

HEALTH WEALTH CAREER

TALENT STRATEGY AN INTEGRAL PART OF BUSINESS STRATEGY AT GENERALI

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MAKE TOMORROW, TODAY  **MERCER**

GENERALI'S CONCEPTUAL FRAMEWORK



Diagnostic

Our strategic priorities

Key challenges posed by our business strategy

Our People today

Diagnostic of the starting point and benchmarking

Our readiness

Assessment of how we are aware/equipped to address these challenges

People Strategy

The People Strategy

Our value proposition, strategic streams of work, aspiration and trade-offs

The journey so far

Foundation initiatives launched, planned or carried out so far

Talent Management

HR Strategy

Implications for the activities to be carried out by the HR function

The change management plan

Communication plan to communicate / cascade the People Strategy



THE INSURANCE WORLD IS CHANGING



Main trends in Insurance

Some examples



New technologies

- **Online:** people connected will triple to 5bn by 2020
- **Telematics:** ~15% lower CoR, market will grow 3-4X in 2 years
- **Mobile/ geo-location:** Tokyo Marine sells skiing policy to clients located at ski resort
- **Multi-channel:** 20-30 points higher NPS¹ than direct, 10-20 more than agents
- **Sensors** are now installed in new cars, houses, watches, phones, ...
- **Big Data:** Climate Corporation partnered with Amazon to connect 2.5m weather stations, analyze soil type information every 2 sqm, and provide better crop policies



Demographics

- **Ageing:** people >60 will triple to >2bn by 2050. Employable people will decrease
- **Dependency:** people have less children providing them with care in old age
- **Middle class** people from 430m to 1.2bn in 2030, 2/3 growth from India and China

THE INSURANCE WORLD IS CHANGING



Main trends in Insurance

Some examples



Social

- **Communities:** clients trust friends and online communities more than agents
- **Wellbeing:** Discovery SA differentiates pricing in healthcare insurance leveraging info from a network of partners (gyms, grocery stores, clinics). Hired an expert from Ferrari to handle data



Competitive

- **Emerging markets players:** 3 out of top 10 global insurers are Chinese
- **New players / aggregators:** Google already provides quotes from 125 providers in UK
- **OEMs:** Car OEMs will install black-box in all cars, potentially selling cars with insurance
- **Apple** massively investing in innovative technologies in wellbeing / health care



Regulatory

- **Increasing requirements** and constraints (i.e. S2, GSII, Fatca, ...)
- **Push for transparency**, symmetry of information (i.e. agents commissions)
- **Standardisation of offering**

A CALL FOR ACTION: SUMMARY OF KEY EVIDENCES FROM OUR DIAGNOSIS



Our business priorities

- A sharp **step-up in People performance** is needed to hit targets
 - Need to **acquire / refocus People and capabilities** consistently with strategic direction, some important **'flows'** are to be managed
 - **Vision, Mission and Values** have to be embedded in People management strengthening Group identity, engagement and cooperation
-

A CALL FOR ACTION: SUMMARY OF KEY EVIDENCES FROM OUR DIAGNOSIS

Our People today

- An **older workforce** with a **somehow limited outside perspective**
 - Many people focused on **support and administrative activities**
 - Little diversity in **Leaders' profiles**, **limited match with the competency model**, struggle to **'live' the new matrix organisation**
 - A rather **poor pipeline** of successors and talents, lack of structured programs to attract and develop them
 - Limited **culture of performance**
 - Limited **investments** in developing our People
-

A CALL FOR ACTION: SUMMARY OF KEY EVIDENCES FROM OUR DIAGNOSIS



Our awareness / readiness

- **A clear need** of a Group People Strategy: we lack a clear strategy and it is seen as a priority
 - **Good awareness and alignment** around the priority areas, lower-than-expected focus on ‘performance culture’ and ‘rebalancing skills’
 - Need to address the above challenges also compensating some important **gaps in HR ‘infrastructure’** (governance, staff, tools)
-

HOW DOES LEADERSHIP DEVELOPMENT ENABLE GROUP STRATEGY?

The Mission of the Group Leadership Development is to **identify, develop and accelerate the careers of Global and Future leaders of Generali**, at all levels of the organisation, in order to guarantee a rich internal Leadership Pipeline for a sustainable, long-term people and business development.

Strengthen our Leaders

Constantly assess the quality of our **Global Leaders and invest in the improvement of their Leadership skills**, in order to guarantee strategy execution, employee engagement and long-term performances.

