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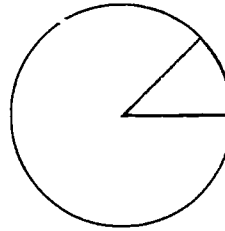
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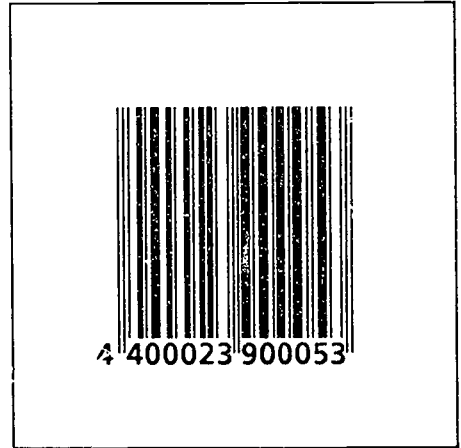
ABSTRACT

An international team of researchers studied the following aspects of training in Italy's retail sector: structure and characteristics, institutional and social context, employment and labor, changing conditions and their implications for skill requirements, and training and recruitment. Data were collected from an analysis of social and labor/employment statistics, literature review, and case studies of six retailers. Most were large distribution chains; however, two represented cooperative/consortial organizations. At all the companies studied, training was regarded as a vital contributor to firm development. Strategic planning/design of training was particularly advanced and well established at the major large-scale distribution firms, where planning involved all levels of staff through "improvement groups." Training was no longer reserved nearly exclusively for managerial staff but had instead begun to involve all staff regardless of type or work done or hours worked. Training was used to develop job skills and also to transmit company aims and values to staff. It was generally conducted in the workplace, and each firm had training department/divisions responsible for training. Cost-benefit analyses have favored continuation/expansion of training. Training was sometimes partially funded through the European Social Fund and incentives under trainee contracts. (Contains 39 tables/figures and 31 references.) (MN)



ITALY
REPORT

RETAIL SECTOR



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TASK FORCE — Human Resources, Education, Training and Youth

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RETAIL SECTOR

TRAINING IN THE RETAIL TRADE IN ITALY

REPORT FOR THE FORCE PROGRAMME

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FORCE

Formation continue en Europe
Commission of the European Communities
TASK FORCE
Human Resources, Education, Training and Youth
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European Centre for the Development of Vocational Training
Jean Monnet House, Bundesallee 22, D-10717 Berlin

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

The Central team was composed of Olivier Bertrand (Cereq, Paris), Oriol Homs (CIREM, Barcelona), Wilfried Kruse (S.F.S. Dortmund), Marisa Mendez-Vigo (CIREM, Barcelona) and Harry van den Tillart (ITS, Nijmegen), in close collaboration with Tina Bertzeletou from CEDEFOP, Berlin.

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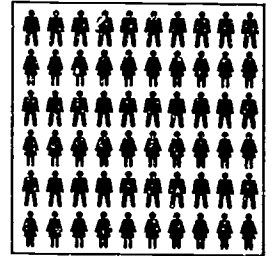
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PART 1:

EMPLOYMENT, WORK AND TRAINING IN ITALIAN RETAILING



- 1. Definition and limits of the sector**
- 2. Structure and characteristics of retailing**
- 3. The social and institutional context**
- 4. Employment and labour**
- 5. Changing conditions and their implications for skill requirements and training**
- 6. Training and recruitment**
- 7. Conclusions**

EMPLOYMENT, WORK AND TRAINING IN ITALIAN RETAILING

1. Definition and limits of the sector

In Italy, retail trade can be defined as the activity exercised by whoever professionally buys goods in his own name and for his own account and resells them directly to the end user at a fixed location or by another means of distribution.

As regards the European classification of industries, the Italian definition of the retail trade, according to the Ministry of Industry, Trade and Handicraft, excludes bakeries and confectioneries but includes the sale of cars, motorcycles and watercrafts as well as petrol stations.

Moreover ISTAT (the Central Institute of Statistics), which is the official source of statistic data regarding the workforce, places trade employees into a wider category of trade, hotels, catering and entertainment. The latter term includes the following categories: bars, cafes, restaurants, dancing halls and bathing establishments.

2. Structure and characteristics of retailing

2.1 Historical development of the retail trade sector

At the end of World War II, the Italian distribution system found itself in the midst of very serious problems which had to be solved. In those years, in fact, the division of the country and the crisis in the transport system had crippled commercial exchanges within regions and between North and South, favouring the proliferation of the black market.

Moreover, the war had caused a drop in per capita consumption and forced a concentration of this consumption mainly on indispensable goods such as food, while the indicators of social affluence, such as private means of transport, communication instruments and so-called unnecessary expenses, almost did not exist.

The distribution system was composed almost exclusively of small-scale traditional shops, with only limited cases of dependent work (16% of total employment).

Economic policies in the 50s concentrated on the development of the industrial sector, withdrawing resources from economic activities which would have focused on the domestic market.

It was a strategy which left no space to the commercial sector, giving it merely the role of a potential occupational refuge.

A considerable development of the tertiary market started in the 60s, the years of the so-called "economic miracle".

The comprehensive improvement which then took place in the Italian economic system created space for increases in consumption of food as well as non-food products.

The conditions which were then created favoured a change in the distribution system, bringing it on a par with systems in other European countries.

However, the favourable economic trend was not enough to create an evolutive dynamic process. The enormous potential for profit, represented by the boom in demand for trade services, was utilized

prevalently to multiply and degrade the old distribution forms, leading to excess capacity and pulverization.

In spite of this negative tendency, this very period and the whole of the 70s witnessed development dynamics which unfolded differently both in the food sector versus the non-food sector and in the North versus the South of Italy.

In fact, especially in the northern regions, greater numbers of large-scale firms opened, often through the conversion of "traditional" operators.

The structures and the organized retail trade forms underwent further diversification, as shown by the spread of hypermarkets, discount stores, shopping centres and mail-order firms.

But it is above all with the beginning of the 80s that economical, social and traditional factors created conditions leading to a real "revolution" in the Italian distribution system.

The appearance of new models of consumption, from body-building to electronic music, from the "do-it-yourself" trend to the health movement, an increase in cultural levels and a growing need for self-assertion have made consumers harder to please and also more selective when it comes to satisfying their own needs.

Consequently trade has changed from a system focusing on quantity and standardization to one based on quality and specialization.

If these changes have favoured, on the one hand, small-scale initiatives through the establishment of shops specialized in products and services, they have also reinforced the large-scale retailers through the creation of new organizational and management models.

Besides the opening of new branches of large-scale retailers, we are currently witnessing an increase in franchising formulas, in forms of cooperation and association, both horizontally (purchase groups) as well as vertically (voluntary chains).

Other factors affecting the development of large-scale retailing are:

- the introduction of new technologies
- the introduction of modern marketing policies
- the offer of an ever growing variety of services (accessibility, range, customer services)
- the specialization tendency, both in hypermarkets with single sale units for specialized products (store-within-store), and in big specialized stores such as DIYs (do-it-yourself) and garden centres
- the sale of brand-name products in competition with non-brand-name products.

In conclusion we can affirm that commerce in Italy today has made remarkable progress in closing in on the tendencies seen in other European countries, even if it is still on a shaky entrepreneurial level and exhibits a strong dualism between North and South.

2.2 Official definitions of retail trade classifications

The official definitions of retail trade classifications in Italy have been agreed upon by a study team of

1.

the Ministry of Industry, Trade and Handicraft with the participation of regional experts, ISTAT, sectoral associations and research institutes.

"Grande Magazzino" (department store):

Retailing shop operating in the non-food sector with a sales area of more than 400 m² and at least 5 distinct departments (besides an optional associated food department), each selling articles belonging to different marketable goods sectors, especially of large-scale consumption.

"Supermercato" (supermarket):

Retailing shop operating in the food sector (autonomous or as a division of a department store) organized mostly as a self-service unit with payment at the exit and with a sales area of more than 400 m² offering a broad range of ready-made products of large-scale consumption as well as some non-food products for every-day domestic use.

"Ipmercato" (hypermarket):

Retailing shop organized as a self-service unit with payment at the exit. The shop, which is designed and set up as a building used only for commerce, offers a vast range of food and non-food products on a sales area of at least 2,500 m² on one single floor. Normally situated in suburban areas, it must have adequate parking facilities.

"Impresa a succursali" (branch organization):

Firm controlling six or more local operative units (shops) from a legal, functional and organizational point of view. These local units carry out retailing or supply services to the public.

"Centro commerciale al dettaglio" (retail shopping centre):

Complex of at least ten retailing shops having at its disposal an adequate level of infrastructure, services and parking, possibly situated in historical town and city centres. Structures designed, promoted, set up and managed according to uniform criteria, in which 40% of the area is set aside for traditional and specialized shops. The centre should also be integrated to activities related to commerce, (for example; bars, restaurants, banks, post offices, business agencies) and perhaps "extra commercial" activities (for example theatres, cinemas, conference halls), also with the purpose of attracting customers.

"Unione volontaria" (voluntary chain):

Form of vertical integration regulated by a statute and made clearer by a common brand name between one or more wholesalers and retailers and/or catering and entertainment establishments which, while maintaining their own legal and patrimonial autonomy, enter into operative agreements with the aims of organizing purchases and some services in order to promote sales and improve production for the individual member firms.

"Gruppo di acquisto" (purchase group):

Association between wholesalers only or between retailers and/or catering and entertainment establishments (belonging to one or more specific marketable goods sectors), with the aims of jointly realizing purchases and sales services, but with each

associate maintaining his own legal and patrimonial autonomy.

2.3 Corporate structure

From the up-to-date table of the Italian distribution sector in general (Chart 1), we see that retail trade (including street-trading) represents the greater part of a total of 1,656,698 firms, namely 982,843 firms or 59% of the total.

Italian retail trade therefore appears to be composed of a high proportion of small-scale firms, which is confirmed by the legal status of the firms (Chart 2) and by the occupational structure (see chapter 4). There are more individual firms than corporations or partnerships.

Chart 1 - The Italian distribution system on 1.1.1991

<i>Wholesale and intermediaries in trade</i>	
• Food wholesalers	36,963
• Non-food wholesalers	89,720
• Intermediaries in trade	284,243
• Hire	8,140
• Cash and Carry	297
<i>Retail trade / catering and entertainment</i>	
• Food retailer in a permanent shop	301,528
• Non-food retailer in a permanent shop	572,320
• Food street trade	35,674
• Non-food street trade	73,321
• Hotels, catering and entertainment	254,492
It is possible to distinguish the following inside the retail trade:	
<i>Large-scale retailing</i>	
• Department stores	942
• Supermarkets (food)	3,399
• Hypermarkets	70
<i>Associated trade</i>	
• Food retailer associates	33,061
• Non-food retailer associates	6,251
• Catering and entertainment associates	2,826

Source: Ministry of Industry, Trade and Handicraft

It is also interesting to note how modern distribution belongs above all to integrated, associated or co-operative forms of trade.

This phenomenon is the result of a rationalizing process in the sector: while large-scale retailing advances, the small-scale sector is changing from small independent firms becoming firms associated to voluntary chains, purchase groups and cooperations. Therefore, the market shares in the large-scale consumption sector are shifting from independent trade to associated trade, even at the disadvantage of the large-scale retailers (Chart 3).

Chart 2 - Legal form of trade enterprises according to economic activity in 1990 - in %

Sector	Corparations	Partnerships	One-man businesses
Wholesale trade	46.9	22.8	5.5
Intermediaries in trade	10.9	6.5	17.5
Retail trade	27.4	42.0	56.4
Catering and entertainment	9.6	17.9	11.1
Repair services	2.2	10.8	9.5
Total	100.0	100.0	100.0

Source: Prepared by Instituta G. Tagliacarne on the basis of CERVED data

Chart 3 - Market shares held by major groups from 1981 to 1988 - in %

	1981	1988
Voluntary chains	16	26
Purchase groups	5	14
Ca-aps	9	9
Large-scale retailers	23	18
Independent retailers	47	33
Total	100	100

Source: Prepared by Instituta G. Tagliacarne on the basis of CERVED data

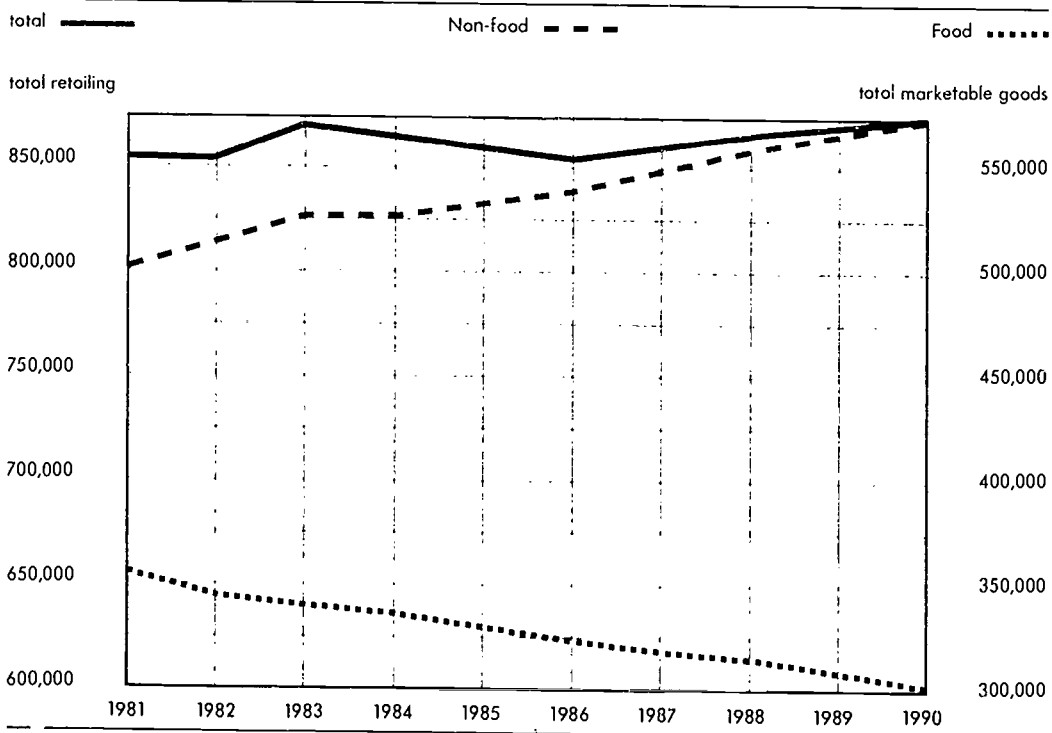
The non-food sector - on the one hand - has absorbed the conversion of some food shops and - on the other hand - is the manifestation of the qualitative development in the sale of consumer goods. The specialization of several non-food shops corresponds to the needs of a market serving a new type of consumer.

Nowadays, the consumer is more informed and harder to please, so when he wants to buy something he also prefers to buy the service offered together with the product. This could be a product consultancy service or a service regarding payment modalities, and this is easier to find in specialized shops.

If we divide the retail trade into sectors according to categories of marketable goods, we note a reduction in the number of shops in the food sector and an increase of shops in the non-food sector (Charts 4 and 5), a phenomenon linked to the concentration process we have already mentioned regarding the food sector.

The development of large-scale retailing in Italy has taken place above all in the food sector (Chart 6), where it represents 24.6% of national retailing figures, while the non-food sector covers only 3.2% of the entire sector.

Chart 4 - Quantity of permanent retailing shops according to marketable goods sectors



In the non-food sector, the growth of large-scale enterprises is relatively low in the food sector, owing above all to the evolution of consumer demand. This demand is to the advantage of both the quality factor, offered by traditional specialist shops, as well as the convenience factor offered by modern alternatives such as discount and cash and carry.

This is confirmed by the estimates on the turnover of large selling units, where the growth trend in the non-food sector is very low even when taking into consideration that the non-food sector includes not only figures for big department stores and discounts, but also for the non-food departments of hypermarkets and supermarkets (Chart 7).

Chart 5 - Retailing shops: absolute and per cent figures according to marketable goods sectors

<i>Permanent retailing</i>		
• Foodstuffs, beverages and tobacco	301,528	30.68
• Fabrics and clothing	171,552	17.45
• Furniture, furnishings, household equipment and materials	133,362	13.57
• Motor vehicles, motorcycles and watercrafts distributors of fuel and lubricants	67,851	6.90
• Pharmaceutical products, sanitary equipment, paint, cosmetics, soap and cleansing products	45,924	4.67
• Office furniture, machines and appliances, bookshops, newspapers and magazines	45,590	4.64
• Others and department stores	108,041	10.99
<i>Total non-food</i>	572,320	58.25
<i>Total permanent retailing</i>	873,848	88.91
<i>Street-trade retailing</i>		
• Food	35,674	3.63
• Non-food	73,321	7.46
<i>Total street trade</i>	108,995	11.09
<i>Overall total</i>	982,843	100.00

Source: Ministry of Industry, Trade and Handicraft

Chart 6 - National distribution of permanent retailing; 31.12.1990

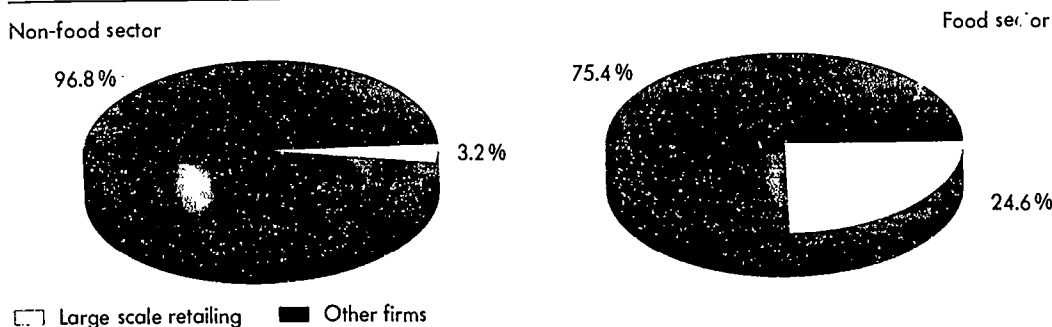


Chart 7 - Estimates of turnover in large sales units

Year	Food	Non-food	Total
	billion lire	billion lire	billion lire
1980	4,810.4	3,134.0	7,944.4
1981	6,168.0	3,708.0	9,876.0
1982	7,823.8	4,246.0	12,069.8
1983	10,175.6	4,696.3	14,871.9
1984	12,238.8	5,845.7	18,084.5
1985	14,474.1	6,496.3	20,970.4
1986	16,302.4	7,243.9	23,546.3
1987	19,105.5	8,549.3	27,654.8
1988	22,719.1	9,563.0	32,275.1
1989	27,684.8	11,958.5	39,643.3
1990	33,247.3	13,946.2	47,193.5

In Italy there could be a reversal of this tendency for firms belonging to large financial groups. For example the case of "Standa", which was purchased by the Fininvest Group (radio-TV), could become an innovative model for connections with the world of mass media.

With regard to large-scale non-food retailing, we can also mention mail-order firms, which in Italy do not yet play as important a role as in other European countries. This is due to the mentality of the Italian consumer, who is used to checking the goods before buying them, as well as to the inefficiency of postal services.

Growth in the food-sector of large-scale businesses also depends on a number of socio-cultural factors:

- food indeed continues to play a special role in the habits of the Italian people;
- the increase in female employment has favoured the development of supermarkets and hypermarkets which allow women to save time and to buy from a wider range at lower prices;
- finally, the establishment of specialized food shops within large-scale shops (store-within-store) favours large selling units in contrast to the traditional smaller stores.

In general large-scale retailing in Italy represents a sector in gradual but constant development thanks to, above all, the utilization of methods leading to considerable savings, which together with technological innovations, keep up price competition (Chart 8).

The reasons for the limited growth in large-scale retailing in comparison with other European countries are the persistence of regulations and the geographic and economic situation of the country. Italy, which has 8,097 municipalities, shows territorial characteristics which make the development of large-scale distribution forms difficult.

The gradual transformation process towards forms of large-scale distribution is therefore not likely to lead to a complete deterioration of traditional small-scale retailing.

Decentralization of residential areas and the existence of numerous tourist areas will allow the survival and the continued development of small commercial firms.

The merits of the various forms of distribution have been the subject of much discussion in Italy. There is a growing conviction that the fragmentation of retail trade can no longer be considered a sign of backwardness: for the past 20 years a gradual stabilization has taken place in the relationship between small-scale and large-scale distribution, with a progressive reduction of small food stores and, at the same time, the growth of organized trading.

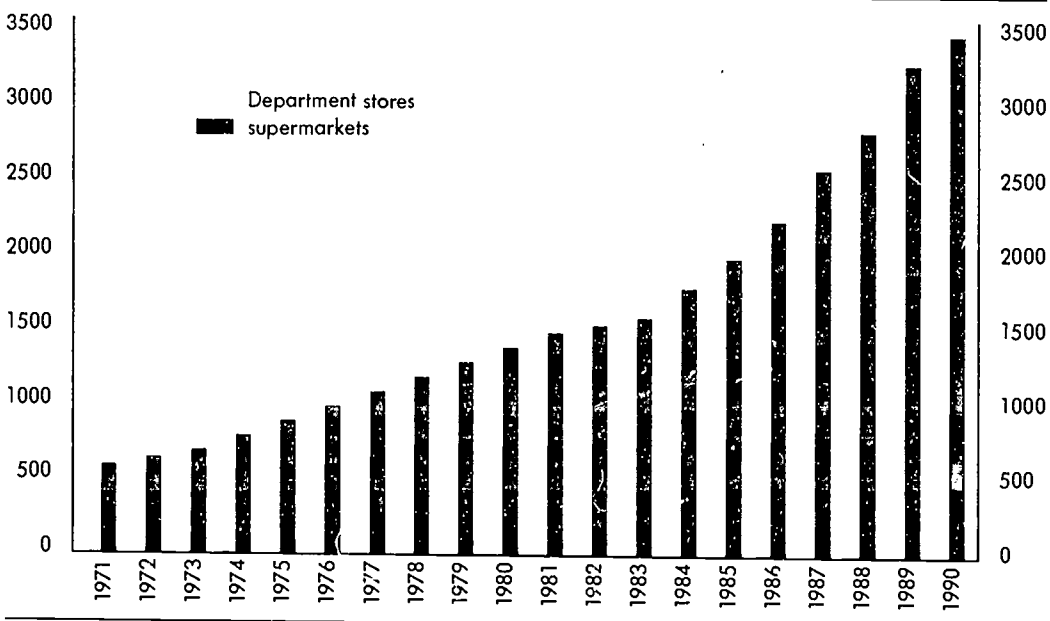
In the non-food sector, on the other hand, the trend is in the opposite direction: specialized stores are increasing while there is a slump in large-scale distribution.

On the whole, the "survival" of traditional retailing achieved by adopting increasingly specialized forms - the "explosion" of franchising is an example - shows the stability of the Italian distribution model. It can therefore be said that an "Italian approach" to the development of the retail distribution system, characterized by a high level of adaptability and flexibility, has gradually emerged and established itself.

This approach leaves room and scope for both large and small businesses, both from the point of view of economic efficiency and quality of service.

At the same time, this particular situation does create problems and prospects that need to be taken into account in vocational training.

Chart 8 - Development of large-scale retailing (number of firms)



Legislation applicable to this field has certainly influenced the stability of the distribution model and contributed to its development.

There is certainly no doubt that the extreme rigidity and restrictiveness of regulations encouraged the fragmentation of the sector while, at the same time, discouraging competition from large European firms.

The slow but inevitable alignment of Italian legislation with the European system, also called for by Community directives, will bring about a reversal of trend.

The presence of European large-scale distribution, which is already fairly widespread in the north of Italy, will continue to increase and presumably change the balance.

However, in view of the Single European Market, small and medium-sized trade firms will have to choose more advanced forms of entrepreneurial management if they wish to be competitive.

In this new context firms will have to be given technical assistance, help and advice instead of financial help only (even if trade has never got the same attention as the industrial and agricultural sectors). Besides intensification of information and professional and managerial training, small and medium-sized firms will be able to change thanks to technical assistance measures offered to the management. The most important means in order to realize such competitive strategies, which small and medium-sized firms have already started to use, are the following:

- the transformation to intermediate structures between supermarkets and traditional shops, such as "Superettes";
- the insertion of retail outlets in the macrostructure of retail shopping centres;
- the consolidation of retail outlets both through membership in a purchase group or a voluntary chain and through franchising agreements.

While associated trade is more prevalent in the food sector, franchising is much more developed in the non-food sector.

The franchising formula is enjoying considerable success in Italy and it is steadily increasing: according to a recent investigation, at the beginning of 1991 there were 253 franchisor companies and 12,000 franchisees, with distribution making up 77% of this figure.

In comparison with January 1989, the total number of franchisors had increased by more than 20%, and that of the franchisees by just under 19% (Chart 9).

Another example of the advantageous opportunities offered by franchising comes from the fact that this formula is now widely used by the large-scale retailers as well (e.g. Upim and Standa), the objective being low-risk expansion of their own market share in new areas.

Chart 9 - Number of franchisees according to activity sector Data 1 January 1991

Other specialized commerce	1,500	12.5%
Household articles	600	5%
Personal articles	3,600	30%
Services	2,700	22.5%
Hotels and restaurants	250	2.1%
Industry	200	1.7%
Specialized food commerce	750	6.2%
Non-specialized commerce	2,400	20%

Source: Annuario Multipla

3. The social and institutional context

3.1 Italian legislation regarding the retail trade sector

Italian legislation regarding the execution of trade activities is the result of a progressive deregulation starting in the 80s which has eliminated many stipulations which were a burden for the distribution system in Italy.

In fact, Law 426 of 11 June 1971, which regulated government interventions on trade, introduced two fundamental principles:

- the vocational qualification of trade operators;
- the planning of new accesses to the market, the aims of which are to assure a correct balance between supply and demand, giving administrative authorities (regions and municipalities) the right to grant authorizations for the establishment of new shops.

During the first years of their application these rules became a defence of the status quo, primarily due to the ineffectiveness of the public administration system, and because of these rigid stipulations the process of restructuring the distribution system in Italy was hindered or at least delayed.

The restrictions regarded mainly:

- the granting of new trade authorizations;
- the enlargement of sales areas (in fact, maximum sizes were established);
- the expansion of the range of marketable goods;
- geographic mobility.

To obviate such limitations, a series of legislative and administrative interventions took place from the 80s onwards with the aim of loosening the regulations through a progressive extension of the exceptions to the general set of rules.

In fact, these procedures have caused a substantial dismantling of the principle of trade planning, more and more asserting the value of the market without damaging the general directives of Law no. 426, at least formally.

The last of these interventions, which unites them and - at the same time - expands their scope, is Ministerial decree no. 375/88, better known as the only text on trade rules.

The most innovative aspect of the 1988 decree consists of the fact that the area limitations fixed by the trade plan regard exclusively the opening of new

shops, no longer their transfer or enlargement. The result of this change is a remarkable liberalization of shops already in operation.

This means that the enlargement of existing shops and their move to another area can no longer be prohibited. This, of course, promotes the spread of small and medium-sized commercial firms.

Moreover, the present set of rules favours the enlargement of marketable goods and consents the unification and the addition of more marketable goods. The only principle which has not been modified by the recent changes is the basic qualification of trade operators.

As a matter of fact, in order to be able to enter the profession, potential retailers need to register with REC (Registro degli Escententi di Commercio) (Register of Tradesmen). This registration depends on at least one of the following vocational qualifications:

- a successful examination at the Chamber of Commerce regarding the products intended to be commercialized;
- attendance at a vocational training course or to have a university degree or a highschool diploma, on condition that the subjects correspond to those of the vocational training course;
- ownership of a shop for at least two years, or employment involving sales or administration, also for two years.

Current legislation has also eliminated the previous rigid laws concerning opening hours. Opening hours for sales activities now hinge on the following rules:

- facultative opening;
- closing on Sundays and public or religious holidays;
- closing for half a day during the week.

Regarding the daily opening hours, the law entrusts the Mayor of the city concerned with the task of setting the opening hour in the mornings, which cannot be later than 9.00 a.m. and the closing time in the evening, not later than 8.00 p.m.

Individual operators can choose their opening hours within these hours without other limitations. Substantial exceptions regarding daily opening hours and days or half-days of closing are provided for tourist areas and for particular holidays.

The legislative interventions regarding consumer protection are still insufficient to a large extent, especially in view of the fact that modern marketing policies attribute a strategic role to the "quality" factor.

To reinforce the trust relationship between the consumer and the distributor - who is the consumer's first and immediate reference - distributing firms will more and more have to aim at a system of service quality which is to be offered to the consumers. This quality service is related both to products offered for sale and to the modalities of shop management in a broad sense.

Italian law-makers are starting to see a need for such consumer protection, confirmed by the directives of the European Community.

At the Chamber of Deputies two bills (no. 5271 and

no. 5575) are currently being discussed. These bills are intended to introduce a system of quality certification in Italy, not only for products and the production process, but also for the service and the structures of the firms.

3.2 The function of the social partners

The trade unions which represent retailers are:

FILCAMS-CGIL

Italian Federation of Workers in Trade, Hotels, Trade Refectories and Services within the General Federation of Italian Trade Unions

FISASCAT-CISL

Italian Federation of Trade Unions for Commercial Services Employees and Tourism within the Italian Federation of Trade Unions

UILTUCS-UIL

Italian Union of Workers in Tourism, Commerce and Services within the Italian Union of Labour

The national association which represents employers is *Confcommercio General Federation of Italian Trade, Tourism and Services*.

Confcommercio members include 27 provincial associations and 21 regional associations, as well as 140 national category federations.

Another employer association is *Confesercenti Italian Federation of Providers of Commercial Services*.

Moreover, the cooperative trade sector in Italy is represented by:

- ANCC - LEGA *National Association of Consumers' Cooperatives within the League of Cooperatives and Mutual Societies;*
- Federconsumo - CCI *Federation of Consumers' Cooperatives of "Confcooperative".*

In the Italian distribution sector labour relations with dependent staff are regulated with the help of one single national collective labour agreement named "Tertiary agreement: distribution and services".

The agreement regulates a system of trade unions relations on a number of levels: national, territorial and corporate level.

The agreement has been contracted between "Confcommercio" and the FILCAMS (CGIL), FISASCAT (CISL), UILTUCS (UIL) trade unions.

On a **national level** "Confcommercio" and the trade unions have established annual meetings to carry out a joint examination of the economic situation and the productivity of the sector, its structural dynamics, the development prospects, reconstruction processes and technological innovation. Recently a work group has been established to discuss *equal opportunities* (studies and research for the promotion of positive action), a *national monitoring agency* (for surveys of employment levels, the labour market, training and vocational qualification) and *bilateral corporation* (a national statute regulates, on a local level, the promotion and management initiatives in terms of training and voca-

tional qualification, also in collaboration with the regional corporation).
In particular the parties have agreed that:

In view of the imminent implementation of the Single European Market and also in the light of the principles which emerge from the EuroFiet-CECD Memorandum with regard to training needs in the retail sector, the parties agree that there is a need to implement a dynamic vocational training policy with a view to achieving the following objectives:

- improving the vocational qualifications of workers in the distribution and services sectors and, in general, setting in motion a process of enhancement of human resources;
- adjusting the offer of labour to corporate needs;
- increasing levels of employment and overcoming the main obstacles to access to employment affecting the areas of the south and certain weaker social groups such as workers over twenty-nine years of age, non-EEC citizens and women;
- satisfying the demand for changes in vocational qualifications and job descriptions arising from technological innovation processes;
- improving the levels of corporate competitiveness, the levels of service and of quality offered to customers and, lastly, optimizing productivity.

The parties agree that the implementation of the above be referred to the regional and company level for the planning of training programmes which may include:

- training in the area of social communication;
- training in the general principles of distribution, problems of services businesses and their role in the economy, company organization;
- training regarding the world of employment and its rules and regulations, on health and safety legislation;
- training on the role and use of new technologies;
- training in marketing, sales and services, purchasing and stock management;
- training in accounting;
- study of one additional Community language, from the National Collective Labour Agreement

On a **territorial level** regional and provincial the employer associations and the trade unions carry out an annual joint examination of the same group of problems as on the national level.

Regarding **corporate level**, firms and trade unions carry out a joint examination of prospects of corporate developments. For firms with more than 30 employees the negotiations deal with the following specific subjects:

- working hours by turns;
- distribution of working hours and possible flexibility;
- decision;

- part-time;
- time contracts;
- protection of health, environment and industrial security;
- equal opportunity of the sexes;
- integrative salaries connected to increases in corporate productivity;
- trade union rights: meetings and referenda.

According to Law 190/85 the 1987 contract regulates the category of managerial staff, for which a specific remuneration has been foreseen. Moreover, the contract establishes – in their favour – an integrated benefit fund, jointly administered by trade unions and entrepreneurial representatives.

4. Employment and labour

As already mentioned at the beginning of this report, national statistics incorporate the retailing sector in Italy into the wider category of trade, hotels and catering and entertainment establishments.

The last census was carried out in 1991 and the results are not yet available; the data quoted here is the result of estimates carried out by sectoral institutes.

In 1991 total employment in Italy amounted to 21,574,000; 8.4% of these persons work in agriculture, 32.1% in industry and 59.5% in the tertiary sector (ISTAT).

