line managers. Only for specialist subjects, staff officers are retained. However, teaching is a skill which must also be learned. With this in mind, it was decided, in 1988, to train part of the staff officers and line managers as instructor. Some 15 store managers of Peek & Cloppenburg have since followed a 12-day program organized by a specialist external training consultancy firm. This course is primarily concerned with didactic skills, which is part of giving courses to groups.

2. An assignment from a line manager does not automatically lead to the development or implementation of a course or training. First, an inventory of the problems behind the assignment is made by the training department by means of talks with all those involved, which are subsequently analyzed. This may sometimes lead to the conclusion that a solution other than setting up a training programme would be (for now) a better choice.

Background to 'Training as a Management Instrument'. When the policy outlined above was carried out, several circumstances and considerations played a role. A decisive factor, however, was that at a certain moment the organisation was no longer moving along the lines of the strategy as planned. The implementation of the strategic management choices became more and more difficult.

This was to a large extent due to the less favourable economic results in the first half of the nineteen eighties and the attendant continuous process of reorganisation and restructuring. This, however, did not become manifest until sales, in spite of everything, were again found to stagnate in the course of 1987.

Gradually the company began to realize that both communication channels - especially those between the branch (the sales organisation) and head quarters (the purchasing organisation) - and
people had suffered. This led to shifting the focus from an expansion-oriented strategy to marking time, in order to consider the situation and create room for new elan.

'Prove it'-project. In Peek & Cloppenburg these developments have resulted in starting a large-scale communication process. First, all the business managers, purchasers, stylists and central visualizers, as well as a representation of the sales managers and sales personnel were extensively interviewed, with particular attention to any points of criticism. The reports on these interviews, together with interviews of consumers, formed the foundation for a three-day conference late 1988, during which the problems experienced in Peek & Cloppenburg were discussed and analysed thoroughly.

From this it became clear that:

a. A broad involvement of employees at all levels in the organisation is necessary to create adequate support for the implementation of strategic management choices.
b. Not only should many of the strategic management choices, such as increase of activities and further internationalisation of Peek & Cloppenburg, be explained well to the employees, but they should also be given the tools to enable them to make a sensible contribution to the implementation of the policy adopted.

The three-day conference finally became the start of the 'Prove it' project. Inside Peek & Cloppenburg ten project groups were set up. Within these groups employees work on wording the problems encountered more precisely and suggesting ideas to come to solutions. The project groups are the following: Fashion Information, Technical, Automation, Logistics, Communication, Service, Shop, Consumers' Profiles, Direction of Peek & Cloppenburg, Personnel Management and Advertising. From the beginning, the training department has been involved in the 'Prove it' project as advisor.

The 'Prove it' project is still running. In the meantime the project has led to a number of practical results, as well as a large number of recommendations. The project group Personnel Management, for example, has written a report named Social Policy, which was approved by the Board of Directors in the autumn of 1990 and also by the Works Council early in 1991. Almost all proposals, made in the report Social Policy, are already put into practice.

On the initiative of the project group Communication the consultation between the purchasing departments and the departmental managers has been restructured by creating Sales Purchasing Communication Days. On these days the range is evaluated.

After careful analyses, the Service project group came up with a proposal to adapt the branch organisation to Peek & Cloppenburg. The proposal aimed at improving customer service by focusing on the main tasks of serving, presenting, and rendering service in the sales department. All activities not part of these main tasks - the external sales activities - were to be carried out behind the scenes' by specialists appointed for the purpose. This organisational change was designated as the split organisation - has meanwhile been introduced in most branches.

The Service project group also made various proposals for sales and introductory courses. Examples of these will be discussed in the following section.

5.2.3 Types of training courses
There are four main types of training courses:
- external, individual function- or subject-oriented courses
- internal career-oriented courses
- internal department- or discipline-oriented training
- internal group courses as part of management development.

External, individual function- or subject-oriented courses. Generally, it can be said that Peek & Cloppenburg promotes such courses and usually pays for them largely or even completely. The initiative for a course may either come from the employee or the company, but it usually comes from the employee, because he runs up against problems in the course of his work and wants to do something about it. The nature of this type of training varies widely from taking a short course in textile for sales personnel and language courses for purchasers to expensive post-graduate courses or training abroad for certain specialists or top executives.

Internal career-oriented courses. In this company it is the policy to fill vacancies for executives in the branches from within the company. In fact, one considers it a sign of incompetence if one has to call on the labour market for these executive positions.

