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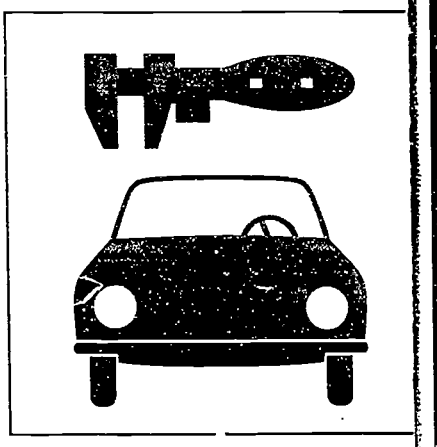
ABSTRACT

An international team of researchers studied the following aspects of training in Spain's motor vehicle repair and sales sector: structure and characteristics; institutional and social context; relationship to Spain's overall labor market; changing structural, economic, and organizational conditions; and training and recruitment and relationship to Spain's education system. Social and labor/employment statistics were analyzed, and case studies of three auto dealerships and one authorized vehicle repair center were conducted. The firms varied in size; however, all were linked to large manufacturers. Consequently, all four firms had manufacturer-designed systems of continuing training to keep employees current with innovations in new vehicle models. No great satisfaction with commercial training was found in any of the case studies. In general, workers and unions were not involved in training-related decisions. A transition from training based on a functional model in which training is viewed as a catalogue of tasks to be performed to a systematic concept in which continuous updating is seen as essential to survival in the sector appeared to be in progress. The report includes 49 tables/figures, and contains 18 references. (MN)

FORCE
FORMATION CONTINUE EN EUROPE
European Commission

SPAIN
REPORT

MOTOR VEHICLE REPAIR AND SALES SECTOR



Drawn up by **INEM and CIREM**, coordinated by **ITB, DTI** and **CEDEFOP.**
TASK FORCE - Human Resources, Education, Training and Youth.

MOTOR VEHICLE REPAIR AND SALES SECTOR

TRAINING IN THE MOTOR VEHICLE REPAIR AND SALES SECTOR IN SPAIN

REPORT FOR THE FORCE PROGRAMME

drawn up by
INEM (Instituto Nacional de Empleo)
in collaboration with Jose Luis Esplugues,
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This study was carried out in the framework of the European motor vehicle repair and sales sector, within the EC FORCE programme and conducted by a Central Team made up of:

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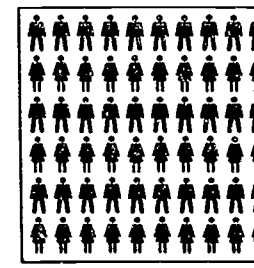
7

CONTENTS

PART 1:

EMPLOYMENT AND TRAINING IN THE SPANISH MOTOR VEHICLE REPAIR AND DISTRIBUTION SECTOR



1. DEFINITION AND SCOPE OF THE SECTOR

The target sector of this study encompasses those firms engaging in the repair and/or distribution of motor vehicles and their components and allied products.

The National Classification of Economic Activities (CNAE) lists the following groups for this sector:

Code	*Activity*
672	Repair of motor vehicles, motorcycles and bicycles.
614.1	Wholesale trade in vehicles, motorcycles and accessories.
645	Retail trade in vehicles, motorcycles and accessories.
634	Intermediaries dealing in machinery, material and vehicles.

All these activities are carried on by firms of varying types, including: agents and subsidiaries (of motor vehicle manufacturers), car dealers (independent), shops authorized to repair and distribute vehicles (independent but linked to car manufacturers), general vehicle repair shops (independent), shops specializing in the repair of components and allied products.

On occasions, some of these firms deal in second-hand vehicles; according to sources within the trade[1], this generally represents around 20% of all such transactions. Also included in this category are firms whose sole activity is dealing in secon -hand vehicles. This type of business, which tends to operate in locally-circumscribed markets, makes up the remaining 80% of second-hand sales.

There are other differences between the Spanish system of categories and the classification proposed by the FORCE programme: thus, it is impossible to isolate activity in respect of "motorcycles", as the sector provides no separate data on this. Then there are the "intermediaries dealing in machinery, material and vehicles"; this report includes those dealing in vehicles, as they are responsible for part of Spanish vehicle distribution.

Repair shops are classified on the following basis (as provided by Royal Decree 1457/1986, 10th January, or by the relevant Autonomous Community regulations):

- By their relationship with vehicle, equipment and component-makers:
  - General or independent.
  - Allied to one brand.

- By type of activity:
  - Mechanical
  - Electrical
  - Bodywork
  - Paintwork

- Specialist shops: limited to repair or replacement of specific items of vehicle equipment or systems.

- Motorcycle repair shops: engaging in repair or replacement work on two- or three-wheeled motor vehicles or similar.

All such establishments are obliged to possess the minimum equipment required for their type of work and speciality. Any shop may work in one or more of these categories provided that it complies with official requirements.

Motor vehicle distributors may be classified as agents or dealers, depending on whether they belong to a manufacturer's primary or secondary sales network. Used vehicle distributors are classified separately.

[1] Source: Confederación Española de Talleres de Raparación de Automóviles y Afines.

2. STRUCTURE AND CHARACTERISTICS OF THE SECTOR

2.1 Brief historical background

In the past, the Spanish motor vehicle repair and distribution sector operated in a market characterized by ageing stock, a large proportion of second-hand vehicles and a type of firm typically performing poor-quality repairs because of shoddy materials and a rather shaky grasp of the technical side, acquired largely through practice.

The models of available motor vehicle makes remained unchanged over long periods and repair shops thus adapted to them through sheer inertia of repetition, while customers harboured no great expectations as to assurance of quality in repairs. Training was a slow, unplanned process, with personnel lacking a cultural base from which to build towards a defined concept of professionalism.

Towards the end of the 1970s, the figure of the "apprentice" disappeared, without being replaced by an effective alternative avenue of entry to the trade, a situation which further hindered the normal hand-over from one generation to the next. With the 1980s came new technologies, with ever more varied ranges of models, greatly increasing the complexity of the sector in both sales and repairs. These changes require ever higher skill levels and ever greater specialization, which existing personnel cannot easily acquire.

The sector has further undergone qualitative change in response to certain important stimuli, such as Decree 809/1972 which introduced regulation of the sector for the first time, or Royal Decree 1457/1986 providing detailed regulation of industry and consumer protection, to which the industry had to adapt its tooling, its equipment and its administrative practices. Under these regulations, hitherto voluntary quality standards began to be mandatory. The General Consumer and User Protection Act of 1984 made similar provision in respect of distribution.

2.2 Structure of the distribution subsector

2.2.1 Structure of the sales market

All the vehicle manufacturers operating in Spain are under majority overseas ownership, and the same is true of spares manufacturers. Typically, products in this sector are designed abroad and manufactured in Spain.

As for manufacturing, in the years 1989, 1990 and 1991 total vehicle output in Spain evolved as follows:

	% 89/90	% 90/91
Cars	+ 2.48%	+ 5.6%
Industrial vehicles and buses	- 8.08%	- 17.7%

Whereas motor car output has sustained an upward trend over the last decade, industrial vehicle and bus output stopped growing in 1989, since when it has been falling steeply[2].

As table 1 shows, the most striking thing is that three-quarters of national vehicle output is for export. The category of vehicle for which export sales have increased most is "Motor cars", 20.5% up on the previous year, followed by "Buses and coaches", up 13%. Industrial vehicle exports have fallen by 12.3% in unit terms.

The years from 1980 to 1989 saw major growth of car sales. If we take sales in 1980 as 100%, these increased to 104.8% in 1985, rising rapidly thereafter until 1989, when they stood at 212.7%[3].

In the period 1990/1991, the number of Spanish-made vehicles plus imports by Spanish makers fell by 13.1%. Exports, on the other hand, were 15.6% up on the previous year, although at all events this was an isolated situation.

As table 2 shows, Renault is market leader, followed by Seat-VW-Audi and Ford. The Japanese makes have not yet made any great impression on the domestic market, but they have laid the foundations for future growth.

Sales trends were positive in 1992, but results were not uniformly positive for all firms in the sector. Nissan Motor Ibérica and Santana reported losses, while Renault and Citroën increased their profits[4]. The market balance was up 13-57% on the period January-August 1991, indicating a likely recovery. Forecasts for the next two years are moderately optimistic.

In Spain, the ratio of vehicles to population is low (relative to other European countries), average vehicle age high and population structure relatively youthful. This means that Spain, now Europe's fourth car manufacturer and the world's sixth exporter, is one of the domestic European markets with most growth potential[5]. Spain possesses 270 cars for every 1000 inhabitants, that is 100 cars per 1000 inhabitants less than the

2 Source: ANFAC Statistical Bulletin, Dec. 1991.

3 Source: Proceedings of 1st National Congress of Automobile Distributors, organized by FACONAUTO, 1990.

4 Source: "El País", 10/09/92.

5 Source: Análisis de la Política Contractual en Materia de Formación Contínua. Dir. F. Durán López and M. Alcaide Castro, 1992. Pending publication.

Table 1 – Vehicle sales by category (1991):

	Output *units*	Domestic prod. sales	Import sales	Exports
Cars	1,773,752	518,846	212,730	1,284,440
Industrial vehicles				
– Modified motor cars	169,429	82,113	6,205	91,802
– All-terrain	54,410	25,750	1,912	29,112
– Vans	64,117	26,802	25,208	37,445
– Light	11,074	7,708	4,551	3,629
– Heavy	5,308	4,620	2,428	593
– Tractor trucks	2,959	2,149	1,394	1,011
Total ind. veh.	307,297	149,142	41,698	163,592
Buses and coaches	662	725	527	156
Total vehicles	2,081,711	668,713	254,955	1,448,188

Source: ANFAC Statistical Bulletin, December 1991. Does not include data on importers not manufacturing in Spain.

Table 2 – Market shares of car producers in Spain.

Companies	No. of vehicles 1991	Share 1991	Share 1992 *Jan/Aug*
Renault	164,475	18.5%	19.7%
Seat-VW-Audi	150,431	17.0%	16.3%
Ford	120,619	13.6%	14.4%
Opel	105,636	1.9%	11.3%
Peugeot/Talbot	85,656	9.7%	9.1%
Citroën	77,959	8.8%	13.5%
Fiat	62,460	7 1%	4.1%
Japanese	29,475	3.3%	?
Others	89,470	10.1%	?

Source: Authors, based on data from the survey "Analysis of Recruitment Policy with Respect to Continuing Vocational Training" by F. Durán and M. Alcaide, 1992, and from the magazine "Red Acción", Sept. 1992.

Community average. As for age, sources in the industry indicate that in 1990, 40% of all Spanish vehicles were more than 10 years old[6].

2.2.2 Marketing structure

Car distribution basically functions through a system of exclusive sales points assigned by the makers to a limited number of retailers selected by them. At their showrooms, these retailers carry only one make of car, in respect of which they are responsible for sales and post-sales service[7].

The commercial structure of the car market may best be illustrated by an example covering the largest possible number of stages. An enterprise engaged in the manufacture of vehicles and spare parts covers its marketing, repairs and maintenance requirements through its agents. A firm obtains "agent" status upon signing an agreement with the maker, whereunder the latter grants it exclusive rights within a given geographical area. The agent in turn appoints dealers within this area. Where agencies belong to the maker, they are known as "subsidiaries" and are normally found in areas where there are no independent firms to carry that part of the service. Agents may likewise own dealerships, which are then referred to as "branches".

Table 3 – No. of authorized services in 1991[8]:

cars	agents	dealers
industrial vehicles,	2,677	6,852
buses and coaches	11	1,164
Total 1991	2,688	8,016

73.3% of car distributors are linked to manufacturers operating in Spain. The maker with the largest share of the sales networks is Fasa-Renault, with 17.7% of distributors, although the Seat-VW-Audi group have the most agencies.

6 Source: I Congreso Nacional de la Distribución de la Automoción, FACONAUTO, 1990.

7 Source: 1er Congreso de la Confederación Española de Talleres de Reparación de Automóviles y Afines, 1990.

8 Source: The Authors, utilizing data for 1991 supplied by FACONAUTO and "Nuestros Talleres"

Table 4 – Vehicle distribution networks in Spain, cars, 1991.

Brands	No. of agents	No. of dealers	strength No.	%
I. Domestic manufacturers				
Fasa Renault	288	1,397	1,685	17.7%
Seat-VW-Audi	344	853	1,199	12.6%
Opel GME	222	435	657	6.9%
Ford España	211	844	1,055	11.1%
Peugeot/Talbot	217	900	1,117	11.7%
Citroën Hisp.	198	1,075	1,273	13.4%
Subtotal I	1,480	5,506	6,986	73.3%
II. Importers				
Fiat	129	225	354	3.7%
Lancia	64	123	187	1.9%
Alfa Romeo	71	139	210	2.2%
Austin Rover	52	177	229	2.4%
BMW	57	–	57	0.6%
Volvo	42	78	120	1.3%
Mercedes Benz	66	252	318	3.3%
Nissan	169	352	525	5.5%
Saab	23	–	23	0.2%
Jaguar	12	–	12	0.1%
Toyota	49	–	49	0.5%
Porsche	23	–	23	0.2%
Other brands[9]	440	–	440	4.6%
Subtotal II	1,197	1,346	2,547	26.7%
Total	2,677	6,852	9,533	100%

Source: Federación de Asociaciones de Concesionarios de la Automoción.

Note: figures for Mercedes Benz and Nissan also include industrial vehicle agencies and dealerships.

It will be seen that over these years the institution of new authorized services was considerable. Outstanding in this respect are General Motors and Ford España, which practically doubled their authorized services in this period.

However, this overall growth contrasts with the following development:

Table 6 – No. of Authorized Services for all motor vehicle categories:

Auth. Services	1990	1991
Agents	2,778	2,688
Dealers	7,894	8,016
Total	10,672	10,704

Source: "Nuestros Talleres", April 1991, April 1992.

The total number of agents in 1991 was 90 less than in 1990. On the other hand, there were 122 more dealers. Clearly, there are firms that close down or change status.
It should be noted that it is not possible to purchase a new vehicle other than directly or indirectly through the maker's official distributor.

2.3 Structure of the repairs subsector

Table 7 – Classification of firms by no. of workers:

No. of employees	% of total firms
From 1 to 4	70 %
From 5 to 9	20 %
From 10 to 25	8.5%
More than 25	1.5%

Source: Confederación Española de Talleres de Reparación de Automóviles y Afines, 1992.

Table 5 – Development over time of domestic manufacturers' authorized service networks.

Makers	1986			1991		
	C	D	Total	C	D	Total
Fasa-Renault	212	1,287	1,499	288	1,397	1,685
Seat-VW	232	856	1,088	344	855	1,199
Opel-GM	156	200	356	222	435	657
Ford-España	200	450	650	211	844	1,055
Peugeot-Talbot	215	720	935	217	900	1,117
Citroën Hispania	154	843	997	198	1,075	1,273
Total			5,525			6,986

Source: The authors, utilizing data supplied by FACONAUTO and "Nuestros Talleres".

C · Agents; D . Dealers

[9] Includes agencies of certain top-range European makes (Ferrari, Lotus, Morgan, Rolls Royce), East European makes (Lada, Skoda, Wartburg), Japanese makes (Honda, Mazda, Mitsubishi, Subaru, Suzuki) and American makes (GM, Ford, etc.).

Clearly, most firms in the sector are small. We should note here that it was not possible to adhere to the classification proposed in the FORCE programme, according to which firms with 10 to 50 workers should be grouped in one category and firms with more than 50 in another.

2.3.1 About repair shops

In Spain there are almost 52,000 motor vehicle repair shops, classified as follows:

Table 8 – Classification on the basis of relationship with vehicle-makers:

Type of firm	Absolute nos.	%
Agent	2,688	5.2%
Dealer	8,016	15.4%
Independent shop	41,241	79.4%
Total	51,945	100%

Source: The authors, utilizing data for 1991 supplied by FACONAUTO and CETRAA.

Official agents and dealers make up 20.6% of the sector, as opposed to 79.4% of independent shops. It is important to note that in most cases it is difficult to separate distribution from repair statistics. We may state in general that firms engaging in new vehicle distribution also do repairs.

Only 20% of all repair shops have been in existence for less than 5 years, whereas a high percentage belong to the most characteristic type: old workshops not dependent on any maker, handed down through the family[10].

These data do not suffice to draw up a census of existing premises or firms, given that any repair shop may possess one or more of the permits listed above. Moreover, those firms having "dealership" status do not require a permit to sell motor vehicles since they operate under their agent's invoices; they do, however, require a permit to sell spares. Then again, these statistics generally record the issue of new permits but not the withdrawal of old ones, so that they cannot be taken at face value. On the other hand, we do have information on the number of activities carried on in the sector, while the statistics provide an idea of the extent, if not an accurate picture of the number and size of the firms involved.

Numbers of repair shops are most highly concentrated in the Autonomous Communities with higher population and vehicle densities.

Table 9 – No. of tax permits relating to the sector *(1991)*:

activity	no. of permits
Retail sale of cars, trucks and motor-boats:	
new	9,014
used	5,422
Retail sale, without establishment, store or depot, of cars, motor vehicles and motorcycles	149
Retail sale of vehicle accessories and spare parts	5,739
Wholesaling of passenger cars and vehicles for the transport of passengers and goods.	
new	572
used	430
Wholesaling of accessories and spare parts for vehicles of all kinds	3,971
Total distribution and sales	25,297
Repair of passenger cars and motorcycles, including bodywork repairs	43,289
Repair of coaches, trucks and other load-carrying vehicles, including bodywork repairs	3,540
Repair of motor vehicles in general, including bodywork repairs	5,532
Total repair shops	52,361

Source: The authors, utilizing data – at 24/3/92 – supplied by the Barcelona Chamber of Commerce, Industry and Shipping.

Table 10 – Vehicle repair shops distributed by autonomous communities: *(1991)*

Autonomous community	Repair shops	Autonomous community	Repair shops
Andalucia	7,738	Valencia	5,857
Aragon	1,641	Extremadura	1,149
Asturias	1,546	Galicia	4,229
Balearic Islands	1,635	Madrid	5,016
Canary Islands	2,142	Murcia	1,541
Cantabria	815	Navarra	881
Castille and La Mancha	2,298	Basque Country	2,432
		La Rioja	413
Castille and León	3,002	Ceuta and Melilla	111
Catalonia	9,488		
		Totol	51,945

Source: Sectorial Surveys by the INEM on repairs and maintenance, 1992.

2.3.2 About the workers

According to the Spanish Confederation of Motor Vehicle and Allied Repair Workshops, the *total number of workers* in the sector at present is around 206,000, that is 0.5% of Spain's working

[10] Source: "Nuestros Talleres".

population. It should be stressed that 70% of repair shops employ 5 persons or less.

2.3.3 Annual turnover

The annual *turnover* of the entire group in respect of repairs comes to over one thousand million pesetas. This breaks down as follows:

Table 11

Pesetas	Enterprises
less than 10 million	50.0%
from 10 to 15 million	15.0%
from 15 to 25 million	14.0%
from 25 to 50 million	12.0%
more than 50 million	9.0%

Source: Confederación Española de Talleres de Reparación de Automóviles y Afines, 1992.

As the above table shows, as many as one half of all repair shops declare low turnover – less than 10 million pesetas – in contrast with a small minority (9%) declaring annual turnover in excess of 50 million pesetas. Although imprecise, these data do reflect the fragmentation of the sector as regards characteristic types of firm.

Overall annual turnover of firms engaging in distribution amounts to about 3.5 thousand million pesetas[11]; however, it is not easy to separate distribution from repairs in the returns of these firms.

2.3.4 Quantity and variety of repair work

As the table below shows, the most numerous group are the shops doing exclusively mechanical repairs (38.3%), followed at a distance by those engaging in mechanical and electrical repairs. The proportion of shops doing bodywork and paintwork is much smaller, and yet sources within the industry state that these are now becoming the two most profitable activities.

Table 12 – Distribution of repair shops by type of repairs performed:

Mechanical only	38.3%
Mechanical and electrical	20.7%
Mechanical, bodywork and paintwork	6.5%
Mechanical, electrical, bodywork and paintwork	11.8%
Electrical only	7.7%
Bodywork and paintwork	13.5%
Bodywork and electrical	0.9%
Paintwork only	0.5%

Source: Confederación Española de Talleres de Automóviles y Afines, 1992.

The general trend as regards vehicle repairs is towards a decline in the importance of repairs as such and growth of what we might call "maintenance". This means that increasingly, faulty parts are not repaired but simply replaced by new ones, and hence it is the component and equipment-makers who are dictating the terms of repair shop policy regarding both pricing and training. As a result, mechanical repairs of the traditional type are on the wane while the importance of bodywork and paintwork grows.

Recent years have seen the gradual penetration of the sector by large enterprises pursuing a strategy of specialization in specific areas of activities, with drive-in fast-service vehicle-painting, general and ancillary servicing, spares sales, etc. For the moment, however, availability of this kind of service is limited.

Another major qualitative change has come about in company-customer relations. Repair shops increasingly seek to attract customers by offering a full range of services, often in a personalized format. With the decline in conventional repairs, competition among repair shops is on the increase, and hence these are being forced to move to where the custom is.

[11] Source: I Congreso Nacional de la Distribución de la Automoción, FACONAUTO, 1990.

3. THE INSTITUTIONAL AND SOCIAL CONTEXT

3.1 Legislation

3.1.1 Regarding installation, expansion and resiting of firms

Since 1980, express official permission has not been required for the opening of a repair shop: it is sufficient to meet the legal requirements and register at the appropriate office

There is a body of state legislation, comprising Royal Decree 2135 of 1980, the implementing Order of the same year, and Royal Decree 1457 of 1986 regulating vehicle and component distribution and repair, plus Autonomous Community legislation supplementing these national statutes.

The state legislation regulates the opening of establishments, for approval of which the following documents must be submitted:

a. Technical installation plan.
b. List of work places with technical qualification and certification by professional associations or labour authority.
c. Technical study. This should include a detailed list of the various kinds of work and service the shop can provide, and details of machinery to be installed and of technical and specialist personnel available.
d. In the case of an authorized brand service, written authorization by the maker.

The regional legislation consulted (Autonomous Communities of Catalonia and Galicia) follows the same pattern but at point b. requires that at least one person, to be technical supervisor of the shop and employed full-time, must possess at least a vocational training qualification at level 2 or a trade qualification demonstrating an equivalent level of competence.

Regarding point c., there is a list of machinery and tools that shops are obliged to have to offer a given speciality.

It is further necessary to register with a Special Registry of Repair Shops for Motor Vehicles and Motor Vehicle Equipment and Components, which are dependent on the Ministry of Industry and Energy or the corresponding regional body. The function of these registers is to identify and record the industrial activity of repair shops, in view of their relevance to road safety and the importance of the services they provide to road users.

In order to carry on their business of repair work, firms must make application for installation of electric power in consonance with their activities. This application is recorded in the registers kept by the Autonomous Communities referred to above, and finally the information is centralized at the Ministry of Industry and Energy. Although Decree 1457/1986 provides in principle for a single central register of repair shops, this does not yet exist and so we only have the sum of the provincial registers, which are not always up to date.

3.1.2 Regarding restrictions on certain types of firm or activity

Mechanical assistance on the road can only be provided as a service by a legally established repair shop.

There is nothing to prevent a motor vehicle repair shop from also repairing boats: it is sufficient to register as such and pay for the corresponding permit.

There are some technical restrictions on installations in the establishment, set forth in the "Technical Regulations for Low-Voltage Electricity", whereunder certain electrical installations are mandatory, and in "Decree 30/11/1961 on unpleasant, harmful, insanitary and hazardous industries", which provides regulations governing location of repair shops for town planning purposes. Local authorities may also possess powers of land-use classification which could place limits on the location of such a business.

The sale of new vehicles is only permitted to authorized distributors, who may not sell motor vehicles to other retailers. However, the European Community recently authorized retailing by what are termed "commissionists". These are not normally repair shops but large stores. At all events, this type of retailing is hardly to be found in Spain as yet.

3.1.3 Regarding labour regulation of the sector

We may distinguish two types of worker on the basis of activity:

- Workers performing repairs on vehicles and mounting or installing auxiliary assemblies or spare parts.
- Workers engaged in the sale and distribution of motor vehicles and spares.

The workforces of firms in this sector may be composed of workers of one type or the other, or a mixture.

The general act regulating this area of law is the Workers' Statute, Act 8/1980, of 10th March. Ancillary to this statute as law is the Metalworking Labour Code, promulgated by Order of 29th July 1970. This instrument has been repealed but certain sections remain in force. The other general set of regulations relevant to the sector is the Labour and Trade Code, promulgated by Order of 24th July 1971 and amended by Order of 4th June 1975. It should be noted that the codes from

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the previous political régime are all in the process of repeal.

Specific labour activity is regulated by province-wide collective agreements between trade unions and employers' organizations. These agreements are normally for terms of two years and comply with the general regulations mentioned above, which will have ancillary force.

In recent years there have been attempts to reach a nationwide collective agreement for the metal-working sector, but this has not been possible to date as the parties have failed to reach an understanding.

These regulations are not normally extended to companies having their own collective agreements whose terms exceed the minimum thresholds set at provincial level and are more favourable to the workers. Also excluded are companies whose activities are mixed and which apply codes or regulations other than those governing trade or metalworking.

Labour regulations are not normally applied to senior management of enterprises.

3.1.4 Regarding training at work (general legislation)

Under article 40.1 and 2 of the Spanish Constitution (27/12/78), the public powers are responsible for instituting "a policy to guarantee vocational training and retraining".

The Workers' Statute views "vocational training at work" as a labour right (Art. 4.7b) and establishes collective agreements (Art. 22.1 and 2) as the vehicles through which to regulate measures facilitating training processes.

The Basic Employment Act establishes the concept of Vocational Training (Art. 14a) and entrusts the National Institute of Employment (INEM) with the organization of vocational training and the incorporation of institutions and specialized bodies to carry it out.

Spain has no specific legislation governing continuing training.

3.1.5 Regulations concerning assurance of quality in repair work and protection of the customer

Where competence in matters of industry and consumer protection has been transferred to an Autonomous Community, such regulations are promulgated by the regional government. Otherwise, the State regulations apply. These establish certain minimum requirements:

- User information (on prices, user rights, hours of service, spare part catalogues and price lists).
- Right of admission (in terms of hours or makes of vehicle).
- Right to receive a written estimate, a receipt for deposit of the vehicle with the shop, and to a written invoice.
- Guarantee of repairs (for a given period of time or distance in kilometres).

It is important to note that these regulations implement part of the General Consumer and User Protection Act 26/1984 of 19th July.

3.2 Agreements between vehicle-makers and repair and distribution firms

The main agreements of this kind are between makers and the repair and distribution firms which are their agents.

The manufacturer undertakes to supply motor vehicles or spare parts within the area defined in the agreement, only to the agent and to a specified number of firms belonging to the network. It also undertakes not to sell products covered by the agreement to final users (direct sales) within the stipulated territory.

In return, authorized repair shops and distributors are entitled to the status of official brand representative and to receive technical assistance, theoretical training and accessories and spares from the maker. It should be noted that they are not allowed to modify the products covered by the agreement, nor may they make or sell competing vehicles under the same business name (exclusivity). Nor may they sell or use for repairs or services competing spare parts which do not meet the quality standards of those covered by the agreement. The agent may not enter into agreements for the distribution or service of competing products, nor may it subcontract distribution or service activities (dealerships and services) in its territory without the supplier's consent.

