Heritage + Renewal
Allianz acts from a position of strength

**Performance**
- Sequence of record profits
- World's no 1 insurer
- World's top 5 asset manager
- Solid TRS performance despite shocks

**Health**
- One of the world’s strongest brands
- Leading insurance and asset management skills
- Loyal, motivated employees
- Strengthened business models
But the world is changing fast and fundamentally – *now!*

- Digitalization and big data
- Geo-political instability
- Low interest environment
- New customer expectations
- Tightening regulation
- Demographic change
- New competitors
- Climate change
Allianz Renewal Agenda – 5 work streams

**True Customer Centricity**
- consistent delivery of great customer service experiences
- customer oriented DNA throughout the entire organization

**Digital by Default**
- an environment attractive to digital natives
- room for innovation
- sharing global digital assets instead of ‘not invented here’ syndrome

**Technical Excellence**
- best technical insurance capabilities in the market
- sharing best practices by systematic rotation of top experts and leaders

**Growth Engines**
- ‘business builders’
- entrepreneurship
- risk tolerance

**People / Cultural Change**
Allianz’ heritage is a strong foundation, but we need to further develop our blue gene
Cultural change towards Inclusive Meritocracy
What is it about?
Inclusive Meritocracy lays the cultural foundation for the success of the Renewal Agenda by reinforcing a culture where both people and performance matter.

At Allianz, *Inclusive Meritocracy* is a culture where both *people* and *performance* matter.

1. **4 x 3**
   - 4 common *people attributes* worldwide with 3 underlying *target behaviors* each

2. Establish *leadership as a profession* throughout the employee lifecycle

3. New *global performance management system* including multi-rater feedback
Inclusive Meritocracy at Allianz is based on 4 People Attributes with 3 underlying target behaviors each

- **Customer & Market Excellence**
  - We foster state of the art technical / operational knowledge and strive for continuous simplification
  - We strive for excellence at every touch point with the customer
  - We want to be the benchmark

- **Collaborative Leadership**
  - We empower the team and provide purpose and direction
  - We develop people, provide feedback and care for employee wellbeing
  - We collaborate and exchange best practices

- **Entrepreneurship**
  - We act on opportunities, anticipate trends, take risks, promote a culture that allows for failure
  - We take ownership and responsibility
  - We embrace innovation and a culture that allows to make decisions without fear of retribution

- **Trust**
  - We act with integrity, we honor our commitments and we tell the truth
  - We act transparently and promote corporate social responsibility
  - We foster diversity and inclusiveness
Leadership will be established as a profession and emphasized throughout the employee lifecycle

- Apply new standards for **recruiting** emphasizing our 4 people attributes
- Establish inspiring **onboarding experience** to integrate newcomers into the AZ network

- New **Performance Management** based on people attributes including multi-rater feedback
- Establish the **Allianz way of giving feedback** – clear, concise and regular

- Increase **mobility** for leaders and experts across OEs, geographies and functions
- Align the **leadership coaching & training curriculum worldwide** with Renewal Agenda
- Utilize **talent councils to promote** international **succession management**
- Foster **talent exchange** to enable employees to gain OE and customer-facing experience

- Improve employee **recognition programs**
- **Strengthen consequence management** – no tolerance for low performance in people leadership
A new global Performance Management system will be introduced …

**INDIVIDUAL PERFORMANCE (50%)**

- 3-5 key priorities; typically derived from Renewal Agenda
- No weighting
- Agile adjustment during year
- Quantitative and qualitative

- People Letter with 4 globally consistent People Attributes
  - Customer & Market Excellence
  - Collaborative Leadership
  - Entrepreneurship
  - Trust

- Evaluation based on target behaviors defined in People Letter and supported by Multi-Rater Feedback

**OE PERFORMANCE (50%)**

- Derived from Planning Dialogue
- Broken down / blended within OE
- Reflects performance regarding key financial targets
... and lead to the following benefits:

- Equal importance to ‘what’ and ‘how’
- ‘How’ consistently measured across Allianz
- Performance assessment without formula as leadership task
- Regular feedback for employees on their individual contribution
- More meritocracy
How do we achieve this fundamental transformation?
Know-do gap
24,000 job decisions p.a.

142,464 performance assessments p.a.
… but we need to overcome four key challenges

1. Walk the talk

2. Business to drive the change – *not HR!*

3. Simplify and overcome old patterns

4. Communicate, Communicate, Communicate (Oliver Bäte)
Heritage & Renewal