

- WORK ORGANISATION AND STAFF MANAGEMENT
a learning element for staff of consumer cooperatives

international labour office, geneva

© MATCOM 1978-2001

by Urban Strand



MATCOM
Material and techniques for cooperatives management training

The MATCOM Project was launched in 1978 by the International Labour Office, with the financial support of Sweden. In its third phase (1984-1986) MATCOM is financed by Denmark, Finland and Norway.

In collaboration with cooperative organizations and training institutes in all regions of the world, MATCOM designs and produces material for the training of managers of cooperatives and assists in the preparation of adapted versions for use in various countries. MATCOM also provides support for improving the methodology of cooperative training and for the training of trainers.

Publications of the International Labour Office enjoy copyright under Protocol 2 of the Universal Copyright Convention. For reproduction, adaptation or translation, application should be made to ILO Publications, International Labour Office, CH-1211 Geneva 22, Switzerland. The International Labour Office welcomes such applications.

Copyright © International Labour Organization

WORK ORGANISATION AND STAFF MANAGEMENT

Contents

Introduction	3
The number of employees	4
Measuring staff efficiency	7
Planning the working time	12
Distribution of tasks	17
Recruitment and induction	24
Staff development	31
Staff rules	37
"Check-out"	41
Complementary exercises	43

MATCOM Element No: 19-01

Edition: Universal 1982

ISBN: 92-2-103268-X

PREREQUISITES

To benefit from this MATCOM Learning Element, you should:

- have some retail shop experience;
- have studied the MATCOM Element "Basic Economics of a Consumer Co-operative", or have the correspondin'g knowledge.

HOW TO LEARN

- Study the Element carefully.
- Give written answers to all the questions in the Element. This will help you not only to learn, but also to apply the knowledge you gain in your work later on.
- After studying the Element on your own, discuss it with your trainer and your colleagues, then take part in the practical exercises organised by your trainer.

TRAINER'S NOTES

are available for this Element. See the Trainer's Manual.

Original script:	Urban Strand
Illustrations:	Reinhard Palden

INTRODUCTION



Henry, Peter, John and Sam are all managers of co-operative shops. They meet regularly to discuss common problems and to exchange experiences.

This time they meet at Henry's place. He is the manager of a nice self-service shop, and he is known to be a good organiser, very popular with both customers and staff. His assistants carry out their duties efficiently and they seem to like their jobs. The visiting managers want to know how Henry is doing. The topic of today's meeting will be work organisation and staff management. Henry has promised to show the others how he is working in this field. And the visitors expect to get some useful suggestions for improvements in their own shops. Maybe you would like to do the same? You are welcome to join them in their study visit.

THE NUMBER OF EMPLOYEES

"How many employees are there in your shop, Henry?" asked Sam.

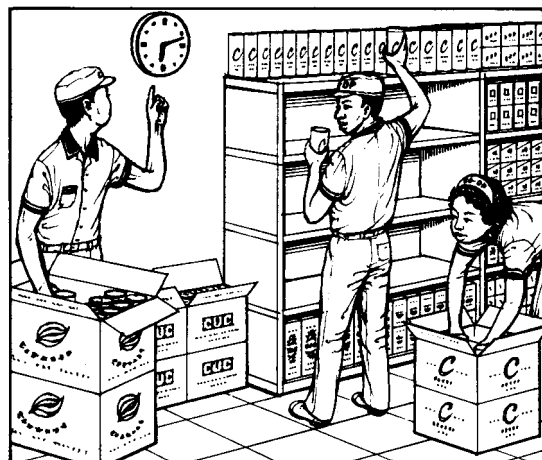
"We are eight persons including myself. But two of the assistants only work part-time, so we can say that we need seven full-time employees."

"How did you arrive at exactly that number of staff?" asked Peter.

That question proved difficult to answer. "We wanted to operate the shop with as few employees as possible, because low staff costs would allow us to keep low prices," explained Henry. "But on the other hand, there should be enough staff to carry out all tasks so that the members could be given good service. It is somehow complicated to calculate just how much work there is to be done. It depends mainly on the amount of goods we sell in the shop, but also on the types of goods. Fresh food, for example, needs a lot of attention, while tinned food doesn't. And there are other matters which affect the need for staff, the opening hours, for instance, and the way of selling: counter-service or self-service.

"So one needs a lot of experience in order to estimate the amount of work and the number of staff to carry it out. When we started we were advised by Co-operative Union people with wide experience from shops of various sizes."

"I gained some experience myself, too. If I notice that my staff work very hard all day, but still plenty of tasks remain undone, this may be a sign of understaffing. On the other hand, it may also happen that some staff member is idle for long periods of the day



although all necessary tasks are being carried out well. This may be a sign of over-staffing. I say maybe in both cases, because there can also be something wrong with the timing of working hours or with the distribution of work among the staff. Anyhow, I have found from experience that we are just the right number of employees now, considering the amount of goods we are handling."

While looking around in the shop the visiting managers had noticed several facts which proved that Henry was right.



There seemed to be plenty of **goods**; they were in **good** order; prices were clearly marked; all perishables were in good condition - indeed, the vegetables looked all very fresh; no dirt, no dust to be seen anywhere; all staff members were busy; although there were plenty of customers in the

shop, the queues at the meat counter and at the check-outs were not too long.

"Then I have to see that we all work efficiently," Henry continued. "I mean it is not enough to be busy with some job all the time. It is rather how you do things that is important. To get a job done with as little effort as possible means saving time. And that reduces the required number of employees.

"It is rather difficult to determine whether we are working in the right way or how we could increase our efficiency. To get an idea of that I find it very useful to compare staff wages with sales. After all, every task is related to our main aim - to sell goods. And the wages have to be paid from the income earned on the sales."

This way of measuring efficiency interested the shop managers very much. They asked Henry to explain in detail how it was done.



What is important to consider when deciding the number of staff in a shop? Mention at least four things.