Furthermore, the agent must meet certain minimum standards previously set by the supplier regarding equipment and facilities, personnel training, advertising, reception, storage and delivery of products, preparation and maintenance. It must observe order schedules and carry minimum stocks of vehicles and spares[12].

3.3 Opening and staff working hours

The length of the working day is as stipulated in collective agreements or labour contracts, subject always to the provisions of the Workers' Statute: the normal working week may not exceed forty

[12] These aspects are currently governed by EEC Regulation no. 123/85, of which the above is a summary.

hours of effective work; under no circumstances may normal working exceed nine consecutive hours of effective work; and at all events at least twelve hours must elapse between the end of one working day and the beginning of the next (Art. 34.1 and 2, WS Act 8/1980).

In many cases agreements and labour contracts stipulate working hours below the legal maximum.

Under the decree regulating unpleasant, harmful, insanitary and hazardous industries, municipal authorities may prohibit repair shops from operating between the hours of 9p.m. and 9a.m.

3.4 Role of the social partners

Employers and workers, represented by their respective legal associations, enter into collective agreements, which thus effectively serve as specific labour legislation for the sector.

With most repair shops employing very few workers, union penetration is very slight. The unions are only represented in large enterprises, of which there are only a few in the sector. Employers' organizations and repair trade associations are better represented, and there are associations of repair shops (CETRAA), agents and dealers (FACONAUTO, GANVAN), etc. which have considerable influence on decision-making in the sector. The unions have very little say in the kind of production decisions that affect employment, nor does the situation appear likely to change in the short or the medium-term.

The role of the social partners in training at sectorial level is growing progressively as they acquire an increasingly important part in the various mechanisms affecting vocational training. Curricula in regulated and occupational training are established through the social partners' participating delegations and the public institutions with responsibility in these areas, as provided by Act 1/1990 on the new education system. Likewise the newly-structured continuing training issuing from the accords of December 1992, which are discussed further below, illustrates the fundamental role of the social partners in this field.

4. EMPLOYMENT AND LABOUR

4.1 Trends in employment

The official statistics available in Spain do not deal with the car distribution and repair sector as an independent unit, and therefore the data in this respect are not reliable. In order to make up for this deficit to some extent, we shall look here at data for "repairs" in general. This heading encompasses firms engaging in repairs of all kinds, a large proportion of these being motor vehicle repair shops. Moreover, it is known that firms engaging in the distribution of new vehicles are also repair shops and hence the repairs statistics will also include them. It must, however, be borne in mind when reading the statistics below that they do include workers outside the motor vehicle repairs sector.

Table 13 – Number of workers employed in "repairs".

Year	No. of workers
1982	201,300
1983	198,900
1984	171,200
1985	181,200
1986	199,400
1987	221,800
1988	219,200
1989	219,600
1990	225,000

Source: Anuario de Estadísticas Laborales, 1987, 1988, 1990 Dirección General de Informática y Estadística. Mº de Trabajo y Seguridad Social.

During the 1980s, employment followed a downward curve until 1984, when it commenced an upswing. From 1987 to 1990, the level remained high, albeit with some fluctuations, paralleling employment trends in the country as a whole.

At present there is some tendency towards decentralization. Firms employing large numbers of workers tend to split up and form a "capillary network" of smaller shops, still subject in one way or another to the same general management. However, as often as not these networks are not formed by opening new shops, but rather by the absorption of existing old ones.

As a result of this situation, the tendency is for a slight but steady shrinkage in the number of workers per establishment. Specialized operatives and operatives familiar with new technologies are scarce. On the other hand there are large numbers of traditional workers for whom retraining is difficult because of their high average age and low level of basic training.

In general, the actual number of workers may be said to have changed little in recent years, even though the number of firms has held steady or even increased. The result has been further to reinforce the pattern of small shops.

4.2 Occupational structure

Occupational structure depends very much on the size of the firm in question. There is no single organizational pattern that fits across the sector.

As for broad occupational groups in the sector, the first basic divide is between those engaged in repair work and those engaged in distribution and sales. Then aside from this division, there are the owners of the firms and businesses, who are normally also the managers in small shops. A manager is defined as a person under the immediate orders of the firm and having a say in framing its policy, who directs, coordinates and is answerable for the activities of the department under him.

Because of the structural peculiarity of the sector, composed as it is of a multitude of small shops, occupational groups only exist to the extent that they are essential to the functioning of the business. Consequently, the vast majority of such firms employ a workforce that is by and large exclusively multi-functional, one of whom is also the owner of the establishment, acting as manager and even undertaking administrative functions.
It is in the larger enterprises that we find a workforce containing the full range of occupational groups. In the absence of overall statistics, we may at least illustrate this point by looking at an enterprise which is considered to be large for the sector. This is an agency with a workforce of 38, structured in the following way:

- central services — 6 employees
  - 1 manager
  - 1 travelling rep.
  - 1 admin. asst. cl. 1
  - 2 secretaries
  - 1 class-1 team leader
- sales service — 7 employees
  - 1 sales supervisor
  - 1 sales secretary
  - 5 salespersons
- after-sales service — 25 employees
  - 6 in panelbeating and paintwork
    - 1 team leader, cl. 1
    - 4 tradesmen, cl. 1
    - 1 tradesman, cl. 3
  - 10 in mechanical and electrical
    - 1 Shop supervisor
    - 1 team leader, cl. 1
    - 8 tradesmen, cl. 1
  - 5 in spares
    - 1 spares supervisor
    - 4 storemen
  - 1 admin. asst., cl. 1
  - 2 secretaries
  - 1 receptionist

This list includes almost all the occupational groups existing in the sector.

4.3 Employment of special groups

There has been practically no recruitment of women, who are to be found as a rule in the minority group of administrative workers and scarcely at all in the other occupational groups.

There is no evidence of any influx of foreign immigrants to the sector. Immigration is a relatively recent phenomenon in Spain, and the last few years have seen very little change in the pattern of recruitment to the sector.

As for the disabled, the regulations oblige all companies with more than 50 workers to engage at least 2% disabled persons; in this sector, however, there are hardly any firms of that size.

4.4 Structure of the workforce

According to sources in the sector, almost 25% of the workers are aged under 25. The maximum age of workers generally coincides with retiring age: 65.

If we take the "repairs" sector as a whole (not only vehicle repairs), we find that employee numbers by sex break down as follows[13]:

Table 14

	1989	1990
Men	208,800	214,400
Women	10,800	11,400

Women, then, make up around 5% of personnel in the sector.

4.5 Working conditions

Split working days are a common feature of the sector. Repair shops open by and large to suit customer needs, which means organizing working hours to cover a wide spread of times of day. Labour contracts are generally full-time, and there is a certain proportion of fixed term hiring, largely involving young persons. Workers with permanent contracts tend to be older.

An examination of recruitment in metalworking as a branch of industry reveals certain tendencies:

Table 15 – Proportion of fixed term employment by gender in the "metalworking and precision" branch of industry.

	1987	1988	1989	1990
Both sexes	7.8	14.0	19.2	21.6
Men	7.7	13.1	18.5	20.7
Women	9.3	21.5	25.1	28.1

Source: El Análisis de la Contratación Temporal en España, D. Segura, F. Durán, L. Toharia, J. Bentolila. 1991. Centro de Publicaciones del Ministerio de Trabajo y Seguridad Social.

It can be seen that the trend in fixed term recruitment is growing, with fixed term contracts trebling in the industry between 1987 and 1990. In the motor vehicle distribution and repairs sector the proportion may be somewhat smaller since there has been no large influx of young people in recent years, while it is precisely in this age group that fixed term employment is most common. The figure of 21.6% of fixed term contracts in 1990 is not far in terms of proportion from the 25% of young people estimated to be in the sector in 1992.

[13] Source: Anuario de Estadísticas Laborales, 1990. Dcción. General de Informática y Estadística. M° de Trabajo y Seguridad Social.

5. TECHNOLOGICAL CHANGE AND ITS IMPLICATIONS FOR QUALIFICATION AND TRAINING REQUIREMENTS

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5.1 New technologies

The most important technological innovations currently being introduced in the sector are a response to the following needs:

- Ecological needs: in response to growing social awareness of environmental issues, the competing makers are incorporating ecology as a factor in their commercial and production strategies. To this end, new devices are being introduced for electronic regulation of fuel systems and catalytic convertors; harmful chemical compounds are being eliminated from paints; new methods are being devised for utilization and recycling of lubricants, and so on.

- Economic needs: cost reductions are being sought at all levels, by vehicle-makers and equally by consumers, a development that inevitably affects this sector as the intermediary between the two. Thus, new injection systems reduce fuel consumption, new computerized systems lead to reorganization of factory work, and so on.

- Legal needs: present-day regulations governing taxation and attention to the customer make computerized office equipment absolutely essential. In addition, safety legislation demands new elements, for diagnosis in the workshop (vehicle inspection, etc.) and on board (seat belts, new materials, etc.).

These needs are prompting the introduction of new technologies in different spheres:

• Vehicle technology: electronic and information-technology applications in various parts of the car are a major factor in determining new modes of operation (eg, pre-heating, automatic door and window operation, seat adjustment, fuel system regulation, etc.). Other innovations include new types of corrosion-resistant material, synthetic compounds, steel galvanized on both sides, ceramics, durable plastics and so on, which are giving rise to changes in bodywork and paintwork procedures, one of the areas where the need for skilled manpower is greatest.

• Diagnostic technology: as repair tasks undergo qualitative change, new instruments are also being introduced to detect malfunctions in parts of the vehicle. This type of instrument incorporates a good deal of information technology, an area in which Spain is very short of specialized manpower and one which is rapidly becoming essential. And again, new safety-related diagnostic systems are coming in, particularly for tasks like periodic checks of brakes, tyres and wheels, steering, etc., now that vehicle owners are legally obliged to submit them to a Technical Inspection (ITV).

• Management technology: the obligations imposed by modern user protection and tax laws force employers to install computerized office equipment with which to make up detailed invoices and deposit receipts, carry VAT and so on. Firms are also beginning to build up databases with the periodic requirements of customers in order to provide more personalized services.

5.2 Impact on firms

The rate at which new technologies are introduced to the sector has increased greatly over the last five years, especially in the field of repairs, prompting a need for constant updating of knowledge. The impact of this development on the occupational structure is drastic: thus, the traditional all-purpose mechanic is tending to disappear while the ideal worker profile for the sector in the relatively near future will be the worker specializing in new technical systems. The same is happening on the distribution side, where new, largely computerized data systems are being introduced and sales personnel are being forced to familiarize themselves with the new vehicle components, so as to know about the product they are selling.

All this also gives rise to a need for change in company management methods, so that managerial structures, too, are affected by the introduction of new technologies in the sector.

These new technologies bring with them new training needs, a subject that is addressed in Chapter 6, Section 5.

It is estimated that 88.7% of Spanish repair shops have acquired some new item of machinery or equipment in the last two years[14]. Investment in new technologies consists largely of the following[15]: gas analysis equipment, injection testing (fuel), ABS testing, laser beds, electronic steering alignment and balancing, gearbox module testing, oil extraction units, etc. Clearly, most such equipment is for diagnostic purposes, which is illustrative of the change that has come about in the concept of repairs.

The need of a serious drive for technology has far-reaching implications for the structuring of the sector. Most repair shops are not equipped for all kinds of work and are forced to *specialize*. Thus, repair shops are increasingly being organized around a specific speciality, while services they cannot provide are contracted out. This is an

14 Source: "Nuestros Talleres", 1990.

15 Source: Sectorial surveys on Maintenance and Repairs, by INEM, 1992.

essential feature of the changing structural organization in the sector, and one of its results is greater interdependence of firms.

Small independent shops have no easy access to either financial or training resources with which to adapt to the constant stream of technological change. This is leading to a growing interdependence among firms, through specialization and subcontracting of services, but also through combination to secure the necessary training.

Firms linked to vehicle builders are better placed than independent firms as regards adaptation to new technologies; they are required by the maker to invest constantly in new machinery and training. And these firms too make up an interdependent network with the manufacturer at the centre.

The new technologies, then, are giving rise to structural changes in the sector, resulting in greater interdependence of firms, both among the authorized services, whose dependence on the makers is increasing, and among independent shops, which tend to specialize and need to join forces in order to adapt.

6. TRAINING AND RECRUITMENT

6.1 Education and training systems

The instruction most relevant to the sector that concerns us here is the kind imparted as what has come to be called "vocational training". This training may be "regulated" or "non-regulated", depending on whether or not it is part of the education system run by the Ministry of Education.

6.1.1 Regulated vocational training

a. The present content of this kind of training is regulated under the General Education Act of 1970; this is now technically repealed but remains in force pending full implementation of the Education System Reform Act of 1990. We are currently in a phase of transition from one educational model to another.

Under the 1970 Act, the Spanish education system is organized in the following way:

There is compulsory primary instruction denominated basic general education (E.G.B.), attended from the age of 6 to 14. Upon completion of E.G.B., students may move on to school leaving certificate level (B.U.P.) (age 14–17), and from there to university by completing a university orientation course (COU).

Students having completed E.G.B. can also move on to vocational training. This consists of two structural levels: first-level vocational training (FP1) and second-level vocational training (FP2). Third-level vocational training, although envisaged in the 1970 Act, never got off the ground. Students completing the first level receive a "technical assistant" certificate in the relevant *occupation*. Those completing the second level receive a "skilled technician" certificate in the relevant *speciality*.

Training courses are available in 21 branches, each of which has its own occupations and specialities. Below are some of those relating to the sector that concerns us here.

Branch		*Occupations*
	Motor vehicles	Motor vehicle bodywork
FP1	Motor vehicles	Motor vehicle electrics
	Motor vehicles	Motor vehicle mechanics
		Specialities
FP2	Motor vehicles	Motor vehicle mechanics and electrics

Student numbers increased gradually up to the academic year 1986–87. The student roll in motor vehicles peaked in the mid-1980s, falling off slightly thereafter.

Table 16 – Numbers of students enrolled in vocational training (FP1 and FP2), Motor vehicles branch, from 1981 to 1990:

Motor vehicles	F.P.1	F.P.2	Total
1981–82	34,280	10,712	44,992
1982–83	37,089	13,731	50,820
1983–84	37,084	16,308	53,392
1984–85	38,011	16,744	54,755
1985–86	36,763	17,866	54,629
1986–87	36,394	18,651	55,045
1987–88	36,129	18,117	54,246
1988–89	34,632	16,677	51,309
1989–90	36,246	17,365	53,611

Source: MEC, Oficina de Planificación de la Subsecretaría, Servicio de Estadística.

b. Vocational training under the Education System General Planning Act (LOGSE) of 3rd October 1990. Under this new act, the education system is to be organized in the following way:

Compulsory education

- Primary education (age 6–12)
- Secondary education (age 12–16) (taking in basic vocational training with technological education).

Non-compulsory education

- School leaving certificate (age 16–18). There are to be at least four streams: Arts; Natural and Health Sciences; Humanities and Social Sciences; and Technology. These will include provision for basic vocational training through optional and/or core subjects.

- Vocational training. Entrants will have passed through compulsory secondary education and are admitted either by presentation of a certificate of completion or by entrance test. Successful completion of this cycle leads to the "Technician" certificate, equivalent to EEC skill level 2.

- Higher level. Upon completion of the school leaving certificate course, students enter higher level training either by presenting their Certificate or sitting an entrance test. On completion of this level, they are awarded a "Higher Technician" certificate, equivalent to EEC skill level 3.

Since 1988, a system of "training modules" has been in operation to try out the future FP training cycles and update course contents. These reflect existing skill levels in the labour market, and the training they afford is equivalent to levels 2 and 3 of the five laid down by the EEC Council Decision of 16/07/85.

The intention of this new education system is for students to gain a multi purpose grounding at compulsory secondary education and school leaving certificate levels, leaving more specific areas of knowledge to the intermediate and higher

training cycles (FPE). It is intended in this way to facilitate retraining within the same occupational family, for which only specific vocational training, of specified duration and structure, will be required.

Table 17 – Experimental training modules delivered during the 1990/91 academic year on "motor vehicles": no. of groups, no. of students and province in which courses were run.

Modules	Level	No. groups	No. of workers	Province
Bodywork	2	2	25	Asturias León
Motor vehicles	3	4	59	Madrid Zaragoza

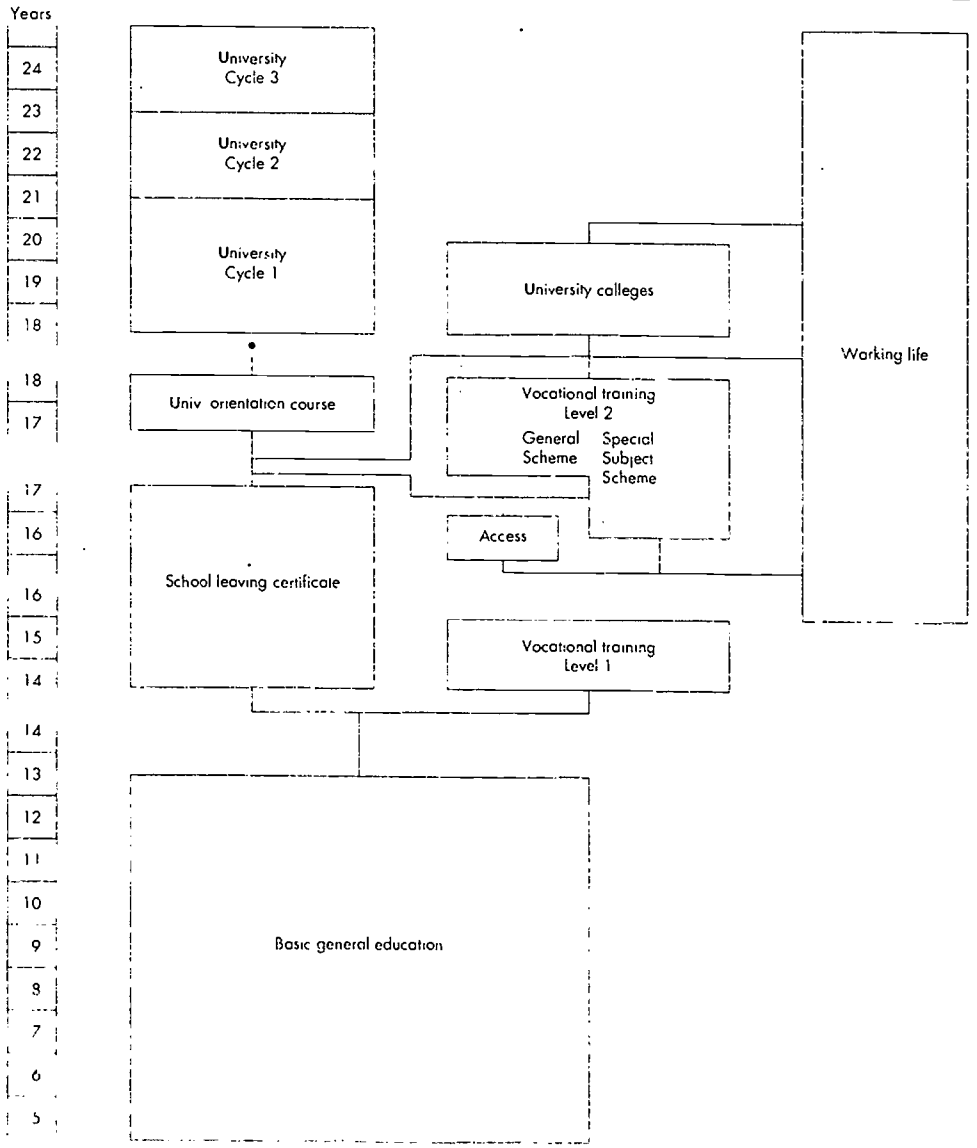
Source: Report on Experimentation in Vocational Modules, year 1990/91, MEC.

6.1.2 Non-regulated vocational training

This kind of training is the responsibility not of the education authorities but of the labour authorities. While it is the latter who provide this training, the act expresses the intention of assuring coordination between regulated and non-regulated vocational training, through both administrative departments (s.30, LOGSE). "Occupational vocational training", as it is called, is intended to ensure adequate training for all those wishing to enter working life and those already in working life who seek retraining or further occupational specialization.

Since 1985 there has been a national plan for vocational training and work entry (Sp. "Plan FIP"), of which the National Institute for Employment (INEM) is in charge. The plan regulates training courses of this type and seeks to ensure

Table 18 – Diagram of the Spanish education system as provided in the Education System General Planning Act (Act 1/1990, of 3/10):



that they are properly adapted to the labour market. Certain economic and social institutions cooperate in the plan by organizing occupational vocational training courses.

The functional scope of the national plan for vocational training and work entry (FIP) was modified and regulated by Royal Decree 1618/1990, which established target groups among the unemployed population and also among employed workers through continuing training agreements with companies. This scope is due for amendment in the near future. Thus, in view of the recently-signed tripartite agreement on continuing training of employed workers, discussed further below, the government has undertaken to repeal and replace the Royal Decree cited above. The purpose of this is to adapt the law to the new circumstances and limit the scope of the plan to the unemployed population, since starting this year, training of employed workers will be carried on within the collective agreement framework and always in-house. So, from now on the labour authorities will be responsible for occupational vocational training only of the various groups of unemployed.

Information on occupational vocational training:

Table 19 – No. of courses completed within the "motor vehicles" family, and bodies delivering them:

Year:	1986	1987	1988	1989	1990
No.:	306	262	352	406	413
Bodies:					
INEM	62	94	90	107	110
Local authorities	–	35	37	33	15
Cooperating centres	244	133	225	266	288

Source: Anuario de Estadísticas Laborales, 1987, 1989, 1990 Mº de Trabajo y Seguridad Social.

The number of courses on "motor vehicles" has been increasing yearly, as have all courses in general. By and large, courses are delivered by cooperating bodies (trade unions, employers' organizations, etc.), although the INEM has also increased its share in this kind of training.

Table 20 – "Motor vehicles" students: number of positive evaluations by gender:

Year	1987	1988	1989	1990
Male	3,093	3,735	3,782	4,119
Female	128	307	684	664
Total	3,221	4,042	4,466	4,783

Source: Anuario de Estadísticas Laborales, 1988, 1990. Dirección General de Informática y Estadística. Mº de Trabajo y Seguridad Social.

These figures confirm the scant presence of women as opposed to men in the sector. Nonetheless, the number of women attending courses relating to motor vehicles has quadrupled in the last four years.

Table 21 – "Motor vehicles" students: number of positive evaluations by age:

Age group:	under 25	from 25 to 54	55 and over
Year:			
1987	1,716	1,454	46
1988	2,890	1,136	16
1989	3,123	1,316	27
1990	3,466	1,294	23

Source: Anuario de Estadísticas Laborales, 1988, 1990. Dirección General de Informática y Estadística. Mº de Trabajo y Seguridad Social.

It is clear that more and more young people aged under 25 are going in for this kind of training, already three times more than the other age groups. It is equally clear that workers aged over 55 are a small and ever-shrinking section on these courses. The 25–54 age group has remained the most stable as regards attendance on courses, although there is a slight downward trend.

Following priority guidelines, a selection is made of the training activities best suited to the labour market, and on this basis the courses are set up. The courses relevant to the sector of interest here have a high priority rating and hence their volume has been increased. There has been a considerable rise in demand for courses relating to bodywork and paintwork in particular; in contrast, courses on mechanical repairs now merit only a medium priority rating, despite the large numbers of students involved.

6.1.3 University-level training

The relevance of this kind of training to the sector of interest is slight. There are very few courses on subjects relating to vehicles, and they are not normally oriented towards entry in this sector. It should be noted that there are very few people in this sector with university-level training.

6.2 Occupational structure as related to training

Repair service workers generally have primary level education (sometimes incomplete), especially older age groups who have learned all they know on the job. The younger workers tend to have intermediate-level studies (vocational training), again sometimes incomplete.

There are no data on sales workers, but they are known to possess a higher background training level than those in post-sales services.

Table 22 – Courses for recruitment of the unemployed within the "motor vehicles" occupational family taking place in 1989 and 1990:

Description of course	No. of students	
	1989	1990
Mechanical motor vehicle repairs	1,937	2,196
Panelbeating & painting, bodywork repairs	729	1,221
Panelbeating, motor vehicle bodywork repairs	421	519
Painting, motor vehicle bodywork	126	187
Panelbeating, motor vehicle bodywork building	60	–
Painting, bodywork sign painting	–	–
Mechanics, repair of 4-stroke gas & diesel engines	–	–
Diesel engine adjustment	233	470
Mechanics, repair of 4-stroke diesel engines	463	666
Motor cycle mechanics	90	225
LIN B-P injection pump adjustment	135	166
B.P. rotary injection pump adjustment	100	160
2-stroke int. com. engine adjustment/assembly	–	–
Gas injection equipment assembly	–	–
Motor vehicle electrics	1,516	2,022
Motor vehicle electrical mechanics	–	–
Repair of on-board electr. circuits	129	180
Expert in motor vehicle diagnostic methods	–	–
Assembly/repair, vehicle steering and suspension	–	–
Assembly/repair, vehicle drive and transmission equipment	–	–
Assembly/repair, brakes	–	–

Source: Observatorio Permanente del Comportamiento de las Ocupaciones. Criterios definitivos de prioridad de programación de acciones de F.P.O. para 1991. INEM, January 1991.

Of establishment owners or managers, around 8.2% possess no studies whatsoever, 40% have primary studies, 50% intermediate-level studies (master tradesman or vocational training certificate), and 1.8% have engineering qualifications[16].

6.3 Skills required by the major occupational groups

In the repair services group, accredited experience is generally awarded more importance than academic qualifications when hiring workers. In the case of the occupation "motor vehicle electromechanic", the grounding normally required is judged to be equivalent to FP2 level, whereas for the occupation "motor vehicle panelbeater/painter" the required level is equivalent to FP1 or FP2 (depending on the specific job). In either case a minimum of 1 to 3 years' work experience is normally required[17].

The reason for the requirement of accredited experience is that the instruction provided by the relevant regulated training (vocational training, motor vehicle branch) has little practical content and is often outdated, so that at the end of the day it is the repair shop that actually trains the worker.

This situation is currently changing as the new technologies make specialized training absolutely essential, and if it is to have real value a qualification must include this.

As to sales workers, the feeling by and large is that while theoretical training is important, one learns the trade on the job. For this reason more importance is generally attached to the salesperson's personal qualities and aptitudes (eg, the ability to persuade) and his or her knowledge of the market, the company's products and competitors' products.

As regards repair shop managers, it must be said that under current regulations, no prior qualification of any kind is required to run a repair shop, except in the Autonomous Communities of Galicia and Catalonia, where a vocational training certificate (FP2) is required (although candidates may alternatively sit a qualifying test). The management side has traditionally been rather a question mark in many repair shops, especially the smaller ones, as owners have always been viewed as more mechanic than businessman.

6.4 Continuing training

There is generally very little continuing training despite growing concern about it in the sector.

Certain social groups are now taking action to palliate this lack of training which affects most sectors of the Spanish economy. In Catalonia, for example, the most representative of both workers' and employers' intersectorial organizations have signed agreements (commencing in 1990), based upon the premise that vocational training is a decisive factor for the personal and occupational advancement of workers. Their purposes are to improve the companies' competitiveness, to take up the challenge posed by the Single European Market, and to adapt to the rapid pace of technical, economic and industrial change.

Illustrative of the scant incidence of vocational training in the sector is the fact that of the 52 provincial collective agreements in metalworking, 75% make no provision or introduce nothing new regarding the general legal regulation of training. Other agreements make provisions on training, but as a rule the commitments made are not at all specific[18].