One regularly attracts young promising people with MMO (senior secondary tradespeople's education) or MDGO-MK (senior secondary personal and social services and health care education) from the labour market. Such persons start as sales employees, but the idea is that they become qualified as departmental managers within the first two years of their employment. That they are 'promising' means in fact that they fulfill certain requirements as to immunity to stress, flexibility and customer-orientation. These qualities, which are necessary for executive positions, have been tested for some years now by means of an assessment centre method. The company always sees to it that it has enough of this potential available. On the basis of demographic factors this should become more difficult, but so far it is hardly noticed, except in specific situations, for example during a period of rapid expansion of the activities in the west of the Netherlands. It is known, that other companies, particularly those in the food sector, have more problems with this.
<table>
<thead>
<tr>
<th></th>
<th>A shop assistant</th>
<th>B senior salesman</th>
<th>C departmental manager</th>
<th>D business manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Level of initial education</td>
<td>MMO/MDGO-MK (full-time only)</td>
<td>MMO/MDGO-MK</td>
<td>MMO/MDGO-MK</td>
<td>MMO/HBO</td>
</tr>
<tr>
<td>2. Testing of socio-normative qualifications through assessment centre</td>
<td>sometimes (full-time)</td>
<td>sometimes</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>3. Number of times that course is organised yearly</td>
<td>6</td>
<td>4</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>4. Number of persons each time</td>
<td>10 to 14</td>
<td>10 to 14</td>
<td>8 to 10</td>
<td>8 to 10</td>
</tr>
<tr>
<td>5. Course contents</td>
<td>● dealing with aggressive behaviour</td>
<td>As A, but more in depth + product knowledge</td>
<td>● executive -kills</td>
<td>● personnel management</td>
</tr>
<tr>
<td></td>
<td>● sales techniques</td>
<td>● goods process</td>
<td>● planning and organisation</td>
<td>● thinking and acting commercially</td>
</tr>
<tr>
<td></td>
<td>● presentation</td>
<td>● approach of consumers</td>
<td>● profit orientation</td>
<td>● training</td>
</tr>
<tr>
<td>6. Teaching methods</td>
<td>theory/training* learning in practice</td>
<td>theory/training* learning in practice</td>
<td>theory/training** learning in practice</td>
<td>theory/training** learning in practice</td>
</tr>
<tr>
<td>7. Extent of theory/training</td>
<td>● total number of days 5</td>
<td>5</td>
<td>12</td>
<td>16 to 25</td>
</tr>
<tr>
<td></td>
<td>● per week 1</td>
<td>1</td>
<td>1 to 3</td>
<td>1 to 3</td>
</tr>
<tr>
<td>8. Theoretical part organised by</td>
<td>store manager</td>
<td>store manager***</td>
<td>store manager***</td>
<td>sales director</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>● specialists</td>
<td>● specialists</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>● training department</td>
<td>● training department</td>
</tr>
<tr>
<td>9. Supervision in practice</td>
<td>own store manager</td>
<td>own store manager</td>
<td>own store manager</td>
<td>own store manager</td>
</tr>
<tr>
<td>10. Diploma/certificate</td>
<td>certificate</td>
<td>certificate</td>
<td>certificate</td>
<td>certificate</td>
</tr>
<tr>
<td>11. Salary consequences</td>
<td>no</td>
<td>not yet clear</td>
<td>yes</td>
<td>yes</td>
</tr>
</tbody>
</table>

* Takes place in company training centre
** Partly in training centre, partly residential
*** Often not the business manager of one’s own branch
In principle these promising young people can, by following the internal training route (see figure 3), rise to the level of departmental manager or store manager in the smaller branches. For store managers of the larger branches there is also an internal training route. Nowadays trainees with HBO (higher vocational education) are attracted to fill these positions.

Apart from the internal courses outlined in figure 3, there is also an introductory course. This course is intended for all newcomers, regardless of whether they are full-timers or part-timers. The introductory course is highly flexible, depending on the choices the manager and newcomer have made together. Full-time trainee shop assistants receive more extensive training than part-timers. In the latter case initial education plays no part during recruitment and selection, but attention is only paid to how they communicate and whether they are service-minded. The introductory programme is supported by an introductory book, which describes all the shop tasks and gives exercises on how to learn to master them.

The training for shop assistant is not open to anyone. For full-time workers the course is obligatory. In other cases the store manager decides whether someone can participate. After completion it is judged whether trained shop assistants have capacities for high positions. If such is the case, they can follow the training for senior salesman. A senior salesman is a more specialised shop assistant who is also given some powers of a departmental manager, such as dealing with complaints. It is a new function resulting from the increase of activities in the branches, which over- loaded the existing hierarchical levels. The internal training for shop assistant, for that matter, is quite new too. Until three years ago, there were only internal courses for departmental managers and store managers. Both the internal course for shop assistants and the one for senior salesmen have resulted from the ‘Prove it’ project mentioned above. The shop assistant course became available early in 1991 and is now being given for the third time. Early in November 1991 the first group started with the senior salesman course.