Succession Management

Implement and maintain a **solid and structured succession** plan for the key positions of the Group, making sure that successors have the development and career moves necessary in order to make it through.

Talent Management

Identify and **develop talents from the lower levels of the organisation**, in order to guarantee a **sustainable succession pipeline** and enhance the engagement of our most valued people by guaranteeing the correct development and career progression through the pyramid.

OUR GROUP PEOPLE STRATEGY IS BUILT IN THREE STAGES

1



Our **positioning** and **proposition** ...

2



... declined across our **People clusters** ...

3

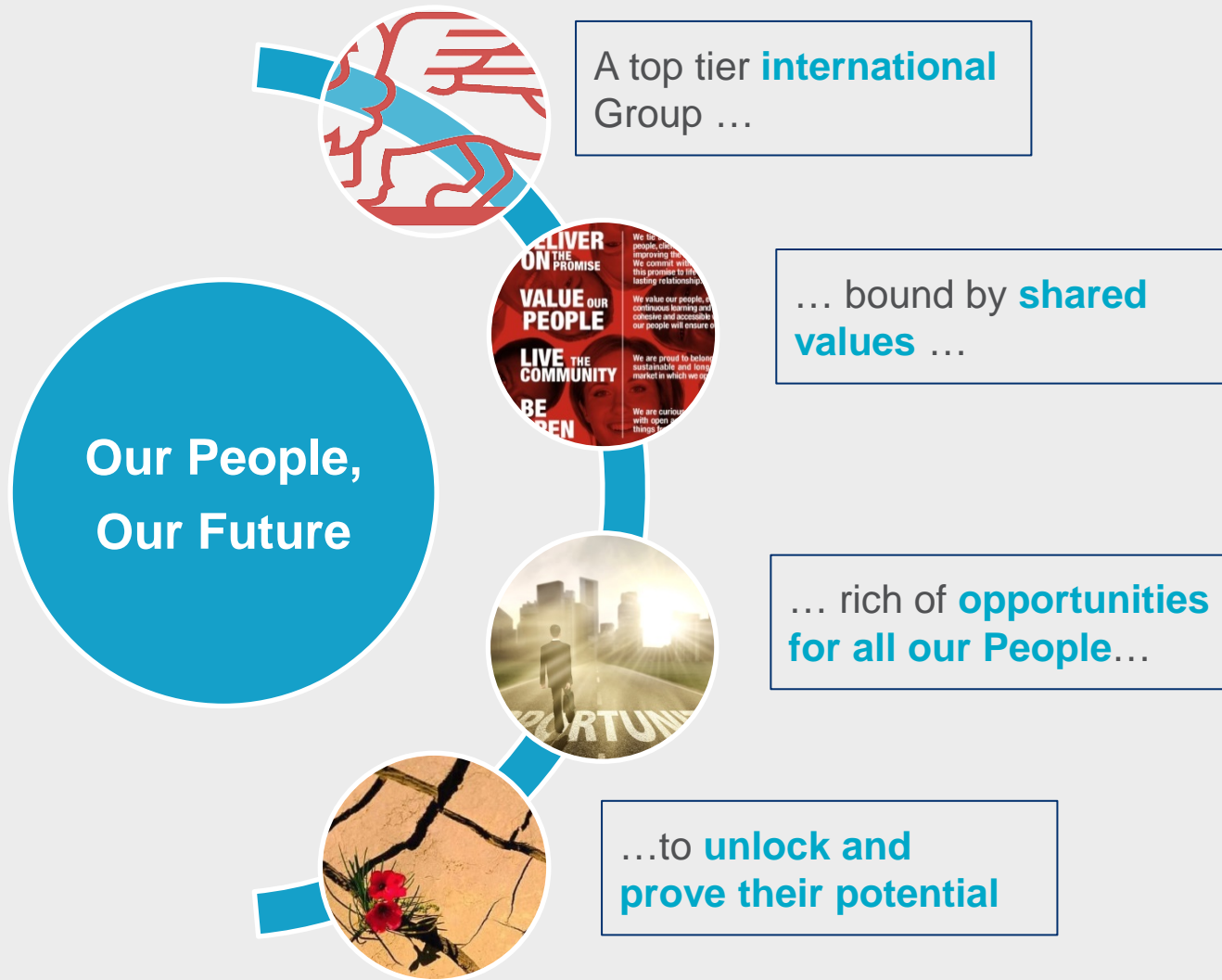


... and turned into specific **strategic streams of work**



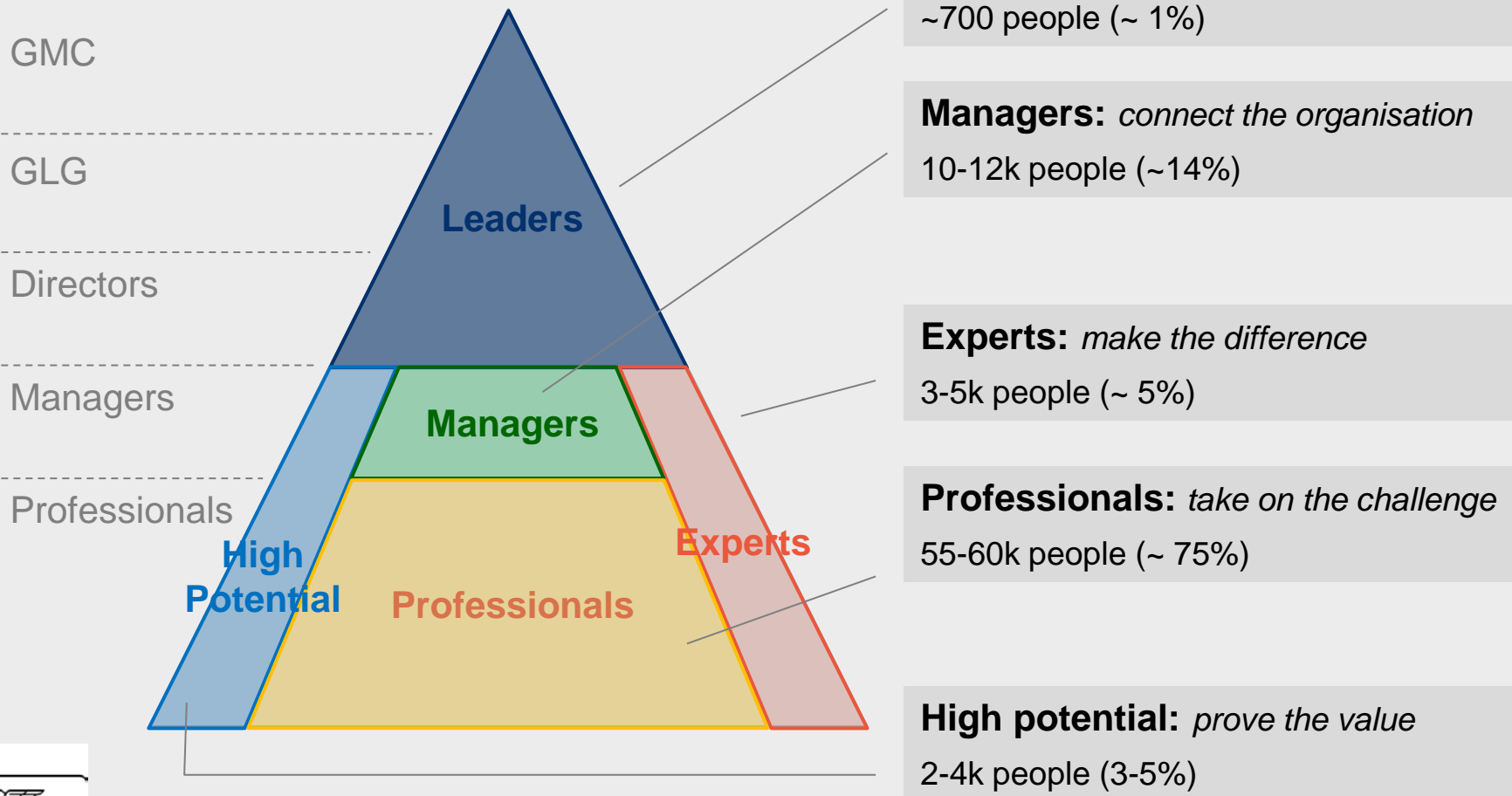
WE BELIEVE THAT OUR PEOPLE ARE OUR DIFFERENTIATING FACTOR

1 Our positioning and proposition



WE DEFINED 5 CLUSTERS OF PEOPLE TO MAKE THEM EXPRESS THEIR FULL POTENTIAL...