16 Source: The authors, utilizing data for 1990 supplied by the magazine "Nuestros Talleres".

17 Source: INEM sectorial surveys on maintenance and repairs, 1992.

18 Source: "Análisis de la Política Contractual en Materia de Formación Profesional Contínua", dir. F. Durán López and M. Alcaide Castro, 1992. Pending publication.

Vehicle and spares manufacturers organize refresher courses for their agents and allied firms. This training normally coincides with the progressive introduction of new technologies to the sector.

Table 23 – Average time and money spent yearly on training by Spanish repair shops:

	Hours/year	Pta/year
Overall average	224	300,000
Averages by type:		
Shops linked to manufacturers	300	700,000
Independent shops	50	100,000

Source: "Nuestros Talleres", April 1992.

If we take the average personnel number per firm across the sector to be 5, then the overall average time spent on training per worker and year is 44.8 hours, and the average amount of money is Pta 66,000.

In the absence of more precise information, these figures will at least serve to identify existing trends. To begin with, the difference between tied shops and independent ones is very large. The same sources indicate that 21% of repair shops spent nothing on training in that year, although in fact the figure could well be higher given that many firms record as training expenses such tenuously relevant items as magazine subscriptions and the like. The above figures may also include occupational vocational training.

Continuing training is generally provided in the large enterprises, particularly in repair shops linked in one way or another to vehicle or component manufacturers, and the costs are normally covered fully or in part by the company itself. Small independent shops have great difficulty in securing this kind of training because they lack the resources.

Between 25% and 50% of repair shops and distributors may be said to have some form of training:

- training provided by the firms themselves or by organizations to which they belong: this is aimed chiefly at business managers (sales techniques, management techniques, etc.). It is occasionally included in vocational training programmes.
- Training provided by component and equipment manufacturers (suppliers): this is largely confined to basic instruction on products.
- Training provided by vehicle-makers, aimed at agents and dealers: this focuses increasingly on subjects relating to diagnostics and replacement of parts or assemblies, in line with the tendency towards less repair work.

Another type of continuing training is that imparted to future workers in the sector. As there is no apprenticeship, initiatives are going forward to allow regulated vocational training students to do practical training in repair shops. The practice was first introduced in 1984 and since then has been on the increase.

Training of workers in employment in Spain will, however, alter radically as from 1993 as a result of the *"National Agreement on continuing training"* signed on 16th December 1992 by the major unions and employers' organizations, and the subordinate *"Tripartite Agreement on continuing training of workers in employment"*, signed immediately thereafter by the same union and employer organizations.

The basic idea of these agreements is that workers in employment need a continuing training system connected with their places of work and hence forming part of the system of social and production relationships prevailing in the firms that employ them.

These agreements give formal expression to the conviction that government, employers and employees need to reach a consensus on the funding and likewise on the organization, running and delivery of continuing training within the firm.

The tripartite agreement, which is to be effective from 1st January 1993 until 31st December 1996 with provision for an extension of equal dur- on before expiry, possesses regulatory force and is generally applicable. Its provisions must be observed in collective bargaining at sector and enterprise level.

The role of the signatories representing employers and workers is to accept full responsibility for design, organization, management, distribution of funds, performance of training activities and justification thereof. The role of the government, acting through the Ministry of Labour and Social Security, is to lend support and counsel, particularly through access to public infrastructures.

The agreement will be financed from the current training provision of 0.7%. The distribution in 1993 is to be 0.6% to training of unemployed, and 0.1% to continuing training. In 1996 the provision for continuing training will be 0.3%. The budget will be managed and applied jointly by the unions and employers' organizations.

The agreements on continuing training provide for the following actions:

a. Collective plans

b. Individual training release.

a. Group plans are to be *in-sector* and *cross-sector.*

Within the sectors there are *company plans*, developed and presented by companies with more than 200 workers, and *group plans*, which group companies together to make up 200 workers for training purposes. The latter constitute an important step towards solving the problems of small and medium enterprises and may be initiated by both employers and unions.

Cross-sector plans envisage training on subjects of common interest to more than one sector.

b. Individual release, a practical development of the legal provisions of the Workers' Statute, will entitle employed workers to 150 hours of training per year. Such training must meet certain conditions: attendance must be in person; the course must be officially authorized; it must be intended to develop or adapt occupational technical qualifications; it must not be included in any company or group plan.

Both plans and releases must be submitted for approval to the joint commissions and representative organs invested with powers to deal therewith in both the National and the Tripartite Agreements.

The agreements also appoint bodies and commissions to manage, control and monitor the same agreements.

These agreements mark a qualitative leap for continuing training in the sector and in the firms, and the social partners in the sector are already moving to put it into practice.

6.5 Training needs arising from new technologies

New technologies are generally introduced by manufacturers. The most important for this sector are:

- Glass fibre.
- ABS.
- Electronic injection.
- Motor vehicle electronics.
- Bodywork: panels and paint.
- On-board computers.
- Smart suspension.
- Diesel engines.
- Catalytic convertors.
- Air conditioning and control.
- 16-valve engines.
- "Ecological" engines.

There are also new diagnostic and repair systems that must be adapted to. These include:

- Injection diagnostic systems.
- Exhaust gas analyzers.
- ABS test benches.
- Electronic steering alignment.
- Automatic circuit and DIS checks.

Source: INEM sectorial surveys on maintenance and repairs, 1992.

In overall terms, the areas in which repair firms spend most on training are: electronics, with 44% of total investment; ABS systems, 13%; familiarization with new vehicle models, 10%; body and paintwork, 9%; diagnostic equipment, 9%; gear boxes and automatics, 6%; and suspension, steering and brakes, 3%[19].

The vocational training supplied by the public education authorities is moving in this direction, but according to sources in the sector, it still falls very far short of what the market really requires.

6.6 The training effort: distribution by types of enterprise

By far the greatest training effort is being made by the agents and authorized dealers.

As will be clear from what has gone before, only enterprises with sufficient resources to maintain research centres are in a position to organize training. These are almost exclusively multinational manufacturers, none of which is under majority Spanish ownership. These enterprises provide training for their own networks of agents and authorized dealers.

The small independent repair shops are excluded, but they still need somehow to gain access to training. Many small firms cannot release workers because they would lose too much revenue while these were on courses. Nonetheless, in response to the general difficulties of this kind across the sector, private firms have begun to appear offering technical training. These provide repair firms with both basic training and continuing training: thus for example, in 1991 Tecnomóvil delivered eight thousand hours of training to 500 repair shops involving a total of 1100 persons.

[19] Source: "Nuestros Talleres", 1990

7. CONCLUSIONS

In the light of our detailed examination of the sector, we may identify certain characteristics and trends that go to make up a nationwide picture.

• The sector is highly fragmented. The majority are small, quasi-family concerns, with a low degree of specialization and scant capital resources.

• The persistence of this fragmented, unspecialized structure is related to the considerable age of Spanish cars (despite far-reaching modernization over the last 5 years).

• Repair work itself is changing qualitatively to become more maintenance work: car parts nowadays are not mended but replaced. Moreover, the profile of these firms is turning increasingly to the "services" side. Business strategies tend to stress the concept of "quality" as a means of attracting more custom. And it should not be forgotten that the firms engaging in vehicle distribution are also repair shops.

• Domestic sales sustained a strong upward drive during the second half of the 1980s, peaking in 1989. 1990/91 saw a drop, with signs of recovery in 1992. Forecasts for the coming two years are moderately optimistic, based upon the enormous growth potential of the Spanish market in view of the current low level of car ownership and favourable population age structure.

• The sales market presents a highly concentrated structure: distribution channels run from the makers through firms tied closely to them. Each maker has its own exclusive primary and secondary networks.

• New technological elements enter the sector through the vehicle and part-makers. It is these new elements that determine the training requirements to which all firms have to adapt in all occupational categories and bring about changes in the nature of tasks. It should be stressed that these makers are all foreign-owned multi-nationals, so that the changes introduced in the domestic sector are driven from abroad.

• The most salient consequence of these changes is the pressing need of firms to secure the training required to adapt to prevailing conditions; and given the shortcomings of the education system, such training is almost exclusively in the hands of the manufacturers (the enterprises with the capacity to research and create new technologies). And yet, even though they acknowledge the extreme importance of training, most firms (especially the smaller ones) devote very little to it.

• A major change is coming about in the sector's functional structure: the high cost of adapting to the new technologies is prompting many firms to specialize in very specific activities, subcontracting work outside their narrow field to other firms. The result is a high degree of interdependence among repair shops.

• Large concerns are beginning to decentralize their services by setting up a number of specialized firms. In this way the number of firms in the sector has risen, although the new growth is linked to a greater or lesser degree to a small number of power centres.

• The trend in employment levels is stable, although on a slight downward drift. There is no solid emergence of a younger generation in the sector, among other reasons because the training offered by the education system is ill-suited to the needs of firms, which therefore prefer to recruit workers with experience.

• The importance of the role played by the social partners varies a lot depending on the area of action: their intervention is necessary for the conclusion of the collective agreements that are to regulate labour activity and certain aspects of training. On the other hand, the sector is very scantily unionized, so that the unions lack sufficient strength to impose their decisions and supervise compliance with the agreements. The employers' organizations in the sector enjoy a high degree of decision-making power, in contrast to the unions.

• Private organizations are making their appearance, engaging in the provision of training to repair shops and targeting firms not linked to any of the vehicle-makers. These repair firms also receive continuing training from spare part and component manufacturers, but such training is extremely narrow and specialized.
It must be remembered that vehicle manufacturers are increasingly becoming "assemblers" of parts made by spares manufacturers, and that it is the latter who are introducing the most important technological innovations (and are consequently the best placed to provide training).

• The ideal worker profile for the short term is one with a well-developed capacity to adapt to technological change plus specialized training in one or more of the various tasks undertaken by the sector. To achieve this, a solid body of basic training is needed, along with planned continuing training in the firm, thus enabling businesses to keep permanently up to date with the skills required in response to the constant changes (in techniques, organization, etc.) brought about by new technologies.

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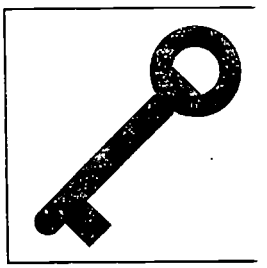
9. NOTE ON METHODOLOGY

It should be noted that the sector referred to as "motor vehicle repair and distribution" is not dealt with as such in official Spanish statistics. Some of the activities undertaken in the sector are normally lumped together with a host of other activities under the general heading of "repairs". Others come under such headings as "metalwork trade", or simply "metalworking". In cases where such statistics refer to the "motor vehicle sector", the figures usually refer to manufacture, distribution and repairs all together. There is, then, a general dearth of statistical data on the sector concerned here. This lack of information deepens the further we delve into the past, so that it is often difficult to find comparative data for different times.

The survey had to be compiled largely on a qualitative basis, by attempting to identify trends rather than furnish concrete data.

As to the parts left out, it is important to note that, among others, more data are needed on industrial vehicles, on vehicle importers not manufacturing in Spain, on types of recruitment in the sector, and data for past years in some areas.

PART 2:



1. Romagosa Automoviles S.A.
2. Enterprise "A"
3. Enterprise "B"
4. Prades Motor S.A.

1. ROMAGOSA AUTOMOVILES S.A.

Size: 4

Brand: Suzuki

Motor vehicle categories: A, B

Type: C

1. General description of the case

This study concerns an agent for all-terrain vehicles which has been very much marked by the changes it has undergone. It started life as agent for a make that has been manufactured in Spain since the 1940s, but now that make is in a process of gradual disappearance and is being replaced by another make and vehicle following acquisition of the manufacturer by a Japanese firm.

In view of the decisive influence of the manufacturer on policy and training at Romagosa S.A., the study includes a detailed analysis of the manufacturer's recent strategy.

2. General description of the firm

2.1 The firm

Romagosa Automóviles S.A., founded in 1903, is an agent located in the metropolitan area of Barcelona. Its share capital currently stands at 3 million pesetas. The firm engages in distribution and repair of Santana and Suzuki 4-wheel-drive vehicles (Vitara and Samurai versions), for which they enjoy exclusive rights within the Barcelona metropolitan area.

The specific services for which Romagosa has the exclusive agency are: vehicle repairs, supply of spare parts, and new and used vehicle sales.

The firm possesses 6 establishments in the city of Barcelona devoted to various purposes. These are:

- One establishment devoted to general management and administration[20].
- Three establishments with vehicle showrooms, one of which also provides repair and spares services.
- One set of premises employed as a used vehicle showroom and for storage of new and used vehicles.
- Lastly, one establishment devoted to preparation, delivery and stocking of new vehicles.

The last of these has a floor area of 2,608 sq.m., with accessories and spares sections, a small showroom and a mechanical workshop.

All Romagosa's sales and post-sales establishments[21] are located in the city of Barcelona. The workshop has sections for mechanical work, electronics and electrics, and body and paintwork.

The firm also has a network of 16 dealerships engaged exclusively in sales, repairs and spares for Santana-Suzuki vehicles. These are located in the following towns in the Province of Barcelona: Terrassa, Sant Cugat del Vallés, Sabadell, Granollers, Sant Celoni, Vic, Mataró, Vilafranca del Penedés, Vilanova i la Geltrú, Igualada, Santa Coloma de Gramanet, Olesa de Montserrat, Rubí, Cerdanyola del Vallés, Pineda de Mar and Martorell.

Six of these dealerships are to become agencies and business partners of Romagosa Automóviles S.A.

2.2 Brief history and recent development

The firm was originally named Stevenson Romagosa y Compañía. Founded with Spanish and British capital, it engaged in the importation and sale of British coal.

In 1919 it acquired the plant and the patent for the manufacture of a Spanish motor vehicle, which went on to the market in 1921.

At the same time as it ventured into the world of car manufacture, Romagosa began importing and distributing British, American and later German vehicles.

Shortly after the end of the Second World War, the firm was appointed official importer for The Rover Company Ltd., then not long after that, the maker launched the Land Rover all-terrain vehicle.

Romagosa Automóviles acquired a licence to manufacture the Land Rover in Spain. This licence it ceded to Santana Motor S.A. and currently still sells the Land Rover, along with Suzuki products made at the same factory.

In response to its large sales volume and the requirements of the manufacturer, Romagosa Automóviles has now begun a process of association with some of its dealers, with a view to setting up new agencies in the Barcelona metropolitan area, where Romagosa hitherto enjoyed exclusive rights.

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[20] The facilities and personnel at the asterisked establishments are shared with the agent for another brand belonging to the same business group

[21] The term post-sales encompasses all activities relating to vehicle repairs and sale of spares and accessories

35

2.

It has been decided to set up 6 new agencies in the metropolitan area, based on the existing dealerships. Both Romagosa Automóviles and the dealers involved will have shares in these new firms.

2.2.1 New technologies

July 1986 saw a substantial change in government ordinances defining and regulating guarantees to users. This change indirectly affected the training of employees in the post-sales network in three particular ways.

Firstly, the regulations lay implicit stress on the obligation to establish competitive prices, which means cutting costs of manpower, production and services. Thus, the firm needs to introduce advanced production methods which will lower the cost of repairs, which in turn means rationalizing the means of production and providing the training necessary to deal with these technological changes.

Secondly, the entire sphere of repair guarantees is now regulated, so that high-precision diagnostic and repair techniques are an absolute must to reduce the risk of error, and equally, skilled personnel who know how to operate these systems and possess detailed knowledge of the vehicle to be repaired.

Thirdly, the same document establishes the right of the user to a detailed and precise estimate of any repair, which requires a computerized system that covers all eventualities. This in turn means that the employees who are to do this work will need basic vocational training.

Furthermore, the sectorial agreement (section: provisions governing pay) acknowledges the need for training activities aimed both at retraining of workers and at fostering recruitment in the sector.

2.3 Structure of the firm

The Romagosa Automóviles repair shop in the city of Barcelona has a floor area of 2600 sq. m. and handles from 300 to 350 vehicles a month.

It is divided into sections dealing with accessories and spares, bodywork, paintwork, mechanics, electrics and electronics.

There are 25 workers, distributed as follows:

- 10 in mechanics, electrics and electronics (including the shop supervisor).
- 6 in body and paintwork.
- 5 in accessories and spares.
- 1 receptionist.
- 3 administrative assistants.

2.3.1 Work organization

The workflow at the shop is as follows: when a client brings in a vehicle, he is attended to by the receptionist, who is an experienced mechanic and diagnoses the fault.

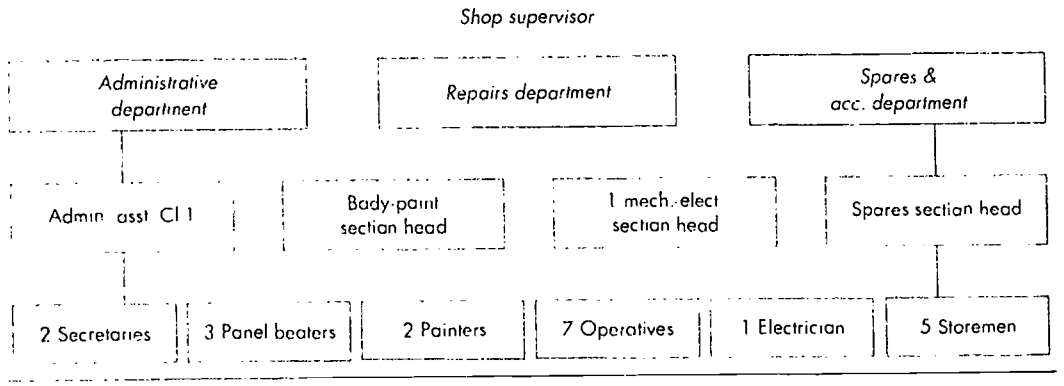
After diagnosis, the receptionist hands over the vehicle to the shop supervisor or to the assistant (section head) in charge of the electrical and mechanical section, unless this is solely a bodywork and paint job, in which case the vehicle is handed over directly to the body and paint section head.

Next, the shop supervisor (or his assistant) verifies the receptionist's diagnosis and decides which parts of the vehicle he thinks need to be changed. At this stage, however, the diagnosis is tentative, since a fault cannot be properly identified without an internal inspection.

From here, the vehicle is passed on to the section head, who assigns the repair to any of his subordinates, normally on the basis of availability rather than particular skill, although if a repair is especially complicated, the vehicle will on occasions be handed over to the most skilled or the fastest worker.

This is an important point to note. According to the shop supervisor, as a rule all operatives should be capable of dealing with any kind of repair however complicated it may be, and if they lack sufficient practice on a given job, they are supposed to go to the section head or shop supervisor as often as need be for help and advice. In the body and paintwork section, this step is not

Table 24 – Organizational chart



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required, since, as already mentioned, the vehicle is handed over directly to the section head, and it is he who checks the diagnosis, without the intervention of the shop supervisor.

Once the repair is completed – this is in the case of a relatively complicated repair – the operative tests the vehicle. If the operative is not considered experienced enough, he will be accompanied by the section head or the shop supervisor.

After checking that the vehicle is running properly, a report is remitted to the cashier's office, where a detailed invoice is drawn up.

Finally, the repaired vehicle is handed over to the client by the receptionist or, failing him, the shop supervisor or a section head.

Clearly the shop supervisor has a very important place in all the day-to-day activity of the shop, from on-the-job training of employees to management and even actual repair work.

2.4 Human resources

2.4.1 Personnel structure

The central and post-sales services workforce number 31: 25 men and 6 women, giving respective percentages of 80.6% and 19.4%.

The sales department has 7 members: 6 men and 1 woman, giving a similar percentage distribution to the above (85.7% and 14.3%).

Clearly, women are in a minority on the workforce.

Looking at the development of the workforce, one striking fact is that while sales personnel numbers have remained stable since 1987, the same is not true of central or post-sales services, which in four years have grown by 7 persons. This is quite a significant increase given that it represents 22.6% of the workforce in this area of the firm.

This increase reflects growth of the firm and the need – mentioned earlier – to bring in personnel qualified to meet the changing requirements prompted by the introduction of new technologies.

2.4.2 Classification of the workforce

The workforce falls into the following age categories:

Table 25 – Post-sales

	Absolute nos	Relative nos
From 18 to 25	3	9.7%
From 26 to 35	12	38.7%
From 36 to 50	9	29.0%
51 and over	7	22.6%

If we take the last two categories together, we find that this is a relatively old workforce, given that 51.6% are aged between 36 and 65. This would help explain the training problems found in post-sales through low training background levels.

Table 26 – Sales

	Absolute nos.	Relative nos.
From 18 to 25	1	14.3%
From 26 to 35	2	28.6%
From 36 to 50	4	57.1%
51 and over	0	–

The sales workforce is distributed as follows: 57.1% are aged between 36 and 50, the remaining 42.9% being under 35.

Table 27 – The occupational structure of the firm is as follows:

Occupational category	No. of employees		
	Central office	Repair shop	Sales
Manager	1	–	
Shop supervisor	–	1	
Spares foreman	–	1	
Repairs receptionist	–	1	
Travelling representative	1	–	
Tradesman Cl. 1 section head	–	2	
Admin. asst. Cl. 1	1	1	
Tradesman Cl. 1 mech. & electronics	–	12	
Tradesman Cl. 3	–	1	
Storemen	–	4	
Secretaries	2	2	1
Handyman	1	–	
Sales manager			1
Salesmen			5

If we look now at the correlation between gender and occupational category, we find a close correspondence between the proportion of women and the proportion of tasks of the kind traditionally assigned them. That is, 100% of the women in central and post-sales services belong to the categories of secretary or administrative assistant first class, while the woman in sales belongs to the category of sales secretary.

2.4.3 Working conditions

The pay structure in central and post-sales services, by occupational categories, is as follows:

Table 28

Occupational category	Gross annual pay (Pta)
Logist. & invoicing (ad asst Cl. 1)	from 3,062,000 to 3,308,000
Secretary	from 1,555,000 to 1,951,000
Travelling rep	2,358,000
Shop supervisor	6,841,000
Spares foreman	2,982,000
Tradesman Cl 1 section head	from 2,627,000 to 2,688,000
Repairs receptionist	2,354,000
Storemen	from 1,939,000 to 2,267,000
Tradesman Cl 1 repair shop	from 2,073,000 to 2,598,000
Tradesman Cl 3 repair shop	2,069,000
Handyman	1,585,000

37

2.

Thus, pay depends not only on occupational category but also on the specific task undertaken within that category.

In sales, pay levels are as follows:

Table 29

Occupational category	Gross annual pay (Pta)
Sales manager	5,829,000
Salesman	from 3,210,000 to 4,150,000
Secretary	1,470,000

It will be seen that average pay levels are quite a lot higher than for the post-sales workforce, with 85.7% of personnel earning more than 3 million pesetas a year. However, it is worth noting that the average earnings reflected by these scales include both the salesman's basic pay and the bonuses awarded them on the basis of sales performance. In other words, the sales force receive a relatively low salary, which is made up by performance bonuses.

Central services work a split day, unlike post-sales, where rotating shifts are worked at the request of the employees. The repair shop operates on three shifts, relieving one another so that the shop stays open twelve hours a day. Two of these shifts are continuous (from 7a.m. to 3p.m. with a twenty-minute sandwich break) and the other is a split shift (8:45a.m. to 1p.m. and 2:15p.m. to 6p.m.). There is a yearly rota whereby all the employees work seven months on a continuous shift and four months on the split shift.

Working hours in the sales department, on the other hand, are permanently split (from 9a.m. to 1p.m. and 4p.m. to 8p.m.) in order to fit in with client demand.

In both cases, the working week is 40 hours and 5 days.

Post-sales workers occasionally do some overtime, for which they are paid at the standard rates agreed for the sector.

The sales personnel, however, work more than the stipulated hours whenever necessary. There is no overtime payment for this, as it is understood to be part of the salesman's job.

All the employees in this firm work full-time. There is no part-time employment.

2.4.4 Training and skills

Post-sales workers come in with primary education or industrial trades qualifications (the old vocational training system). These are largely incomplete, particularly in the case of older workers, and until very recently virtually all expertise was acquired on the job. Younger workers tend to have intermediate-level studies, again incomplete in many cases, and only 3 workers have completed vocational training in mechanics or electronics.

On the sales side, initial training levels for recruitment to the department have to date been higher than those required for post-sales, and all have completed intermediate-level education. Again as in post-sales, occupational expertise has largely been acquired on the job.

2.4.4.1 Recruitment and promotion

The criteria applied to personnel selection for the repair shop and the administration have changed considerably. No training qualifications were formerly required for posts there, whereas now, owing to the technological complexity of the processes in use, prior basic training has become an essential prerequisite for recruitment to Romagosa Automóviles.

Entry to the post-sales department now depends on the candidate's basic training, and particularly on the possession of training in electrics and electronics at FP2 level.

This is understandable given the change in vehicle components, in which electrical and electronic work has so far superseded mechanical work that nowadays most parts are not repaired but replaced.

Nonetheless, particularly in the sales department, the prevailing view is that although theoretical training is important, one really learns by doing the job.

As a result, the qualities most prized in a salesman are: being "good with people", possessing persuasive skills, and knowledge not only of the product one is selling but also of competing products. For the salesman today needs to be well armed with sales arguments, as the people he has to deal with are increasingly well informed.

Occasionally, Romagosa Automóviles will look outside for qualified personnel when internal training levels are inadequate.

There are two reasons for recruiting on the outside market. Firstly, the older repair workers have a low level of background training and hence have great difficulty in assimilating the basic knowledge required.

Secondly, the more recent recruits not only have a better training background, but being young they are also more receptive to innovations; moreover, there are a number of official aids and subsidies

which encourage recruitment of young people by noticeably reducing firms' payroll costs.

In this line, Romagosa Automóviles has set up a scheme in coordination with vocational training colleges, to provide mutual support and foster entry to working life. The colleges send the firm well-grounded students, and it in return acts as a practical training laboratory, assigning an operative to teach each student the work and supervise his/her performance. This practical training is useful to the company, which can then select students for recruitment.

Training helps fit workers to perform their tasks, but it is not a vehicle of internal promotion: the possibilities of promotion are scant, given the lack of any real hierarchical job divisions either in sales or in post-sales.

Thus, since internal promotion is difficult at Romagosa Automóviles for structural reasons, it does not seriously motivate training. In this sense, training will at the most attract workers because of the retraining involved and/or the prospects for self-employment that it opens up.

All central and post-sales service personnel are on permanent contract, whereas in sales 71.4% are on permanent contract while 28.6% (2 persons) are on fixed term contract. The type of contract is related to the age of the worker and hence to his/her seniority in the firm.

3. Providers of training

3.1 The firm's structure and strategy

The continuous introduction of new working techniques and methods has led to a gap between existing worker training levels and the levels required for proper performance of their tasks, particularly in post-sales.

The introduction of new technologies has meant on the one hand the incorporation of increasingly complex repair and diagnostic methods and techniques (brake meters, steering alignment equipment, chassis and bodywork test beds, paint cabins with activated-carbon waste cleaning devices, tuning control, etc.), and on the other hand occupational retraining to adapt to changes in the production process, which in turn requires a certain level of prior training.

Moreover, in view of the tremendous complexity of the current system of marketing, the growing intensity of competition in the market segment hitherto dominated by Santana Motor and the reorientation of commercial strategy prompted by the introduction of the manufacturer's new model, there is an absolute need for additional training for the Romagosa Automóviles sales force.

