

**Module: Workplace Culture and its impact on
Organisational Efficiency
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Introduction.

This report has been conducted to discuss on 'Allianz PLC', which is an insurance organisation. This report will discuss Allianz PLC workplace culture and its impact on the organisation efficiency. Workplace culture refers to grounded in commitment to shared purpose, values, mindsets, and behaviours and to do this an organisation needs to have practices and processes. One of the important factors that contribute to the quality of a workplace for employees, is the culture of that workplace and good communication is essential for a healthy work environment. Workplace culture definition in the Oxford Dictionary of Business and Management as 'the values, customs, rituals, attitudes, and norms shared by the members of an organisation, which have to be learnt and accepted by new members of the organisation'. It is important for an organisation to provide sufficient knowledge and training on the organisation to its employee to understand an organisation culture which involves having a positive behaviour towards adhering to organisation practises .To create less employer anxiety and depression a workplace needs to have a positive/healthy culture where new ideas are encouraged, mistakes are accepted as part of the learning process this will lead a workplace to increase employee satisfaction, raise motivation and lower absenteeism (Blessinger and Hrycaj, 2013).

1.Allianz PLC - PESTEL Factors

How changes in Business environment influenced or will likely influence an organisation.

Changes in an environment tends to impact all type of small to large organisations in many ways where they must adapt these changes to continue their day-to-day business. Allianz PLC specialises in all insurance and provides motor insurance to commercial business and retail customers (Allianz-Partners,2020). Providing motor insurance to the public and commercial companies helps all road users to be insured whilst driving under the road traffic act and covered for any unexpected road collisions. This report will talk an PESTEL analysis on Allianz PLC to discuss how certain changes in the environment can influence Allianz PLC. An PESTEL analysis helps to analyse all the external factors that can influence a business (Pestel Analysis, 2021).

Political Factor

Political factors in organisations are all the influences that a government has on a business, such as government policy, political stability or instability, tax policy or laws.

Insurance companies are regulated by the financial conduct authority (FCA) and Prudential regulation Authority (PRA) both are government bodies therefore policy decisions made by government affect the insurance industry (Allianz,2021). For example, government wants

more electric vehicles on the road to reduce carbon dioxide. Insurance company must increase policy premiums for vehicle that are not electric and would provide a reduced premium for Electric vehicles than other vehicles, so this then appeals to the public to buy an electric vehicle over a vehicle engine that produces carbon dioxide to support the government decision in saving the environment. Such government decisions influenced does impact the insurance company as they lose existing customers who tend to shop around elsewhere at their renewal stage due to their premium going up. Insurance companies are unable to provide a lower premium regardless of the existing stakeholder had no insurance claims, no motoring convictions, no change in health or no change in any circumstances due to government changes and policies (Allianz-Partners,2020).

Economic Factor

An economic factor can affect and influence an organisations financial status such as inflation, interest rates, exchange rates, recession, taxes, demand, and supplies (Pestel Analysis, 2021).

Allianz is an international company where they provide insurance worldwide and provide policy covers which cover you to drive in the UK and abroad.

Change of exchange rates influences the company capital when it comes to moving funds between countries as this can increase and decrease company capital.

An increase of interest rates influences the company capital investment and long-term company strategies which then impacts employee's salary increase, bonus, and increase in policy premiums which then impacts stakeholders (Allianz, 2020).

Change in Tax impacts Allianz PLC as they are a billion-pound company and if they do not pay the correct tax can face a heavy fine or have their license taken. Therefore, it is important for Allianz PLC to always pay tax accordingly and keeping up with the change in taxes in all countries.

Stakeholders who have cover to drive abroad and when get involved in a road collision and need emergency repair abroad change in exchange rates to paying out a claim in the UK can sometime be high and costly. Also, for vehicles that be involved in a major accident abroad and then needs to be repatriated back to its county can be expensive due to the tax and exchange rates of the country it is getting repatriated from.

Socio-Cultural Factor

Socio – cultural factors include beliefs, legal structure, and political ideology. Basically, it's the view of colleagues, friends, family and neighbours' opinions, attitudes, and interests.

However due to audience opinions and beliefs a company does not have to modify its company's mission statement and values (Pestel Analysis, 2021).