2 Our strategy across People clusters



... AND TO ACHIEVE THIS WE HAD TO WORK ON SEVEN STRATEGIC STREAMS

3 Strategic streams of work

A

**Strengthen
global leadership**

B

**Nurture
High Potentials**

C

**Connect the
organisation**

D

**Rebalance the skill
mix**
(strategic workforce
planning)

E

**Raise the bar,
step-up
performance**

F

**Build an experts
ecosystem**

G

**Engage People,
enhance the
workplace**

PEOPLE STRATEGY FRAMEWORK AND APPROACH

Framework



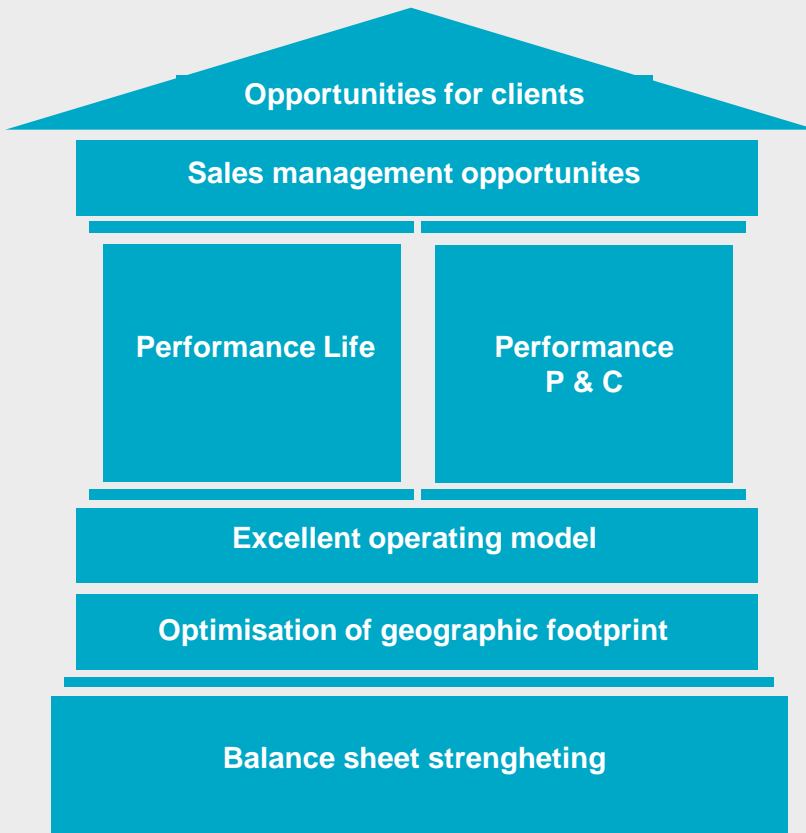
Approach

- **People strategy** is the company approach to people issues, a shared objective across functions and companies (not just the objective of the HR function)
- Most of the deliverables will be designed by HR together with other functions (internal comms, Comms, Marketing, COO, Finance..)
- All the deliverables / processes will be managed according to the governance model already discussed in GMC (we are not proposing changes in governance)
- The proposed approach will be then incorporated in the new business strategy (People strategy workstream) but some projects will be activated and delivered in 2015
- In this document we focus on key strategic initiatives that involve GHO

KEY INPUTS FOR PEOPLE STRATEGY



Former Generali Strategy ...



...and Generali 2020 Strategic directions

Customer First Choice

Re-establish our market supremacy

Keeping high level profitability

- Market supremacy in our key **mature markets**
- Strong **cash generation** and profitability
- **Customer centricity**
- Do our best in our **traditional business** segments (i.e. retail)
- Openness to **innovation** /empowerment/ risk taking
- Culture of **engagement**
- ...

GROUP TALENT AND LEADERSHIP DEVELOPMENT

FROM PEOPLE STRATEGY TO GROUP LEARNING AND DEVELOPMENT INITIATIVES FOR TALENTS

MAKE TOMORROW, TODAY

TALENT MANAGEMENT IN GENERALI

THE MISSION



- **Talent Management**, as all HR Global processes, is an integration enabler that facilitates the creation of a **unique Generali Culture and People Strategy**.
- The aim of Talent Management is to **identify, develop and accelerate the career of our most precious internal customers**, while guaranteeing a **sustainable Leadership pool** for the short and long term business growth of Generali Group.
- Investing on Talent Management in a homogeneous way, will empower HR to contribute to the business success, assigning the right people to the right job, based on a meritocratic and fair process.