In order to make good this deficiency, the firm has instituted a new business policy aimed at improving the training levels of company employees and recruiting henceforth only workers possessing a given level of basic training and equipped to assimilate subsequent retraining without difficulty.

Romagosa's interest in offering its employees training lies, then, in the need to retrain workers to meet the demands of an increasingly competitive market and to take up the challenges arising from technological innovation.

For this purpose the firm takes advantage of a number of training programmes sponsored and organized chiefly by the vehicle manufacturer (Santana Motor). These courses are assumed to be sufficient to remedy the training and retraining deficiencies of Romagosa's workers.

To be more precise, however, it should be said that although training for post-sales workers is largely provided by the manufacturer, the company also takes up training offers from: paint and electronic component suppliers, who have their own training facilities; insurance companies with specialized facilities for training in bodywork; and the training business itself, which delivers the training through the suppliers.

In recent years, the firm has begun to organize certain internal training activities for both its own repair mechanics and those of its dealer network. The first of these courses took place in 1990, and a further one is planned for this year.

The firm does not have a training department, and hence all training matters are dealt with by an assistant belonging to the firm's general management.

3.2 Manufacturer's training service

3.2.1 The firm Santana Motor S.A.

Founded in 1955, Santana Motor is part of a multi-national concern controlled by Suzuki. Capital in 1991 totalled 0,125 million pesetas.

It has one production plant (registered address of the brand) at Linares (Province of Jaén), a second production plant (making some engine parts and spares) at Manzanares (Province of Ciudad Real), a distribution centre (small) at La Carolina (Province of Jaén) and a financial management centre in Madrid.

The enterprise builds all-terrain vehicles with four-wheel-drive.

Output is now aimed particularly at an urban upper-middle class market segment with an average age of 36.

3.2.2 Commercial policy

Santana and Suzuki vehicles are distributed through a network of agents spread all over the national territory, which in turn have their own car dealers in their respective zones. There are currently 77 agents and 380 dealers. The larger agents have around 40 employees.

Agencies are awarded on a franchise basis and are governed by agreements which stipulate the exclusive area, equipment required, type of services to be provided, manufacturer's obligations regarding vehicle or accessory deliveries, characteristics of advertising and promotion, etc. The manufacturer issues a yearly estimate of sales expected from the agents on the basis of their size, exclusive area, etc. Santana Motor agents may not operate agencies for other makers from the same registered address.

Dealers likewise have agreements with the agents governing the terms of the dealership. They are the exclusive outlets for vehicles and accessories in a given area, but unlike the agents they may sell or repair other makes of vehicle, provided that these are of a type not competing with Santana Motor products.

The Santana Motor commercial network and its mode of operation is currently being reorganized in response to changes in overall strategy.

At the end of the 1980s, management began to detect deficiencies in marketing and sales, affecting both organization and distribution. At that time, the company lacked an adequate commercial policy: competitors were an entirely unknown quantity, prices were set without prior market analysis on the basis of which to offer the right products at competitive prices, and supply was highly deficient.

Until very recently Santana Motor had never had to worry about adjusting its output to a competitive market, since there was no competition in its segment, it being the sole manufacturer producing a four-wheel-drive vehicle (Land Rover).

In addition, problems arose from the transformation and expansion of the product range. The introduction of the Suzuki all-terrain vehicle to the detriment of the Land Rover, demand for which was ever shrinking as consumer preferences shifted, prompted a need to change and unify the criteria governing the sales system, given that the main product was no longer a vehicle designed almost exclusively for work, but a vehicle conceived for leisure purposes and hence aimed at an entirely different population group.

A completely different marketing strategy was therefore required, and this would affect production, organization and distribution parameters. So, in 1989, a marketing department was set up to try and remedy the problems arising out of a commercial policy ill suited to the needs of the moment.

It was against this background that Santana Motor began to deal with the agents responsible for distributing its vehicles one by one and in an organized, systematic manner. Among the new departures was the creation of a training department for the agency network; the only technical training given hitherto had not been part of a comprehensive plan.

Briefly, the loss of market share to new competitors in the same segment, the need for greater market penetration both at home and abroad to raise profitability, and the need to adapt commercial practice to the introduction of a new vehicle aimed at a very different social group, all required a strategy radically different from what had gone before.

Faced with such a situation, the enterprise has developed a comprehensive plan under the direction of the marketing department, which is to influence and guide planning in all departments, whether in production, repairs or distribution.

In order to implement this plan, a five-year programme has been drawn up. This is revolutionary for the factory, but even more so for the agents inasmuch as it affects their repair shops and vehicle distribution systems.

The primordial objectives mapped out in the plan include modernization of the commercial network by the following means:

- Provision of unified IT support for economic, financial and accounting management, etc.
- The offer to the network of a consulting service to help modernize and improve the management of the agencies.
- Preparation of an image projection scheme, laying out action plans for: advertising, promotion, public relations and the press.
- Provision and encouragement of training with a view to improving work performance.

The changes also provide for an increased number of exclusive franchise zones and hence more agencies. The existing agents have found their sales areas curtailed, and some have given up their franchise as they cannot accept certain conditions (especially with the transition from work to leisure vehicles and the consequent change in customer profile).

3.2.3 Training policy

From the outset, Santana Motor has been at pains to train the employees in its post-sales network (particularly repairs), in order to offer a good service to customers. The first step it took in this

direction, then, was to provide technical training for mechanics.

This drive for quality of service came at a time when the firm had no competitors in the Spanish market, being the only maker of all-terrain vehicles with four-wheel drive.

The sales force has been the last section to be incorporated into the company's current general plans under the new commercial policy.

Training programmes are prepared on the basis of a pre-established general plan drawn up by the sales and post-sales department heads. In the case of sales, as has been noted, the marketing department and the consulting firm RS&T also take part.

All employees and managers of official agents and their dealers are potential training targets.

Santana Motor's training policy may then be summed up thus. extension of training to include all agency employees; planning of training, and application of training through a general plan affecting the agents' organization and distribution

3.2.3.1 Training for agents

Training of commercial network personnel, both agents and dealers, is the general responsibility of the general commercial management and the specific responsibility of its subordinate marketing and post sales department.

In order to modernize the agency network and enhance profitability as contemplated in the five-year plan mentioned above, the manufacturer engaged the consultant RS&T to set up a training project for the commercial network.

In February 1992, RS&T prepared a report proposing a strategy for introduction of a training scheme at Santana Motor, targeting its authorized establishments.

According to this proposal, all areas of the establishment's management structure must become involved and take an active part in the manufacturer's training scheme.

Network training policy is structured around a priority system based upon the commercial strategy defined by Santana Motor.

The training offer was drawn up after analysis of the state of the network and of how it operates and what its training needs are The manufacturer's management intervened in this defining process, contributing suggestions and highlighting those aspects requiring special attention, to ensure that the Plan was tailored to the real, specific requirements of the commercial network

In addition to the theoretical training provided by RS&T, Santana Motor gives a practical course consisting in the performance of tests on their own vehicles and their competitors'.

While the design and delivery of the commercial training courses is the responsibility of the consultant RS&T, coordination is the province of Santana Motor's sales training department head, who acts as liaison between the outside consultant and the agency and dealer personnel on the course.

The training programme for agents is part of a plan aimed at administrative heads, managers, branch sales heads and salesmen.

The courses being given at present are designed: a. to make managers aware of the importance of training and help improve management; b. to teach the salesmen commercial (sales) techniques; and c. to equip sales heads with the tools they need to improve their commercial management.

Training of salesmen and dealers is a strategic objective for Santana Motor given that the company's chief concern is to maintain and increase its market share. In June this year a programme was started up, comprising seven courses to be delivered in various cities throughout Spanish territory.

Programme content is as follows:

- Familiarization with the market for Suzuki-Santana products.
- Technological principles and main features of the product.
- Sales techniques.

Santana Motor's second training objective is to start up a scheme of commercial management guidance for agency sales heads, although to date only a pilot project has been carried out.

The pilot project is divided into ten sections:

- Sales management in an agency.
- Sales techniques.
- Prospecting.
- Contact and rating.
- Presenting the product.
- Demonstrating the product.
- Trading in.
- Closing the deal.
- Delivery.
- Customer loyalty.

Finally, we should mention the course for managers, to be held next September and October. The aim of the course is to make managers aware of the importance of their own training and the preparation of their sales force to meet coming market challenges, to teach managers to run their agencies better, and to inform them more fully of what the maker expects from their management.

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The course is divided into six basic sections:

- Economic and financial statements as a tool for management decision-making.
- The balance sheet.
- The profit and loss account.
- Analyzing and interpreting economic and financial statements.
- The budget.
- Comments on Act 19/89 on company reform.

Organization of training operates through the following channels:

The maker sends a circular to the distribution network inviting participation in the planned training activities, a list of which is attached.

The agents then contact Santana Motor, indicating the number of persons interested in attending each course.

In this way, the agency network is kept informed of coming courses while enabling seminars to be arranged on the basis of actual demand.

Personnel attending the courses are selected by the agency management, who in turn pass on the invitations to their dealers.

At the end of the day, all the employees of an agency receive training in principle, although in all cases selection, by the line of command and on the basis of individual course content.

In 1991, investment in sales training totalled 12 million pesetas.

According to the manufacturer, this is an approximate figure, as this heading does not include expenditure on: remuneration, travel and maintenance of Santana Motor training department heads; short instruction courses for congress stewardesses; or preparation required by training service organizers.

Technical training

Santana Motor boasts a long tradition of technical training, which for 20 years has been systematically provided at the firm's training centre in La Carolina (Province of Jaén).

This training is aimed at agency repair workers and includes all employees from shop supervisor to receptionist.

The La Carolina centre has all the equipment necessary for the training given. In recent years there has been major investment in equipment to cater for the new vehicles being produced at the factory.

The company issues regular circulars to its agents, informing them of course programmes on a six-monthly basis and also seeking to make managers aware of the need to put their workers through training updates.

These circulars define the occupational profile for course participants and the background training level required for proper assimilation.

The most important change in technical training in the last five years has come about through the change of main vehicle, particularly with the shift from mechanical to electronic equipment and the introduction of new diagnostic systems.

The courses consist of a theoretical part in which videotapes are used to facilitate assimilation, and a practical part – the more important – in which students are asked to apply the theoretical knowledge they have acquired. These courses last five days and take place at the Santana Motor training centre in La Carolina (Province of Jaén).

Although course volume has not changed significantly in the last few years, content has become more complex owing to the increasing variety of models[22].

There are 12 courses scheduled for 1992. Below are some examples, with content and target groups:

For post-sales heads and shop supervisors at new dealerships. General course on:
Characteristics of the different models. Using technical documentation. Spares documentation and orders. Using the spares catalogue. Guarantees. Dealing with the customer. Repair shop regulations and equipment. Periodic maintenance. Diagnosis of faults. Principles of electronic injection. Principles of combustion. Tuning and setting, T.T. handling and use. Factory visit.

For electrical and electronic technicians. Course on combustion and electronic injection, comprising:
Characteristics of the different models. General description of the electronic injection system. Theory of fault diagnosis. Practical handling of measuring apparatus. Identification of components in the vehicle. Using the spares catalogue. Tuning and setting. Engine check. Practical solution of electronic injection faults: several practical cases. Checking various circuits. Inspection of control module and circuits. Inspection of components. Theory of catalytic convertors. Theo-

[22] For more information about the courses offered by the manufacturer, see the section on vocational training at Romagosa Automóviles

ry of combustion. Adjustment, setting and repair of carburettors.

For first-class tradesmen with sound knowledge of mechanics. Course on Suzuki mechanical assemblies:
Characteristics of the different vehicle models. Specific characteristics of each product. Diagnostic and fault testing. Ignition setting and tuning. Bed repairs. Cylinder head repairs. Distributor tuning. Rocker setting. Assembly diagnosis and repair: gearboxes, rear transmission boxes, axles, steering, suspension and brakes. Principles of electronic injection. Using the spares catalogue.

In addition to these courses there are a number of other training programmes on:
- Santana mechanical assemblies.
- Course for receptionists.
- Diagnosis and electrics.
- Vitara injection.
- Air conditioning.

The courses last from 2 days (air conditioning) to 5 days (shop supervisors, combustion and electronic injection, etc.).

On these courses, which take place away from the participants' normal places of work, Santana Motor pays for breakfast and midday meal, while the agents have to pay for travel, accommodation and evening meal for each employee sent, plus a sum in the region of 20,000 pesetas.

Santana Motor's budget in 1991 for agency technical training courses amounted to 6 million pesetas. This covers only perishable goods materials used and meals, as overheads for the training premises and training staff payroll come under post-sales department expenses.

4. The firm's training policy

4.1 In-house training plans

Until recently, continuing training of Romagosa's post-sales employees was a problem. According to the firm, all its employees cannot be sent on the courses offered by the manufacturer, for two reasons: firstly, Santana lack sufficient capacity to organize them, and secondly, Romagosa cannot afford training for all its workers.

So, up to the present at least, only the shop supervisor (and an occasional employee) has taken up the training offered by the manufacturer. What he learned there, he then passed on informally to his subordinates on the job.

Between 1989 and 1992, the shop supervisor attended a number of courses at Santana Motor. In 1989 he was at a monographic course on the characteristics of the new model (Suzuki 410 and 413), in 1990 he attended a course on Vitara and Swift injection; and in 1992 he was on one on combustion and electronic injection. The last two were for electrical and electronic Technicians with FP2 level training.

Again in 1990, this time on his own initiative, the shop supervisor attended a course on industrial electronics, lasting 6 months at 5 hours a week. The course was run by a private academy and after he completed it, Romagosa Automóviles reimbursed him as they considered that he had made good use of the training.

4.2 Relationship between training and skills

The information gathered would suggest that the occupational category occupied by any employee reflects not so much basic training background as factors like personal ability and work experience.

It will be seen that the basic training level of Romagosa's workers is quite low. Only two have basic training equivalent to FP2, one has FP1 equivalent and the rest either did not complete vocational studies - there are four in this situation - or else only have primary studies. This last is true of the rest of the workforce, except for one worker who has administrative studies.

Generally speaking, age and training level are in inverse proportion: in other words, the older the worker, the lower his level of training tends to be.

There are two fundamental reasons for this: firstly, the opportunities for workers to study were limited at one time; and secondly, at that time basic training background was not considered vital or even important for adequate performance of the work required. Most tasks were manual or mechanical and could be learned as they went along.

As for training received in the firm, it is notable that only the shop supervisor (and on one occasion an employee) has attended courses outside the firm. The rest have either attended no courses of any kind or attended the seminar for electrical and mechanical workers run by the shop supervisor in 1990.

The workforce has grown by 3 persons since 1988. However, the changes in vehicle technology and the improvements in their manufactured quality has brought about changes in personnel structure and in the relative weight of the different sections. Thus, personnel needs in the traditional mechanical sections, which are incidentally where most of the longest-serving and oldest of the firm's workers are to be found (see age distribution table in the general chapter on the company), have shrunk in favour of such sections as electronics, body and paintwork and maintenance. As there is more demand in these sections, it is there that most younger personnel, with better training or at least better prospects, have been recruited

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The firm has seen to it that the shop's oldest workers are relocated in reception and spares.

These changes are both the accompaniment and the consequence of the introduction of new diagnostic and repair technologies, which include:

- brake meters
- steering alignment equipment
- tuning control
- headlight adjustment apparatus
- chassis and bodywork repair beds
- paint cabins with activated-carbon residue cleaning mechanisms, etc.

Within the broad sections mentioned, tasks are apportioned, naturally enough, on the basis of employee skills and job designations. However, younger and better-qualified workers in the electrical and electronics section tend to be more multi-functional, performing more varied and complex tasks (air conditioning and combustion, for example).

The older mechanics do almost exclusively repair and maintenance work on Land Rover vehicles, whose technology is essentially mechanical.

The supervisor, who has been with the firm for 24 years, is very concerned about this issue. It has been his practice from the very beginning to informally pass on to the employees the knowledge that he acquires on training courses.

In 1990, with the support and encouragement of management in view of the really pressing need of a training update for the workers, he organized the first course ever given to employees in the electronic/electrical and mechanical sections, details of which have already been noted.

For this quarter he is preparing a second course, this time on single-point and multi-point injection, following the same format.

The rest of the employees in the other sections have received sporadic training on single topics, largely provided by suppliers on the occasion of new product launches.

4.3 Access to training – targets

The criteria applied in deciding who is to receive training are lack of experience and the work load that a salesman has, although aside from these considerations, the real cost of training generally imposes limits.

In fact the decision to send personnel on courses organized by the manufacturer frequently depends on the facilities being offered by the organizer (hotel, paid attendance, travel and maintenance).

Courses always take place during working hours. Attendance is entirely voluntary, but as we have seen, the deciding factor is whether the agent can afford it.

In sales, the ratio of annual hours' training per worker is higher than in the repair shop. In 1991, this was 28 hours/worker, not including administrative personnel, and reflects two courses attended by two of the firm's employees.

In the first half of 1992, average hours' training per worker was 12, corresponding to the seminar run by one of the department's employees.

4.4 Training plans

In response to technological innovations, Romagosa Automóviles recently instituted a policy aimed at providing continuing training for all workers connected with the firm.

Under this policy, a programme of training activities was started up in 1990, targeting not only Romagosa's own post-sales personnel but also that of its dealer network.

The new system is organized as follows: the shop supervisor attends Santana Motor's training programmes and then organizes courses at which he passes on what he has learned, both to his own and the dealers' personnel.

In 1990, then, after attending a course sponsored by Santana Motor, the supervisor organized a series of seminars over a 4-month period. The course was attended by workers in the mechanical and electronics section of Romagosa Automóviles for two hours every Wednesday outside working hours. The course was voluntary and hence unpaid, but all the workers attended.

The course, imparted by the shop supervisor, was on Vitara injection. It was divided into fifteen sections, as follows:

- General principles of electronic injection.
- Single-point electronic injection.
- Multi-point electronic injection.
- Theory of fault diagnosis.
- Practical use of measuring apparatus.
- Identification of components in the vehicle.
- Using the spares catalogue.
- Tuning and setting.
- Engine checks.
- Correcting faults in electronic injection. Several practical examples.
- Inspecting the various circuits.
- Diagnosing faults with Tech One.
- Inspecting components.
- Theory of catalytic convertors.

The course also included information on electronic injection for the Swift car.

As already noted, the same shop supervisor also gives courses to employees from Romagosa's dealer network. These workers receive the same content as the Romagosa workers, but in intensive format over one or two days.

Teaching methods are very similar to those employed in the courses organized by the manufacturer, being primordially practical with a small amount of theory. The materials supplied by Santana Motor are used to reinforce the course content.

In view of the success of the pilot course, this year it is planned to organize another seminar on single and multi-point injection, following the same format.

In 1990, a total of 20.7 hours of training were given per worker, not including administrative personnel. This high ratio reflects the course delivered periodically to the ten employees in the electrical and mechanical sections plus the course attended by the supervisor at Santana Motor, on Vitara and Swift injection.

In 1991 the ratio dropped to 7.05 hours per worker. Only the supervisor attended a course, on industrial electronics. This was on his own initiative, but he was subsequently reimbursed by Romagosa Automóviles.

In the first half of 1992, 7.05 hours' training were given per worker, reflecting a course attended by the supervisor and one employee.

It should be noted that the sales department relies entirely on Santana Motor's training schemes. No training activities are contemplated other than those provided by the manufacturer.

At no time has the need been raised for a policy of permanent updating; employees are expected to learn from day-to-day practice and occasional courses on specific subjects. However, the sales manager does believe it important for salesmen to attend a refresher course roughly every two years.

In the opinion of the sales manager, training has a positive influence on sales, and not only as regards volume, but also quality, meaning that customers are treated better and the sales system improves, which in turn creates a more favourable impression of the firm and opens up prospects of new custom.

As a rule, when a new salesman joins the team he is sent on a training course in order to acquaint him with the characteristics of the product he will be selling, the peculiarities and policy of the maker, and so on.

Before the consultants RS&T were brought in in 1992 to design and develop training programmes for the sales network, Santana Motor employed a consultant called TEA CEGOS to give courses on marketing and sales techniques. None of these initiatives were part of a comprehensive training programme, but rather arose as a sporadic series of unconnected activities.

In 1991 the manufacturer devised a training programme aimed at salesmen. Three of Romagosa's employees attended the course, which was on sales techniques.

For 1992, under Santana Motor's comprehensive plan, mentioned earlier, Santana has organized a series of courses for its agents, on subjects relating to the market, technological principles and sales techniques.

(For more information see section 3.2 on the manufacturer.)

4.4.1 Participation of the social partners

There is currently no union representation in the company, except for a post-sales shop steward. Although officially still holding office, this employee has not been active since the rest of the staff committee members left the firm.

According to the employees, relations with the company are quite good. These are conducted directly through the manager or the personnel manager, so that any demands or complaints are dealt with automatically on a personal basis. That is to say, there is individual personal contact with management, and hence problems are settled on a personal rather than a collective basis.

With no staff committee organizing and structuring employee demands, the workers have no means of taking an active part in the framing and implementation of the firm's training policy.

4.5 Training costs

It is not possible to gauge the relative importance of spending on training. The reason is that although we have figures for payroll costs, we have no data on costs arising from training since Romagosa Automóviles does not budget specifically for this but provides training as and when the need arises.

Santana's courses are residential, with sales people attending from all over the country. This entails additional expenditure over and above the actual cost of tuition, and Romagosa does not feel that it can always afford this.

In addition, the agent has to pay a quota for each employee it sends to the training centre, to cover the consultant's fees. These quotas amount to 25,000 pesetas for the first employee registered and 15,000 pesetas each for any more.

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5. Evaluation of training approach

Romagosa Automóviles is currently in the process of adjusting to a new situation arising from the introduction of new technologies to the work process, and from the development and growing complexity of new commercial systems in the motor vehicle industry.

This technological change has brought an absolute need for retraining and specialization of the company's workers. And yet the firm must take up this challenge with a repair shop workforce of high average age and long service, who have received no continuing training – the general story throughout the sector and the country. This lack of past training aggravates the present situation, where vehicles are coming out with new technologies requiring knowledge that part of the workforce cannot now easily acquire.

The firm tries to solve this problem in a number of ways:

- It attempts to improve the training level of the workforce, although this is not at all easy given the low level of basic training and advanced age of the workers.
- Internal organization is adjusted to fill posts requiring little in the way of occupational expertise with personnel whose deficient training background and advanced age make them unsuitable for refresher training.
- Finally, recruitment policy is designed to bring in qualified personnel with a good training background suited to present-day technological processes.

The firm attaches a great deal of importance to the training of its workers and is currently starting up an incipient system of in-house training. It recently initiated a training strategy involving the running of training courses for post-sales workers by the shop supervisor.

The shop supervisor has thus become a key figure in the Romagosa Automóviles training system. He is responsible for the actual instruction, which means that not only must he have sufficient training to enable him to absorb and digest the theoretical and practical content of the courses, but he must also be able to deliver this information in a cogent, professional manner to students most of whom, as we have seen, have a poor training background.

However, despite growing interest on Romagosa's part in extending training to a broad sector of the workforce as a means of encouraging and improving training levels among its employees, learning on the job continues to be common practice in the firm.

Hence, in view of the company's own stated requirements as regards qualified personnel, the present system of continuing training would still appear to be inadequate.

5.1 Data on the personnel sample from the repair shop workforce of Romagosa Automóviles

Table 30

Age	Position	Training[23]	Seniority Years	Courses completed
47	Section head	FP2	5	1[2]
51	Section head	Primary school	9	•
48	Tradesman Cl. 1	Primary school	19	1[2]
50	Tradesman Cl. 1	FP2[1]	35	1[2]
34	Tradesman Cl. 1	FP2[1]	12	1[1 2] 1
23	Tradesman Cl. 1	FP2	6	–
36	Tradesman Cl. 1	Primary-Admin.	3	–
41	Tradesman Cl. 1	FP1[1]	5	–
48	Shop supervisor	FP1[1]	24	5
60	Receptionist	Primary school	46	–
34	Tradesman Cl. 1	FP1	3	–
45	Storeman	Primary school	22	–

[1] Training incomplete at this level.
[2] Course given by shop supervisor to electrical and mechanical employees

The table above shows the data collected on the information sheets filled in at the Romagosa Automóviles repair shop, representing approximately 30% of the shop workforce.

Persons interviewed

- *At the factory providing the training*

Industrial manager
Human resources manager
Marketing manager
Post-sales head
Representatives of the staff committee

- *At Romagosa*

Manager
Assistant manager
Shop supervisor
Two workers

[23] Educational levels are equivalent to current categories since the great majority studied at Industrial College, where vocational training was organized in three years at tradesman level corresponding to the present FP1 and two years at master tradesman level, corresponding to FP2

2. ENTERPRISE "A"

Size: 4

Brand: Iveco and Pegaso

Motor vehicle categories: Light and heavy commercial

Type: C

1. General description of the case

This study concerns a medium-sized private company which is an agent for goods and passenger transport vehicles (light and heavy trucks and buses). It sells and repairs vehicles in this category and deals in spares and accessories for them.

Most training, on both the sales and the technical side, is provided by the vehicle manufacturer that the firm represents. The training in these fields supplied by the manufacturer amounts to 95% of all training given.

All the training supplied to agents by the manufacturer is planned and imparted through the commercial division and the marketing and post-sales departments depending on it.

On odd occasions, which have been very few in recent years, the company has also received some training from component-makers.

2. General description of the firm

2.1 The firm

Company A, located in the town of Almazora (Province of Castellón), engages in the sale and repair of goods and passenger transport vehicles.

It is an autonomous firm and is exclusive agent for Iveco and Pegaso vehicles, accessories and spares in the province of Castellón.

Capital is 12 million pesetas.

The firm's total invoice turnover in 1991 was 2,300 million pesetas, of which 15% was from the repair shop.

At the beginning of October 1992, the firm employed 46 persons including the managing director.

The vehicles in which the firm deals total 25 Iveco and Pegaso models, of both large and small tonnage, for the transportation of goods and passengers: in other words, light and heavy trucks, buses and vans.

The firm's main activity is as authorized representative of these vehicle brands, but its repair and second hand sales business also includes other makes of vehicle of these types.

Custom comes basically from industry, farmers and transport companies in the area.

There is one single establishment on a site measuring approximately 16,000 sq.m. in area, housing the repair shop, sales of spares and accessories, sales of new and used vehicles, stores and administration.

The bulk of the site is undeveloped and used for parking, used vehicle sales and as the repair shop yard. The floor area, measuring about 3000 sq.m., is occupied by offices, vehicle and spares sales offices, stores and repair shop.

Most vehicle repairs are performed in the repair shop, but there is a 24-hour emergency service, so that repairs are sometimes effected on the spot. Spares and accessories sales are also undertaken at the Almazora facility. Vehicle sales and customer prospecting are carried on both at the company offices and through travelling salesmen.

The firm repairs an average of 500 vehicles a month.

It has a network of 8 dealers in the province. These are independent firms employing a total of 35 workers (the largest of them has 10 workers and the smallest 2, including the owner). The basis of the relationship with the dealers is that the latter are obliged to attend Iveco and Pegaso vehicles that are under guarantee. They also channel customers in the direction of the agent.

2.2 Brief history and recent development strategy

Enterprise A was founded in 1983 by the present owner and managing director, who bought up the assets of the former Pegaso agency in the area when it went bankrupt. He subsequently acquired the Iveco agency too, and thus came to represent both makes. As a result of the acquisition of ENASA, the company that makes Pegaso vehicles, by the Italian firm IVECO in 1992, Enterprise A has maintained its status as agent for the two marks, both now built by the new concern IVECO PEGASO S.A.