The data regarding retailing employment has been elaborated by CREL for ULTUCS, and indicates a total of 2,406,800 employed in 1990.

Another source (CESCOM, IRS and EIM) provides a total employment figure of 2,271,530 for 1990.

However, comparing the two sources regarding the proportions of autonomous workers to dependent workers, the values are the same: 70% are autonomous workers and 30% are dependent.

Retail trade represents, 11.2% of total employment.

Comparative historical data (Chart 1) shows the strong employment increase that took place during the last decade and, in particular, the large increase in dependent employment.

The data confirms the evolution of the sector towards distribution forms of large dimension and tallies with the development trend already shown.

On the basis of an analysis carried out by a number of Study Centres of "Unioncamere" (Istituto G. Tagliacarne and Mondimpresa) the data on trade employment for 1988 can also be seen.

Chart 2 shows that retailing represents 66% of "limited trade" (wholesale and retailing); within this figure, 41.9% of persons employed are in non-food retailing and 24.2% in the food sector.

With regard to the food trade, where modern forms are more present, with a total of about one million people employed, the organized and integrated groups make up about 200,000, or 20-21% of the total (Chart 3).

Chart 1 - Labour units in the retail trade time series, absolute values in thousands

	Independent	1980/100	Dependent	1980/100	Total	1980/100
1980	1449.8	100.0	583.5	100.0	2033.3	100.0
1986	1622.5	111.91	673.3	115.39	2295.8	112.91
1987	1666.5	114.97	676.9	116.01	2343.7	115.27
1988	1681.1	115.95	691.2	118.46	2372.3	116.67
1989	1681.0	115.95	698.2	119.66	2379.2	117.01
1990	1695.6	116.95	711.2	121.89	2406.8	118.37

Source: Prepared by CREL on the basis of ISTAT data

Chart 2 - Persons employed in the overall trade sector in 1988

<i>Extended trade</i>	4,926,500	100.0	
• Intermediate trade	425,000	8.6	
• Repair handicraft	450,000	9.1	
• Hotels, catering & entertainment	951,500	19.3	
<i>Limited trade¹, of which:</i>	3,100,000	62.9	100.0
• recovery wholesale	14,500	0.5	
• food wholesale	290,000	9.4	
• non-food wholesale	745,500	24.0	
Total	1,050,000	33.9	
• food retail	750,000	24.2	
• non-food retail	1,300,000	41.9	
Total	2,050,000	66.1	

¹ including street trade

Source: Prepared by Istituto Tagliacarne

Chart 3 - Employees in organized and integrated groups

Groups	Number
Cooperatives	28,300
Voluntary chains	45,500
Cash & Carry	11,150
Large-scale retailing	60,000
Purchase groups	55,000
Total	199,950

Source: Prepared by Istituto Tagliacarne

For the structure of employment in the retail sector, we can refer to the estimates made by "Confcommercio" and the trade union organizations and use them as a basis for discussion regarding contracts (Chart 4). Insertion levels reflect the classification of the staff in commercial firms.

In order to understand these estimates, it is appropriate to define the various levels according to the National Collective Labour Contract:

Managerial staff:

"The category of managerial staff (...) consists of subordinated employees, excluding top management, who in a continuous way carry out management functions in organizations of adequate dimension

Chart 4 - Distribution of employees in the tertiary sector in terms of insertion levels

1985 ¹		1989 ²	
levels	Distribution	levels	Distribution
IS	1.0 %	Mid. manag.	1.1 %
I	0.5 %	I	3.5 %
II	1.5 %	II	6.8 %
III	10.0 %	III	16.6 %
IV	60.0 %	IV	48.6 %
V	20 %	V	18.2 %
VI	6.0 %	VI	4.3 %
VII	1.0 %	VII	0.9 %
100.0 %		100.0 %	

¹ Estimates by Confcommercio - Trade union organizations

² SEAC data prepared on the basis of a sample of about 60,000 firms

and decentralized structure. The functions assigned to them are relevant to the development and the fulfilment of the firm's objectives in the context of strategies referring to determined programmes of the firm."

Level 1:

"Workers belonging to this level have functions that are highly qualified and entail some executive responsibility, e. g. head clerk in a technical, administrative, commercial (purchasing or sales) or legal office, manager in a shop or in a supermarket."

Level 2:

"Workers belonging to this level carry out autonomous operative functions and/or with co-ordination and controlling functions; they include staff who carry out their own activity using creativity in the context of a specific technical and/or scientific area, e.g. inspector, head cashier, head checker, department head including non-sales departments, bookkeeper or executive secretary with autonomous intellectual functions, manager for incoming goods; external agent for incoming goods; assessor in art and antique shops; removalist."

Level 3:

"Workers belonging to this level carry out intellectual functions and functions involving specific technical knowledge and adequate experience, e.g. short-

hand-typist in foreign languages, fashion designer, window-dresser, jewellery assessor, optician (with diploma), shop-assistant in a bookshop with special capacities and responsibilities, skilled specialized operator, skilled specialized retailer and food retailer, trailer truck and articulated lorry driver."

Level 4:

"Workers belonging to this level carry out labour including selling and related operations, and also work involving specific technical knowledge, e.g. experienced bookkeeper, cashier, shop-assistant in department stores, supermarkets and similar shops, warehouse operator, salesperson in a roast meat shop, fish and chip or other similar food shop, ware-houseman, butcher, specialist in a delicatessen, sausage, fish, cheese or pastry having selling functions."

Level 5:

"Workers belonging to this level carry out qualified work involving normal knowledge and an adequate technical and practical capacity, e.g. invoice clerk, typist, helper in a food shop, helper in a butcher's shop, assistant salesperson, driver, qualified workman."

Level 6:

"Workers belonging to this level carry out work requiring simple practical knowledge, e.g. door-man, watchman, messenger, common workman"

Level 7:

"Workers belonging to this level carry out jobs such as cleaner, charwoman, cleaning-woman, waiter, etc."

In the large-scale retailing sector the division of workers probably follows criteria different from those defined by the National Contract because there is an ulterior contractual instance at corporate level. In fact, for the average commercial firm there is a concentration of employees on the fourth level, while in larger firms there is a trend towards higher levels.

As recently emphasized in a study by CERES, "the connection between the contractual classification and the professional classifications recently introduced in order to obtain classifications comparable to those of other countries is not easy."¹ However, it is possible to make an attempt to rearrange the classification according to the following system:

- contractual levels VI and VII correspond to the lowest level which requires elementary characteristics of training and experience;
- contractual levels from V to III would correspond to a very wide group of professions which would require "medium" levels in terms of training and experience;

- contractual levels I and II, in cases where they were acquired through training processes, would correspond at least to an upper secondary school diploma.

Among the most important changes to be pointed out is the enlargement of the category of "intermediate professions" in trade firms due to the extension of marketing functions through specialization in the trade activities of large-scale firms or of small and medium-sized associated firms.

It is interesting to note that, among the new professions shown in a 1989 study² those shown for the trade sector are all specialization forms on the basis of medium or high education levels (upper secondary school - university degree).

- expert in franchising, upper secondary school diploma or degree in law, engineering or economics
- commercial logistic officer, degree in engineering or in mathematics, physics or economics
- assistant for territorial and real estate development, degree in architecture, town-planning, engineering
- new openings officer, upper secondary school diploma
- store planner, degree in engineering or architecture
- visual merchandiser, art diploma or upper secondary school diploma together with vocational course in poster designing, window-dressing, etc.
- purchasing manager, technical diploma or degree in economics
- indirect purchasing officer, degree in economics
- market analyst, technical diploma or degree in economics, statistics, engineering
- fashion buyer, technical or art diploma
- shopping centre manager, degree in economics
- management inspector, degree in psychology, political science, economics
- brand manager, technical diploma
- marketing manager, degree in economics, sociology, political science, computer science, psychology
- merchandiser, technical diploma with special training
- promoter, degree in architecture, technical or art diploma
- automated systems officer, degree in engineering, physics, mathematics, computer science
- security officer, medium-high level of training in risk prevention
- cashier supervisor, accountancy diploma

These are "intermediate professions" which can be slotted between levels I and II and tend more and more to belong to the "managerial staff" and "executive" categories.

¹ L. Frey, B. Iacobelli, Lavoro e formazione nel commercio in trasformazione, in "Quaderni di Economia e Lavoro", no. 40, Milan, Franco Angeli ed., 1989.

² G. P. Prandstraller (ed.), Le nuove professioni nel terziario, Ricerca sul professionismo degli anni '80, Milan, Franco Angeli ed., 1989.

With regard to Chart 4 showing the percental distribution of employees on each level, it is necessary to emphasise the higher figure for employees of level IV, where the most represented profession is the salesperson or shop-assistant.

It has been calculated that in 1986 this profession involved 400,000 persons (55% of them women), in other words a high proportion of the dependent work in this sector.

The significance of the role of women is increasing with the need for a better quality of sales services, because women seem to be particularly endowed with qualities such as a friendly manner, the ability to listen and a good sales manner.

Especially in small and medium-sized firms, the relationship between sales personnel and customers can become strategic for the good development of commercial activity.

Until now, the level of education required has not been particularly high; the main prerequisite has been a satisfying period of apprenticeship. However, the tendency today combines a good level of schooling and the ability to behave well with customers and to learn quickly about the products being offered for sale.

A Community investigation (Directorate-General for Economic and Financial Affairs) on the situation of the labour market for European retailing firms shows an interesting source of comparisons for Italy (Chart 5).

In this sector, there are more women on part-time contracts (36%) than men (4%); this allows them to reconcile family and work commitments.

The Italian situation shows a delay in the use of part-time contracts (12% less in comparison to the European average), whereas Italy passes the European average (87% Italy, 75% Europe) when it comes to the percentage of qualified employees in terms of total numbers.

It should be pointed out that this "delay" with regard to part-time work is only relative. Italian trade has developed in a different way from the other European countries, with the coexistence of large-scale distribution, organized distribution and small retailers. Part-time work is mainly used in large companies to deal with situations which do not necessarily apply to small retailers.

As far as career paths are concerned, there is still a big difference between women and men: the vast majority of top managers are men.

This is not, however, the case in small business, where women are particularly active and organized in national bodies such as "Terziario Donna", an association which stresses the role of the businesswoman and presses for the introduction of measures promoting the development and support of women.

However, the male/female balance problem continues to affect the whole country, even where political representation is concerned: the models of a male-centred culture still survive even though there is a growing awareness of equal dignity and also of actions aimed at creating equal opportunity.

Chart 5 - Employment structure in the retail trade

	Men % of employees				Women % of employees				Total % of employees			
	full-time	part-time	qualified	non-qualified	full-time	part-time	qualified	non-qualified	full-time	part-time	qualified	non-qualified
B	70	30	74	26	45	55	61	39	56	44	72	28
D	95	5	91	9	58	42	86	14	70	30	88	12
E	81	19	64	36	94	6	60	40	91	9	64	36
F	93	7	80	20	51	49	72	28	65	35	75	25
I	96	4	88	12	64	36	85	15	76	24	87	13
NL	50	50	65	35	40	60	63	37	44	56	64	36
P	98	2	56	44	97	4	41	59	98	2	50	50
UK	71	29	70	30	42	58	65	35	51	49	66	34
EUR	84	16	78	22	55	45	72	28	64	36	75	25

Source: Ad hoc inquiry on the EEC labour market.

Chart 6 - Special categories or workers

Category	Figure	% of total workers (59,720)
Part-time	7,512	12.6
Apprentices	4,602	7.7
Seasonal workers	1,737	2.9
Trainee contracts	10,464	17.5

SEAC estimate on the basis of a sample of 15,773 small and medium-sized firms

1.

Another investigation on a sample of 15,773 small and medium-sized firms provides further elements of analysis, especially when it comes to the classification of employees with special agreements, even though it cannot claim to represent national reality (Chart 6).

Besides part-time workers (12% of total employees, apprentices (7.7%) and seasonal workers (2.9%), a large percentage is composed of employees with trainee contracts.

Trainee contracts were introduced for the first time in Italy, together with measures on juvenile employment, in 1977 and 1978. The aim of these measures were to fight unemployment and open a new "channel" to the labour market for young people.

At present, these contracts are regulated by Law 863 of 19 December 1984, modified by Law 407 of 1990, which raised the age limit for acceptance to the programme to 32; it had previously been 29 years.

It is a set-time contract which includes, among the employer's obligations, theoretical and practical training. In compensation for these duties, the law has established a series of benefits ranging from tax relief to the possibility of employing specific persons, or the possibility of advancing the date of permanent employment while maintaining the benefits of the trainee contract.

Initiatives with the aim of using trainee contracts are currently expected in the first part of the national collective contract. In particular, agreements on how to apply trainee contracts are expected between regional and provincial employers' associations and the corresponding trade unions. These agreements will facilitate the approval procedures of projects based on the national framework agreement.

5. Changing conditions and their implications for skill requirements and training

5.1 Impact of new technologies in the retail sector

The greatest changes in the distribution sector, besides the more general concentration phenomenon, are attributable to the progressive introduction of new technologies for shop organization.

We can demonstrate the development of new technologies in the retail sector using a study by "Nielsen-Italia" as a basis.

During the last years we have seen trading firms becoming more and more committed to investing economic and organizational resources in the development of technological applications.

The business functions involved in these projects and also in tests are, for instance, logistics, administration, bookkeeping, organization and marketing. Moreover, the commercial function in its central and decentralized units is exposed to activities of technological development.

During the last year, we have seen that tests and operative EDI activities (Electronic Data Interchange) have been spreading through interesting forms of collaboration between production and distribution firms.

Technological applications regarding payment at the cashier's desk have had an interesting development in the area of EFT (Electronic Fund Transfer). Nowadays, hypermarket managers pay a great deal of attention to solutions that increase both procedure efficiency and payment forms as well as their security.

The traditional cheques, unreliable without various controls, and the use of Bancomat, which is not yet fully accepted by consumers, have been joined by credit cards issued and managed directly by trade organizations or through the support of banks.

The immediate consequence, confirmed by the first verifications, is the consumer's increased loyalty to the shop and the increased average value of purchases.

But the truly innovative consequence is that the distributor, taking advantage of information from the personalized credit card, gets a better picture of his customers. Technology has thus once more drawn the attention of marketing experts as an interesting investment for their firms.

Finally we can observe that these applications have given advantages not only to large-scale operators and financial groups, but also to smaller-sized or regional groups, showing that efficiency today and informative support mechanisms tomorrow regard the entire distribution sector, and, of course, the sector's partners in industry.

Among the technological innovations finding increased application in retail trade are POS (Point of Sale) systems.

These are systems that "read" product codes. The codes, printed directly on the products by the manufacturers, are decoded by an electronic reader.

This reader is connected to a terminal able to carry out immediately a number of functions relevant to improved corporate management.

Openings of new hypermarkets not equipped with these systems have become rare.

With the application of these systems, the tendency to obtain so-called "hard benefits" has been confirmed. "Hard benefits" are improvements in internal efficiency and consumer service: speed at the cashier's desk, detailed receipts, immediate and centralized re-pricing.

In 1989, tests on so-called "soft benefits" were started at modern distributing firms. Such "soft benefits" regard data exploitation for marketing, promotion management and above all the activation of integrated informative systems in the firm.

The attention paid by manufacturers to these tests seems to be growing, as it is clear that mechanized systems and in general opportunities offered by technology can no longer be considered a common area shared by production and distribution.

In this sense, projects involving the application of new technologies developed in collaboration by the two competing entities are considered with a degree of interest far superior to their quantitative weight.

Computerized management of space allocation has become a matter of great interest for commercial operators: manufacturers, distributors and retailers.

The first software for "space management" became available at the beginning of the 80s with personal computer technology. Software evolution is linked to the development of technological innovations (scanners, 386 computers, more sophisticated compilers).

With a space management programme, it is, in a few minutes, possible to create, assess financially and modify the sales area structures, and to produce planograms. If you multiply excess time spent by the display manager for every single product by 8000 or more goods in a medium-sized supermarket, you can see immediately how precise and economical computerized management can be.

Assessing how the business is running can be effected on the basis of planogram data. The sales figures projected per linear, square and cubic meter intersect with out of stocks and with gross profits. The returns of inventory investment (indicated by the abbreviation Roi), the direct profitability of the product (Dpp), the average value of the inventory, the annual rotation of stocks and lost sales and products involved offer a complete picture of the situation.

At the same time, any factor regarding the category of goods can be taken into consideration, such as the level of service, the fluctuation of demand, product rotation, ordering and receiving cycles, the splitting of daily business, the available stocks. Corporate philosophy can be applied to the definition of the frequency and models of resupplying, for instance the days of delivery or number of cartons or optimization of the minimum incorporating the various inherent elements to promotional activity. Summing up, we can state that space management is the measuring process of the efficiency level of

the sales area, and also of corrections which are to be made to an inventory, to allocation techniques and to shop structures in order to increase profits.

Finally, we can state that these software packages allow efficiency improvements where the resources are more critical, and, as in the case of space allocation, more scarce.

Moreover, computerized management allows avoiding terminations of stock, which are very expensive in both economic and image terms, and for the distributor as well as for the manufacturer. The target of the programme is established either by distributors or manufacturers. The distributors want to maximize sales and profits, increasing rotation and adapting layouts to new structures.

Manufacturers develop the programme to be able to suggest to distribution structures how to allocate their products and manage the various formats with the relative space available for each; in fact, for them it becomes an instrument of sale, dialogue and control of display activities.

The consequences of the introduction of new technologies at the point of sale, especially on a large scale, are closely linked to the use of qualified staff. But even where technological innovations have been introduced on a wide scale, difficult problems have arisen.

Having staff qualified in new information technologies means high training costs. In some cases, the costs have been higher than the actual investment in the new technologies themselves.

Another result of the introduction of technology in large-scale distribution is related to the logistics sector. As the range of brands of products expands, the need arises to keep large quantities in stock and, therefore, sizeable amounts of capital have to be tied up.

Chart 1 - The development of space management software

	1989	1992
<i>Number of firms using space management software:</i>		
Industry	10	60
Distribution	27	100
<i>Number of sales outlets managed with space allocation software:</i>		
Belonging to distribution firms using space management software and therefore potentially manageable with space allocation software:	20 test	1100
	90	2000

Source: Nielsen-Italia

Chart 2 - The spread of scanners

	1988	1989	1990	1991	1992	1993	1994
Number of outlets with scanners	1200	2300	3000	3500	4000	4500	5000
Number of outlets with complete scanner system		250 test	400 running	1200	2200	2500	2800

1.

When an analysis of roles and relationships between technology and training is based on company case studies, it becomes clear that applying technological solutions to the various aspects of corporate management makes resources available.

These resources can then be used for the provision of high-quality personalized services, the need for which, paradoxically, is actually stimulated by the presence of so much technology in everyday life.

6. Training and recruitment

6.1 The Italian educational system

A few words of explanation about the national educational system will give a clearer picture of training in the commercial sector.

In Italy, education is compulsory for a total of eight years (primary: 5 years; junior secondary: 3 years) and a reform is under consideration which would increase the compulsory schooling period to ten years.

Senior secondary schooling lasts for five years, at the end of which a school-leaving certificate can be obtained.

Vocational schools offer intermediate levels of qualification after two or three-year courses; on completion of five years, a technical school-leaving certificate can be obtained.

The next level consists of university-level specializations or post-leaving certificate courses, but these are not very common and courses of the latter type are still mainly of an experimental nature. The

length of university degree courses varies from four to six years.

Lastly, post-university specialization schools exist only in a few places and for a limited number of subjects.

A reform of the Italian educational system, which is still under discussion, envisages revising senior secondary education and raising the age limit for compulsory schooling. It is proposed to replace the present division between senior secondary schools giving a mainly humanistic type of education and those giving a more technical type (technical institutes and vocational schools) with a basic two-year course common to all and followed by three years of specialization.

The schools which prepare students for the commercial sector are the State Business Colleges and Technical-Commercial Colleges and, at university level, the Faculties of Economics and Commerce.

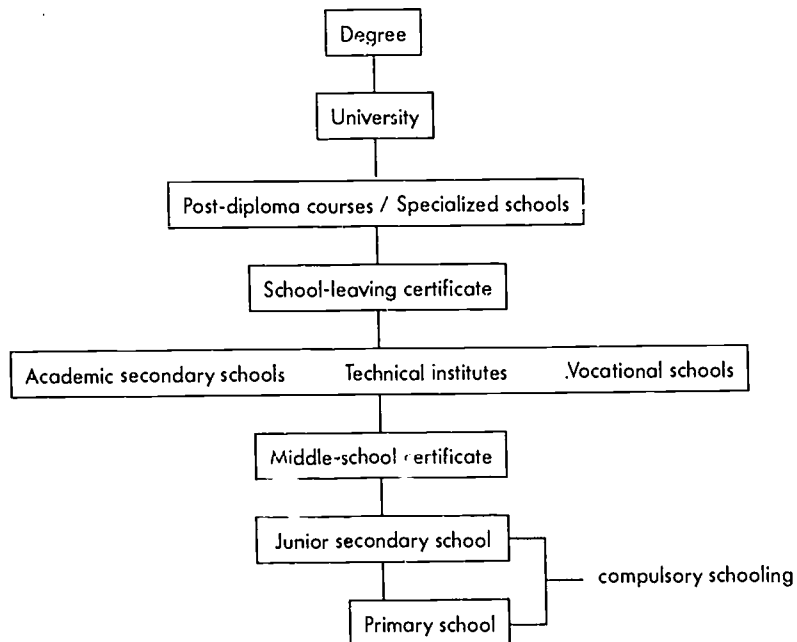
Most employees and executives of business firms have had this type of education, even though an initial internal training period is always needed before they really start working in the company.

6.2 The Italian vocational training system

The other aspect of institutionalized training, which is also "external" to the corporate training system, is vocational training. In Italy, it is governed by Outline Law no. 845 of 1978.

This law made the regional authorities responsible for vocational training and each region has there

Chart 1 - The Italian educational system



fore adopted its own regulations and organized specific regional training programmes.

In organizing training activities, the twenty-one Italian regions (including the Autonomous Provinces of Trento and Bolzano) use either training centres they themselves manage or, under special agreements, other institutions belonging to employee organizations or organizations of self-employed workers, other social and educational associations, firms or pools of firms or the cooperative movement.

An up-to-date picture of the training activities organized by the regions can be obtained from ISFOL, bearing in mind that at least 80% of the programmes listed will probably be implemented.

Courses conducted in the "Commercial Distribution" sector during the three-year period 1989-91 did not exceed 3.7% of all the courses organized in the various vocational sectors (Chart 1).

Therefore, the number of students attending such courses during the three-year period was not more than 4% of the total number of students (Chart 2).

With regard to the types of courses organized (Chart 3), it can be seen that 72% were special courses, i.e. courses for enrolment in REC or for enrolment in the register of commercial travellers, followed by courses for adults, i.e. refresher courses or courses for the self-employed (16%), while only 3% were for qualification / specialization and 8.8% for first-level qualification. Therefore, the participation of commercial sector employees in specific regional vocational training courses appears rather low.

However, it should be borne in mind that many commercial sector employees can obtain suitable training in other occupational sectors such as in the hotel and restaurant sector or the advertising and marketing sector. Particularly in the latter area, there are many private bodies and schools operating training courses for school or university graduates under agreements with the regions or with Community contributions (FSE). In fact, a private vocational training system operates side by side with the official one. It consists in part of bodies which meet some of the requirements of the regulations in force and are entitled to assistance from public funds and, in part,

Chart 1 - Courses organized by the regions from 1989 to 1991 in the various vocational sectors

Sector	Absolute values			Per cent values		
	1988/89	1989/90	1990/91	1988/89	1989/90	1990/91
Agriculture	3,273	1,923	3,578	0.0	10.4	16.9
Industry and handicraft	6,399	6,288	6,520	32.4	33.9	30.8
Tertiary sector	9,027	10,050	11,038	48.7	54.2	52.2
Total	18,699	18,261	21,136	94.7	98.5	100.0
Not classifiable	1,042	271	2	5.3	1.5	0.0
Total	19,741	18,532	21,138	100.0	100.0	100.0
Among the tertiary activities						
Commercial distribution	615	689	738	3.1	3.7	3.5

Source: ISFOL, Statistical data of vocational training, Rome, November 1991

Chart 2 - Students foreseen for the courses organized by the regions during the three-year period 1989-1991

Sector	Absolute values			Per cent values		
	1988/89	1989/90	1990/91	1988/89	1989/90	1990/91
Agriculture	60,652	32,392	68,575	16.4	9.7	18.0
Industry and handicraft	119,820	116,256	116,222	32.4	34.3	30.5
Tertiary sector	171,673	185,811	195,746	46.5	54.9	51.4
Not classifiable	17,244	4,268	30	4.7	1.2	0
Overall total	369,389	338,727	380,573	100.0	100.0	100.0
Among the tertiary activities						
Commercial distribution	12,407	13,608	14,357	3.4	4.0	3.8

Source: ISFOL, Statistical data of vocational training, Rome, November 1991

Chart 3 - Types of courses organized by the regions during 1990-1991 according to category and sector

Sector	First level qualif.	Second level	Adults	Special courses	Others	Total
Agriculture	217	201	2,485	651	4	3,578
Industry and handicraft	4,213	496	1,322	485	4	6,520
Tertiary sector	3,399	2,738	3,620	1,241	40	11,038
Not classifiable	1	0	1	0	0	2
Total	7,829	3,435	7,427	2,397	48	21,136
Among the tertiary activities						
<i>Commercial distribution</i>	65	22	119	532	0	738
	8.8 %	3 %	16.4 %	72 %		100 %

Source: ISFOL, Statistical data of vocational training, Rome, November 1991

of agencies which enter the market as service companies.

The institutes already referred to, sponsored by employers' or employees' organizations, come under the first category and help to form links between the world of training and the world of work. Nearly always acting on the basis of the training needs actually felt in the local and business environment, they act as liaison points for the recruitment / training of staff. No national statistics are available regarding such bodies and qualitative information would require many separate case studies.

Last but not least is the role played by the firms themselves in the field of vocational training. As already mentioned elsewhere in this report, the structure of the Italian business world, typically made up of large numbers of small firms, also influences the company-operated vocational training sector.

For small firms, in fact, training is mainly a matter for the owner, who keeps him/herself up to date by attending short management courses usually organized by some of the bodies referred to above. The time dedicated to training by these owners of small businesses is low and trade associations play a very active role in encouraging training and refresher training activities both at the local and the national level.

On the other hand, for large firms and business groups, the vocational training of staff represents a substantial investment.

FAID ("Federazione Associazioni Imprese Distribuzione" - Federation of distribution firms' associations) estimates that in 1990 32 thousand million lire were invested in training, 32 thousand employees were involved in training programmes and 92% of trainee contracts were converted into permanent contracts.

Qualitative information on the activities conducted by the leading firms in the sector show that it is mainly the middle management staff who are involved in wide-ranging training programmes in an

attempt to reach the entire staff and improve the organizational-technological updating process which the firms recently underwent.

In the same way, groups of firms and cooperatives have promoted centralized institutes or associations for training owners and staff in charge of sales outlets.

The marked cultural change and the intense European competition which are affecting the distribution sector, making it focus increasingly on achieving efficiency also in the quality of sales service, are influencing corporate training plans in this sector. Attention to sales personnel is therefore taking the form of direct and indirect action (remote training, multimedia aids) for the improvement of customer relations.

Information on this subject will be complemented by the following case studies.

7. Conclusions

Vocational training in Italy is influenced by the fact that, in the vast majority of cases, the sector is composed of very small sales units.

It would be difficult for these sales units to organize any continuous vocational training system on their own and the improvement of basic vocational training is therefore of vital importance, as is the contribution made by the authorities to agencies, bodies and social groups working in the field of training. The role of the small business is still very important in the "post-industrial" society of today.

The consumer is not a standardized unit but a person who is now usually more cultured, more critical and more demanding and therefore expects a wide range of choices and many options.

A trading model by itself is no longer sufficient - different approaches capable of satisfying different requirements are needed. From the distribution chain to the associated business, from the traditional to the specialized type of shop, from mail order to door-to-door sales, all these forms of distribution combine to fulfill the expectations of today's consumer.

What really matters is that there should always be well-developed professional skills.

The recent National Conference on Vocational Training stresses the importance attributed to these subjects in Italy and the proposals made demonstrate a will to improve training at every level and overcome obstacles to their full diffusion.

The basic requirement, as stressed during the work of the conference, is still to strengthen research in this area.

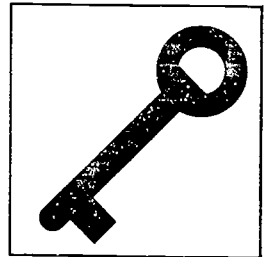
To train without doing research is a little like acting without thinking.

It is only by understanding today's situation that proposals for tomorrow can be worked out; it is only by research that the needs of a dynamic society can be identified.

1.

PART 2:

ANALYSIS OF ITALIAN CASE STUDIES



- 1. Rinascente Group**
- 2. Conad**
- 3. Coin S.p.A.**
- 4. Pam Group**
- 5. Despar Italia**
- 6. Prenatal S.p.A.**

Foreword

At the time this case study was being prepared, the Rinascente Group was undergoing reorganization. It was therefore impossible to interview the workers' representatives.

1. General description of the firm

1.1 General information

The Rinascente Group is one of the largest Italian retailers.

Its success is the result of a policy that aims at better utilization of resources: people, knowledge, sales area, equipment and technology, product mix and products.

The combination of these factors makes it possible to give the most appropriate response to the needs and expectations of the market.

The 18,000 employees are the principal strong point of the system.

The range and interaction of occupational qualifications is one of the widest possible in a commercial organization and includes a great variety of roles in the fields of purchasing, sales and technical and commercial support activities.

In order to continuously improve the required standards, training activities have been increased. In 1991, 23,235 man-days were planned for a total number of 29,039 participants, corresponding to 1,791 instructor-days.

In the last five years the sales area, affiliates included, has increased by 26% to 732,000 m².

This increase has been accompanied by heavy investment in equipment and technology. In areas of basic importance to large retailers, such as stock control, the Rinascente Group is in the vanguard. The use of eight trading formulas (La Rinascente department stores, Upim, SMA-Supermarkets, SMA-Città Mercato, Gross, Croff, Bricocenter and Trony) allows the presentation of a very wide range of products, to satisfy all customer expectations in clothing and personal care, furnishings and household products as well as in all the food sectors.

The group also includes companies operating in the real estate and commercial services fields, operations complementing and supporting the group's principal activity.

La Rinascente S.p.A. (stock company) provides the group companies with a range of services:

- Design of new premises and planning of restructuring projects;
- Purchase and supply of goods;
- Administration;
- Finance;
- Advertising;
- Data processing;
- Personnel;
- Logistics (see table).

In the five-year period between 1986 and 1990, the Rinascente Group increased its turnover by 69%, from 2,510 to 4,595 billion lire.

A major part of investments (which between 1986 and 1990 went from 106.9 to 244.8 billion lire, a rise of 129%) was destined to the food sector.

In 1990, the food sector (supermarkets and hyper-

markets) accounted for 66.7% of total capital expenditure.

Furthermore, the Rinascente Group has concluded agreements with associations such as A.I.G.M. and Ams Marketing Service Ag., the main objectives of which are research in the area of possible commercial synergies at an international level in collaboration with the major manufacturers and suppliers on a world-wide basis.

1.2 Short history and recent developments in group strategy

The history of the Rinascente Group began in the centre of Milan more than a century ago.

The original initiative came from Ferdinando Bocconi, who in 1865 had the idea of opening a small shop to sell ready-to-wear garments. He was the first person in Italy to do so.

It was a great success. In a few years the shop moved to Piazza Duomo and the small shop became the first Italian department store. Bought by Senator Borletti in 1917, it was rebuilt after a fire and re-christened "La Rinascente" by Gabriele D'Annunzio, an illustrious exponent of Italian literature.

The new name was the beginning of a process of expansion marked by many important steps. In 1928 the first one-price store was opened in Verona. The growth of Upim continued in spite of the 1929 crash and the destruction during the Second World War. In the fifties the number of sales outlets increased as the country's economy grew: from 47 to 77 in the course of the decade.

In 1961, when the first signs of the boom began to appear, the SMA supermarket chain was bought. It was a revolution: consumers learned how to shop with a trolley.

A decade later they also learned to go shopping with their cars, outside the city. The hypermarket concept dates from 1972, when the first Città Mercato was built at Concesio (Brescia). The model was modified until, in 1982 the present-day style of integrated shopping centre appeared at Venaria (Turin).

In the meantime, the group's first cash-and-carry wholesale store was opened in 1974 at Bosisio Parini (Como) to meet the needs of small shopkeepers. The early eighties were marked by the development of specialist formulas. The first "Bricocenter" (Do-It-Yourself Centre) was opened at Venaria in 1983. In 1986 Croff was acquired, the first Italian chain to specialize in furnishings.

Having come into possession of several retailing chains in the food and non-food sectors, the Milan company felt the need for a more flexible structure. In 1988 it became the Rinascente Group.

From that time onwards, the challenge of large-scale retailing has been principally in the food sector. In the same year, Sigros was bought in Sicily, followed by Sagea, with its 14 supermarkets. At the beginning of 1990 a start was made on integrating the food sales outlets within the logic of the group. This was the origin of the SMA-Rinascente Group, composed of 128 supermarkets, 16 hypermarkets, 15 cash-and-carry stores and 61 affiliates.