MEASURING STAFF EFFICIENCY

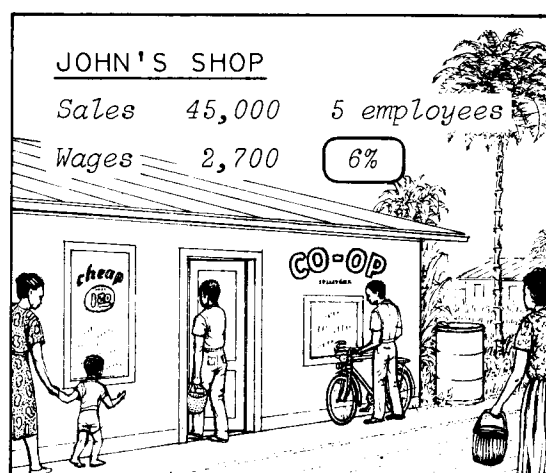
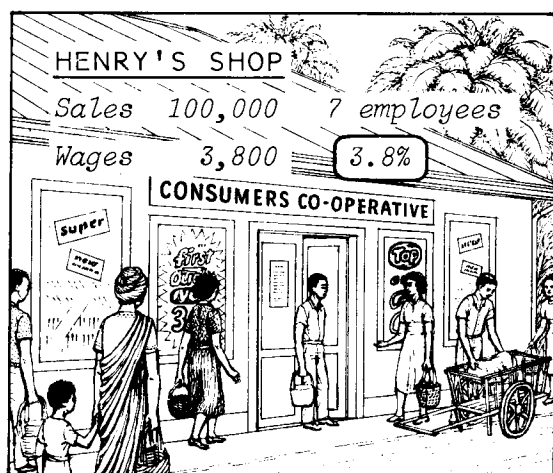
"Our total monthly wage costs are T\$3,800.* That figure has to be compared to the sales," said Henry.

"In a normal month we sell for about T\$100,000. That means wages are 3.8% of sales."

"I do the same calculation every month in my shop," said John, "but our wages are usually around 6% of our sales."

"So your staff must be very well paid," replied Henry.

"No, our wages are quite normal. But we are five employees and that may be too many compared to our volume of business. We are not even sellina half as much as you do," concluded John and thought to himself that he must do something about it.



To compare two shops in this way may be useful, provided they are of the same type. Otherwise the result may be misleading. To handle meat for example is rather more time-consuming than groceries. So naturally, wage costs are likely to be higher in a butchery than in a grocery store, if you compare them with the sales figures. Also, self-service usually requires less staff than counter-service.

* We use an imaginary currency here, because this booklet is used in various countries. We call it "Training Dollars" and cents, T\$ and c.

The really important thing is to compare costs with income in the same shop. The income of Henry's co-operative comes entirely from sales. When the costs of the goods have been deducted, there is usually about 10% left:

Sales	T\$ 100,000 (100%)
Cost of goods sold =	<u>90,000</u> (90%)
Gross surplus	T\$ 10,000 (10%)

The gross surplus must be large enough to cover all costs of running the shop, and to have some money left as a net surplus.

?

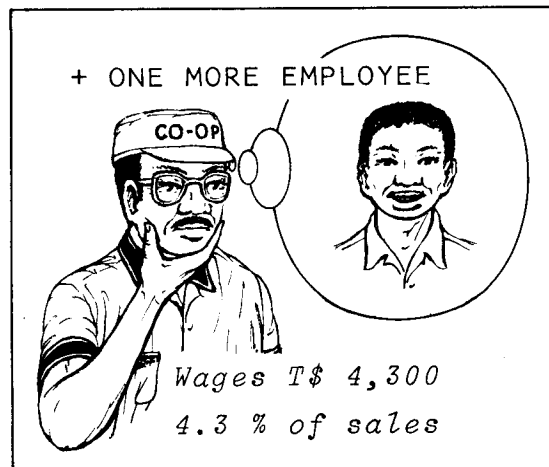
a) How much is left in Henry's shop when wages have been paid?

T\$ _____

b) How much is left for other costs, if a net surplus of 3% is wanted?

T\$ _____ (_____ % of sales)

One of the visitors suggested that Henry should hire one more shop assistant. "Everybody seems to work very hard at present. It could be useful to have one more assistant, in case somebody gets sick. I think you could afford that."



One more employee would increase monthly salary costs by T\$500. They would reach T\$4,300, i.e. 4.3% of the sales. Costs would increase by 0.5% and thus the net surplus would drop from the desired 3% to 2.5%. Henry explained that in that case the society would no longer be able to pay its members as much patronage refund on their purchases as it did now.

"But one more employee would help you increase the sales," objected Henry's colleague.

"That may be true," agreed Henry. "Let us calculate how much we would need to increase sales just to maintain the same ratio between salaries and sales as we have now.

<u>Present Situation</u>	<u>New Situation</u>
$\frac{\text{T\$ } 3,800}{\text{T\$ } 100,000} \times 100 = 3.8\%$	$\frac{\text{T\$ } 4,300}{\text{New sales}} \times 100 = 3.8\%$

New Sales Required

$$\frac{\text{T\$ } 4,300}{3.8} \times 100 = \text{T\$}113,158$$

"If sales would be increased from T\$100,000 to T\$113,158 or more, it would pay to hire one more assistant. But I doubt this would happen, because I do not believe we are losing any sales at present due to lack of staff.

I should rather like to put it in another way. We try our best all the time to increase our sales. Suppose we are successful and manage to sell goods worth T\$113,158 without adding to our staff. Then the cost of wages would decrease from the present 3.8% to about 3.4%."

$$\frac{\text{T\$}3,800}{\text{T\$}113,158} \times 100 = 3.36\%$$



Assume that the new monthly sale is T\$113,158 and the gross surplus is 10% of that amount.

- a) How much is left after wages of T\$3,800 have been paid?

T\$ _____

- b) Suppose other costs increase from T\$3,200 to T\$3,300. How much is left as a net surplus?

T\$ _____ (_____ % of sales)

"Do you really calculate your wages in percentage of sales every month?" asked Sam.

"It may not be necessary to do so, but I like to see how the figure develops," said Henry. It helps me check the efficiency of our organisation and our staff performance. This year monthly figures range from a maximum of 4.2% to a minimum of 3.10. The minimum figure was for April when we managed to sell a lot more goods than usual without any extra staff.

"However, the yearly figures are more important. They inform me in which direction the business develops. I shall show you some examples.

<u>Year</u>	<u>Sales</u>	<u>Wages</u>	<u>%</u>
	T\$	T\$	
1978	900,000	37,800	4.2
1979	1,020,000	40,800	4.0
1980	1,040,000	45,760	4.4
1981	1,080,000	44,280	4.1
1982	1,200,000	45,600	3.8

"First compare 1979 and 1978. Both sales and wages increased in 1979. The wages/sales ratio went down, which means that sales increased comparatively more than wages. The efficiency improved.

"In 1980 we thought we were going to continue to expand, so we hired one more assistant. The cost of wages increased but we did not manage to increase sales much and the salaries/sales ratio went up to 4.4% that year. We thought we could do better in 1981 so we first reduced the staff a little in 1981 and then kept the same number in 1982, although sales increased much that year. As a result we could improve our efficiency since 1980."



Suppose wages were T\$54,000 in 1982.

a) Calculate wages in percentage of sales.

_____ %

b) Give your comments on the development of Henry's shop.