The firm was founded at a time of speedy recovery of the Spanish economy, with 21 workers from the former agency. Business, and with it employee numbers, continued to expand until 1990, by which time the workforce numbered 74. In that year the owner set up another business specializing in body and paintwork, to which he transferred 16 workers. It was at this time that the recession, presently continuing, began to bite, bringing with it a sharp drop in sales figures. At the same time, with an increasingly open market, the local scene was invaded by other firms with franchises from foreign makers of vehicles of the

same type. As a result, the firm's market share in the area fell from its peak of 42% in 1989 to its present level of 31%.

Both factors, but most particularly the ongoing recession, have prompted manpower cuts in the last few years, down to the present strength of 49. This readjustment process is not yet at an end and will affect 3–4 workers more in the coming months. Cuts, which are being implemented by means of retirement and non-renewal of fixed term contracts, are affecting all sections, but above all sales and administration.

In this way the company seeks to adjust payroll costs to present demand for services, which has been shrinking as the recession sets in.

Like all firms in its sector, it is feeling the effects of change in the nature of the product: improved quality of vehicles and the tendency to replace rather than repair parts or assemblies have brought about new working procedures, especially in the repair shop. Frequent, high-cost, lengthy repairs are no longer the order of the day; the emphasis is now on quicker, cheaper, cleaner operations, so that the business must now be conceived rather as vehicle maintenance services to the client. In this context, the firm runs frequent campaigns – both its own and those sponsored by the manufacturer – offering special prices via direct mailing to clients and advertising, and targeting specific services: compulsory vehicle inspections, brakes, lights, antifreeze, etc. This practice, initiated in 1988, has been expanded since 1990, with a current average of 15 promotions or campaigns every year.

2.2.1 New technologies

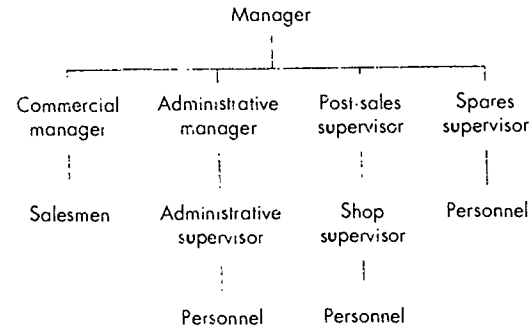
The introduction of the new technologies in tooling and vehicles means that work is increasingly technical and hence there is more work involving maintenance, diagnosis and tuning of the different assemblies. This, the firm deals with through investment in tooling, continuing training and work experience. Nonetheless, the kind of vehicles concerned are still basically mechanical with only limited use of electronics, unlike other kinds of vehicle.

The most modern items of equipment that they have are a bench and a manual tester for pre-heaters, a central unit with vacuum pump for air conditioning and a unit for ABS brakes.

2.3 Structure of the firm

Each section has administrative personnel for its own business. The legal and organizational demands of the company as such and as an agent require a great deal of administrative work, which is unified under the administrative management.

Table 31



The business is divided into four sections.

2.3.1 Work organization and procedure

The workers are distributed among the different sections as follows:

In the commercial division are the commercial manager and 7 travelling salesmen, plus one clerk.

In spares there are the section head, the chief assistant, 3 other assistants, one auxiliary and one administrative assistant.

In administration are the administrative supervisor, 2 administrative assistants and 2 secretaries.

In the repair shop there are 25 persons, occupied as follows:

1 post-sales supervisor
1 shop supervisor
3 electricians
1 lathe operator and assistant
2 skilled technicians, pumps and injection
1 receptionist, who performs administrative work
2 skilled technicians, steering and brakes
2 in gearboxes and assemblies
4 in engines
4 in accidents
1 handyman (cleaning, auxiliary tasks)
3 non-specialist assistants

The steering and gearbox specialists also do the air conditioning work.

15 of the repair shop workers possess the top occupational qualification, which is tradesman first class, three are tradesmen second class and two third-class. The others are the handyman, apprentices and the receptionist.

Most of the Class-1 tradesmen joined the firm with that grading, as they came directly from either Finanzauto or IVECO. The Class-2 and Class-3

48

tradesmen have attained their categories with the firm.

There is also a specialist driver for any work requiring someone so qualified.

The repair shop has all the sections required for mechanical and electrical repairs. Upholstering, radiator and suspension work is subcontracted out to other local firms. Body and paintwork is done by another, separate firm belonging to the same owner, which was founded in 1989.

For repairs and purchases, customers go directly to the firm's premises except in emergencies.

In repairs, work is organized as follows: when a vehicle is brought in, the receptionist records sufficient details to identify the problem. He is sometimes assisted in this by the shop supervisor. Then, once the fault has been identified, the shop supervisor hands the vehicle over to one of the available skilled technicians to effect the repair with the human and material means at his disposal.

When the repair is finished, the vehicle is tested by the skilled technician in charge then handed over to the shop supervisor. He and the receptionist are responsible for delivering the vehicle to its owner.

Although there is clearly occupational specialization at the repair shop, built up through working experience and attendance at training courses over many years, the demands of day-to-day work call for versatility: some operatives will turn their hands to tasks which are outside their special field but which they know how to perform from experience. This situation does not appear to raise any problems for the operatives and skilled technicians involved.

Because of the small size of the repair shop, the large size of the vehicles repaired (big trucks and buses) and the shop's volume of business, even though work is divided into specialized areas, the organization and distribution of the work among these areas presents some difficulties in practice, so that many tasks are performed in the yard, with all the difficulties and inconvenience that this involves for the workers. This has come about because the repair premises are old and it has not been possible to extend them.

2.4 Human resources

2.4.1 Evolution in worker numbers

In October 1992, there were a total of 49 workers, 45 of them men and 4 women. Since 1989, when the workforce totalled 58, 9 jobs have been eliminated, involving an equal percentage of men and women.

All production sections have been affected.

All the administrative posts are occupied by women.

2.4.2 Classification of the workforce

Table 32

	Distribution of workers by age groups
under 25	4
from 26 to 40	19
from 41 to 55	18
over 55	5

The age structure of the workers, 75% of whom are between 26 and 55 years old, reflects the age of the company and the recruitment policy followed since its creation. The practice of keeping on the qualified workers at the firms taken over and recruiting largely adult workers with experience has meant that the firm's ages pyramid is relatively old.

All the company's employees are of Spanish nationality and birth.

Labour contracts are currently distributed as follows:

Permanent	Fixed term
44	5

As noted earlier, the company came into existence through the acquisition of two agencies, whose workers were kept on and preserved their acquired rights. This factor and the subsequent practice of recruiting experienced, well-qualified workers are the distinguishing features of recruitment policy and the reason for the large number of permanent contracts. For a time the firm tried recruiting young people for the repair shop, as apprentices and on fixed term contracts; however, the practice was abandoned as unprofitable, since training them was very costly and the results were not good. The justification offered for discontinuing the recruitment of young people at a given moment was that the younger candidates "lacked interest in this kind of work and a sense of responsibility."

However, five workers have been recruited on fixed term, renewable contracts for the administration, sales and spares sections.

All employees are full-time.

2.4.3 Working conditions

By and large, working hours, vacations and pay are in line with the provincial collective agreement.

The legally-established working hours for 1992 are a total of 1826 hours of effective work per annum, at an average of 40 hours per week.

2.

Hours:
Monday–Thursday: 8.30a.m. to 1p.m. and 3p.m. to 6.45p.m.
Friday: 8.30a.m. to 1p.m. and 3p.m. to 6p.m.

Evening overtime and Saturday morning opening are normal practice.

In addition, as there is a 24-hour emergency service, a section of the workers, involving chiefly the repair shop but also spares and administration, has a duty rota for attendance to emergencies during hours when the repair shop is closed.

As a result, employees can work as many as 180 to 200 hours per month.

All this extra work is included in the worker's pay slip on top of the forty hours established by law, and hence is subject to the Social Security levy.

Pay scales in the sector were established by a provincial metal trades agreement in 1992.

As a rule, wages comprise basic pay plus an increment for seniority. This is paid for every five years worked and in each category amounts to 5% of basic pay. Wages are paid in twelve monthly payments plus three extra payments at Christmas, in summer and out of profits. In addition, companies may introduce bonuses for productivity, attendance, etc.

Table 33 – Gross monthly wages established by collective agreement for 1992 for the categories existing in this company are:

Travelling salesmen	76,821 Pta
Showroom supervisor	86,890
Sales assistants	from 72,000 to 89,856
Sales auxiliaries	65,505
Repair shop supervisor	83,647
Cl. 1 tradesmen	81,686
Cl. 2 tradesmen	77,552
Cl. 3 tradesmen	73,416
Repair shop auxiliaries	63,000
Repair shop apprentices	from 38,000 to 63,000
Repair shop handyman	69,360
Administrative supervisor	86,928
Administrative assts.	81,586
Secretaries	from 71,283 to 79,237
Driver	81,686

These amounts do not include any seniority increments applicable.

The wages detailed by the company are further supplemented by a variety of payments for such items as productivity, overtime and extra working. It should be borne in mind that the data given below show gross monthly averages and hence include the corresponding portions of the extra payments received up to 1st October 1992.

In general, the additional items over and above the basic wage, plus overtime, raise pay by an average of 25–30%.

Table 34 – Average gross monthly pay up to 1st October 1992 was as follows:

Travelling salesmen	243,000 Pta
Showroom supervisor	254,000
Sales assistants	199,000
Sales auxiliaries	129,000
Repair shop supervisor	288,000
Cl. 1 tradesmen	199,000
Cl. 2 tradesmen	152,000
Cl. 3 tradesmen	128,000
Repair shop auxiliaries	105,000
Repair shop apprentices	79,000
Repair shop handyman	101,000
Administrative supervisor	343,000
Administrative assts.	152,000
Secretaries	146,000
Driver	137,000

In the case of sales employees, these gross monthly averages include commissions, which constitute an important part of pay.

Pay at this firm is above average for the sector. It is highly dependent on individual circumstances and thus there are pay differences even between workers in the same category. The firm says that it does not mind paying different and higher rates to the skilled workers that it needs. As a rule, the philosophy is to pay skilled workers or new recruits above market rates if they are needed and the company can afford it. However, this means that the firm also risks losing competent employees at times of recession if they are unable to equal or better the wages offered by competitors.

The agreement provides for 30 days' vacation a year.

2.4.4 Workers' training levels

The basic training background of the employees in this company, especially the operatives, consists of primary education: that is, up to 12/14 years of age.

In the repair shop, only 4 workers have received vocational training in the field of motor vehicles or metalworking. Two of these are aged under forty and two over. The shop supervisor, too, has merely undergone primary education. The head of post-sales services is a graduate.

Most employees on the sales side have undergone primary education, except for the spares and sales department heads, who have received academic secondary education.

In administration, the head of department is a graduate. His subordinates have completed sec-

ondary education, and in two cases vocational training in administration.

As regards the sales and repairs sides, the firm does not generally require specific skills or training other than a basic background sufficient to enable further training.

With the recruitment policy already described, aimed at ready-qualified personnel, and particularly workers with experience, the company has no need of any specific initial training. Then again, such a policy is feasible precisely because from the outset the company has been the agent of a manufacturer that is well known in the Spanish market for the training it provides for its representatives.

Pre-requisites for recruitment, besides experience in the sector, are chiefly a display of "interest" and "willingness to work" on the part of candidates, and age – the firm prefers to recruit workers who have done their military service and hence are over 21.

The bases for promotion of workers are occupational experience and interest. However, as we have seen, in the repair shop most workers have gone as high as is possible for them, and the only opportunity left for one of them would be a vacancy for shop supervisor. Training is linked to promotion in the sense that where an employee shows interest and his practical record bears this out, he can better equip himself for promotion by attending courses to improve his skills.

As we have seen, the workers generally have a low educational level: 80% have primary education only, undoubtedly reflecting the average age of the workforce. In contrast, occupational qualification is high, with a large number of first-class tradesmen as compared to second- and third-class. It is precisely this situation, a consequence of the practice of recruiting mainly on the basis of skill and experience, that makes internal promotion so difficult.
The external situation on the labour market obviously depends very much on the general economic situation. The Province of Castellón has one of the lowest unemployment rates in the country, and by and large skilled tradesmen are expensive to recruit. Nonetheless, the firm prefers to pay above market rates in the light of its unsatisfactory experience in the intake of young people, caused essentially by a lack of interest in this kind of work on the part of the younger groups and the availability of other kinds of work in the area (tourism, industry).

3. Providers of continuing training

3.1. The firm's structure and strategy

Of the training received by the firm's workers, 95% is provided by the manufacturer, formerly ENASA (maker of Pegaso vehicles) and now Iveco Pegaso S.A.

The other 5% is provided sporadically by suppliers of equipment: past examples of this have been ABS brakes or air conditioning suppliers. In recent years, no such training has been given by any firm of this kind.

3.2 Manufacturer's training service

In its day, Pegaso, a business founded in Spain in the 1940s, constituted a unique experience as regards the motor industry and the state of the economy and technology in Spain: the manufacture of trucks and buses.

For nearly four decades it succeeded in constantly expanding its presence in domestic and overseas markets, attaining a high level of prestige in the sector.

Since 1991, having passed through a variety of situations, Pegaso has belonged to the Italian firm IVECO. It is currently still building Pegaso vehicles and has begun to build Iveco vehicles as well.

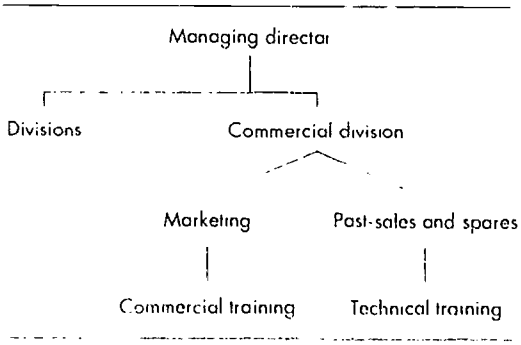
At present, Iveco Pegaso has 105 agents in Spain, with a total of around 1800 employees (including agencies and dealer networks). Of these numbers, roughly 60% are repair shop technical staff and the other 40% work in sales and administration.

The manufacturer has traditionally provided a lot of training for agents, especially technical and repair instruction. Due largely to the many years in which Pegaso was virtually without competition in the domestic market, commercial training has hitherto been more neglected.

In commercial and product training there is one supervisor and four technicians, while in repairs/technical training there is one supervisor and two technicians. There are also teachers (monitors) specializing in technical training. When the occasion arises, employees from other sections may deliver courses.

The objectives of the training furnished to agents are set in obedience to the manufacturer's need to secure and expand its penetration of a market in

Table 35 – Organizational chart



which competition is increasingly stiff. The agents need to be responsive to customer requirements, to be familiar with their own vehicles and their characteristics as compared to those of their competitors, and they need to be able to put this across to their customers. All of which goes hand in hand with the pursuit of total quality in production and service.

Decisions regarding design, planning and methodology, ultimately the responsibility of the commercial division, are made by its marketing and post-sales/spares departments. Such decision-making does take agents' needs into account: the marketing department runs surveys among the people receiving the training and the agents for the purpose of evaluating the training given and recording the agents' suggestions and requirements. The response to these suggestions and requests comes later – and this is actual practice – in the programming of the courses requested.

The most important innovation in the design and delivery of training since the appearance of IVECO has been in commercial training. There are two reasons for this: one, more attention is now paid to this kind of training than in the past; and two, there is much more competition since the entry in Spain of more makes of the same kinds of vehicle. IVECO's long experience in the field of commercial training has made a major contribution to the company's commercial practice.

One possible illustration of the way that the manufacturer's aims link up with training can be found in a long-term campaign for "improved service quality", launched in 1992.

The campaign, which touches all sections of the agents, has the following objectives: a) to enhance the brand image with customers; b) to make the network aware of how vital it is to be constantly improving the service; and c) to detect deficiencies of any kind that affect quality of service, with a view to pointing efforts for improvement in the most worthwhile direction.
The campaign is based upon the following four parameters:

- Customer opinion (via surveys)
- Facilities and equipment
- Training and personnel
- Repair shop management

The degree of achievement of the objectives set for these four parameters is monitored by the manufacturer on a monthly or yearly basis, and in consequence "points" are awarded. Agents will be graded on this basis.

The top-scoring agents will be entitled to a number of money prizes, which will be used to remedy problems or insufficiencies arising in respect of any of the parameters. The agents must undertake to devote this money prize fully to making good any deficiencies detected.

The training and personnel parameter, then, refers to the number of each agent's employees who have attended the manufacturer's training courses, and points are awarded on that basis.

This system will undoubtedly encourage more attendance by the agents' employees.

3.2.1 Training plans prepared by the manufacturer for its agents

A six-monthly or yearly programme of training courses is regularly sent to the agents. These circulars are also intended to encourage the latter to seek training by drawing their attention to the changes and new requirements arising in the sector.

Another development, again by the manufacturer, has been to improve the presentation of the courses for agents, which has made a major difference according to the firm concerned here. The improvement consists in explaining the actual course content, with concrete details, and recommending the kind of training background or skills that course participants should ideally have. With information of this kind, the firms are better able to decide how their personnel and their requirements fit in with the content and level of the courses offered.

This change has been in place since mid-1992.

In 1992 the Pegaso/Iveco factory will give approximately 150 courses, 90 of them technical and 53 commercial, with a total of roughly 1400 participants.

Since the maximum number of students allowed on any course is not very high (10–12 persons on technical courses), many of the courses are repeated over the year in order to serve the entire network.

The technical subjects are logically designed to familiarize students with all the models, old and new, on the market, and with components, assemblies and engines, and also to improve their knowledge of mechanical, electrical and other tasks. There are likewise courses on such subjects as dealing with customers, economical driving, command skills, sales techniques, and so on.

By way of illustration, listed below are the technical courses given in March 1992:

- 330.30 engine
- Troner pneumatics
- C.V. 16S-160
- 330.30 electrics

- Dealing with customers
- Compact 500 N steering
- Troner electrical installation
- Techniques for negotiating with customers
- 340/370 CV engine
- Economical driving
- Daily electrics
- 7000 pump
- C.V. 2819 bridges/brakes

Most of the technical courses last from three to four days, although there are two-day and five-day courses. They take place at Pegaso's training centre in Madrid.

Commercial training, on the contrary, is movable and is given in the areas where there are agents. Thus, in 1992 courses were given in almost every provincial capital in the country: the course subjects and the teaching equipment required make this possible. Commercial and product courses last one working day.

Table 36 – The following product/commercial courses were given in 1992:

Number	Name
2	Eurocargo product (6–10MT)
9	Sales techniques
9	Eurocargo product (12–15MT)
5	Special action for new agents
11	Pegaso product
10	Iveco product
7	Pegaso Troner 400 CV product

Before any new vehicle model is launched, agents and employees are always given training/information courses.

The approach is essentially practical, with audio-visual media for the theoretical parts. In technical training, a group of 10 students under the direction of monitors with wide experience and proven teaching skills will spend almost the entire course working on the material in the pilot workshop, assembling and disassembling it, provoking failures and repairing them, and – this is something participants particularly appreciate – discussing the situations they have experienced, which are then studied in an atmosphere of intense participation.

Moreover, the manufacturer will furnish businesses or students on request with copies of the videotapes that it edits and uses for its training courses. The firm concerned here has a number of these which it lends to its employees on request

The manufacturer issues course attendonce certificates. At the same time, it may remit opinions on students to their employers, especially in the case of outstanding performers.

On every course, documentation is issued giving a brief but detailed summary of the technical information. This is consulted by the employees at the firm of reference.

In 1992, the manufacturer spent 50 million pesetas on agency training. This figure includes the training structure itself with training staff payroll, teaching materials and training staff expenses arising from delivery of courses in other towns (hotels, travel, maintenance, etc.).

Course participants, sent by firms from all over the country, are accommodated in hotels. The manufacturer provides transport to and meal services at the training centre.

Registration fees range from Pta 11,750 per person for two-day courses to Pta 18,750 for five-day courses.

These costs, plus accommodation, maintenance and transport from the workplace, are payable in all cases by the agent.

4. The firm's training policy

4.1 In-house training plans

Enterprise "A" has a long tradition of sending its workers on the manufacturer's training courses. The philosophy behind this is that its manpower is very expensive and therefore needs to be well qualified in order to meet customer needs and avoid problems for the firm.

Historically, training at Enterprise A was determined by the process whereby the firm was created and by its very close links with the manufacturer. The latter originally provided its agents with continuing training by means of a travelling system involving the movement of the training module with all the material from place to place in specially-prepared vehicles. This system was abandoned 7 years ago. Now, Enterprise A's training policy follows the guidelines and programming laid down by the manufacturer.

Continuing training is of tremendous importance for the firm, in view both of the growing need for better-qualified, more specialized workers and of the constant introduction of changes in products or assemblies (gearboxes, brake systems, etc.) by the makers. Therefore, every year from 12 to 15 persons (the bulk of the repair shop workforce) are sent on Pegaso's training courses in Madrid, a practice that has been adhered to ever since the firm became operative. Continuing training is aimed especially at the repair shop and the sales department, with less attention paid to spares and accessories. The greatest deficiencies are currently to be found in the training of administrative personnel since the introduction of new computer systems; however, it must be said that the

administrative personnel on the whole have a better basic training background than the repair or sales personnel.

As a relatively young concern (founded in 1983) enjoying a close relationship with a manufacturer that has always been concerned about training, the firm has not altered its training policy or strategy in recent years. Nor is it thought that there will be any need in the future either for a change in its current policy or to set up a training structure of its own, as they are quite satisfied with the structure operated by the manufacturer. Nonetheless, they are considering the possibility of introducing some kind of internal means of providing the training required by the administrative personnel.

All technical training takes place at the Pegaso centre in Madrid, in the form of courses lasting from two to five working days. The commercial and product courses, normally lasting one day, take place in towns closer to the agent.

For more information on this subject, see 3.2.1.

4.2 Access to training – targets

Training targets all the firm's employees, including management. However, the manufacturer only provides training for repair, spares and sales workers, so that administrative personnel are those with the least opportunities and the greatest need of training.

The training offered by the manufacturer is structured and programmed with individuals in mind, and therefore employees are sent to Madrid on an individual rather than a group basis. In the repair shop, training is open chiefly to those workers possessing a basic knowledge of the subject, so that they can get the most possible out of the courses.

Account is also taken of the employees' personal interests as regards training; the manufacturer has run a survey among the firm's operatives recording their preferences. According to the firm, "it is best to send people for training who are interested in the subject in question: in this way we are sure of maximum utility and return on investment". However, the younger workers in particular are not sent on courses as often as they would like.

In sales and spares alike, the basic guideline is that salesmen should have a good knowledge of the product they are to sell. The sales supervisor is always sent on training courses, and the salesmen are sent as budgets, availability and need dictate.

Training is voluntary, and the general attitude to it among the employees is highly positive.

Once the firm has the relevant information from the suppliers, the decision on training of workers in Enterprise A is made on the basis of discussions between the manager and the relevant section head. Given that the bulk of training is directed at sales and repair shop personnel, once it has been decided that an item is worthwhile, the decisions are generally made by the post-sales and repairs supervisors and the commercial manager.

Since 1987 75 members of staff have been on courses, mostly repair shop personnel, but some from sales and spares too. This means than on average all the workers in the sections named have attended two courses in the last five years. However, this is not entirely accurate given that the departmental heads (post-sales, commercial and repairs) attend practically every course and the skilled technicians more than two. In fact, then, a number of workers have attended only one course and some have attended none at all.

4.3 Training plans

Although the firm has no training schemes as such, the manufacturer runs a half-yearly training programme with courses constantly adapted to agents' demands, plus information on such items as new products and equipment. This enables the firm to organize training for its employees in such a way as to provide for present and future needs and deficiencies, and to plan the activities best suited to each worker on the basis of his skills, his specialist area and the needs of the firm.

4.3.1 Participation of the social partners

The collective agreement for the sector, a document subscribed by the provincial employers' and union organizations, includes a clause on vocational training which says: "Where a worker undertakes regular study for an academic or occupational qualification, he shall be entitled to such leave as may be required for attendance at examinations". Clearly this, the sole reference to training, has no relevance for in-house continuing training, which is neither regulated nor provided for.

Within the firm, the existing works committee (3 workers) has no part whatsoever in the training provided. It is only recently that they demanded more training for the younger workers as a means of improving their prospects of promotion within the firm.

Labour relations in the firm are efficient and easy. Nonetheless, owing to the highly individualized pay system, the shop stewards have difficulty in presenting a common position for the workers on pay-related issues. There are regular exchanges of views between management and unions.

4.4 Training costs

Since most of the training received is in Madrid, training costs largely arise in connection with employee travel, accommodation and mainte-

nance. The training as such costs much less than the travel, etc. involved. Course fees range from Pta 11,750 for a two-day course to Pta 18,750 for a five-day course.

In 1991 the total cost of training to the firm, involving exclusively repair shop and sales personnel, was Pta 1,616,000 (including travel). These costs take no account of loss of hours worked, which in many cases can be as high as 160 hours a yeor

Spread over the entire workforce, this gives an average cost of Pta 31,000 per worker. If we include only the sections for which training was provided, the average is Pta 43,000.

In the same year, spending on training as a percentage of total pay was 1.1%, and the total number of hours spent per worker was 10.5. Although no figures are available for 1987, the information to hand suggests that the proportions were roughly similar.

In the firm's view, if mobile training facilities were used as in the past, this would lower costs considerably and allow a significantly higher attendance by employees.

5. Evaluation of training approach

Enterprise A's training policy, combined with its practice of recruiting ready-qualified personnel, would appear adequately to meet its present strategy of avoiding problems with customers by responding to their needs. It is further accredited by the firm's performance in recent years, when despite a major recession in the sector and growing competition, it has succeeding in holding on to one third of the market in the province, with steadily-mounting customer satisfaction as attested to in surveys run by the manufacturer.

However, there are a number of factors which could cause problems in the future, particularly if the market recovers and economic activity picks up

Recruitment of mature, qualified personnel with experience meets present needs, but it also makes for an ageing workforce. This, combined with a refusal to recruit young people as apprentices and the relatively small amount of training afforded to the firm's younger workers, means that new skilled workers are not being trained up, and the result could be a shortage of qualified manpower in the future

If we add to this an external labour market on which manpower is not attracted to this sector, there is a real possibility that this firm will be forced always to pay very high wages to attract workers, and that given the existing ceilings on pay and promotion it will lose its best or most ambitious workers as they set up their own businesses. This is already happening in the sector.

The current skill levels of the workers is high as we have seen, and on the whole they display satisfaction – especially in the repair shop and sales department – with this constant updating, which makes their day-to-day work easier and familiarizes them with the manufacturer's latest innovations.

The firm is likewise very satisfied with the training provided by the manufacturer, its only complaint being that it has to take place in Madrid with the extra costs that this entails.

Solutions to the worst of the deficiencies identified – training of the administrative workers – are presently being sought via agreements with the National Institute of Employment.

The sample of workers selected shows a very representative cross-section of the firm, with a high level of involvement of repair shop and sales personnel in training, and a lower level in spares and administrative personnel.

The sample also reveals less involvement of the younger repair shop workers in training activities, a particular case being the assistant who has been with the firm for five years. However, the situation would not appear to be a common one if we compare it with operatives who are not much older.

5.1 Evaluation of workforce training record

What follows is a sample involving 38% of the firm's workers as a whole. The sample of repair shop workers is larger: 50%.