New investments in avant-garde fields and sectors produced Trony in 1991, the first hypermarket for-

mula specializing in consumer electronics and household appliances and the fruit of a collaboration agreement with Sogema (Expert).

Growing together with Europe, playing the quality card: this is the strategy on which the Rinascente Group has built its medium-term development plan. The challenge of 1992 requires very rapid growth rates in order to reach an adequate critical mass in terms of volumes, which can then be transformed into a competitive advantage over rival firms. The quality strategy translated into various forms of service to customers is the essential method for attaining this objective.

On these premises, the Rinascente Group is mobilizing its forces in a major effort aimed at consolidating its leadership in the trade sector. Particular attention is being paid to the various specialist formulas and to franchising, in line with the trends in a market that increasingly demands that major retailers provide the best commercial offers and offer possibilities for synergies with traditional retailing systems.

In the department store formula, La Rinascente aims to extend its presence to all the major cities in Italy, exploiting top prestige locations and playing a decisive role in the rehabilitation of city centres that has been going on for some years now.

The group's development plans envisage specialist formulas in the hypermarket system, making it possible to combine wide, complete ranges at very economical prices. This is the formula that allows the group to hold a significant market share. For franchising, the target is growth by 30 to 40 units a year, using the Upim, Croff, Bricocenter and Città Mercato names.

However, capital expenditure will be directed mainly to the food sector, for which major growth is predicted in the near future.

The hypermarkets in particular are one of the key points about which the Rinascente Group strategy has been designed.

The idea is to develop large commercial centres integrating different formulas, as already happens today in some cities. In these centres, hypermarkets (Città Mercato) are located alongside specialist shops (like Bricocenter and Trony).

The facilities offered will be extended to include a great variety of services: from banks to dry cleaners, from hairdressers to newsagents, fast-food outlets and restaurants.

This will make it possible to achieve two aims: on the one hand, to give the shopping centre a greater power of attraction, expanding its catchment area (current radius 10-20 km); on the other hand, to offer the customer the possibility of completing a whole series of spending and personal care operations in the space of a few hours.

Alongside the more traditional sectors, special emphasis will be put on new initiatives. The division concerned has been assigned an important task: to study changes in retailing and promptly detect emerging trends in order to develop tests and programmes that keep the group in a leading position, seizing the best opportunities.

The directions for development include all the specialist sectors: mass-market electronics, do-it-yourself, gardening, underwear, beauty and leisure wear. The group is already represented in some of these areas, while in others it is studying the most appropriate formulas for market-entry.

The overall programmes are ambitious and only a continuous search for quality will allow them to be implemented. For the Rinascente Group, quality is an absolute value, a process that involves everyone. It has a component associated with the products, which manifests itself in tangible form, and another associated with customer relations, which has intangible aspects but is perhaps still more important.

Pursuing this objective means seeing the 127 million individual sales transactions that take place every year as personal relationships.

This means careful attention to the more than 700 sales outlets (direct and indirect) scattered throughout Italy. It requires rigorous selection of the products accepted for sale. It means providing 18,000 people with a continuous supply of knowledge and information, actively and intensively involving them in operations.

It means continuing evolution of the company organization so that it responds fully to the expectations of employees and allows them to be attentive interpreters of the rules of quality.

Continuously checking the quality standards laid down against the service actually supplied at the sales outlets and the customers' quality requirements, the group works towards meeting customers' expectations to their full extent.

The search for excellence relates to both product and service.

For the former, it involves design and creation of own-label brands, cooperating with the world of manufacturing through continuous quality control performed in the group's laboratories for both food and non-food lines, with particular attention given to imported products.

Samples are taken of all the goods offered for sale; for the purposes of quality certification new products are analyzed as well as ones already on the market to which attention has been drawn by the group's sales outlets or customers.

One example of this process is in the food sector, the so-called "cold-chain", the whole process that makes it possible to maintain a constant temperature for all frozen products, with the knowledge that a temperature rise of only a few degrees is enough to permit a dangerous multiplication of the bacterial flora. Another aspect is the hygiene and cleanliness with which meat is cut and prepared in supermarkets and hypermarkets.

These are typical hidden tasks, not visible to the general public, but serving to demonstrate why the concept of quality in the food industry is complex and why it is considered of absolutely fundamental importance.

The importance attached to product quality can be seen in the special training operations which will be described later on (see paragraph 2.5.2).

Quality of service, on the other hand, shows itself in the whole process that brings the goods to the customer.

It includes careful selection of products, completeness of the product range, continuous availability of goods, timeliness of re-supply, rational design of sales area; it is evident above all in the professionalism of the staff.

Advanced technology provides support to logistics, and in this area the Rinascente Group can boast of sophisticated warehousing and goods recovery techniques.

This is particularly true in the non-food sector. By now, all the sales outlets have been connected with the warehouses by computer: every sale is memorized by the optical reader at the cash desk and the information is transmitted to the stock control and purchasing office. It is possible at any moment to know in real time what articles should be re-supplied and where they are needed.

At the operating level, quality control is entrusted to the individual divisional organizations, each of which has its own systems aimed at the customer and at the sales staff.

There is a permanent service quality monitoring system in order to assess the degree of customer satisfaction. Every year thousands of customers are interviewed in the sales outlets.

One notable success has been achieved recently: offering customers a free telephone number for reporting dissatisfaction, problems and suggestions. Many thousands of calls are recorded annually and help the company to intervene in the critical areas that emerge from time to time. Finally, there are meetings with customers to study specific topics and introduce innovations.

There are four principal tools for action directed at the sales staff. On the occasion of events of importance from the commercial point of view, mini-conventions are organized in which all the employees of the main production units take part.

Training takes place using multimedia methods: group experts have developed very advanced software that allows employees to follow self-training programmes on their own.

Specialists in the food retail units are trained in pilot units. Finally, improvement groups are formed in the sales outlets, which thus become test beds for progressive improvement of the system.

1.3 Structure of the firm

- "La Rinascente" department stores
number of sales outlets: 12
- Upim department stores
number of sales outlets: 150
- Città Mercato hypermarket
number of hypermarkets: 16
- SMA supermarkets
number of sales outlets: 128
- Gross Cash-and-Carry
number of wholesale centres: 15
- Croff Centrocasa specialist chain
number of sales outlets: 26
- Bricocenter specialist chain

- number of sales outlets: 17
- Trony specialist chain
number of sales outlets: 3
(Data for 1992, excluding franchised outlets.)

The eight sales channels can be grouped into three divisions:

- Food division: SMA supermarkets
SMA città mercato
Gross
- Non-food division: Upim
La Rinascente
department stores
- New initiatives: Bricocenter
Croff
Trony

Of the 702 sales outlets operating at the end of 1990 (including the 292 franchises), 157 are in the north-east, 130 in the centre and 345 in the south and on the islands.

The group's significant presence in the south shows the commitment of the group to modernization of services and infrastructure.

The 38% increase in direct outlets (from 297 to 410) is accompanied by a 101% increase in affiliations (from 145 to 292).

1.4 Human resources

The Rinascente Group employs a total staff of 17,592, of which 152 are senior managers, 1,015 junior managers and the remaining 16,392 grouped in other levels of the Services Industries National Collective Labour Contract.

Most employees (14,993) have a full-time contract although, as we shall see when analyzing the sales outlets, part-time work is much used, especially in peak sales periods (Christmas).

The majority of employees (67%) are female. The overall average age is 38 and the average number of years of service 13.6.

2. Training policy

2.1 Historical development and current situation of training strategy

In its pursuit of expansion, the Rinascente Group pays particular attention to training policy. Training, in fact, is becoming the instrument through which the company implements its development strategy. At every level, the personnel are involved in a training process that aims at creating the uniformity of behaviour towards the customer that is the true strong point of the Rinascente Group's image.

The number and country-wide spread of the group's sales outlets necessitates centralized design and definition of quality standards, so as to achieve a uniformity of approach and repeatability of actions.

The aim is simple: customers should not have responses from individual sales outlets, but always and in every case from Rinascente.

Each opening of a new sales outlet is therefore preceded by a specific training course.

Newly employed personnel are trained before starting work in the new sales outlet, so that they will be able to convey the Rinascente message right from the first day.

Before a branch is opened, the personnel are involved in a basic training course that includes both modules dedicated to the more technical and specialist aspects of the products sold and others more related to service and sales behaviour (two to three months before opening for large-scale outlets and two to three weeks before for smaller outlets). The training modules differ in both content and duration according to the type of outlet to be opened. On an average they provide 4 to 6 days of classroom instruction; the aim is to reflect the variation in the type of goods sold as well as in the number of personnel involved.

It is important to emphasize that this initial programme is not an isolated end in itself; rather, the training is resumed and repeated over time, thus consolidating its value as an investment. Communication between centre and branches, and hence the aim of uniformity of approach, is achieved through the "building" of manuals within the firm. This is a recent development that is already bearing fruit, particularly from the point of view of involving those responsible for each sector, who are thus called upon to reflect on their own work. The manuals produced, intended for both managers and staff, have become an important instrument for consultation, study and reflection.

2.2 Historical development and current situation of training structure

Recent developments within the firm have also modified the internal organization of the training department, which is currently closely linked to the quality development department, having the same department head.

In the Milanofiori head office, the training - quality development group is composed of seven instructors, two quality experts, a financial expert and two secretarial staff, as well as the department head. The projects described above are initiated by this group but, as has been seen, every project directly or indirectly involves many other people in the firm. Attention is drawn to the participation of line supervisors and working groups in the planning and implementation of new training activities with a view to making them better suited to the needs of their internal customers.

In total, the Rinascente Group spends more than four billion lire a year on continuous improvement of its employees' qualification levels and ability to respond to the customer.

2.3 Participation of trade union organizations in training policies

Observations of trade union representatives on a national level

The Rinascente Group seen by Salvatore Falcone, official of the FISASCAT-CISL trade union office:

Relations with the Rinascente Group, respecting reciprocal autonomy and notwithstanding the conflicts typical of the parties involved, are always conducted in a polite and constructive atmosphere. Integrative contracts and the recent participation in the management of the development-oriented restructuring of the organization have produced good results.

The Rinascente Group seen by Antonio Zilli, assistant secretary general of UILTUCS-UIL:

Understandings reached with La Rinascente in the area of vocational training refer to the Company Contract of 1989, which provided for the following: the right of the trade union to be informed regarding training programmes; the establishment of a financial dimension to the resources dedicated to training; indication of the training content referring to the Eurofiet-CECD memorandum; the constitution of a Technical Commission on training. To date, very little of the above has been seen.

Recently, on the occasion of negotiations on the effects of the restructuring process of the Upim chain and of group development, a commitment was established to support the plan mentioned above with significant professional training activities for personnel transferred to other commercial typologies as well as for vocational re-qualification in terms of updating in relation to the re-launch of the Upim chain.

A significant characteristic of the agreement is also to be found in the bilateral planning, implementation and management of the training activities, which are to be prepared by a joint commission of experts.

However, the subjective and objective difficulties between the company and the trade unions and between these organizations themselves are slowing down the innovative character of the agreement and the experiment with the risk that yet again there will be no concrete results.

The Technical Commission has, however, started examining the training content and methods involved in the ARIANNA project, viewing the audiovisual programmes and the material which the company has presented as unchangeable although it is willing to complement it with other training activities of a traditional nature.

Detailed information on other initial and refresher training activities has never been supplied to the trade union organizations.

La Rinascente Group seen by Ivano Corraini, member of the National Secretariat of FILCAMS-CGIL:

Recent participation in the reorganization and restructuring plan within the scope of the overall development of the Rinascente Group has led to the implementation of significant agreements in the area of training and refresher training. Agreement by both parties on the need for and usefulness of an active vocational policy, in the interests of both the firm and the workers, was an important step for-

ward.

This agreement should certainly be regarded as positive.

Relations with the Rinascente Group are, notwithstanding normal conflict situations, constructive especially at the national level but the transfer of lines of action decided upon at the national level to the individual company locations is not automatic; good relations, conflicts and some clashes alternate.

It is hoped that the agreement on training, which is a positive and indispensable element of Rinascente's overall development plan, will really be put into effect.

2.4 Description of major programmes

2.4.1 The "ARIANNA" multimedia interactive training project

This is the major project for the firm in the field of continuous training; it is currently in the implementation phase.

The project's aim is to make the group's message uniform, spreading the idea of "customer orientation" down to the last unit throughout the group. In this sense, one can say that the project is half a training project and half a quality project.

The necessity of reaching every sales outlet throughout the country has required the adoption of non-traditional technologies, especially in view of the very limited use of multimedia training tools in Italy.

For this reason, there was a planning stage that lasted almost two years and covered both timing and organizational aspects.

It proved necessary to form work groups within the company, made up of training personnel, line experts and operative staff.

The firm thus involved considerable human resources, transforming the planning stage into a major creative effort.

When the type of hardware required had been selected, the first stations – some fixed, others mobile – were installed in the sales outlets and testing of the programmes commenced.

The programmes were aimed at sales staff in the following channels: Upim, La Rinascente department stores, SMA Città Mercato and SMA Supermarkets.

A special programme of 2-3 modules lasting an hour each was created for each channel.

Before employees are introduced to the video terminals, managers are sensitized at special meetings held at head office with the managers or coordinators of the sales outlets. At these meetings, the training package is discussed and the critical steps to be emphasized to the staff are pointed out.

To maximize the attainment of final objectives, managers in their turn organize meetings in small groups to encourage employees to share appreciation of the validity of the messages.

At this stage, which is particularly delicate, managers are given additional support from head office.

In fact, the Rinascente Group has produced special training instruments (a computer-based training – CBT – programme plus a manual for those chairing meetings) on learning techniques and on the management of small groups, so as to help managers to best function as trainers without restricting their management independence.

The multimedia training project, intended for the 1991-1993 three-year period, has obviously created high expectations

Group managers have already addressed this problem and are evaluating possible future developments.¹

2.4.2 Training of "pupils"

"Pupils" is the name given to young people employed under a trainee contract and who are seen as future managers of sales outlets.

They are subjected to rigorous initial selection followed by a programme of basic training designed specifically for their induction into the firm.

This training was once done empirically, but it is now more coordinated, thanks to the possibilities offered by the trainee contract.

The firm pays a great deal of attention to this project, since its aim is to "cultivate" the future sales outlet managers internally, right in the Rinascente Group culture.

The profile of a Rinascente manager must reflect the requirements of the job, most of all the ability to manage human resources. The assumption is that, in addition to being efficient, a good sales outlet manager should know how to deal with those resources that make up the strongest point of the organization: its people.

Given its strategic importance, the programme has been adopted by all of the group's channels and covers a total of 150-200 trainees per year, thus representing a major training investment on the part of the firm.

Selection of trainees is made by each channel at different times of year. Young people under 29 years of age with a university degree or a diploma are considered eligible and must have specific potential abilities: leadership talent, ability to relate and orient to objectives.

The trainees accepted are then introduced to the firm, channel by channel, by means of a 2-year sandwich training programme, in which classroom training alternates with training on the job at the outlet itself.

The classroom training takes place at the head office and comprises 6-7 modular courses, each lasting three or five days. Apart from commercial topics, a good part of the time is devoted to management of human resources, in terms of relations with both customers and staff.

The programme includes a special module regarding the product certification process: the aim is to make participants aware of the importance of this

¹ For an outline of the various project phases, please refer to annex 1.

aspect and then illustrate the strategies adopted with regard to it by the Rinascente Group.

Furthermore, operations manuals are produced and distributed to all sales outlets dealing with perishable goods, where the need for quality is most keenly felt, not only to give staff information about the intrinsic qualities of the products handled but, especially, about how they are to be processed and the behaviour called for by health regulations.

The same themes are taken up again in a training project for the "Pilot workshops" – special "school" departments in certain outlets where staff from all over the network who work in similar departments are posted for a period of training.

This operation is handled internally by the training department with the assistance of some channel experts. Among the principal aspects dealt with are hygiene and quality control of products.

The trainees are supervised closely by both line management and the training department and then involved directly in a quality control project that periodically involves all of the group's sales outlets. Every two months, using a check list for the measurement of certain specific parameters, the trainees are sent for 10 to 15 days – after adequate training in the method to be used – to sales outlets in all parts of the country to measure current quality levels (interior area, exterior area, cleanliness, waiting times at the cash desk, etc.) from the customer's point of view. The data are processed centrally and translated into a report on the sales outlet, the channel and the division; they are an important tool for verifying trends in the firm.

These reports are then delivered to the managing director and downstream to reach the managers of each sales outlet, who can calibrate improvements in performance with concrete data. The active involvement of trainees in the compilation of the check list leads up to a final classroom comment on the results of the report, a fruitful component of this type of training.

This monitoring programme is exclusive to the Rinascente Group and the firm has always made its future managers take part in it right from the outset. On completion of the training programme, the trainees go through a "business game", a sort of global check on what they have learned. This business game lasts six days and simulates decision-making situations of great difficulty that allow trainees to measure their aptitude at dealing with the complexities of management.

This training tool is not restricted to future managers but is also used, with suitable adjustments in terms of degree of difficulty, for current sales outlet

managers. The aim of this activity is not evaluation by the firm. On the contrary, it demonstrates the high degree of attention paid by the group to such an important figure as the sales outlet manager.

The business game in fact provides a special occasion for reflection, for checking one's own capabilities and for analyzing possible needs for training, and that is the way it is seen by the people involved.

2.4.3 The Master for buyers

Emphasizing the central role played by buyers in the world of multiple retailing, the Rinascente Group provides a special training course to prepare them to meet the new national and international competitive challenges.

The aim of this course is to bring together buyers from the various channels (Upim, La Rinascente department stores, Città Mercato) in a common programme, to encourage a sense of belonging to the group as well as to stimulate capacities for innovation and creativity.

The Master comprises 4 modules of three days each, with classroom teaching at the head office and also planning work in small groups that may take place outside the classroom.

The buyers, who almost always work on their own, are thus invited to participate in the group culture and at the end of the Master produce a work project on a specific problem that has been assigned to them. This work project must then be described to a committee by a spokesperson.

The project relates to their professional skills, but the fact of working in a group stimulates them to look for solutions directed towards the ultimate objective, with an effort to adjust to what is new and with a specific requirement for creative solutions.

2.4.4 Quality group animators

This project, recently introduced by the firm, is again positioned half way between training and quality. On the basis of the need to improve customer service more and more, the firm has decided to encourage measures to improve the quality of customer service in certain sales outlets of various channels through both classroom training and service/consultancy at the sales outlet itself.

The animators are line personnel trained in the methods and techniques of problem-solving who then apply them at the sales outlet.

The group work is aimed at a specific improvement project for each outlet and the delicate aspect of the "quality" basis of the course involves the head office training and quality development department directly and profoundly.¹

¹ For a detailed description of the programme, please refer to annex 2.

Annex 1

The Arianna Project distance training programme

Objectives

- To develop a "service-oriented" attitude among the group's sales staff in conformity with the service strategies of the various commercial formulas
- To give the staff a stronger sense of belonging, stressing the involvement of the group in global quality and the role of the sales staff

Contents

- The reference market, service, professional standards

Participants

- Sales staff of La Rinascente department stores, Upim, SMA-Supermarkets and SMA-Città Mercato

Method of implementation

- three individual sessions lasting 1 hour each, using multimedia technology
- one small group meeting for each session managed by the supervisors

"The Process"

The planning phase

Choice of subject Company management

Storyboard presentation Consultancy

Testing of storyboard Divisions
 Training department

Preparation of prototype Consultancy

Testing of prototype Divisions
 Training department

Final product

"The Process"

The implementation phase

CBT sent to line supervisors Training department

Presentation of product/module to line supervisors Training department

Presentation of product/module to sales outlet management Those in charge of outlet
 Training department

Scheduling implementation Outlet management

Presentation of product/module to staff Outlet management

Individual viewing of module

Feed-back meeting Outlet management

Report to training dept. Outlet management

Annex 2

Improvement groups

- Who?
- What?
- Where?
- When?
- How?
- Why?

Who participates in the activities of the improvement groups?

- Group members
- Coordinator
- Liaison officer
- Branch management

Group members (4 to 7 persons)

- Participate in all aspects of its work:
- Contribute to choosing problems to be dealt with, finding and implementing solutions
- Share the work needed to deal with the problem
- Inform their colleagues about the group's work and receive any suggestions

The coordinator

- Organizes the group's work and is responsible for:
 - organizing and preparing meetings
 - teaching problem analysis techniques to participants
 - guiding the group in dealing with the problems
 - seeing that rules of procedure are respected
 - keeping superiors informed on the group's work (reporting)

The liaison officer

- Supports the coordinators in all matters related to the operation of groups (methodological aspects)
- Facilitates communication between the groups and the central bodies
- Helps the coordinators to present proposals for final solutions

The branch management

- Has overall responsibility for the improvement groups through:
 - Approval of proposals for solutions
 - Control and standardization of results

What?

- What problems can the groups deal with?
 - Operational problems for which participants are responsible; the solution of which would improve quality of service and the results of which would be measurable
- What problems can they not deal with?
 - Union matters
 - salaries
 - managerial questions
 - staff rules and contractual matters

Where?

The improvement group meets in a suitably equipped meeting room at the sales outlet

When?

The improvement group meets periodically depending on the needs of the sales outlet concerned

How improvement groups work

- the coordinators attend a course to learn the techniques and working methods which they gradually transfer to the group members
- the improvement group identifies and analyzes concrete and operational problems related to daily work
- it seeks solutions to these problems and proposes them to the management
- it puts the solutions deemed suitable into effect and checks their results

How a problem is dealt with

- selection of the problem
- description of the problem
- data collection/quantification of the problem
- analysis of causes
- identification of solutions
- choice of solutions
- report to the management
- implementation of solutions
- verification of results
- standardization

How the value of a solution is demonstrated

By its cost/benefit ratio

How an improvement group is started

The management of the branch informs staff that a group is to be set up

Anyone can participate because one of the characteristics of improvement groups is that they are absolutely voluntary

Why?

Objectives:

To contribute to the improvement of the quality of work in all its operational aspects (methods, equipment, environment, safety) and its economic results (times, costs)

To contribute to the improvement of services provided to customers/colleagues

To exploit normally untapped potential resources

What we have achieved

Where	What
Milan-Duomo branch	
Bella idea group	Information and notices regarding sales floors
Era ora group	Problems related to cash points
Cogli l' attimo group	Christmas 91 event (how to improve service)
Via libera group	Flows for moving reserve stocks to the floor
Monza/Certosa branches	
Liberty group (Monza)	Cash service project
Kennedy group (Certosa)	<ul style="list-style-type: none"> • Procedures, cash box • Cashier, service
Rome-Fiume branch	
si può dare di più group	Programme for the induction of new sales staff
Rome-Colonna branch	
Il Marsupio Group	Design of a mobile "board" for use in the sales area

3. "La Rinascente" in Piazza Duomo, Milan

3.1 General description of the sales outlet

The sales outlet analyzed is the "La Rinascente" department store in Piazza Duomo, Milan, the seat of the firm's original store.

The outlet occupies a building with nine sales floors and one services floor, with a total area of 17,217 m².

In 1990, a 7th and 8th floor extension was added, housing two restaurants, a café, a grill, an American Bar bearing the name of Gualtiero Marchesi (a famous Italian gastronome), a bank, travel agency, beauty centre, hairdresser and exhibition gallery.

In 1991 the basement was restructured and extended to include a delicatessen food area with a wine shop, a bakery and confectionery, a tea shop, tasting areas, a party service and a new wedding list service.

In 1992 the outlet is committed to restructuring the car park and creating new exhibition areas, with the modernization of other sales floors being planned for 1993.

The store hosts 90 independently managed "shops within a shop", mainly in the perfumery sector.

The store turnover in 1991 was 183,500 million lire, 63.8% of which was achieved in the textile sector. Articles stocked numbered 25,000.

It is calculated that six and a half million people visit the store annually: 3,500,000 Milanese, 1,800,000 from other parts of Italy and 1,200,000 foreigners. A total of 130,000 people visit the store every week including 35,000 on Saturday. There are 900,000 regular customers (7 purchase per year), 70% of whom are women. Their average age is 38, with 25% under 24 years of age, 40% from 24 to 44 and 35% over 45. Among the customers, 52% have diplomas or university degrees.

The Piazza Duomo store is therefore a sales outlet distinguished by a select clientele, the type of service offered and a notably attractive location for tourists (the 8th floor veranda is on the same level as the spires of the cathedral).

The organigram (see annex 3) shows a management staff composed of three areas coordinated by the same number of assistants (administration, personnel, image) and a line management coordinated by five group managers, to whom nineteen area managers report.

3.2 Human resources

The total number of employees in the store is 603, of which:

- 466 sales persons
- 92 office and services personnel
- 45 logistics workers

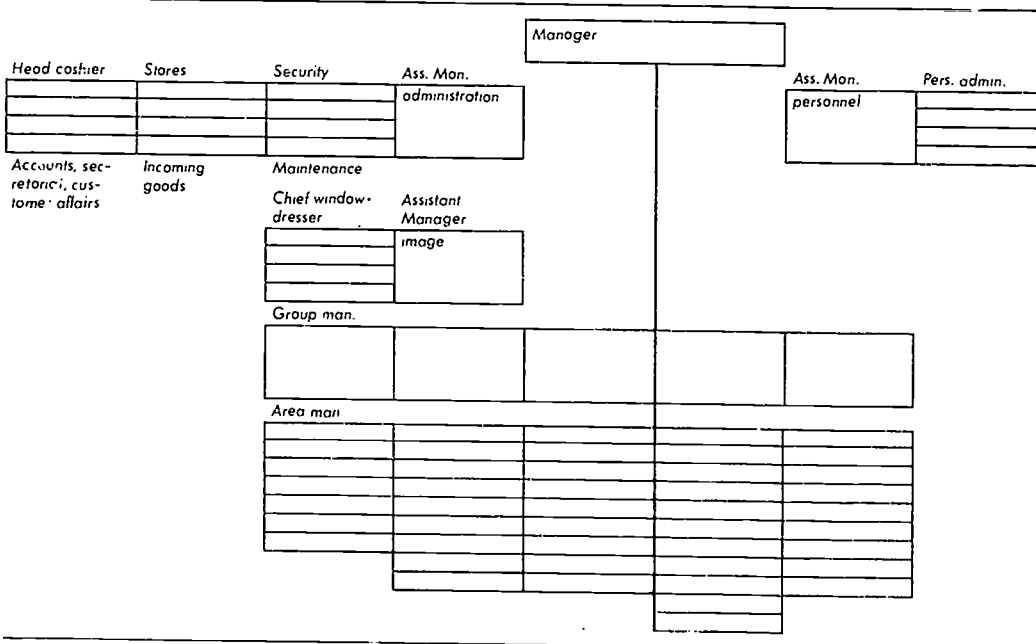
In addition, there are 205 outside collaborators working in the "shops within the shop".

Sixty percent of the personnel, management excluded, are classified as level IV in the National Contract, 10% at level V and the remaining 30% at level III.

At the end of 1990, 10% were over 55 years of age, 35% between 40 and 55, and the remaining 55% under 40. The proportion of females in the work force is very high. In fact, only about 100 of the 630 employees are men. Staff turnover is closely related to the type of employment contract.

For full-time workers and part-timers with fixed hours (4 hours per day, every day), the turnover is 3.5 - 4% per year. For part-timers working only in some months of the year or on some days of the week, on the other hand, turnover is very high:

Table 1 - La Rinascente in Piazza Duomo, Milan



about 50% in the first year and 75% by the end of the second year.

This body of high-turnover personnel (about 150 out of 630) is selected specifically by the firm for particular periods. (see Table 1)

There are 260 full-time sales staff working in two shifts (from 9:25 to 18:20 and from 13:20 to 19:35) with an hour and a half break. On Mondays there is only a single afternoon shift, because the store is closed in the morning.

Of the part-time staff, 118 work half a day every day, while 90 work full-time on Saturdays and one month of the year; there are 30 who work only some months of the year.

With reference to trade union relations, Rinascente personnel enjoy a company supplementary contract which adds 10-12% to the pay levels of the National Collective Contract. There are also productivity bonuses at both store and division levels. On terms of staff selection, the Piazza Duomo store receives about 30 applications per day. Almost all of these are young women with school-leaving certificates. They are given a personality test (designed by the head office), followed by an interview. The qualities the firm chiefly seeks in recruiting personnel are relational capabilities and flexibility in work. Generally, possession of specific academic qualifications for retailing (issued, for example, by state training institutes) is not a decisive factor in recruitment.

There was a marked change in the management's approach to internal promotion in 1986 and recently an evaluation of potential for career routing has been introduced. The majority of employees are, however, by now fixed at levels IV and V, and 30% constitute a stable population.

3.3 Description of major programmes

One of the most significant measures has been the introduction of the *Multimedia Training Programme*. For the management of "La Rinascente" department stores, this project envisages four modules, the first of which is already in operation.

This module starts by describing the firm's history (for all the channels) and then that of the department stores, the "positioning" of the division and, above all, the type of service offered to customers.

The message aims at emphasizing the complexity of the commercial process in which the department stores are involved and the importance of a customer-oriented service, one that therefore takes account of the firm's established image and the relationship of trust established with the public over time.

Full introduction of the programme was preceded by a test that involved all the management and a restricted sample of sales people.

Implementation of the module has required ability to manipulate the hardware, with which the personnel already had some familiarity.

In fact, there are about four years' experience using informational videotapes on important events. Four or five times a year, all employees are required to view group documentaries aimed at their involve-

ment in new types of goods being offered and/or technical topics.

Unlike this collective viewing, the Multimedia Programme provides for individual and interactive use of the equipment and in this sense is classified as a training exercise, or better, as a self-training exercise.

The multimedia tool is used in the department stores for another project of great importance: a *basic English course* for sales outlet personnel.

The programme is sectoral, and therefore differs according to the people to whom it is addressed. Attendance is voluntary.

Employees do about an hour of work with the machines twice a week, following a planned schedule. Every eight lessons, and therefore about once a month, there is a test to check what has been learned. This instrument has proved very effective and attracted numerous and attentive participation.

The training programme for high-turnover personnel consists of a period of attachment described as "on-the-job training".

These employees, who are classified as belonging to level V of the National Labour Contract, are "attached" to level II personnel, specifically to sales assistants, for one week. The aim is learning the company language, especially in terms of the goods dealt with in a particular department.

During the same period, the new employees are involved in compiling paper documentation and their knowledge of how to use the cash register is checked. They also take part in a refresher mini-meeting that the floor managers periodically hold for floor personnel.

Strictly qualitative in nature, the project, which was launched in the spring of 1991, was terminated in October of the same year.

During this period, four *quality improvement groups* were set up, a sort of quality circle, with the aim of improving the quality of work within the firm and the customer service.

The four groups involved 40 sales people, 8 area managers and a "goods auxiliary" (move of goods within the store).

Each group worked on an improvement project relating to a specific aspect of the sales outlet:

- improving visual communication (signs)
- improving goods movements (area in front of lifts)
- making the sales outlet more attractive in the pre-Christmas period
- improving cashier service (equipment and on-the-job training)

The experiment generated such enthusiasm from participants and the results were so positive that the firm is intending to repeat it this year, involving other staff.

In conclusion it can be said that training activities play an important role in the development plans of the Piazza Duomo store.

Overall, there have been over 1600 hours of train-

ing: 680 hours were devoted to improvement groups, 600 to informational videotapes, 210 hours to English courses and 105 hours to management training (at the head office).

And so the store, with the adoption of these programmes and the introduction of the multimedia training project, finds itself perfectly in line with the strategy of the Rinascente Group, interpreting its philosophy and spirit of development.

4. Evaluations

By the researcher

Awareness of the role of the European scenario forms the background to the search for excellence in both products and service. Excellence is sought through the adoption of very advanced technology and through constant attention to customers.

The possibility of achieving these objectives is intimately linked to special attention to human resources, whether internal as staff or external as customers.

Involvement of staff at every level in a training process aimed at promoting a style and a uniformity of behaviour towards customers represents the strong point of this firm.

The training given seems consistent with the company mission and the training operations, initial and continuous, the provision of manuals, the adoption of sophisticated technology for self-training, the importance given to small group size, systematic communication with the head office, the experience of animation as willingness to consider improvement a process rather than a finishing point, all of these factors contribute to making the training policy of the Rinascente Group an important and particularly advanced model of reference.

The following persons were interviewed in the Rinascente Group:

Sandro SERENI Responsible for training and quality development
Milanofiori Head Office

Enzo DAMIN Assistant personnel manager,
"La Rinascente" department store,
Piazza Duomo, Milan

Foreword

This case study, in addition to dealing with the three basic aspects of the survey, also examined matters related to the Ari cooperative of Rome. This further analysis was needed to better understand Conad's particular structure and, in particular, the relationship between the sales outlets, represented by the Pianeta hypermarket in Rome and the Ari cooperative, to which the hypermarket belongs. We trust that this supplementary information will be recognized as a useful complement to the whole survey.

1. General description of the firm

1.1 General information

Since its foundation in 1962, Conad has owed its success to cooperation, not merely as a purchasing group, but as an important service organization.

Today Conad is one of the four biggest Italian distribution chains and has a system of firms throughout the country created specifically to satisfy the very latest consumer and market requirements. The organization includes member retailers, large purchasing groups, modern distribution centres, a network of specialized and multi-channel outlets throughout the whole country.