Allianz has a mission statement to be the world's number one insurance company and therefore prioritizes its customers making sure excellent customer service is always provided. Allianz always looks how to improve the customer journey and they do this by offering surveys to all stakeholders who call in to the service centre, web chat or email to get back feedback on the service they have received. Allianz want to create a positive socio - cultural image for its audience. Allianz want to be known as the best insurer for families and commercial companies. Customer complaints are taken seriously and prioritized with the Financial Ombudsman services (FOS) government guidelines. Too many complaints leading to the Ombudsman means a fine for the organisation therefore Allianz must have practices in place to make sure processes are followed accordingly to avoid heavy government fines. Also, Allianz requires to always focus on its company image brand therefore having a fine from the Financial Ombudsman services (FOS) would mean the insurance company is not treating customers fairly and would create a bad reputation for the brand name so that's another factor to why Allianz like to control their own complaints and resolve complaints in house soon as possible considering policy terms and conditions (Allianz, 2020).

Allianz want to create a fair service to all their stakeholders and like to make a claim journey less stressful as possible. Allianz culture is to look after employees and employee's family therefore they just don't offer employees a salary and bonus they offer employees benefit's which they can enjoy with their family such as family Bupa discounts, Salary transferred to pre-paid card cards for shopping at various retail shops before tax, reduced family life insurance, discounts for home and vehicle insurance. Offer family days out where employees can bring their families to them parks, summer parties etc

Technological Factor

Technological factors refer to new practices that can be used to make things work more effectively and swiftly (Pestel Analysis, 2021). For example, for multitude of apps, 3D printers, smart phones etc

Allianz Plc is an insurance company that has continuous research and development projects ongoing where they are trying out different practises in how the company can improve its working model to be swift and reliable (Allianz, 2020). This is for the interest of the stakeholders. Allianz investing in technology helps to reduce costs in long term for the organisation, but this can have an internal impact on Allianz working structure and employees. If technology is taking over too many employees roles this means more redundancy and employees are not stable in their job roles. Redundancy in an organisation creatives negative vibe within an organisation and employee's behaviour towards work

changes and they become less productive. Therefore, Allianz Plc must have a healthy balance between having employees and not making too many redundancies yearly therefore must critically think on what technology they invest if it's just better for the company in long term or the technology can take over the socio -cultural image which they have created. Allianz must smartly move with technology to help workload to be done swiftly but at the same time must continuously review how this can impact employees and stakeholders and if this technology will take over the brand image. Allianz must consider employees jobs are secure, so it creates a positive working environment. Having a positive working environment is crucial for a large global organisation like Allianz as negative working environment will impact the stakeholders who are the main bread and butter of the organisation.

Allianz is already using robotic systems behind its system processing. For example, the system generates numbers in a particular code order to help claim managers to manage and reduce the workload that is comes in daily. The clever robotic system generates a statement of fact which would go to brokers and insured automatically without the claims handler having to manually push a button to do this. This type of technology does not impact employees' jobs in fact works in the favour of employees helping reduce the workload. This means employees are less stressed with workload and can spend longer on the creative part of the job which a robotic system cannot take over for example assessing liability following a road collision (Allianz, 2020).

This type of technology creates good working relationship within the company. Allianz strategy is to use the new technology to be on top of work rather than be behind as this creates business not meeting its service levels and then stakeholders are not happy with the intangible service.

Environmental Factor

Environmental factors can be both internal as well external for business. Environmental factors can be cultural, technological, demographic, and economic which influences the survival of an organisation (Pestel Analysis,2021).

Environmental factors can influence an organisation to decide to move with the current climate. For example, during the Covid-19 pandemic UK had a national lockdown. Allianz had to swiftly adapt to remotely working to survive its business and meet its service level for all their stakeholders. For this they had to use the continency reserve capital pot to order all their employees with laptop and get started to work from home with the current climate.

This involved Allianz to build a new app which allowed you to access all links through a secure app to protect stakeholder's data is safe under GDPR Act (General Data Protection Regulation). Allianz had to survive its business during the unprecedented times and adapt to government legislation at the same time making sure employees working from home were

working safely under the Health and Safety act. This included all employees to take a health and safety assessment to make sure working from home is safe and comfortable. If any issue's regarding health and safety whilst working from home, then Allianz must provide them with the additional equipment regarding their health. For example, an office chair, desk, footrest, and suitable internet connection.

Allianz being a global company were able to swiftly move to remotely working with help of advanced technology apps as with advanced technology this would have not been possible and having the correct chain of suppliers in providing computer equipment's with reliable courier delivery company (Allianz-Partners,2020).