In 1991 and 1992, the firm sent workers on 25 courses with a total of 30 attendances. All were on technical subjects, except for two on dealing with customers.

Since most of the repair shop workers are specialized, they are sent on courses on the basis of their speciality and level of skill. In the case of some of the personnel who are not yet fully specialized, some planning does go into their occupational future, the criteria being the needs of the repair shop and employees' individual vocational interests.

The decision as to which of the wide range of courses offered by the manufacturer should be attended by which workers takes into consideration the type of vehicle that sells most and the actual need for familiarization with them or their components

Table 37

Age	Position	Training	Seniority	Courses	
35	Post-sales supervisor	graduate	9	3	1991
58	Repair shop supervisor	primary	6	4	90-92
49	Cl. 1 tradesman, mech.	primary	7	6	87-91
42	Cl 1 tradesman, lathe	F.P.	9		-
48	Cl. 1 tradesman, mech.	primary	9	4	90-91
47	Cl. 1 tradesman, injec.	primary	9	3	87-91
46	Cl. 1 tradesman, mech.	primary	9	3	88-92
36	Cl. 1 tradesman, mech.	F.P.	9	4	87-90
30	Cl. 2 tradesman, mech.	F.P.	4	2	90-91
25	Cl. 2 tradesman, elec.	primary	5	4	89-91
30	Cl. 2 tradesman, mech.	primary	7	3	89-91
24	Cl. 3 tradesman, mech.	primary	1	1	91
23	Assistant	primary	5	1	90
56	Salesman	primory	9	4	91-92
41	Spares	primary	9	1	87
35	Spares	primary	9	1	87
61	Admin. supervisor	graduate	8	-	
30	Admin. asst.	secondary	8	1	87
27	Admin. asst.	secondary	7	1	91
30	Admin. asst.	F.P.	8	-	

5.2 Best practice/normal practice

In view of the characteristics of the training involved, there is no way of assessing these criteria for the courses given.

5.3 Future demands

Most demand in the future will come from the field of electronics, whose use in vehicles is expected to grow rapidly. The need for training in electronics is apparent both as regards workers currently with the firm and workers who may be recruited in the future, as the vocational training courses currently being given for the sector are not keeping abreast of developments in the field.

5.4 Training content

The course content of the training given by the manufacturer to the firm's employees is designed to provide a good technical knowledge of all the vehicle models currently in the market or due to appear, and likewise of components, assemblies and engines. They are also intended to improve performance in mechanical, electronic and other tasks.

There are also courses on dealing with customers, driving economically, command skills, etc.

In 1991, the employees of Company A attended the following courses:

Table 38

Course	Duration	No. participants
C.V. 9s-109	3 days[1]	4
Troner Pneum. Equip't.	4 days	2
ABS preheating	3 days	1
ITC computer	5 days	1
Air conditioning	4 days	1
Dealing w. customers	3 days	2
Daily and 330.30HW	2 days	3
Eurocargo	2 days	3
Daily, electrics	4 days	1
330.30HW, electrics	4 days	1
Daily, pump	4 days	1
330.30HW, engine	4 days	1
Bridges/brakes D	4 days	1

[1] Each day consists of 8 hours attendance at the centre.

Persons interviewed

- *At the company*

Company managing director
Head of personnel
Post-sales supervisor
Repair shop supervisor
1 union representative
3 workers

- *At the manufacturer*

Activities management coordinator

56

3. ENTERPRISE "B"

Size: 2

Brand: Renault

Category: A

Type: C

1. General description of the case

The firm studied here is a small private company providing services authorized by a motor vehicle manufacturer, for which it is a dealer. The firm's activities include repair and distribution of cars and vans, and sale of spares and accessories for these.

The major supplier of training is the vehicle manufacturer, which offers both technical and commercial training. In most cases such training reaches the firm through the agent on which it depends.

The training required for paintwork is normally provided by the paint manufacturer.

2. General description of the firm

2.1 The firm

Enterprise B, which engages in the repair and sale of cars and vans, is located in the "Argales" industrial estate in Valladolid.

It consists of a single establishment roughly 1000 sq.m. in area, consisting of mechanical repair facilities, sale of spares and accessories, new vehicle sales, stores and administration. Of this total area, 100 sq.m. is taken up by a garden at the entrance and the rest is building. The manager's office occupies about 25 sq.m., and some 150 sq.m. are reserved for display and sale of vehicles.

This is an autonomous concern, an authorized Renault dealer linked to the maker through a Renault agency called VASA (Valladolid Automóviles S.A.) located in the same town. The employer is registered as a self-employed worker with other workers in his employ.

The firm is exclusively a Renault dealer, selling only Renault vehicles: all models of car and van. It also largely repairs Renault vehicles of these types, although it does on occasion repair vehicles of other makes.

The firm's main activity is repairs. The repair shop is divided into four work sections: mechanical, electrical/electronic, panelbeating/bodywork and paint. It has been selling vehicles for about 10 years, but this has never been a major part of its business overall. Currently, however, the establishment is being fitted out for more sales business

At present there are a total of 7 persons working at Enterprise B, including the owner, who acts as manager. All the workers have labour contracts, except for one who is officially self-employed. Three out of the seven are related to the owner.

Total turnover for 1991 was Pta 25 million.

The firm repairs 180 vehicles per month on average.

Customers are generally private individuals from the area. As the firm does not repair industrial vehicles, its customers do not tend to engage in any one specific activity.

2.2 Brief history and recent development

The present owner has been running the firm since 1972, but it was founded by his father in 1959 and engaged chiefly in machining parts. Customers in the early years tended to be basically motor vehicle builders located in the area, and the firm also did some maintenance and repair work on industrial machinery (La Casera, Central Lechera, etc.). Starting in 1972, it was decided to start doing motor vehicle repairs. The reason for this decision was the number of problems arising out of the constant changes in the kinds of parts to be machined, involving frequent changes of very costly machinery.

In the early 1970s the firm had as many as 14 workers, the largest number it has ever had. Over the rest of that decade and the next, the number dwindled, finally steadying at the present figure of seven.

When the firm began to do motor vehicle repairs, it took on all categories (buses, trucks, cars, etc.). At the time there was a serious shortage of spare parts in Spain and they made what parts they needed, did vehicle alterations and so on. However, as the sector modernized, spare parts became easily available and the firm began to concentrate on repairs in the conventional sense, specializing in cars and vans.

The firm joined the Renault network in 1982, since when its activity has been confined almost exclusively to the repair and distribution of Renault cars and vans. The changeover has not however been a sudden one and there are still a number of customers from the old days who keep coming to this firm even though they have vehicles of other makes. But the important point is that from that moment on, the company became a vehicle distributor as well as repairer.

Since it became an authorized Renault dealer, the firm has had the same number of workers.

In the last few years it has based its strategy on improved attention to the customer, to enlist

customer loyalty so that they will not hesitate to bring their vehicles to this firm for repair. This is not hard to achieve for a small firm without large numbers of customers, as it is easier to get to know those that there are. The proof of its success is that there is almost always more work than the shop can handle, and even a waiting-list at times.

The firm's repair work underwent a qualitative change when it became part of the Renault network, as it was obliged to bring the repair shop up to Renault's standards. As a consequence of this, and of the changing characteristics of the new cars coming out, the company has been acquiring the requisite tools and equipment to deal with the new technologies. The nature of repair work as such has changed a lot: mechanical parts are no longer repaired but replaced, normally with new parts supplied by FASA-Renault. As a result, less man-hours are spent on repairs, which means less income under that heading. Body and paint work are proportionally more time-consuming and therefore more profitable.

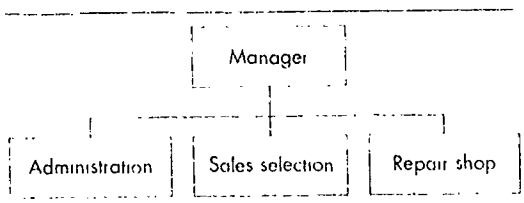
In view of this situation, the firm's short and medium-term objectives envisage expanding the distribution and the body and paint sides, without however taking on less mechanical and electrical work. Previously, it undertook motor vehicle sales on a very minor scale: in fact, the owner/manager himself did all the work. Now, in order to adapt to present trends in the sector, there are plans to expand the workforce, taking on one person for the sales section and two more for body and paint work. In addition, alterations are currently in progress at the establishment to make room for a vehicle showroom.

What the new technologies are bringing about is not so much a change in the basic working of vehicles, but rather a change in the way mechanical and electrical repairs are organized. Thus, the firm's latest equipment acquisitions have consisted chiefly in diagnostic apparatus: polymeters, an oscilloscope, a heat tester, the Renault "kit" (a multi-functional computerized device; it operates with a diskette that is changed every six months and includes the characteristics of the new Renault car models). The firm has also acquired a paint cabin and a chassis bench.

2.3 Structure of the company

2.3.1 Organization

Table 39 – Organizational chart



2.3.2 Occupational structure

The manager, who is the owner of the company, also doubles up as receptionist (along with his son).

Up until 1988, the work of the *administrative section* was done by the owner himself and an administrative assistant. Since the latter left, this work has been dealt with by the owner and by an outside firm of administrators.

The *sales section* is run by the owner alone. It is planned to recruit a salesperson in the near future.

The *repair shop* comprises 6 people, occupied as follows:

1 shop supervisor
2 mechanics
1 electrical/electronic technician and receptionist
1 panelbeater
1 painter

All are qualified Cl. 1 tradesmen.

2.3.3 Work organization and methods

Customers for repair work or sales come directly to the firm's establishment. The firm does no advertising of any kind, as it enjoys a fairly steady clientèle.

Repair work is distributed as follows: when a vehicle is brought to the shop, the receptionist (the owner or his son) records the details on a card and fills in the diagnosis on forms supplied by Renault for that purpose. The forms are signed by both parties. The customer is given a counterfoil, which he or she returns upon collecting the repaired vehicle. Once a vehicle has been accepted, the order of repair is as follows: it is sent first to the mechanical section, then to the electrical/electronic section, then to the bodywork section and finally to the paint section (as required, of course).

Policy is to try and ensure that repairs for customers in the greatest hurry and simpler or more isolated kinds of repair are carried out more quickly than others.

The shop has no particular speciality but undertakes repairs of all kinds. It does not normally subcontract work to other firms, except for radiator cleaning, which is farmed out to a specialist firm on the same industrial estate.

The workers normally carry out tasks within their own specialized areas, but inevitably there are times when pressure of work forces them to turn their hands to work outside their own normal fields.

2.4 Human resources

2.4.1 Evolution of employee numbers

In November 1992, there were a total of seven persons working in the firm, all male and of Spanish nationality. At the beginning of October, a panelbeater retired and his replacement was recruited in September, so that during that month there was one worker more.

In 1989 the number of workers was the same as it is now.

2.4.2 Classification of the workforce

Table 40 – Distribution of workforce by age:

Age groups	No. of workers
under 25	0
from 25 to 40	5
from 41 to 55	1
56 and over	1

The average age of the firm's workers is around 39.

All the workers on the payroll have permanent contracts, except for the new panelbeater: he has a 6-month contract, but will be taken on permanently when that expires.

There are two persons not under labour contract: one of these is the manager, who is registered as self-employed with other workers in his employ; the other is the shop supervisor (the manager's brother), who is a self-employed worker on service contract.

2.4.3 Working conditions

On the whole, working hours, vacations and pay are as established in the provincial collective agreement.

The establishment is open to the public from 8 a.m. to 1 p.m. and from 3.30 to 7 p.m. The manager is available to customers during all these times; the workers, on the other hand, are subject to a legal annual total of 1826 working hours, equivalent to an average of 40 hours per week. Work hours are from Monday to Friday.

Vacations consist of the entire month of August, when the business shuts down entirely.

Current pay rates in the sector are established by the provincial metal trades agreement of 1992, which is valid for two years. By and large, wages consist of basic pay plus increments for seniority, special features of the job, etc. There are twelve monthly payments plus two extra payments. Basic gross monthly pay for 1992 were as follows for the categories existing in this firm:

Shop supervisor	Pta 127,301
Tradesman Cl. 1	Pta 99,780

On top of these basic rates are the increments mentioned above, which depend on the characteristics of each worker and his specific job. Thus, gross monthly pay in this firm is currently as follows:

Mechanic A	111,924
Mechanic B	102,908
Painter	110,937
Panelbeater	101,949
Electrician	131,475

Overall rates, then, are as follows:

Tradesmen Cl. 1	111.839 (average)
Shop supervisor	Has no fixed rates of remuneration.

There is no collective agreement in the firm. The workers are classed as tradesmen Cl. 1 and are normally paid rates more or less in line with the provincial collective agreement plus supplements. The idea is for everyone to receive top rates for their occupational categories, since it is considered vital to retain good tradesmen, who are not easy to come by.

2.4.4 Workers' training level

The workers' basic training background may be classified as follows:

- The shop supervisor and the panelbeater joined the firm with primary education (compulsory regulated education up to the age of 14).
- Mechanic A completed first-level vocational training (FP 1) in the motor vehicle branch.
- Mechanic B completed the university preparatory course (COU),
- The receptionist/electrician studied technical engineering, electronics branch.
- The manager has a qualification in industrial engineering.

There is no systematic approach to the level of training required of new workers. No specific skills or studies are demanded. The basic criterion is that they know their trade well, and this is not something that can be achieved through the academic training currently available. For this reason, the prime consideration when recruiting someone is experience. In the manager's opinion, the Vocational Training Colleges are not adequately equipped to train tradesmen, besides which experience in a workshop is essential for learning the trade. For all these reasons, then, recruiting policy favours ready-skilled personnel with experience, so that the firm has no need to provide any kind of basic training.

2.

Internal promotion is not a practical option at present, since all the workers are at the top of their respective categories. The situation has remained unchanged for quite some years now, despite the fact that at least one of the current workforce started in the repair shop as an apprentice. Even the panelbeater who has only been with the firm for 3 months started as a tradesman Cl. 1; this is because he already has sufficient expertise gained previously as self-employed owner of a small two-man repair shop before he was forced to close down and come to work at the firm concerned here.

2.4.5 The situation outside on the labour market

In recent years, properly skilled tradesmen for the sector have been expensive and hard to come by. Workers with experience normally have no trouble at all in finding employment, and this militates against beginners in the sector who have not yet had the opportunity to gain the experience necessary to become fully skilled. This goes some way to explaining the high average age found in the sector.

Particularly hard to find are experienced panel-beaters and painters; however, where previously they were not to be found at all, such tradesmen have recently started to become available as a result of the progressive disappearance of motor vehicle repair firms employing 1 to 3 workers.

3. Providers of continuing training

3.1 The firm's structure and strategy

Virtually all continuing training is supplied by the manufacturer FASA-Renault through its area agency. The manager has on occasion attended courses run by the Association of Vehicle Repair Shops of Valladolid; and finally, some continuing training is provided by their paint manufacturer, although it really consists in giving periodic technical advice.

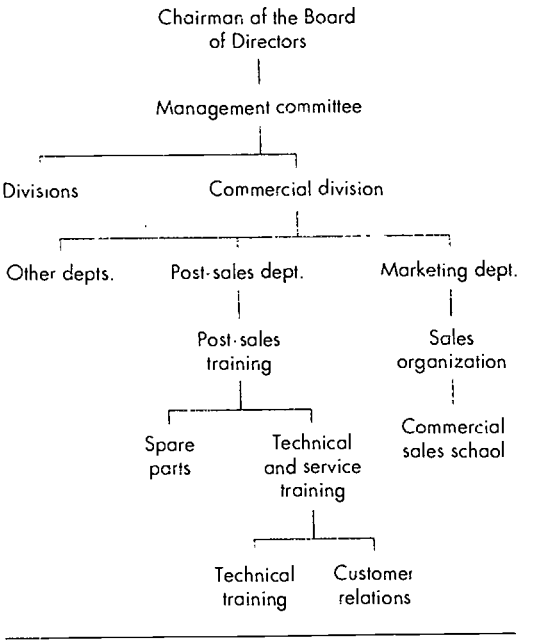
3.2 Training structure at FASA-Renault

For decades now, FASA-Renault has been one of the country's biggest motor vehicle builders.

FASA-Renault currently possesses a network of 280 agencies and 14 subsidiaries, plus a secondary network of 1500 dealers. The Renault network of authorized establishments is the largest in Spain.

The personnel employed by this network breaks down as follows: 11,500 persons engaged in repair work; 1500 middle managers in the primary network and around 1500 owners of dealerships in the secondary network, of equivalent rank to the former. There are 1200 persons doing work related to stores and 1500 working in sales in the primary network. It is difficult to be precise about the last two categories in the secondary network owing to the small size of the dealerships. Roughly speaking, we may estimate that there are some 10,000 working in the primary network and 7,000 in the secondary network.

Table 41 – Organizational chart



The training imparted falls into three structural categories: under the heading of post-sales training we have the technical and the organizational sides, and under commercial training we have sales. The technical side employs 25 instructors and 6 outside consultants; the organization side has 6 instructors and 3 consultants; and the sales side has 6 instructors and 4 consultants. Of this personnel, about 10% are administrative.

3.2.1 FASA-Renault: general policy and training policy in respect of agents

The basic guidelines of training policy are directed towards achieving the highest possible quality, a goal which has been at the heart of general company policy since 1988, and especially in more recent years. With this end in view, training is given to agents to familiarize them with the product they are handling, with the commercial strategy they are to follow, with organization and management of sales and post-sales, and above all to make them strive for better quality in post-sales repairs.

General and commercial policy tie in closely with agency training policy. In this way the enterprise seeks to adapt constantly to the market in a sector that has been in a state of permanent flux for some years owing to such factors as technological

innovation, better-informed clientèle, growing competition from other makers, and so on.

Every year, training objectives are set for each agent, as a means of stimulating them to attain the desired level of instruction. Within the agencies, training is also seen as a very important stepping-stone to personal promotion, as vacancies are filled from below with house personnel possessing sufficient merits.

The most important innovation to be introduced in training since 1987 has been precisely the attachment of such importance to it, particularly beginning in 1988, since which time training is the activity where costs have increased fastest for equipment (new teaching techniques, videos, computer simulation, etc.) and personnel, and has become a key part of the firm's general strategy. It is estimated that in 1987 only one-fifth as many courses were given as in 1992.

3.2.2 Preparation of courses

Every year, a training plan is drawn up setting forth the courses to be offered and is sent to all agents and subsidiaries. With advice from the regional FASA-Renault offices, these select the courses that they wish to attend, which will be the subjects for which they see most need. On the basis of the returned applications, the manufacturer adjusts supply to demand and draws up the final training plan for the year.

With this planning system, the agents take an active part in structuring the training they are to receive. They may also suggest the inclusion of courses on subjects not planned for by the manufacturer.

Although attendance on courses is not obligatory, the manufacturer may withdraw the agency from any firm failing in normal circumstances to devote a given percentage of profits to training. Dealers normally receive their training through the agent, whose duty it is to inform them, train them, give classes and in general supervise them.

At the premises where the courses are held, an area of 5000 sq.m. under cover is reserved for technical training. Of this, 60% is taken up by the practice area and the rest is occupied by 20 classrooms: of these, 60% are in Madrid and the other 40% are located at regional offices in the country's major cities. For organizational training, there are 8 classrooms occupying an area of 750 sq.m. And for sales training, there are 6 classrooms occupying 700 sq.m. The last two types of training are given only in the Province of Madrid (Alcobendas).

Decisions on training design, planning and methodology are ultimately the responsibility of the commercial division, within which it is dealt with specifically by the marketing and post-sales departments. This being a multi-national concern, suggestions on training guidelines are sometimes received from France. Training guidelines are set only after a general objective has been identified through a series of meetings between training staff, regional office personnel and outside consultants for the purpose of harmonizing interests. The outside consultants are normally commissioned particularly to supply the methodology to be used on the courses.

As a rule, the costs of courses are defrayed by the manufacturer, the agent paying travelling expenses only.

Dealers go for training to their agency, which must have premises in which to provide training plus at least one person highly specialized in technical aspects of vehicles. The agent pays the costs of training its dealers, who only have to pay travelling expenses. Where the subject is of some complexity, the dealers go for training to their regional FASA-Renault offices, and in the case of greater difficulty still, they must attend the training centres in Madrid.

The methodology currently followed on these courses is participative in style, using simulations, with an instructor and plenty of practical case studies. More and more new training techniques are being introduced, and there is much use of audiovisual media, computer-assisted instruction, etc. Courses generally have some theoretical content but are eminently practical.

As to syllabuses, in 1992 the technical training section offered a total of 30 different course types, the organizational section 33 types and the sales section 20. Technical course content is aimed at familiarization with models both old and new, engines, components and so on. The sales courses include commercial techniques, knowledge of the different models on the market, etc. And the organization courses cover customer relations, command skills, economic management, adaptation of dealerships to the company's way of working, etc. By way of illustration, the last set of courses given in post-sales were as follows:

- *organization*
  stores control and management
  operating account
  business organization and management
  marketing
  mechanized store management
  commercial accounting course
  office computerization
  etc.

- *technical*
  gasoline injection
  suspension
  power steering
  air conditioning

2.

ABS brakes
AXR-25
single-point injection
etc.

The organizational and sales courses are aimed particularly at middle management level (unit heads, shop supervisors, dealers, etc.). The technical courses are aimed at repair shop personnel and also at middle management people who need to have some grasp of vehicle technology.

The number of participants at courses in 1992 was 9000, of which 5000 received technical training, 2000 organizational training and 2000 commercial (sales) training. These figures are based on course registrations, so that one person attending three different courses will be counted three times.

The duration of courses ranges from one or two days for presentation of new models to salesmen, up to a maximum of 15 days required to present them to specialist technical personnel. By and large, however, courses last from three days to a week.

Admission to some courses is contingent upon having attended other courses; in other words, there are cumulative blocks of knowledge with which students build up their personal training background. This is not always the case, but it is an increasingly common practice, particularly since the recent computerization of data on personnel training.
Total investment in training of agents and dealers in 1992 came to Pta 500 million. In 1987 the figure came to around Pta 75 million, so that there has clearly been a quantitative change, so great as to be qualitative, in the importance that the enterprise attaches to training.

4. The firm's training policy

4.1 In-house training plans

The firm has no internal training plan of its own beyond a willingness expressed periodically to attend training courses run by FASA-Renault through its area agency. These courses are not compulsory, in spite of which the firm's personnel attend a good number of them, for it is felt that they are essential for day-to-day adaptation to new technologies and models. The firm's policy and strategies would be meaningless without the training provided by the manufacturer.

4.2 Relationship between training and skills

4.2.1 Analysis of skills acquired

Workshop personnel need to adapt constantly to the characteristics of new vehicle models. Because of the new technologies that these incorporate, diagnostics is now one of the most important tasks, and training is becoming increasingly necessary to be able to operate the instruments for this.

In body and paint work, operatives have to adapt basically to the new materials, while the salesman's job has become more direct, more "aggressive", requiring detailed knowledge of the different makes on the market, particularly the one he is trying to sell.

4.2.2 Relationship between skills required and training approaches

For mechanics, electricity and electronics, the instruction supplied by Renault is generally enough to meet training needs without the firm having to undertake any special training action. The field of vehicle electronics, a considerable problem for most small firms in the sector, is well catered for here since one of the workers is a technical electronics engineer. However, the Renault body and paint courses are not so thorough, and at the end of the day such deficiencies are compensated for by the workers' experience. In paint, they take advice from the paint manufacturers, who pay frequent visits to the repair shop. These brands are in fact suppliers to FASA-Renault, so again it is through the connection with Renault that they keep up to date on paints.

Training for sales is not systematic, but what little there is comes largely through FASA-Renault. Periodic meetings are held with the area agent and dealers to discuss new models, the market situation and so on, as a means to "designing" sales strategies. The firm as such plans no action in this direction.

4.2.3 Historical development of training strategy from 1987 to 1992, and training practice

The firm's strategy in training matters has not altered in recent years: it still relies upon the courses provided by FASA-Renault. The way the firm brings such instruction to the repair shop is by sending one worker on a course, who then passes on what he has learned to the rest of the company. This is normally always the same worker (the owner's son). Information from the courses is not passed on to the other workers in a systematic way; rather, when another worker encounters a problem for whose solution the new knowledge is required, the one who went on the course will show him how to proceed.

Practically all the courses are given by FASA-Renault training staff at the agent's premises in Valladolid. Very occasionally, courses have been given in Alcobendas (Province of Madrid). Courses generally last from two to six days.

4.3 Access to training – targets

Training ultimately targets all the company's employees, including management. However, given the way that this firm functions, not everyone attends the courses: only one or two workers actually receive direct training, which they then pass on to their peers.

4.3.1 Participation in continuing vocational training courses (1987 to 1992)

Over this period only three persons have attended training courses – the owner, his son (the electrical/electronics specialist and receptionist) and one of the mechanics. They attended the following courses:

Table 42

Age	Position	Training	Seniority	Courses 1987/92
60	Manager	Graduate	20	7
31	Tradesman Cl. 1, electrical	Graduate	6	12
38	Tradesman Cl. 1, mechanical	Secondary	16	1

All courses have theoretical content with practical demonstrations, except for those on customer relations, office organization and stores, which are theory only.

In addition, FASA-Renault runs one-day "courses" explaining the characteristics of new models every time one is launched. The firm generally sends someone on these.

4.3.2 Access to continuing vocational training

The bulk of the workers do not receive the constant updating that this kind of training involves: it is rather the dynamics of work in the repair shop that force them to adapt to new needs. The decision to go on a course is made by the manager and the person who regularly attends them (his son), in response to needs arising in the shop. Since this is a small firm, such needs are easily identifiable in the daily round of work.

4.4 Training plans

The firm has no training plans of its own but follows the lead of the manufacturer.

4.4.1 Objectives of training

These objectives are determined by the practical needs arising in the course of the firm's work. There is no advanced planning of approaches to problems; the manufacturer to which the firm is linked introduces innovations which must be adapted to and organizes the courses required for the adaptation of its authorized services. As an authorized Renault service, the firm does not plan continuing training but simply attends regularly the courses organized by Renault.

4.4.2 Development over time

From 1987 to 1992 there has been no change whatsoever in the firm's training structure. What has changed is the person who attends courses: up to 1988 this was the manager and since then it has been his son. However, this makes no significant difference to the way training is carried on.

4.4.3 Relationship between participation in training courses and workers' occupational progress

This does not exist. Since there are no opportunities for promotion in the firm, training courses do not affect the occupational category of each worker.

4.4.4 Requirements and future plans for continuing vocational training

The firm's strategy as regards skill looks set to carry on in the same way. In the short-to-medium term the firm is expected to recruit 2 or 3 more workers, after which it is planned that one person more attend the FASA-Renault courses along with the manager's son. It will also be seeking other training courses on panelbeating and bodywork, an area in which the firm could do with more expertise. And in spite of everything, when the new hands are hired, they will be required first and foremost to have good working experience – the firm still seeks to recruit highly-qualified and ready-trained workers.

4.4.5 Participation of social partners and trade associations

There is no union presence in the company. The unions are represented in the sector, but their presence is weak. As far as training is concerned, their only relevance is as signatories of the provincial collective agreements that govern labour relations in the sector, although in fact they make no mention of continuing training.

The firm is a member of the Provincial Association of Vehicle Repair Shops of Valladolid. The association organizes courses for managers and employers in the sector, particularly on subjects relating to office management and organization. The manager of the firm concerned here attended one such course. The association has occasionally organized technical courses on repairs, but no-one from the firm has ever attended since they believe that the courses add nothing to what they get from FASA-Renault.