Conad outlets number more than 7,000 and include traditional and specialized shops, superettes, supermarkets and hypermarkets.

Since 1962, Conad has built up a wealth of experience in the transformation and modernization of the national distribution network. Work has concentrated on the improvement and creation of many small and medium-sized businesses and on modernizing them to make them competitive.

Today these firms offer customers more comfortable shopping, a wide range of choices, ample supplies of goods and specialized and customized services.

The 40,000 persons working in this system of firms – which has developed considerably in its nearly thirty years of operation – pay careful attention to changes in society, the market, consumption characteristics and tastes. Thanks to them, Conad now reaches 2 million consumers all over Italy every day, offering high-quality products with the typical Conad promptness and courtesy.

These are the ingredients which led to Conad's outstanding position in the field of small, medium and large-scale food and non-food distribution in Italy.

Conad is a large supply and sales structure. With a share of 5.1% of food sales in Italy, it is one of the biggest national distribution centres. As a whole, its share of the distribution network is more than 13% of the supermarkets and 7% of the self-service shops with areas of up to 400 m².

The Consortium's total turnover for 1991 came to 2,338 billion lire, an increase of 11.20% over the previous year. Taken as a percentage, this was a greater increase than for 1990 over 1989 (+9.90%).

For the cooperatives, turnover was +12.80% compared to 1990, with total sales of 3,413 billion lire.

Retail turnover is estimated at 9,744 billion (+12%). During 1991, thirty-three member cooperatives operated in the Consortium with a total of 7,099 outlets (7,767 in 1990) and a total sales area of 946,023 m².

During 1991, the Consortium provided support financing to member groups totalling about 289 billion lire.

In considering the figures on outlets, the different categories belonging to the Consortium's three sales channels should be borne in mind: "Margherita" for local shops, "Conad" for supermarkets and superettes and "Pianeta" for hypermarkets.

The number of local shops in the "Margherita" channel increased from 1,018 in 1990 to 1,774 in 1991 (+156), with an increase in square metres of area from 98,000 to 117,000 (+19,000).

The "Conad" channel's outlets increased from 1,163 in 1990 to 1,217 in 1991 (+54) with +31,091 m² (509,283 m² as compared to 478,192 m² in 1990). The number of outlets in the "Pianeta" channel (hypermarkets) remains unchanged: 2 with a total area of 9,600 m².

The positive trend with regard to overall turnover in the Consortium continues. In fact, the increase over the previous year was higher than that for 1990 as compared to 1989, which was already substantial. Conad owes these good results to the fact that its policies responded to the changes in consumer attitudes which took place during the last few years: customers are now paying more attention to the quality of the merchandise.

1.2 Short history and recent developments in the Conad strategy

Conad was founded in May 1962 to meet a need felt by some purchasing groups to create a coordinating and promotional body at the national level and to concentrate their efforts so as to find better solutions to problems and have more impact.

Purchasing groups had already existed in Italy for some years (the first ones were formed in 1955) to enable retailers to compete with the first supermarkets.

There were, in fact, two advantages in dealing directly with producers: enjoying the special conditions that industries and producers were beginning to offer and cutting out the wholesalers who offered the individual retailer only a limited range of goods and little room for bargaining.

However, many of these groups had sprung up spontaneously, were too small and not well enough equipped and they soon began to have serious difficulties due to their lack of experience in dealing with new and complex situations and to the absence of appropriate legislation and special credit facilities. The need was therefore felt to overcome the isolation of the different groups by joining forces, and that is how Conad came into being.

This was the beginning of a new cooperative trend affecting the whole area of small and medium-sized businesses which, starting with the distribution sector, gradually expanded to include producers, arti-

sans, technicians, professional people – everyone engaged in independent professional or business operations – who recognized cooperation as a means of broadening and improving individual possibilities.

The importance of cooperation between retailers in the modernization of the Italian distribution network during this period has been decisive. Conad's great advantage was that it showed its members that modernizing the distribution network and the methods for circulating goods was the best way to develop their businesses and be able to deal with changing consumer demand.

The most significant fact is that Conad members represent 3% of the food traders and 12% of the supermarkets and superettes existing in Italy. This shows how many traders are open to new ideas and that the time is ripe for developing distribution with the forces already operating in this sector and the new forces ready to undertake the management of modern distribution structures.

The driving force of the innovative process has been the large cooperatives, who not only equipped themselves with efficient distribution centres but, above all, set up the necessary services to provide effective support to the new sales network. The next few years will be the real test of the movement's ability to achieve qualitative growth as well. Conad has a background of important achievements; its members are open to new ideas and its groups have sound experience. All this represents a guarantee for the future. Conad's development plans provide for the investment of 240 billion lire in the distribution network. The consortium plans to create more than 1,300 outlets in the Margherita channel. In the Pianeta channel, started in 1990, 12 hypermarkets are scheduled to open in the Italian provinces during the next three years. An important novelty for 1991 is the convenience store: a shop with long opening hours, ideal for emergency shopping, situated near petrol station service areas. They will mostly be located near large metropolitan areas.

Quality and reliability are the strong points of the products that bear the Conad brand. To make sure the consumer gets the best, Conad's expert services conduct studies and analyses and devote considerable resources to controlling the many brand-name products (over 350 in the various product lines). Reliability, quality and naturalness, especially for food products, are guaranteed by laboratories which carry out systematic sampling directly at the outlets. All goods are subject to several different controls, but long before these checks are made, the quality of the brand-name products is ensured at the point of origin by all suppliers of raw or processed materials who are required to certify – on the basis of special technical analysis forms – that the products supplied to Conad meet the required quality standards.

A completely new packaging and a new image complement the intimate quality of every product that bears the Conad brand.

1.3 Structure of the firm

Conad is a very complex structure of commercial and marketing activities operating on three levels:

- member firms (retailers and shopkeepers);
- cooperatives (large purchasing and distribution centres throughout the country);
- the national consortium.

In the Conad structure, every firm, at every level, is free to manage its business independently, but they join forces in development programmes and general strategies.

The member firms, the cooperatives and the consortium belong to the "Associazione Nazionale Cooperative Dettaglianti" (National Association of Retail Cooperatives), a body which coordinates the system's policies. The ANCD belongs to the National League of Cooperatives.

In the sector of advertising, publicity, public relations and specialized publications, Conad works through the Società Comunicazione Europea srl (European Communications Society) and the ETA (Edizioni Tecniche Associate) Srl.

In the south of Italy and on the islands, where it has 4 large distribution centres, it operates through the Società Unico Srl. Commercial cooperation with Conad means distribution at a prestige location. During 1990, the operations of the entire Conad system produced excellent results in terms of turnover for the retail trade, the cooperatives and the national consortium.

There are 33 cooperatives.

The first 20 of these are the backbone of the organization and account for 90% of the sales. They supply member outlets with a full range of industrial and fresh products and specialist services for reorganization, promotion, renovation and management control.

Conad continues to strengthen and improve its own national distribution organization: diversified sales structures, development of hypermarket structures (2, which will increase to 12 during the next three years), plans for investment in the commercial network, in the distribution centres, in innovation and in human resources.

Italians have a reputation for being creative and out-going people who like to enjoy life.

The Conad philosophy takes these values into account and knows the maturity, the habits and the expectations of the Italian consumer who, for daily and periodical shopping, wants a distribution network which can give certain guarantees, whether in small, medium or large structures: wide choice, good quality products, freshness, easy access, fair prices, courtesy. The Italian shopper also tends to remain true to the corner shop.

On this basis, Conad has reorganized the sales network into three channels operating under three different trade names:

- Margherita, for local shops
- Conad for superettes and supermarkets
- Pianeta for hypermarkets.

The Margherita Channel

Designed to provide local service, carrying on the best tradition of the local shop but with a completely new display layout and marketing approach. Consumers welcome this channel, not only because the shops are convenient and close to home, but also because they offer an ideal selection of goods combined with efficiency and good service.

A year after its creation, the Margherita channel includes over one thousand outlets, thus proving that small is not only beautiful but also profitable when it is convenient and specialized. With areas ranging from 70 to 200 m², often family-run with technical and commercial assistance from Conad, these shops fit perfectly into the urban scene and meet daily and emergency shopping needs, offering quick service, natural products and extra customized services such as home delivery.

They are characterized by the prevalence of the fresh food sector (pork, dairy and delicatessen products account on an average for 65 - 70% of sales). Gastronomic specialities, bread and pasta are also available.

Fruit and vegetables are delivered daily. The emphasis is on local products and brand names. The best selections include frozen and miscellaneous goods (70% groceries, 30% household products and toiletries).

The Conad Channel

This is a very modern sales channel which includes superettes, supermarkets and stores selling miscellaneous goods.

The outlets belonging to this channel have a local commercial function and offer a full range of goods for weekly shopping. They may sell only foodstuffs or also miscellaneous items. The range of services and of qualitative "ingredients" is typical of Conad: quality, good value, care, skilled staff and fresh products. Freshness is most important and Conad has an excellent reputation for fresh products (55 - 60% of sales in this channel).

An original layout creates the impression of a typical "piazza" with merchandise attractively displayed where the consumer can find the genuine freshness and sociable atmosphere of the traditional markets of our old towns.

The Pianeta Channel

Pianeta is Conad's newest venture. It is a world where every possible merchandise is available, situated in major shopping areas and equipped with parking, restaurants, bars and special services.

The first two Pianeta hypermarkets, in Rome and Modena, have been in full swing since November 1990. They were planned down to the last detail of the specialized sectors by the Conad organization with the general consultancy of the Società Bossard Consultant Italia.

The world of hypermarkets is the most modern solution for organized large-scale distribution.

Conad plans to create a network of 12 medium-sized hypermarkets (from 4,000 to 6,000 m² of sales area) throughout the country.

This will enable Conad to expand in terms of market

share, improve the quality of its whole organization and increase the variety available in all product areas.

2. Training policy

2.1 Historical development and current situation of training strategy

Since its early years of existence, Conad has been conscious of the importance of human resources, but it was only in the early seventies that it set up a specific department for human resources management. Those were the years of rapid growth of associated retailing.

It was felt necessary to give the associated firms more directly managerial roles that would give concrete form to the enterprise of the purchasing group. For this reason attention was focused on the development of function managers through a type of training that was real training for the job by means of know-how transfer.

Naturally the function of management selection was not absent on the level of organizational structuring of the cooperatives; planning for the positions to be filled was effected according to the role to be fulfilled. It was therefore natural that training themes should be predominantly administrative and commercial.

The problems of the shop system were dealt with only marginally: the training material produced included packages to train members in proper management of the sales outlets and actions aimed at the management of a modern sales unit.

The training approach naturally began to alter with the change in needs and requirements of the associated enterprises, until it adapted itself to the present "enterprise system". And thus, while preserving the assets built up previously, from training to management of administrative or commercial type roles, a move was made towards training for new company functions in the field of information technology, marketing, management control and logistics.

A system of profiles and models was thus built for functions as they became necessary, the contents of which, as well as the modalities of linkage between the different enterprise management systems, were transmitted through appropriate training initiatives. This is a leap forward in quality, represented by the change towards new contents and towards the analysis of management problems and systems of operation.

Training activity is therefore directed to the needs of the individual enterprise, providing support in problem-solving, thus personalizing action within the basic guidelines of the system.

At the same time there is a growing need to transmit and build professionalism in management of the new sales network. Studies have thus been undertaken within the whole organization and transmitted by training through specific modules on management and operational aspects of specialist shops and, more generally, in the overall presentation packages of the Conad sales outlet.

Today Conad produces a complex, rich and varied offer of training for its associates. Increasingly, central action follows the logics of greater uniformity in the system and of targeting the specific needs of the individual beneficiary. Both the general needs expressed by the sales network in its various channels, and the spectrum of needs of the firms can be tackled through the preparation of appropriate models for action.

The advice supplied to the individual firms must be linked to this in terms of resources planning and establishment of management systems, both in connection with systems logics.

2.2 Historical development and current situation of training structure

The year 1987 was an important turning point for Conad training policies.

Up to then, training had been the responsibility of the personnel division, but since the creation of Fordas, planning, organization and operation of courses and seminars have been handled externally.

In particular, Fordas deals with training within the more general framework of ANCD (National Association of Retail Cooperatives), which represents several national consortia, the most important of which is Conad. In fact, although it is a fully autonomous organization with its own budget, Fordas works mainly for Conad.

Fordas' relations with the end user, the retailer, typifies the social mission of the whole Conad group; this contact always takes place through the cooperatives which participate in the preparation of staff training plans. Because of their representative character, the cooperatives are, in fact, an excellent source of information on training needs.

A further channel is represented by the national companies, all members of "Conad System": they stimulate the second level, the cooperatives, to achieve continuous development.

For example, the proposal for a group loyalty card – the Conad Card – originated from the national Conarr and Conad Programme companies, revealing a need before it was even clearly expressed by consumers.

Fordas is completely autonomous from the methodological point of view. Up to 1989 traditional methods were used: short refresher seminars in order to ensure continuous updating. For some subjects, Fordas simply offers organizational support. For example, courses were recently held on fiscal and legal subjects, with material supplied by the legal office of Fincomma, the group's financial house. For other subjects (information technology, administration, business, marketing) Fordas acts as a planning unit. The training of managerial staff, however, is always done in consultation with the personnel manager and his staff. Planning is done by Fordas in all cases.

Recent developments in the training structure, with the detachment of Fordas and its transformation into a third-level company, have to some extent modified staff deployment. In particular, whereas

Fordas used to have an executive chairman and a vice-chairman, these two functions have now been transferred to the group's holding company, Fincomma, the lead company of the group to which Fordas belongs. In short, the chairman of Fincomma is also vice-chairman of Fordas while the vice-chairman of Fincomma becomes chairman of Fordas. The operational structure is composed of an administrative officer, 2 organizational analysis and management systems officers, 2 training officers – the training sector is divided into executive and network training – and one secretary.

2.3 Participation of trade union organizations in training policies

Observations of trade union representatives on a national level

Conad seen by Antonio Zilli, assistant secretary general of UILTUCS-UIL:

Although it is a part of the cooperative movement, Conad does not have proper trade union relations, at least not with all three of the trade union organizations. Despite the fact that UILTUCS is the most tenacious proponent of the widening of the Collective Contract for Cooperative Retail to include the Retail Consortia, the consortium does not have regular relations with UILTUCS.

Given the structural and political characteristics of Conad as indeed of a great part of the cooperative movement, if trade union relations with UILTUCS cannot be established on a national level, they can probably find a counterpart on a local level. However, with regard to professional training policies and activities imposed, conducted and implemented by Conad directly and indirectly, they have never been the subject of information passed and less so of consultation and negotiation with the trade unions, at least as far as UILTUCS is concerned.

Conad seen by Ivano Corraini, member of the National Secretariat of FILCAMS-CGIL:

This is the first year that Conad has joined the parties to the national agreement for consumers' and retailers' cooperatives.

In this connection positive union relations have been achieved on a national level.

2.4 Description of major programmes

Training for the network (Margherita – Conad – Pianeta channels)

Many network training courses have been organized at the national level for newly recruited staff and to provide refresher training to shop supervisors. The present trend is to place less emphasis on such activities, even though they have not been completely abandoned.

The current strategy focuses on training operators, so as to have a large pool of staff ready to assume responsible positions when required. There is not yet any real demand for training of managers. The social element is still very important in cooperatives and it is therefore the members themselves who

form the managerial category of the sales structure. Nevertheless there are some rare cases in which the members are either not every active or totally absent at the outlet and a professional manager is therefore needed.

The idea is that where the manager or person in charge is to be a non-member he/she can be selected from among the qualified young operators. The hypermarket channel is a different matter: although the members are the owners, they are not involved in the daily management of the outlet. In this case, training mainly aims at preparing department supervisors and staff; no need has been felt so far to train managers. If, however, the development prospects should indicate this necessity, a programme will be started for the training of managers within the system, for example, by refresher training of existing staff so as not to have to resort to outside recruitment.

It can thus be seen that the groups tries to find within its own ranks the new recruits needed to cope with the changes in the management system, and this involves Fordas as a matter of course.

One of the major innovations in the field of training in the last two years has been the introduction of audio-visu-als, mainly for the Conad and Margherita channels.

Most audio-visu-als are designed for sales staff and their characteristics differ for each channel. A very general and comprehensive audio-visual dealing with customer relations is one of the most important ones. Even its title "One reason more: courtesy" already clearly defines its aim: a standardized staff behaviour code designed to give customers maximum satisfaction even from the human angle.

The film, which lasts one hour and twenty minutes, is accompanied by ample documentation and is introduced by a training officer, usually a network operator from the territory who has been specially trained for the task. This operation was planned by Fordas with the assistance of an outside industrial psychology consultant and then developed by a specialized firm. This was followed by the preparation of other, general audio-visu-als more specifically related to Conad or, rather, to "The pleasure of being called Conad".

It can be seen that every effort is being made, using a clear and acceptable message, to arouse support for and participation in the activities of the channel. Along with the technical aspects of communication, such as the correct use of posters and proper attention to display and merchandising, the film also stresses personal contacts between assistants and clients and all the little ways of achieving successful communication.

Fordas has also created audio-visu-als with a more specific training function in terms of overall department management - in particular for the pork, milk products and the fruit-and-vegetables departments.

For the Margherita outlets, Fordas has produced an audio-visual specially dedicated to the manage-

ment structure of the channel and, once again, to behavioural aspects.

The training plan for the retailers who are members of the cooperatives is completely different. In this area, in fact, the need most keenly felt has been to promote overall cultural growth, a development which is becoming increasingly noticeable in this sector. For example, members want a clear and correct relationship with the technical structure, and for this purpose they have expressed the need to familiarize themselves with the drawing up and interpretation of budgets and with the laws regulating civil or penal liability.

Fordas has responded by preparing an audio-visual on how to manage Boards of Directors. Its success proves that it was just what was needed. Obviously this product is aimed at the group that manages the Boards of Directors of the cooperatives and its aim is to provide members with as much information as possible so that they have at their disposal everything needed for decision-making.

This is certainly the most progressive training project so far, from the point of view of content and methodology.

Many of these audio-visu-als can serve for continuous training because each one can be seen again by the same audience who, after having acquired some experience in the outlet, are able to take in more of the subject or discuss different parts of the film.

To date, the market for these products has been limited to the Conad system but this does not preclude them from being offered outside as well, after appropriate editing to eliminate specifically Conad aspects and make them suitable for a wider audience.

The training market could be expanded by offering one or two-day training sessions in firms belonging to the sector, using instructors and consultants supplied by Fordas. This method is already widely used in the network, where training is organized cooperative by cooperative.

At present, training takes place outside working hours and participation is enthusiastic and numerous. The following chart lists training activities carried out by Fordas in 1991.

3. The Ari cooperative in Rome

3.1 General description of the firm

The Ari cooperative of Rome, a member of Conad, is a limited company comprising 180 outlets broken down by channel as follows:

- 1 Pianeta hypermarket
- 40 Conad supermarkets
- 139 small non-specialized Margherita shops.

The cooperative has 2 warehouses:

- 1 warehouse covering an area of 18,000 m² in Pomezia, close to Rome, for storing various goods;

Table 1 - Training activities in 1991

Seminars run by Fordas on a national basis

15-16	January	Organization and management of working groups (for Conad)	10 participants	16 h
16	January	Inventory management tools	30 participants	8 h
21-22	January	Course for buyers (for Eco Italia)	17 participants	32 h
8-9	April			
24	January	Pianeta: feasibility, planning	11 participants	24 h
21	February			
14	March			
30-31	January	The supermarket's sales potential	7 participants	16 h
19-20	February	Management of store staff	18 participants	32 h
5-6	March			
27-28	February	Why Margherita?	13 participants	16 h
20	March	Just in time	24 participants	8 h
25-26	March	Fresh products in Margherita outlets	11 participants	16 h
15-16	April	Office work and company image	8 participants	16 h
2	May	Personnel management	15 participants	48 h
3,4,5	June			
9-10	June			
27	May	The services company (for C. Program)	23 participants	16 h
4	June			
28-29	May	Follow-up storekeepers	16 participants	32 h
11-12	June			
24-25	June	The distribution company (for C. Program)	15 participants	32 h
12-13	September			
12-13	September	The pleasure of being called Conad	4 participants	32 h
28-29	November			
30	September			
1	October	Operational methods and management systems	16 participants	16 h
30	September	Reading and understanding a balance sheet	7 participants	16 h
1	October			
2-3	October	How to conduct planning interviews	13 participants	48 h
21,22,23,24	October			
30-31	October			
30-31	October	Guidelines for 1992 (for C. Program)	18 participants	16 h
27	November	Communication and negotiation in firms (for Conad)	12 participants	16 h
4	December			
28-29	November	Choosing safety	25 participants	16 h
2-3	December	Financial planning	13 participants	16 h
4-5	December	Merchandising	17 participants	16 h
			371 participants	544 h

<i>c/o cooperatives</i>				
15-16	January	Taking orders by phone (Conad Toscana Sud)	19 participants	16 h
14-15	March	The role of logistics in distribution companies (Conad Toscana Sud)	9 participants	16 h
11-12	June	Reading and understanding a balance sheet	16 participants	16 h
23	July			
21	October	The telephone for improving company image (Conad Lombardia)	10 participants	16 h
			54 participants	64 h

<i>Network courses c/o cooperatives</i>				
The role of the supervisor for shop and sector supervisors (Conad Nordest)			41 participants	80 h
Service and pleasantness for cashiers (Cam Pistoia)			36 participants	48 h
Master for supermarket managers (Conad Toscana Sud)			14 participants	96 h
Courses for Eco Italia members (CORE)			18 participants	40 h
(LTD)			20 participants	32 h
Refresher training course for assistants in collaboration with the Province of Lucca (Cam Pistoia)			16 participants	80 h
Training of trainers, Conad Card (Conad Nordest)			2 participants	8 h
			148 participants	384 h

<i>Courses for Board Members</i>				
8-9	April	for Conad Lombardia	21 participants	16 h
5-6	May	for Uda	12 participants	16 h
26	September	for Conad Nordest (repeat)	27 participants	8 h
22-23	October	for Conad Toscana Sud	12 participants	16 h
29-30	October	for Conad Liguria	17 participants	16 h
7	November	for Unico	4 participants	8 h
			93 participants	80 h

- 1 warehouse for specialized foodstuffs, which also serves as an administrative office, covering an area of 5,000 m², of which 3,000 m² are cold stores.

Of the latter, 1,000 m² are for the storage of frozen fish. Ari is in fact the only Conad cooperative to handle frozen products, marketed under the "ARI" trade name.

The cooperative works on two fronts: on the one hand it buys the products which it distributes, and on the other it provides members with a whole series of services, ranging from tax to administrative assistance, from accounting to checking and balancing the books.

Through Conarr, the cooperative also assists members with the turnkey refurbishing of sales outlets. It gives financial advice and handles all the information technology process in the outlets, supplying the

necessary know-how. Through Fordas, it organizes scheduled training courses for the various professional skills and for the different organizational sectors each year.

The Ari cooperative has been in operation for 20 years. It started as a voluntary effort by about twenty retailer, who organized themselves into a collective purchasing group in the form of a cooperative in order to be able to compete with organized large-scale distribution.

The first warehouse covered a total area of 700 m². As time went on and the distribution network developed, more members joined and a real company organization became necessary

This led to Ari joining the Conad national consortium which, by buying produce centrally and providing a

whole series of services, made it possible for members to offer very competitive prices. The first 700 m² of storage space soon became 4,000 m² and today has reached 23,000 m². As the years went by, expansion of the physical coverage of the firm went hand in hand with expansion of the internal technical structure, strengthening of internal administration and the introduction of corporate services. The modernization of the company structure was accompanied by investments in equipment and technology.

Information technology is used both in the warehouses and in the various member outlets, which are equipped with scanners at the checkouts. A computer link-up between the outlets and headquarters is planned for the near future.

Financial participation of members in the cooperative follows two main lines:

- share capital, which is not fixed but in proportion to each member's turnover: the higher the turnover the higher the financial contribution.
- loans to members. The cooperative can profit from loans to members, charging them a maximum interest of 10%.

The method of payment for supplies also differs according to each member's turnover.

Each year the members participate in a preliminary meeting for their "channel" and agree on their budget with the marketing and commercial offices, undertaking to purchase goods to a certain value. If this budget is not respected, the member is penalized by being debited with cover charges. On the other hand, if the member exceeds the budget he/she gets a percentage. The total of all these budgets comprise the cooperative's sales estimate. Periodic checks are made to see if the budget is being respected because the final balance must conform to the objectives set.

The cooperative has a Board of Directors elected by the member's assembly, and a Board of Auditors, also elected by the member's assembly, which is responsible for balancing the books at the end of each year and, after four months, approving the previous year's balance sheet.

3.2 Human resources

The cooperative employs 180 people and is divided into the following departments:

- Top management
- Administrative and management control department
- Commercial department
- Marketing department
- Logistics department
- Personnel department
- Network reorganization department

The cooperative also has 14 "promoters", or network assistants, who visit and assist members daily. They also collect orders from the "Margherita" outlets and transmit them from the cooperative to the Pomezia warehouse, which makes deliveries twice a week.

The "Conad" supermarkets and the "Pianeta" hypermarket send their orders directly to the CEDI (distribution centre) by computer. Goods are delivered by the cooperative every second day to the supermarkets and twice a day to Pianeta. They are delivered directly to the shelves. Fresh produce is delivered every morning, regardless of the channel. Transportation is done under contract and the staff involved are therefore not employees of the cooperative.

Eighty percent of the warehouse staff work from four in the morning until midday and two persons remain on duty until 5 p.m. for the preparation and packing of hard goods.

Ari uses the National Collective Labour Contract (CCNL).

There are no part-time contracts; trainee contracts are used, however, and 99% of these have been confirmed.

Recruitment of staff is mainly on the basis of educational qualifications but candidates are also interviewed to make sure that they have the necessary potential for employment with the company.

3.3 Current situation of training strategy

Training is conducted by Ari in collaboration with Fordas, which plans special actions according to the requirements of the cooperative.

The training plan is therefore designed on the basis of a specific analysis of the needs of the structure; this analysis is made by the management with advice from Fordas.

Training is conducted in two main ways: courses organized by Fordas are either held at the Fordas offices in Bologna or at the cooperative's offices in Rome using external teachers.

Fordas also carries out special training activities with other organizations in which the cooperatives are invited to participate.

The cooperative attaches special importance to vocational training, which, far from being a useless operation, is regarded as a basic element in the overall development plan of the firm. Getting the active participation of staff while respecting the personality of each individual means motivating them and giving them job satisfaction; this, in turn, boosts productivity.

The activities planned by the cooperative are conducted during working hours and are aimed both at internal staff and staff of the member outlets. Although training courses are not obligatory, they are very well attended.

The participants have shown keen interest in the various courses held, which have been so successful that expectations increase from year to year. For example, the two days of training for Board Members planned by Ari in collaboration with Fordas were very well attended. This course, already generally described in the part dealing with the activities planned by Fordas, has produced very positive results (see attached programme).

The teaching method is mainly classroom training using audio-visuals specially designed for each sales channel.

The fact that the training courses are planned by Fordas in consultation with the Ari cooperative is a significant factor in ensuring that the specific needs of member firms are taken into consideration. The firms therefore play an active role, making proposals and receiving tangible benefits from the training.

This year the cooperative drew the attention of Fordas to the need expressed by members to improve the logistics sector. Ari therefore plans to extend training, which this far had been mainly focused on the administrative and commercial aspects, to cover the logistics sector, considered vital for the organizational efficiency of the firms.

3.4 Current situation of training structure

There is no special training department in the Ari organizational structure. Training is the responsibility of Dr. Giovanni Guastella, former personnel manager and presently network reorganization manager, who coordinates the cooperative's training plan with Fordas.

Furthermore, Mr. Cimarosa, manager of the "Pianeta" hypermarket, which is an Ari member, collaborates in training work as member of the Fordas Board of Directors.

4. The Pianeta hypermarket in Rome

4.1 General description of the outlet

The Pianeta hypermarket in Rome is part of the "Raffaello" Shopping Centre, which exerts a high degree of attraction because of its situation, size and the type of services offered.

It is situated in a densely populated suburb of eastern Rome, easy to reach from surrounding areas and with a considerable territorial influence as well.

"Raffaello" is an integrated shopping centre which, in addition to the hypermarket, houses thirty specialized businesses, shops and services and two vast parking areas, one open and the other guarded, covering a total area of 31,000 m².

The Pianeta hypermarket is a new structure, opened in September 1990, and it is the second largest Conad hypermarket. It covers an area of 4,200 m², 2,100 of which are occupied by non-food items. The annual average number of visitors is calculated at 1,980,000 on the basis of about 660,000 cash dockets. The average cash docket is for 61,244 lire and the weekly takings total 780 million lire.

There is an assortment of 15,000 articles, 80.57% of which are food products and 19.43% non-food. In 1991, the hypermarket achieved a turnover of 40 billion lire, 7,851,000,000 of which were produced in non-food and 32,708,000,000 in the food sector.

According to the manager of the hypermarket, a better balance is needed between the food and non-food sectors. The aim is to make the non-food area more attractive, offering consumers a wider

Table 2 - The role of the Board of Directors in the life of the cooperative

The role of the Board in the firms

- concentration/distribution of property
- size of the firm
- reasons for membership and expectations

Possible levels of Board action

- decision-making
- control
- obtaining information

Group classes

The Board and the choices of the cooperative: the case of the firm's budget

How Board meetings are conducted:

- most frequent forms of behaviour
- use of discussion time
- critical situations
- characteristics of the Board as a group

Group classes

Scene from a Board meeting: discussion between members

Conclusion

assortment and achieving a better distribution of management costs.

Presently the non-food sector is run under a franchising contract with the SMA Città Mercato channel of the Rinascente Group.

In keeping with the trend - now common in large stores - of creating small specialized sales units, the Pianeta hypermarket has three departments (fish, sausages and pastry) which offer assisted sales as well as self service.

4.2 Human resources

The hypermarket is a limited company with a majority Ari Conad shareholding (see organization chart).

A total of 141 persons, two of which are Pakistani nationals, work in the outlet, broken down as follows:

- 2 managers
- 10 clerical workers
- 129 sales assistants

There are 47 employees with part-time contracts, broken down into:

- 33 trainee contracts
- 14 contracts of indefinite duration

Ninety-two employees have full-time contracts, broken down into:

- 31 trainee contracts
- 54 contracts of indefinite duration
- 1 apprentice
- 6 fixed-term contracts.

There are more women than men on the staff. As far as the educational level of staff is concerned, 60% have school-leaving certificates, 30% technical

school certificates and 20 % junior school certificates. In view of the variations in levels of education, the firm attaches particular significance to policies for refresher training with a view to increasing the competence and vocational skills of the individual employees.

Part-time contracts are used mainly for cashiers, because they allow more flexibility and better organization of the work, especially on the busiest days when all the checkouts have to be open.

In fact business is fairly slack early in the week and reaches its peak on Saturday, when the hypermarket achieves 50% of the week's takings. Staff are recruited through the employment exchange, where they are requested by name. Staff with trainee contracts are usually placed at level V of the National Labour Agreement. Department heads are classified as level III.

Salaries conform with the commercial collective wage agreement and consist of a basic wage, cost of living allowance and a third element.

4.3 Training

The need to establish a refresher training programme is keenly felt.

This will be one of the future commitments of the hypermarket, since to date training activities have been sporadic rather than systematic.

Training of hypermarket executives and managers calls for specific actions and ad hoc programmes, because the culture of cooperatives is much different from that of companies. Experience has confirmed the following: executives and managers recruited from outside the cooperative structure have different approaches and management methods.

One of the existing training actions, which will continue to be given priority, is the training of cashiers. These employees play a strategic role because to a great extent the firm's image depends on their relations with customers.

Particular attention is also paid to training meat department staff in view of the perishability of the product, the related hygiene and health regulations

and the importance of the way it is displayed on the counters.

As far as the educational background of sales assistants is concerned, few of them come from State Commercial Schools but most of them have already had some experience in the sector.

Training is the responsibility of the manager of the Pianeta Hypermarket, Mr. Michele Cimarosa, whom we interviewed; he is in charge of planning the various activities in consultation with the Ari cooperative and with Fordas.

5. Evaluations

By the researcher

Conad training policy reflects the specific needs of a cooperative form of organization, which is centred on the decisive role of the members.

The system of companies headed by Conad consists of traditional shops, specialist shops, superettes, supermarkets and hypermarkets. The complexity of this system has, over time, led to a variety of training operations designed to meet differing needs.

From classical methods such as refresher seminars to training, Conad today also produces audio-visuals on running Boards of Directors, without forgetting the constant attention paid to training personnel in view of giving priority to customer satisfaction, through courses held outside working hours which enjoy numerous and enthusiastic participation.

Undoubtedly positive, therefore, a training offer so diversified and in any case united by a fundamental aim of knowing more at every level, in order to operate better at every level.

The model appears suitable for transfer to other cooperative organizations.

The following persons were interviewed:

Fausto DE SIMONE Director,
Fordas-Bologna

Michele CIMAROSA Manager,
Pianeta Hypermarket,
"Raffaello"
Shopping Centre,
Rome

Table 3 - Pianeta hypermarket organization chart

hypermarket management								
procedures & control officer								
Plant staff	central office	admin.	data proc.	warehouse				
food department			non-food department			i.c. dept		
sector officers								
canned food	bread & pastry	delicatessen	fish	fruit & veg.	check-cuts	textile dept.	bazaar	

1. General description of the firm

1.1 General information

COIN S.p.A. operates in three main commercial areas of large-scale distribution: clothing, household, leisure.