The managers agreed that such a study on "efficiency development" was very useful, particularly when a change in the number of employees was to be discussed with the committee.

PLANNING THE WORKING TIME

Next, the managers discussed the weekly planning. Altogether the employees in Henry's shop were supposed to work 315 hours a week. Efficiency depended very much on how these hours were distributed among the staff.

"The shop is open every day except Sunday. Our hours of operation are:

Monday, Tuesday and Wednesday	9.00 a.m. - 6.00 p.m.
Thursday and Friday	9.00 a.m. - 8.00 p.m.
Saturday	9.00 a.m. - 2.00 p.m.
Sunday	Closed

This means our shop is open 54 hours a week. The staff are requested to report at 8.30 in the morning so that at opening time everything is well prepared. They also work half an hour after closing time. In all, the shop is staffed 60 hours a week.



"Does your staff work 60 hours a week?"

"No, a full-timer does 45 hours only," replied Henry. "Everybody gets half a day off every week. And on Thursdays and Fridays when opening hours are extended we work in shifts. The staff have either the morning or the evening off. On this weekly timetable you may see when every staff member is on duty."

W O R K S C H E D U L E															
STAFF	No. of hours	Mon		Tues		Wed		Thur			Fri		Sat		
		am	pm	am	pm	am	pm	am	pm		am	pm		am	pm
<i>Henry</i>	45	—	—	—	—	—		—	—		—	—	—	—	
<i>Betty</i>	45	—		—	—	—	—	—	—		—	—		—	—
<i>Joe</i>	45	—	—		—	—	—	—	—		—	—		—	—
<i>Lizzy</i>	45	—	—	—		—	—	—	—		—	—		—	—
<i>Jane</i>	45	—	—	—	—	—	—	—	—		—	—	—		
<i>Tom</i>	45		—	—	—	—	—	—	—		—	—		—	—
<i>Anne</i>	22½							—	—		—	—		—	—
<i>Sally</i>	22½					—		—	—		—	—			
No. of persons on duty		5	5	5	5	7	5	4	8	4	4	8	4	6	6

"At the bottom of the table I have noted how many of us are on duty at different times," Henry went on explaining. "We have always more customers towards the end of the week, particularly on Thursday and Friday afternoons. Therefore I have planned for the entire staff to be at work at those times. Also, on Wednesday mornings when the weekly supply of groceries is delivered I want as many as possible to be here."

"I see," said Peter, "Anne and Sally share one post as shop assistants, but actually you let them work both during the busiest hours. And neither of them is here at the beginning of the week when there is less work to do."

"That's right," agreed Henry. "If they would work at different times, I believe it would be necessary to employ one more assistant during the busiest hours."

"I have another question," said John. "Henry, you are the manager, but according to the timetable you, too, are working only 45 hours a week. Does that mean you are not always here when the shop is open?"

"That's right. I try my best to make the shop become a success so I often put in extra hours, attend meetings in the evenings and so on. But I try to get one afternoon off like the others. And I am also sometimes away on business outside the shop. Still, business must go on. Therefore, Betty acts as manager whenever I am absent. She is the senior assistant and knows everything very well. You may notice from the timetable that either one of us is always on duty."



Lizzy, Jane and Anne are mainly working as check-out cashiers. One check-out is open throughout the week. A second one is open from noon on Thursdays and Fridays and on Saturdays.

Look at the timetable. Suggest who should operate the check-outs day by day.

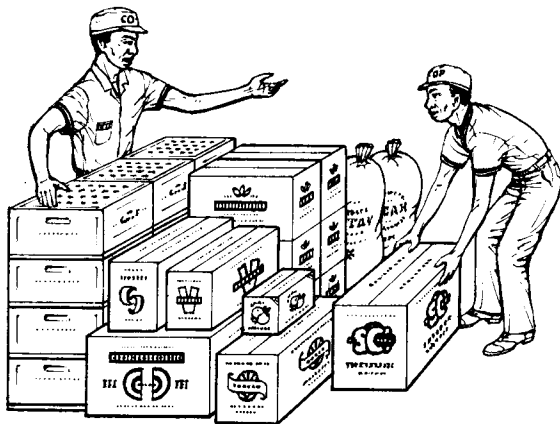
	a.m.	p.m.	evening
Monday	_____	_____	
Tuesday	_____	_____	
Wednesday	_____	_____	
Thursday	_____	_____	_____
Thursday	_____	_____	_____
Friday	_____	_____	_____
Friday	_____	_____	_____
Saturday	_____		
Saturday	_____		



Suggest how it can be arranged that cashiers working a full day can take a one-hour lunch break.



Henry has a problem: Groceries are delivered on Wednesday mornings at about 10 o'clock. He finds it difficult to finish unpacking them until lunch time. What changes in the timetable would you suggest to improve the situation?



"What do you do when somebody gets sick?" asked Peter.

"It happens quite often that one of us is absent. Usually we manage to take care of the situation so that the customers do not suffer. I take over some of the absent person's

duties myself. My office work can wait until the next day, or I can stay late and do it in the evening.

"I like to work in the shop. And I think it is important for me as the manager to maintain my practical skills on the shop floor. It is dangerous to get buried behind a pile of paper in the office. So in fact I welcome more time with the customers now and then. It is very stimulating and sometimes gives me good ideas on how to improve the shop."

"But you don't take over all duties of the absent person yourself, do you?"

"No, they are distributed among all those on duty. But I take my share. Then there are a few other ways to solve the problem: If it is a busy day and more than one is sick, I must try to get assistance. First, I call anybody who happens to be off duty, and ask her or him to come in. They will get a compensatory day off another time. I can also ask Anne or Sally to work full-time. And finally, I can call a few former employees and ask them to come in and work temporarily. one is now a housewife and another one has recently retired, and they are both usually available on very short notice.



Should a shop manager take over the duties of a sick assistant? Give your opinion on possible advantages and disadvantages.

DISTRIBUTION OF TASKS

"When there are only a few assistants working in the shop they must give priority to certain tasks. Of course, we need someone in the check-out and in the meat department, and at least one assistant should be available to assist our customers in the other parts of the shop although we have self-service."



Which tasks does Henry give priority to when there are just a few assistants in the shop?

Which are the most important tasks in your own shop?

"During the peak hours more staff are required to attend to the customers, and both check-outs must be open. And

don't forget all the other tasks in the shop - price-marking, refilling the shelves etc., to enable the customers to find the goods they want to buy.

"If we are to serve the customers efficiently, every staff member must know what he is supposed to do. I cannot run around all the time to tell everybody. What I have done is to make everybody responsible for a certain part of the shop, like this:

Groceries Non-food	-	BETTY
Check-out I Bread	-	LIZZY
Check-out II Fruits and vegetables	-	JANE
Meat department	-	JOE
Dairy goods Beverages Storeroom	-	TOM

"Betty, you are responsible for the groceries and the non-food. What does this mean?"