THE CONTEXT OF OUR 2020 PEOPLE STRATEGY

Our Vision

Our purpose is to actively protect and enhance people's lives

Our Mission

Our mission is to be the first choice by delivering relevant and accessible insurance solutions

DELIVER
ON THE
PROMISE

LIVE
THE
COMMUNITY

VALUE OUR
PEOPLE

BE
OPEN



GENERALI LEADER OF THE FUTURE MODEL

OUR COMPETENCIES

The Competency Model is the pillar for building all Group training and development programmes

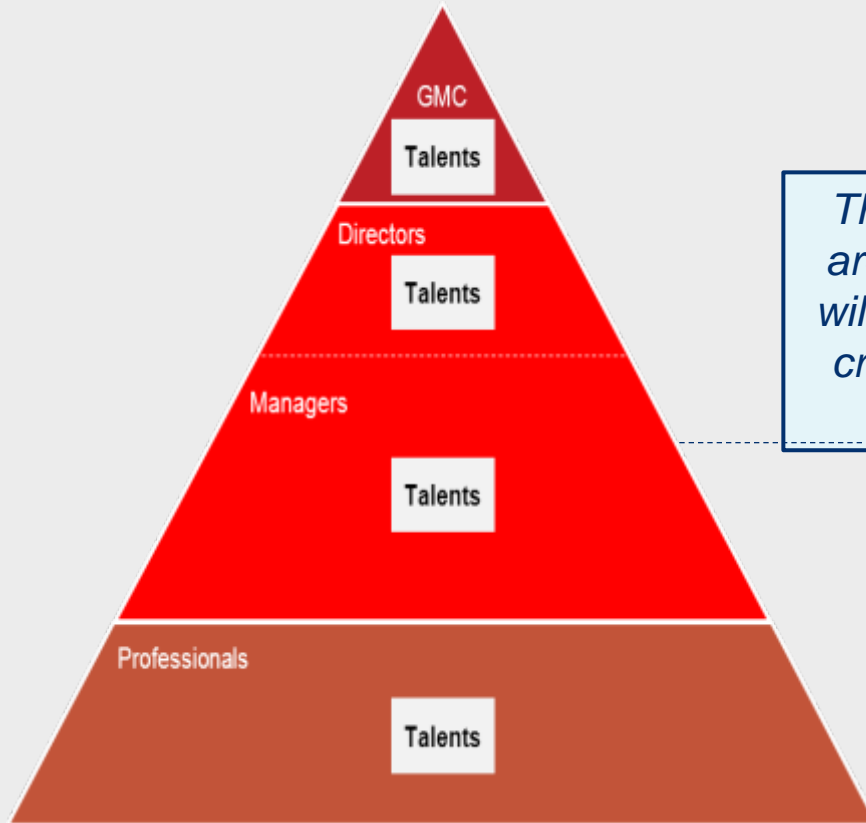


- How Generali leaders and employees are **expected to behave** in order to achieve Company’s future strategic objectives.
- A **common language** to communicate new success factors
- It is strictly **linked to Generali Group Values**

The competency model answers the question “how we should behave” while our Values explain us “why we should behave in that way”

TALENT MANAGEMENT

CASCADING THE FRAMEWORK INTO THE PYRAMID



The implementation of a common framework around performance and Talent Management will boost the mindset shift and will enable the creation of a solid talents pipeline, as well as foster talents attraction and retention

TALENT MANAGEMENT MAIN ACHIEVEMENTS

GLOBAL LEADERSHIP SERIES



Global Leadership Program
Series



Key vehicle to
build the We
Generali culture

- Link to our **values** and the **Generali Leaders of the Future model** and our **Group Strategy**.
- A mix of several development tools **as training, individual coaching, mentoring**, company visits and guest speakers and social learning platform - webinars.

280 participants to Global Leadership programmes among GLG and Successors.