Its present turnover exceeds 630 billion lire.

COIN has three basic approaches to the preparation of the goods to be sold:

- purchasing manufactured goods from suppliers
- altering goods already manufactured by suppliers
- designing, either directly or with the assistance of outside designers, products which are then either manufactured by SIREMA, a member company of the group, or by external Italian or foreign suppliers.

COIN has also been implementing a policy of using its own brand names for some time now, because this is a way of improving the image of its products. Furthermore, as in the case of the shops, the brand name makes it possible to reach particular target customer groups identified by their typical life style.

1.2 Short history and recent developments of the COIN strategy

Established in 1952, COIN opened most of its sales outlets during the sixties and seventies.

In the mid-seventies, having noted signs of changes in the purchasing habits of consumers and in view of high inflation together with the side-effects of Law 426, COIN made a choice: instead of a department store, it decided to become what it is today, mainly a shop, or rather a collection of shops known for their quality, competence and customer service.

Another important event was the establishing of a holding company in 1981; "COIN Grandi Magazzini" was replaced by a different company set-up and what used to be different channels became independent companies; "Oviessa" is an example. The two companies have the same shareholders, they both operate in the large-scale distribution area and market the same groups of products. There are, however, fundamental differences between them.

Firstly, they serve a completely different type of customer: medium to upper class in COIN, working class in Oviessa. They are also situated in different kinds of places: historic town centres for COIN and the suburbs of big cities or small towns in the case of Oviessa.

Their sizes also differ: a COIN sales outlet covers an area of about 3,000 m², whereas an Oviessa one is rarely bigger than 1,000 m².

They also have a different kind of image: COIN, with assisted sales, has more atmosphere than the more spartan Oviessa, which is self-service.

After the opening of the Turin branch in 1982 and the Montecatini branch in 1986, COIN tried a different formula from the one linked to old town locations in Rome in 1988: with its Cinecittà 2 branch, COIN entered the field of shopping centres, fol-

lowed by the Trieste outlet in 1991.

We thus have an alternation between the traditional formula and the shopping centre system. In the immediate future, the company plans to continue along these lines, concentrating on franchising but seizing any opportunities that may arise in terms of new direct openings. With the approach of 1993, the company is also considering opening abroad. The Group's strategy is to seem more and more like a smaller shop and less and less like a department store, and this means adopting a whole series of actions for constant improvement of the quality of service to customers. In this connection, the company has identified three main variables:

assistance by sales staff, in other words the presence of courteous, competent and helpful staff;

a product which always keeps pace with new trends and has a good quality/price ratio;

an image which, as well as enhancing the goods, helps to attract customers.

1.3 Structure of the firm

COIN operates through 2 distribution channels:

- a. branches owned by the company
- b. sales points under franchising arrangements.

a. The "traditional" channel comprises 34 sales outlets, mainly in the big cities of northern and central Italy, but there are also two in the south: one in Naples and one in Taranto.

Each sales outlet occupies an average area of 3,000 m², has a turnover of about 20 billion and employs a number of staff varying from 30 to 120 persons.

Each branch is regarded as being made up of "shops" and each shop tries to attract certain types of customer whom COIN identifies through their typical life style.

For example, several types of customer are taken into consideration in the area of women's products: the traditional woman, the modern woman, the teenager and so on.

The shops are managed by one or more supervisors who coordinate a series of sales staff; the number of supervisors and assistants depend on the complexity and turnover of the shop concerned.

There are simple situations with 3-4 shop supervisors and more complex situations with 9-10 shop supervisors. Each supervisor coordinates between 5 and 13-14 persons.

The other staff positions in the branch are:

- the visual merchandiser, who is the image specialist, responsible for creating an image in keeping with company policies and standards
- the administrator
- the chief storeman/woman
- the branch manager who coordinates the whole structure (see table 1)

b. The company has chosen franchising as a means of overcoming certain limitations to expansion.

Table 1 - Shop structure

manager				
visual		administrative officer		
shop supervisor	shop supervisor	shop supervisor	shop supervisor	shop supervisor
specialized assistant	salesperson			

Table 2 - Organization (March 1991)

Chairman & Man. Director			
Vice chairman			
General manager			
			Marketing services
Central sales & promotion dept.	Central franchising dept.	Central product dept.	
Central operations dept.	Central image & new projects dept.	Central administration & control dept.	Central personnel & org. dev. dept.

The fact is that the laws in force do not facilitate the expansion of large-scale distribution, and these restrictions are particularly irksome for a company like COIN, which, as part of its strategy, tries to establish branches covering large areas in the historic centres of cities. Another advantage of franchising is that overheads can be spread over the largest possible number of sales outlets.

The company has tried to make the franchising formula very flexible. The idea is to develop the formula on a modular basis through 60 shops, covering areas of 250-300 m², where the most common composition is that of men's and women's wear, although specialized goods, mainly for the home, are also becoming popular.

There are two basic franchising formulas: affiliation-franchising and agency-franchising. Under affiliation-franchising the partner is entitled to use the COIN trade name and sell COIN goods exclusively on condition that he/she follows the company policy regarding service to customers. Agency-franchising is, on the other hand, a formula where the partner may sell COIN products but does not have sole rights and cannot use the COIN sign. Normally, the company uses concession arrangements as a sort of mutual trial period, but after a certain length of time the partner has to decide either to continue under an affiliation arrangement or give up (there are an equal number of affiliates and concessionaires).

In the organization chart of the group, the first division is that between management and staff (see table 2).

Management consists of the central sales and promotions department, which directly coordinates 34 sales outlets, of the central franchising department, which coordinates the structure responsible for liaising with existing partners or the acquisition of new ones, and a central product department which prepares the COIN product range.

The central staff departments try to create the most favourable conditions to allow the management to operate: the central operations department includes the information and logistics systems; the central image and new projects department is responsible for technical services, advertising, visual merchandising; the central administration and control department deals with management control and with internal administrative services such as general accounting, taxes and legal affairs; lastly the central personnel and organizational development department manages personnel and training. The marketing services, which back up management's strategic choices with quantitative and qualitative market research, come under the head office.

1.4 Human resources

In 1991 the company employed 2,276 people, 76.8% of whom were women and 23.2% men. Most of them, i.e. 1,108 persons, are employed as sales assistants at level IV of the National Collective Labour Contract (CCNL) and make up 50% of the whole staff; there are 77 executives and 230 level I staff, 192 level II and 662 level III.

The most common age group is between 35 and 45 (50% of COIN staff); 16.5% are between 45 and 50, 14.8% between 28 and 35; the youngest bracket (under 28) accounts for 7.6% of the total. The average age is therefore about 40 and length of service in the company around 17 years.

Full-time contracts are held by 66.4% of the staff, part-time by 33.6%; most part-timers are in the sales outlets rather than at headquarters.

With regard to education, 58% hold junior secondary school certificates, 14.3% school-leaving certificates and 2% have university degrees; the remainder have primary school certificates.

The company's integrative labour contract provides improvements, both financially and with regard to regulations; for example, although the working hours are 40 a week under the national contract, they are 38 and a half in COIN.

As the company's objectives are to improve quality and encourage new blood, trainee contracts are often offered.

Fixed-term contracts, on the other hand, are used in the sales outlets at particular times of the year; most of these contracts are for the month of December, which is the busiest month.

The average duration of fixed-term contracts is one month and they are always in sales outlets. Staff turnover is around 7-8%.

2. Training policy

2.1 Historical development and current situation of training strategy

COIN's training policy is part of a wider strategy which the company has developed considerably in recent years: the total quality project.

In fact - as its history shows - COIN made a specific choice in the mid-seventies, directing all the company resources to the achievement of quality, both in terms of products and of service.

Training has therefore been regarded since then as the cornerstone which provides permanent support to the achievement of this particular aim.

2.2 Current situation of the training structure

Training at COIN comes under the central personnel & organizational development department. This department directly coordinates trade union matters, administration and organizational development.

The selection service and the training and development service come under the latter which, in turn, is responsible for the work of the audio-visual production centre (see table 3). The department plans training activities and tries to make them respond as much as possible to the various needs of the staff. To this end, the opinions of the recipients of training are periodically surveyed.

In planning the various training activities, the department makes every effort to involve the management, so as to make full use of the company's internal skills.

For inter-firm courses external firms are always used.

2.3 Participation of trade union organizations in training policy

Observations of the trade union representatives on a national level

COIN S.p.A. seen by Gianni Baratta, member of the national secretariat of FISASCAT-CISL:

Union relations with COIN S.p.A. are, on the whole, satisfactory.

The restructuring process of the whole organization in 1989 is, in particular, showing good results. The organization has improved, relations are good and approaches positive. Meetings take place periodically at which the organization gives detailed information on training plans. Investments are being made both in technology and projects.

There is, however, no real participation: the organization gives descriptions but does not involve the union. Therefore, on the occasion of the next supplementary labour contracts, the union intends to press for more involvement in the drawing up of training plans.

The situation on the whole is good.

COIN S.p.A. seen by Parmenio Stoppa, National Secretary, UILTUCS-UIL:

On the basis of the cognitive data supplied by COIN and information acquired by territorial and company trade union structures, it is evident that the company, in its professional training policy, is proceeding with directly prepared projects and programmes.

In particular with the quality circles, COIN has attempted to reduce the gap between management and operative personnel, in an attempt to force the emergence of thus far unexpressed capacities and professionalism, seeking the consensus of the trade union organizations.

Table 3 - Current situation of the training structure (March 1991)

Central pers. & org. dev. dept		
Trade union matters	Organiz. development	Personnel admin.
Assistant	Selection service	Devel. & training service
Audio-visual production centre		

2.

In this sense UILTUCS has demonstrated interest and openness toward a more precise regulation of the effects of this training method to avoid interference with the exercising of the role of the trade union in the company, and a consequent participation. Not having found unanimous willingness in the national trade union organizations, the company has proceeded with its programme anyway. In our view, in a sufficiently correct manner, by seeking consensus and participation on a territorial level. The requirement for more formal regulation and consensual definition of the training programmes and routes remains current.

It seems that the company training activities on the whole have achieved positive results. All this qualifies trade union relations with COIN as formally correct within the scope of the roles of the parties involved.

COIN S.p.A. seen by Renata Bagatin, member of the National Secretariat of FILCAMS-CGIL:

COIN S.p.A. has a positive attitude toward the unions on the subject of training; even though there is not yet full participation, the atmosphere created favours better and more constructive discussions.

2.4 Description of major programmes

Quality circles

An eloquent example of this is the comprehensive training plan referred to as "quality circles", the creation of which involved the participation of the entire management.

This plan was put into effect in 1990 and so far has involved the sales sector and, therefore, the COIN branches, but the head office will also soon be involved.

The first step was a four-day course to allow the "bosses" - in other words branch managers and all the intermediate supervisors - to familiarize themselves with the various concepts of quality. Intended as a preparatory step towards the creation of quality circles, this action involved every single COIN outlet and was initially carried out with the assistance of teachers from the Galgano external group and later by internal training officers under the supervision of the central personnel and organizational development department.

The course consisted of three main modules:

- a preliminary module introducing the concept of quality understood particularly to mean quality of service to the customer;
- a central module dealing with the main ways of analyzing situations and preparing proposals for their improvement;
- a final module dealing with the conduct and management of the groups.

Participation in this course gives the staff involved adequate basic knowledge to deal with a project analysis.

The "project groups" are composed of 5 to 7 persons and their task is to analyze a specific subject, assigned to them by the Quality Committee, on the basis of concrete needs identified in the groups outlets.

After four or five months of work each group submits a proposal to the Quality Committee.

The committee evaluates the proposals, selects the most suitable ones and arranges for their implementation in the various COIN outlets.

Participation in this work, which is compulsory, makes it possible for the company to identify, from among the project groups, persons who will later on be capable of acting as coordinators of so-called "participation groups". These people then receive further training to allow them to acquire leadership abilities. Later on, these leaders, or organizers, will be responsible for training the staff who volunteer to join the participation groups.

The leader is usually a shop supervisor who coordinates a group of 8 persons. His/ her task is to supply the necessary practical and theoretical means to draw up independent proposals for improvement which are then submitted to the Quality Committee.

Each group works for 4-5 months, meeting weekly for one hour or fortnightly for two hours.

As the company regards this activity as an integral part of normal work, it is carried out during working hours or, where this is not possible for organizational reasons at the outlet, the time spent on training is either treated as overtime or compensated with goods vouchers.

COIN treats this whole project as being of vital strategic importance, fully aware that quality is an essential element for company growth and must be carefully built up by energetic training action.

Through their participation in these operations, the persons involved can play an active role, make suggestions and have a positive influence in the micro-organization. In fact, the proposals made are always aimed at improving service to customers and creating the best conditions for this to take place.

The credibility of the projects can be seen from their transferability: most proposals are not only put into effect in the branch where the participation group has worked but in all the others as well, local situations permitting.

Project groups have been set up in all the outlets. There are no participation groups yet operating in the three Rome branches and in Naples and Taranto but there will be by the end of this year.

Wherever they have been introduced they have met with excellent support and great success (See table 4).

Training of sales assistants

The training designed for sales assistants is divided into the training of new recruits and training for staff already employed.

a. When a sales outlet is opened a modular training course lasting 4 weeks is run for newly recruited staff.

The main subjects dealt with are:

Table 4 - Participation

Plan for the propagation of the "quality circle" project

Situation on 31 December 1991

Projects prepared	35
Improvement proposals submitted	140
Proposals approved by the committee	104, or 74.3 %
Of which:	
Already implemented	60, or 57.7 %
Planned for the future	44, or 42.3 %
Projects being worked on	5 group projects 14 participation groups

- sales techniques, matters related to behaviour and customer service
- knowledge of products
- management techniques
- cash operations

In addition to classroom work, all the staff attending the course participate in the work of setting up the shop.

This operation is entirely managed by the personnel department with, from time to time, the assistance of the person responsible for a specific matter.

b. Training of staff already employed is done using audio-visuals which mainly deal with product characteristics and display techniques.

The firm has a well-equipped multimedia centre which, when the new COIN collections are presented at head office, makes films for showing to the sales staff. This achieves the double aim of keeping assistants informed about the different products, providing them with a wider range of sales arguments and giving them the main information needed about the goods on display.

Some of these cassettes are produced by the centre specifically for showing to customers on the occasion of special public relations events organized by the company.

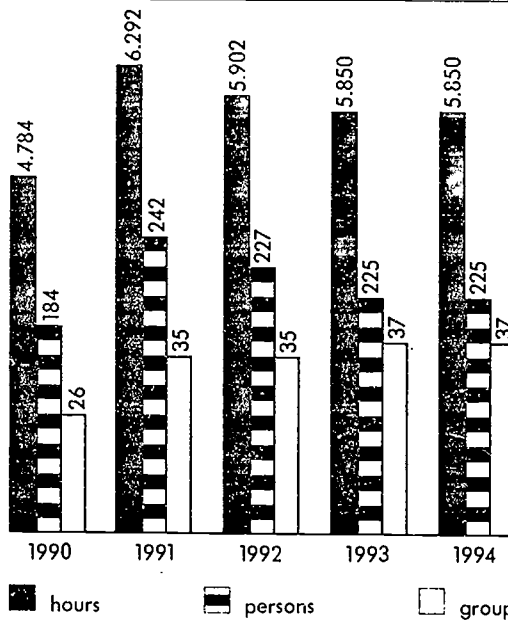
Audio-visuals are also used to keep staff informed about corporate policies or work methods and on more practical aspects such as dressmaking alterations, which constitute an added value to customer service at every outlet.

In some specialized sectors, such as perfumes, some of the sales assistants are employees of the manufacturers; these firms frequently organize refresher seminars, not only for their own employees but also for the COIN staff who back up sales in these departments.

In this way all the staff of the sector concerned has the opportunity to attend training sessions. An outside consultant firm was also recently used in the furs sector.

A meeting was organized between COIN staff and the firm which manufactures and supplies fur garments and highly useful advice was given both on the technical characteristics of the goods and on sales techniques.

Table 5 - Quality circles



Training for shop supervisors

Within the framework of the total quality project, a two-day course is presently being run for shop supervisors. The course, entitled "Quality in customer service", uses audio-visual techniques. Situations showing positive and negative behaviour were filmed in the shops and then shown to the supervisors.

Subsequently, the supervisors are called upon to show and explain the audio-visual to their staff, a presentation which is then followed by a debate and an analysis of the situation.

Previously an important course for shop supervisors, based on the Kaser method, had been organized by an outside company. The course dealt with leadership qualities and the ability to motivate staff as well as with sales techniques and the management of the working groups sales behaviour.

Shop supervisors are also invited, at least twice a year, to attend the presentation of the new collections; this gives them an opportunity to express their opinions on the specific needs of the local market and make suggestions on the range stocked.

Training for branch managers

Branch managers participate in the quality circles and in the seminars on service to customers; from time to time, they also attend external courses organized by specialized companies. These are usually seminars dealing with a single theme.

Training available to executives and managers at head office amounts to an average of 3-4 days per year, or more depending on the sector.

For staff working with computers, for example, the time spent participating in external refresher courses may be as much as 10 - 12 days because

the training needs in this sector are more complex and varied.

Other types of training

A large part of COIN's training activities are devoted to the induction of high-potential staff, mainly young university graduates, which mainly consists of having them work alongside high-level company staff: in other words, on-the-job training. There are also several training activities geared to career development.

Efforts are currently being made to organize this work by structuring it into standard courses with a view to encouraging the internal development of staff who have "grown up" in the company culture.

The company pays particular attention to the spread of information technology. For the last five years, courses on the use of personal computers have been organized periodically, dealing with setting up and managing the various programs.

A recent new initiative has dealt with English language courses. A multimedia teaching centre has been set up at head office on an experimental basis. The composition of the group used to test the language programme is rather varied. Each one chooses the level most suited to his abilities and knowledge of the language. The course consists of 180-200 hours of work for the intermediate level but the total duration depends on the students initial level of knowledge and learning ability.

The product, which came on the market in Europe in 1990 and was immediately bought by COIN, was developed by Sony in collaboration with Longman, an English publishing firm.

There are language courses in operation in the branches but they are still the traditional kind, with the support of an outside teacher.

Usually the company provides 60 hours of training per person per year and this can be repeated in the succeeding years.

The existence of these courses, particularly in cities attractive to tourists, shows how much importance the company attaches to the needs of foreign customers.

3. The COIN branch in Rome

3.1 General description of the sales outlet

The COIN branch analyzed here is situated in Piazza S. Giovanni in Rome, a densely populated area close to the central station and near the historical city centre; it is capable of reaching a vast user supply which extends over the entire south-eastern zone of the city.

Opened in 1975, it has been highly successful since the beginning, having enjoyed swift and conspicuous confirmation in terms of market presence. The outlet occupies a total surface area of 8,000 m², over 5,000 m² of which are reserved for sales.

Perfectly in line with the COIN commercial formula, the business sells high-quality clothing and accessories for men and women together with household goods.

The building has 5 sales floors and a top floor for offices. It has a welcoming, architecturally pleasing environment, and its main target group is a middle to high-class clientele, which embraces all age groups but concentrates above all on the group between 25 and 45 years of age.

Opening hours are from 09:00 to 13:00 and from 16:00 to 20:00.

Saturday is the heaviest business day, while on the other days of the week purchases are concentrated mainly in the late afternoons.

The outlet offers a vast range of services: besides assisted sales offered in all departments, the consumer may take advantage of home deliveries and tailor alterations.

A recent initiative worthy of emphasis is the "COIN-CARD", a credit card where the sum of purchases is withdrawn directly from a bank current account; this possibility, besides simplifying payment procedures for customers, permits the establishment of a privileged relationship with the company.

The Rome branch of COIN sees itself definitively as a department store as much in terms of structure and dimensions as in the maintenance of the logic of traditional shopping.

3.2 Human resources

Staff at the outlet number 134 in all, 32 of which are men and 102 women. There are 75 full-time employees and 59 with part-time contracts. The average age of sales personnel is around 35 years. The contract applied is the National Collective Labour Contract (CCNL), supplemented by a company contract. With regard to distribution, 11 persons are at levels I and II; 46 are at level III and the remainder at level IV.

The outlet uses trainee contracts, with the aim of permanent employment of the personnel involved by the company.

In fact, the 40-odd trainee contracts which the company has applied over the last five years have all been confirmed at the end of the term agreed. There are currently eight persons employed under such contracts.

Turnover is decidedly low, at around 2%.

Three area managers are responsible to the branch manager, one for administration, one for the warehouse and one for merchandising, and 7 shop supervisors, each of whom manages a shop and coordinates a varying number of sales staff.

With regard to the distribution of working categories, sales personnel are in category IV, specialized sales personnel in category III, and at levels I and II the area managers and shop supervisors.

In personnel selection, the company tends to pay a great deal of attention to the degree of education. In fact, with a few exceptions, there is a trend towards favouring those possessing an upper middle school diploma, on the basis of the supposition that sales activities require particular knowledge and ability.

3.3 Training

The S. Giovanni branch in Rome is affected by all the programmes prepared by the central personnel and organizational development department of COIN S.p.A.

Training activities have the specific objective of providing all sales assistants with all the suitable instruments to transfer company philosophy to the customer, to be, in other words, not just a simple sales person, but a consultant capable of interpreting and satisfying the exigencies of the clientele.

The supposition is that personnel form the most important link in the company chain and that sales activities are not only a fundamental function but also difficult and therefore deserving all possible attention.

For example, in order to familiarize sales assistants with the range of goods offered in the shops in which they operate, catalogues of the goods on sale are produced and distributed.

Other manuals refer to display criteria, providing guidelines on product display methods.

Furthermore, some workers from each outlet are invited to attend the presentation of new COIN collections and other exhibitions which the company organizes for particular occasions.

In the scope of the course on "services to customers" the Rome branch of COIN is implementing the second phase of the programme, that is the phase which involves sales personnel under the supervision of the shop supervisors. The latter, in fact, previously trained in a two-day course, are then called upon to repeat it at their own outlets.

In Rome, therefore, each shop supervisor is following this programme, which involves the use of an audio-visual aid followed by a group discussion with their own sales staff.

Further, in the scope of the "quality circles" project the shop supervisors are involved in the "project groups". There are currently two of these groups working on improvements to be effected within the outlet which will shortly be presented to the Quality Committee.

Within the next year the constitution of "involvement groups" is also foreseen.

Among the non-structured initiatives, the constitution of a voluntary group to assume the duty of supervising all the services of the branch is worthy of mention.

To motivate sharing by all of all the aspects of company management, involvement of all personnel in the decoration and layout of the departments has become part of the branch culture.

The training activities within the Rome branch of COIN are the responsibility of the outlet manager, who maintains contact with the central personnel and organizational development department; training is effected during working hours and involves obligatory participation.

4. Evaluations

By the researcher

The evaluation of this firm's training activities should be seen in relation to their coherence with the company's basic strategic objectives, all of which are encompassed in the total quality project.

Total quality is in itself a philosophy, an attitude, rather than the transmission of specific knowledge and skills, and this is already a factor favouring transferability of such a training approach to other firms.

The firm's project centres more on the method than on the content; it operates in a cascade process running from managers to workers.

Participation in the identification of proposals for improvement is gratifying for workers, who are considered not as simple performers of specific activities but as persons who can contribute, through their own sensitivity and skills, to the general development of the firm, which is closely linked to the development of the individual.

Group culture prevails, together with common and shared values and objectives.

The attention the firm pays to this participation is expressed in the way these actions are viewed as an integral part of normal work activities, to the extent that when they take place outside working hours they are recognized as overtime.

The role the firm attributes to personnel motivation seems appreciable and transferable.

The following persons were interviewed in the COIN S.p.A.:

Stefano PISANO	Head of personnel Selection service Central personnel & organizational development department Head office COIN S.p.A. Mestre Venice
Marina CANAL	Assistant manager Development and training section Central personnel & organizational development department Head office COIN S.p.A. Mestre Venice
Antonio SERAFINO	COIN branch manager Piazza S. Giovanni Rome

Foreword

This case study, in addition to dealing with the three basic aspects of the survey, also examined matters related to Silos S.p.A.

This further analysis was required in order to better understand the relationships between the sales outlet, e.g. the Silos hypermarket in Parma, and the company responsible for its formation.

We trust that this supplementary information will be recognized as a useful complement to the whole survey.

1. General description of the firm

1.1 General information

"Gruppo Pam" is a company limited by shares which operates a successful chain of stores in northern and central Italy. It is also active in the sectors of modern catering and advanced services.

It comprises a number of different firms, each with its own commercial characteristics and organizational independence.

The products retailed are chiefly foods, though the percentage varies according to the particular formula adopted and the floor area of the store.

1.2 Short history and recent developments in the Pam strategy

It is impossible to talk about Pam without mentioning its history.

What is today one of Italy's largest trading groups started out as a chain of supermarkets set up by three young businessmen at the end of the fifties:

Pam Supermercati S.p.A.

These businessmen realized that the future of commercial distribution lay in structures more suited to the needs of mass consumers and decided to invest in the establishment of self-service food stores.

Their slogan was "Più a Meno" (more for less), hence the "Pam" trade name.

The company's first development phase was expansion at the regional level. The earliest supermarkets were opened in the Veneto region: the first in Verona in 1958, the second in Mestre, the third in Padua; later on, the chain extended to the neighbouring regions.

In 1963 an important Milanese finance company, which had an interest in other companies in the same sector operating in Lombardy and Piedmont, became a shareholder.

New opportunities were thus created to consolidate the company and expand activities to other parts of northern Italy.

This was the second phase of the company's development; it lasted until the beginning of the seventies, when the financial company left and the founders bought back its shares.

The achievements during that period can be summed up as the expansion of "Supermercati PAM" all over the country on a sound commercial, economic, financial, organizational and management basis and controlled entirely by the founders.

The third phase - diversification - started in the mid-seventies, after studies and experiments carried out during the immediately preceding years. This was a daring choice, especially considering the time at which it was made. In fact, the economic crisis of those years - the steep rise in interest rates, the new legislation on commerce (which obstructed the expansion of the major distribution groups), a difficult and restless labour relations atmosphere - certainly did not seem to be the most favourable situation for taking such a step.

From the start, the diversification policy developed along three lines: commercial distribution, catering and advanced tertiary services.

In the distribution sector, a chain of food discount shops, Meta, was started at the beginning of the seventies. Two chains of hypermarkets - Silos (1982) and Panorama (1984) - followed later.

During the second half of the seventies the company bought shares in two small chains of discount shops in England and gradually took them over completely.

In the catering sector, the Brek chain of self-service restaurants was started, a decision based on thorough studies and market research; the first restaurant opened in Trieste in 1975.

Hand in hand with the development and diversification of business formulas, the distribution centres (CEDI) were expanding.

From a single CEDI in Spinea (Venice), where the group's head office is still located, there are now 5 CEDIs which supply all the outlets.

The acquisition of an important share packet in Empire stores (1982), the third-largest English chain in the sector, laid the foundation for the development of a new operation in the field of mail order sales.

Finally, the group entered the so-called advanced tertiary sector, setting up Sofra (administrative consultancy services) and Sopec (information technology consultancy services).

A well-designed and adaptable operational set-up, always able to keep pace with market and financial developments, resulted in recent years in the consolidation and growth of the various Italian operations. This is why the group's top management decided to delegate to each company the management of its own particular market segment.

This new arrangement took definite shape in 1986 with the reorganization of the group. Under the control of the Lead Company Gecos, a sub-holding, "Gruppo Pam S.p.A.", was formed (in addition to the already existing "Pam Europe Ltd." which heads the international operations).

The Pam S.p.A. group provides guidance, coordination and control to the various companies which have been set up over the years. The company strategy during the past ten years has focused on the creation of varying retail sales formulas.

Today Pam is one of the few large-scale distribution companies which, through subsidiary companies, runs activities ranging from shopping centres to discount shops.

Another aspect which distinguishes Pam from other large chains is the special emphasis it places on fresh food produce sold directly to the public by sales assistants.

Quality control of fresh products is conducted by an external laboratory. Control is effected systematically every time new suppliers are contacted and spot checks are made on all products.

The attention paid by the group to the product has been rewarded by the great success met in the past by campaigns on hygiene and health, promoting fruit and vegetable products which have not been chemically treated.

This is important not so much from the commercial viewpoint but because it enhances the company image and has a considerable impact on customers. One of Pam's most interesting policies in recent years concerns brand names.

The group has created a line of products under the name of "I tesori dell'Arca" (the treasures of the Ark), which are having great success. New products are being added under this brand name, which is in the food field.

The Pam group has, over the years, developed and perfected its own special culture: a set of convictions and trends which influence and guide basic company management choices and individual operational behaviour. These values have certainly contributed to the success of the group.

The basic principles can be summed up as follows:

- pleasing the customer
- service
- professionalism
- behaviour standards
- economic management

The main objective is to satisfy the customer and his needs; this is the true basis of the success of initiatives and behaviour patterns.

Every action and every energy is devoted to first understanding and then satisfying the needs of customers and to giving them the best possible service.

Service is understood to mean courtesy, professional skills, a full range of products, cleanliness, promptness and helpfulness.

- The staff are one of the group's most important resources and must therefore be developed and used to the best advantage. Staff members know that their contribution to the company's achievement is appreciated and that their career prospects depend on their merits and abilities.

The professional skills of each staff member must be placed at the service of the customer.

- A constructive and motivating internal atmosphere contributes to professional development and job satisfaction: mutual respect between

members of staff, good manners, responsible behaviour, dedication to the job, all of these are values that contribute to the creation and maintenance of such an atmosphere.

- The ultimate objective of all company work is to utilize the available resources (human, financial, managerial, technological etc.) profitably and ensure the stability, prosperity and development of the companies of the group and the people who work in them.

Every choice and activity must respect the need for economy.

1.3 Structure of the firm

The present company structure comprises several operating companies, the trading activities and policies of which are supported, guided and supervised by the Pam S.p.A. group; the latter also provides them with a series of administrative and technical services in various areas such as: personnel, financial, technical, legal etc., as well as support to logistics and purchasing activities.

The Pam group has 5 distribution centres, situated in the districts of Venice, Bologna, Milan, Turin and Rome.

The 5 distribution centres supply all the outlets of the different operating companies.

The companies controlled by the Pam S.p.A. group are:

- Pam Supermercati S.p.A.
- Silos Centri Commerciali S.p.A.
- Panorama S.p.A.
- Meta Supernegozi S.p.A.
- Brek Restaurants S.p.A.

Supermercati Pam

The emergence of supermarkets was a historical turning point in the field of food distribution, considering how shops used to be organized and what consumer habits were like.

As far as the operations of the Pam group in particular are concerned, those related to supermarkets are by far the most important, since they alone account for more than 50% of the overall turnover and half the global sales area.

The characteristics of this type of store are: the range of products is wide, customers can move around easily to make their choices, it is easy to take the goods from the shelves, payment is done only once at the check-out but the main attraction is the convenience of finding everything in the same place at reasonable prices.

The supermarket structure - which used to cover an area of some 800-100 m² per unit in a central location - has increased over the years to its present size (1300-1400 m²).

The 56 Pam supermarkets are divided into five sections, one for non-perishable (canned) goods and the other four for perishables (meat, fruit and vegetables, pork products and cheese, fish).

The commercial and image policy of this chain has always been to guarantee maximum freshness and quality by processing the product directly at the sales outlet.

In recent years large investments have been dedicated to transforming the sale of perishable products from self-service to assisted service: specialists in the various commodity sectors serve customers directly at the counter just like in a traditional shop.

Panorama and Silos hypermarkets

The hypermarket is certainly one of the most novel trading formulas to come out in the last twenty years.

It differs from other mass distribution outlets in size (an area of 3,000 to 10,000 m²), suburban location, long opening hours and quick turnover of goods. As the hypermarket stocks a much wider assortment of products than a supermarket it can offer a complete range of essential consumer goods at very good value.

Panorama and Silos are the group companies which use this formula, though with different modalities.

Metà discount shops

Created during the seventies, Metà shops now number about one hundred in northern Italy and Latium. The management formula of this chain is that each sales outlet is an autonomous company consisting of the parent company (Metà), owner of the brand name and the formula, and a local business person. The outlet is nearly always run by a family. The parent company supplies the goods and certain support services.

A typical characteristic of this chain, where the sales areas do not exceed 400 m², is that the shops are very basic, with a simple decor and a limited range of products – widely used non-perishable goods. Thanks to this formula and the general containment of management costs, the Metà discount shops can offer very competitive prices.

Brek restaurants

Brek Ristoranti S.p.A. is a company which has operated in the catering sector since 1975, when the first

restaurant was opened in Trieste.

As already mentioned, the group started an experiment in the mid-seventies (based on studies and market research conducted by US and European specialists) which soon resulted in the establishment of a chain of restaurants.

These restaurants are a novelty on the catering scene, being a combination of the most modern type of establishment (quick service and cheap prices) and the traditional local type (differing from the former in decor, type of food served and cooking methods).

The salient points of the Brek formula are:

- a catering concept where the convenient buffet solution allows customers to help themselves
- hot dishes prepared in front of the customer when ordered
- an elegant and comfortable dining room laid out like a traditional restaurant.