Labour relations are smooth-running even although the workers are not organized in any way for the defence of their interests (no union has a representative in the firm). Disputes are settled personally with the manager and nobody appears to have any complaints about the procedure. What the workers generally want training in is the new technologies being incorporated in vehicles, and they seem satisfied with the way the firm goes

about supplying the new knowledge. It should be borne in mind that all are very experienced workers and are therefore confident of their ability to do their jobs well.

4.5 Training costs

There is no charge for the courses provided by FASA-Renault. The only costs involved in this training are travel and maintenance. Since the vast majority of these courses take place in Valladolid, the expenses involved are minimal. In the last five years it has only been necessary to travel outside Valladolid three times – to Alcobendas (Province of Madrid) where FASA-Renault has its sales and post-sales school.

The overall cost of training comprises travel and maintenance expenses where these arise, and loss of working hours in which the employee attends the courses and is paid by the company. In 1987 these hours came to a total of 96 for the entire firm, rising to 128 in 1992. In 1987, only the manager attended courses, then from 1988 on it was his son, who was the only attender at training courses in 1992. The manager's training hours cannot be calculated in money terms as he has no fixed pay. Hours of training attended by the firm's employees have been as follows:

Table 43 – Hours' training

1987	–	1990	48 hours
1988	56 hours	1991	144 hours
1989	144 hours	1992	128 hours

In 1992, then, a total of 128 hours was spent on training. As it was the same person who did all this training, the resulting figure for hours of training per worker cannot be considered wholly valid, but in any event it can be calculated and comes out as 18.3 hours per worker.

Between 1990 and 1992, three trips were made to Alcobendas (Province of Madrid), one each year. The cost of travel and accommodation by years was as follows:

1990	Pta 39,000
1991	Pta 45,000
1992	Pta 50,000

In all cases only one person was involved.

Thus, in 1992 training costs came to a total of Pta 155,088 (including the cost of hours not worked and travel and maintenance). If we divide this figure by the number of persons in the firm, we obtain an amount of Pta 22,155 per worker/year. Investment in training as a proportion of gross payroll cost for 1992 was 2.3%.

5. Evaluation of training approach

5.1 Evaluation of existing training

The training level of the firm's personnel is quite high: two are graduates, two have secondary education and three primary. Their level of skill, based on years of experience (the average is 20 years) is also quite high.

What enables the firm to operate and adapt to the new vehicle characteristics is the kind of skilled personnel on the payroll and periodic attendance on training courses by one of them. This procedure, which consists in addressing needs as they arise, has provided good results to date. However, were circumstances in the sector to change, there is no assurance that it would continue to work, since the firm has no long-term viability plans. Thus, little thought is given to how personnel can be upgraded when the scarcity of qualified workers on the market makes these hard to find. The answer to this might be to introduce a permanent continuing training plan for all employees and change recruitment policy to admit other than fully-qualified workers. The firm has no plans to train up its own workers from scratch as a means of ensuring qualified manpower for the future.

In any event it is clear that given the present market situation and the economic outlook in general, the prime consideration is immediate competitiveness, and therefore the firm has no intention of taking on added costs that will detract from its current profitability. The impression one gets is that no-one is making any serious effort to provide proper training for future employees in the sector.

Then again, the present approach to recruitment will tend increasingly to ensure high wages for good tradesmen, so that in the end of the day only the firms with the most money will be in a position to retain and attract skilled workers with good experience, to the detriment of the smaller firms.

The manager is very satisfied with the skills of his present workforce, and they in turn are satisfied with the training they receive, although they do admit that it would be good to attend the courses personally; however, there is no time for this as they are needed day-to-day in the repair shop if the business is to continue operating.

The firm is very satisfied with the training provided by FASA-Renault – so much so that it has become one of the key elements in its operation. However, it is in body and paint work, the areas least provided for, and likewise in sales, that the company is keenest to see more training.

5.2 Best practice/normal practice

It is not possible to apply such a criterion to the training model considered here. We might simply

note that there is nothing exceptional or new about the firm's training procedure.

5.3 Future demands

In the near future, the most demand for continuing training will come from the areas of panelbeating and body work, and sales. And it is precisely in these two areas that the firm wishes to advance in order to cater for customer demand on a profitable basis.

When the planned expansion of the firm takes place, it is expected that more than one worker will attend training courses. To increase the workforce, recruits may need to be able to perform multiple tasks. This is scarcely a possibility at present, as each section has barely enough workers to keep going. One way of solving this problem might be for workers to personally attend courses on other specialities.

There is no obvious need for future change in the contents or methods of the FASA-Renault courses. At all events, any change should be in the planning of access to training by the firm referred to here.

Table 44 – Courses attended by members of the firm from 1987 to 1992:

Year	Courses (subject)	Duration	No. participating
1987	Post-sales	5 days	1
	Combustion	4 days	1
	Brakes	3 days	1
1988	Gasoline injection	3 days	1
	Stores	4 days	1
	Steering assemblies	3 days	1
1989	Gearboxes	6 days	1
	Int. combustion engine	6 days	1
	Office admin.	3 days	1
	Engines	3 days	1
1990	Diagnostics	3 days	1
	AXR25 (diagnostics)	3 days	1
	Air conditioning	3 days	1
1991	Vehicle electrics	6 days	1
	Vehicle electronics	6 days	1
	ABS brakes	6 days	1
1992	Injection	4 days	1
	Steering	6 days	1
	Suspension	6 days	1

Persons interviewed

- *In the enterprise*

Manager
Shop supervisor
Two workers

- *At the manufacturer*

One official from the industrial division's training department.
One training official from the post-sales section of the commercial division.

4. PRADES MOTOR, S.L.

2.

Size: 4

Brand: SEAT

category: A

Type: C

1. General description of the case

This is a medium-sized private company engaging in the repair, sale and distribution of new and used vehicles, spare parts and accessories of the brands Seat and Audi-Volkswagen; this case study, however, will concern itself only with the services provided by the firm as a Seat agency.

The training received by this agency is provided exclusively by the manufacturer, although some very sporadic courses are given by material suppliers.

The manufacturer's training initiatives issue from the commercial division, and more specifically from the areas concerned with commercial training and post-sales training, which in turn depend on the central marketing and central post-sales departments respectively.

2. General description of the firm

2.1 The firm

Prades Motor is a business engaging in the repair and sale of new and used vehicles and the distribution and sale of accessories and spares. It is located in Mataró (Catalonia).

The firm is part of a group composed of five independent agents of the same brand. They are constituted as separate legal entities with a common president. These agents, each operating under its own trade name, all provide comprehensive services and are distributed about the territory of Catalonia as follows:

- Barcelona. Premises with 8000 sq.m. floor space (devoted exclusively to the sale and repair of Seat vehicles).
- Granollers. Premises with 5000 sq.m. floor space plus 20,000 sq.m. open space for stockage of Seat and Audi-Volkswagen vehicles.
- Mataró. Premises with 10,000 sq.m. space for Seat and Audi-Volkswagen.
- Badalona. Premises with 5000 sq.m. There are two repair shops dealing with the two different brands (one shop for Seat and one for Audi-Volkswagen).

The group employs a total of 298 persons (for both Seat and Audi-Volkswagen) and has 28 dealers, shared by Seat and Audi-Volkswagen, located in El Maresme, Barcelona, Badalona and Vallés Oriental (where Prades Motor is the exclusive agent for Seat).

Prades Motor started as a personal business, but on joining the Seat commercial network as an official agency, it became a limited company (S.L.) although still independent of Seat.

At present, however, it is in the process of splitting in response to the needs of the two brands. Thus, although it continues to cater for both makes, it has been compelled to rearrange its facilities, making them officially separate units of the one agency. This has required restructuring both of physical elements and of the management and administration of internal resources (material and human).

During 1991 Prades Motor declared overall turnover (both sales and repairs) of Pta 2,442 million, of which approximately 54.4% (Pta 1,328 million) was income from activities involving Seat, the rest being from activities involving Audi-Volkswagen.

Repair shop turnover for the same year was Pta 221,109,538, of which Pta 120,283,588 came from repairs of Seat vehicles.

Prades Motor has a workforce of 67 (including both Seat and Audi-Volkswagen), 32 of whom have been assigned to Seat services.

At the present moment the capital allocated to the Seat side is Pta 800,000. We have no figure for Prado Motor's total capital as the firm also represents Audi-Volkswagen.

The firm currently carries four Seat models: Terra, Ibiza, Ibiza Sport and Toledo, all designed for passenger use and in some cases also light goods transport.

Although the firm's main business is the repair and sale of Seat and Audi-Volkswagen vehicles, it also sells used vehicles of other makes, in respect of which it also offers technical services even though they are not authorized makes.

The target population for the Seat products it offers are urban middle class.

The firm has facilities occupying 10,000 sq.m., roughly half of which is devoted to Seat products.

All the services are grouped together in the establishment: repair shop, spares and accessory sales, administration and sale of new and used vehicles.

In addition to the services named, the firm subcontracts other services such as tow trucks, upholstery, radiator cleaning and some injection pumps.

66

The company repairs roughly 300 vehicles every month.

2.2 Brief history and recent development

Founded in 1903 by the present manager's grandfather, the firm started out as a small workshop in the town of Granollers, engaging in vehicle repairs and more especially gunsmith's work.

When the father took over the business around 1963, the first contacts took place with Seat, which at the time belonged to the Seat-Fiat-Simca group.

It was about this time that the firm began to grow. It expanded its area of operations through the acquisition of the Mataró premises and the group of agents gradually expanded until it reached its present size.

Like other businesses in the sector, Prades Motor has recently undergone far-reaching changes in response to transformations in the product and the introduction of new technologies that have substantially altered work processes.

These transformations, which inevitably entail rethinking of business strategy and management, are driven by the manufacturer. Seat applies general standards to the entire network and it is Seat that decides on the introduction of new tooling and work systems, and likewise the internal management and organization of the agency, in obedience to a number of pre-defined objectives set by it.

These objectives, which guide the maker's commercial policy, may be summarized in two broad lines: to improve quality and service to the customer while maintaining or improving levels of profitability.

Thus, the agent's objectives and development strategies are laid down by the manufacturer and as an agent, the chief duty of Prades Motor is to live up to the confidence that Seat has placed in it.

In line with the policy devised by the maker, Prades Motor has expanded its service network, seeking to place an associated dealer in every town of any importance and thus bring services closer to the customer.

Also, on its own initiative the firm has placed publicity in the media (radio and the press) designed as far as possible to raise sales and increase its market share.

Moreover, as a means of dynamizing its sales system, the firm devised a system of computer files with extensive data on the potential market to make better use of the time spent by salesmen travelling away from the home premises.

This initiative and the one before it are among the objectives that Seat, as supplier, proposes to implement among its agents.

2.2.1 New technologies

The introduction of new technologies in the sphere of motor vehicles has brought about significant changes which in turn give rise to considerable modification of the way work proceeds in management, administration, sales and, above all, vehicle repairs.

The application of increasingly sophisticated diagnostic systems and the automation of mechanical component manufacturing processes (significantly reducing manufacturing costs) have gradually brought about a transformation of the work processes in repair shops.

Replacement rather than repair of parts is becoming the norm, while electrical and electronic work gradually displace mechanical work as the new tools and devices used in repair systems and the components incorporated in new vehicles increasingly require repair techniques of an electrical or electronic nature.

In this situation of change, training becomes an essential tool for equipping workers to assimilate with some ease the transformations that have arisen in productive processes and preparing them for further transformations in the future.

Diagnostic systems are the most important of the more recent innovations in the repair shop, particularly the brake diagnostic system and the system which diagnoses failures that have been detected sporadically but not recorded, storing them in its computer memory.

2.3 Structure of the firm

2.3.1 Organization of the company and occupational structure of the employees working on Seat products

In addition, there is a night watchman for all three areas.

The firm is divided into 3 sections and the post-sales section into 3 subsections, corresponding to the functional divisions in the repair shop. The structural model is identical in the part devoted to Audi-Volkswagen.

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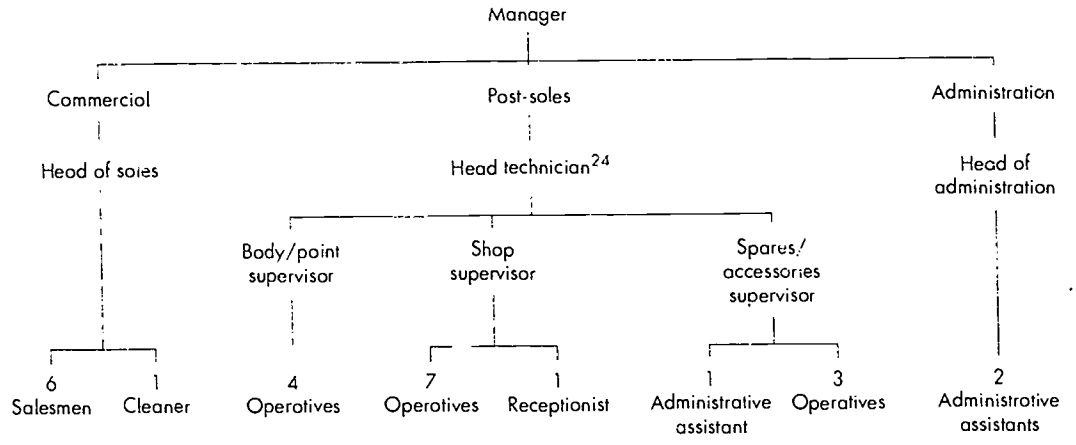
Table 45 – Organizational chart



2.3.2 Work organization and methods

The repair process is as follows. When a car is brought in, all the symptoms described by the customer are entered on a card. The receptionist then decides whether or not this information needs to be checked and enters a diagnosis.

The receptionist then hands over the vehicle to the shop supervisor, who performs the full diagnosis and assigns it to an available operative. If this operative has any doubts, he must consult either the shop supervisor or the head technician.[24]

Specialization, then, is not a vital consideration in this shop, where the tendency is rather towards versatility. Only in the case of more delicate repairs are jobs assigned specifically to workers who are considered specially skilled.

Upon completion, the repair is checked first on a diagnostic apparatus and then, if necessary, on the road. This is the receptionist's job.

If the repair is satisfactory, it is handed over to the cleaner, who cleans and prepares the vehicle for delivery; if not, it is returned to the repair shop.

An invoice is then made up detailing both the components that have gone into the repair and the hours worked, which is handed over to the customer along with the vehicle.

Any doubts the customer may have or any further information he may require is dealt with by the receptionist.

In the body and paint shop, the procedure is essentially the same with some differences.

Here, given that prices can vary widely, a previous estimate is given. This will always be approximate since it is not easy to arrive at an accurate estimation of the real damage – which may be concealed – without disassembling the vehicle.

An initial estimate of time is also required given that this may very widely due to infrastructural difficulties (there are only two gauges) or lack of spares – if there is hidden damage and the part is not in stock, it must be ordered from the manufacturer (requiring 3 to 4 days if the part is in stock and up to a week if it has to be made).

Once the bodywork is done, the vehicle is handed over for painting and then cleaning.

If the vehicle has suffered an impact that could affect it mechanically, it is tested, and only once it is found to be satisfactory is it passed through the rest of the procedure.

Like other Seat agents, Prades Motor has, on its own initiative, introduced a quality control system based on customer surveys. This is a questionnaire designed to record the degree of confidence and satisfaction that customers express in respect of the services for which they regularly come to the agent, and allows the firm to identify defects in the performance of areas or specific work stations.

Also in the line of attention to the customer, the repair shop recommends that after 1000 km the customer bring back the vehicle for a free check-up and repair (should there turn out to be a repair defect) of all the elements involved in the repair job.

2.4 Human resources

2.4.1 Evolution of number of workers

In November 1992, Prades Motor S.L. employed 32 persons on Seat services.

[24] The head technician deals with both makes (Seat and Audi-Volkswagen)

We lack data on evolution of workforce numbers because up till now there was no distinction between Seat and Audi-Volkswagen personnel.

It seems that any changes that there have been in workforce composition have consisted either of intake of young persons or of voluntary discharges, discharges for contractual or health reasons, retirement, etc. – but in no case redundancies. The firm has never resorted to this practice with its employees and does not consider it a practical option for the future.

2.4.2 Distribution by age groups and types of contract

Table 46

Age	Absolute nos.		Relative nos.	
	Agency	Repair shop	Agency	Repair shop
Under 25	5	3	15.6%	20.0%
from 26 to 40	9	2	28.1%	13.3%
from 41 to 55	16	8	50.0%	53.3%
over 55	2	2	6.3%	13.3%

Table 47 - Type of contract

Permanent	25	12	78.1%	80.0%
Fixed term	6	2	18.8%	13.3%
Training placement	1	1	3.1%	6.7%

In relative terms the repair shop workforce is older than the firm's overall workforce: 66.6% of repair shop workers are over 41 as compared to 56.3% for the agency as a whole. This reflects the seniority of the workers in the shop, and probably also the type of contract involved.

Nonetheless, if we look at the under-25 group we find that there a higher proportion of these in the repair shop (20% as compared to 15.6% overall), again reflecting the new recruitment strategies being employed. We shall discuss these further below.

Of the firm's 32 employees, 25 are on permanent contracts. This gives a proportion of 78.1% and confirms the stability of the workforce noted earlier. It is worth noting that where most fixed term working is found in the sales area; this probably has more to do with the peculiarities of the work than with age, given that, as we have seen, there is a higher proportion of young people in the repair shop than elsewhere in the firm.

The young person on training placement (in the repair shop) is the only one to work part-time: this is an essential condition of such placement as the student is supposed to gain practical experience on the job while still attending classes at his training centre.

On several occasions the firm has entered into training agreements of this kind with vocational training schools as a means to rejuvenate its workforce and to expand and improve training levels. The firm takes a very positive view of the results, and in fact two of the young people currently on the payroll first entered the firm on training placement.

Women (6 in all) make up 18.7% of the total workforce at Prades Motor. Of these, three are assigned to administrative tasks and the other three are saleswomen.

The entire workforce without exception has Spanish nationality.

2.4.3 Working conditions

Working hours and vacation periods are as established by the current provincial agreement for the metalworking sector.

Thus, the working week is 40 hours, the working day running from 9a.m. to 1p.m. and 4p.m. to 7p.m., except Fridays when the working day ends at 6.30p.m. Total annual hours are made up by working a rotating Saturday shift, which is used to do maintenance on the shop facilities and provide a fast service for minor repairs.

The commercial departments work Saturdays to meet public demand, but arrangements are made for an alternative day off mid-week.

Pay is scaled in accordance with a provincial collective agreement subscribed by the "Union of Motor Trade Employers of Vallés Oriental Granollers", which lays down gross basic pay plus a bonus for every day worked. On top of this there is an increment for seniority which accrues for every 5 years worked, and two extra payments per year.

Gross monthly pay as established by the agreement for the labour categories in the firm is as follows:

Tradesmen Cl. 1	Pta 71,310 + Pta 1,553 per day worked
Tradesmen Cl. 2	Pta 70,680 + Pta 2,356 per day worked
Tradesmen Cl. 3	Pta 69,810 + Pta 1,545 per day worked
Sales rep.	Pta 73,695 + Pta 1,571 per day worked
Secretary	Pta 70,377 + Pta 1,548 per day worked
Admin. asst. Cl. 2	Pta 72,192 + Pta 1,560 per day worked
Watchman	Pta 69,330 + Pta 1,564 per day worked
Driver	Pta 70,980 + Pta 1,570 per day worked

69

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On top of these rates there are various bonuses; in the case of the repair shop, this consists of a payment (Pta 400/hour) for all the time that an operative saves on a repair, given that all tasks are times according to a set of sector-wide tables.

In order to ensure that such incentives do not raise productivity at the expense of quality standards, there are quality control systems as noted earlier.

On the commercial side, on the other hand, bonuses are paid on the basis of numbers of cars sold: ie, sales people have a common basic rate of pay, but on top of this a bonus is paid for every vehicle sold above a given number.

Overtime working is not habitual, but when it arises, it is paid at the agreed rates.

On the whole, average pay (not counting bonuses) in this firm is higher than stipulated in the provincial agreement for the sector, in addition to which there are individualizing factors that give rise to substantial differences even between workers in the same official categories.

There are 30 days' vacation per year, during which time the firm closes down entirely.

2.4.4 Workers' training level

Twenty-seven of the workers at the firm (84.4%) have a background training level equivalent to primary education, while the other 5 (15.6%), two of whom are aged under 25, have a level equivalent to secondary education.

Such a distribution is logical bearing in mind the average age of the workers and the nature of the working systems formerly in use: until very recently, academic achievement was not considered necessary for work at a motor vehicle agency, and particularly not in the repair shop. Formerly, then, there were two basic criteria in personnel selection: experience and the ability to work fast.

However, in more recent years the tendency has been to recruit younger, better-trained persons in response to a changed set of requirements arising out of the introduction of new working techniques and methods.

Consequently, the primordial factor in selection is now training background – less for the fund of knowledge that this may represent (given that the firm has continuing training facilities) than for the capacity to assimilate that it presupposes.

In addition to training, other factors taken into account when recruiting are age and personal motivation, both of which can be important for better assimilation of information that is essential for adaptation to the transformations ushered in by new work processes.

With this end in view, for some time now Prades Motor has been instructing young people in the use of work systems and methods through training practice agreements with schools, from which they later select their recruits on the basis of their performance during the training period (once they have completed their military service).

Possibilities of internal promotion are poor given the scant room for manoeuvre that the firm's size and structure allows. Despite this, however, as the workers see it there is no direct connection between training levels attained and occupational category: rather, the latter is seen as obeying other factors, such as seniority or experience. The firm, nonetheless, takes the opposite view.

This recruitment strategy, which is intended to rejuvenate and improve the training level of the firm's workforce, helps make up for the deficiencies of the external labour market – consisting in the firm's view of a scarcity of skilled workers and poor management and organization in that connection.

3. Providers of continuing training

3.1 The firm's structure and strategy

Practically all the training received by Prades Motor is provided by the manufacturer, except on odd occasions when suppliers arrange courses on the fitting of accessories or on methods or materials used in body and paint work.

3.2 The manufacturer's training service

Seat has a long tradition in the domestic motor vehicle market; for many years it was a state-owned company enjoying a complete monopoly of motor-car manufacture in Spain.

Given its privileged position, the enterprise had no need of expansion plans since the demand for vehicles far outstripped production capacity. However, following the end of government subsidization, the business entered on a serious decline, which was further aggravated by the subsequent withdrawal of its capital stake by Fiat, which until then had supplied the technology.

In 1983 Seat commenced negotiations with Volkswagen, culminating with its absorption by the Volkswagen group in 1986, by which time it was beginning to emerge from its crisis situation.

The concern currently has 204 agents and 593 dealers, the former employing some 5000 persons and the latter around 3500.

In the post-sales area, there is a long tradition of training going back to the 1970s, which is when the school was set up. Commercial training, however, is of very recent introduction.

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in service and improving management of agencies. Post-sales training concentrates on grounding recent recruits, improving skill levels and updating of knowledge in line with requirements arising from technological innovation.

For the period 1991–1992 the manufacturer organized two parallel, mutually-complementary programmes: 1. An "Extraordinary Training Plan" aimed at raising workers' skill levels sufficiently to facilitate further assimilation; and 2. update courses on new products and work systems.

This "Extraordinary Training Plan" was made up of 5 modules, each subdivided into 3 or 4 courses aimed at specific occupational groups and involving essential knowledge connected with the tasks of: receptionist, mechanic, electrician, panel-beater, mechanic/electrician and painter. These courses lasted 5 days and took place in the area training centres.

There are no premises specifically devoted to commercial training. This takes place in hotels, where reservations are made in line with needs in order to make training more accessible to the network as a whole.

The courses offered in 1992 included the following: new Seat appointments; Sales Techniques; the Seat Toledo Product; and also courses on management, administration and brand culture.

Teaching methods are essentially similar. In both cases the techniques employed involve active student participation through simulation systems with analysis of their content and the practical activities they involve, although the practical element is much more marked in post-sales (in commercial training, students practise comparison of vehicles of different makes). The theoretical course materials used are also similar (transparencies, manuals, etc.).

Much of the teaching material used is handed over to the agents so that they can make use of it in peer training and whenever the occasion arises in the course of normal working.

In 1991, Seat's training costs came to Pta 599 million pesetas, covering infrastructure, instructors' pay and teaching material, while the agent paid for the rest.

4. The firm's training policy

4.1 In-house training plans

Traditionally, Prades Motor has always sent its workers on the training programmes provided by Seat.

The firm considers it essential to train its workers in view of the continuous introduction of innovations bringing constant change in work processes and systems and a consequent need for assimilation of new knowledge and practices. But the greatest need, according to the firm, is for new learning systems, as it is not a question of simply memorizing every technological process – which would be impossible in any case – but of introducing workers to the use of manuals and teaching materials, so that they have no difficulty in turning to them when circumstances, now and in the future, so dictate.

The historical development of training at this firm is inseparably linked to the training policy introduced by Seat. At the outset activities were centralized in a single permanent centre and as a result courses tended to be over-condensed in order to achieve a maximum return on the costs to participants of travel, accommodation and maintenance.

The manufacturer subsequently concluded that it would have to decentralize courses and break down the subjects in order to facilitate attendance by its agents' employees and to make the training more continuous and progressive, and hence more effective. Prades Motor consider that this is definitely the right decision, and that it will facilitate and boost continuing training in the network.

From the outset, then, the agent's training strategy has been organized and guided by the manufacturer in obedience to technological innovations in work processes (innovations determined by the manufacturer itself and introduced uniformly throughout the network) and to the commercial strategy that it has defined.

Therefore this agent has never seen any need to address any specific training requirements, as it considers that the manufacturer is perfectly aware of the needs of its network of agencies, which are all more or less the same in the opinion of Prades Motor.

However, although this may be true in a general way, it must be said that the firm is not satisfied with the training provided for its commercial personnel. In the manager's view, the courses offered in this area are inadequate (designed as they are for newly-recruited sales personnel) and ineffective, since they are not suited to the training needs that arise from changes in sales systems.

Clearly, then, the manufacturer's commercial training plan outlined earlier does not meet the training needs expressed by the agent. The reason for such a gap probably lies in the fact that the commercial training area is still in its infancy and in strategic changes in the maker's commercial policy addressing transformations occurring in the sector.

Seat does not have a training department as such and commercial training depends on the retail management, while post-sales training is run by the service marketing department.

The technical training area has one head and 16 technicians, while commercial training has one head and 5 technicians, besides specialized personnel who assist in the design and delivery of training in these areas.

Although Seat had already initiated major changes in its training policy, the arrival of Volkswagen brought fresh impulse to the process, reinforcing its structural position in terms of both budgeting and allocation of resources and priorities, with particular stress on commercial training.

The enterprise has two paramount strategic objectives: to offer maximum satisfaction to the customer, thus creating a positive brand image that will help consolidate and expand the current market share, and to ensure the profitability of the network and the services it provides. Training is essential to the achievement of both objectives, as it is through training that the barriers to this policy can be overcome.

The planning, design and methodology of training programmes takes place in the commercial and post-sales training areas, on the basis of the priority objectives noted above. Course preparation and content further take account of other objective indicators identified by surveys (conducted on the basis of questionnaires) involving not only prospective trainees but also brand customers.

It is further planned to shortly introduce a system of control for each agent, consisting of an area agent who will help bring the manufacturer closer to specific problems and needs, thus improving network profitability.