"In short one could say that I am to see that the goods in demand are always available and in good condition. That is, I prepare the orders, check deliveries, take care of price-marking and pre-packing, when needed. Then I look after the display, arrange it in a nice and practical way. I also clean that part of the shop where my goods are displayed.



"If a customer asks my advice, I am always prepared to give it. I try **to** learn more all the time about the goods we are selling. To help customers is the part of my job I like best."

"Do you really manage to carry out all these duties yourself

"Price-marking, pre-packing and filling up in the shop takes a lot of time. Sally and Tom are supposed to assist me in doing that. And on Wednesdays when we receive the weekly supply of groceries everybody but Lizzy and Joe gives a hand."

"Lizzy cannot help you because she cannot leave the check-out she is responsible for, isn't it?"

"Yes, her check-out is the main one. It is always open. But she is not only responsible for the cash; she also takes care of the small items displayed at the check-out like sweets and cigarettes and the wrapping material we provide to the customers. There are not many customers in the morning hours, so Lizzy is also able to look after the bread section close to the check-out."

"My check-out is open only during the peak hours and when Lizzy goes for lunch or so," said Jane. "Therefore I am able to take care of the fruits and vegetables, a rather time-consuming task. It is hard work to keep that department clean and the goods fresh. But it pays, many customers have told me they like our shop because we have such a good vegetable department."



"I can say the same of our meat department," said Joe. "It takes all my time. It is our only department with counter service so I wait on customers most of the time, giving them personal service. But like the others I am also ordering, and taking delivery of my goods. And cleaning and washing up tools and machines takes a lot of time; as you know this is very important in a meat department."



"You may notice that everybody seems to be happy with his job," continued Henry. "I believe they really get interested because they have been given certain responsibilities. Tom is still a trainee, but he is already able to take care of the dairy goods and the beverages on his own. And I have told him that he has to see to it that there is good order in the storeroom. He cleans it every Tuesday, just in time for the arrival of our main supplies."

"But since you are the manager, Henry, are you not responsible for everything in the shop?" asked John. "What does the committee think of your distributing responsibilities in such manner?"

"If you think I shirk from my responsibilities you are wrong, John," answered Henry. "If anything goes wrong I have to give an explanation to the committee. They would not accept it if I tried to blame one of my assistants. As the manager I am responsible for the organisation of work. I must make sure that an assistant is properly trained and given sufficient instructions before he is asked to take care of a certain task. And I have to make sure that everything is functioning."

"So your major tasks are to organise and supervise the work."

"That is right. But I would like to add instructing and training, two more very important tasks! I say it is better to spend several extra hours on training rather than several days on correcting mistakes due to lack of training. Then I also have office work to do. To keep records of cash, stock and staff takes time. And still I try to have time left to work in the shop. I've already told you that I take over when somebody is absent. And I often help Joe waiting on customers in the meat department. Besides him only Betty and I know how to deal with the meat."



Write down some of the advantages of the work organisation in Henry's co-operative.

"Excuse me, sir," Tom interrupted. "The milk van will soon be here and I have just prepared the dairy order for tomorrow. Would you take a look at it and sign it please."

"Sure, Tom, it is good you remembered to prepare the order before the delivery man is here. He doesn't like to wait for it and it is easy to make a mistake if you write it in a hurry.

"Let us look at the order. Just 200 of the small packets of fresh milk. Will that be enough for Friday?"



"I think so, sir. We sold more last Friday, but that was because we had run out of large packets. Some customers had to take small packets although they would have preferred the large ones. So I suggest we order more big packets and fewer small ones."

"That sounds alright, but I still think we shall order a few more of the small ones. Customers who have no refrigerator often prefer the small packets. Once a packet is opened the milk will not stay fresh for long unless it is kept cold. Let us order 220 of the small ones."

The visiting managers had just seen an example of Henry's management methods. They could see Tom knew his duty. Obviously he had been taught how and when to order. And Henry supervised the work by checking, correcting and authorising the orders. Everything seemed to work very well.



Why do you think Henry discussed the quantity of milk to be ordered with Tom before it was corrected?



Joe is responsible for the meat department and Jane for the fruits and vegetables.

Make a list of the responsibilities of a shop assistant who is in charge of a department in a self-service shop.

RECRUITMENT AND INDUCTION

"We have seen your way of organising the work, Henry, and we are all very much impressed. But I think you are lucky because your staff members seem to be so intelligent. Such an organisation would not be possible without qualified assistants such as Betty and Joe. And according to my experience such people are very hard to find nowadays."

"I shall tell you our secret: we don't find them - we make them," replied Henry with a smile. "Five years ago Betty had just finished school and knew nothing about shopkeeping. At that time we had just decided to employ a trainee. We asked the school teacher if he could recommend some reliable, service-minded graduates, good at arithmetic and quick to learn. He named two boys and three girls, whom we invited for interviews. Betty was one of three who were interested in the employment. We selected her and offered her a two-months probationary period.

"This first period was very important. Betty was very eager to learn and tried her best to do as she was told. But everything was new to her and she had a lot of questions which she hesitated to ask - she was a bit shy. At the same time we had to find out if she was suited for the job. As she knew that she was a little scared in the beginning, too.

"Bob, a former assistant, was assigned to help her and to train her. First of all he told her some practical things: her working hours, breaks, how to report when sick etc. He took her around, introducing her to the other staff and showing her everything in the shop and in the store. And I gave her a letter from the chairman in which he explained the co-operative society, its organisation, its aims and so forth.

"This is the letter we give to every new employee:

WELCOME TO OUR CO-OPERATIVE

For over a hundred years people all over the world have formed consumer co-operatives. They do so because they want to have a shop of their own where they enjoy good, honest service and good quality goods at fair prices.

You have now become a staff member of our co-operative. You are employed by us, the members of the co-operative, to serve us. We try to be good employers and abide by laws and rules, and we expect you to do the same.

If a co-operative shop is to become a success - if the members' expectations will come true - depends to a large extent on its staff. We, the members, have put up the capital needed to establish the shop and to keep a stock of goods. We request you to take good care of our property so that our money will not be wasted and the shop will be able to expand and improve.

A co-operative cannot function if every member directed the staff and told them how to run the shop. The members have therefore elected a committee which they trust to take care of their shop. The committee also has appointed a manager who operates the shop after our intentions. It is the manager who is responsible for the daily work in the shop. It is his duty to guide you in your work. Any question you may have he will be pleased to answer.

We hope you will find your new job interesting, and are looking forward to seeing you in the shop.