Internal department- or discipline-oriented courses. There are two variations of these. Sometimes these courses are given because problems are observed in a certain department or discipline. Often these problems occur in the framework of projects for management development. The initiative for training is taken by the department, usually the departmental manager or the hierarchical level above him. This variation especially occurs in departments of the central services. A different variation is often found in the branches, namely ‘Fashion Instruction’. For most departments it takes place twice a year. During the meetings, organised by the department, the personnel is instructed as to new collections. This is usually done during working hours, just as with the career-oriented courses. If not, participation is regarded and paid as overtime. The fashion courses may be given by various persons, such as the store manager, the departmental manager, the window dresser, and so on.

Internal group courses for management development. The ‘Prove it’ project has resulted in various proposals for sales and introductory courses, particularly from the Service project group. In the foregoing some of these have been discussed, but no description has been given of how such courses are set up. As innovative elements are clearly involved, we shall expand on these more fully here.

With every request for training the training department first takes stock of the underlying problems together with the people involved. On the basis of the analysis it is decided whether or not to solve the problems by means of training. Sometimes such an analysis shows that the conditions in which employees work have to be changed before it makes sense to train them. An example from the recent past is the demand for a course to teach the employees in the shop to think and act in a more customer-oriented way. The analysis of the problem showed that the labour organisation in the shops did not facilitate customer-oriented working. A shop assistant had to keep the shop clean, fill the racks, control stocks, mark articles down, in short to do so many other things which were not directly related to selling that in the new course the important matters are dealt with properly. They have the authority to approve or disapprove the several steps. The method used for the development of the training course is innovative too. As a matter of fact, the training official of the training department that makes the course is supported by two groups. One group – the Control Group – consists of members of the management, namely sales directors and sales managers. On the control group are those people, who have given the order to develop a course and it is their job to monitor that in the new course the important matters are dealt with properly. They have the authority to approve or disapprove the several steps. The other group consists of representatives from the branches, both executives and rank and file. There are intensive discussions with these groups to find out how various subjects are experienced in practice. This sounding board group is used, for example, for observations, to talk about elements of the course on branch level and to see how they
are accepted. Thus the course is developed in cooperation with the people for whom it is intended. The sounding board group is primarily intended to safeguard the users-orientation of the course.

The intensive teamwork of the training official, the control group and the sounding board group results in the script for a film. For the production of the film itself expert support is invoked from a specialised media company. A considerable part of the film is shot in the branches, with the sales personnel and members of the sounding board groups “acting” the parts of the sales personnel. The customers are usually played by hired actors. Every film is supplemented with a course book, written by the training official. The control group and the sounding board group play an important role in the entire developing stage.

Another innovative element of these sales courses is that the training films mainly picture situations and do not prescribe one particular type of conduct. One does not indicate actually what is good and what is wrong. Generally the sales personnel have enough experience to make their contribution, and that is exactly the idea, namely to stimulate discussion about how things are done in one’s branch or department. The object is therefore to get sales personnel and management to make agreements about procedures. How things are exactly regulated in the department or branch is something that is up to them. The intention is that the management and the team regularly consult together on the basis of parts of the training films, so that regular incentives exist to make improvements or adhere to existing quality.

These training films therefore serve two purposes. They fulfill a function in the career-oriented training route, namely in the training for shop assistant and senior salesman. Besides, they are used with a certain frequency in refresher courses and extra courses for existing personnel in these functions.

As mentioned before, a number of the business managers have had rather extensive training to enable them to function as teachers. When a new training film becomes available, all business managers are given two days’ instruction before the film goes to the branches.

No actual cost-benefit analysis of the employee training activities has been made. Course participants are, however, regularly asked to give an evaluation of the course.

5.3 Training at a Peek & Cloppenburg store

The Peek & Cloppenburg store involved in this study has been established for over 100 years. It is located in a busy shopping street in a fairly large city.

The assortment is made up of women’s, men’s and children’s wear. The target group consists primarily of middle-class, fashion-conscious consumers.

The store was thoroughly renovated in 1988, which not only yielded a substantial increase in footage, but also afforded the opportunity to introduce a new representative style for the store.