The company, which since its creation has grown to the present 9 units, aims at further expansion at the national level and believes that this form of catering is destined to become increasingly suited to the changing eating habits of the average Italian consumer.

Organization chart of the Pam group

The organization chart of the group is therefore particularly complex (see table).

The head office is supported by a series of divisions: the general affairs division, the personnel division, the technical division and the logistics division.

This was the original nucleus of the company structure when only "Supermercati Pam" existed.

The subsequent diversification of the trading formulas and the emergence of the operating companies led to increased complexity in the organization. It became necessary to set up two central divisions directly under the group head office:

the central finance and control division, to which are

Table 1 – Head offices of the Pam group S.p.A.

Central finance and control division		Operating companies' head offices (Supermercati Pam – Metà – Silos – Panorama – Brek)			Commercial division
					Group purchasing division
Administrative division	Personnel division	Sales division	General affairs division	Technical division	Administrative division
Treasury division		General affairs division	Personnel division	Technical division	Logistics division
Auditing					
Information systems					

2.

subordinated the administrative division, the treasury division, the auditing division and the information systems division; the commercial division which includes the purchasing and marketing division and makes trading policy for all the operating companies.

Seventy percent of buying is centralized, even though each company can buy a limited range of products directly to suit different commercial situations.

The head offices of the operating companies are subordinated directly to the group head office; all of them are organized in the same way and broken down into the following divisions:

- personnel division
- sales division
- general affairs division
- technical division
- administrative division

This kind of structure, while permitting the group to have unified company policies and play a supervisory and coordinating role in the coordination of the various commercial activities, at the same time allows each operating company its own management independence.

1.4 Human resources

294 white-collar workers, 190 men and 104 women
232 workers, 218 men and 14 women.

Hierarchical distribution

Collective Labour Agreement for the Distribution and Services sector:

- 24 managers
- 27 executives
- 51 grade I officers
- 59 grade II senior clerks
- 107 grade III specialized clerks and skilled workers
- 206 grade IV clerks and workers
- 44 grade V clerks and workers
- 8 grade VII cleaners

Breakdown by type of contract:

- 510 full-time, including 32 trainee contracts and 3 fixed-term contracts
- 16 part-time.

2. Training policy

2.1 Historical development and current situation of training strategy

2.2 Historical development and current situation of training structure

Training in the company started during the seventies to meet a specific need: to provide support to the managerial structure. At that time it was not so much a question of spreading company culture as of providing guidance and assistance to the management. The teaching methods used were traditional ones with a strong psycho-sociological content. This first training nucleus formed the basis for subsequent developments.

From the eighties on, when the Pam group organization was consolidated, training started to be more formally organized.

A systematic training plan was proposed and adopted, exploiting as far as possible the participatory activities already under way and following three main lines:

- *basic institutional training*

In the framework of a rationalization of the methodology, basic training is the area dedicated to the managerial structure (grade I, executives, managers).

The aim is to follow the staff member concerned through every step of his/her career and, in particular, to provide homogeneous guidelines regarding managerial culture.

Basic training is centrally managed and coordinated by the human resources division, which comes under the personnel division.

In recent years, in addition to the managerial culture concept, which only concerns management, a new and more far-reaching concept has emerged: the idea of company culture. The aim is to make the group's "watchword" known at every level: in other words, a company culture.

For this purpose a permanent task force was set up consisting of a representative of the lead company, the head of personnel, and a representative of each operating company, usually their head of personnel.

The task of this transverse structure is to identify the training needs of all the companies and to plan actions in the field of company culture.

This means, for example, that the subject of service is not understood to mean customer service only, but a global value shared by every company in the group although each one adapts it to its specific situation.

In this way training, which was initially managerial, works downwards to involve all levels.

- *ad hoc training*

Ad hoc training is more concerned with individuals than with categories or organizational problems. It originated from a personnel management system based on performance evaluation.

The system provided, among other things, for an interview at which an evaluator expressed his views on a staff member's career prospects and, if there were problems, suggested appropriate training.

Training activities known as "ad hoc training" were therefore implemented.

In time, as career paths emerged, this work developed into career development planning: special training for "promising" internal and external staff.

The duration of the programmes may vary from two years for "simple" ones to as much as five years.

They are tailored to the needs of the different companies but are centrally coordinated.

- *project training*

Project training, focusing on organizational problems, is mainly done in the operating companies. This kind of training was first carried out in the

Pam supermarkets when the structure was being reorganized and converted from total self-service to assisted sales.

This change had several consequences: the creation of new professional skills, the emergence of new organizational problems, a need to create a new atmosphere in the shop and a new kind of relationship with the customers.

The need was felt for special training programmes geared to finding solutions for these problems. These programmes were followed by others designed to cover all the reorganizations and organizational changes which occur in the different companies.

The purpose of this training is less to produce an immediate result as to set a process in motion.

In fact, each training programme which starts at head office is regenerated by the first trainees who, in turn, become trainers of other users in a widening circle in which each time the nucleus of trainees become trainers.

In this way the operating companies enjoy a certain independence in the provision of training.

2.3 Participation of trade union organizations in training policy

Observations of the trade union representatives on a national level

PAM seen by Mario Cesino, secretary general of FISASCAT-CISL:

Trade union relations with the Pam group are characterized by reciprocal openness to dialogue and comparison with respect for the roles of both parties. The parties have agreed to an integrative supplement to the National Labour Contract which permits management of the company's problems in a more constructive dimension at territorial levels.

With regard to training, however, there is no participation in planning, in decision-making or implementation.

The trade union is excluded from these activities. In general terms there is no structured organic training of employees in the Pam group except at the workplace depending on the qualifications and on legal requirements regarding apprentices.

The trade union continually requests the group to professionalize its employees in order to make them more specialized, also by enhancing their own particular skills, so as to guarantee better service to users and to the company.

Pam seen by Michele Malerba, member of the National Secretariat of UILTUCS-UIL:

Generally speaking, union relations with the Pam group are good, even though there are some differences between the national and the territorial levels for each firm: inside a firm additional conflict is inevitable because of the various types of problems that can arise.

Over the past 3-4 years the labour relations atmosphere has improved considerably; there is more dialogue and less of the "institutionalized" type of relationship based on both parties playing formal roles. With regard to training policy, the Pam group organizes training autonomously and does not

involve the trade unions in the planning. Therefore one of the objectives of the next supplementary company labour agreement will be to establish active participation by the union in training projects.

Pam seen by Renata Bagatin, member of the National Secretariat of FILCAMS-CGIL:

The Pam group has an exclusive attitude to training, which is managed autonomously by the firms; the union has practically no say in training matters.

3. Silos S.p.A.

3.1 General information

The Silos S.p.A. company manages a number of hypermarkets in Rome and northern Italy, and is destined to play an important role in the future development of the group.

The characteristic feature of the 6 Silos hypermarkets, some of which are integrated in shopping centres, is their location on roads with high traffic flows just outside cities.

The range of goods sold is extensive and representative in food, especially fresh food, and there is a textile and bazaar strategy that emphasizes innovation and seasonality of sales.

3.2 Human resources

387 white-collar workers, 168 men and 219 women
403 workers, 178 men and 22 women.

Hierarchical distribution

Collective Labour Agreement for the Distribution and Services sector:

- 6 managers
- 9 executives
- 8 grade I officers
- 62 grade II senior clerks and department supervisors
- 113 grade III specialized clerks and skilled workers
- 335 grade IV clerks and workers
- 257 grade V clerks and workers

Breakdown by type of contract:

- 456 full-time, including 31 trainee contracts and 62 fixed-term contracts
- 551 part-time, including 32 trainee contracts and 54 fixed-term contracts.

3.3 Training

As Silos S.p.A. is not a mere sales channel but a true operating company with independent management, training activities at a Silos outlet cannot be considered without describing the main Silos S.p.A. training programmes.

The personnel division is officially responsible for training, but in fact the whole management structure (from grade I to the managers) has a training function.

All the senior staff are in fact capable, not only of passing on their own knowledge and skills, but also of handling teaching methodology instruments, organizing the work and holding interviews and checks on the training process. This decentralized



training is an important step in Silos expansion policy.

In the area of company culture, Silos participates in the task force which assesses training needs and plans programmes. These programmes require what we call the "watchword" to be understood at the managerial level and then put into operation at the base.

For example, the subject of service is dealt with in an interactive programme supplied on videodiscs for individual learning backed up by occasional group consideration and discussion.

This is aimed at all sales outlets staff who deal with the public, but the first recipients were the staff of the "Delicatessen" sector. Soon all the cashiers and the staff of the fruit and vegetables sector will be reached.

The aims of this product are not simply to train but to educate in the broader sense of the word, influencing peoples behaviour and ways of interacting.

In addition to this "direct message" type of programme, there are more complex programmes covering all the activities related to the different sectors.

For example, in the "Bread and Pastry" sector, the staff receive training on numerous aspects, ranging from the choice of ovens to how to make bread, from profitability and climatic problems to how to deal with customers.

Newly recruited staff are also involved in training activities regardless of their type of contract.

These are induction programmes to give general information, to familiarize new staff with the work environment and teach them some basic rules regarding the structure of the company and desirable behaviour.

In these programmes it is the operative staff who act as "trainers".

For new recruits destined to become commercial executives there are longer, more complex programmes, lasting up to 3 years. The recipients are young people between 25 and 27 years, sometimes with work experience in another sector, holding school-leaving certificates or university degrees.

During the first three months they learn about everything that happens in a hypermarket. The third month they are placed in one of the sales departments and this is the first in a series of planned experiences in the various sectors lasting for about two years.

The teaching plan includes a classroom session after every 35/45 days of on-the-job training, with assignment of tasks, monitoring of progress and weekly meetings.

Apart from programmes dedicated strictly to training, a series of activities related to company communication and information also take place at Silos. One example is the company newspaper, which is intended for all the staff from the management down to grade VII.

Arrangements have also been made for contacts

between various companies, or various bodies within the group, for an exchange of ideas on specific subjects.

In line with this concept of interaction, a convention for all the managerial staff is being planned for next autumn.

4. The Silos hypermarket in Parma

4.1 General description of the outlet

The Silos hypermarket in Parma, opened in November 1990, is the newest Silos outlet of the Pam group and the one which best reflects the philosophy of the operating company it belongs to.

With an overall area of 3,800 m², the hypermarket combines the best aspects of the most up-to-date supermarkets and hypermarket-type sales areas. It is situated in the Silos shopping centre, close to the centre of Parma, and has a catchment area of 150,000 consumers, 40,000 of which reside within a range of 25 minutes' travel time.

The comprehensiveness of the range offered in the Silos shopping centre is guaranteed by three important businesses: the Silos hypermarket on the centre's first floor, the Oviessa department store, specialized in men's, women's and children's wear on the second floor, and a complex of twenty-eight shops on the same floor as the hypermarket, which do not merely serve as an appendix to the hypermarket and the department store, but are the logical complement to the centre, fully guaranteeing the possibility of one-stop shopping.

The centre also has a vast car park for 600 cars, with over 400 in the covered space on the entire ground floor of the complex.

The Silos hypermarket offers a wide range of excellent quality, widely-used and essential consumer goods in both the food and non-food sectors, with assisted sales in many areas, for example: fruit and vegetables, delicatessen, fish, bread and pastry, toiletries and costume jewellery, photographic and optical goods.

The non-food sector accounts for 45% of sales and in the food sector 35% of sales are tinned goods and 20% perishables.

The branch manager has three department heads who supervise the food, non-food and general services departments. The latter includes check-outs and the administration of the outlet.

Then there are 10 sector supervisors in charge of the different organizational sectors of the hypermarket; in some cases they are backed up by assistant supervisors.

The sector supervisors are in charge of the sales personnel.

4.2 Human resources

The outlet has a total staff of 120 persons, of which 50 are part-time staff.

The national collective labour agreement (CCNL) is applied, supplemented by a company agreement. As far as hierarchical distribution is concerned, there are no grade VI or VII levels; grade V is only used for new recruits, IV is for junior staff and grade III for skilled staff, assistant supervisors, goods

receivers and most of the sales personnel; supervisors are grade II and the department heads grade I, or executives.

Under the company agreement, part-time staff may not work for less than sixteen or more than twenty-four hours a week. Ninety per cent of part-time staff have contracts for twenty hours a week.

The most common type of part-time arrangement is implemented horizontally, with staff working four hours a day five days a week, and vertically, with staff working two and a half days a week, especially cashiers.

Fixed-term contracts are mainly used to take on seasonal employees at particularly busy times of the year.

The turnover is fairly low, about 3.5%, because this is a new business which has only been in operation for two years.

The outlet is open without interruption from 09:00 to 21:00 but staff work in shifts from 06:00 to 24:00 depending on the needs of the various sectors.

4.3 Training

The Silos hypermarket in Parma is involved in all the training activities planned by the personnel division of Silos S.p.A.

Initial training is given on recruitment to provide staff with the basic information they need to get to know the company situation in which they are going to work.

Entry in to the company is an important and very delicate event: the impact of a new environment and unfamiliar methods and procedures sometimes causes a feeling of partial disorientation and strangeness.

For this reason, all the new recruits view two videocassettes, each 40 minutes long, during the same day, in their first week on duty.

The first of these videos introduces the company, describing its history, organizational structure and specific activities; the second, to familiarize participants with the company culture, shows an interview with the chairman of the group, who sums up the principal concepts which inspire company strategy and explain its development.

The meeting, lasting about an hour, is chaired by the manager of the hypermarket and the head of the general services department, who explain the videocassettes to the participants and supply additional information of more specific relevance to the hypermarket.

To back up the messages transmitted, at the end of the meeting every new recruit is given an "induction manual", which summarizes the contents of the videocassettes and describes the main staff rules. The group tries to encourage all employees to make the company culture their own and feel that they really belong to the structure which they have just joined.

This is why training, regarded as an essential ingredient for success, does not aim merely at giving staff specific technical training for a particular job, but at getting them so involved in the outlets overall prob-

lems that roles can be interchangeable.

Another activity carried out by the Parma Silos is *project training* in the work related to the different sectors.

The first programme, started a year and half ago and still in progress, concerns the "Bread and Pastry" sector; this is a direct production and sales sector installed for the first time in a Silos hypermarket.

This new type of service therefore had to be backed up with the acquisition of the relevant know-how. For this purpose the assistance of a leading company in the field of company management was obtained, which has been working for the Pam group for some time now.

This company deals with the above-mentioned department from start to finish, setting up the technical, organizational and training structures - from the physical design to the professional profile of the staff, from the equipment needed to actual training. During the design phase, the external consultants involve the entire management of the hypermarket to ascertain the objectives the company wants to achieve and adjust the main lines of the project to suit them.

The methodology used mainly aims at training the supervisor and enabling him, in turn, to transmit the knowledge acquired to all his staff and assistants - in other words, to be the trainer of the whole department.

Therefore, when the implementation phase, which normally lasts for one or two years, is completed, the supervisor changes profession: from a specialist and supervisor of technical aspects, he/she becomes a fully-fledged training officer.

For example, the staff of the "Bread and Pastry" department shortly to open in Rome are presently being trained in Parma.

In this case the Silos supervisor is still assisted in the training by the consulting firm, but in the future he will be able to handle the training by himself, as will others: the whole department which underwent the training programme will become a school department for all similar structures to open in other outlets of the group.

Training, which takes place during working hours and continues until full operation, is backed up by a series of periodic interviews (every 20 days for instance) at each of which a specific subject is dealt with; a specific objective is set for the supervisor and its achievement will be checked at the next interview.

Another project training operation carried out by the Parma branch is an *interactive videodisc programme* designed by the task force transverse structure.

The first videodisc dealt with the "Delicatessen" department and then all the other departments of the outlet, starting with the check-outs, were covered.

The aim is to use multimedia instruments to communicate a message concerning the quality of service.

The programme therefore attempts not so much to provide technical skills as to give management information on customer relations; the sales assistant is not simply a worker who complies with a request, but a person who advises consumers and tries to understand their needs.

People who are used to receiving strictly technical training thus also receive training about behavioural aspects. The message tries to motivate staff in the performance of their duties, making them conscious of the importance of their role and of how their way of interacting with the public can contribute to a good company image.

The videodisc is very easy to use; the viewer can skim through it, interrupt, go back and concentrate on certain parts, with a feed-back which shows the interactive character of the programme. Of course, the messages conveyed are easy to understand, because they are designed to communicate an immediate picture, more effective than written communication. Twenty-two professional actors, thirty-two extras and fifteen group employees were involved in making it.

This programme certainly called for considerable financial investment but it has shown excellent results. It also has continuing validity and the multimedia station is at the complete disposal of the sales staff.

To avoid a negative first impact with the machine, a meeting is held before it is used so that managerial staff can introduce the multimedia instrument with which many people are not familiar; participants are also shown how the videodisc was made and its contents are outlined.

When the programme has been viewed by each staff member of the department, another meeting is held to hear their impressions.

Opinions collected at the end of this first programme on the "Delicatessen" department confirmed the company's expectations. In fact, participants stated that, although they had already unconsciously realized the importance of the matters dealt with in the programme, it gave them an opportunity to think them over and see in practice the best attitudes to adopt to create optimal relations with customers.

There is another psychological advantage: staff use this teaching method individually and are free to choose one solution rather than another. Furthermore, the user has the opportunity to understand "Visually" the type of reaction and consequences associated with a given type of behaviour.

As there are one hundred and thirty patterns to choose from, each one of which creates a different situation, each employee can create his/her own training programme based on the replies given. It should be stressed that this programme, like the one operating in the "Bread and Pastry" department, is an on-going professional training operation, which is repeated periodically.

It is designed for everybody, regardless of their personal abilities; it is not selective, not tailored for staff who have to travel a given career path.

On-the-job training operations are also used in the Silos hypermarkets, especially for trainee department heads. The person responsible for the training of such staff is the manager of the hypermarket, who is therefore personally responsible for the levels of learning achieved. Part of the training is given in the classroom but the greater part "in the field", in other words in the sales outlet.

The task of the manager, who acts as a real training officer, is to teach not so much professional skills as, above all, the company culture – by example rather than by words. The objective is therefore to equip a person, through a programme which may vary from eight to sixteen months, with all the qualities necessary to fill the post of department head.

Finally, there are a series of *non-structured training activities* which each manager carries out independently in his outlet.

In Parma, for example, in preparation for the imminent scheduling of the videodisk for cashiers, five meetings chaired by the manager of the hypermarket have been held with the cashiers. The manager explained to the participants the importance of their work: they are the customer's last contact with the structure and therefore the one which he/she tends to remember.

At the first meeting statistical data were analyzed and, among other things, it was found that one of the things that customers dislike most is a long wait at the check-out; competent and quick work by the cashiers is therefore extremely important and improves the company image.

These meetings, held outside normal office hours, have met with great success, emphasizing the attention paid by the company to the customer, who is considered the real capital of the business.

5. Evaluations

By the researcher

With the three great areas of basic institutional training, targeted training and training for projects, the Pam group shows that it applies in practice the principle that its personnel are one of the company's most important assets. Through personnel training and development, employees enjoy the opportunity to progress in accordance with their merits and capabilities.

The attention given to individuals, as the normal development of a system of human resources management based on evaluation of performance; training for high potential personnel; planning of training actions varying from two to five years; the adoption of advanced technologies; the formation of a task force as a permanent structure to identify training needs and plan the consequent action – these are only some of the features that make this training system a valid model for study and transferability.

By a worker

Ms. Maria Cristina Giansoldati, full-time level IV cashier at the Silos hypermarket in Parma and an active union member, made the following statement with regard to training received:

"The gradual approach achieved by a general presentation of the group and its objectives, the provision of an introductory handbook and the transmission of both technical and behavioural knowledge were all very good.

It was possible to test the value of the training received by putting it into practice.

You realize that with an extra smile it really is possible to make customers more satisfied; you also become much more aware of your own role: the cashier is not just a person who taps out cash docket but a person responsible for giving the last overall impression of the firm.

To know this is both motivating and satisfying.

Other colleagues, all women and mostly part-timers, also share these views and are happy with the training they have received; for many of them it was their first job and therefore also their first experience of training."

This is therefore a very positive opinion.

The following persons were interviewed in the Pam group:

Vittorio MASSAGRANDE	Personnel manager Pam group S.p.A. Spinea Venice
Ferdinando PERUZZO	Head of personnel Silos S.p.A. Spinea Venice
Giorgio CANDIDO	Manager Silos hypermarket Parma

1. General description of the company

1.1 General information

In 1960 a far-seeing group of Italian wholesalers set up the Unione Volontaria Spar, which later became Despar.

Despar Italia is a retail syndicate with share capital, linked to SPAR International, which operates in 21 different countries and has its headquarters in Holland.

Coming under an international trade name not only facilitates the adoption of common policies and the exchange of information and experience between different countries, it also allows members to maintain their own financial and management independence.

In Italy, every member company keeps its own structure and its own name, participates in the Despar Italia Syndicate with joint shares and operates, in conformity with international regulations, within a specific geographic area.

The company operates mainly in the food sector: only 5% of products sold are non-food.

1.2 Recent strategy developments

Despar, like all associations and cooperatives, is steadily increasing its market share through expansionist policies, extending to areas not previously covered and to new distribution channels.

But the Despar strategy is particularly counting on quality aspects, such as image and services rendered to the public, for future development. The aim is to achieve a more distinctive market image, highlighting the groups special characteristics.

The company plans to modernize itself through 10 main lines of action.

Firstly, unified management control, made to measure for each distribution centre, a factor which is of vital importance for communicating with the 21 centres existing throughout the country.

The second line of action aims at introducing an EDI (electronic data exchange) system, consisting of a telecommunications network for the rapid exchange of operational messages between head department, the centres and the group's industrial suppliers.

The third step is to create a unified model for the management of stores and renewing logistic systems; this is essential to cope with the development of the distribution system and competition in the nineties.

The fourth step is to set up a special network management structure so as to improve operations in the outlets with the assistance of a team of experts.

In view of the importance of the role head department plays in the group's relations with industry, it should be noted that Despar is making efforts to establish an outline contract at the national level in an attempt to obtain better general economic conditions, thus making the company more competitive

on the market and encouraging the development of the larger centres without penalizing those that carry lower stocks.

The sixth step is to standardize the basic assortment (1,500 items) so as to standardize the range of supplies and offer better service to the consumer while, at the same time, giving head department more say in contracts with suppliers.

Again with regard to the sales network, a new development model will be prepared for the outlets which, while keeping to the multi-channel formula, will have a series of reference models available in line with the types of distribution foreseen in the next few years: wide-coverage supermarkets (Eurospar), hypermarkets (Interspar) and specialized shops which will make it possible to re-launch traditional semi-wholesale operations in a new way. And finally, a whole series of actions aimed at actual and potential consumers.

First and foremost, the "Meglio Despar" (better Despar) brand name covering a wide range of goods: quality products guaranteed both by the trade name and the brand name.

Another action springing from the Despar marketing strategy and aimed at the consumer is the great "Operation Loyalty": a year-long sponsored publicity campaign conducted in cooperation with the main suppliers. The aim is to increase the number and value of purchases by casual consumers.

Lastly, a large sum will be spent on a publicity campaign which will cover the whole country, constantly present on the most important media: television, press, sales outlets.

The introduction of the quest for quality into Despar's strategic plans has led to the establishment of a quality control laboratory, which at present deals mainly with brand name products and is rapidly developing.

To guarantee the level of the brand-name products, a whole series of analyses at the premises of the manufacturers are carried out by various specialized laboratories checking on the raw materials, the hygiene standards of product processing and all related operations to ensure a constant quality standard. Periodically during the year, samples are taken at the stores and outlets for chemical or microbiological testing, or both.

Quality control also includes packaging, which must be in accordance with legislation and provide guarantees of hygienic quality.

The subject of the quality of Despar's operations also affects other areas, such as product packaging (type of packing or the opening mechanism of a can) or the distribution of the products to the Centres.

Furthermore, as quality also means communication, efforts are being made to give as much information as possible to the consumer on the Despar product packages regarding, for example, nutrition information or precautions to be taken - this is another task of the quality control unit.

The choice of the brand name is part of the strategy for the nineties; the idea is to capitalize on the reputation already enjoyed by Despar and offer a range of "guaranteed", reliable and really competitive products under brands of world renown. This will shortly be implemented in all the accessible commodity sectors, giving priority to products which correspond most closely to consumers changing life styles and habits. The aim is to achieve a single image for the whole range of products, one which always means quality and better value.

1.3 Structure of the firm

The Despar organization in Italy presently has the following set-up:

21 distribution centres
2,553 member outlets, of which:

- 51 discount stores under the "Scontopiù" trade name
- 231 superettes (areas ranging from 250 to 399 m²)
- 191 supermarkets (areas over 400 m²)
- 44 Eurospar stores (areas of over 1200 m²)
- 8 Interspar stores (areas of over 2500 m²)
- 16 cash & carry stores under the "Eurocash" trade name

The total area of the outlets, which cover the whole country except for Sardinia, is 397,956 m² and total turnover is estimated at 3,625 billion lire for 1990, not counting the Eurocash stores.

The distribution centres

Each of the 21 distribution centres manages a system which covers all the sales needs for the various types of shop.

The data processing centre is the heart which regulates the logistic flows in terms of purveying and storage of goods and their supply to the outlets. All the data is processed by computer and it is therefore possible to find out the purveying and availability situation of products in the stores in real time; in the same way it is possible to keep changes in consumer trends under observation, a vital indicator for distribution, which enables the real demands of customers to be assessed.

The most advanced goods moving technologies are employed in the management of stores according to their dimensions and rotation possibilities. By their very nature, perishable goods require particular care and structures specially designed for their preservation and transport. Goods removed from the shelves by computer-regulated mechanisms are sent to the despatch counters to be loaded on to departing trucks. Prompt delivery is guaranteed by an efficient fleet of trucks which carry the Despar brand along the roads of the whole of Italy.

The outlets

• Eurocash

Originally started in the food sector as a support to the stores at the distribution centres, Eurocash shops now stock a very wide range of goods. This type of shop offers a wide range of goods and is capable of satisfying the most varied needs of a heterogeneous category of users.

Eurocash has been experimenting with electronic methods of payment for some time now.

• Interspar

The first Despar hypermarket in Italy, called Interspar, was modelled along the lines of "Iperdiscount". It is an innovation, even compared to similar operations which have come on the market in the meantime and concentrates on the food sector.

This model quickly gained a solid reputation and expanded to include new operations covering a wider area, in which the non-food sector developed as the organizational structure acquired the relevant know-how.

The formula remains the same "Cash" type shelves for a mainly hard goods offer, large expanses of goods in the perishable sector, a special setting for a complete range of non-food products; these are the salient characteristics of a type of outlet which continues to develop.

• Eurospar

Towards the end of the seventies, in a climate of innovation, the first operations covering areas of more than 1,200 m² were started in the Despar organization, mainly in suburban areas.

An intuition about the influence that the gradual changes in the life style of consumers would have on modern distribution patterns enabled the development of a service strategy which took the shape of the Eurospar model, now widely distributed throughout the country and with ample expansion prospects.

The characteristic elements of Eurospar are a wide range and choice of products and the availability of personalized service in the fresh food departments. The creation of publicity islands, where products can be tasted and tested and sales assistance provided, establishes contact with consumers and makes the outlet more attractive.

Bar-code scanners at the check-outs, now used in all the sales units, not only speed up cash-register operations but make information on product movement systematically available.

• Despar supermarkets

In the general pattern of the various formulas, Despar supermarkets are developing in accordance with a clear pattern, ranging from local to small-town supermarkets, not forgetting small shopping centres.

Each supermarket develops, in accordance with strategic guidelines, the policies deemed most suitable for its particular environment.

Their outstanding characteristic is pleasant surroundings, helpful staff and a high level of service. The quality and variety of services are constantly influenced by experiments carried out in the large outlets and adapted where necessary to suit the particular type of supermarket.

The consumer continues to be the reference point for all Despar initiatives, which are aimed at meeting his/her every demand, in a constant search for an optimal quality/service ratio.

Despar has become an important and growing organization capable of meeting the new demands of consumers through a sales structure organized in

various formats and types.

In order to implement its development strategy and confident in its membership of an international group with wide ranging experience, Despar has promoted a series of links, creating companies capable of planning, financing and managing hypermarkets and shopping centres.

The focal point of the Despar organization is the head office in Milan, which plays a coordinating role and produces a series of organizational supports for the distribution centres.

The *administrative department* provides the liaison with similar structures in the distribution centres on all matters concerning budgets, membership fees, invoicing of products and services, as well as managing the head office itself.

It can also provide leasing and factoring services through Despar Finsing.

The *development department* analyzes, studies and plans the new outlets, seeking the best locations in line with the most modern concepts in the field of distribution.

The *purchasing department* plays a decisive role in a modern distribution structure with relation to the management of commercial activities. Its work ranges from deciding on the basic range of goods, making contracts with the suppliers, and implementing publicity campaigns.

Other important subjects are private brand-name products, which are becoming increasingly important in Despar outlets.

Despar's present assortment of more than 400 brand-name products covers a wide range of goods. The company objective is to increase the turnover of its own brand names and further expand and improve the range of products available.

The organization also uses an analytical laboratory to control the product quality standards.

The *network assistance department* assists the outlets with regard to product layout and display of goods as well as giving constant assistance with outlet management. This service also uses the services of experts who increasingly use information technology to optimize resources and profitability.

The *publicity department* is involved in the management of communications on a national level with regard to both product and company image through the traditional media (TV, press, radio and posters) and at the outlets. It also publishes two periodicals: the company newspaper, "Despar Express", and a news bulletin for consumers, "Il Paniere". Two-week publicity campaigns to promote sales are organized each year.

The company and the advertising agency prepare material that makes communication clear and comprehensive. The material prepared for the campaign consists of a packet of supports material for the outlet. Furthermore, a "prize-giving" scheme is organized each year to promote customer loyalty: customers collect stamps in exchange for which they can obtain beautiful gifts.

The *training department* identifies the needs and priorities of the outlets and then selects external consultancy firms or ready-made training packages for the distribution centres (CEDIs).

2. Training policy

2.1 Historical development and current situation of training strategy

Despar has a history of impressive figures for its training activities: 393 courses were held during the 1983/90 period, with a total of 5,268 classroom days and 1,829 persons attending. Students and contents differed, just as the requirements of each distribution centre and each personnel bracket differ. Most training actions, those most closely related to local problems, take place on the spot and are customized for the specific requirements.

As far as more general subjects are concerned – the concept of company quality, for example, or how to handle meetings – courses for representatives of the CEDIs are organized at the Milan head office. Lastly, the number of training courses for company trainers in the various sectors has increased and many courses have been offered to the smaller CEDIs and to those in particular areas, Sicily for example.

Despar training activities are mainly of a practical kind, but the more technical matters and those related to customer "handling" and, therefore, to employee behaviour and image are not neglected. Training is not limited to sales staff: every staff member contributes to the total turnover and, therefore, even the staff who are not in the front line are involved in training programmes. Courses have been held for outlet managers, for the managers of CEDIs, for marketing and purchasing managers, for administrative staff. In any case the objective at all levels is to provide better service to customers. With this end in view, a wide-ranging plan is being started, the title of which speaks for itself: "total quality for the customer".

All staff will be involved, from the shop owners to the CEDI managers and down to the last employee, and operations will spread outwards from head office to involve all the outlying structures.

A very important area in which training plays an important role is that of technology.

New technologies develop increasingly rapidly and management of the CEDIs and the outlets is becoming more and more automated – scanners are now in use in all supermarkets, computer terminals are also in general use and it is therefore essential that the training needed to deal with this changing situation be available.

The introduction of the EDI system (Electronic Data Exchange), which involves the communications network between head office, the CEDIs and industry, is part of this new situation.

The system was introduced during the 1990-91 period and is now in the development phase. In the first phase it was used for internal exchange of documentation but the second phase is now starting, involving the actual transmission of data,

orders and invoices, the management of national publicity campaigns on the whole network etc.

A third area in which Despar training is very active is the management of merchandising.

The "Spacement Project", supported by rather complex software, analyzes the use of the space available for products with a view to achieving better product rotation.

A working group of 6-7 persons has been set up with the task of keeping 5 supermarkets in various parts of Italy under observation, as well as other nearby supermarkets with similar characteristics. For each change undertaken, the advantages and disadvantages noted in the various localities are analyzed. The results are then processed and discussed at head office with the aid of a computer.

2.2 Historical development and current situation of training structure

Despar's training policy is designed to respond to the complexity of the organization and to respect the specific characteristics of each CEDi.

That is why a training coordination unit has been set up at head department which ascertains the needs of the various centres and selects external consultants or ready-made training packages for the CEDis.

Strictly speaking, there are no internal training officers. However, internal staff are often given training so that they can then train other staff.

This is mainly the case in specific sectors, such as the meat or fruit-and-vegetables departments of supermarkets, and it proves particularly useful when new branches are opened.

In almost all the CEDis there is a person in charge of internal training. In the larger ones a particular person may be appointed - for example the person in charge of members - in the others there is always somebody who carries out these duties, for example the person in charge of organization or administration.

2.3 Participation of trade union organizations in training policy

Observations of the trade union representatives on a national level

Despar seen by Antonio Zilli, assistant secretary general of UILTUCS-UIL:

The company does not have relations with the trade union, so that neither training activities nor other activities are the subject of information passed and less still of consultation and negotiation.