CHAIRMAN OF THE COMMITTEE.

"Could we please get copies of this letter," asked Peter, "we may use something similar in our societies."

"Sure. I think it contains important information. I always ask new employees to explain the differences between a co-operative and a private business, and this letter certainly helps them to understand the basic principles of a co-operative."

There are lots of things a new employee must be told about. It is very easy to forget something, and it is also common to give too much information at a time. The trainee may only remember half of it or may get mixed up. To avoid all this it is recommended to prepare a check-list for the induction of new staff:

- 1 Make a list of everything a new staff member needs to be informed about:

Working hours	Aim of the co-operative
Meal periods and breaks	Organisation of the society
Overtime	Co-operative principles
Punctuality	Committee members
Absence from work	The Co-operative Union
Leave rules	Fellow employees
Health care	Work organisation
Accidents, first aid	Competitors
Salary system	Suppliers
Allowances	The local Trade Union
Pay days	The co-operative newsletter
Insurance coverage	Staff information
Retirement fund	Staff meetings
Income tax arrangement	Suggestions
Tips and gifts	Complaints
Employee's shopping	The shop and the storeroom
Personal appearance	Keys, locking system
Rules of good conduct	Use of telephone
Disciplinary actions	Member enrolment
Personal property	Meal arrangements
Smoking restrictions	Training programme
Drinking restrictions	Promotion policy

- ② Select from this list the items which an employee must know immediately. These are to be placed under the heading FIRST DAY INFORMATION. Make sure this list will not be too long.
- ③ Under the next heading FIRST WEEK INFORMATION you put other urgent information. This list may be a little longer than the first one.
- ④ Finally you will make a list of the remaining items under the heading FIRST MONTH INFORMATION.

Henry has prepared such check-lists for all new employees in the shop. Sometimes he discovers a need for alterations which will make the lists function even better next time.



Prepare a check-list for FIRST DAY INFORMATION to new employees. Include no more than eight items.

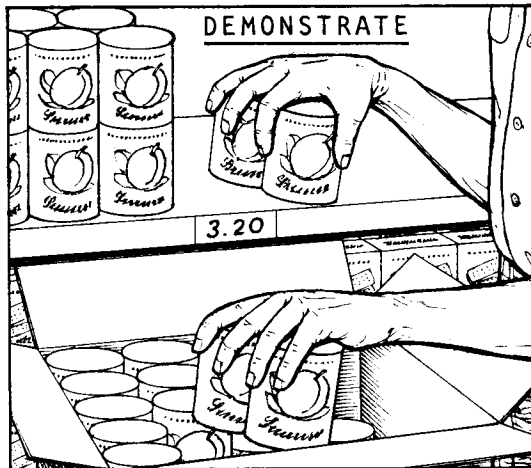
"Besides the introduction and the general information programme, the actual training begins already during the first days," continued Henry. "Betty, for instance, was instructed to perform various tasks from the very first day. Bob was her instructor. First she learned replenishing the shelves." Henry explained the instruction method they used.

First Bob did the job himself. Betty was told to watch him attentively.

Then Bob explained what he was doing, and why. He repeated the job slowly while explaining. "Clean the shelf, make space for a whole box of tins, old stock in front, check the price-marking, take two tins at a time, use both hands."

Then he allowed Betty to try herself. He encouraged her, corrected her and asked her to practice again and again.

When he saw that she had learned to do everything in a correct way he left her to practice on her own for a while.



"Thus Betty was taught how to do every small task in the shop. It took much longer than the two months probationary time, of course. But when the probation period was over we could already decide to offer her permanent employment. She liked the job and we had found that she learned it fast and well. Both we and the customers appreciated her. And this is the way in which all our employees are being introduced and instructed," Henry finished.



Make a step-by-step summary of the instruction techniques practiced by Bob. You may use the underlined words on page 28.

"It was interesting to learn how you recruit school graduates and introduce them to their job," said Peter. "Does this mean that you never look for somebody who is already qualified and experienced?"

"Of course we are happy to find an experienced shop assistant when we need one. But this is seldom the case," said Henry. "And we have found that our system with trainees has certain advantages. They learn to do things the way we like, and to know the customers and their habits very well, which is usually much appreciated by our members."

"Another advantage is that if you train somebody yourself, you really get to know his abilities. That is always a problem when you employ somebody whom you do not know. Certificates and diplomas hardly tell if somebody is able to order goods, arrange an attractive display, cut meat or do

STAFF DEVELOPMENT

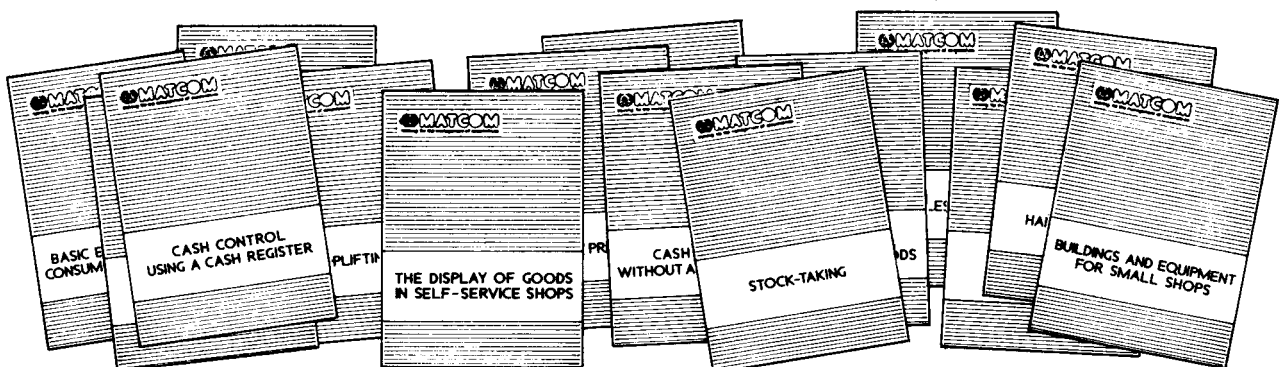
"How about further training and career development for the employees," asked Sam. "Can you tell us something more about that?"

"Certainly. Ours is a step-by-step system. The first step is the induction, which I already explained to you. It looks like this:

- Step 1 Induction
- Step 2 Basic vocational training
- Step 3 Specialised vocational training
- Step 4 Junior management training
- Step 5 Management training

Step 1: Induction

In this step you get general information about the work and the co-operative society. You are instructed how to carry out the most common tasks such as re-filling, weighing, pre-packing, price-marking, storage and cleaning. You spend most of your time practising these tasks. In addition to the practical instructions you are given some booklets - MATCOM Elements - which will help you to understand all aspects of your work. Towards the end of the period, which may range from six months to one year, you may be requested to look after a limited part of the shop like the beverage department or the dairy department.