The store employs a staff of 41, mainly women (see figure 4). Of these 41 employees, 13 work full-time, 12 are in part-time employment and 16 are day workers. Few of the salespeople are employed full time (see figure 4). There are no employees from ethnic minorities on the staff of the store.

As far as size is concerned, the store is an average Peek & Cloppenburg branch. There are both larger and smaller sized Peek & Cloppenburg branches.

Modest personnel turnover. The personnel turnover among full-time and part-time employees is low. In cases where this does occur, often a transfer to a different branch is the reason. The turnover among day workers is significantly higher.

The recruitment of new personnel presents little problem. Elements such as a customer and service-oriented attitude are always looked for when recruiting sales personnel. Full-time employees are also required to have completed some form of intermediate professional training (mbo).

Internal career-oriented training. The practice in this store conforms to what was said on this topic in section 2.3. Nevertheless, there is an awareness here that the large number of part-time employees and day workers conflicts with the
promotion policy of the store. Part-timers with the qualities needed to become department head often leave the company because of being offered a better (full-time) job elsewhere.

Additional training. This branch store offers the entire range of employee training available in the company. The so-called ‘fashion-briefings’ are held several times a year. These are organized by the department, usually in the evening. Practically everyone nearly always attends. The hours are paid. All the employees at this branch also took part in the course ‘Is the customer always right?’. This took up a total of three mornings.

During the coming years, increasingly more time will be devoted to this type of training course. Several new courses are currently under development.

The branch manager supports the development of such training courses, although in his opinion, far too much occurs on an ad-hoc basis, and more structure should be introduced. He feels, furthermore, that employee training is still too much a matter which is left up to the branch manager. However, he also notes that the employees are nearly always very receptive to these training courses. This is confirmed during conversations with two members of the sales personnel. The courses are viewed as both worthwhile and fun.

5.4 Summary and conclusions

1. Peek & Cloppenburg has existed for many years. The company is specialized in the retail garment trade and currently boasts 50 retail outlets.

2. The eighties were not an easy decade for the company. Despite a continuous process of reorganization throughout the first half of the decade, sales slowed again in 1987. There were signals that this was at least in part due to the fact that the changes of the recent years of turbulence had not yet been sufficiently digested.

3. This formed the reason for the shift of emphasis away from an expansion-oriented strategy, to a strategy of marking time, in order to create an opportunity to thoroughly analyse the situation, as this has developed.

4. All this led to the launching of a large-scale communication process at Peek & Cloppenburg. In the first instance, an extensive inventory of the problems and bottlenecks in the company was compiled via interviews with employees from high to low throughout the company.

5. The upshot of this was that it became clear that it was necessary to involve the employees more closely in the implementation of policy choices and also, that they must be given enough instruments to be able to work towards the realization of the proposed policy in a meaningful way.

6. Some 10 project groups were subsequently instituted. Within these groups, employees worked – and still work – on a sharper formulation of problems and on contributing ideas which will lead to solutions.

7. Since then, recommendations to change the way the work is organized and to give groups of employees courses providing additional and refresher training have resulted from these project groups.

8. A number of both types of recommendations have since been realized. The branch organization was modified, which included shearing off all-round position of sales employee of a number of side activities, enabling the sales personnel to concentrate more on their main task. Moreover, a distinction has been introduced between salesperson and specialist salesperson. The increasing size of the branch stores meant that the department heads had become overburdened. Some of the tasks of the department heads have now been re-assigned to the new job of specialist salesperson.

9. In addition, a number of training courses were developed which were designed to better equip employees to handle their (new) tasks. These training courses are developed in close consultation with the management (the control group with the power of decision) and representatives of the group for whom these are designated (the sounding group). The courses are composed of a video film and a course book. These training courses purport to stimulate communication between the employees of a department about their jobs, resulting in work agreements or the adjustment of existing work agreements respectively. Newcomers receive this training as an introduction course, while it is given to sitting personnel as a refresher course.

10. The responsibility for employee training has been entrusted to the line managers. The reason for this is that they are also charged with the responsibility for the financial results. The training department, which has expanded from one employee in 1983 up to three today, functions in fact as a supporting service.

11. The trade union has no involvement in the formulation and implementation of the employee training policy. The employees, on the other hand, do influence the design and realization of the training policy to be followed. They call attention to training needs, mainly in the project groups mentioned above and in the contacts between the sales manager and managers of the branches. In addition, they are also involved in the development of employee training courses, via the
sounding group. The Works Council is regularly kept up to date on employee training policy, and supports this.

12. Investments in employee training have risen considerably over the past five years. No actual cost-benefit analyses have been drawn up. However, the advantages and disadvantages to the elected approach have been kept in view.