This is an atypical case, deriving from the particular structure of the company which is emphasised by the study. The event assumed as the case for analysis was without doubt useful in demonstrating the negative character of the company's behaviour in terms of social dialogue on a topic such as vocational training.

Such behaviour should be penalized.

With specific regard to training, the case does not seem to help in understanding the character and content of permanent training for assistants in the

chain of retail sales outlets of the affiliates.

The training activities in logistics might be more useful in the analysis of wholesale rather than retail trading.

Despar seen by Ivano Corraini, member of National Secretariat of FILCAMS-CGIL:

Relations between the unions and the firms belonging to the Despar Consortium are almost non-existent at the territorial level.

3. The Seveso CEDi (Sadas)

3.1 General description of the sales outlet

Although this centre, employing a staff of over 100 persons, is situated in the Province of Milan, it serves a much wider area. Its area of operation actually covers part of Lombardy, part of Emilia and part of Piedmont, with a total of 280 outlets.

The strategy of this CEDi is to have outlets covering the whole territory, with a multi-channel network, comprising shopping centres, supermarkets, superettes and minimarkets.

Relations with the outlets are direct and mainly consist of the provision of services, such as advertising, planning, research, budget, management control, space allocation.

Although the network structure has considerable decision-making autonomy, the relations with the CEDi are always centralized.

3.2 Training

The Seveso CEDis training activities date back to the late sixties, when the first courses were started.

In 1972, a large hall with all the technological equipment necessary was specially created for training activities.

The courses for the CEDi are provided by the National Centre.

Specialized training courses are run for the sales staff of the medium-sized outlets, in sectors such as meat, cheese, fruit and vegetables, lasting five or six days and including both theoretical and practical work. The practical work consists of placing the staff in model outlets thus giving them on-the-job training. A higher level of training course is provided for executives and managers of both the centre and the peripheral outlets. It focuses mainly on the management of small outlets.

The following courses were conducted during the 1985-91 period (see table 1):

Table 1 - Courses

	No. of courses	No. of participants
Commercial purchasing area	06	23
Commercial marketing area	16	60
Admin./control area	18	52
Org./personnel area	05	19
Org./logistics area	10	27
Gen. management area	01	09
Specialist seminars	11	106
Total	67	296

Table 2 - Summary chart of Despar training activity

Years	1983	1984	1985	1986	1988	1989	1990
No. of courses (sessions)	80	84	82	33	40	52	22
No. of persons	260	290	350	180	90	189	360
Days of attendance	999	1196	1055	513	235	550	720

Table 3 - Seminar attendance

No. of seminars:	1983/1989	1990
Owners	10	-
Man. & exec.	60	-
Specialists	18	-
Area managers	-	1
Fruit & veg.	-	1
	88	2

Table 4 - Course attendance

	1983/1989	1990
No. of courses	371	22
No. of persons registered	1,469	360
Days of attendance	4,548	720

N.B. The company was unable to supply other data on training in time for inclusion.

The teachers are nearly always outside consultants but sometimes internal staff give training on the basis of their own experience. Training of executives and managers is always conducted outside working hours. Participation is optional and numerous.

4. Evaluations

By the researcher

The consortium structure of the group and the diversity of the distribution centres which constitute it requires Despar to implement a training policy tailored to the complexity of the organization. Even though most of the measures are in the form of refresher training, constant attention is paid to subjects associated with communication, image and interpersonal relationships.

The "Total quality for the customer" project is currently in the launch phase and will involve all personnel without distinction. The training process associated with the introduction of advanced technology, on the other hand, has already been started.

Alongside the initial design of a training policy which, once the training needs of the personnel have been identified, has sought ready-made training packages externally to meet them, the group is devoting increasing attention to the role of the "internal instructor" with the aim of transferring experience and skills to smaller distribution centres and those located in specific geographic areas.

The following persons were interviewed at Despar Italia:

Giancarlo CARONNI General manager
Despar Italia
Head office Milan

Giancarlo ORSENIGO Proprietor
North Milan
Distribution centre
Sadas S.p.A.
Seveso (MI)

1. General description of the firm

1.1 General information

Prenatal S.p.A. is a chain of specialist shops in the sector of maternity, babies and children which, thanks to a widespread network of sales outlets, is present throughout the nation.

It has a capital of 6 billion 250 million lire.

Together with Vestro, which operates in catalogue and mail-order sales, Prenatal is among the first five Italian groups operating in the organized non-food distribution sector with a consolidated turnover which exceeded 665 billion lire (352 billion for Prenatal) in 1988. The Vestro-Prenatal Group is in turn a part of the Printemps-Redoute Group, the French multi-distribution leader which operates in food and non-food retail in 15 countries.

Belonging to such a significant group means an advantageous opportunity for Prenatal, ensuring the best conditions to face the "challenge" of 1993.

The company has, however, always managed the development of the chain in Italy with complete autonomy, and indeed, through its shares, it controls other Prenatal operations in Germany, Austria, Greece, Spain and Portugal.

The range of goods offered by Prenatal to satisfy the practical requirements of its particular clientele includes:

- clothing for expectant mothers, babies and small children
- large equipment for children (cots, prams, etc.)
- toys and gadgets

The majority of these products are designed directly by the company with the support of its own "product managers", who create the Prenatal collections, the production of which is then entrusted to external suppliers.

The selection criteria applied to products are fundamentally as follows:

- safety
- utility and practicality
- high quality
- innovation and invention
- convenient pricing
- variety of choices within the product range

1.2 Short history and recent developments in Prenatal's strategy

The company strategy and mission of Prenatal appear intimately linked to its history.

Prenatal is the trade mark adopted in 1963 by S.I.A.D. (the Italian Purchasing and Retail Company) to describe a specialist retail project addressed to expectant mothers and babies.

The name Prenatal already existed in France and originally the idea of the chain and its name were launched in Italy by S.I.A.D. in collaboration with the French Prenatal, although by now the image of the Italian Prenatal has completely veered away from the French concept.

The first sales outlet opened in 1964: the idea was to satisfy all the possible needs of the new mother and those of the child up to two years of age.

Expectant mothers have increased requirements for safety as they face new situations and needs; Prenatal satisfy this need with a market strategy which is fundamentally based on three main factors:

- a specialized product type
- highly qualified sales personnel
- a series of personalized services which complement the products offered with all the information regarding their correct selection and use.

Naturally, over the years the company has extended its target of reference, widening the age range of products for children: from the original market segment which included expectant mothers and babies up to two years of age, progressing to 5-6 years of age, and arriving at the current range which reaches children of up to 8 years of age.

At the beginning of the 1980s there was a diversification initiative with the creation alongside "Prenatal" of another chain, "Ragazzeria", which continues where Prenatal leaves off, addressing a target group from 9 to 16 years of age and thus approaching the lower middle school age group. In December 1987, the company changed its official name from S.I.A.D. to Prenatal S.p.A. (public stock company), with registered offices at Agrate Brianza (Milan).

The structural, organizational and commercial changes which have occurred over time have not, however, modified the culture or the mission of the company which, from the very beginning, has been characterized by a strong orientation towards its customers.

If this particular attention to the needs of the consumer was sought, at the beginning, above all by intervening in sales behaviour so as to encourage a relationship of trust between customers and sales assistants, over the years this objective has been pursued by increasing the range of services available to expectant mothers.

For example, in 1984-85, following experimental research into the effects of music during the foetal and neonatal period, Prenatal created "Premusic", cassettes of music created specifically to relax expectant mothers and new-born babies.

During the same period, shops started providing the "Prenatal Guide", an instrument for information and consultation for new mothers with a decisively innovative style produced by the Prenatal Research Centre; it immediately found great interest both in the general public and among sector specialists.

A further Prenatal initiative of particular significance is the publication of its own magazine, "Mother and Child", which, with its circulation of 330,000, is among the most important publications in the sector.

With this bi-annual magazine which is distributed to all Prenatal customers, the company communicates all the current contents, fashions, specializations and other information connected to its public image.

An important direct marketing operation also follows "Prenatal children" for the first six years of their lives: on each birthday each of them receives a card

with their name and a present designed for the specific age range.

To further reinforce this image of specialist service and in response to genuine requests from customers, each Prenatal shop organizes, once a month, so-called "preparation lessons" to transmit all the possibly useful advice to expectant mothers about birth and the first few months of their child's life.

These are lessons which support courses provided in hospitals; their aim is not substituting public structures, but rather offering a valid integrating instrument to Prenatal customers.

This service, which is operated by carefully selected and trained Prenatal sales staff, meets with wide general approval. Its principal objective is not sales, but as has been stated, to reinforce the specialist image of the company.

The same purpose is achieved by the so-called "safety lessons", which offer parents a genuine, thorough guide to safety, mainly in the domestic environment, following the various stages in a child's growth.

This too has revealed itself to be a highly successful initiative which, like the former, requires adequate preparation and this specific training for sales personnel.

1.3 Structure of the firm

As already emphasized in the discussion of the history of the company, Prenatal S.p.A. diversifies its commercial activity through two sales channels or retail formulae:

- the "Prenatal" shops and trade mark, which commercialize clothing and accessories for expectant mothers and children up to the age of two years; these have sales areas from 150 to 300 m²; they achieve gross turnovers of around two billion lire and employ 6-7 sales people coordinated and supervised by a manager. By strategic choice these shops are mainly located in city centres and where possible in the main streets.
- the "Ragazzeria" shops and trade mark, which sell clothing and accessories for children and youth: from 9 to 16 years of age; these have sales area: from 70 to 200 m², achieve average turnovers of over 6 million lire and have two or three sales assistants. The objective of the company is to open "Ragazzeria" shops close to "Prenatal" outlets.

The "Ragazzeria" chain, in the first few years of operation, met with some difficulty in terms of market position, also because of the greater presence of competing chains, but it has gradually grown and today is a fully consolidated winning formula.

The product is obviously less specialized than at Prenatal, and in addressing itself to a juvenile market, is more directed toward fashion, although this remains, as it were, "consolidated fashion", capable of satisfying the taste of the children while maintaining the characteristics of quality and safety inherent to the Prenatal image.

There are currently 156 "Prenatal" sales outlets and 32 "Ragazzeria" shops; the objective of the company is to have 200 outlets by the beginning of 1993.

Prenatal S.p.A. has the following structure: a head office with various directorates, a warehouse and a sales network of 188 shops.

The attached organigram of the head office is somewhat simplified and requires, therefore, some supplementary information: the product division, which manages quality control, the warehouse and logistics are under the products directorate; the sales directorate consists of the commercial assistants who, divided by zone, supervise the activities of the various Prenatal sales outlets; the development directorate is responsible for opening new outlets, taking care of all the contractual, technical and legal aspects this entails.

The 188 sales outlets are managed by the company under two differing formulae:

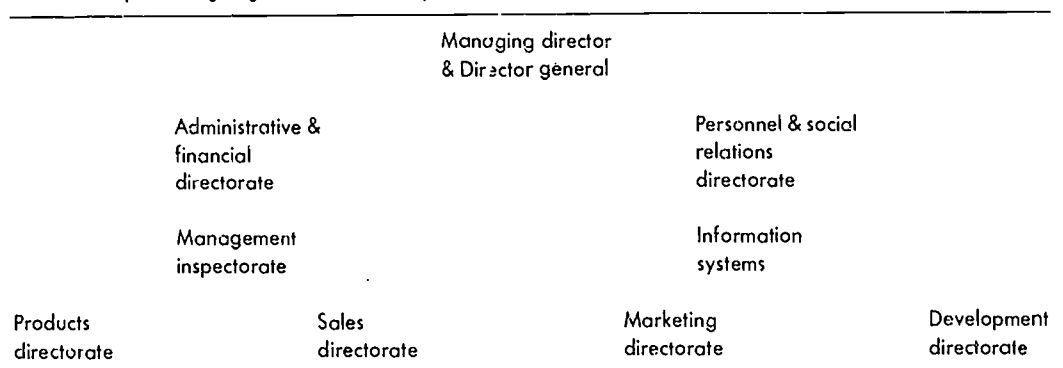
- *direct* management: sales outlets which report directly to Prenatal and whose sales personnel is employed by the company.

There are 77 directly managed shops, 64 of which belong to the "Prenatal" division and 13 to the "Ragazzeria" division.

- *indirect* or "contracted" management: shops managed by a contractor who signs a contract with Prenatal.

This formula is slightly different from pure franchising in the sense that the contractor is not simply a person who invests money, but a person who is

Table 1 - Simplified organigram of Prenatal S.p.A.



present and who operates the sales outlet, who employs his own sales personnel directly, who covers operating and personnel costs, who effects promotional activities for Prenatal and receives a percentage of the sales.

The goods on sale in the indirect shops are the property of Prenatal S.p.A. which, therefore, bears the risk for the goods, since unsold goods are returned to the company.

In all there are 111 indirect sales outlets, 92 in the "Prenatal" division and 19 in the "Ragazzeria" division.

The choice of Prenatal to manage the indirect sales outlets with the "contractual" formula rather than franchising is motivated by the fact that this particular management formula enables the company to have the same goods, and thus the same image, in all the shops, whether directly or indirectly managed. In the eyes of the consumer, Prenatal shops must produce the same image in all their components.

Besides, this management formula enables the company to intervene directly in the training of "contractors" who are trained with the same method as the direct sales outlet personnel: the aim is to ensure that the customer is unaware of the difference, finding uniformity of response and homogeneity of behaviour in all Prenatal shops.

Company strategy is to open direct outlets in large cities (they normally achieve higher turnovers) and indirect outlets in smaller towns, mainly in centres which draw a population of 80 thousand inhabitants.

1.4 Human resources

As of May 1992, the company had 815 employees: 159 at head office, 52 in the warehouse and 604 in the direct outlets.

With respect to December 1991, when total human resources had amounted to 818, this represented a reduction in the work force which mainly involved the head office (4 employees less) and the direct outlets (1 employee less), while warehouse personnel increased by two units.

Human resources employed in the indirect outlets amount to 618, including the "contractors": thus more than 1400 people operate in the Prenatal system, although, as stated, the indirect outlet personnel is not employed by the company.

Of the 815 Prenatal employees, the majority, 451 persons, are employed at grade III of the National Collective Labour Contract (CCNL), which is the normal level for sales assistants; 34 belong to management and 91 are grade I (among those the shop managers), 43 at grade II, 99 at grade IV and 97 at grade V. The average age is between 23 and 39 years.

The data also indicate that Prenatal is a predominantly female enterprise: there are only 86 male employees and of these only 14 are sales assistants, employed between grades V and III; of the total of 729 females employees, 590 work in the sales outlets and are employed from grade V up to grade I of

the National Labour Contract, which is the grade at which managers are employed.

Thus a positive characteristic of Prenatal is that it is one of the few large businesses in Italy where women have the opportunity to scale the heights of the company hierarchy.

Further confirmation of this can be found in the data relative to the personnel operating at Prenatal head office: of a total of 23 employees at grade I, there are 13 women and 10 men; and again of a total of 33 management employees, at the highest grade of the National Labour Contract, there are 19 women and 14 men.

Again as of May 1992, the distribution of the work force in terms of the type of employment contract applied is as follows:

- 647 full-timers, 443 in the direct sales outlets (concentrated mainly at grade III) and 204 between the warehouse and head office (mainly grades III and IV);
- 23 part-timers, 17 in direct sales outlets and 6 in the warehouse or at head office;
- 43 short-term contracts almost entirely concentrated in the direct sales outlets (only 1 short-term contract is applied at the warehouse, and there are none at head office);
- 102 trainee contracts, used exclusively in the direct sales outlets, where 87 are applied at grade V and 15 at grade IV of the National Labour Contract.

With respect to December 1991 there has been an increase in full-time contracts (+ 3), a decrease in short-term contracts (- 3), a decrease in trainee contracts (- 5); the number of part-time contracts has remained unchanged.

(For a clearer view of the distribution of human resources, please refer to the attached tables.)

In selecting personnel, Prenatal is a poly-centred company which tends to create a highly participative internal atmosphere. In fact the managers of the direct sales outlets are selected centrally by the personnel directorate, and hiring of the sales assistants is delegated to the shop managers and the commercial assistants of the single sales outlets.

With regard to the education of the sales personnel, almost all the assistants have an upper middle school diploma and, in some recent cases, a degree. Prenatal personnel benefit from an integrated contract which the company negotiates with the trade union organizations.

Thanks to a highly positive history of trade union relations, Prenatal has very advanced contractual institutions: for example, since 1985 working hours have been reduced to 36, while the National Labour Contract stipulates 40 hours; these hours are then organized according to the various requirements of the personnel.

2.

Furthermore, the latest contract includes the right of female workers to part-time employment from the first to the third birthday of their children.

Thus the working mother has, until the first birthday of her child, the full contractual protection provided by the National Labour Contract for Service Industries, with the additional opportunity, provided by the company, of working part-time for the following three years.

In order to cover the resulting reduction in productivity, Prenatal can employ another part-time worker with a contract for that determined period.

Table 2 - Distribution by grade and gender

May 1992		Company total		
Grade	Men	Women	Total	
Mgr	15	19	34	
1	13	78	91	
2	14	29	43	
3	15	436	451	
4	23	76	99	
5	6	91	97	
Total	86	729	815	

May 1992		Head office		
Grade	Men	Women	Total	
Mgr	14	19	33	
1	10	13	23	
2	13	24	37	
3	5	33	38	
4	6	21	27	
5	0	1	1	
Total	48	111	159	

May 1992		Warehouse		
Grade	Men	Women	Total	
Mgr	1	0	1	
1	3	0	3	
2	1	1	2	
3	2	0	2	
4	15	23	38	
5	2	4	6	
Total	24	28	52	

May 1992		Shops		
Grade	Men	Women	Total	
Mgr	0	0	0	
1	0	65	65	
2	0	4	4	
3	8	403	411	
4	2	32	34	
5	4	86	90	
Total	14	590	604	

Table 3 - Average age by grade

May 1992		Company total	
Grade	Average age		
Mgr	39		
1	34		
2	32		
3	29		
4	28		
5	23		

May 1992		Head office	
Grade	Average age		
Mgr	38		
1	32		
2	31		
3	29		
4	32		
5	19		

May 1992		Warehouse	
Grade	Average age		
Mgr	51		
1	48		
2	40		
3	35		
4	28		
5	23		

May 1992		Shops	
Grade	Average age		
Mgr	-		
1	34		
2	35		
3	29		
4	24		
5	23		

Table 4 - May 1992

	Managers		Grade 1		Grade 2		Grade 3		Grade 4				Grade 5			Totals		
	full-time	part-time	full-time	part-time	full-time	part-time	full-time	part-time	short term	p-t s-t	full-time	part-time	train-ee	short term	full-time		part-time	train-ee
Head office	33	0	23	0	36	1	38	0	0	0	26	1	0	0	1	0	0	159
Warehouse	1	0	3	0	2	0	2	0	0	0	35	2	0	1	4	2	0	52
Sub-total	34	0	26	0	38	1	40	0	0	0	61	3	0	1	5	2	0	211
Shops	0	0	63	2	3	1	356	13	28	14	19	0	15	0	2	1	87	604
Total	34	0	89	2	41	2	396	13	28	14	80	3	15	1	7	3	87	815

2. Training policy

2.1 Historical development and current situation of training strategy

Training at Prenatal has always been conceived of and experienced as a central element which is strictly connected, in an interdependent relationship, to the commercial and development strategy pursued by the company.

It has been stated that all company resources are aimed at satisfying customer expectations, namely finding in Prenatal shops qualified personal service with a high level of specialization.

This concept of service, therefore, does not presuppose - as in the greater part of organized retail - merely sales behaviour oriented towards courtesy and helpfulness towards the consumer: it is of a much more complex nature.

At Prenatal, service in fact becomes genuine technical consultancy on the products sold; these, being highly specialized, require a great deal of information as well as pre and post-sales assistance aimed at satisfying the practical requirements of the customers.

This culture requires that those who operate at head office work in a manner which best serves those in contact with the customers; it is therefore necessary that sales personnel be provided with optimum conditions to bring the added value of products alive at the point of sale.

It is natural and logical, then, that in pursuing these objectives company policy should be, by strategic choice, concentrated essentially on the development of human resources: after all, the greater part of the winning image of Prenatal depends on their work.

As stated already, Prenatal may have experienced periods of change and restructuring, but it was created and has developed on the basis of this formula of specialized service.

Consequently, personnel training does not represent a new or recently introduced element responding to solicitation from the market: it has been thought of and applied from the beginning as a necessary and natural complement of the company mission.

Obviously, over the years, there has been a rationalization of the methods of intervention, which has led

to the elaboration of a systematic plan of training and intervention designed specifically for the diverse personnel groups.

In the past there was an increase in these activities following the realization of an ever wider range of qualified services: the diversification process leading to the birth of the "Ragazzeria" chain in 1987 required the creation of specific training programmes.

However, apart from these natural changes, the current objectives of training appear almost identical to those pursued by the company at the very beginning: massive constant intervention with personnel in order to spread, throughout the various grades, a homogeneous culture oriented towards the clientele.

In this sense, training activities affect all Prenatal personnel, not just those at head office and in the direct sales outlets, but also the employees of indirect sales outlets operating under the "contractor" formula. This is an aspect of fundamental importance, as it demonstrates the determination of the company to transmit the same training contents where it is not directly present in commercial management and where, therefore, the personnel is not employed directly by Prenatal.

On the basis of a similar principle, the sales network personnel receives, in both quantitative and qualitative terms, the same type of training, independently of their function within the sales outlet.

In this sense there is no substantial difference between the training of a shop manager and that of a sales assistant: the aim is that each single component of a shop should be capable of satisfying with equal competence any type of request or requirement expressed by a customer. Thus, the content of training courses, especially for sales personnel, is wide ranging, encompassing behavioural aspects, specific training on products and sales techniques.

The Prenatal training strategy is designed to inform its addressees, not only with reference to the specialist functions which they cover, but rather taking into consideration all the single realities in which the company is structured and all the aspects which determine its performance.

This training approach enables the company to encourage the growth of a group culture, favouring, at the same time, the interchangeability of roles and a process of internal mobility. The didactic methods adopted include both classroom training, effected mainly at head office – but occasionally locally – as well as on-the-job training.

Generally speaking, each training programme includes the integration of these two methods in order to ensure that the participants receive the most complete preparation possible, covering theoretical as well as practical aspects.

Participation in training programmes is obligatory and attendance is, normally, during working hours. The sole exception is the English language programme for head office personnel. Those who express the desire to learn this language, although there may not be a strict necessity, have the opportunity to attend external institutes, at the expense of the company, outside normal working hours of course.

There is no direct relationship between attendance at training courses and career development or indeed between attendance and salaries. In fact, the company point of view is that training is not an element for selection or an instrument for satisfying temporary requirements, but a means for collective growth; it is for this reason that all company roles are involved in training activities, not only in moments of career changes, but continuously.

With reference to the future of training policies, Prenatal intends to proceed along the road followed so far, also because of the positive results achieved to date. Recently, however, a need has arisen for emphasis on junior and middle management and grade I, and it is in this perspective that the next training activities will be planned.

2.2 Historical development and current situation of training structure

Prenatal has an internal structure for training which reports to the personnel and social relations directorate.

Since there is no large-scale conflict within the company, there is very little work on the trade union aspect; on the contrary, activities are strongly oriented towards the management and above all the development of human resources, in other words towards training aspects.

Two people are responsible for these functions: one for the management and development of the sales network personnel and one for the management and development of head office personnel.

The directorate handles the planning and organizational aspects of training activities, attempting to render them ever more relevant to the diverse requirements of personnel.

To this end other company members are frequently involved in the planning phase, also in order to fully employ their internal competence.

In fact, the persons responsible for the various services, who operate in direct contact with employees and as such constitute a privileged channel of meas-

urement of their requirements, sometimes request the realization of particular initiatives. Therefore, in some projects they are called upon to participate in the analysis of training requirements, which is the initial phase forming the basis of the individual activities. For example, in the current period, the merchandising and marketing directors are collaborating with the personnel directorate in planning an initiative for "Ragazzeria" shop personnel. These staff members will also be involved in the implementation of the training programmes.

In fact, Prenatal training policy in general is directed towards entrusting teaching to internal resources, partly because of the high degree of professional know-how found within the company.

Especially for personnel in the sales network, training and refresher courses inherent to the technical specialist aspects of management and sales are held by the person from head office responsible for that sector of activities.

Recourse to consultants and external trainers is made for certain programmes, which are addressed either to managers and Grade I personnel or to shop managers.

The training structure described above and the manner in which it operates for the planning and provision of training has not been the subject of substantial change for five years.

Over time there has been, in fact, a growing effort by the company to strengthen and broaden these activities with a progressive increase in training investment, as is demonstrated by the overall costs of the training system from 1986 to date (see table).

2.3 New technologies, laws protecting employees and consumers, changes in sales strategy, internationalization, etc., and their impact on training

The most salient factor among these in terms of its effects on training is the process of internationalization.

In fact, during the 1980s the company became part of a multi-national group and has, consequently, established close contacts with other Prenatal operations in other European countries, both by acquiring equity control and, more recently, by managing their collections (with the exception of Spain and Portugal, which report to Prenatal Spain).

This means that each company official has to establish dialogue with his/her counterpart on a European level; this type of collaboration, which will be reinforced in the near future, emphasizes the need for Prenatal personnel to have good foreign language abilities.

To satisfy this impelling requirement, the company has, in recent years, increased investment in this type of training; a novelty in this sense is the introduction of courses in German and Greek.

The availability of advanced technologies has enabled Prenatal to prepare training initiatives making use of innovative didactic methods.

These instruments are used mainly in courses and seminars on communications and are conceived as valid supports to more traditional classroom training.

Table 5 - Overall costs of training

Training in	million lire
1992 (forecast)	3,000
1991	2,700
1990	2,400
1989	1,780
1988	1,000
1987	700
1986	500
1985	n/a

2.4 Participation of trade union organizations in training policy

The company considers that the relations established over time with the trade union organizations are positive; thanks to this constructive dialogue, Prenatal personnel benefit from advanced contractual institutions, examples of which are provided above.

A good example of the quality of the relations is the six-monthly meeting between the trade unions and the company, called the National Technical Commission, where company performance is illustrated and discussed and the principal areas of intervention are agreed upon. This commission also discusses training programmes and trainee contracts.

The trade union structures do not, however, have an active part in planning training, because, in the opinion of the company, they have until now not demonstrated particular interest in the matter.

Observations of the trade union representatives on a national level

- Prenatal seen by Mario Marchetti, member of the National Secretariat of FISASCAT-CISL:

Despite the difficulties encountered by the trade union organizations in being present in a widespread manner because of the reduced dimensions and the high number of the shops (185) throughout the country, and because 60% are managed directly, i.e. under franchise, trade union relations with the company may be considered correct and at a good level.

On a national level, the trade union organizations are informed about planned investment, new shop openings, annual commercial trends and activity forecasts by sector for the coming year.

In order to facilitate understanding between the parties on the above-mentioned points, the trade union organizations are supplied with a technical summary sheet which also includes employment movements.

The company contract foresees, among other things, a productivity bonus linked to precise parameters and objectives, which are always reached; consequently the bonus has always been paid at the maximum sum foreseen.

Training activities are one of the fundamental issues of interest to the company and the trade unions. The trade unions are informed each year of the training planned and there is provision for discussion of the strategic objectives of the planned training; methods and techniques remain the prerogative of the company.

Training programmes are generally divided into four areas: shop managers, Prenatal personnel, Ragazzeria personnel, head office specialists.

The trade unions have repeatedly brought up the argument that vocational training and constant updating of personnel are winning aspects of strategy if all the interacting subjects in the company are involved, including the trade union structures. The company has reserved the right to examine the question.

- Prenatal seen by Antonio Zilli, Assistant Secretary General of UILTUCS-UIL:

This is one of the companies which has always conducted training and refresher activities for its personnel. This is due to the characteristics on which the commercial formula of Prenatal is based, and to the goods involved, which require relevant assistance and customer service activities - assistance and service not only with regard to the product but also in terms of prenatal service, so that sales operators must have knowledge of certain aspects beyond those considered typically commercial.

The company has always been willing to supply information and to organize meetings to discuss its training policy and content, although it seems reluctant to accept anything more advanced or time-consuming in terms of joint programming and management of its continuous training activities.

The company contract establishes several significant points in this field.

It follows that sales personnel here stands at the highest levels relative to the professional figure of the sales assistant.

- Prenatal seen by Claudio Bazzichetto, official of FILCAMS-CGIL:

Trade union relations in Prenatal are on two basic levels: on a national level, through the institution of a technical commission with the semi-annual duty of evaluating, on the basis of an information sheet supplied by the company, the company results, the development of restructuring, employment data and composition of the workforce and a meeting on the productivity bonus, evaluation of the agreement on the variable part of the salary linked to group turnover.

The centralized character of relations is due to the characteristics of the company, which has a network of 80 directly operated Prenatal and Ragazzeria (a company whose management is linked directly to Prenatal) shops and 105 indirect outlets (franchise contracts) spread throughout the country and to the fact that current law and contracts do not permit trade union representation throughout.

Where this is possible, in the large urban centres, meetings are held with our local structures on the problems which arise in that area.

2.

The most frequently discussed question between the company and the trade unions regards the economic performance of the company; its status in the market of reference; the opening and the transfer of shops; increases in sales areas; problems of employee mobility; the confirmation of solidarity contracts.

The training situation within the company has generally been more directed to company requirements such as aspects of sales and relations with customers, although information passed on to us suggests that training is effected consistently and involves, in rotation, all sales staff; recently courses have been held for office staff and junior management.

No trade union involvement is permitted in the preparation of these courses nor in their execution, although an initiative to this effect has been proposed by the trade union organizations.

2.5 Description of major programmes

The training programmes run by Prenatal may be schematically grouped into two main areas, each with its own internal variations:

- a. Sales network training
- b. Head office personnel training

a. Sales network training

The desire to transmit a homogeneous company image strongly oriented towards the customer requires continuous interventions by Prenatal on personnel right from the beginning.

To this end, from the moment of employment by Prenatal, each new employee is the subject of a specific training programme adapted to his/her personnel grade.

This means that, while the content of training remains substantially the same for each grade, the insertion programmes provide different approach methods depending on the personnel involved.

■ Insertion programme for shop manageresses

The insertion itinerary for this company role is divided into six week-long segments:

• Week one

Takes place in a shop in an Italian commercial context, under the guidance of a "trainer", who is herself always a shop manager carefully selected and trained for the purpose, and under the supervision of the commercial assistant.

During this period, the following information is transmitted to the future shop manageress:

The Prenatal image

- what the company represents to its public and, more generally, in the current panorama of maternity culture
 - what instruments are used to transmit this image
 - the Prenatal response to the needs of the customer.
- ##### *Categories of goods*
- the categories of goods and the requirements of the public these categories fulfil
 - the relative importance of each category in the entire product range
 - general criteria in the Prenatal selection of the products it offers to the public

Sales outlet layout and display

- the display structure of the shop
- the sequences of space allocated to each category
- special displays and promotions

• Week two

At the same shop as the preceding week with the same methods as above.

In this period, the shop manageress will cover the following points:

Sales techniques

- the role of the sales assistant
- how to conduct a sale
- Prenatal services

Communication between the sales outlet and the outside

- the institutions and persons which the Prenatal sales outlet must deal with primarily
- the instruments which should be used to approach them and to what end

The preparatory lesson

- what is it? what is it for? how is it organized? who holds it?

Checking on the competition

- who is to be considered competition
- the role of the sales outlet in checking the competition
- what to look for and how to communicate results to head office

• Week three

To understand the differences between shops, the shop manageress spends this period in a different sales outlet with another trainer and deals with the following points:

Seasonality

- shop opening hours in relation to local law
- seasonal anticipation of products
- seasonality of publicity and promotional activities
- seasonal analysis of takings

Product management in the sales outlet

- relations between the shop, internal stocks and the warehouse
- relations between the shop and the purchasing and distribution office
- rotation speed
- management of the range offered to the public

Animation and training of working groups

- how to transmit information
- criteria for the guidance of shop personnel
- the instruments available to a shop manager

• Week four

Spent entirely at the Prenatal offices at Agrate, under the guidance of the personnel directorate and/or the shop's secretariat; meetings with the managers of the activities particularly involved in relations with shops, namely:

Sales directorate

- Merchandising
- Shop secretariat

Marketing directorate

Administrative and financial directorate

- Administration
- Management inspectorate

• Internal audit

Personnel directorate

- Administration
- Management
- Products directorate*
- Purchasing
- Distribution
- Madone warehouse
- Development directorate*
- Information systems directorate*

- Week five

Once again, spent entirely in a sales outlet where, besides completion of the points discussed in the preceding weeks, the following subjects are examined in detail:

Administrative procedures

- fill procedures
- accounting for goods reception and discharge
- terminal use
- fiscal procedures
- inventory procedures
- sales outlet accounting
- reading sales outlet management printouts

Personnel management and legal requirements

- attendance records
- procedures for employment and discharge of personnel
- obligatory records (serial numbers and accident book)
- relations with the local public authorities (Employment Office, Labour Inspectorate, etc.)

- Week six

The shop manageress spends this last period of training in a shop close to the one where she will operate in order to gain knowledge of the bordering areas by accompanying the commercial assistant for this zone.

During this week all subjects examined in the previous five weeks are discussed once again to permit the commercial assistant to evaluate the amount learned by the shop manageress and to further discuss the more critical topics with her.