Legal Factor

Legal factors are external factors which can influence business and effect how a company operates. Legal factors include operating by law and regulations on taxation, employment, and contract. The law also effects the way stakeholders behave (Pestel Analysis, 2021). Insurance companies are likely to face challenging legal issues in the year ahead. Global Insurance company like Allianz would face challenges such as:

- Cybersecurity
- Property – Casualty claims
- Robust taking over Employee contracts
- Conducting policy for automated vehicles

With Technology taking over in the background and global companies having to move with technology to mitigate losses having a protected Cybersecurity is very crucial to protect stakeholders and organisations data not to be hacked by fraudsters. Fraudsters will keep attempting to get around this to steal data and insurance company must build a strong trustworthy Cybersecurity otherwise can face legal fines from the government if any stakeholder's data gets into third party hands without the consent of the stakeholder.

With the current weather change heavy storms, wind and rains are causing allot of disruptions to property's which are getting affected which means more claims for insurance companies as weather is unpredictable. This means going forward big global companies like Allianz must put more funds in their reserve pots for unprecedented times as they insure property around the globe.

Technology is moving fast and is beyond our imagine. Robust are taking over employee job roles which means more employees will be made redundant.

Global insurance company like Allianz taking on the Robust will benefit:

- Promoting financial stability

- Mobilizing domestic savings
- Helping to reduce or mitigate losses
- Fostering a more efficient allocation of domestic capital.

2.1 Analysis of Allianz Culture using McKenzie's 7S Model.

McKenzie's 7S model analyses a firm internal organisational design by looking at 7 key elements in order identify if they are effectively aligned and allow organization to achieve its objectives and monitor changes in the internal situation of an organisation (McKinsey & Company, 2021).

Strategy

Allianz long term strategy to become the world's number one insurance company in the world. Strategy includes to move with technology to perform swiftly to meet stakeholders demands (Allianz,2020)

Structure

Allianz Group structure is to serve these global needs by implementing global business structures within one segment. Allianz wants to be focusing on large corporate and industrial client business, and on specialty business lines such as marine and aviation (Allianz,2020).

Systems

Allianz use formal systems to communicate with all their stakeholders. Allianz have their own in-house system and use third party systems for investigation such as DVLA websites to investigate owner and keeper of a vehicle for complex claims for potential recovery from a third party. Allianz use recommended insurance systems which other insurers organisation use so its easier to exchange data with other insurance companies when looking to exchange evidence, recover claim outlay's or make payment to third party insurers (Allianz, 2020).

Shared values

Allianz like to share its financial updates with its employees, so employees have the same vision to help grow the company. Allianz belief updating employees with financial matters helps them to make their own decision to why they want to work for Allianz and if they want to be part of the growing global company. This also helps employees to be motivated to get work done properly as they are kept engaged and aware of the company financial status.

Allianz increase employees pay and bonuses when financial objectives are met to show loyalty (Allianz, 2020).

Style

Allianz management style allows all employees with delegated authority as Allianz believe allowing employees with delegated authority, they work better than micromanage individuals. Employees who are left with delegated authority tend to produce work effectively without a manager having to check on their work as they tend to understand importance of service levels and how this can impact the claims process. These employees tend to enjoy the work. Managers then can focus on individual personal developments plans on how they can get employees to progress further within the company.

Staff

Allianz Human Resources manage people and the recruitment process. This way a fair process is in place for all staff. All private and confidential matters go through the HR rather than having to discuss with your manager. Allianz HR intranet page has all policies and procedures which all employees have access to and can view this outside of work (Allianz,2020).

Skills

Allianz like to employ staff with certain skills or qualification they desire rather than employ anyone. Employing staff with similar experiences, skills or qualification creates a same level of behaviour within a workplace whereas someone who does not share the same skills or similar experience would not be able to perform swiftly. It is also important for Allianz to employ staff with relevant skills or experience so same training level can be provided whereas if they were to employ people with no relevant match that person would struggle in training and would not be able to keep up in training with rest of the class. This would then require a longer duration of training and would impact Allianz cost.

Allianz employ staff of all ages from young to old as they do not discriminate on age or genders and have a fair recruitment process within their human resource. Allianz is also known for employing staff with disability (Allianz,2020).

2.2 Factors which may enhance transformation of Allianz culture using the Lewin's 3 Step model

Kurt Lewin developed a change model involving three steps: unfreezing, changing, and refreezing. For Lewin, the process of change entails creating the perception that a change is

needed, then moving toward the new, desired level of behaviour and, finally, solidifying that new behaviour as the norm (Study.com,2003-2021).