Disadvantages. One frequently mentioned disadvantage of the method chosen is the enormous amount of time and money this involves. Moreover, the approach selected, in which discussion is fostered and encouraged, can lead to situations in which differences of opinion occur. While this is generally not a real problem, the risk of being misunderstood, which in turn can lead to feelings of frustration and powerlessness, does exist. Furthermore, because of the fact that everyone is allowed a say, the meetings held in this organization are not always as efficient as they could be. In one of the interviews, these have been described as 'a bedlam'.

Advantages. On the other hand, however, various advantages are also mentioned. The expertise available at the various levels in the organization is optimally utilized. The courses are well-attuned to the store practice. This has called into being a situation where the organization is permanently under review and training has become an ongoing phenomenon, a situation which has strongly promoted the flexibility of the organization.
CONCLUSIONS

6.1 Case studies are not representative

**Model companies**

In selecting the companies for the case studies we looked for companies that could act as examples in terms of the way they design and implement training for their staff. This means that the findings of the survey are by no means representative of the retail sector as a whole.

The survey covered one or two shops in each of the four retail companies studied. These shops are likewise not representative of the companies concerned.

The branches of the two multiple chains that were studied were both shops that had been renovated relatively recently. The Albert Heijn branch we examined is now actually one of the company’s showpieces.

The three other shops were all operated by independent retailers who have signed a collaboration agreement with a wholesale company. These wholesalers provide a range of services to their affiliated independent retailers, including training facilities. By no means all the affiliated retailers take advantage of these training facilities. We have deliberately selected retailers who do.

**Spread**

In the retail trade a distinction is often made between food and non-food companies on the one hand, and between large multiples and small and medium-sized businesses on the other. On the basis of these two criteria (type of company, size of the company), we can classify firms into one of four categories.

All four types are represented in the study:

- **Multiple chain in the food sector:** Albert Heijn BV (supermarket)
- **Small and medium-size business in the food sector:** SPAR (supermarket)
- **Multiple chain in the non-food sector:** Peek & Cloppenburg (fashion)
- **Small and medium-sized business in the non-food sector:** Formido (DIY centre)

6.2 The dynamic in distribution

In the first half of the nineteen-eighties a high turnover of staff in shops was not regarded as a problem. It was easy to replace staff who left from the large labour pool of young, and hence cheap, workers. In the second half of the eighties, however, the situation on the labour market underwent a drastic change. The declining status of the retail trade – particularly of supermarkets – meant that this sector was the first to feel the consequences. These companies are now again investing more in measures to increase staff loyalty and are trying to project themselves in a better light in the labour market. One of the tools they are using is training. Albert Heijn is a clear illustration. The company’s job advertisements now stress the training and career opportunities in this company. They are also trying to project the image of an attractive employer for disadvantaged groups such as women and ethnic minorities.

The retail trade has undergone fundamental changes over the past few decades, primarily as a result of the introduction of the self-service system. Among other things, this distribution technique has provided major stimuli to the process of increasing scale. It is obviously also a labour-saving technique, since some of the sales staff’s tasks are transferred to the customers. The increased flexibility of working hours (part-timers, call-in labour) has also stemmed from the desire to achieve further reductions in labour.

For a long time the consumer played along with this, motivated primarily by the financial benefits. From the mid-eighties, however, there has been an evident trend whereby the consumer, who still considers the price to be important, is becoming increasingly aware of quality, convenience and service. This means that high standards are being set for the variety and the quality of the package of products and services provided by the shops, and for the way in which they are presented to the customer.

All four of the companies surveyed cite this as the most important change in their business environment. Albert Heijn, for example, say that they are seeing a transition from price competition to quality competition, while the Formido franchisee says that the shelf-stacker has to become a salesman again. At Peek & Cloppenburg the all-round job of shop assistant has been split into different jobs, thus creating among other things a new, more customer-oriented post of salesperson.

Technological developments prove to have been less of a factor in shaping company policy in recent years. The dynamic in the market means that companies and their staff have to respond quickly to changing demands and circumstances. It also means that discrepancies can constantly occur in the shops between the staff's qualifications on the one hand and the qualifications required in the short or long term to do the work in the shop effectively on the other. Discrepancies of this kind are experienced in all four of the companies surveyed.
6.3 Different adaptation mechanisms possible

In principle, companies can take various types of measures to prevent or reduce such discrepancies. A distinction can be made here between measures aimed at changing the required qualifications and measures intended to change the available qualifications.