This training programme is valid both for manageresses of direct sales outlets, and those of indirect sales outlets, who receive some supplementary details in terms of accounting and administration.

■ *Insertion programme for sales assistants*

Training for sales assistants about to begin employment includes, from the point of view of specialist knowledge, the same content as the insertion programme for shop managers, but it is much more diluted over time. It is in fact applied day by day within the sales outlet by the shop manager or another expert sales assistant.

In all there are two years of continuous training, during which sales personnel come to know, department by department, category by category, all the products in the shop and their particular sales techniques. To this end, some technical information sheets have been prepared recently to illustrate the principal characteristics of each product; the end result will be a series of extractable page manuals for consultation which, regularly updated, will be available to all sales personnel. These, then, are the didactic training materials, created centrally by head office, which each shop manager illustrates and discusses with her working group.

Naturally the training programmes for the sales assistants differ in the subject matter for assistants in "Ragazzeria" shops.

Here the product is different, less specialized; on the other hand the sales techniques are more complicated, since personnel must be able to relate no longer to a single interlocutor (the expectant mother), but to two or more (child and parents), each having different requirements. Thus training on sales techniques is particular and strictly connected to a specific market segments.

The discussion so far has focused on insertion programmes applied to staff joining the company.

These, however, should not be considered mere initial training programmes, firstly because they are of considerable duration, but above all because both during and after their application the addresses are involved in further training initiatives. This is mainly classroom training provided centrally which periodically involves Prenatal sales personnel.

The purpose of this training is to provide continuous refresher courses and to establish direct contact between the head office and the periphery: it is motivating for personnel to have a constant relationship with the company and, at the same time, for the personnel directorate, which undertakes these activities, it is essential to have a close view of its human resources and to evaluate their potential.

The *shop manageresses*, for example, receive an average of 4 days of classroom training per year. These courses deal mainly with communication and aim to transfer to these company members aspects of leadership and instruments for management, control, animation and for the training of their own staff.

In fact, the company strategy is training managers so that they can then exercise the role of trainer both for other shop managers during insertion and for their own staff.

Besides, many activities within the sales outlet are addressed to the motivation and the involvement of sales personnel and, in these circumstances, the shop manager assumes the role of animator: for example, at the beginning of the year she illustrates the commercial status of the sales outlet to her working group and prepares with them the annual sales forecast for each category.

There is also a great deal of paper communication from head office to the shop every week, and each manager meets with her staff to inform them of events in the company in terms of sales policy or organizational changes and discusses with them the adaptation of these changes to the sales outlet.

It is natural that these initiatives create a participative atmosphere within the sales outlet and sustain a spirit of adhesion to the commercial objectives and, in this sense, the company considers them part of training, well beyond the classroom sessions which are also provided.

The *sales assistants* too, besides constant training in the shop, participate in training courses at head

office (on average two days per year.)

Within the shop there are, then, employees who have to be specially prepared with supplementary training, which involves on average 4 days in the classroom per year.

These are the "preparatory experts" and the "safety experts", who periodically hold the lessons referred to above for 40 to 80 expectant mothers.

Usually in each sales outlet one or two sales assistants from the 6 members of the group are called upon to cover this function and are therefore trained to speak in public and to acquire specific knowledge regarding prenatal and neonatal matters.

To this end these experts, as indeed the shop managers too, maintain frequent contact with consultants, hospital structures and paediatricians, and are invited to participate in groups of 150-200 people in specialist conventions in this sector.

b. Head office personnel training

There is also a training programme of one or two weeks for persons joining the head office staff.

This training comprises a fairly long period of meetings "in the field" with the persons responsible for the various company functions: these are days spent learning about the company and establishing a direct relationship between new employees and the company.

At the end of this first stop, there is a period spent at a Prenatal shop so that new head office employees understand the problems of the sales network.

Besides insertion training, head office personnel periodically participate in continuous training activities. Junior managers normally receive 5 classroom days per year as well as participating in specialist seminars linked to their duties.

Classroom training addresses mainly management issues: there have been courses on the role of the supervisor, on communications, on the management of staff.

For some junior managers, such as area managers or commercial assistants, there are activities on personnel selection, training them to be selectors.

This type of training is planned by the personnel directorate and involves a considerable overall budget, while other activities initiate from proposals by personnel.

Finally, certain "para-training" animation activities are organized which involve all head office personnel and all sales outlet managers: these are the annual conventions, where the Prenatal collections are presented and company strategies are illustrated. The objective, once again, is to stimulate participation in the company culture.

3. The Prenatal shop in Bergamo

3.1 General description of the sales outlet

The Prenatal shop analyzed here is a directly managed shop at Bergamo, located in a central area and thus capable of reaching a high user reservoir: 930,000 people in the city and province.

It belongs to the "Prenatal" division and thus aims at a target group which includes expectant mothers and children up to 8 years of age.

Opened in January 1972, the shop met with immediate success, so much so that it has become a pole of attraction for the competition, which has opened similar structures in the immediate surroundings: the result is that today Via Paglia, where the Prenatal shop stands, is known as the baby shop street.

The building has a single floor and covers 230 m², 193 m² of which are reserved for sales.

Over the last ten years its annual growth figures have been 20-25%, with peaks of 37%.

Its current turnover is well beyond three billion lire. In 1991, 52,0878 receipts were issued; this figure differs little from the immediately preceding years, although in comparison there is a progressive increase in average expenditure per receipt.

This indicates that, over time, the number of clients has consolidated, demonstrating fidelity to the shop. As with all Prenatal sales outlets, the Bergamo shop has a mobile, open display structure (the "Grill"), designed to guarantee maximum flexibility in goods layout and display and, above all, to give the public free access to the displays.

The products on sale are divided into 8 departments, each clearly denominated:

- Children's clothes and accessories
- Baby clothes (9 to 18 months)
- New babies (fixtures, fittings and furniture)
- New babies (accessories, bottles, pacifiers, etc.)
- Underwear for expectant and nursing mothers
- Ladies' outerwear
- Large accessories for babies
- Toys and gadgets

In perfect accord with company commercial policy the Prenatal sales outlet enhances the value of its product range through personalized service which aims at encouraging customer fidelity.

The moment of sale is therefore fundamental and the preparation of staff tends to focus on the quality of the service rather than on the quantity of goods sold. Besides assisted sales, the Bergamo shop offers the customer a further range of services which includes returned goods, deposits, the "Kangaroo Card" credit service, home deliveries and, naturally, the preparatory and safety lessons.

3.2 Human resources

The sales outlet analyzed, on the one hand, conforms to the structural and organizational aspects of all the other shops in the Prenatal chain, on the other it differs slightly in the number of staff employed, the average being normally 6 or 7 people.

In fact the Bergamo shop employs 10 people, who being all women confirm the prevalently female composition of the company work force.

The team is composed of one grade I shop manager with a full-time contract and 9 sales assistants distributed as follows according to the contract stipulated and the grade applied:

6 full-timers at grade III

2 at grade IV, one full-time and the other with a trainee contract

1 at grade V with a trainee contract.

This distribution reflects the sales network human resources management policy applied by the company, according to which sales assistants are employed at grade V with a trainee contract which lasts for 24 months; after 18 months they are promoted to grade IV and they finally reach grade III of the National Collective Labour Contract (CCNL) 30 months after employment with a full-time contract. Personnel operating in shops is decidedly young: from 34 years of age for the average manager to an average age of 25 for sales assistants.

The level of education of the work force also confirms the trend data collected within the company: for every 10 employees eight have secondary school diplomas and two are qualified, that is to say, they possess technical-vocational diplomas.

3.3 Training

It is difficult to discuss training activities at the Bergamo shop without the risk of repeating the ample discussion of company strategy and the description of the main training programmes.

The Bergamo shop, in fact, is involved in all the initiatives prepared by the personnel directorate for the sales network.

And it could not be otherwise, given that the primary objective of Prenatal is that of transmitting a uniform image to the customer, intervening with sales personnel in a thorough and homogeneous manner.

It is, however, interesting to examine in detail the manner in which training is given, the subjects discussed, the effect on the activities of the shop and, finally, how it is experienced by the participants. First of all the role of the shop manager is significant: as we shall see, she is simultaneously trainee and trainer.

Precisely thanks to the initial training and the continuous refreshment that she receives, the manager, besides acquiring more competence in sales activities and in managing her personnel, is able to become, in her turn, a trainer.

In this sense the manager of the Bergamo sales outlet periodically hosts, for one or two weeks, other managers who have just joined the company.

In this case it is her duty to preside over their training, transferring theoretical and practical competence; the subjects of these activities are those illustrated above with regard to the insertion programme (see section 2.5).

Subsequently the trainer is also called upon to evaluate the potential of a new shop manager, verifying not only the knowledge acquired but also that the person has certain prerequisites, such as leadership capacity, the ability to animate and motivate a working group, as well as a good deal of enthusiasm for her own duties.

These are the abilities which the company considers fundamental for the management of a sales outlet, since if professionalism is not accompanied by these behavioural gifts she will never imbue her sales staff with that stimulating, participative atmosphere which is the principal success factor for Prenatal shops.

At the same time the shop manager is required to constantly train her own staff, from those with some years of experience to the newly employed, who receive particular attention.

The company uses trainee contracts for newly employed personnel, committing itself to guaranteeing them continuous training for a two-year period.

In-shop training begins with the simpler product groups and proceeds gradually up to the specialist departments (expectant mothers and new babies), which require particular expertise; the shop manager, supported by the loose-leaf manual supplied by the head office, attempts to enrich the content of training with examples from her own professional experience.

In this process nothing is left to chance nor are approximations allowed: the proof of this lies in the fact that no newly employed sales assistant begins sales activities before the end of the training period, before she has been exhaustively prepared on all the product groups.

The participation of the entire sales staff in training the newly employed is worthy of note.

The transmission of certain information is delegated to the shop manager and to those sales assistants who, having experience in the shop and having taken training courses, are particularly expert.

The classroom training provided for sales staff re-examines and enriches the subjects of training given in the shop by the manager, in order to further cement the transmission of their content.

The courses, which are held centrally or locally, are run by head office personnel generally assisted by a zonal commercial assistant.

Almost all the activities foresee group sessions which allow the participants to verify in practice the validity of the messages transmitted.

For example, in the courses on sales techniques there are simulations where each trainee has to conduct a sales dialogue, attempting to face the various phases in which it develops:

- exploration
- information
- discussion
- conclusion
- assistance

Each time, the group watching the simulation is required to express an opinion, evaluating whether communication was successful or not.

Of the 9 sales assistants in Bergamo, two are "preparatory and safety experts": they therefore benefit from special training for the execution of this role.

In this type of training, didactic support is available from experts outside the company.

Thus the presence in the classroom of a psychologist helps the "experts" to understand the psychology of the expectant mother and to relate to her in the correct manner; paediatricians and obstetricians help

in the transmission of specialist information in their respective fields.

A symptom of the participative climate of our shops is the fact that anyone who attends an external training initiative systematically transmits, upon their return, the information received to the entire group.

In conclusion, it may reasonably be stated that in the Bergamo shop, training, far from being an isolated event, separate from the life of the sales outlet, constitutes an integral part of normal sales activities and is an experience shared, as a daily moment of growth, both individual and collective.

4. Evaluations

By the researcher

Prenatal commercial policy, which is based on a specialist type of product and highly specialized service designed to confirm the expectations of the clientele, determines, by its very nature, a need to consider the growth of its human resources as a primary factor in development.

There is thus a close relation between the training provided to staff and the basic strategic objectives. Of equal relevance are the planning and execution of systematic interventions, which on the basis of the analysis of internal requirements are divided in a balanced manner between head office and sales network personnel.

It is extremely positive that in training no element is excluded to the advantage of others; on the contrary, a serious attempt is made to take into account in equal measure all aspects of training: from the theoretical components (classroom training) to the practical aspects (on-the-job training), from training intended to transmit specialist competence to training which affects the behavioural sphere.

Similar consideration is due also to the addressees of these activities: all employees are involved, independently of their grade and, even more significantly, without distinction between personnel of directly managed or indirectly managed shops.

The tendency to involve internal personnel in training activities is strategic: the importance of the function of the shop manager as a trainer for sales personnel and that of head office managers, to whom classroom training is delegated, emphasizes the correct intuition of the company that the more employees are committed to the role of trainers, the more they are motivated and the more they attempt to grow.

On the whole, Prenatal is a participative company, where the human factor is prevalent and where all the employees demonstrate spontaneous adhesion to company policies.

In our judgement, this training model is complete and is definitely transferable.

In particular we consider that – because of the family atmosphere which the company has maintained over time and above all because of the fact that its shops have limited sales areas – the training system

which affects the sales network constitutes without doubt a valid example for training in small to medium-sized businesses.

By the employees

We have collected two testimonials from Prenatal employees: one from the Bergamo shop manager, Ms. Marinella Trotta, and the other from a sales assistant in the same sales outlet, Ms. Marina Caccia.

Both gave positive evaluations of the training activities in which they are involved. An interesting or symptomatic fact lies in the frequent verbal use of the first person plural, an element which confirms the climate of involvement and collaboration in the company.

In detail, Ms. Trotta stated:

"The training activities in which we participate periodically are of vital importance to us, as they allow us to develop and to be completely, homogeneously prepared. In fact each of us – without any role distinction – is capable of giving the same response to customers.

We experience training with great enthusiasm because we are stimulated to change and improve continually, and we can see the benefits every day, weighing the improvements in our work.

Despite initial doubts, I found the communications courses with the use of a video camera extremely valid; being filmed during the simulation of sales with the opportunity to view oneself is extremely useful, offering a chance for self-evaluation.

But training also means the chance to enjoy get-togethers and collective reflection: because of this, besides the activities planned by head office, we meet to discuss the company situation, we debate the performance of our shop, we agree on initiatives aimed at its improvement.

We don't want to fall into a daily routine and so we are always looking for more stimuli for our work.

My role as trainer is extremely gratifying to me, although it requires a substantial daily commitment, which is added to those of sales and shop management.

We, the Prenatal trainers, although we have occasion to meet in small groups for training courses, have requested the company to plan specific meetings for trainers. Our need is to dialogue between colleagues, to compare and to start a profitable exchange of experience to be ever better trained to train."

Ms. Caccia, a grade III sales assistant, "preparatory and safety expert", with 18 years' experience in the company, stated:

"Training is a fundamental element of development for us, it helps to acquire professionalism and security in sales activities: in fact selling is communicating and communicating means transmitting reliability to the customer.

As I am also a consumer I recognize that there is no comparison between Prenatal sales assistants and those of any other shop; the customer

chooses us and relies on us because we are professionals, because of the extra service that we offer.

As preparatory and safety experts we are so well prepared that we often cause strange reactions in the public: participants in our lessons see us as such experts in the prenatal and neonatal field that they are reluctant to consider us primarily as sales assistants. this is very pleasant for us and it makes us all the more aware of the importance of training, the results of which are tangible to us since we see the concrete results day by day in our normal activities."

The following persons were interviewed at Prenatal:

- | | |
|------------------|---|
| Dario Pasquale | Prenatal personnel director
Head Office
Agrate Brianza (MI) |
| Marinella Trotta | Prenatal shop manager
Bergamo |
| Marina Caccia | Prenatal shop assistant
Bergamo |

PART 3:



- 1. Conclusions**
- 2. Bibliography**
- 3. Annex**

The firms studied in the Forter survey were selected in agreement with the representatives of the workers and the employers. The studies deal mainly with large-scale distribution chains, because the particular nature of Italian trade means that most on-going training programmes are conducted in big organizations.

However, two of the five cases deal with organizational models of the cooperative and consortial type.

This choice shows that even small and medium-sized firms can, through cooperative structures, achieve the same objectives as larger organizations.

For these reasons we consider that the case studies are representative of the on-going training activities being conducted in this country.

1. Planning and design of training

Training increasingly tends to be regarded as an element which makes a vital contribution to the development of a firm.

This consideration is based on the widespread awareness of the role played by human resources. After years of paying tribute to technological innovation as the solution to most, if not all, business problems, the importance of people as an indispensable resource is now firmly emerging.

It must also be remembered that, for commercial enterprises, human resources are made up of both staff and customers; that is why company objectives have to be translated into training activities that make it possible to achieve them.

It is no coincidence that one thing all five situations studied had in common was that importance was attached to achievement of quality of service not merely through product quality but also through enhancing the qualifications of staff.

Planning is in a particularly advanced and well established stage in major large-scale distribution firms, where strategic planning has always been a feature.

It should be noted that planning is not only done by staff specifically responsible for it but tends to affect and involve the staff as a whole through the formation of "improvement groups" in the Rinascente Group, "project groups" in Pam and "quality circles" in COIN.

These forms of liaison between management and staff create feelings of solidarity in line with a concept of the firm as a place where interests do not necessarily conflict but actually coincide although they may be of a different nature.

Planning in cooperatives and company groups also shows increasing awareness of the strategic roles played by training.

One example of this is the move from the initial proposal of ready-made packages to the provision of solutions better designed to suit the needs of the staff; the creation of special structures to take charge of training (Conad) and the elaboration of global projects covering the whole staff (Despar) are further examples of this new approach.

The establishment of bilateral organizations composed of employers and trade unionists, which was proposed during collective negotiations with a view

to promoting and developing professional growth of staff, also favours the systematic planning of training.

There are still, however, divergences in attitudes to this problem: in particular, the workers representatives tend to insist on greater decision-making power in the establishment of programmes and on programmes generally having a multi-purpose structure.

2. The staff affected by training

From being reserved almost exclusively for managerial staff, training has gradually begun to involve all the staff as a natural consequence of the important role played by human resources regardless of the type of work done.

With this approach, even part-time workers (mainly women) and short-term employees take part in training activities; in some cases training is given before opening or establishing new structures.

3. Content, methods and organization

In addition to job-related training, which continues to be important, especially for the food sector and, generally speaking, to the use of information technology, there is a growing trend towards using training as a means of transmitting the company's aims and values to the staff.

The involvement of all staff in these projects, including personnel already trained, helps to spread a common culture and facilitates internal mobility processes. The content is nearly always related to the area of human resources. It is transmitted by means of advanced technologies and, in some cases, multimedia interactive technologies which permit active participation.

Training is usually done at the work place; in some cases there are specially equipped rooms for this purpose. In each firm there are divisions and/or departments responsible for training.

Despar and Conad are exceptions to this rule: the latter uses an external training structure which, however, belongs to the consortium.

It should be noted that there is a widespread tendency to make all management structures "training structures" and, in any case, to favour the idea of the internal trainer.

The length of courses is extremely variable; they may range from 2 or 3 day modules to, in the case of specific training, projects which last for 2 years if they are simple or as long as five; there is also the 12 day "Master for Buyers" course and even a few hours a week for English language courses.

The duration and recurrence of other activities such as the "pilot workshops", the "improvement groups" and the "project groups" vary according to requirements.

It should be pointed out that important steps have been undertaken to ensure that the education given at school corresponds to the needs of businesses.

The Ministry of Education and the Italian General Confederation of Commerce, Tourism and Services

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(Confcommercio) have signed an agreement to promote a better relationship between schools and the working environment.

In practice, employers go to the schools and explain the needs of the firms, experimental programmes are carried out and students spend periods in the firms to learn more about their problems and requirements.

New ideas come into the working environment before they reach the textbooks and this is why it is difficult for schools to keep up with changes.

We are moving towards a society where training is destined to become permanent at every level; in this environment on-going training in firms is essential, not so much to make up for any deficiencies of the school system but rather because decision-makers have realized that it is advisable to keep on learning.

4. Costs, financing and evolution

Costs-benefits analyses favour training because the programmes continue to be encouraged and expanded.

Although we do not have exact figures, the firms confirmed the importance and profitability of investing in training for overall development.

In some cases firms obtain funding from the European Social Fund and take advantage of incentives available under trainee contracts, which encourage the employment of young people by reducing labour costs on condition that the persons concerned participate in training programmes during their work.

It is realistic to assume that firms will continue to invest in on-going training with particular emphasis on problems related to the objective of quality of service and thus on everything related to the enhancement of human resources (interpersonal relationships and, in general, communication).

The importance of interpersonal relationships and communication was also stressed by the Confcommercio representatives at the meetings in Brussels at which the Memorandum on Training in the Retail Trade was drawn up.

The first recommendation adopted by the working group is in fact related – in the framework of general commercial training – to training in the sector of social communication.

The importance attached to this subject can also be seen by the attention paid to it by those running small businesses.

A survey under way on the quality of sales services in small businesses confirms that characteristics such as courtesy, helpfulness and skill in interpersonal relationships are regarded as essential.

It therefore appears that all the firms in the sector, from the largest to the medium and small ones, are convinced that their real "wealth" is not so much the products as the human resources in the two aspects of who provides the service and who receives it. Maximum attention, therefore, has to be paid to people – be they staff or customers.

Certainly the smaller firms, which are the vast majority in Italian trade, still have a long way to go in this field.

The prejudice which has been conditioning the business world for so long is gradually beginning to disappear.

In fact, in the past people believed that a certain capital and a good measure of risk were enough to start a business.

It is now realized that improvisation does not pay and that professional skills are vital at every level.

Small firms have two ways of competing with the large ones:

- specializing and improving their services because being modern does not mean simply adopting advanced technologies;
- forming associations and cooperating with other firms to achieve objectives which they could not achieve on their own.

The abolition of barriers will favour this process without interfering with the Italian approach to development in this sector.

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1. Comments by trade union representatives on the research report

1.1 Comments from FILCAMS-CGIL on the research report by Giuseppe Silvestro

This research represents an interesting study of the situation of continuous vocational training in the retail trade in as much as

- it is the first significant picture of the current training situation in the retail trade sector;
- it represents a possible instrument of reference both for companies and for sector trade unions;
- it contains various useful elements for the elaboration of a continuous vocational training strategy in favour of Italian workers in the retail trade sector;
- it shows fairly unequivocally the insufficient presence of continuous vocational training in the complex, dusty company panorama in the sector;
- it notes the need to apply continuous vocational training as an indispensable element for the development and growth of both workers and companies;
- it describes an Italian training system characterized by limited exchanges between systems (schools, universities, businesses, trade unions, the working world in general, training);
- it explicitly shows up the need to promote operative collaboration between businesses and trade unions in order to gain access to funding for continuous vocational training while avoiding discord and imbalances in competence and putting into action, at a European level, the agreements reached at the EEC in the Memorandum on training for sales assistants in the retail trade;

However, while repeating a substantially positive judgement and conscious of the objective difficulties (time, finances, etc.) in which the study was effected and which had to be taken into account, it can be considered insufficient in the following aspects:

- the identification of training processes which tend better than others to combine new strategies for company development with new forms of employment for the workers subjected to training;
- the attitude of the parties (companies and workers) with respect to training processes oriented toward technological innovation and the consequences of new organizational forms at work;
- the incentive structures used to start training activities;
- the special abilities and accumulated knowledge at the disposal of both the entrepreneur and the employees for new services or employment tasks;

- the importance of training workers as resources capable of enhancing the value of their own special capacities;

- the identification of good training courses which could become points of reference for future initiatives in continuous vocational training at European level (ex. the Eurofiet-CECD Memorandum at the EEC on vocational training);

- the measurement of the needs of persons interested in training activities before the backdrop of the pulverization of commercial structures in Italy.

Finally FISASCAT is convinced that:

- a great common effort is required to overcome the gap in backwardness and to achieve a radical change in the systems and in the modalities existing until now.

More constructive and functional interactions is therefore required between businesses and trade unions: processes of concentration and cooperation in the management of training activities and the use of mixed structures (e.g. bilateral bodies), or the promotion of other ad hoc activities capable of encouraging the functions of planning, motivation, control, realization and quality in continuous vocational training;

- all parties interested in vocational training will have to radically modify their own role, abandoning rigid bureaucratic forms in favour of criteria more in line with a more active labour policy of innovation, company development, a more qualified socio-professional culture among workers, the prevention of difficulties and conflict, the creation of a society with more respect for all and modelled around more balanced requirements for economic and social development.

1.2 Comments from UILTUCS-UIL on the research report by Antonio Zilli and Fabrizio Zampagni

UILTUCS expresses positive appreciation for both the quality and the quantity of the analyses and the observations in the report, which, independently of any judgements of merit, supply the trade union organizations with information which the companies involved had never before supplied to such a great extent nor in such detailed terms.

This emphasizes the gap between the sophisticated normative information system and the poor practice in effectively supplying information.

However, the trade union recognizes that until a few years ago, its position on continuous vocational training was one of indifference. In the last 3-4 years there has been an attempt to recover part of the delay accumulated through union commitment in collective negotiation and promoting initiatives.

This focus of attention should for the most part be attributed to the social dialogue which developed in the EEC during the preparation of the CECD-Eurofiet Memorandum on vocational training in the retail business.

The philosophy and content of the memorandum were included in the National Collective Labour Contract for the retail trade (CCNL), becoming a contractual norm which companies must adhere to.

However, as is amply demonstrated in the report, these vocational training norms, as indeed the provision of information to and the participation of the trade unions in training processes, are not yet operative. This lag is caused by many factors, but above all by:

- the lack of education and willingness on the part of the negotiating parties to consider vocational training as an investment rather than a cost;
- the absence of adequate support mechanisms and structures to sustain the declared intention of the negotiating parties to act jointly in launching continuous vocational training.

Consequently, research into continuous training activities with the purpose of identifying projects of an exemplary, transferable nature is qualified by two crucial facts from the very beginning:

- The national school system and the regional training system, where initial and basic technical vocational qualification for the retail sector is quantitatively poorer than in other sectors. Furthermore it is qualitatively disappointing with respect to the vocational requirements expressed by companies and necessary to the "maintenance" and "development" of vocational levels;
- The still basically generic definition of the significance of continuous training as distinct from initial basic training and refresher courses for specialization or reconversion. Functional continuous training to sustain and promote human resources in the process of adaptation to the new contents and methods of work which require innovative models of professional skills as "process operators". In other words, operators able to respond to functions such as the assumption of responsibilities for objectives results, the complexity, the coordination and management of relations, the regulation of variations, flexibility, functionality, technological adaptation (...).

From these critical prerequisites it can be seen that company training, as revealed by this study:

- while being particularly enterprising and dynamic, fulfils a mainly compensatory function at entry levels and thus has difficulty in designing and applying proposals for continuous training;
- demonstrates itself to be a conceptual and explicit model for continuous training, as an efficient instrument in

selecting the differing categories of training processes and products in current experience and - in the case in point - in distinguishing the connection with continuous training in the company cases analyzed;

evaluating the degree of efficiency of continuous training in relation to current development of professional systems and new models of professional quality;

comparing practical application of continuous training activities with reference to the recommendations proposed by the "European Memorandum on Training in the Retail Trade".

Analysis of the case studies

Observation of data on training strategies and programmes reveals an ample, variegated range of training typologies and products.

Company information is, however, insufficient to attempt further selective analysis to recognize significant continuous vocational training activities.

In some cases reference is made to "total quality" projects but little explanation is given of the meaning of the term. Reference to "total quality" is made above all in relation to service to customers. It follows that training intervention seems to aim more at taking care of the public image of the company than at the substance and the effective quality of the service supplied by the business.

In fact, with regard to "social and behavioural communication", definitely a necessary element of professional quality and training content which alone is not sufficient to give "genuine quality service", important, necessary and fundamental aspects are ignored, among these:

- knowledge of the product, required to provide valid advice to customers;
- knowledge of the legislative, administrative and ethical norms regarding hygiene and product safety and/or its manipulation;
- knowledge of new information terminology and its interrelation in network systems to give awareness of and a basis to respective duties within the organization of company work by sales assistants.

The prevalence of provisions and aims relating to psycho-social and behavioural training (communication, company image, internal atmosphere, motivation towards participating in the company as a function of the quality of service and orientation to the customers) is evident, rather than provisions and aims regarding the transmission of specific technical knowledge and capacities.

Overcoming the traditional dichotomy between technical-vocational training and behavioural-managerial formation is both useful and justified. Just as appreciable is broadening the scope of company training from the overly restricted area of managers and management trainees to the other professional groups within the personnel.

But all of this does not seem to correspond to a balanced integration between behavioural and technical training. There is no evidence (also because of the short duration of most programmes) of activities

designed to treat the simultaneous, complex development of functional-interfunctional competence ("knowing" and "knowing how") and behavioural training ("knowing oneself").

There is a trend towards doing everything on an in-house basis, without the involvement of or preventive consultation with the trade union organizations in the planning phase, and even less in the execution of training activities.

Programme typologies and training objectives

The typologies of the training experiences presented can be generally described as follows:

- Basic initial training (preponderant);
- Monothematic refresher courses (on specific departmental or managerial technical functions);
- Behavioural training (1 - on organizational sub-system functions, 2 - on behavioural and professional role functions);
- Advanced technology training (which appears to a lesser extent and with insufficient characteristics, on telematic systems, scanner and terminal management, checkout technology, logistics of space management and merchandising);
- Self-training (with innovative audiovisual didactic aids using interactive multimedia techniques, the usefulness of which is not ours to evaluate).

The information supplied by this study permits a glimpse of the "initial objectives":

- objectives of results and functionality, inherent to the organizational sub-system (of the "quality projects" type, halfway between "quality circles" and genuine training);
- objectives of results and behaviour inherent to professional roles (especially for sales assistants and department heads);
- communication objectives tending to motivate and create consensus on strong and explicit indications of company image and company strategies.

The specific didactic training objectives, which represent a quota of significant contribution towards the recognition of the validity of the training on offer, remain in the shadow; in other words, we have too little information on the real extent of transformation of the initial objectives of the company into effective enrichment of the professional reservoir, measurable in knowledge (facts, procedures, concepts, general principles in problem solving), behavioural (limitations and heuristics).

Conclusion

- For the purposes of the study, more specific, analytical company information would have been useful to control the degree of exemplariness and transferability of the continuous training program-

mes and typologies examined.

In particular, there is a lack of information for the evaluation of the significant factors of continuous training:

the type of vocational training (data on types, duration, target groups and categories);

the recursivity (data on diversification of the training offered to the same user category);

the permanence (data on annual volume by typology and activity and investment planned against turnover).

The following information would also have been useful:

the method of analysis of needs;

the control-evaluation system (didactic results and methods, reactions of participants)

- With its limits and qualities, this report represents an interesting contribution to stimulate and to indicate the possible areas for action in the Italian context.

It might be applied to a less restricted field of cases and more detailed analyses than those produced until now, on the initiative of the social parties, in order to render it capable of giving body, substance and structure to effective action on the topic of vocational training.

We cannot state the extent to which this report might contribute significantly to the definition of European policy stipulations on continuous training in the retail trade.

It is our opinion that, in order to give concrete support to the realization of continuous training in the sector, it is necessary to continue the processes of comparison and common decision-making between companies and trade unions.

To this end it would also be opportune if community programmes could be oriented towards providing support and development to company and sector projects and programmes based on the practical realization of bilateral instruments between the negotiating parties for planning, programming and execution of continuous training activities.

1.3 Comments from FILCAMS-CGIL on the research report by Claudio Treves

General comments

It is to be hoped that:

- greater emphasis will be given to the role that hypermarkets have acquired in the distribution network: the very consistent increase of this type of sales outlet cannot be ignored (70 structures operating as at 1/1/1992, with most of the growth concentrated in the last 5 years) and the location of these establishments preferably in "border" areas (Piedmont, Lombardy, the Veneto and Friuli) lead to the conclusion that the typological and organizational innovation is significant and that it will be

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reinforced by the behaviour of competing foreign chains after 1/1/1993.

- increased focus will be aimed at the connection between the effects of Italian legislation on work and the links existing (or rather lacking) between the world of work and the training system: there has been a substantial change from numerical work placement which in itself rendered almost useless emphasis on the role of training, to increasing deregulation (from 1983 to 1991), with the training system nevertheless not succeeding in better matching demand for and supply of work. This explains the continuance, albeit in "contrasting" situations of binding or almost totally liberating legislation, of a separate, scarcely incisive role of training, especially in terms of the distribution network, which consists mainly of small companies.

Case studies

In general it should be observed that, with the exception of the Rinascente Group, the comparison between the merit of the various companies and the trade union organizations is absolutely insufficient, as the companies consider that training is an area where they do not have to involve the trade union organizations: this contrasts with the Eurofiet-CECD memorandum, included in the National Collective Labour Contract of 14/12/1990 (CCNL), as well as the logic of social dialogue on which FORCE too is inspired.

Having said this, it should be noted that the concept of "service", which is specific to commercial reality and constitutes the strategic variable in the definition of the competitiveness of each company, is often interpreted in training planning in too narrow a manner: more thought is spent on the "behaviour" of sales assistants (courtesy, good presentation, etc.) than on active adhesion by each worker to the objectives of the company on which the worker may rely.

This results in a concept of "service" which is independent from the value of labour and its competence, and thus one often ends up with repetition through the hierarchy of company "ideologies" broadcast from above.

It is precisely the lack of value given to social dialogue at the basis of companies which we observe with perplexity.

We remain convinced, however, that especially at critical moments (for example, recourse to the Special Fund for Income Maintenance - temporary redundancy - or in general company repositioning in the market) it is fundamental to initiate at least an experimental form of continuous training constructed through comparison and social dialogue.

CEDEFOP – European Centre for the Development of Vocational Training

Training in the retail trade in Italy
(FORCE programme)

Patrizia Mattei, Alessandra Gelfo, Laura Marano, Daniela Tebaldi

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