Step 2: Basic vocational training

Here you continue the on-the-job training. You also get more booklets to study. We very much stress the importance of giving good service to our customers. Salesmanship, co-operation and display of goods are main topics. You are also supposed to study leakage, receipt of goods, ordering and basic economics. You are briefly introduced to our stock and cash control systems.

This period may take a year or more. While you learn more you are also assigned to do more advanced tasks. You attend to customers, arrange special displays, prepare orders, check the deliveries etc. When you have shown that you can manage all these tasks you are no longer a trainee but have become a shop assistant.



Step 3: Specialised vocational training

As a shop assistant you get the opportunity to specialise in various areas: either you learn everything about a special group of goods such as groceries, meat, fruits and vegetables, dairy goods, household items, clothes and so on or you learn more about cash handling and registering sales.

We agree on the field you are to be trained in. Then one of your colleagues experienced in it will be assigned as your instructor. You will work together as much as possible. If you specialise in groceries for example, you will learn about our assortment, different qualities, how to handle, store and prepare the goods. If it can be arranged, you may

be sent on study tours to some suppliers and manufacturers.

We would like all our staff to become specialists in two fields at least. And if you aspire to become a shop manager it is desirable that you have experience in most fields.

Step 4: Junior management training

Now the shop manager will introduce you to his job. You will learn stock and cash control and practice record-keeping. You will learn more about economics and budgeting, as well as organising and supervising the staff. Still you learn mainly while practicing in the shop, and you get booklets for self-studies. But you may also be sent to a short basic management course.

When you have completed this step of the training you should be able to act as manager for short periods. And, you may get an appointment as assistant manager.

Step 5: Management training

Those who show good abilities upon completion of junior management training are encouraged to do further self-studies on, for example, pricing and accountancy. Then they are sent to the co-operative college to take part in the shop managers' training programme.



"Have you completed all five steps yourself, Henry?"

"Yes, I have. Now I am helping Betty to pass the fifth step. I have explained how I calculate selling prices and now she calculates all the new prices. I just check if they are correct. In September she is supposed to attend

the shop managers' course and then I hope she will be able to take over the new branch we plan to open next year."

"And who will take over Betty's present job?"

"Oh wait, it is not yet decided that she will move. But if she does I think Jane will become responsible for the groceries and the non-food. She already has some training in that field. Joe is taking the junior management training so most likely he will take over Betty's job as acting manager when I am absent."

"I would like to ask another question," said Peter. "When you have completed the five steps you will become a shop manager. Is there any further chance of training and promotion?"

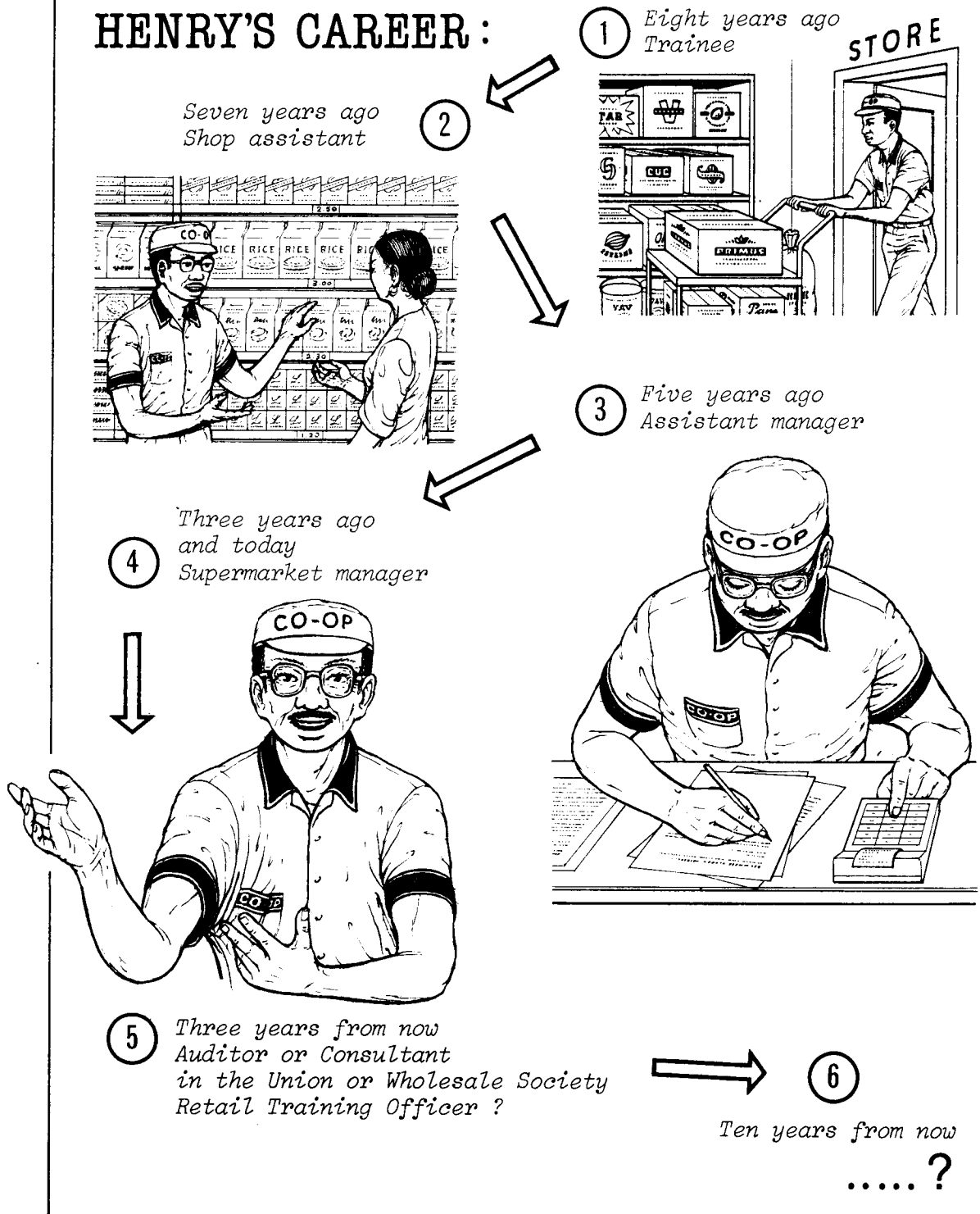
"First I must make it clear that you are not granted a job as shop manager just because you have passed the five training steps," replied Henry. "It depends more on the ability you show when given the opportunity to act as manager. And of course there must be a vacancy. And having become shop manager doesn't mean that you stop learning. I, for example, gain a lot of experience while working and I try my best to follow what is happening on the market."