The required qualifications are not fixed factors for companies. By bringing about changes in the company’s package of products and/or services, for example by discontinuing or contracting out certain activities, they can change the qualifications that are needed by their staff. This is similarly the case if the work and responsibilities in the firm are organized differently, for example by splitting up certain tasks still further or, conversely, by integrating them.

The available qualifications are likewise dependent on various types of decisions taken by the companies. The recruitment and selection of staff and the provision of opportunities for staff to gain qualifications are particularly important tools with which the available qualifications can be influenced.

There have been no major changes in the recruitment and selection of newcomers in recent years, at least not as far as the shop floor jobs are concerned. In three of the four companies studied it is still true to say that the educational level and the type of education are generally regarded as being of secondary importance. It is socio-normative qualifications that are the deciding factor in the selection of newcomers. The companies are primarily concerned with such characteristics and qualities as motivation, enthusiasm, a friendly approach to customers, the ability to get on with colleagues, etc. Peek & Cloppenburg alone have a strong preference for newcomers with sector-related vocational education (MDGO-MK); that is to say for full-time sales staff only. For part-time and call-in labour, forming the majority, attention is only paid to the above mentioned socio-normative qualifications.

Regarding management jobs, a change does occur, at least in the two large companies. They are increasingly looking for people with education at intermediate or even higher level. The situation is different in the small businesses. Both the two Spar shopkeepers and the Formido franchisee stress that people can go a long way in this type of organization, in fact even as far as independent retailer, irrespective of any specific education.

6.4 Both adaptation mechanisms in large companies

In our study of the four retail companies we looked primarily, although certainly not exclusively, at measures aimed at changing the available qualifications.

Both types of measure are found in Albert Heijn BV and Peek & Cloppenburg. In recent years there has been an interaction between organizational development and qualification development in both these companies.

The background to this in both cases is that company growth must primarily be achieved by means of increased turnover in the existing shops and not so much through an increase in the number of shops. There are very few sites with prospects left in the commercial structure, at least not for supermarkets or (for the time being) for fashion shops like those operated by Peek & Cloppenburg. This realization has led to a re-evaluation of the position of the shops in these two companies.

Both companies have taken steps to strengthen the management of the branches. These steps consist in part of introducing new management jobs and in part of additional training for the existing management team.

Among other things, Albert Heijn has introduced the new post of assistant department manager. Peek & Cloppenburg recently instituted the job of specialist salesperson, who has taken over some of the department head’s tasks.

Both Albert Heijn and Peek & Cloppenburg are also giving additional training to the existing management. These are long-term training programmes - in fact, it seems very likely that this group is now in a situation of continuous vocational training.

Peek & Cloppenburg have also used both types of adaptation mechanism at shop floor level. Until a few years ago the job of the sales staff was very much an all-round one. As well as selling, they were expected to do a whole range of other jobs, such as stockroom work, filling shelves, keeping the shop clean etc. When serving the customer again became a more important factor in recent years, it became clear that not all assistants were capable of doing this for two mutually reinforcing reasons - on the one hand the large number of other tasks the job entailed and on the other a blend of insufficient interest in and feeling for a customer-oriented attitude and approach.

Peek & Cloppenburg is an illustration of a company in which the job integration of the past was no longer in line with the changing demands from the market. There were clear signals from the branches that the problems that were being encountered could not be solved by training alone. Following a thorough analysis, it was decided to first change the way the work was organized - the result is known in the company as split organization - and then to develop and put in place training programmes for the redefined sales jobs. These programmes serve two purposes. They are used in training newcomers to these sales jobs. And they are used on a fairly
regular basis for retraining existing staff in these jobs.

The situation is somewhat different at Albert Heijn. The tasks of the sales staff have not really changed over the past few years. Every newcomer is given training as a grade 2 salesperson. This training takes place entirely in the shop and for the most part on the job. The content and design of this training are currently being reviewed. The new scheme is based on a modular approach. This makes it easier to keep the training up to date, something which is particularly important in the light of the frequent changes in the product range. It is only a slight exaggeration to say that it is actually more important for Albert Heijn to keep the training up to date than to provide the sitting sales staff and cashiers with refresher courses and additional training. The relatively short period that many of Albert Heijn's staff stay in the job is a significant factor in this. It is less than four years on average, and sales staff and cashiers in particular tend to move on after a short while in the job.

Both Albert Heijn and Peek & Cloppenburg invest more in the training of full-time sales staff than in that of part-timers. This notwithstanding, one of the reasons for opting to design training programmes in modular form and/or as forms of self-tuition, with or without the aid of video, was so that the training material could be used more selectively and hence more efficiently for part-timers. These companies have meanwhile realized – as have the smaller companies surveyed in this study – that training of part-timers is also essential. Particularly of the part-timers working at times when many customers are shopping, i.e. on Saturdays and on the late shopping nights.