As a stimulus to training, in mid-1992 the manufacturer drew up a decentralization plan designed to bring training activities closer to the agent by dividing the national territory into 10 regions. These are so arranged that training is provided from their centres to local towns at a distance never greater than 100 km. This reduces additional costs involved in training activities while helping suit these to the specific needs of the area.

In this decentralization model, there is a zone instructor whose duty it is to report periodically on the qualitative performance in the region. Thus, the agent is not only required to achieve a quota of sales set by the manufacturer (and rewarded with an increase in share of profits) but must also meet the training specifications also set by the latter. These are determined in the final analysis by the level of customer satisfaction, failure to meet these results in a reduced share of profits.

The manufacturer organizes its training on four levels: 1. centralized training, where specific or institutional subject matter is imparted to chains of command and training personnel; 2. peer training, involving all the agent's employees and delivered through instructors; 3. residential training, targeting groups on the basis of their functions within the agency and organized and delivered by the manufacturer; and 4. distance training, oriented towards private study and run through a tutor system.

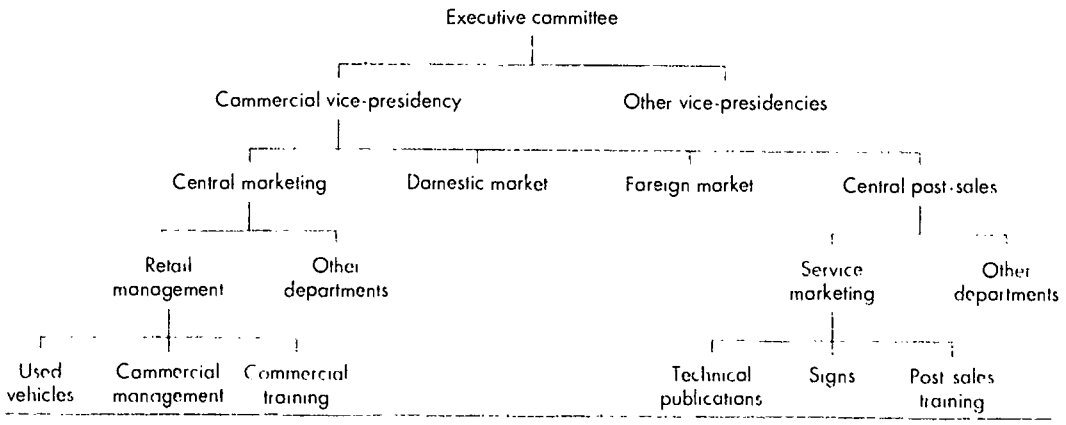
The drive to systematize the training on offer, thus enabling agents to plan their training activities sufficiently well in advance, together with decentralization, pave the way for greater participation in and better planning of such activities.

3.2.1 Training for agents

In the course of 1992, Seat ran 402 courses for a total of 3780 participants, 210 of them for post-sales and 192 for commercial personnel.

At the present moment, commercial training consists chiefly in learning to demonstrate the comparative technological advantages of the product, understanding the importance of quality

Table 48 – Organizational chart



So, although this firm has traditionally displayed an interest in training for its employees, the way it participates therein has tended to change with the manufacturer's training policy designs, particularly as the latter has made training easier and more accessible.

The manufacturer's training structure is directed towards two types: 1. individuals requiring greater and more specific expertise, whether because of their specific function within the agency or because they are designated instructors (the firm has the power to allocate this task to a person whom it considers suitable in the light of his qualifications or teaching ability); and 2. groups of employees with similar training interests arising out of specific posts, in which case the actual instruction is generally given by monitors (peer training), although on occasions courses are given at the manufacturer's centre (residential training). In the case of post-sales, such residential training normally takes place under extraordinary mass training schemes designed to eliminate basic shortcomings that could hinder or prevent proper assimilation of instruction vital for the operation of new work systems and methods.

This type of training is practically non-existent in sales and spares, and so only the heads of each area attend courses run by the manufacturer.

It is the area heads, then, or the persons designated for the task, who pass on the training that they receive from the manufacturer, except in sales where in the last two years only the head technician has given any courses, and that sporadically.

Peer training is delivered through a monitor, who enlists the other workers, informally and at times when their work load permits, except on special occasions (introduction of a new model, tool, etc.) when structured courses are organized for a large proportion of the workforce directly connected with the subject (in the repair shop these generally take place once a month and last about two hours). In sales and spares, such courses are organized as the operatives' needs dictate.

4.2 Trainees

Training is intended, by definition, for all the agent's employees, including management, for the training programme designed by the manufacturer encompasses every area existing in the agency and every job within each area.

Where training is directed at heads or instructors, the manufacturer calls directly on the persons in the posts concerned who are to attend a course, whereas when the target is a group of workers (residential or area training), the manufacturer states the approximate number of employees to attend the proposed training programme and it is the head technician and the head of the area concerned who decide who exactly is to go and what courses they are to attend, with a view to establishing vocational careers for employees.

Where peer training is concerned, all the employees in the area involved are potential beneficiaries, although the training reaches them in an irregular way: that is, they receive training at odd moments as outlined above, except in the event that for operational reasons a given section of the workforce requires an immediate update, in which case a course is arranged for compulsory attendance by all concerned.

We might add that to date the dealers have had no part in these training programmes, although Prades Motor has begun to draw up a plan for them, to be carried out on a peer-training basis.

Participation is compulsory, but this has never presented a problem, since the workers have always shown willingness to attend.

4.3 Training plans

Prades Motor's training scheme follows the guidelines set by the manufacturer. The firm has no plans of its own.

Because of the recent internal personnel reorganization, it is not possible to establish a historical pattern of training and we shall therefore confine ourselves to training data for the years 1991 and 1992.

During this period 28 people attended courses, mostly repair shop personnel. This averages out at about one course per worker, although this can only be taken as a rough guide since training contact has been very unevenly distributed among the workforce.

During 1991 and 1992 a total of 17 residential courses for spares and post-sales personnel were given in this firm through Seat's extraordinary training plan (corresponding to 5 training modules). In addition there were 2 courses introducing a new model, using the centralized training system. A total of 6 employees attended these courses (2 attended 4 courses, another 2 attended 3 courses and the remaining two attended 2 courses and one course respectively).
Over and above these, 9 peer-training courses were given. These were attended by 9 employees (4 from sales and the rest from post-sales).[25]

We have no record of any self-study courses with tutors (known as distance courses) being run during this period.

[25] This list does not include all the odd training given by the shop supervisor during slack periods of the working day

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The criteria for selection of personnel to attend courses are concerned with improving workers' skills and planning vocational careers for them where these do not exist or are in the process of consolidation, with due reference to the needs of the agency and likewise to a proper return on training investment[26].

The training schemes designed by the manufacturer are the model on which Prades Motor bases its monitor-run in-house training, since the objectives and strategy for implementation are defined by the manufacturer. The firm simply applies this model in accordance with its capacities and needs.

4.3.1 Participation of the social partners

The firm's labour relations are governed by the provincial agreement for the sector, but as this makes no provision in respect of continuing training, such training is defined to suit the strategic interests of the manufacturer at any time.

The workers have no part whatsoever in running the training process, as they do not even have a staff committee. There are three union representatives who occasionally act as intermediaries; internal disputes are not common, and where they do arise, they are normally settled on a personal basis between the individual worker and officials of the firm.

4.4 Training costs

Owing to the structural changes which this firm has undergone, it is not possible to map out the historical evolution of spending on training, and we shall therefore confine ourselves to the data for 1991 and 1992.

Spending on training over these two years amounted to Pta 368,000 (on travel, maintenance, registration fees, and accommodation in some cases), giving an annual average of Pta 184,000 and investment per worker and year of Pta 5,750. However, since all the employees to go on training courses outside the firm were from the repair shop, we may estimate annual spending on training per worker in this area at about Pta 9,642.

Peer training involves no additional cost since the monitors are company employees and the materials are supplied by the manufacturer. However, there is an indirect cost to be taken into account in terms of productivity, given that training takes place in working hours. The working hours invested in training in 1991[27] totalled 600, making roughly 18 hours per employee for the whole agency, but in reality 31 hours per post-sales worker, since in that year only post-sales personnel received such training.

The amount invested in training in 1991 as a proportion of gross aggregate pay (including overtime) was 0.3%.

5. Evaluation of approach to training

Prades Motor's training performance is adequate as far as the manufacturer's interests and strategy are concerned. However, the firm is now faced with a major challenge in that the split between the two brands has resulted in imbalance as regards the skills and training of the workers assigned to either brand; the basis finally adopted for selection was the relative technical and mechanical complexity of the different models, with the result that the better-qualified operatives were assigned to Audi-Volkswagen to the detriment of Seat.

In view of this, the firm is considering giving the workers on the Seat side a training boost in the near future in order to restore the balance in the training and skill levels of its human resources.

By and large, the firm's personnel appear satisfied with the training provided by the manufacturer, but there are two objections which should be taken into account: the courses are too general, which means that course content does not always suit the social/occupational profiles of participants (thus reducing return on investment), and the training directed at sales personnel is insufficient and inappropriate.

Both defects may be remedied if the manufacturer takes more stock of the peculiar conditions of each agency as a basis for detecting shortcomings and specific needs. In this connection the manufacturer's policy of decentralization will help close these gaps by facilitating closer monitoring of each agency.

5.1 Summary of workforce training record

(Table 48 – p. 75)

5.2 Best practice/normal practice

Important here is the "Extraordinary Training Scheme" that has been implemented at the

[26] It is worth noting the importance that this firm attaches to the factor of age. This is not simply because of the younger employees' greater receptiveness, but also takes into account the advantage to be expected from training persons who have a longer working life ahead of them and hence are likely to yield a return on the training received for a longer time.

[27] This calculation includes hours spent both on residential and peer training and on sporadic instruction given at odd hours in the shop.

Table 49 – The data below are for 62.5% of Prades Motor personnel, the largest group being repair shop workers.

Age	Position	Training	Seniority	No. of Courses	Hours
34	Tradesmon Cl. 3	Primary	20	4	20
52	Receptionist	Primary	3	3	15
50	Tradesman Cl. 1	Primary	25	4	29
48	Spares	Primary	20	1	10
45	Spares	Primary	25	1	12
44	Tradesmen Cl. 1	Primary	30	3	15
31	Secretary	Admin	16	–	–
50	Tradesman Cl. 3	Primary	2	–	–
22	Tradesman Cl. 3	FP2	3	–	–
40	Tradesman Cl. 1	Primary	6 months	–	–
35	Tradesman Cl. 3	Primary	21	–	–
41	Secretary	Admin.	20	–	–
61	Tradesman Cl. 1	Admin.	34	–	–
20	Tradesman Cl. 3	Primary Cert.	1	1	44
22	Skilled mechanic	FP 1	2	1	44

initiative of the manufacturer, for in order to meet the challenges arising from the introduction of new technologies, a prior theoretical/practical foundation is required which will assure proper assimilation and utilization of all subsequent training activities.

Decentralization is another positive aspect of Seat's training policy as it allows the latter to get closer to the specific problems and needs of individual agencies while at the same time helping to ensure that training takes place in better conditions (since courses can be made less condensed and thus better absorbed) and reaches a higher percentage of workers, by making it more easily accessible.

This decentralization, and a training structure that reaches the entirety of agency employees through diversified training systems, are two key factors underpinning what is in fact a systematic, permanent training model.

Among the types of training designed by Seat we should highlight distance training. This is a rather infrequent mode of training, consisting of self-study through a tutorial system, directed especially at the heads of each area of the agency (although in some cases it is used on groups of workers to impart general instruction about their working duties) with a view to structuring their careers.

5.3 Training demands

Training, particularly in the post-sales area, is increasingly aimed at providing workers with a solid grounding, as new work systems demand a far more analytical approach. Thus, in repair and diagnosis manual procedures have been giving way to mechanical in response to the growing complexity of both vehicle components and work systems arising from the introduction of new technologies.

This transformation in production systems is bringing about changes in the recruiting strategies of firms as they find themselves in need of better-qualified operatives. As a result, future manpower demand will increasingly target young persons with a good basic training background that equips them to assimilate reasonably easily the knowledge that they must have in order to meet the challenges arising out of new work systems and methods.

In the opinion of the person in charge of commercial training at Seat, continuing training must seek to train workers in those work methods and techniques that firms are compelled to introduce if they are to maintain and improve their competitive position, but following a multi-functional philosophy – in other words, one that will enable them to tackle a much wider range of functions.

5.3.1 Continuing training course content

The content of the courses given by Seat to the agent is designed essentially to impart technical and mechanical knowledge of vehicles and their component parts.

In addition, within the firm itself personnel have received instruction in sales techniques, management and administration (to equip them for decision-making).

During the period 1991-1992, as part of the extraordinary training scheme, courses were given on: locating and diagnosing faults; analyzing electrical and electronic circuits and injection

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systems; bodywork, panelbeating and paintwork; characteristics of the new Seat "Toledo" model; commercial management; sales techniques for the Seat "Toledo"; introductory courses in electricity and mechanics and techniques for management, administration and storage of spares and accessories.

Persons interviewed

- *At the firm*

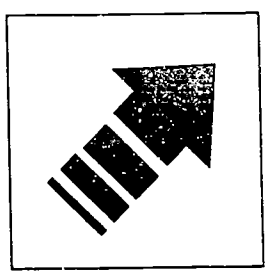
Manager
Head technician
1 union representative
2 workers

- *At the manufacturer*

Head of commercial training
Head of post-sales training

76

PART 3:



General conclusions

Appendix

GENERAL CONCLUSIONS

3.

1. Presentation of the case studies

Like all the rest of the firms in the sector, the four Spanish businesses chosen have been experiencing permanent innovation for some years now. This has given rise to much change and reorganization in order to sustain the ability to compete in an increasingly demanding market.

However, they have one common feature which is not shared by a great many firms in the sector, and that is that they are all linked, more or less closely, to vehicle manufacturers. As a result of this, their approach to the changes affecting the sector differs from that of independent firms. Three of the companies studied are agents and hence part of what is known as the "primary network" linked to the manufacturers. The other firm studied is classified as a dealer and comes into the secondary network. This sets it apart from the other three, in that this firm does not have the same commitments to training as do the agents.

In Spain, it has been the firms linked to manufacturers that have done most to include continuing training in their general plans and strategies. Most independent businesses have not yet begun to incorporate continuing training into their business policies, but they are becoming increasingly aware of the need to adapt to changing circumstances through training.

And yet the underlying strategies are not all that different: all seek to improve their employees' skills by one means or another. The education system has proved incapable of providing basic training of value to workers in this sector, while there is a need to devise a system within each firm to preserve what skills there are.

2. Planning and conception of training

In most of the cases studied, training is beginning to play a very important role, with a direct bearing on the company's general strategy. As the new technologies take hold, resulting in the constant introduction of innovations in new vehicle models over recent years, the firms in the sector are being forced into continuous adaptation at a far faster rate than has traditionally been the case.

Given the peculiar make-up of the sector, with a large number of small firms unconnected with any manufacturer and the bulk of its workforce poorly qualified and of high average age, adaptation to the innovations introduced by the vehicle-makers is no easy task. Many firms lack the resources to plan the necessary continuing training. In the cases studied here, systems have been devised to provide training, but in no case has this been the work of the company itself. It is the manufacturer to which they are linked that plans and organizes training, in which the firms studied participate to a greater or lesser degree. It is generally accepted that the manufacturer knows what the firm is likely to need and will provide the appropriate training. This is generally the case in technical training, but in none of the cases studied was any great satisfaction shown with commercial training.

In such training, a new basic planning objective in addition to adaptation to new technologies has recently been identified, and that is the attainment of a given level of quality. This is true of all the cases studied.

Given current circumstances in the sector, quality is now an essential factor as the altered nature of repair and sales activities increasingly turn the market into one of "service enterprises". Vehicle repairs as such are being superseded by maintenance, for parts are no longer mended but replaced. Sales techniques are becoming more aggressive, and the intensity of competition is now such that firms are permanently on the look-out for new custom; to attract this they have to offer quality.

The quality tune is called primordially by the manufacturers, and it is up to the companies in the sector to maintain quality standards in post-sales services. This is why it is increasingly important to have proper continuing training.

A systematic analysis of training needs is only feasible in one of the cases studied, despite the fact that the manufacturers are giving signs of moving increasingly towards effective control over available skilling potential. In two of the cases studied, one skilled person normally attends training courses then passes on what he has learned to the rest of the workforce, according to requirements. On the whole, training acquisition is not yet as systematic as it should be if there is to be any real coordination between firms' general policy and their training policy.

Practically no participation by workers or their representatives has been observed in the making of decisions about training. Workers' organizations are poorly represented. This is because the sector is composed of numerous small firms, in which there is no place for staff committees or union representatives.

Given the structure of the sector, we may distinguish between firms linked to manufacturers and independent firms. The former are obliged to make training an essential part of their operations, otherwise they risk losing their authorized status with the manufacturer. All the cases studied here are of this type. The independent firms, on the other hand, normally have less training and in a less systematic manner, resorting to it when immediate circumstances so dictate.

The planning and conception of training in the cases studied suggests that these firms are going through a transitional phase. They are moving from a functional model in which training barely

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existed or was viewed simply as a catalogue of tasks to be performed, to a systematic concept in which continuous updating is seen as essential to survival in the sector. At present this need is being perceived, but by and large sufficiently effective means of addressing it in practical terms have not yet been introduced.

3. Target trainees

In the case studies, the ultimate targets of training were the entire workforce, including management and excepting only those whose tasks are not specific to the sector as such (basically administrative personnel).

Basic training is not widely provided. Recruits generally come with previous experience, or alternatively they learn the trade on the job. In principle, new workers entering the sector now are supposed to have acquired the necessary grounding through regulated vocational training. But this is not so in practice, as the substance of this training is neither suitable nor up to date, so that employers prefer to take on personnel with accredited experience rather than people direct from the education system.

This mode of recruiting workers could bring adverse consequences in the near future, as it bars new people from coming into the sector, and thus it will become increasingly difficult to find good tradesmen. Demand for tradesmen will outstrip supply; eventually only the firms with the highest purchasing power will be able to afford them and firms of slender means will be unable to compete. This situation is already beginning to arise, and one can now hear employers talk about "snapping up" good tradesmen.

The standard worker profile for the sector is evolving from the traditional jack-of-all-trades in the old-style repair shop with skills acquired through experience, towards an ideal type that will prevail in the near future: possessing a solid grounding that lends him some degree of versatility, plus a specialized skill in some specific activity which is continually updated to keep abreast of constant technological change.

Technical training is the kind that is most widely given in the sector, particularly training in electromechanics. On the other hand, the training of panelbeaters and painters provided by both vehicle manufacturers and public authorities is much less comprehensive in spite of the growing importance of these activities for the repair shops.

In none of the case studies were the personnel in spares and accessories or stores particularly well provided for as regards training.

Sales personnel also receive training, on commercial subjects and on the characteristics of the various vehicle models sold by the parent manufacturer and its competitors. Most training is provided by the manufacturer. As a rule, sales people have a better training background than repair shop personnel.

In the cases studied here. managerial staff receive training chiefly from the manufacturer. In firms not connected with any manufacturer, managerial staff have very little training, a fact that is producing adverse affects now that crucial decisions need to be made to adapt firms to the dynamics of permanent change.

4. Content, methods and organization

Training in the cases considered here is organized from outside the firm, through its link with a vehicle manufacturer. It is the latter who design and organize training through their sales, post-sales, organization and like departments. In two cases, there is a person within the firm – normally the shop supervisor – who organizes the relaying of the instruction provided by the manufacturer to the rest of the workforce.

Some institutions, such as repairers' associations, INEM, vehicle distributors' associations and so on, also run programmes of technical, commercial and management training. It is here that the independent firms come for most of the instruction that they require, and manufacturer-authorized firms also use such services to acquire training not provided by the parent company. This is particularly true of management training. In any event, the supply of training is not well suited to the sector's needs.

Frequently, continuing training within a concern is organized as "peer training", a system in which one employee, generally the shop supervisor or someone fairly highly qualified, attends courses and subsequently passes on what he has learned to the rest of the workforce. This cuts down the firm's training costs both direct (registration fees, travel, etc.) and indirect (loss of working hours). As noted, this system is followed in two of the case studies.

Training content is determined largely by the manufacturers, both of vehicles and parts, since they are the ones with the capacity to research and develop new technologies and must also provide proper instruction for the use and care of the products that they introduce to the sector. These manufacturers, then, offer training courses, which the firms in the sector choose according to their needs or interests.

Content is generally fairly specialized and specific, as a result of which courses are frequently offered in serial form, so that to attend a course one must have attended the ones that went before

Teaching methodology, particularly in technical training courses, is undergoing some qualitative

change with the introduction of new teaching aids such as video, computer simulation and so on. As a rule, courses contain a theoretical part but are largely practical. They take place on premises equipped with space for practice, and student numbers are kept small to try and make learning as personalized as possible.

5. Cost and financing

In all four case studies, training costs are partially defrayed by the firm. The manufacturer generally covers the costs of course organization, while the subordinate firms are required to pay travel, accommodation and other such expenses, and in some cases a course fee (either in part or in full).

By and large we may say that all the firms studied have increased their investment in training over the last few years; however, the amount is still very small in relation to the firms' overall turnover and workforce size.

The smaller firms say that they cannot invest more in training as this would eat away the profit margin that they need to survive. Moreover, the mere fact of sending workers on courses involves loss for them through diminished productivity while these workers are absent from their posts. Many companies do not look on training as a medium or long-term investment.

There is a call from within the sector to the public authorities to take a more active part in encouraging training activities, either directly (organizing them) or indirectly (through tax incentives, subsidies, etc.).

Community funds are presently being channelled towards training through institutions cooperating with the INEM and providing what is known as occupational training, and courses are given on activities belonging to this sector.

None of the businesses considered here receive training of this kind. However, the manufacturers that supply training do normally receive public subsidies for the performance of training activities.

APPENDIX

3. Comments received from the social partners at the meeting to assess the report on the sector

Confederación Española de Talleres de Reparaciones de Automóviles y Afines (CETRAA)

- As we already pointed out at the last meeting, the survey sample does not reflect the situation for most of the market and personnel in the motor vehicle repair sector.

- The report itself states that 20% of firms, employing 35% of total manpower for the sector, are connected with a manufacturer, and yet only this section has been studied, ignoring 80% of the firms and 65% of the manpower.

- One of the first conclusions is highly debatable: it states that fragmentation is a consequence of the high age of vehicles. On what is this conclusion based?

  It seems to us far more logical to seek its origins in the very distribution of Spain's population, its territorial extension, the low ratio of vehicles to inhabitants and competitiveness in repair prices – the bigger the repair shop, the more expensive it is.

  The reason for this is quite simple: the investment that authorized firms are forced to make by the manufacturers, for there is no great difference in pay between independent and authorized shops.

- Note the difference between the case of the Renault dealer, with his costs and the ratio of investment in training to turnover, and all the others surveyed.

- There are errors in the replies: it is not possible that the Valladolid shop pays its workers *half* what the Castellón shop does; a simple check of prices per hour (not done) would have shown the true situation.

- Reference is made in passing to the part played in training by Employers' Associations (vehicle repair firms), the only collective bodies displaying any kind of concern for training. If these initiatives are ignored (which is largely the case to date), a good source of stimulus for training will be lost.

- In our view, the part of the survey which describes the functioning and structure of motor vehicle manufacturers is superfluous, since it has little to do with the bulk of the sector

- We should point out that the experience demanded of new recruits is being supplied through training placement of vocational training students, fostered by employers' associations and education departments in the Autonomous Communities. A good example is Barcelona, where there are 1600 students of FP2 level on placement every academic year.

- Finally, we should qualify the statement that the training available is not sufficiently suited to the needs of the sector. The training available is not sufficient to meet the volume of demand, and this is so *because of the lack of stimuli* to workers and employers to attend courses; but the substance of the courses *is* suited to the needs of the sector as regards modernization of technology and modes of dealing with the authorities and customers (users).

Teneo S.A.

Asst. Director of the Office for Human Resources and Training Management

- In my view, the authors have done a good job of description and analysis, and the final results satisfy the chief object of the exercise, which was to present the situation of the sector at the present moment. However, it would be helpful if the survey were prefaced by an introduction clarifying its objectives.
- While accepting the limits of the European survey, one would still like to see global suggestions for strategies aimed at solving the problems besetting the sector at this time and hinted at in this survey.
- In as much as the survey is concerned with training practices in the sector, it would be interesting to inquire into the orientation of new skills and the trends in training needs.
- In my opinion, a major campaign ought to be mounted to bring the results of the survey to the attention of Spanish employers in the sector, in order to make them aware of the present and future situation as regards the competitive thrust and demands of the market. This would help raise awareness among employers of the urgent need for continuing training. However, I understand that such a campaign is indeed planned for stages subsequent to this survey and beyond.
- Finally, the results of this analysis prompt me to wonder whether there is any sense in the existence of independent repair shops. In this connection, I believe that the appropriate strategy will depend on the results emerging from the surveys in other European countries where this kind of firm has been taken into account.

Representative of IVECO-PEGASO

1. General aspects

I believe that a measurement of the importance of this sector ought to be based less on annual turnover and more on the number of vehicles (both

private cars and industrial vehicles) on the road. This, in conjunction with annual growth in turnover, may provide a more accurate estimate of the dimensions of the sector and its probable future growth.

And to these figures we ought logically to add the large number of vehicles entering Spain temporarily every year either for the purposes of tourism or business.

To gain a clear idea of the importance of the sector we might look at the latest vehicle figures, which give a total of some 14 million private cars and about 3 million industrial vehicles. If we add to these the foreign vehicles visiting every year, we have a total pool of not less than 20 million vehicles requiring the services of this sector, to which we may also add the small increment corresponding to sales minus scrapped vehicles.

2. Market share

In this section the authors' own figures are not valid, unless they are obtained directly from all the manufacturers. This is not easy, and the proper procedure here is to use the data available from ANFAC, ANIACAN or the DGT. These are the figures that ought to be quoted and not the authors' own.

3. Agents

These figures ought to be re-examined, as I believe that they do not give the proper dimensions of this sector. For example, IVECO-PEGASO has 120 agents and 225 authorized repair shops. To give an idea of the scale of rectification required, we should point out that apart from IVECO-PEGASO, the number of agents and authorized repair shops of all the other industrial vehicle makers together (Volvo, Scania, Mercedes, DAF, Renault, etc.) is slightly higher than that of IVECO-PEGASO.

4. Approach to the survey

The survey suffers from a limitation in that it covers only one part of the sector, albeit the best equipped part (going on the sample shown) and also that which devotes most resources to training and information. It is equally true that the planning and back-up for their training schemes comes more from the manufacturers than from other organizations or official bodies.

As I see it, this makes the survey incomplete in so far as it ignores the broad run of repair shops which are smaller in size, structure and resources than those considered here.

In our view, this situation should be addressed through two kinds of action:

In the first place, this survey should be prefaced by a few additional pages explaining the dimensions and scope of the FORCE project referred to. The same can be said about the European survey as a whole.

In the second place, I feel that it would be useful if the repair shop areas not mentioned or provided for in the FORCE programme were included in the continuing training programme.

5. Conclusion

I believe that this is an interesting study on the basis of which it would be useful to identify further objectives and actions which although not included are worth taking into consideration. The FORCE programme could be a good opportunity for this.

CEDEFOP – European Centre for the Development of Vocational Training

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(FORCE programme)

Jose Luis Esplugues, Marisa Méndez-Vigo, Christina Prat

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