TALENT MANAGEMENT MAIN ACHIEVEMENTS

GLOBAL LEADERSHIP ACCELERATOR



Strong link with
performance and
potential



- Formal senior executive **development center/assessment**, by an external provider, before entering the programmes
- **Different programmes** for GLG and successors based on their **growth potential and readiness**

150 participants in Development Center (new GLG and Successors)

TALENT MANAGEMENT MAIN ACHIEVEMENTS

WOMEN HUB



Foster our
Diversity &
Inclusion
culture



Global Leadership
Women Hub



- We offer a specific programme for **senior women (GLGs and successors)**, in order to increase the number of women in the Global Leadership Group in the future

80 Women in additional Leadership Initiatives.

TALENT MANAGEMENT AND LEADERSHIP DEVELOPMENT - OUR APPROACH

Investing on Talent Management in a homogeneous way, will empower HR to contribute to the business success, assigning the right people to the right job, based on a meritocratic and fair process.

Talent Management Approach: common Competencies, Definitions and High Level Processes

Generali Leader of the Future Model



Potential

Potential based on 3 factors:

- Competencies
- Experiential Agility
- Career Aspirations



Performance and Talent Review Process

	High	Chase switch Candidate	Growth Candidate	Exceptional Player
Mid	Question mark	Effective Player	High Impact Performer	
Low	Underperformer	Solid Performer	Trusted Performer	

Position	Employee	Performance	Retention
High	High	High	High
Mid	Mid	Mid	Mid
Low	Low	Low	Low

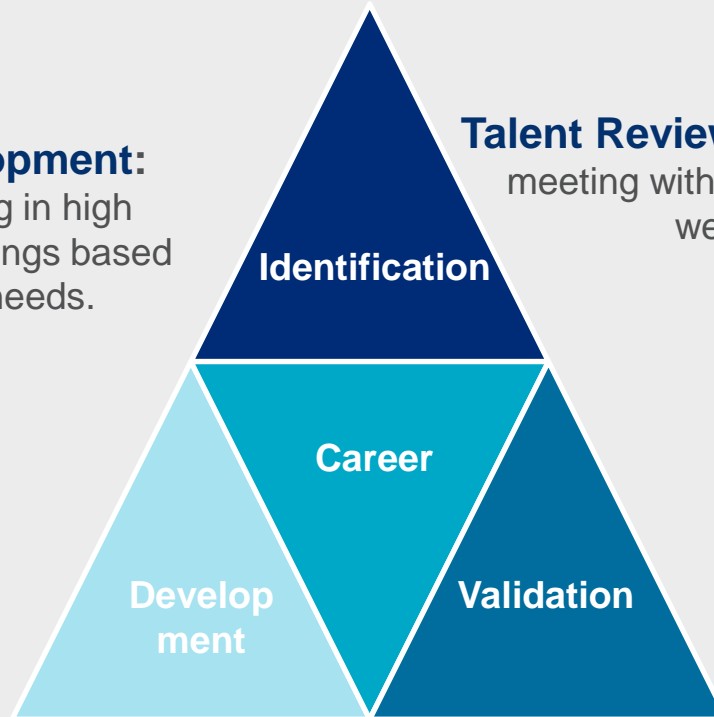
TALENT MANAGEMENT AND LEADERSHIP DEVELOPMENT-THE CYCLE



Investing on Talent Management in a homogeneous way, will empower HR to contribute to the business success, assigning the right people to the right job, based on a meritocratic and fair process.

Leadership Development:

talents are participating in high level Leadership Trainings based on their seniority and needs.



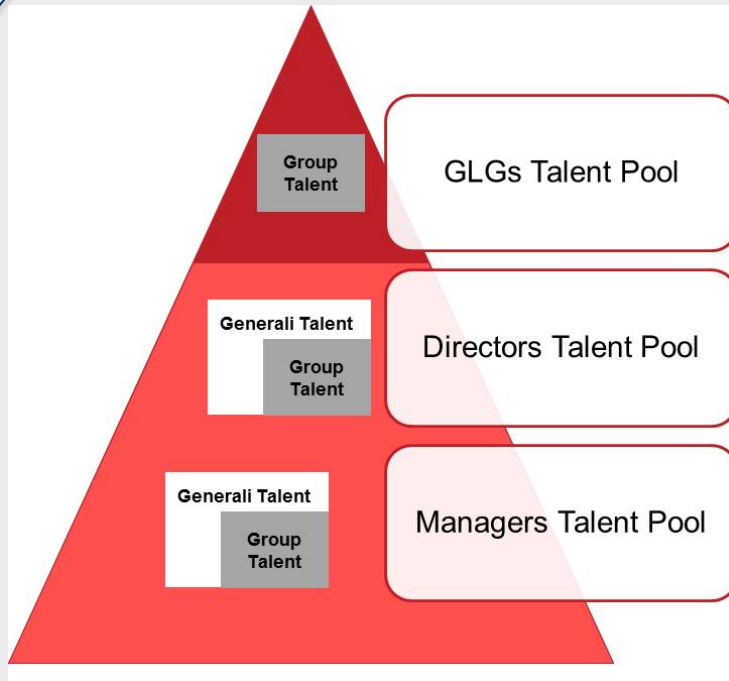
Talent Reviews: through structured meeting with the Regions/Countries we select nominations for the Group Talent Pool