6.5 Principal trends
The training policies at Albert Heijn and Peek & Cloppenburg alike are driven by the need to improve the quality and the flexibility of their staff. In recent years the companies' training policies have been made a much more integral part of the personnel policy as a whole, and they are now fully geared to providing support in putting through (strategic) changes in the companies. This has gone hand in hand with essential changes in policy tools. There are two main trends. Both trends occur in other sectors too (Warmerdam en Van den Berg, 1992).

- Decentralization of the training function, by shifting training tasks, responsibility for training and authority for training to line management, often at lower levels in the organization – not only in terms of making policy and taking decisions about training but also in the actual development and design of training courses.
- Differentiation of the training offered, through the introduction of workplace training, tailor-made training courses, modular training courses, project-style training, new training media and individualized training pathways. These large firms have used two strategies to adapt their internal training systems, i.e. to make them more flexible and suitable, in order to cope better with a situation in which continuous changes in the firm's environment, and by implication e.g. in the way labour is organised, are necessary: firstly, a shift in responsibilities from the central to the local level and, secondly, through changes in the content and forms of the courses.

6.6 Small companies: assistance with training through shared interests
Research has revealed that many small businesses have training needs, but that they are often inadequately equipped to be able to develop a training policy and put it into practice using their own resources. The retailers frequently lack not only time, but also the skills required, particularly management skills.

The owners of small businesses by no means always have to face this problem alone, however. In the retail trade, in any event, they have often signed a collaboration agreement in one form or another with a large wholesale company. And maintaining sales outlets is as crucial to the continuity of the wholesaler as it is for the small shop owners themselves. This fact can be detected in the policy of these wholesale companies. From showing an interest they have gone through a transition, via providing support, to an active involvement in all the important aspects of the policy and operation of the retail businesses. Initially their input tended to concentrate on putting together the product range and promotion. Later came automation and financing. In recent years there has been an increasing awareness that personnel policy is likewise an essential activity in terms of retail marketing. Training policy and training activities are developed as an extension of this.

Originally efforts were aimed primarily at training prospective shopkeepers – in order to be assured of enough qualified partners in the retail trade in the future – and at additional training existing shopkeepers. At the moment there is a growing awareness that the motivation, knowledge and skill of the staff as a whole, from the highest to the lowest, play an important role in the competitiveness of the shops and consequently of the wholesaler. This realization is currently being translated into policy, including training policy. One wholesaler is more advanced in this respect than another. We came across considerable differences in the case studies. One of the wholesalers – Schuitema – have opted to develop all their training and instruction courses themselves, even though this is a costly business. The background to this is the desire to set themselves apart from other supermarkets in the eyes of the customers. External, general courses are not suitable for this. To create an individual identity it is necessary to interpret essential elements like the approach to the customer in one's own way. At the moment, Schuitema's training policy puts the priority on the sales assistants in the shops. The training available for the shopkeepers and their senior staff is already reasonably good.
6.8 Transferability

The training activities of companies like Albert Heijn and Peek & Cloppenburg cannot be transposed without further ado to other companies, since they require significant (investments in) infrastructural training facilities. Only large companies can afford this.

Large enterprises can, however, play an important role in designing and/or implementing training programmes in smaller firms. The case study of SPAR provides a telling illustration. SPAR is a voluntary retail chain, i.e. independent entrepreneurs cooperating with a wholesale enterprise.

Above, we have already indicated that the ‘economic well-being’ of the firm is not only of relevance for the individual Sparshop owner, but that this is also of vital importance for the wholesale enterprise. In the context of this shared interest different types of services, lent by the wholesale enterprise to the SPAR retailers, have been developed over time. Actually, over the last 10 years, Schuitema has developed staff policies for SPAR retailers. In the last years emphasis was put on preparing, designing and providing training courses to the SPAR entrepreneurs and their staff. This approach, however, is not yet common in current cooperation processes between large and small firms. For the majority of small firms these kind of services are not (yet) available.

For those small business institutes like the OVD can play an important role. They can use the apprenticeship courses as they are. Customized courses like those TSA/OVD can supply are too expensive for small businesses, at least for completely individual applications. In the case study in the DIY sector, however, we saw that there are possibilities on a collective level. In that case the franchisor played a major role in calling in TSA. However, most small businesses are affiliated to some kind of collaborative venture and/or sector or business organization. At this level, therefore, there are quite a few opportunities to take the initiative.