Working as an employee within Allianz there is always change in the why we work, and we must adapt to the change whether it's taking on more work or using a different system. Adapting Lewin's 3 step Model to Allianz, Allianz are currently using this model to practise out their claim processes in which way it works effectively.

Allianz Birmingham centre first used to deal with insureds claim and pass on to Trivandrum to offer service to third party non fault claims. However, Trivandrum offering third party services was not working therefore Allianz trained all Birmingham staff on how to offer service to Third party non fault claims and trailed this out to how we manage third party expectations. Upon review it showed claims were getting managed more effectively and adequate reserve were placed to deal with third party non fault claims. Management then decided to keep the full third-party process claims in Birmingham and now it is the normality to deal with insureds claim and third party non fault claim in Birmingham by one case handler.

The change effected employees with more responsibility and more work on one file where this was shared previously but keeping both files in Birmingham centre however, we get used to this as see this as the normality now. Having both party claims in Birmingham we were able to monitor claim spend and file duration more effectively which benefits from mitigating losses.

3.Ethical Dilemma- Allianz

Ethical dilemmas are situations in which there is a difficult choice to be made between two or more options, neither of which resolves the situation in a manner (Oxford Language,2021). For example, someone leaving their job to help support her mum who is going through stress to fulfil a sense of duty.

Ethical dilemma Allianz could face is making more redundancy across the business to replace employees with robust. In long term Allianz are helping to reduce or mitigate losses as robust do not make human errors and working pace will meet the service levels for their stakeholders (The New Social Worker,2021). Allianz could face ethical dilemma when deciding liability between an automated vehicle and a manual vehicle driver. Allianz could say Automated vehicle was proceeding correctly and likely manual vehicle driver has caused the accident due to fact no gain for the automated vehicle as no personal injury claim to be presented. However, it could be the case depending on the manufacturer or the maintenance of the automated vehicle could have defeats which could have been the cause to the collision. However due to technology being accurate after several test done in labs

Allianz would have no choice and to hold manual vehicle driver at fault for the cause of the accident.

Allianz could face ethical dilemma to how much they should put in their reserve pot for property claims yearly due to unexpected weather around the world. This could impact employees getting less bonuses yearly due to most of the profit having to be reserved for property claims. This dilemma could lead experienced employees to move to a different insurance company due to getting less bonuses regardless company making profit as no gain for employees in long term.

This will then lead Allianz to keep having to recruit new staff and train new staff which would be costive for the organisation (JIK,2021).

Conclusion

There are various factors impact a workplace culture and it's hard for a company to make decisions when it comes to choosing technology over culture.

The pace of change and overload of information in the insurance sector has made it even more vital to connect with all staff within the organisation through exchange of information. Electronics communication systems in place has made employees feel more connected and committed to the organisation, and management can structure their own communication programs for their staff (Blessinger and Hrycaj, 2013). Allianz continue to choose technology over a workplace culture as they are already replacing robust systems to take over certain workload and it won't be long until the robust will able to do more and the quantity of handlers will not be required therefore there will be redundancy in that field.

Also, a workplace culture is created on the benefit's a company provides to its employees. Allianz provide long term benefits for example provide annual bonuses instead of monthly which means employees would stay longer with the company to get the bonus whereas if Allianz was to offer monthly bonuses, then more likely employees would easily leave job. Allianz provided annual family discounts which also creates a working culture for employees benefiting in long term. Companies who don't offer long term benefits in my opinion get more staff turnover compared to companies who provide long term benefits

Recommendations

Recommendation for Allianz not to offer insurance to the property market in countries where the weather can be unpredicted as these areas boom up the claim spend, and this then impacts stakeholders and employees. Allianz are continuously using new technology to help manage workload however recommendation would be to monitor the level of work the robust system is producing behind the scenes and provide more of a clear strategy to its employees in which area of the job role technology is likely to take over as this will build trust

and loyalty to its employees rather than employees feeling uncertain regarding job security in the long term.

Allianz HR to invest on employees on few short-term perks to keep the positive vibe within a workplace. Also, recommend Allianz to give employees the maximum possible control over their physical environment and individual work schedules, this will allow individual employees to grow in their job and learn about other departments, providing them with a possible career path within the organisation (Blessinger and Hrycaj, 2013).

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