"Yes, it's good to learn from your colleagues," agreed John. "For instance, I find our regular meetings very useful. This study visit to your shop has given me a lot of good ideas. We will become more experienced shop managers, but I do not see much chance of promotion for ourselves."

"I think you are wrong in your last statement, John. Since I have become shop manager the society has developed considerably. The shop is much bigger today - more goods, more staff. I think my job requires more of me, too. And next year I will take part in the establishment of the new branch. Then I shall be responsible for co-ordination between our **two** shops. I like the job and will probably stay **on** as

shop manager for some years. The society has always been a fair employer. As the shop has developed and my responsibility has grown, my salary has grown, too. Later I may try to get employment as a consultant or an auditor at the Co-operative Union or at the Co-operative Wholesale Society. I think I also have a chance to become an instructor at the Co-operative College."

HENRY'S CAREER:





Mention at least three different training methods which are used in the training programme for Henry's staff.



State briefly what you would like to tell Tom, the trainee, about his future possibilities in the co-operative society.



Staff training is an "investment". The money invested in training should be returned in the form of higher efficiency and more business. But what if an employee leaves the co-operative after the training and takes up another job? What are your comments to this problem?

STAFF RULES

"Is there anything else you would like me to show you before we finish for this time?" said Henry.

"I had a very sad experience in my shop the other day," said Sam. It was discovered that one of the shop assistants was stealing goods. He had been with us for several years and I trusted him fully, when just by accident I discovered that he did not pay for all the items he purchased himself. He was immediately dismissed, according to our policy, but frankly I felt sorry for him and at first I even hesitated to report him. How do you deal with such problems in your **society?**"

"We try to prevent them. And so far I believe we have succeeded. At least nothing has been discovered although I have a good control system. We are aware of this danger. An employee may easily think that there are so much goods in the shop that nobody will notice if he takes just a few small things. So I explain that if somebody for example takes a soft drink and doesn't pay, we shall have to sell some ten bottles extra just to compensate for the loss."

"I noticed that you are very careful when employing new staff," said John. "You always try to find out if they are honest and reliable before you employ them."

"Yes, that is very important. But we must also make sure that those who are employed will not be tempted to become dishonest. Therefore we have very strict rules for the handling of cash and goods. Everybody will learn those rules during the induction period and he will also learn which actions will be taken in case somebody breaks the rules. I shall give you some examples of our rules."

CASH HANDLING

It is the duty of the cashier to record all sales. An error in recording must be certified by the manager. All sales are against cash payment only and the customer must always be given a receipt. Cash collected must never be mixed with private money. The cash collected is to be handed over to the manager daily who will immediately make sure that the cash agrees with the recordings. Any discrepancies will be investigated carefully.

EMPLOYEE'S SHOPPING

Employees are welcome as customers in the shop and they are allowed to do their shopping during working hours at times when there is little business. But nobody is allowed to add up his own purchases or charge himself. Goods purchased by the staff should be paid for in cash. The goods are to be kept separated from other goods on a special shelf in the manager's office with their cash sale tickets attached. It is the manager's duty to make sample checks to make sure the goods agree with the amount recorded on the tickets.

Any reduced prices on damaged goods or receipt of free samples given by the suppliers must be approved by the manager.

Items consumed by an employee in the shop must be recorded and paid for in advance.

"Aren't your staff embarrassed when you check their purchases?" said Sam. "They may think you do not trust them."

"I have explained to everybody why we have to apply the control system and they know it is my duty to check. In fact I ask Betty to check for me when she is acting. The checks are accepted as normal routine because they are done frequently. I think it would be worse if they were rare."

If I suddenly started to check my staff they would get the impression that I suspected somebody."



Which are the advantages for a shop assistant of rules like the ones mentioned above?

"Do you have more rules than those you mentioned?" asked Peter.

"We have the employment conditions, that means working hours, terms of payment, leave regulations and the like. Here we have copied the model rules issued by our Co-operative Union; we just adapted them a little to fit our local conditions. They are rather detailed. This is stated about annual leave, for example:

ANNUAL LEAVE

Each employee is allowed 18 days paid annual leave, or 1.5 days per full month employed, if employed less than a year.

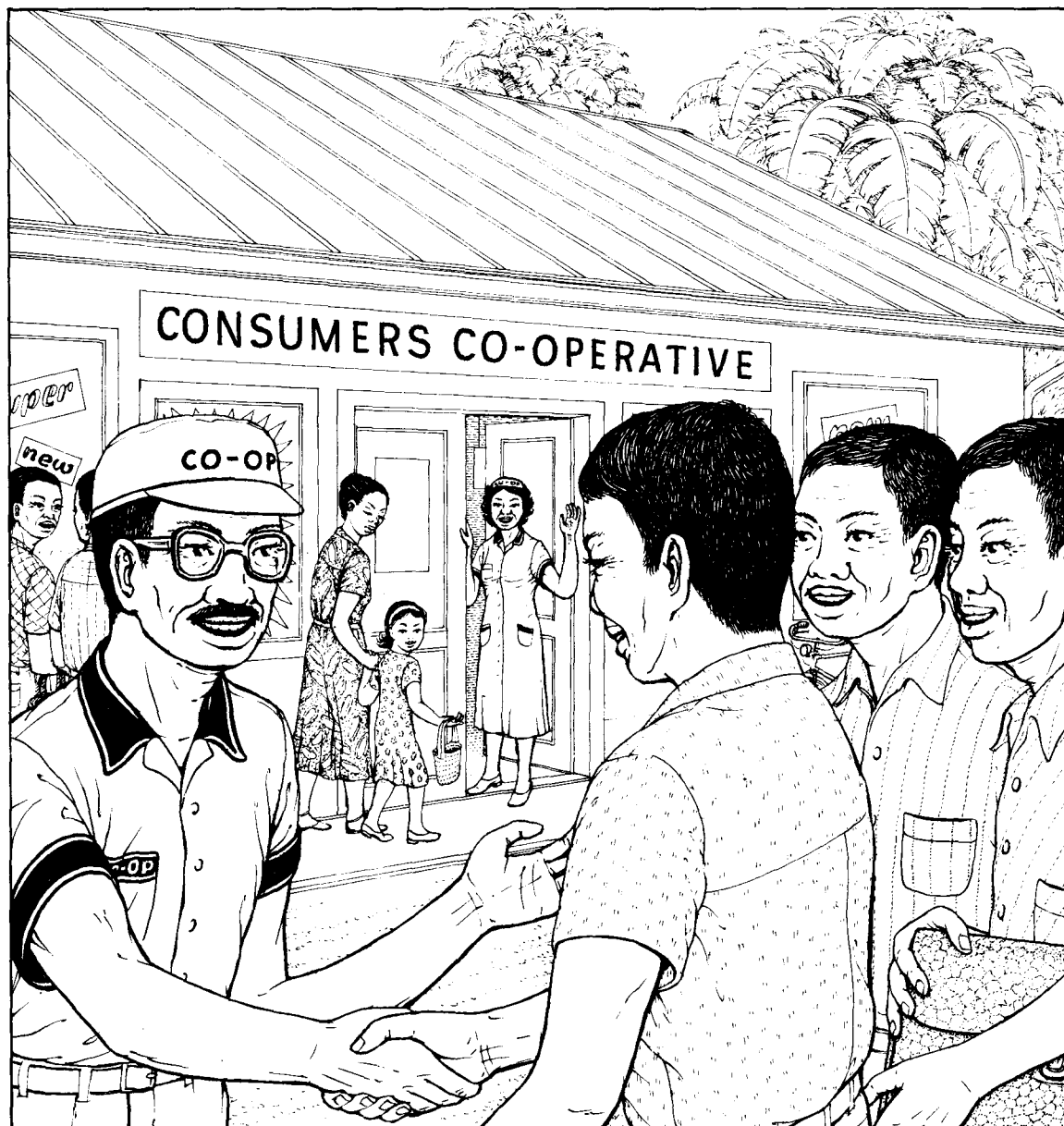
The leave is calculated at the end of each year and may be taken during the following year at a time decided by the manager. When making the leave plan the manager will as far as possible consider individual requests.