6.9 Training: primarily a matter for the employer

At central level, employers’ and employees’ representatives agree that training is an important tool for healthy economic development. This does not however mean that the two parties are equally involved in implementing training policy at company level. One important reason for this is that qualification policy is very closely bound up in the organization of the work at company level and the related entry functions and further career development opportunities. The organization of the work is traditionally regarded as the domain of the employers; this essentially reflects the autonomy of the employers in managing their businesses. Despite the leeway that the legislation provides in principle for Works Councils, surveys reveal that these consultative bodies have very little say in the matter in practice. The same is true to an even greater extent of the unions. The Works Councils at Albert Heijn and the P&C Group NV
are of the opinion that they are given sufficient information about the training policy. So far this information has not given rise to any sort of action.

6.10 The importance of training to employees
In all the case studies we undertook, we found that there was internal training for people moving up through the ranks to management posts. This form of training clearly has its attractive side for the staff. In management jobs one can gain new work experience which (in part) is also usable elsewhere. Moreover, the move to a management post goes hand in hand with a salary increase.

In the case of other forms of training the benefits to the staff are less evident. This is a function, among other things, of the company-specific tone of the training courses, which means that they do little if anything to raise the value on the labour market of the employees who take them. From the other side we find in all the companies in the case studies that management is becoming more and more aware of the importance of the motivation and attitude of the staff in the shops. They are generally also aware that something has to be offered in return for these high(er) standards, both in terms of money and in other areas. One of the retailers put it very succinctly: 'If you pay peanuts, you must expect to get monkeys'. In all the companies surveyed, therefore, the motivation and dedication being asked for are translated one way or another into money.

The companies are also trying to create a good working climate for their staff. This works both ways. The employers try to create an open, pleasant working environment so that the staff feel at home in the company. They therefore stimulate good communication between the management and the staff and among the staff themselves, possibly through work consultation. At the same time they try to focus this communication on the work itself and thus bring about a situation in which employees, consulting together on the basis of their own experiences, can choose solutions in changing circumstances. This process is guided and given structural impetus by the company through training and forms of work consultation. This has increased the opportunities for the staff to talk about their own work and the work situation.

6.11 Costs and benefits
The companies invest fairly considerable sums in initial and additional training and retraining of their staff, and yet there has been virtually no attempt to draw up a cost-benefit analysis. Only Albert Heijn has made a start on something of this kind.

One probable factor is that improvement of qualifications in the large companies primarily takes place as part of organizational development. On the one hand training and retraining are viewed as an essential means of achieving strategic objectives, while on the other the contributions this training and retraining make to achieving the objectives are difficult to isolate – particularly since the training often relates not only to improving qualifications, but also or even primarily to motivating the staff.

The retailers in the small companies do not believe it is necessary to quantify precisely the return on their training efforts. For them, a far more important question is whether the way they run their businesses – in which the qualification and motivation of their staff is one (important) element – enables them to hold their own against the competition from other shops.

The precise return on training is not such a major issue for them. On the basis of their own observations they are convinced of the value of and the need for training. What is becoming an issue for them, however, is who should be paying for the investments in training. They are starting to wonder whether their wholesale partners should not play a greater role in this area since after all they too derive considerable benefit from successful retail businesses.
APPENDIX 1
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APPENDIX 2

PEOPLE INTERVIEWED

1. Case study Albert Heijn
   a. Training expert
   b. Store manager
   c. Department manager
   d. Assistant department manager
   e. Cashier
   f. Member of the Works Council

2. Case study De Spar
   a. Manager of Internationale Spar Centrale BV
   b. Manager of Centrale Spar Nederland BV
   c. Head of the training department Schuitema NV
   d. Head of the training department Unigro Nederland BV
   e. Two independent Spar-entrepreneurs (store-owners)
   f. Two department managers in the stores
   g. Two sales assistants

3. Case study in the DIY sector
   a. Personnel manager at BV Houthandel ‘Utrecht’
   b. Deputy director of Training Services & Consultancy (TSA)
   c. Deputy director of Research & Development (OVD)
   d. A Formido franchisee
   e. A Formido employee

4. Case study Peek & Cloppenburg
   a. Head of the training department
   b. Two store managers
   c. Department manager
   d. Sales employee
   e. Member of the Works Council
Harry van den Tillaart
CEDEFOP Document
Luxembourg: Office for Official Publications of the European Communities
1994 — 90 pp. — 21.0 x 29.7 cm
ISBN 92-826-7031-7
Price (excluding VAT) in Luxembourg: ECU 8