Assessments: talents are assessed using internal and external assessors in order to verify their nomination

Career Paths: We will be designing career roadmaps and support the business with strategic sourcing in order to accelerate the careers of our talents

TALENT MANAGEMENT PROCESS AND FRAMEWORK

In order to foster Talent Management Culture and identify the future leadership pipeline we have introduced two clusters of Talents (**Global Talents managed centrally and Generali Talents managed locally**)



Talent Leadership Development Programmes

Talent Events / Projects

Career Fairs

SUCCESSION PLANNING FOCUS AREAS

In order to guarantee a real and successful succession management in the long term, (on top of strengthening our leaders), we need to focus on 2 key areas

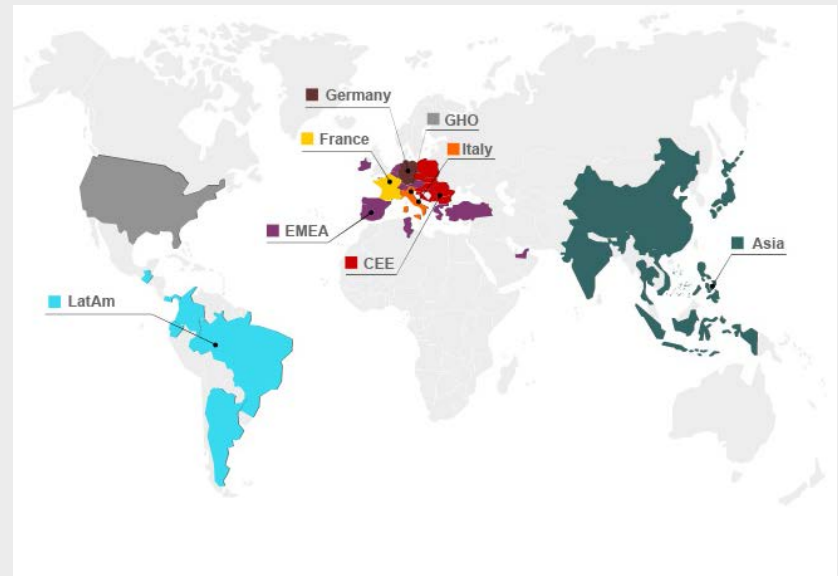
1 *Design structured career paths* in order to equip future top leaders with the experience and the real knowledge of key areas in the organisations

2 *Plan key career moves* with customized career plans for the key successors and most significant talents

3 *Work on Strategic Sourcing*, in order to have to be ready to “buy” strong leaders in the market, in the areas in which internal pipeline is particularly weak

ILLUSTRATIVE

Prerequisites	Alternative Career Paths						
<ul style="list-style-type: none"> At least one substantial international experience Proven leadership skills (Excellent Performance and Potential) Deep Technical Knowledge on the main processes and functions Values Ambassador 	Career Goal Professional Areas	Group Head of Function	CEO (big country)	Regional Head	Head of Business/ Technical Area	Head of Operations Area	Head of Finance / Risk
	Functions (CFO/ CRO)	CFO / CRO Region, big country	CFO / CRO Region, big country	CFO / CRO in HO	CFO / CRO in HO	CFO / CRO in HO	CFO / CRO Region, big country
	General Management	CEO of small country (international)	CEO of small country (international)	CEO Medium size country	CEO of small country	CEO of small country	CEO of small country (international)
	Business / Sales	Head of Business / Sales	Head of Business / Sales	CEO of small country	Head of Business / Sales	Head of Business / Sales	CFO / CRO in medium size country
	Product / Process	COO / OR / CO in medium size country	COO / OR / CO in medium size country	Head of Sales / Product	COO / OR / CO in medium size country	OR / COO / CO in medium size country	CFO / CRO Function in HO





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