During the leave-period Sundays and holidays will not be counted as leave days. Neither will sick-days, if certified by a doctor.

At the termination of employment the employee will be paid 1/25 of his monthly salary for each accumulated unused leave day.

"The rules have been approved by the Committee and the Trade Union. I find them most useful and believe we avoid a lot of disputes because they are very clear. Of course, it is impossible to have a written rule for every question that may arise. But usually the rules can guide us how to settle the matter. It is very seldom necessary to ask the committee to decide."

"Thank you very much, Henry. I think it is time for us to return to our shops," said John. I understand better now why your co-operative is so popular both among the customers and the staff. And we have got some ideas how we shall be able to improve staff management in our shops."



"CHECK-OUT"

To prove to yourself that you have fully understood this Element, you should now go through the following exercise. Mark what you think is the right completion to each statement. If you have problems with a particular question, go back and read the corresponding chapter over again. Your teacher will later check your answers.



- 1 The most important factor when deciding the number of staff in a shop is:
 - a the location of the shop;
 - b the number of members;
 - c the amount of **goods sold**.

- 2 one way of measuring "staff efficiency" is to:
 - a compare wages with the number of employees;
 - b compare wages with sales;
 - c **compare wages** with the number of working hours.

- 3 The working hours of the staff should be planned so that:
 - a everybody's working hours coincide with the shop's opening hours;
 - b there are more staff **on** duty when there is more work to do;
 - c everybody stays on duty one hour after closing time.

- 4 In case the manager becomes ill:
 - a the shop could be closed until the committee has appointed an "acting manager";
 - b business should continue but no action should be taken in managerial matters;
 - c the staff should know what to do and one of them should be prepared to deal with urgent managerial matters.

- 5 Delegation of responsibility to staff members is done because:
 - a it is prescribed in the by-laws;
 - b the manager should have less personal responsibility;
 - c staff members get more job satisfaction and the manager gets more time for other duties.

- 6 The shop manager's main task is to:
- a keep the books and accounts;
 - b order goods and check deliveries;
 - c organise and supervise the work.
- 7 A shop assistant has been asked to take care of the hardware department of the shop. The manager:
- a has still got the overall responsibility for the hardware department;
 - b must not interfere in the management of the hardware department;
 - c should still supervise every little job in the hardware department.
- 8 Responsible for organising a new employee's on-the-job training is:
- a the shop manager;
 - b the employee himself;
 - c the committee.
- 9 On the very first day of employment, a new employee should be:
- a told how he should perform all his duties;
 - b given some practical information about his new working place;
 - c told the regulations about co-operative retailing.
- 10 When instructing a new employee to do a certain job, one should first:
- a warn him that he must not make any mistakes;
 - b let him make some mistakes on his own;
 - c demonstrate and explain how to do it.
- 11 When recruiting new staff, the most important thing is to find out about an applicant's:
- a certificates and diplomas;
 - b previous employments;
 - c actual skills, mentality and qualities.
- 12 The training of staff should be organised so that:
- a all staff receive exactly the same training;
 - b only the manager is offered formal training;
 - c work periods and formal training courses are linked up with career possibilities.

COMPLEMENTARY EXERCISES

To complete your studies of this topic you should take part in some of the following group exercises which will be organized by your teacher.



1 Staff costs - a comparison

Collect information about sales, number of employees, opening hours, working hours and the actual cost of staff wages from three or more shops. Calculate the staff costs as a percentage of sales, compare the figures and try to explain why there may be justified differences between the shops.

2 Staff costs - a development analysis

Collect information about the development of sales and staff costs over several years in one selected shop. Interview the manager and try to find reasons for variations in the staff costs from year to year.

3 Work distribution

Study and analyse work distribution and the work scheme of the staff in one selected shop. Through interviews, identify problems such as periods of under- or over-staffing, uneven work distribution, distribution of responsibilities, etc. Discuss how the problems could be solved and propose a revised plan for work distribution and a new work scheme.

4 Induction programme

Prepare a complete programme for the induction and initial on-the-job training (the first three months) for a new employee. State which information and instruction should be given, when it should be given and by whom.

5 Staff training and development

Prepare a list of all the various forms of training of shop personnel which are available in your region. Include non-formal training activities within or outside the co-operative as well as formal training courses, correspondence courses, material for individual studies, etc.

Discuss the cost and usefulness of the various activities, then select those activities which should be included in a comprehensive training programme for a new shop assistant during his first three years of employment.

6 Staff rules

a Discuss:

- for what specific matters "staff rules" are needed;
- who should be involved in the preparation of staff rules (the manager, the committee, the members, the staff?);
- how the rules should be presented and made known to those concerned.

b Draft a text for staff rules on the selected matters.

7 Motivation

Discuss how the staff of a co-operative shop can be stimulated to a good work performance:

- how to increase their interest in their tasks:
- how to make them interested in further training;
- how to ensure their continued work within the co-operative movement.

Draft a "personnel policy" for a consumer co-operative, considering the above questions.

8 To "invest in training"

Discuss the problem mentioned in the "question box" at the bottom of page 36.